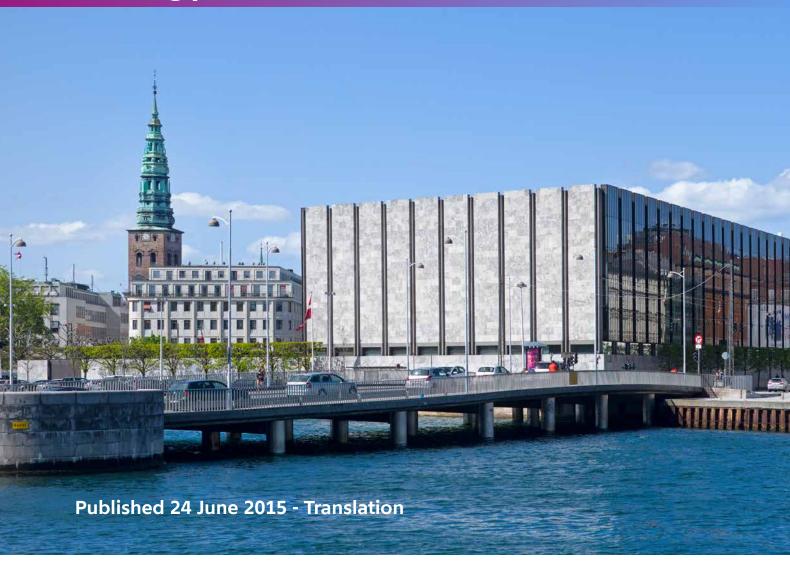
DANMARKS NATIONALBANK

DANISH GOVERNMENT DEBT MANAGEMENT POLICY

Strategy 2nd half of 2015





MAIN POINTS

- The temporary stop for issuances of government bonds remains in force. A new strategy will be announced when it is decided to resume bond issuances.
- The balance on the central government's account at Danmarks Nationalbank is more than sufficient to cover the financing requirement until end-2015.
- The government conducts switch operations of Danish government bonds. Timing and choice of bonds depend on demand.
- The target for the outstanding volume in the T-bill programme is maintained at kr. 30 bn. at end-2015.

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DOMESTIC FUNDING REQUIREMENT

According to Budget Outlook 1, May 2015, the central government's domestic financing requirement in 2015 has been adjusted downwards by kr. 10 billion to kr. 125 billion, cf. Table 1. The balance on the central government's account at Danmarks Nationalbank is more than sufficient to cover the financing requirement until end-2015.

Kr. billion.	2015
Domestic net financing requirement	24
Redemptions on domestic long-term government debt, etc.	71
Outstanding volume of T-bills, beginning of year	30
Domestic financing requirement	125

DOMESTIC BORROWING

BONDS

Issuance of domestic bonds is suspended until further notice. At the beginning of the second half of 2015, benchmark bonds are unchanged relative to the 1st half of 2015, cf. Table 2.

T-BILLS

A new 6-month T-bill will be opened every third month. The next paper will be opened at the auction with value date at the beginning of September. The target for outstanding T-bills is kr. 30 billion at end-2015.

Maturity segment	Benchmark bond	Outstanding ¹ , kr. billior
Nominal bonds		
2-year segment	2.50 per cent bullet loan 2016	55.4
5-year segment	4.00 per cent bullet loan 2019	99.7
10-year segment	1.75 per cent bullet loan 2025	47.0
30-year segment	4.50 per cent bullet loan 2039	123.6
Inflation-linked bonds		
10-year inflation-linked	0.1 per cent DGBi 2023	35.7

SWITCH OPERATIONS

The government conducts switch operations of Danish government bonds. Timing and choice of bonds depend on demand.

BUY-BACKS

Buy-backs from the market can be conducted in all domestic and foreign series, although key on-the-run issues are exempted as a general rule. Buy-back may take place via auctions or on tap. In the 2nd half of 2015 monthly buy-back auctions will be held for 4 per cent bullet loans 2015.

FOREIGN BORROWING

BONDS

Issuance of foreign bonds is suspended until further notice.

COMMERCIAL PAPER

Commercial Papers can be issued.

MARKET RISK MANAGEMENT

The target for the average duration of the government debt in 2015 is maintained at 12.5 years +/- 1 year. This reflects that the expected additional cost of a high duration is assessed to be low.

¹ The duration is calculated without discounting.