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## FOREIGN EXCHANGE AND LIQUIDITY AND MONTHLY BALANCE SHEET, MAY 2016

### THE FOREIGN-EXCHANGE RESERVE

In May 2016, the foreign-exchange reserve increased by kr. 23.4 billion to kr. 426.9 billion. The increase reflects Danmarks Nationalbank's net purchase of foreign exchange for kr. 23.5 billion, and the central government's net repayment of foreign debt for kr. 0.1 billion, cf. table 1.

In May, Danmarks Nationalbank's net purchase of foreign exchange due to intervention in the foreign-exchange market amounted to kr. 23.6 billion.

DANMARKS NATIONALBANK'S NET FOREIGN-EXCHANGE  
PURCHASES AND THE CHANGE IN THE FOREIGN-EXCHANGE RESERVE – TABLE 1

Kr. billion	May 2016	January-May 2016
Danmarks Nationalbank's interventions* to purchase foreign exchange,	23.6	7.6
Other** .....	-0.1	0.3
Danmarks Nationalbank's net foreign-exchange purchases	23.5	7.9
The central government's net foreign borrowing***.	-0.1	-18.5
Change in the foreign-exchange reserve .....	23.4	-10.6

Note: Details may not add because of rounding and previously published figure may have been revised. All transactions as per settlement date.

\* Intervention takes place when Danmarks Nationalbank purchases and sells foreign exchange for Danish kroner in the foreign-exchange market in order to stabilise the exchange rate.

\*\* Comprises e.g. interest accrued on the foreign-exchange reserve, the central government's net payments in foreign exchange, EU-payments, and changes in the banks' deposits in euro-denominated accounts at Danmarks Nationalbank.

\*\*\* Including net payments to the central government in foreign exchange as a result of currency swaps.

### DEVELOPMENT IN LIQUIDITY

In May, the central government's net financing requirement amounted to kr. 2.7 billion. Since the turn of the year, the central government's net financing requirement has been kr. 2.1 billion, cf. table 2.

The net position of the banks and mortgage-credit institutes vis-à-vis Danmarks Nationalbank increased by kr. 20.1 billion in May, to an outstanding amount of kr. 130.6 billion. In May, Danmarks Nationalbank's net foreign-exchange purchases increased the net position by kr. 23.5 billion.

IMPACT OF VARIOUS FACTORS ON THE NET POSITION OF THE BANKS  
AND MORTGAGE-CREDIT INSTITUTES VIS-À-VIS DANMARKS NATIONALBANK – TABLE 2

Kr. billion	May 2016	January-May 2016
The central government's net financing .....	2.7	2.1
Redemption on domestic central-government debt *	0.0	0.0
Other** .....	5.1	24.5
The central government's gross domestic financing requirement	7.8	26.6
The central government's gross domestic borrowing***	11.1	46.5
The central government's liquidity impact .....	-3.4	-19.9
Danmarks Nationalbank's net foreign-exchange purchases	23.5	7.9
Danmarks Nationalbank's net bond purchases .....	0.1	-1.2
Other factors**** .....	-0.2	-1.0
Change in net position .....	20.1	-14.2

Note: Details may not add because of rounding. All transactions as per settlement date.

\* Including krone-denominated payments by the central government in currency swaps.

\*\* Comprises, *inter alia*, net bond purchases by the government funds and net collateral for the government's swap portfolio.

\*\*\* Gross long-term borrowing, net short-term borrowing and krone-denominated payments to the central government in currency swaps.

\*\*\*\* Comprises e.g. changes in banknotes and coins in circulation.

## DANMARKS NATIONALBANK'S INTEREST RATES

Since 6 July 2012 the discount rate has been 0.00 per cent, since 1 June 2012 the current-account interest rate has been 0.00 per cent, since 20 January 2015 the lending rate has been 0.05 per cent and since 8 January 2016 the rate of interest on certificates of deposit has been -0.65 per cent.

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## BALANCE SHEET OF DANMARKS NATIONALBANK 31 MAY 2016

Assets	2016	2016	2015
1000 kr.	31/05	30/04	31/05
Stock of gold.....	15,490,447	15,490,447	15,707,167
Foreign assets.....	396,438,540	374,484,922	626,241,213
Claims on the International Monetary Fund.....	17,402,772	17,402,895	18,000,734
Claims related to banks' and mortgage credit institutes' TARGET accounts in ECB.....	38,869	44,676	28,575
Monetary-policy lending.....	-	-	207,836
Other lending.....	2,859,784	2,431,023	3,451,771
<i>Banks<sup>1)</sup></i> .....	2,831,493	2,402,125	3,416,861
<i>Misc. loans</i> .....	28,291	28,898	34,910
Domestic bonds.....	32,823,207	32,731,209	32,888,216
Financial fixed assets, etc. ....	781,473	781,473	802,211
Tangible and intangible fixed assets .....	699,475	703,418	756,739
Other assets.....	1,184,918	1,300,935	2,436,604
	467,719,485	445,370,998	700,521,066

1) Including loans financing decentralised banknote holdings.

Liabilities	2016	2016	2015
1000 kr.	31/05	30/04	31/05
Banknotes.....	64,193,686	63,483,993	62,987,984
Coins.....	5,961,577	5,931,401	5,876,078
Monetary-policy deposits.....	130,584,883	110,522,949	308,063,916
<i>Net current accounts</i> .....	30,287,883	29,855,949	165,968,916
<i>Certificates of deposit</i> .....	100,297,000	80,667,000	142,095,000
Other deposits.....	16,287,301	16,480,367	13,096,976
<i>Deposits related to banks' and mortgage credit ...     institutes' TARGET accounts in ECB</i> .....	38,869	44,676	28,575
<i>Other deposits from banks' and .....     mortgage credit institutes'</i> .....	91,558	313,674	13
<i>Misc. deposits</i> .....	16,156,874	16,122,017	13,068,388
Central government.....	159,377,879	156,010,247	225,289,506
Foreign liabilities.....	2,411,149	3,838,722	1,061,652
Counterpart of Special Drawing Rights allocated by the IMF (SDR).....	14,507,188	14,507,188	13,575,439
Other liabilities.....	3,511,894	3,712,203	2,413,093
Capital and reserves.....	70,883,928	70,883,928	68,156,422
	467,719,485	445,370,998	700,521,066