

## Auctions in September and foreign borrowing

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### **AUCTIONS OF DOMESTIC GOVERNMENT BONDS**

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Recently, the issuance of domestic government bonds by tap has been supplemented with auctions of the domestic key on-the-run issues. The experience of having a part of the issuance take place by auctions has been positive. This includes several market participants noting that the auctions improve the level of transparency in the Danish government bond market.

In light thereof, the Government Debt Management will use auctions on a more regular basis in the remaining part of 2009. However, there will also be continued issuance of government bonds by tap.

At the beginning of the month, the dates for planned auctions in the coming month will be announced. No later than three trading days prior to the auctions, information about the auctioned bonds will be announced. The auctions depend on stable market conditions.

#### **Auctions in September**

In September 2009 auctions of Danish government bonds will be held on Thursday 10 September and Tuesday 29 September. The sale will be settled Tuesday 15 September and Friday 2 October respectively.

#### **Auction 10 September**

On 10 September 2009 the government bond 4 per cent Bullet loans 2019 will be auctioned. At the auction the total sale will not exceed DKK 5 billion at nominal value.

The sale will commence via MTSDenmark's auction system with primary dealers as counterparts. As from the opening of MTSDenmark bids can be submitted until 10.30 CET. Subsequently, a cut-off price will be fixed as quickly as possible and within 10 minutes at the latest. Bids at the cut-off price or above will be accommodated at the cut-off price. A pro-rata allocation of bids at the cut-off price may be applied.

Terms of borrowing can be viewed on [www.governmentdebt.dk](http://www.governmentdebt.dk) under Investor relations.

## **FOREIGN BORROWING IN THE REMAINING PART OF 2009**

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Central-government foreign debt is raised in order to maintain an adequate foreign-exchange reserve. Foreign redemptions will as a general rule be financed through issuance in foreign currency. In light of the financial crisis, the contribution from government borrowing to the foreign-exchange reserve has been increased. In 2009 the central-government's net issuance of foreign debt has been DKK 27 billion.

Due to the recent months increase in the foreign-exchange reserve it is no longer the intention to refinance the remaining redemption of foreign debt in 2009 as otherwise announced in *Danish Government Debt Management Policy - Strategy 2nd half of 2009* of 12 June 2009.

It remains the intention to maintain the present outstanding amount in the central-government's Commercial Paper programmes in order to ensure sufficient liquidity in the programmes.

### **Further information**

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