Annual Report 2019

Danmarks Skibskredit Holding A/S · VAT No.: 38 03 64 83
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Statements and reports

Management statement

The Board of Directors and the Executive Board have today approved the Annual Report of Danish Ship Finance Holding A/S ('DSH') for the financial year 1 January – 31 December 2019.

The consolidated financial statements and the parent company financial statements for DSH have been prepared in accordance with the Danish Financial Business Act and the Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.

In our opinion, the Management report includes a fair summary of developments in the activities and financial position of the Group and the parent company and fairly describes the principal risks and uncertainties that may affect the Group and the parent company.

Further, in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2019 and of the results of the Group's and the parent company's operations for the financial year 1 January – 31 December 2019.

We recommend the Annual Report for adoption by the annual general meeting on 26 March 2020.

Copenhagen, 26 February 2020

Executive Board

Erik Ingvar Lassen
Chief Executive Officer

Lars Jebjerg Chief Financial Officer	Michael Frisch Chief Commercial Officer

Board of Directors

Povl Christian Lütken Frigast Chairman	Anders Damgaard	Michael Nellemann Pedersen

Independent auditor's report

To the shareholders of Danish Ship Finance Holding A/S (Danmarks Skibskredit Holding A/S)

Opinion

We have audited the consolidated financial statements and the parent financial statements of Danish Ship Finance Holding A/S (Danmarks Skibskredit Holding A/S) for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement and statement of comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Business Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Business Act.

Basis for the opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Business Act., and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial

statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Business Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Business Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 26 February 2020

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Kasper Bruhn Udam	Bjørn Würtz Rosendal
State-Authorised	State-Authorised
Public Accountant	Public Accountant
MNE no 29421	MNE no 40039

Management report

Company information

Company	Danish Ship Finance Holding A/S Company reg. (CVR) no: 38 03 64 83 Sankt Annæ Plads 3 DK-1250 Copenhagen K Tel.: +45 33 33 93 33 Website: www.skibskredit.dk Financial year: 1 January – 31 December Municipality of registered office: Copenhagen
Board of Directors	Povl Christian Lütken Frigast (Chairman) Anders Damgaard Michael Nellemann Pedersen
Executive Board	Erik I. Lassen Michael Frisch Lars Jebjerg
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Company reg. (CVR) no. 33 96 35 56

Main activity

Danish Ship Finance Holding A/S ('DSH') is a financial holding company, the purpose of which is to hold equity investments in Danmarks Skibskredit A/S ('DSF'). DSH has no other activities than the ownership of shares in DSF.

Financial highlights

DKK MILLION	Group				Holding			
	2019	2018	2017	2016	2019	2018	2017	2016
Net interest income from lending	503	463	553	78	(0)	(1)	0	-
Net interest income from financial activities	(72)	(23)	(47)	(2)	(186)	(186)	(182)	(28)
Total net interest income	432	440	506	76	(187)	(186)	(182)	(28)
Net interest and fee income	458	472	526	82	(187)	(187)	(182)	(28)
Market value adjustments	(197)	(135)	37	74	-	-	-	-
Staff costs and administrative expenses	(167)	(160)	(148)	(36)	(2)	(2)	(7)	(18)
Loan impairment charges	2	(35)	(163)	70	-	-	-	-
Income from investments in associated companies	-	-	-	-	186	214	273	151
Profit before tax	94	141	250	189	(4)	25	84	105
Net profit for the year	58	98	210	147	38	66	125	115
Loans	39,337	37,117	35,000	40,454	-	-	-	-
Issued bonds	47,968	43,894	42,925	42,932	-	-	-	-
Subordinate loan capital	1,979	1,968	1,957	1,946	1,979	1,968	1,957	1,946
Equity *)	1,449	1,423	1,466	1,333	1,488	1,442	1,468	1,414
Total assets	67,113	62,782	58,735	63,300	3,490	3,433	3,449	3,394

Unless otherwise indicated, the ratios were calculated in accordance with Appendix 5 of the Danish FSA's instructions for financial reports for credit institutions, etc.

*) Consolidated Group equity represents 96.2% of A-shares. The remaining A-shares and the B-shares are classified as minority interests.

Income statement

Net profit for the year in Holding was DKK 38 million against DKK 66 million in 2018, and DKK 58 million for the Group, against DKK 98 million in 2018.

Net interest and fee income were an expense of DKK 187 million for Holding and income of DKK 458 million for the Group. In 2018, net interest and fee income was an expense of DKK 187 million for Holding and income of DKK 472 million for the Group.

Market value adjustments of securities and foreign exchange, exclusively relating to DSF, generated a loss of DKK 197 million in 2019 for the Group, compared to a loss of DKK 135 million in 2018.

Staff costs and administrative expenses at 31 December 2019 amounted to DKK 2 million for Holding and DKK 167 million for the Group, compared with DKK 2 million for Holding and DKK 160 million for the Group in 2018.

Income from equity investments in Holding, corresponding to Holding's share of net profit for the year of DSF, was DKK 186 million at 31 December 2019, against DKK 214 million in 2018.

Tax on profit for the year was an income of DKK 41 million in Holding. The Group recorded a total tax expense of DKK 36 million.

Balance sheet and capital structure
Holding's total assets amounted to DKK 3,490 million at 31 December 2019, compared with DKK 3,433 million at the end of 2018.

Assets consisted mainly of investments in group enterprises in the amount of DKK 3,366 million, and liabilities were mainly subordinate loan capital of DKK 1,979 million and equity of DKK 1,488 million.

At 31 December 2019, the Group's total assets were DKK 67,113 million, of which net lending represented DKK 39,337 million and bonds DKK 25,027 million. The corresponding figures at the end of 2018 were DKK 62,782 million, DKK 37,117 million and DKK 22,470 million.

The Group's consolidated capital ratio was 18.0% at 31 December 2019, compared with 17.0% at the end of 2018.

At Group level, adequate own funds, including combined capital buffer requirements, were calculated at DKK 6,180 million at 31 December 2019, corresponding to 12.5% of the total risk exposure amount. This corresponded to excess available capital in the amount of DKK 2,731 million at the end of 2019, against DKK 2,788 million at the end of 2018.

In 2016, the Danish FSA has ruled that the tied-up reserve capital in DSF shall be included in the determination of consolidated capital adequacy at an amount corresponding to the tied-up reserve capital's proportionate share of the capital requirement.

Events since the balance sheet date
No events have occurred in the period up to the presentation of the Annual Report 2019 which materially affect the financial position presented.

However, the group is conducting due diligence regarding the purchase of new domicile. In the event of a purchase, the group expects to move during 2021, and at the same time the group will sell the current headquarters.

Results relative to outlook
While there was much that was positive in 2019, the net financial result for the Group for the year represented a fall of 41% relative to the previous year. This unsatisfactory result was entirely explained by the worse-than-expected performance of the investment portfolio, which yielded a sharply negative result for 2019 due to exceptional conditions in the Danish mortgage bond market.

Other parts of the business developed positively, in line with our expectations. We entered 2019 with a healthy pipeline of accepted loan offers, which translated into disbursed loans. This was further supported by strong client engagement, as we continued to execute on our agenda of gradually expanding lending to creditworthy shipowners, adding five new clients in 2019 and growing the loan book by 5% year-on-year.

Credit quality remained robust, as expected, with no new net loan impairment charges in 2019 and a 19% reduction in the number of problem cases.

We delivered substantial parts of our Operational Excellence programme, according to plan preparing the organisation for further sustainable growth and increasingly complex regulatory requirements, while containing operating costs.

Excluding the investment result, like-for-like net operating income matched the expectations we had previously set out for the year.

No material market impacts were observed in 2019 relating to upcoming regulations, or from the announcements by several competitors of their intent to scale back or withdraw their shipping market lending exposure.

Outlook, risks and uncertainty factors

We expect many of the positive trends from 2019 to continue in 2020:

Our expectation is for continued controlled growth of the loan book in 2020, as we hope once again to be able to welcome a small number of new clients and at the same time expand our business with existing clients. We are pleased that the higher volume of lending achieved in recent years is accompanied by positive feedback from both our new and long-standing clients.

We are similarly encouraged by the constructive dialogue with existing and new bond investors and will continue to prioritise investor engagement in 2020. We expect to be able to access covered bond markets on good terms in 2020.

We expect operating costs to remain well controlled as we continue to execute on our strategic agenda in 2020. Targeted investments in a strong future platform, such as sustainability and Operational Excellence initiatives, will continue, albeit at a reduced expense level compared to 2019.

Together, we expect these factors to underpin a robust operating performance in 2020.

We have taken steps to strengthen the investment set-up, and in a continued stable market environment we expect to see a meaningful improvement in investment performance compared to 2019.

The shipping market outlook has seen some improvement on the back of better balanced orderbooks in most segments. In 2020, we expect the overall credit quality of the loan book to remain fairly stable with a gradual reduction of NPL.

The effects of the COVID-19 virus outbreak will put a damper on growth expectations in the global economy.

The troubled Offshore sector appears to be gradually stabilising, although this is a slow process. We nevertheless expect that existing non-performing loans to clients in the Offshore sector will remain troubled in 2020 and beyond with an attendant risk of credit losses being realised.

We expect that the allowance account of DKK 2.0 billion will provide adequate coverage for future credit losses. However, an adverse credit performance remains a risk to our outlook for 2020.

On balance, we remain optimistic about the prospects for Danish Ship Finance going into 2020. Our expectation in the current market environment is for a 2020 net financial result for DSF in the range of DKK 275 million to DKK 350 million, exceeding the results realised for 2019 and 2018.

The business outlook remains subject to market factors and elements beyond our direct control. Uncertainties related to global politics, epidemics, macroeconomics and global trade may impact the shipping markets. Unexpected credit or market events could lead to a reassessment of the outlook. Adverse conditions in financial markets, in particular primary and secondary bond markets, interest rate and foreign exchange markets, may affect the financial performance.

