

### Overview of temporary credit facilities initiatives at Danmarks Nationalbank

<i>Effective from</i>	<i>Credit facility</i>	<i>Temporary facility</i>
23 May 2008	Loan bills	<p>Danmarks Nationalbank expands the collateral basis to include a new type of securities, loan bills, which can be pledged as collateral to Danmarks Nationalbank for loans on a weekly basis. The loan bills must comply with a number of standard terms. The interest rate is initially fixed as Danmarks Nationalbank's usual lending rate plus 1 percentage point. The collateral value is calculated as the nominal value of the bills less a haircut of 10 per cent. The new credit facility initially runs until 21 May 2009.</p> <p>Under the new credit facility, banks can obtain a loan by issuing a loan bill that the lender bank or mortgage-credit institute may then pledge as collateral for credit at Danmarks Nationalbank. The Danish Financial Supervisory Authority has stated that the loan bill may be included in the statutory liquidity, cf. Section 152 of the Danish Financial Business Act, until one month before the expiry of the credit facility.</p> <p>The new credit facility was intended to support the banks' and mortgage-credit institutes' exchange of liquidity. Extensive use of the credit facility was not a criterion of success.</p>
26 September 2008	Credit facility on the basis of excess capital adequacy	<p>A new credit facility is introduced under which credit is provided to banks and mortgage-credit institutes on the basis of their excess capital adequacy, calculated as the difference between their base capital and their capital need. The new credit facility initially runs until 30 January 2009.</p> <p>Financial institutions must apply for a credit line, which is granted by the Board of Governors of Danmarks Nationalbank. The credit line is calculated as an institution's excess capital</p>

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		<p>adequacy less a margin of 1 percentage point, usually up to a limit of DKK 800 million. Every Friday, banks and mortgage-credit institutes can get 7-day loans at Danmarks Nationalbank within the credit line. The interest rate is initially fixed as Danmarks Nationalbank's usual lending rate plus 2 percentage points. The Danish Financial Supervisory Authority has stated that the credit line may be included in the statutory liquidity, cf. Section 152 of the Danish Financial Business Act, until one month before the expiry of the facility.</p> <p>The purpose of introducing the new credit facility was to ease the tight liquidity situation by providing access to credit directly from Danmarks Nationalbank, thereby preventing banks with adequate capital from incurring liquidity problems as a result of having insufficient assets that are eligible as collateral.</p>
	Temporary expansion of collateral basis	<p>The collateral basis is expanded to include shares, investment fund shares and junior covered bonds. The eligible securities must be issued by funds or corporations in the Kingdom of Denmark, registered with VP Securities, traded on OMX NASDAQ Copenhagen and denominated in Danish kroner or euro. The following valuation haircuts are applied to the market value when calculating the collateral value: 15 per cent for quoted shares and investment fund shares, and initially 5 per cent for junior covered bonds. For securities denominated in euro, an exchange-rate haircut of 3 per cent applies.</p> <p>In addition, upon request and subject to approval, the collateral basis is expanded to include unquoted shares issued by funds or corporations in the Kingdom of Denmark and denominated in Danish kroner or euro. A haircut of 20 per cent of the estimated fair value is applied when</p>

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		<p>calculating the collateral value of unquoted shares.</p> <p>The expansion of the collateral basis initially runs until 28 August 2009. The Danish Financial Supervisory Authority has stated that the securities may be included in the statutory liquidity, cf. Section 152 of the Danish Financial Business Act, until one month before the expiry of the expanded facility.</p> <p>The expansion of the collateral basis was aimed at preventing banks with adequate capital from incurring liquidity problems as a result of having insufficient eligible assets.</p>
7 October 2008	Credit facility on the basis of excess capital adequacy	<p>The credit facility on the basis of excess capital adequacy is adjusted. The requirements concerning the documentation to be submitted by financial institutions in connection with applications are amended to give institutions more time to prepare the necessary documentation. The credit facility is extended until 30 September 2010.</p> <p>The purpose of the adjustment was to facilitate the procedure for banks and mortgage-credit institutes and to provide for a speedier borrowing engagement. The facility was extended to align the expiry dates of the temporary credit facilities.</p>
	Loan bills	The interest rate for loan bills at Danmarks Nationalbank is changed to Danmarks Nationalbank's usual lending rate plus 2 percentage points. The purpose of this adjustment was to align the terms and conditions for the temporary credit facilities.
	Temporary expansion of collateral basis	The temporary expansion of the collateral basis to include quoted shares, investment fund shares and junior covered bonds without government guarantees, as well as unquoted shares

