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FOREIGN EXCHANGE AND LIQUIDITY AND MONTHLY BALANCE SHEET, JUNE 2016

THE FOREIGN-EXCHANGE RESERVE

In June 2016, the foreign-exchange reserve increased by kr. 25.4 billion to kr. 452.3 billion. The increase reflects Danmarks Nationalbank's net purchase of foreign exchange for kr. 25.5 billion, and the central government's net repayment of foreign debt for kr. 0.1 billion, cf. table 1.

In June, Danmarks Nationalbank's net purchase of foreign exchange due to intervention in the foreign-exchange market amounted to kr. 25.2 billion. The majority of the interventions took place prior to the United Kingdom's referendum on 23 June on European Union membership.

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

| Kr. billion | June 2016 | January-June 2016 |
|--|-----------|-------------------|
| Danmarks Nationalbank's interventions* to purchase foreign exchange, | 25.2 | 32.8 |
| Other** | 0.3 | 0.6 |
| Danmarks Nationalbank's net foreign-exchange purchases | 25.5 | 33.3 |
| The central government's net foreign borrowing*** | -0.1 | -18.6 |
| Change in the foreign-exchange reserve | 25.4 | 14.8 |

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 June, the central government's net financing requirement amounted to kr. -8.5 billion. Since the turn of the year, the central government's net financing requirement has been kr. -6.5 billion, cf. table 2.

The net position of the banks and mortgage-credit institutes vis-à-vis Danmarks Nationalbank increased by kr. 12.6 billion in June, to an outstanding amount of kr. 143.1 billion. In June,

Danmarks Nationalbank's net foreign-exchange purchases increased the net position by kr. 25.5 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 | June 2016 | January-June 2016 |
|---|-----------|-------------------|
| The central government's net financing | -8.5 | -6.5 |
| Redemption on domestic central-government debt* | 0.0 | 0.0 |
| Other** | 4.2 | 28.7 |
| The central government's gross domestic financing requirement | -4.4 | 22.3 |
| The central government's gross domestic borrowing*** | 8.4 | 54.9 |
| The central government's liquidity impact | -12.7 | -32.6 |
| Danmarks Nationalbank's net foreign-exchange purchases | 25.5 | 33.3 |
| Danmarks Nationalbank's net bond purchases | 0.2 | -1.0 |
| Other factors**** | -0.4 | -1.4 |
| Change in net position | 12.6 | -1.7 |

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 30 JUNE 2016

| Assets | 2016 | 2016 | 2015 |
|--|------------------|------------------|------------------|
| 1000 kr. | 30/06 | 31/05 | 30/06 |
| Stock of gold..... | 15,490,447 | 15,490,447 | 15,707,167 |
| Foreign assets..... | 420,919,571 | 396,438,540 | 594,123,902 |
| Claims on the International Monetary Fund..... | 17,399,556 | 17,402,772 | 17,946,985 |
| Claims related to banks' and mortgage credit institutes' TARGET accounts in ECB | 91,237 | 38,869 | 3,059,826 |
| Monetary-policy lending..... | 1,200,000 | - | 980,415 |
| Other lending..... | 2,776,067 | 2,859,784 | 2,724,282 |
| <i>Banks¹⁾</i> | <i>2,747,146</i> | <i>2,831,493</i> | <i>2,688,749</i> |
| <i>Misc. loans</i> | <i>28,921</i> | <i>28,291</i> | <i>35,533</i> |
| Domestic bonds..... | 33,011,755 | 32,823,207 | 32,937,129 |
| Financial fixed assets, etc. | 781,473 | 781,473 | 802,211 |
| Tangible and intangible fixed assets | 699,674 | 699,475 | 758,768 |
| Other assets | 1,304,492 | 1,184,918 | 2,027,542 |
| | 493,674,272 | 467,719,485 | 671,068,227 |

1) Including loans financing decentralised banknote holdings.

| Liabilities | 2016 | 2016 | 2015 |
|---|--------------------|--------------------|--------------------|
| 1000 kr. | 30/06 | 31/05 | 30/06 |
| Banknotes | 64,386,461 | 64,193,686 | 62,574,653 |
| Coins | 5,997,647 | 5,961,577 | 5,930,291 |
| Monetary-policy deposits | 144,343,033 | 130,584,883 | 296,948,202 |
| <i>Net current accounts</i> | <i>25,279,033</i> | <i>30,287,883</i> | <i>159,861,202</i> |
| <i>Certificates of deposit</i> | <i>119,064,000</i> | <i>100,297,000</i> | <i>137,087,000</i> |
| Other deposits | 16,416,078 | 16,287,301 | 15,871,355 |
| <i>Deposits related to banks' and mortgage credit. institutes' TARGET accounts in ECB</i> | <i>91,237</i> | <i>38,869</i> | <i>3,059,826</i> |
| <i>Other deposits from banks' and</i> <i>mortgage credit institutes'</i> | <i>118,697</i> | <i>91,558</i> | <i>13</i> |
| <i>Misc. deposits</i> | <i>16,206,144</i> | <i>16,156,874</i> | <i>12,811,516</i> |
| Central government..... | 172,104,571 | 159,377,879 | 204,010,482 |
| Foreign liabilities | 1,522,594 | 2,411,149 | 1,522,258 |
| Counterpart of Special Drawing Rights allocated by the IMF (SDR)..... | 14,507,188 | 14,507,188 | 13,575,439 |
| Other liabilities | 3,512,772 | 3,511,894 | 2,479,125 |
| Capital and reserves | 70,883,928 | 70,883,928 | 68,156,422 |
| | 493,674,272 | 467,719,485 | 671,068,227 |