The shipping market and competition

The climate agenda and the upcoming enforcement of new regulations took up much of the shipping industry's attention in 2019, and for good reason – decarbonising has become business critical. Spurred by the International Maritime Organization's targets, investors, banks, cargo owners and consumers are demanding clear and transparent business strategies to lower emissions. Access to cargo, capital and even ports could, at some point, become significantly constrained for companies and vessels that do not actively engage in decarbonising their operations.

The road to decarbonisation may reshape the competitive landscape. It may lead to rising costs, while revenues remain largely subject to volatile freight markets. Some shipowners have invested in scrubbers, allowing them to take advantage of increases in the price spread between high and low-sulphur fuel. Evidence in the first few weeks of 2020 supports this strategy, but it remains to be seen how the price spread will develop.

Fleet availability has been temporarily reduced when vessels have exited service to be retrofitted with scrubbers. This has supported freight rates beyond fundamentals in many segments. The world fleet expanded by 4% in 2019, while distance-adjusted seaborne demand only increased by 1.5%. Still, the ClarkSea Index, a weighted average index of earnings across the major shipping segments, gained 25% during 2019, closing the year at USD 21,600 per day.

We are closely monitoring the emerging routes towards decarbonisation of the shipping industry and continue to focus on top tier clients that are well positioned to navigate these changes. We are actively engaging with the industry on the sustainability agenda and are integrating ESG elements into our lending processes. In 2019, we joined the Poseidon Principles and the Getting to Zero Coalition to support an industry-wide push for a greener shipping industry.

In the short term we see downside risks from the emerging COVID-19 virus outbreak and continue to monitor these closely.

<u>Segment outlook</u>

Market conditions in the major shipping segments continue to be mixed, but the supply side is becoming more manageable with a shrinking orderbook and consolidation in the yard industry. Still, many segments have seen extensive fleet renewal in recent years, which has left few older vessels in the fleets. Seaborne trade volumes continue to grow, although the outlook is shrouded in uncertainty. The escalating trade tensions, geopolitical risks, weakening macro conditions and technologies transforming the underlying industries are all elements that could impact seaborne trade volumes significantly in the years to come.

Container

The inflow of large Container vessels continues to dictate market dynamics, since surplus capacity is being distributed by operating larger vessels on smaller vessels' routes. Some vessels are caught in the middle, being too big to be cascaded further. Vessels with high bunker consumption are increasingly likely to be scrapped during the next few years.

Oil tankers

Global oil demand remains relatively stable. Seaborne trade volumes contracted slightly, but longer travel distances managed to increase seaborne oil tanker demand. Fleets expanded ahead of demand, but temporal factors managed to keep fleet availability low. Freight rates surged during the last few months of the year.

Gas carriers

Global demand for LNG and LPG products continues to grow strongly. Abundant cargo availability has pushed commodity prices to low levels and created artificially high seaborne gas demand as end users have increased their use. Freight rates have increased accordingly.

Offshore

The Offshore sector has endured the deepest downturn in a generation. Following more than a decade of growth, the contraction has affected the supply chain profoundly. Market activity is slowly picking up and vessels are returning to service, but surplus capacity remains. It may be some years before the sector recovers.

Dry bulk

The larger Dry Bulk vessels, transporting mainly iron ore and coal, are suffering from weak demand and expanding fleets. The climate agenda, combined with a global push for more circular material flows, creates a difficult employment outlook for a young and expanding fleet. The smaller vessel segments are more flexible and serve a more versatile group of commodities. Their demand outlook is relatively strong, and their fleets are well positioned to absorb an unexpected supply surplus.

INCOME STATEMENT

NOTE	1 JANUARY - 31 DECEMBER DKK MILLION	Group 2019	Group 2018	Holding 2019	Holding 2018
3	Interest income	2,109	1,967	-	-
4	Interest expenses	(1,678)	(1,527)	(187)	(187)
5	**Net interest income**	**432**	**440**	**(187)**	**(187)**
6	Fee and commission income	26	32	-	-
	Net interest and fee income	**458**	**472**	**(187)**	**(187)**
7	Market value adjustments	(197)	(135)	-	-
8.9	Staff costs and administrative expenses	(167)	(160)	(2)	(2)
22.23	Depreciation and impairment of property, plant and equipment	(2)	(2)	-	-
	Other operating expenses	-	-	(1)	-0
15	Impairment charges on loans and receivables	2	(35)	-	-
21	Income from investments in accociated companies	-	-	186	214
	Profit before tax	**94**	**141**	**(4)**	**25**
10	Tax	(36)	(43)	41	41
	Net profit for the year	**58**	**98**	**38**	**66**
	Other comprehensive income	11	0	-	0
	Tax on other comprehensive income	-2	0	-	0
	Other comprehensive income after tax	**9**	**0**	**0**	**0**
	Comprehensive income for the year	**67**	**98**	**38**	**66**
	PROPOSED ALLOCATION OF PROFIT				
	Minority shareholders	41	48	-	-
	Revaluation reserve	9	0	-	0
	Retained earnings	17	50	38	66
	Total	**67**	**98**	**38**	**66**

BALANCE SHEET

NOTE	AT 31 DECEMBER DKK MILLION	Group 2019	Group 2018	Holding 2019	Holding 2018
	ASSETS				
11	Due from credit institutions and central banks	984	1,369	90	70
12,13,14	Loans and other receivables at amortised cost	39,337	37,117	-	-
17,18,19	Bonds at fair value	25,027	22,470	-	-
20	Shares, etc.	3	3	-	-
21	Shares in associated companies	-	-	3,366	3,331
22	Land and buildings	-	-	-	-
	Owner-occupied property	100	89	-	-
23	Other tangible assets	8	9	-	-
	Current tax assets	3	0	-	-
28	Deferred tax assets	81	114	34	32
19.24	Other assets	1,570	1,609	-	-
	Total assets	**67,113**	**62,782**	**3,490**	**3,433**
	LIABILITIES AND EQUITY				
	Liabilities				
25	Due to credit institutions and central banks	8,704	8,522	-	-
26	Issued bonds at amortised cost	47,968	43,894	-	-
	Current tax liabilities	3	27	-	-
19.27	Other liabilities	1,046	979	23	23
	Total liabilities	**57,719**	**53,421**	**23**	**23**
	Provisions				
	Other provisions	8	6	-	-
	Total provisions	**8**	**6**	**-**	**-**
29	**Additional Tier 2 capital**	**1,979**	**1,968**	**1,979**	**1,968**
30	**Equity**				
	Share capital	1,224	1,224	1,224	1,224
	Premium received on issues of shares	1	1	1	1
	Revaluation reserves	16	8	16	8
	Retained earnings	207	191	246	209
	Holding's share of equity	**1,449**	**1,423**	**1,488**	**1,442**
30	**Minority interests' share of equity**	**5,958**	**5,962**	**-**	**-**
	Total equity	**7,407**	**7,385**	**1,488**	**1,442**
	Total liabilities and equity	**67,113**	**62,782**	**3,490**	**3,433**
	Off-balance sheet items				
32	Contingent liabilities	132	148	-	-
33	Other binding agreements	3,605	3,953	-	-
	Total off-balance sheet items	**3,737**	**4,101**	**-**	**-**

STATEMENT OF CHANGES IN EQUITY

Group

DKK MILLION	Share capital	Share premium at issue	Revaluation reserves	Retained earnings	Holding's share of Equity	Minority's share of Equity	Total
Equity as at.1 January 2018	1,220	-	8	239	1,466	5,975	7,442
Initial impact at 1 January 2018 (IFRS 9), net of tax	-	-	-	(99)	(99)	(4)	(103)
Capital increase May 24, 2018	4	1	-	-	5	0	5
Dividends paid for the financial year 2017	-	-	-	0	0	(57)	(57)
Amount for distribution	-	-	-	50	50	48	98
Other comprehensive income	-	-	-	-	0	-	0
Purchase of own shares	-	-	-	(0)	(0)	-	(0)
Sale of own shares	-	-	-	1	1	-	1
Equity at 31 December 2018	**1,224**	**1**	**8**	**191**	**1,423**	**5,962**	**7,385**
Revaluation of property	-	-	9	-	9	0	9
Dividends paid for the financial year 2018	-	-	-	-	-	(46)	(46)
Amount for distribution	-	-	-	17	17	41	58
Other comprehensive income	-	-	-	-	-	0	0
Purchase of own shares	-	-	-	(1)	(1)	-	(1)
Sale of own shares	-	-	-	1	1	-	1
Equity at 31 December 2019	**1,224**	**1**	**16**	**207**	**1,449**	**5,958**	**7,407**

Danish Ship Finance Holding A/S

DKK MILLION	Share capital	Share premium at issue	Revaluation reserves	Retained earnings	Total
Equity as at.1 January 2018	1,220	0	8	241	1,468
Initial impact at 1 January 2018 (IFRS 9), net of tax	-	-	-	(99)	(99)
Capital increase May 24, 2018	4	1	-	0	5
Amount for distribution	-	-	-	66	66
Purchase of own shares	-	-	-	(0)	(0)
Sale of own shares	-	-	-	1	1
Equity at 31 December 2018	**1,224**	**1**	**8**	**209**	**1,442**
Revaluation of property	-	-	9	0	9
Amount for distribution	-	-	-	38	38
Purchase of own shares	-	-	-	(1)	(1)
Sale of own shares	-	-	-	1	1
Equity at 31 December 2019	**1,224**	**1**	**16**	**246**	**1,488**

Group overview

Afilliated companies	Ownership	Voting share	Assets	Equity	Net profit	Liabilities
Dannish Ship Finance A/S	86.6%	1	66,824	9,260	236	57,557

Activity: Financing of ships against first lien mortgages for Danish and foreign shipowners.

LIST OF NOTES

NOTES

NOTE 1

ACCOUNTING POLICIES

General

The Annual Report has been prepared in accordance with the Danish Financial Business Act and the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. (“Executive Order on Financial Reports”). Furthermore, the Annual Report complies with the additional Danish disclosure requirements for issuers of listed bonds.