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		upon request and subject to approval, is extended until 30 September 2010. The purpose of the adjustment was to align the expiry dates of the temporary credit facilities.
11 November 2008	Loan bills	The credit facility for loan bills is extended until 30 September 2010. The purpose of this adjustment was to align the expiry dates of the temporary credit facilities.
13 March 2009	Loan bills  Credit facility on the basis of excess capital adequacy	The interest rates on credit facilities against loan bills and on the basis of excess capital adequacy are reduced to Danmarks Nationalbank's usual lending rate plus 1 percentage point.  The background was a downward trend in interest rates.
1 June 2009	Temporary expansion of collateral basis	The collateral basis is expanded to include quoted unsecured debt with a general government guarantee, cf. Section 1 of the Danish Financial Stability Act, until 30 September 2010, and quoted non-subordinated unsecured debt and quoted junior covered bonds with individual government guarantees, cf. Section 16a of the Danish Financial Stability Act, until 30 December 2013. The eligible securities must be issued by banks or mortgage-credit institutes in the Kingdom of Denmark, registered with VP Securities, traded on OMX NASDAQ Copenhagen and denominated in Danish kroner or euro. A valuation haircut of 10 per cent is applied to the market value when calculating the collateral value of the securities. For securities denominated in euro, an exchange-rate haircut of 3 per cent applies.  The purpose of the expansion was to ease the tight liquidity situation.  The valuation haircut for junior covered bonds without government guarantees is increased to

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		10 per cent. The purpose is to align the terms and conditions for credit against quoted junior covered bonds with and without government guarantees.
17 July 2009	Temporary expansion of collateral basis	<p>The collateral basis is expanded to include unquoted unsecured debt comprised by the general government guarantee, cf. Section 1 of the Danish Financial Stability Act, until 30 September 2010, and unquoted non-subordinated unsecured debt and unquoted junior covered bonds with individual government guarantees, cf. Section 16a of the Danish Financial Stability Act, until 30 December 2013. The eligible securities must be issued by banks or mortgage-credit institutes in the Kingdom of Denmark, registered with VP Securities and denominated in Danish kroner or euro. A valuation haircut of 20 per cent of the nominal value applies when calculating the collateral value, as well as an exchange-rate haircut of 3 per cent for securities denominated in euro.</p> <p>The purpose of this adjustment was to align the eligibility criteria for quoted and unquoted unsecured debt with government guarantees.</p>
	Loan bills	Loan bills are included in the temporary collateral basis, and the interest was abolished. The purpose was to align the terms and conditions for pledging of unquoted unsecured debt with government guarantees and loan bills.
15 February 2010	Temporary expansion of collateral basis	The collateral basis is expanded to include SPV bonds issued on the basis of loans with individual government guarantees, cf. Section 16a of the Danish Financial Stability Act, until 30 December 2013. The bonds must fulfil certain terms and conditions and be approved by Danmarks Nationalbank.

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		The purpose of the expansion was to ease the funding of banks and mortgage-credit institutes including smaller institutes.
8 April 2010	Credit facility on the basis of excess capital adequacy	The credit facility on the basis of excess capital adequacy is extended until 26 February 2011. With effect 1 October 2010 the interest rate is changed to Danmarks Nationalbank's usual lending rate plus 2 percentage points.
	Temporary expansion of collateral basis	The temporary expansion of the collateral basis with quoted shares, investment fund shares and junior covered bonds without government guarantees as well as loan bills and unquoted shares is extended until 26 February 2011.
26 February 2011	Credit facility on the basis of excess capital adequacy	The credit facility on the basis of excess capital adequacy expires.
	Temporary expansion of collateral basis	The temporary expansion of the collateral basis with quoted shares, investment fund shares and junior covered bonds without government guarantees as well as loan bills and unquoted shares expires.
10 August 2011	Temporary expansion of collateral basis	Danmarks Nationalbank has temporarily expanded its collateral basis such that banks and mortgage-credit institutes can pledge certain shares in jointly owned corporations. The shares in question are listed on Danmarks Nationalbank's web site. The expansion is partial reintroduction of the expansion, which was phased out in February.

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1 May 2012	Temporary expansion of collateral basis	<p>The collateral basis is temporarily expanded with government guaranteed own unsecured debt issued by Danish banks. Debt must be denominated in Danish kroner or euro.</p> <p>The collateral value of debt denominated in Danish kroner will be the nominal value of the paper. For securities denominated in euro, an exchange-rate haircut of 3 per cent applies.</p>
	Temporary expansion of collateral basis	<p>The collateral basis is temporarily expanded such that banks and mortgage-credit institutes can pledge bonds issued by companies mainly owned by a number of financial institutions jointly. Bonds can only be included in the collateral basis upon request and subject to approval. The bonds in question are listed on Danmarks Nationalbank's web site (see "List of temporarily eligible securities").</p> <p>The following valuation haircuts are applied to the market value when calculating the collateral value: 10 per cent for quoted bonds, and 15 per cent for unquoted bonds. An exchange-rate haircut of 3 per cent applies. Bonds are expected to have variable coupon rate.</p>
	Temporary expansion of collateral basis	The valuation haircut for unquoted unsecured government guaranteed debt, unquoted junior covered bonds with government guarantee and unquoted SPV-bonds, issued on the basis of loans with government guarantee, is reduced from 20 per cent to 15 per cent.
2 December 2013	Temporary expansion of collateral basis	Shares issued by companies mainly owned by a number of financial institutions jointly (sector company shares) will be omitted from the collateral basis with effect from 1 July 2014.

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30 December 2013	Temporary expansion of collateral basis	The temporary expansion of collateral basis with Junior covered bonds issued with government guarantees and SPV bonds issued on the basis of loans with individual government guarantees expires.
1 July 2014	Temporary expansion of collateral basis	The temporary expansion of the collateral basis with shares issued by companies mainly owned by a number of financial institutions jointly (sector company shares) expires.