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## Foreign Exchange and Liquidity and Monthly Balance Sheet, January 2012

### THE FOREIGN-EXCHANGE RESERVE

In January 2012 the foreign-exchange reserve increased by kr. 0.7 billion to kr. 492.6 billion. The increase reflects Danmarks Nationalbank's net purchase of foreign exchange for kr. 1.2 billion, and the central government's net repayment of foreign debt for kr. 0.4 billion, cf. table 1.

In January, Danmarks Nationalbank has not intervened in the foreign exchange market.

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

Kr. billion	January 2012
Danmarks Nationalbank's interventions* to purchase foreign exchange, net .....	0.0
Other** .....	1.2
Danmarks Nationalbank's net foreign-exchange purchases .....	1.2
The central government's net foreign borrowing*** ..	-0.4
Change in the foreign-exchange reserve .....	0.7

Note: Details may not add because of rounding.

\* 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, 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.

### VALUE ADJUSTMENT OF THE FOREIGN-EXCHANGE RESERVE FOR 2011

Danmarks Nationalbank has undertaken a value adjustment of the foreign-exchange reserve. The adjustment has led to net write-up of the foreign-exchange reserve by kr. 10.2 billion, so that at the end of 2011 the foreign-exchange reserve was kr. 491.9 billion.

## DEVELOPMENT IN LIQUIDITY

In January the central government's net financing requirement amounted to kr. 12.7 billion, cf. table 2.

The net position of the banks and mortgage-credit institutes vis-à-vis Danmarks Nationalbank increased by kr. 7.6 billion in January, to an outstanding amount of kr. 156.8 billion. In January transactions by the central government increased the net position by kr. 3.6 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	January 2012
The central government's net financing .....	12.7
Redemption on domestic central-government debt <sup>*</sup> ...	1.9
Other <sup>**</sup> .....	-0.3
The central government's gross domestic financing requirement .....	14.3
The central government's gross domestic borrowing <sup>***</sup> .....	10.8
The central government's liquidity impact .....	3.6
Danmarks Nationalbank's net foreign-exchange purchases .....	1.2
Danmarks Nationalbank's net bond purchases .....	-0.2
Other factors <sup>****</sup> .....	3.1
Change in net position .....	7.6

Note: Details may not add because of rounding.

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

\*\* Comprises, *inter alia*, net bond purchases by the Social Pension Fund, the High-Technology Foundation and the Financing Fund for increased distributions from the Danish National Research Foundation.

\*\*\* 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 9 December 2011 the discount rate has been 0.75 per cent. Since 16 December 2011 the current-account interest rate has been 0.25 per cent, the lending rate has been 0.70 per cent and the rate of interest on certificates of deposit has been 0.30 per cent.

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## BALANCE SHEET OF DANMARKS NATIONALBANK 31 JANUARY 2012

Assets	2012	2011	2011
1000 kr.	31/01	31/12	31/01
Stock of gold .....	19,355,991	16,937,594	16,937,594
Foreign assets .....	452,979,390	448,036,811	396,284,973
Claims on the International Monetary Fund .....	20,545,277	20,130,777	18,309,912
Claims related to banks' and mortgage credit institutes' TARGET accounts in ECB .....	381,781	8,687,188	348,861
Monetary-policy lending .....	420,000	24,010,000	2,400,000
Other lending .....	3,549,717	4,091,151	3,734,616
<i>Banks<sup>1)</sup></i> .....	<i>3,512,396</i>	<i>4,054,490</i>	<i>3,700,346</i>
<i>Misc. loans</i> .....	<i>37,321</i>	<i>36,661</i>	<i>34,270</i>
Domestic bonds .....	33,469,167	33,498,456	31,160,767
Shares etc.....	843,229	898,708	825,562
Tangible fixed assets .....	648,591	650,479	649,935
Other assets .....	1,517,994	3,154,011	1,625,949
	533,711,137	560,095,175	472,278,169

1) Including loans financing decentralised banknote holdings.

Liabilities	2012	2011	2011
1000 kr.	31/01	31/12	31/01
Banknotes.....	54,556,661	56,686,881	54,484,918
Coins.....	5,610,622	5,719,927	5,810,980
Monetary-policy deposits .....	157,203,368	173,158,600	135,361,674
<i>Net current accounts</i> .....	<i>19,467,368</i>	<i>23,204,600</i>	<i>14,825,674</i>
<i>Certificates of deposit</i> .....	<i>137,736,000</i>	<i>149,954,000</i>	<i>120,536,000</i>
Other deposits .....	7,261,385	15,339,404	7,667,640
<i>Deposits related to banks' and mortgage credit institutes' TARGET accounts in ECB</i> .....	<i>381,781</i>	<i>8,687,188</i>	<i>348,861</i>
<i>Other deposits from banks' and mortgage credit institutes'</i> .....	<i>3,979</i>	<i>12,383</i>	<i>9,539</i>
<i>Misc. deposits</i> .....	<i>6,875,625</i>	<i>6,639,833</i>	<i>7,309,240</i>
Central government .....	219,659,183	223,510,308	184,041,700
Foreign liabilities .....	240,200	3,387,314	1,441,151
Counterpart of Special Drawing Rights allocated by the IMF (SDR) .....	13,511,271	13,252,758	13,252,758
Other liabilities.....	9,699,856	3,071,392	9,741,734
Capital and reserves .....	65,968,591	65,968,591	60,475,614
	533,711,137	560,095,175	472,278,169