The accounting policies are unchanged from those applied in the Annual Report 2018.

Financial statement figures are stated in Danish kroner (‘DKK’) and whole millions, unless otherwise stated. As a result, rounding discrepancies may occur because totals have been rounded off and the underlying decimals are not presented to financial statement users. Figures stated as zero (0) denote rounding off of an underlying value, and figures stated as a dash (-) represent no value.

The financial statements of DSF are consolidated into the financial statements of Danish Ship Finance Holding A/S (‘DSH’), the smallest and largest group entities for which consolidated financial statements are prepared.

Consolidated financial statements

The consolidated financial statements comprise Danish Ship Finance Holding A/S and Danish Ship Finance A/S.

The consolidated financial statements have been prepared by combining items of a uniform nature and subsequently eliminating intercompany income and costs, gains and losses, intercompany shareholdings and intercompany balances as well as off-balance sheet liabilities and guarantees.

Acquisition

Newly acquired enterprises are recognised in the consolidated financial statements from the date of acquisition. On acquisition of new enterprises, the purchase method is applied, and the acquirees’ identifiable assets and liabilities are measured at fair value at the date of acquisition. Provisions are made for costs related to adopted and published restructuring of the acquired enterprise in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

Non-controlling interests

In the calculation of consolidated profit and consolidated equity, the shares of Danish Ship Finance A/S’s profit and equity attributable to non-controlling interests are recognised separately in the income statement and balance sheet. Non-controlling interests are recognised at fair value based on acquired assets and liabilities at the date of acquisition.

Significant accounting estimates

The preparation of the Annual Report is based on management's estimates and assumptions of future events that will significantly affect the carrying amounts of assets and liabilities. The amounts most influenced by the critical estimates and assumptions are:

- Measurement of expected credit losses
- Fair value measurement of financial instruments

The estimates and assumptions are based on premises that management finds reasonable, but which are inherently uncertain and unpredictable. The assumptions could, for example, be challenged by unexpected future events or circumstances that arise. Therefore, such estimates and assumptions are difficult to make and will always entail some degree of uncertainty, even under stable macroeconomic conditions, when they involve transactions with clients and other counterparties. Accounting estimates and assumptions made on the balance sheet date express management's best estimate of such events and circumstances.

Measurement of expected credit losses

The measurement of expected credit losses ('ECL') on loans, guarantees and credit commitments ('credit exposure') is set out in the Executive Order on Financial Reports, which is based on the three-stage expected credit loss impairment model ('ECL impairment model') pursuant to IFRS 9.

According to the ECL impairment model, ECL are calculated for all credit exposures measured at amortised cost. The loan impairment charge for ECL depends on the current stage of the credit risk.

If the credit risk has not increased significantly since initial recognition, the loan impairment charge equals ECL for the next 12 months (stage 1). If the credit risk has increased significantly since initial recognition or is showing significant signs of weakness, or the credit exposure is in default or otherwise impaired, the loan impairment charge equals the lifetime ECL (stages 2 and 3).

For more information, see 'Loan impairment charges' below.

Fair value measurement of financial instruments

Measurements of financial instruments for which prices are quoted in an active market or which are based on generally accepted models with observable market data are not subject to material estimates.

Measurements of financial instruments which are only to a limited extent based on observable market data are subject to estimates. This applies to unlisted shares and shares received in connection with financial restructuring of loans as well as certain bonds for which an active market does not exist.

For more information, see 'Determination of fair value' below.

Segment reporting

Segment reporting of the business pursuant to the definitions in the Executive Order on Financial Reports is not applicable, as the group is solely involved in ship finance.

Offsetting
Amounts due to and from the group are offset when the group has a legally enforceable right to offset the recognised amounts and intends either to settle by way of netting or to realise the asset and settle the liability simultaneously.

Translation of transactions in foreign currency
The financial statements are presented in DKK, and the functional currency is DKK.

On initial recognition, transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing at the transaction date. Gains and losses due to exchange rate differences arising between the transaction date and the settlement date are recognised in the income statement.

Assets and liabilities in foreign currency are translated into the functional currency at the exchange rate prevailing at the balance sheet date. Exchange rate adjustments of assets and liabilities arising due to differences in the exchange rates applying at the transaction date and at the balance sheet date are recognised in the income statement.

Exchange rate adjustments are included in the fair value adjustments of assets and liabilities.

Financial instruments
Purchases and sales of financial instruments are measured at their fair value at the settlement date, which is usually the same as the transaction price. See the description under the individual items.

Before the settlement date, changes in the value of financial instruments are recognised. Financial instruments are derecognised on the settlement date when the right to receive (obligation to pay) cash flows from financial assets or liabilities has expired, or if it has been transferred, and the group has transferred substantially all risks and rewards of ownership.

Classification
Financial instruments are divided into financial assets and financial liabilities.

At the date of recognition, financial assets are divided into the following two categories:

- Trading book assets measured at fair value
- Loans and other financial receivables measured at amortised cost

At the date of recognition, financial liabilities are divided into the following two categories:

- Trading book liabilities measured at fair value
- Other financial liabilities measured at amortised cost

The trading portfolio, which is measured at fair value, comprises the following financial assets and liabilities:

- Bonds at fair value
- Shares, etc.
- Derivatives (other assets and other liabilities)

Hedge accounting

The group uses derivatives to hedge the interest rate risk on fixed-rate liabilities measured at amortised cost.

Hedged risks that meet specific criteria qualify for fair value hedge accounting and are treated accordingly. The interest rate risk on the hedged liabilities is measured at fair value in the income statement. The accounting treatment of the hedged risk subsequently corresponds to the accounting treatment of the hedging instrument, which is also recognised at fair value in the income statement.

If the criteria for hedge accounting cease to be met, the accumulated value adjustment of the hedged item is amortised over the remaining time to maturity.

Determination of fair value

The fair value of financial assets and liabilities is measured based on quoted market prices of financial instruments traded in active markets. If an active market exists, the fair value is based on the most recently observed market price at the balance sheet date.

If the market for one or more financial assets or liabilities is illiquid or if there is no publicly recognised price, the fair value is determined using generally accepted valuation techniques. Such techniques comprise the use of similar recent transactions between independent parties, reference to other similar instruments, discounted cash flow analysis and other models based on observable market data.

If no active market exists, the fair value of standard and simple financial instruments, such as interest rate and currency swaps and unlisted bonds, is measured according to generally accepted valuation techniques. Market-based parameters are used for measuring the fair value, and the fair value of derivatives is subject to credit valuation adjustment ('CVA'), taking into account the possibility of a counterparty's default.

The fair value of more complex financial instruments, such as swaptions, interest rate caps and floors and other OTC products and unlisted holdings, is measured based on internal models, many of which are based on generally accepted valuation techniques.

BALANCE SHEET

Amounts due from credit institutions and central banks

Amounts due from credit institutions and central banks include amounts due from other credit institutions. Reverse transactions, that is purchases of securities from credit institutions to be resold later, are recognised as amounts due from credit institutions and central banks. On subsequent recognition, amounts due from credit institutions and central banks are measured at amortised cost, which corresponds to the nominal amount.

Loans

Loans consist of credit exposures which have been disbursed to shipping clients either on a bilateral basis or as part of a syndicated transaction. Loans comprise traditional shipping loans against mortgages on vessels but may also to a limited extent comprise financing of shipping clients' payment of instalments to shipyards under shipbuilding contracts.

On initial recognition, loans are measured at fair value plus transaction costs less origination fees and other charges. Subsequently, loans are measured at amortised cost according to the effective interest rate method, less loan impairment charges, if any. The difference between the value at initial recognition and the nominal value is amortised over the time to maturity and recognised under interest income.

Loan impairment charges

The current impairment rules, pursuant to IFRS 9, became effective as at 1 January 2018, introducing a forward-looking approach to measuring impairment of financial assets based on expected credit losses.

The loan impairment charge for ECL depends on whether the credit risk has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loan impairment charge equals ECL within the next 12 months (stage 1). If the credit risk has increased significantly since initial recognition or is showing significant signs of weakness (e.g. a loan is more than 30 days past due), the loan impairment charge equals the lifetime ECL (stage 2). If the credit exposure is in default (e.g. a loan is more than 90 days past due) or otherwise impaired, the loan impairment charge equals the lifetime ECL (stage 3).

ECL are calculated for all individual credit exposures as a function of probability of default (‘PD’), exposure at default (‘EAD’) and loss given default (‘LGD’), adjusted for forward-looking information by way of a macroeconomic factor (‘MEF’). MEF is based on management’s expectations and various scenarios (base case, best case and worst case) for each shipping segment.

$$ECL = PD * EAD * LGD * MEF$$

In a few situations where the ECL impairment model is believed to either overestimate or underestimate ECL, an adjustment is made based on management’s judgement.

Loan impairment charges for ECL are booked in an allowance account and offset against loans or recognised as provisions (loss allowances) for guarantees and credit commitments.

With the entry into force of the current impairment rules as at 1 January 2018, transitional arrangements were agreed, allowing institutions in determining own funds to add back an amount to their CET1 capital over a five-year transition period. The group has opted not to apply these transitional arrangements.

The Risk Report 2019 provides more information on the ECL impairment model.

Bonds at fair value

Bonds at fair value comprise financial assets in the form of debt instruments acquired or concluded with a view to a subsequent sale or repurchase.

The bonds are measured on initial recognition at fair value excluding transaction costs and subsequently at fair value with value adjustments through the income statement.

Shares, etc.

Shares, etc., comprise investments in sector shares and shares received in connection with financial restructuring of loans.

The shares are measured on initial recognition at fair value excluding transaction costs and subsequently at fair value with value adjustments through the income statement.

Shares received in connection with financial restructuring of loans are measured on initial recognition at no value and subsequently at fair value with value adjustments through the income statement, provided that the related restructured loans are no longer characterised as non-performing loans.

Land and buildings

Land and buildings consist of the group's fully owned domicile located at Sankt Annæ Plads 3, DK-1250 Copenhagen K, Denmark.

Owner-occupied property

On initial recognition, the domicile property used for the group's own operations are measured at cost. The domicile property is subsequently measured at the revalued amount plus property improvement expenditures and less depreciation and impairment charges. Revaluations and any reversals of previous revaluations are made via other comprehensive income, while any impairment charges relative to cost are made via the income statement.

The straight-line depreciation of the domicile property is based on the expected scrap value and an estimated useful life of 100 years.

Other tangible assets

Other tangible assets consist of operating equipment, vehicles and furniture, which are recognised at cost less accumulated depreciation and impairment charges. Depreciation is provided on a straight-line basis over the expected useful life of the assets considering the assets' residual values. The expected useful life is typically three years.

Other assets

Other assets include interest and commission due, prepayments and derivatives with a positive market value. Future payments which DSF is likely to receive are recognised as amounts due at present value.

Due to credit institutions and central banks

Amounts due to credit institutions and central banks include amounts received under repo transactions (sale of securities with an agreement to repurchase the same securities back later). Amounts due to credit institutions and central banks are measured at amortised cost, which corresponds to the nominal amount.

Issued bonds at amortised cost

Issued bonds comprise ship mortgage bonds and debenture bonds issued by the group, which are recognised at amortised cost with the addition of the fair value of the hedged interest rate risk.

Issued bonds are measured at amortised cost (i.e. including discount at issuance and any commission that is considered an integral part of the effective rate of interest).

Pursuant to the rules on hedge accounting, the fair value of the hedged interest rate risk for fixed-rate issued bonds is recognised.

The portfolio of own bonds is deducted from the line item "Issued bonds at amortised cost" using the amortised cost with the addition of the value of any hedging transaction attached thereto.

Interest income from the portfolio of own bonds is offset against interest expenses for own bonds.

Other liabilities

Other provisions are recognised and measured as the best estimate of the costs required to settle the liabilities at the balance sheet date. Provisions with an expected term of more than a year after the balance sheet date are measured at discounted value. Other liabilities include accrued interest, prepayments, derivatives with a negative market value and other provisions such as provisions relating to guarantees. The liability is recognised at the present value of expected payments.

Deferred tax assets and deferred tax liabilities

Deferred tax is calculated in accordance with the balance sheet liability method on all temporary differences between the tax base of the assets and liabilities and their carrying amounts. Deferred tax is recognised in the balance sheet under deferred tax assets and deferred tax liabilities based on the tax rates at which they are expected to crystallise.

Deferred tax assets arising from unused tax losses are recognised to the extent that it is probable that such losses can be offset against taxable income in the following financial year. Therefore, recognition of deferred tax assets requires that management assesses the probability and size of future taxable income.

Equity

Equity comprises issued share capital, tied-up reserve capital, retained earnings, revaluation reserves and net profit for the period.

Proposed dividends

The Board of Directors' proposal for dividends for the year submitted to the general meeting is recognised in equity as a component of net profit for the period. Dividends are recognised as a liability once the annual general meeting has adopted the proposal to distribute dividends.

OFF-BALANCE SHEET ITEMS

Contingent liabilities

Contingent liabilities comprise guarantee commitments made as part of the lending activities.
Due to its business volume, the group may be a party to various lawsuits. The probability of such lawsuits is regularly assessed, and the necessary provisions are made based on an assessment of the risk of incurring a loss.

Other contingent liabilities

Other contingent liabilities comprise irrevocable credit commitments made and unutilised drawing rights on credit facilities provided as part of lending activities.

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Interest income and expenses

Interest income and expenses in respect of interest-bearing financial instruments measured at amortised cost are recognised in the income statement applying the effective interest rate method based on the cost of the financial instrument.

Interest includes amortisation of fees which are an integral part of the current yield of the financial instrument, including origination fees, and amortisation of any additional difference between cost and redemption price.

Interest income and expenses also include interest on financial instruments measured at fair value.

Recognition of interest on credit impaired loans is made based on the value after loan impairment charges.

Fee and commission income and expenses

Fee and commission income and expenses are generated by the lending activities. Commission for services provided over a period of time, such as guarantee commissions and commitment fees, is accrued over the relevant time period.

Market value adjustments

Market value adjustments comprise realised and unrealised market value adjustments of financial instruments at fair value, i.e. shares, bonds and derivatives and exchange rate adjustments.

STAFF COSTS AND ADMINISTRATIVE EXPENSES

Staff costs

Salaries and other consideration expected to be paid for work carried out during the year are expensed under staff costs and administrative expenses. This item comprises salaries, bonuses, holiday allowances, anniversary-related bonuses, pension costs, payroll tax and other consideration.

Bonuses and share-based payments

Bonuses and share-based payments (including revaluations) are expensed when they are granted or revalued.

Pension costs

DSF's contributions to defined contribution plans are recognised in the income statement as they are earned by the staff. DSF has no defined benefit plans.

Depreciation and impairment of tangible assets

This item consists of depreciation and impairment charges on the owner-occupied property and other tangible assets.

Loan impairment charges

This item includes write-offs on and loan impairment charges for ECL on loans (including amounts due from credit institutions), guarantees and credit commitments.

Tax

Current and deferred tax calculated on profit for the year adjusted for tax on the taxable income of previous years is recognised in the income statement. Income tax for the year is recognised in the income statement based on the current income tax rate, adjusted for non-taxable income and non-deductible expenses.

DKK MILLION	Group				Holding			
	2019	2018	2017	2016	2019	2018	2017	2016
NOTE 2 Net interest income from lending	503	463	553	78	(0)	(1)	0	-
Net interest income from financial activities	(72)	(23)	(47)	(2)	(186)	(186)	(182)	(28)
Total net interest income	432	440	506	76	(187)	(187)	(182)	(28)
Net interest and fee income	458	472	526	82	(187)	(187)	(182)	(28)
Market value adjustments	(197)	(135)	37	74	-	-	-	-
Staff costs and administrative expenses	(167)	(160)	(148)	(36)	(2)	(2)	(7)	(18)
Loan impairment charges	2	(35)	(163)	70	-	-	-	-
Income from investments in accociated companies	-	-	-	-	186	214	273	151
Profit before tax	94	141	250	189	(4)	25	84	105
Net profit for the year	58	98	210	147	38	66	125	115
Loans	39,337	37,117	35,000	40,454	-	-	-	-
Bonds	25,027	22,470	20,093	19,730	-	-	-	-
Subordinate loan capital	1,979	1,968	1,957	1,946	1,979	1,968	1,957	1,946
Equity	1,449	1,423	1,466	1,333	1,488	1,442	1,468	1,414
Total assets	67,113	62,782	58,735	63,300	3,490	3,433	3,449	3,394

KEY RATIOS	Group				Holding			
Common Equity Tier 1 capital ratio	14.0	12.9	12.4	12.0	-	-	-	-
Tier 1 capital ratio	14.0	12.9	12.4	12.0	-	-	-	-
Total capital ratio	18.0	17.0	16.7	15.8	-	-	-	-
Return on equity before tax (%)	6.5	9.9	17.1	14.2	(0.2)	1.7	5.7	7.4
Return on equity after tax (%)	4.0	6.9	14.3	11.1	2.5	4.6	8.5	8.1
Income/cost ratio *)	1.6	1.8	1.9	(4.5)	(109.8)	(112.3)	(26.1)	(1.5)
Income/cost ratio (excluding loan impairment charges)	1.5	2.1	3.8	4.3	(109.8)	(112.3)	(26.1)	(1.5)
Foreign exchange position (%)	2.8	5.3	12.6	4.9	-	-	-	-
Gearing of loans	27.2	26.0	23.8	30.3	-	-	-	-
Annual growth in lending (%)	6.0	6.0	(13.5)	(6.3)	-	-	-	-
Loan impairment charges for the year as % of gross lending	(0.0)	0.1	0.4	(0.2)	-	-	-	-
Total allowance account as % of gross lending	4.9	6.3	6.9	5.8	-	-	-	-
Rate of return on assets (%)	0.1	0.2	0.4	0.2	1.1	1.9	3.9	3.4

The key figures are calculated in accordance with Appendix 5 of the Danish FSA's instructions for financial reports for credit institutions, etc.

**) In accordance with the instructions, the income/cost ratio must be calculated including loan impairment charges.*
The list of key ratios also includes income/cost ratio excluding loan impairment charges.

DKK MILLION	Group		Holding	
	2019	2018	2019	2018

NOTE 3 INTEREST INCOME

Due from credit institutions and central banks	49	40	-	-
Loans and other receivables	1,791	1,586	-	-
Bonds	219	282	-	-
Other interest income	0	0	-	-
Derivatives				
Interest rate contracts	46	61	-	-
Foreign exchange contracts	4	(1)	-	-
Total interest income*	**2,109**	**1,967**	**-**	**-**

Of this amount, income from genuine purchase and resale transactions recognised in:				
Due from credit institutions and central banks	46	38	-	-

*) In Group total interest income contains negative interest expenses of DKK 0.5 million in 2019 (2018: 0 DKK million).

NOTE 4 INTEREST EXPENSES

Credit institutions and central banks	(14)	(8)	(0)	-1
Bonds	(15)	-	-	-
Issued bonds	(180)	(310)	-	-
Interest paid on additional Tier 2 capital	(186)	(186)	(186)	(186)
Other interest expenses	(129)	(130)	-	-
Derivatives				
Interest rate contracts	(1,154)	(893)	-	-
Total interest expenses*	**(1,678)**	**(1,527)**	**(187)**	**(187)**

Of this amount, interest expenses for genuine sale and repurchase transactions recognised in:				
Due to credit institutions and central banks	(12)	(2)	-	-

*) In Group total interest expenses contain negative interest income of DKK 15.5 million in 2019 (2018: 0 DKK million). In Holding total interest expenses contain negative interest expenses of DKK 0.4 million in 2019 (2018: 0 DKK million).

DKK MILLION	Group		Holding	
	2019	2018	2019	2018

NOTE 5 NET INTEREST INCOME

	2019	2018	2019	2018
Net interest income from lending				
Loans and other receivables	1,791	1,586	-	-
Bonds	6	33	-	-
Due from credit institutions	5	4	-	-
Interest to credit institutions	(1)	(2)	(0)	(1)
Issued bonds	(180)	(310)	-	-
Other interest expenses	(13)	(14)	-	-
Derivatives	0	0	-	-
Interest rate contracts	(1,108)	(832)	-	-
Foreign exchange contracts	4	(1)	-	-
Total net interest income from lending	**503**	**463**	**(0)**	**(1)**
Net interest income from Finance activities				
Bonds	199	249	-	-
Due from credit institutions	45	36	-	-
Interest paid on additional Tier 2 capital	(186)	(186)	(186)	(186)
Other interest income	(0)	-	-	-
Interest to credit institutions	(13)	(6)	-	-
Other interest expenses	(116)	(116)	-	-
Total net interest income from Finance activities	**(72)**	**(23)**	**(186)**	**(186)**
Total net interest income	**432**	**440**	**(187)**	**(187)**

NOTE 6 FEE AND COMMISSION INCOME

	2019	2018	2019	2018
Guarantee commission	2	1	-	-
Fee and other commission income	24	30	-	-
Total fee and commission income	**26**	**32**	**-**	**-**

NOTE 7 MARKET VALUE ADJUSTMENTS

	2019	2018	2019	2018
Market value adjustment of bonds	(108)	(122)	-	-
Market value adjustment of shares	0	(7)	-	-
Exchange rate adjustments	(3)	8	-	-
Market value adjustment of derivatives	(87)	(13)	-	-
Total market value adjustments	**(197)**	**(135)**	**-**	**-**

NOTE 8 STAFF COSTS AND ADMINISTRATIVE EXPENSES

	2019	2018	2019	2018
Remuneration of Board of Directors and Executive Board				
Board of Directors	(3)	(3)	-	-
Executive Board	(19)	(27)	(0)	(1)
Total remuneration of Board of Directors and Executive Board	**(22)**	**(29)**	**(0)**	**(1)**
Staff costs				
Salaries and wages	(74)	(74)	(0)	(0)
Pensions	(8)	(7)	-	-
Social security costs and financial services employer tax	(23)	(21)	(0)	-0
Total staff costs	**(105)**	**(102)**	**(1)**	**(0)**
Other administrative expenses	(41)	(28)	(1)	(1)
Total staff costs and administrative expenses	**(167)**	**(160)**	**(2)**	**(2)**
Number of employees - full-time equivalents	79	80	-	-
Average number of employees - full-time equivalents	79	76	-	-

DKK '000

NOTE 8 CONTINUED

REMUNERATION OF THE BOARD OF DIRECTORS

Group

2019		**Ordinary fee**	**Committee fee**	**Total fee**
Eivind Kolding (Chairman)	*)	750	-	750
Peter Nyegaard (Vice Chairman)	*)	-	-	-
Anders Damgård	*)	-	-	-
Christian Frigast	*)	-		-
Michael Nellemann Pedersen	*)	200	150	350
Henrik Sjøgreen	*)	200	150	350
Jacob Meldgaard	*)	200	150	350
Thor Jørgen Guttormsen	*)	200	150	350
Henrik Rohde Søgaard	**)	200	-	200
Marcus Freuchen Christensen	**)	200	-	200
Christopher Rex	**)	200	-	200
Total		**2,150**	**600**	**2,750**

The figures relate to the subsidiary Danish Ship Finance A/S

2018		**Ordinary fee**	**Committee fee**	**Total fee**
Eivind Kolding (Chairman)	*)	750	-	750
Peter Nyegaard (Vice Chairman)	*)	-	-	0
Anders Damgård	*)	-	-	0
Christian Frigast	*)	-	-	0
Michael Nellemann Pedersen	*)	200	150	350
Henrik Sjøgreen	*)	200	150	350
Jacob Meldgaard	*)	200	150	350
Thor Jørgen Guttormsen	*)	200	150	350
Henrik Rohde Søgaard	**)	200	-	200
Marcus Freuchen Christensen	**)	200	-	200
Christopher Rex	**)	200	-	200
Total		**2,150**	**600**	**2,750**

The figures relate to the subsidiary Danish Ship Finance A/S

2017		**Ordinary fee**	**Committee fee**	**fee Total**
Eivind Kolding (Chairman)	*)	550	-	550
Peter Nyegaard (Vice Chairman)	*)	-	-	-
Anders Damgård	*)	-	-	-
Christian Frigast	*)	-	-	-
Michael Nellemann Pedersen	*)	188	104	292
Henrik Sjøgreen	*)	188	75	263
Jacob Meldgaard (member as of 16 June 2017)	*)	100	75	175
Thor Jørgen Guttormsen (member as of 16 June 2017)	*)	100	75	175
Henrik Rohde Søgaard	**)	188	-	188
Marcus Freuchen Christensen	**)	188	-	188
Christopher Rex	**)	188	-	188
Total		**1,688**	**329**	**2,017**

The figures relate to the subsidiary Danish Ship Finance A/S

*) Member of Audit Committee or Remuneration Committee at year-end
**) Employee representative

Danish Ship Finance Holding A/S

Christian Frigast (Chairman)
Anders Damgaard
Michael Nellemann Pedersen

Members of the Board of Directors received no fee in the financial year under review.

DKK '000

NOTE 8 CONTINUED

REMUNERATION OF THE EXECUTIVE BOARD

Group

2019	Erik I. Lassen	Michael Frisch	Lars Jebjerg	Total
Salary	4,239	4,024	4,024	**12,287**
Pension	523	496	496	**1,515**
Tax value of car	172	152	147	**471**
Incentive bonus	1,580	1,635	1,355	**4,570**
Warrants awarded in a previous year	103	93	93	**289**
Total	**6,617**	**6,400**	**6,115**	**19,132**
Adjustment of variable pay for previous years	156	48	71	**275**
Total expenses for accounting purposes/earned income	**6,773**	**6,448**	**6,186**	**19,407**

In addition to total expenses for accounting purposes/earned income, the Executive Board receive the following benefits: Multimedia, insurance covering critical illness, group life insurance, dental, accident and health insurance.

The Executive Board's pension plan is a defined contribution plan with a third party. The company has no pension obligations towards members of the Executive Board.

The company may terminate Executive Board members' contracts of service by giving up to 18 months notice.

2018	Erik I. Lassen	Michael Frisch	Lars Jebjerg	Per Schnack	Total
Salary	4,146	2,872	2,299	1,538	**10,854**
Pension	511	349	249	190	**1,298**
Tax value of car	172	110	101	49	**432**
Anniversary bonus	334	-	-	-	**334**
Sign-on bonus, cash	-	800	-	-	**800**
Retention bonus	-	1,071	1,912	-	**2,983**
Incentive bonus	2,208	-	-	-	**2,208**
Warrants awarded in a previous year	103	-	-	96	**198**
Total	**7,474**	**5,202**	**4,561**	**1,872**	**19,109**
Adjustment of variable pay for previous years	112	-	-	104	**216**
Salary, pension and compensation during termination period	-	-	-	7,308	**7,308**
Total expenses for accounting purposes/earned income	**7,585**	**5,202**	**4,561**	**9,284**	**26,632**

Per Schnack resigned from the Executive Board on 22 May 2018 and received contractual salary, pension and compensation until his contract of service expired on 31 December 2019. The amount payable was expensed in 2018.

As of 9 April 2018, Michael Frisch joined the company as COO, and as of 22 May 2018, Lars Jebjerg joined the company as CFO.

Incentive- and retention bonus for 2018 to the Executive Board is provided as equity-like instruments (Total Shareholder Return) with a deferral period of four years and a retention period of one year.

TSR instruments are allocated in Danish Ship Finance A/S and warrants are allocated in Danish Ship Finance Holding A/S. The related costs are recognised in the respective companies. TSR instruments are expensed when granted and movements in the index are expensed annually - warrants are expensed as earned.

The Executive Board's retention bonus is distributed between TSR instruments (75%) with the same deferral period as for incentive bonus allocated and warrants (25%).

2017	Erik I. Lassen	Per Schnack	Total
Salary	3,985	3,691	**7,676**
Pension	492	455	**947**
Tax value of car	128	149	**277**
Retention bonus	2,005	1,873	**3,878**
Total	**6,610**	**6,168**	**12,777**

DKK '000

NOTE 8 CONTINUED

Danish Ship Finance Holding A/S

Variable remuneration of the Executive Board and other risk takers for 2018 and preceding financial years were only allocated in the form of warrants, which are expensed as earned.

Retention bonus allocated in the form of warrants	**2018**	**2017**
Executive Board		
Erik I. Lassen	-	718
Lars Jebjerg	635	-
Michael Frisch	635	-
Per Schnack (resigned as of 22 May 2018)	-	671
Executive Board, total	**1,270**	**1,389**
Other employees whose activities have a material impact on the company´s risk profile	328	938
Other risk takers, total	**328**	**938**
Warrants, total	**1,598**	**2,327**

The Executive Board and other risktakers have not been awarded rentention bonus in 2019.

INFORMATION ON REMUNERATION POLICY

Information about remuneration policy and practice for the Board of Directors, the Executive Board and other employees whose activities have a material impact on the company's risk profile.

The remuneration policy was adopted at the company's annual general meeting on 25 March 2019.
The remuneration policy is available on the company's website:
https://www.skibskredit.dk/media/1950/remuneration-policy-2019-danish-ship-finance.pdf

In accordance with the remuneration policy, variable remuneration may be provided to the Executive Board and other employees whose activities have a material impact on the company's risk profile as well as employees in key functions.

2019	**Fixed salary/fee**	**Variable salary**	**Total salary/fee**	**Number of recipients**
Board of Directors	2,750	-	2,750	11
Executive Board	14,273	5,134	19,407	3
Other employees whose activities have a material impact on the company's risk profile	11,362	1,529	12,891	7
Total	**28,385**	**6,663**	**35,048**	

The variable remuneration of other employees is provided as a bonus in the form of equity-like instruments (Total Shareholder Return) with a deferral period of four years and a retention period of one year.

Other employees has received warrants in Danish Ship Finance Holding A/S.
The related costs are recognised in Danish Ship Finance Holding A/S.

The pension plans of other employees are defined contribution plans.

DKK ‘000

NOTE 8 CONTINUED INFORMATION ON REMUNERATION POLICY

Members of the Board of Directors and the Executive Board as well as other employees hold shares and warrants allocated in Danish Ship Finance Holding A/S.

2019	Number of Shares	Warrants
Board of Directors		
Eivind Kolding (Chairman)	300,000,000	
Henrik Sjøgreen	150,000,000	
Jacob Meldgaard	150,000,000	
Thor Jørgen Guttormsen	150,000,000	
Henrik Rohde Søgaard *)	34,171,444	
Marcus Freuchen Christensen *)	11,447,974	
Christopher Rex *)	9,999,900	16,666,500
Executive Board		
Erik I. Lassen	279,999,998	382,893,720
Lars Jebjerg	80,000,000	294,408,000
Michael Frisch	160,000,000	294,408,000
Other employees whose activities have a material impact on the company’s risk profile	518,342,384	783,815,834
Total	**1,843,961,700**	**1,772,192,054**

*) Employee representative

2018	Fixed salary/fee	Variable salary	Total salary/fee	Number of recipients
Board of Directors	2,750	-	2,750	11
Executive Board *)	11,142	6,206	17,348	3
Other employees whose activities have a material impact on the company’s risk profile	10,754	2,242	12,996	7
Total	**24,646**	**8,448**	**33,094**	

*) The Executive Board's salary for 2018 have been adjusted with an amount of DKK 112 relating to Adjustment of variable pay for previous years.

2017	Fixed salary/fee	Variable salary	Total salary/fee	Number of recipients
Board of Directors	2,017	-	2,017	11
Executive Board	8,900	3,877	12,777	2
Other employees whose activities have a material impact on the company’s risk profile	8,302	3,156	11,458	5
Total	**19,219**	**7,033**	**26,252**	

DKK MILLION	Group		Holding	
	2019	2018	2019	2018

NOTE 9 AUDIT FEES

	2019	2018	2019	2018
Fees for statutory audit of financial statements	(0.9)	(1.0)	(0.1)	(0.1)
Fees for tax advisory services	(0.3)	(0.2)	-	0.0
Fees for non-audit services	(1.6)	(0.4)	0.0	(0.2)
Fees for other assurance engagements	(0.4)	(0.1)	(0.1)	-
Total fees	**(3.2)**	**(1.6)**	**(0.3)**	**(0.3)**

Fees for non-audit services provided by Deloitte Statsautoriserede Revisionspartnerselskab to Danish Ship Finance A/S cover advisory related to proces optimization for specific areas and VAT and tax advisory services.

NOTE 10 TAX

	2019	2018	2019	2018
Tax on profit for the year				
Estimated tax on profit for the year	2	(37)	-	-
Changes in deferred tax	(35)	(13)	41	41
Adjustment of prior-year tax charges	(3)	7	-	-
Total tax	**(36)**	**(43)**	**41**	**41**
Effective tax rate	**%**	**%**	**%**	**%**
Tax rate in Denmark	22.0	22.0	22.0	22.0
Non-taxable income and non-deductible expenses	(56.7)	5.3	(1,184.2)	(189.5)
Adjustment of prior-year tax charges	2.9	(5.3)	0.0	0.0
Effective tax rate	**(31.9)**	**22.0**	**(1,162.2)**	**(167.5)**

NOTE 11 DUE FROM CREDIT INSTITUTIONS AND CENTRAL BANKS

	2019	2018	2019	2018
Genuine purchase and resale transactions (reverse repo)	632	46	-	-
Other receivables	352	1,324	90	70
Total due from credit institutions and central banks	**984**	**1,369**	**90**	**70**
Broken down by due date				
Demand deposits	52	1,331	90	70
Up to 3 months	931	38	-	-
Total due from credit institutions and central banks	**984**	**1,369**	**90**	**70**

The company has no term deposits with central banks.

NOTE 12 LOANS AT AMORTISED COST *)

	2019	2018	2019	2018
At 1 January	37,117	35,000	-	-
Additions	7,327	8,441	-	-
Ordinary repayments and redemptions	(4,595)	(4,418)	-	-
Extraordinary repayments	(1,502)	(2,850)	-	-
Net change concerning revolving credit facilities	362	(281)	-	-
Exchange rate adjustment of loans	273	1,301	-	-
Initial impact at 1 January 2018 (IFRS 9)	-	(132)	-	-
Other adjustments	(128)	(125)	-	-
Change in amortised cost for the year	2	(34)	-	-
Depreciation, amortisation and impairment for the year	481	215	-	-
At 31 December	**39,337**	**37,117**	**-**	**-**

**) The figures relate to Danish Ship Finance A/S*

DKK MILLION	Group		Holding	
	2019	2018	2019	2018

NOTE 13 LOANS AT AMORTISED COST BROKEN DOWN BY DUE DATE

	2019	2018	2019	2018
Gross loans at exchange rates at the balance sheet date	41,364	39,625	-	-
Loan impairment charges	(2,027)	(2,508)	-	-
Total loans	**39,337**	**37,117**	**-**	**-**
Total loans broken down by due date				
Up to 3 months	1,654	1,245	-	-
From 3 months to 1 year	3,485	3,534	-	-
From 1 to 5 years	24,870	21,934	-	-
Over 5 years	9,329	10,405	-	-
Total loans	**39,337**	**37,117**	**-**	**-**
Total loans				
Loans at fair value	39,789	37,389	-	-
Loans at amortised cost	39,337	37,117	-	-

Loans at fair value is assesed using the market value of fixed-rate loans.

NOTE 14 NON-PERFORMING LOANS

	2019	2018	2019	2018
Impaired loans (rating category 11)				
Loans subject to forbearance or otherwise impaired, gross	3,161	3,655	-	-
Accumulated loan impairment charges	(1,169)	(1,206)	-	-
Impaired loans, net	**1,993**	**2,449**	**-**	**-**
Defaulted loans (rating category 12)				
Loans in default, gross	1,088	1,716	-	-
Accumulated loan impairment charges	(609)	(1,032)	-	-
Defaulted loans, net	**478**	**684**	**-**	**-**
Non-performing loans, gross (NPL)	**4,249**	**5,372**	**-**	**-**
Non-performing loans, net (net NPL)	**2,471**	**3,133**	**-**	**-**
NPL ratio	**10.3%**	**13.6%**	**-**	**-**
Net NPL ratio	**6.3%**	**8.4%**	**-**	**-**

NPL ratio definition: NPL divided by loan book.
Net NPL ratio definition: Net NPL divided by loan book after loan impairment charges.

Note 16 provides detailed information about loan-to-value intervals for the total loan book and for non-performing loans.

NOTE 15 LOAN IMPAIRMENT CHARGES

	2019	2018	2019	2018
The following impairment charges/loss allowances were made on loans/credit commitments				
Accumulated loan impairment charges	2,027	2,508	-	-
Accumulated loss allowances for loan commitments	8	6	-	-
Total	**2,035**	**2,514**	**-**	**-**
Total allowance as % of the loan book	**4.9**	**6.4**	**-**	**-**
Reconciliation of total allowance account				
At 1 January	2,514	2,591	-	-
Initial impact at 1 January 2018 (IFRS 9)	0	132	-	-
New loan impairment charges/loss allowances	581	699	-	-
Reversal of loan impairment charges/loss allowances	(575)	(610)	-	-
Gross write-offs debited to the allowance account	(486)	(298)	-	-
Total	**2,035**	**2,514**	**-**	**-**
Loan impairment charges for the period				
New loan impairment charges/loss allowances	(581)	(699)	-	-
Reversal of loan impairment charges/loss allowances	575	610	-	-
Reclassification of interest	8	8	-	-
Recovery on loans previously written off	0	46	-	-
Loan impairment charges	**2**	**(35)**	**-**	**-**

DKK MILLION	Group		Holding	
	2019	2018	2019	2018

NOTE 16 CREDIT RISK

	Group 2019	Group 2018	Holding 2019	Holding 2018
Reconciliation of loans and guarantees (loan book)				
Balance sheet				
Loans at amortised cost	39,337	37,117	-	-
Other receivables	198	200	-	-
Loan impairment charges	2,027	2,508	-	-
Total balance sheet items	**41,563**	**39,826**	**-**	**-**
Off-balance sheet items				
Guarantees	132	148	-	-
Total off-balance sheet items	**132**	**148**	**-**	**-**
Total loans and guarantees	**41,695**	**39,973**	**-**	**-**
Reconciliation of financial exposure				
Due from credit institutions and central banks	984	1,369	90	70
Bonds at fair value	25,027	22,470	-	-
Shares, etc.	3	3	-	-
Derivatives	1,293	1,288	-	-
Total financial exposure	**27,307**	**25,131**	**90**	**70**

RATING CATEGORY BREAKDOWN

The internal rating scale consists of 12 rating categories.

The main objective of the internal rating model is to rank the clients according to credit risk and to estimate each client's probability of default (“PD”). As an integral part of the credit risk management, each client is assigned an internal rating, and the internal rating is reviewed upon receipt of new information or in case of a risk event, and at least annually.

Clients with non-performing loans are placed in rating category 11 or 12. This includes clients with loans for which no loan impairment charges have been recognised, for example because adequate collateral has been provided.

Loan book before loan impairment charges broken down by rating category

	Group		Holding	
RATING	**LOANS AND GUARANTEES**		**LOANS AND GUARANTEES**	
	2019	**2018**	**2019**	**2018**
1 - 2	-	-	-	-
3 - 4	7,805	7,089	-	-
5 - 6	14,650	13,905	-	-
7 - 8	13,123	12,028	-	-
9 - 10	1,842	1,528	-	-
11	3,181	3,690	-	-
12	1,094	1,733	-	-
Total	**41,694**	**39,973**	**-**	**-**

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NOTE 16 CONTINUED **STAGES FOR CHANGES IN CREDIT RISK**

Loan book before loan impairment charges broken down by rating category and stages

RATING	STAGE 1	STAGE 2	STAGE 3	LOANS AND GUARANTEES 2019
1	-	-	-	-
2	-	-	-	-
3	3,959	-	-	3,959
4	3,845	-	-	3,845
5	2,004	-	-	2,004
6	12,645	-	-	12,645
7	8,632	374	-	9,007
8	3,938	179	-	4,117
9	6	1,181	-	1,187
10	-	655	-	655
11 (impaired)	-	-	3,181	3,181
12 (default)	-	-	1,094	1,094
Total	**35,030**	**2,390**	**4,275**	**41,694**

RATING	STAGE 1	STAGE 2	STAGE 3	LOANS AND GUARANTEES 2018
1	-	-	-	-
2	-	-	-	-
3	3,602	-	-	3,602
4	3,488	-	-	3,488
5	1,631	-	-	1,631
6	12,274	-	-	12,274
7	6,960	178	-	7,138
8	4,592	298	-	4,890
9	302	1,018	-	1,321
10	-	207	-	207
11 (impaired)	-	-	3,690	3,690
12 (default)	-	-	1,733	1,733
Total	**32,848**	**1,702**	**5,423**	**39,973**

Changes in total allowance account broken down by stages

	STAGE 1	STAGE 2	STAGE 3	TOTAL
At 1 January 2019	197	79	2,238	2,514
Transferred to stage 1 during the period	0	0	0	0
Transferred to stage 2 during the period	(20)	94	(74)	0
Transferred to stage 3 during the period	0	(19)	19	0
New impairment charges/loss allowances	70	3	508	581
Reversal of impairment charges/loss allowances	(80)	(67)	(428)	(575)
Gross write-offs for the period	0	0	(486)	(486)
Total allowance account at 31 December 2019	**167**	**90**	**1,778**	**2,035**
Of which:				
- Loan impairment charges	159	90	1,778	2,027
- Loss allowances for credit commitments	8	0	0	8

	STAGE 1	STAGE 2	STAGE 3	TOTAL
At 1 January 2018	143	68	2,380	2,591
Initial impact at 1 January 2018	36	54	42	132
Transferred to stage 1 during the period	9	(9)	-	0
Transferred to stage 2 during the period	(25)	25	-	0
Transferred to stage 3 during the period	-	(31)	31	0
New impairment charges/loss allowances	86	7	606	699
Reversal of impairment charges/loss allowances	(52)	(35)	(523)	(610)
Gross write-offs for the period	-	-	(298)	(298)
Total allowance account at 31 December 2018	**197**	**79**	**2,238**	**2,514**
Of which:				
- Loan impairment charges	191	79	2,238	2,508
- Loss allowances for credit commitments	6	-	-	6

Classification, stage migration and impairment charges
The classification of loans between stage 1 and 2 for the purpose of calculating loan impairment charges for expected credit loses (“ECL”) depends on whether the credit risk has increased significantly since initial recognition and/or is showing significant signs of weakness. All credit-impaired loans are placed in stage 3.

The stage migration of a loan is closely linked to the development of the client’s internal rating. The assessment of whether the credit risk has increased significantly since initial recognition and/or is showing significant signs of weakness is supported by an internally developed stage migration model, which is based on a combination of the internal rating model and the rating model used by the Danish FSA according to guidelines set out in the Executive Order on Financial Reports.

For loans classified in stage 1, loan impairment charges for 12-month ECL are recognised, and for loans in stage 2 and 3, loan impairment charges for lifetime ECL are recognised.

The Risk Report 2019 provides more detailed information.

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NOTE 16 CONTINUED

Arrears/Past-due loans

Loans in arrears/past due for 30 days or more (but less than 90 days) are generally showing significant signs of weakness, and they are classified as stage 2 for the purpose of calculating ECL. Loans in arrears/past due for 90 days or more are in default, and they are classified as stage 3 for the purpose of calculating ECL. For all such loans, ECL arising over their remaining lifetime have been recognised.

Credit risk mitigation

All loans are granted against a first line mortgage in vessels, assignment in respect of each vessel's primary insurances and where relevant, supplementary collateral.

The USD market value of mortgaged vessels has on average declined by 5% in 2019.

Loan book after loan impairment charges broken down by loan-to-value interval

	Koncernen		Holding	
LOAN-TO-VALUE	**SHARE OF LOANS**		**SHARE OF LOANS**	
INTERVAL	**2018**	**2017**	**2018**	**2017**
0 - 20 %	41%	41%	-	-
20 - 40 %	37%	37%	-	-
40 - 60 %	21%	20%	-	-
60 - 80 %	1%	2%	-	-
80 - 90 %	0%	0%	-	-
90 - 100 %	0%	0%	-	-
Over 100 %	-	-	-	-

The table above shows that at year-end 99% (2018: 98%) of all loans are secured within 60% of the market value of the mortgage, and 100% (2018: 100%) of all loans are within 80% of the market value of the mortgage.

The weighted loan-to-value ratio on the loan book after loan impairment charges was 51% (2018: 52%).

Non-performning loans after loan impairment charges broken down by loan-to-value interval

	Group		Holding	
LOAN-TO-VALUE	**SHARE OF LOANS**		**SHARE OF LOANS**	
INTERVAL	**2018**	**2017**	**2018**	**2017**
0 - 20 %	40%	36%	-	-
20 - 40 %	38%	35%	-	-
40 - 60 %	21%	24%	-	-
60 - 80 %	1%	5%	-	-
80 - 90 %	0%	0%	-	-
90 - 100 %	0%	0%	-	-
Over 100 %	-	-	-	-

The table above shows that at year-end 99% (2018: 95%) of non-performing loans are secured within 60% of the market value of the mortgage, and 100% (2018: 100%) of non-performing loans are within 80% of the market value of the mortgage.

The weighted average loan-to-value ratio for non-performing loans after loan impairment charges was 52% (2018: 58%).

DKK MILLION	Group		Holding	
	2019	2018	2019	2018

NOTE 17 BONDS AT FAIR VALUE

Bond portfolio				
Non-callable bonds	18,036	15,944	-	-
Callable bonds	6,991	6,527	-	-
Total portfolio of bonds	**25,027**	**22,470**	**-**	**-**
Bond portfolio				
Government bonds and bonds issued by KommuneKredit	4,004	3,702	-	-
Mortgage bonds	21,023	18,768	-	-
Total portfolio of bonds	**25,027**	**22,470**	**-**	**-**

NOTE 18 BONDS BY TIME TO MATURITY

Bond portfolio				
Bonds with a maturity up to and including 1 year	1,722	1,067	-	-
Bonds with a maturity over 1 year and up to and including 5 years	13,489	13,951	-	-
Bonds with a maturity over 5 years and up to and including 10 years	889	964	-	-
Bonds with a maturity over 10 years	8,927	6,489	-	-
Total bonds specified by time to maturity	**25,027**	**22,470**	**-**	**-**

DKK MILLION	Group 2019	Group 2018	Holding 2019	Holding 2018

NOTE 19 CSA COLLATERAL

Collateral under CSA agreements				
Collateral received	203	111	-	-
Collateral delivered	(808)	(750)	-	-
Net value of collateral under CSA agreements	**(605)**	**(639)**	**-**	**-**

The bonds received and delivered have been recognised in the balance sheet so that they reduce the market values of derivatives by the market value of the bonds at the balance sheet date. The portfolio of bonds at fair value has been adjusted correspondingly by the net market value hereof.

NOTE 20 SHARES, ETC.

	Group 2019	Group 2018	Holding 2019	Holding 2018
Shares listed on Nasdaq Copenhagen A/S	-	0	-	-
Unlisted shares recognised at fair value	3	3	-	-
Total shares, etc.	**3**	**3**	**-**	**-**

NOTE 21 SHARES IN ASSOCIATED COMPANIES

	Group 2019	Group 2018	Holding 2019	Holding 2018
Cost, 1 January	-	-	4,088	4,088
Additions	-	-	-	-
Redemptions	-	-	-	-
Cost, 31 December	**-**	**-**	**4,088**	**4,088**
Depreciation, amortisation and impairment losses, 1 January	-	-	(757)	(692)
Dividend	-	-	(159)	(180)
Value adjustment for the period	-	-	9	(99)
Profit share	-	-	186	214
Depreciation, amortisation and impairment losses, 31 December	**-**	**-**	**(722)**	**(757)**
Carrying amount, 31 December	**-**	**-**	**3,366**	**3,331**

NOTE 22 LAND AND BUILDINGS

	Group 2019	Group 2018	Holding 2019	Holding 2018
Owner-occupied property				
Revaluation, 1 January	90	90	-	-
Revaluations	11	0	-	-
Revaluation including improvements, 31 December	**102**	**90**	**-**	**-**
Accumulated depreciation, 1 January	2	1	-	-
Depreciation for the year	0	0	-	-
Accumulated depreciation, 31 December	**1**	**2**	**-**	**-**
Total revaluation, 31 December	**100**	**89**	**-**	**-**

The owner-occupied property is the office property at Sankt Annæ Plads 3, Copenhagen, which was valued at DKK 79 million at the most recent public property valuation on 1 October 2017.

The owner-occupied property has been valued based on existing budgets for property and the rent level for similar properties in the area. Consequently, revaluations have been made to the recognised value.
External experts were not involved in valuing the owner-occupied property.

DKK MILLION	Group		Holding	
	2019	2018	2019	2018

NOTE 23 OTHER TANGIBLE ASSETS

	2019	2018	2019	2018
Cost, 1 January	23	30	-	-
Additions during the year	0	2	-	-
Disposals during the year	0	(9)	-	-
Cost, 31 December	**23**	**23**	**-**	**-**
Accumulated depreciation, 1 January	15	22	-	-
Disposals during the year	0	(9)	-	-
Depreciation during the year	1	1	-	-
Accumulated depreciation, 31 December	**16**	**15**	**-**	**-**
Total other tangible assets	**8**	**9**	**-**	**-**

NOTE 24 OTHER ASSETS

	2019	2018	2019	2018
Interest receivable	247	301	-	-
Prepayments to swap counterparties	15	0	-	-
Derivatives	1,293	1,288	-	-
Miscellaneous receivables	15	20	-	-
Total other assets	**1,570**	**1,609**	**-**	**-**

NOTE 25 DUE TO CREDIT INSTITUTIONS AND CENTRAL BANKS

	2019	2018	2019	2018
Repo transactions	8,447	8,470	-	-
Other amounts due	256	52	-	-
Total due to credit institutions and central banks	**8,704**	**8,522**	**-**	**-**
Broken down by due date				
On demand	256	52	-	-
Up to 3 months	8,447	8,470	-	-
Total due to credit institutions and central banks	**8,704**	**8,522**	**-**	**-**

DKK MILLION	Group		Holding	
	2019	2018	2019	2018

NOTE 26 ISSUED BONDS AT AMORTISED COST

The figures relate to the subsidiary Danish Ship Finance A/S

	Group 2019	Group 2018	Holding 2019	Holding 2018
At 1 January	43,894	42,925	-	-
Additions in connection with pre-issuance	13,969	9,256	-	-
Amortisation of cost	(73)	(68)	-	-
Adjustment for hedge accounting	101	93	-	-
Exchange rate adjustment	28	70	-	-
Other adjustnent	(115)	(112)	-	-
Ordinary and extraordinary redemptions	(9,836)	(8,271)	-	-
At 31 December	**47,968**	**43,894**	**-**	**-**
Specification of issued bonds				
Bonds issued in DKK				
Bullet bonds	39,629	42,143	-	-
Amortising CIRR bonds	392	508	-	-
Total Danish bonds	**40,020**	**42,650**	**-**	**-**
Bonds issued in foreign currency				
Bullet bonds	7,450	-	-	
Amortising CIRR bonds, at year-end exchange rates	497	1,244	-	-
Total bonds issued in foreign currency	**7,947**	**1,244**	**-**	**-**
Total issued bonds	**47,968**	**43,894**	**-**	**-**
Broken down by term to maturity				
Up to 3 months	1,301	1,342	-	-
From 3 months to 1 year	373	179	-	-
From 1 to 5 years	25,328	19,402	-	-
Over 5 years	20,965	22,972	-	-
Total issued bonds	**47,968**	**43,894**	**-**	**-**

DKK MILLION	Group		Holding	
	2019	2018	2019	2018

NOTE 27 OTHER LIABILITIES

Interest payable	152	227	21	21
Derivatives	824	682	-	-
Tax	0	0	-	-
Other liabilities	59	70	2	2
Total other liabilities	**1,035**	**979**	**23**	**23**

NOTE 28 DEFERRED TAX

Deferred tax, 1 January	114	70	32	51
Initial adjustment regarding IFRS 9	0	29	-	-
Adjustment of prior-year	1	40	-	-
Estimated deferred tax on profit for the year	(33)	(25)	2	(20)
Total deferred tax	**81**	**114**	**34**	**32**

		Group		Holding
	2019	2019	2019	2019
	Deferred tax assets	Deferred tax liabilities	Deferred tax net	Deferred tax net
Property, plant and equipment	(0)	(9)	(10)	-
Loans	73	-	73	-
Shares, etc.	2	-	2	-
Issued bonds	0	(112)	(112)	-
Payables	(5)	-	(5)	(5)
Employee obligations	2	-	2	-
Balance of tax losses	131	(2)	130	39
Total deferred tax	**204**	**(123)**	**81**	**34**

NOTE 29 SUBORDINATED DEBT

Convertible debt instrument	2,000	2,000	2,000	2,000
Amortised initial expenses	(21)	(32)	(21)	(32)
Total subordinate loan capital	**1,979**	**1,968**	**1,979**	**1,968**

On 15 November 2016 the company raised a loan of DKK 2,000 million against the issue of debt instruments entitling the lenders to convert their claims into shares in the company subject to specified conditions. The loan matures on 15 May 2037, but may be prepaid on 15 May 2022. The loan carries interest at the rate of 8.5% + 3M Cibor (floored).

DKK MILLION	Group		Holding	
	2019	2018	2019	2018
NOTE 30 EQUITY				
Share capital				
A-shares	1,224	1,224	1,224	1,224
Total share capital	**1,224**	**1,224**	**1,224**	**1,224**

The share capital is divided into the following denominations:

A shares 122,389,930,000 shares of 0.01 DKK each

Each A share of DKK 0.01 entitles the holder to one vote.

The company's holding of treasury shares totals 97,377,258 shares and the value has been deducted from the distributable reserves.

The tied-up reserve capital of Danish Ship Finance A/S may be used only to cover losses which cannot be covered by amounts available for dividend distribution. The tied-up reserve capital must as far as possible be restored by advance transfer of profit for the year, if, in prior years, it was wholly or partly used to cover losses. Hence, no dividends may be paid and no distributions may be made in connection with capital reductions until the tied-up reserve capital has been restored to the same nominal amount as the undistributable reserve had before being used wholly or partly to cover losses.

The tied-up reserve capital of Danish Ship Finance A/S was established in connection with the conversion from a foundation into a limited liability company in 2005 and has represented an unchanged amount of DKK 8,343 million under equity of Danish Ship Finance Holding A/S the tied-up reserve capital is regarded as non-controlling interests, and the DKK 5,958 million represents the fair value of the tied-up reserve capital at the date of acquisition of 15 November 2016 with the addition of the non-controlling interest shares of profit and dividends for the period.

DKK MILLION	Group 2019	2018
NOTE 31 CAPITAL ADEQUACY		
Common Equity Tier 1 capital		
Share capital	1,224	1,224
Tied-up reserve capital	5,528	4,784
Retained earnings	208	191
Revaluation reserves	-	-
Total Common Equity Tier 1 capital	**6,961**	**6,198**
Deductions from Common Equity Tier 1 capital		
Proposed dividends for the financial year	-	-
Additional capital charge pursuant to the Executive Order on a Ship Finance Institute	0	0
Prudent valuation pursuant to Article 105 of the CRR	28	25
Deductions pursuant to transitional rules regarding B share capital *)	1	1
Total deductions from Common Equity Tier 1 capital	**29**	**26**
Common Equity Tier 1 capital after deductions	**6,931**	**6,172**
Tier 2 capital	**1,979**	**1,968**
Own funds after deductions	**8,911**	**8,141**
Risk exposure amount		
Assets outside the trading book	41,410	38,756
Off-balance sheet items	1,366	1,875
Counterparty risk outside the trading book	1,363	1,218
Market risk	4,211	4,528
Operational risk	1,056	1,374
Total risk exposure amount	**49,406**	**47,751**
Common Equity Tier 1 capital ratio	**14.0**	**12.9**
Tier 1 capital ratio	**14.0**	**12.9**
Total capital ratio	**18.0**	**17.0**
The risk exposure amount for market risk consists of:		
Position risk related to debt instruments	3,952	4,089
Position risk related to shares	7	7
Total currency position	253	432
Total risk exposure amount for market risk	**4,211**	**4,528**

**) Recognised at 0% pursuant to transitional rules of CRR art. 484 at 31 December 2019 (1 January to 31 December 2018 recognised at 20%).*

DKK MILLION	Group		Holding	
	2019	2018	2019	2018

NOTE 32 CONTINGENT LIABILITIES

In the ordinary course of its lending operations, DSF has undertaken guarantee commitments of	132	148	-	-
Payment guarantee provided to the Danish Securities Centre	0	0	-	-
Guarantees provided to the Danish Securities Centre	-	-	-	-
Total contingent liabilities	**132**	**148**	**-**	**-**

NOTE 33 OTHER CONTINGENT LIABILITIES

In the ordinary course of its lending operations, DSF has undertaken commitments in relation to unutilised drawing rights on loans with revolving credit facilities in the amount of	874	202	-	-
In the ordinary course of its lending operations, DSF has undertaken commitments relating to irrevocable credit commitments in the amount of	2,731	3,751	-	-
Total other contingent liabilities	**3,605**	**3,953**	**-**	**-**

NOTE 34 RELATED PARTIES

Related parties comprise members of the company’s Executive Board and Board of Directors as well as its shareholders.

Related parties furthermore comprise Danish Ship Finance A/S, which became a related party in connection with the acquisition of the majority of the company’s shares on 15 November 2016.

Transactions with the Executive Board and the Board of Directors concerned remuneration. See Note 8.

Furthermore, related-party transactions included settlement of administration services provided to Danish Ship Finance A/S and dividends from Danish Ship Finance A/S.

There were no related-party transactions other than as stated above.

DKK MILLION

NOTE 35

HEDGE ACCOUNTING

The company in part hedges the interest rate risk on fixed-rate assets and liabilities.
The effectiveness of such hedges is measured on a regular basis.

Group 2018	**NOMINAL VALUE**	**CARRYING AMOUNT**	**FAIR VALUE**
Commitments			
Issued bonds	16,011	16,248	16,533
Total commitments	**16,011**	**16,248**	**16,533**
Derivatives			
Interest rate swaps	(16,011)	(216)	(216)
Total derivatives	**(16,011)**	**(216)**	**(216)**
Net	**0**	**16,032**	**16,317**

Holding 2018	**NOMINAL VALUE**	**CARRYING AMOUNT**	**FAIR VALUE**
Commitments			
Issued bonds	-	-	-
Total commitments	**-**	**-**	**-**
Derivatives			
Interest rate swaps	-	-	-
Total derivatives	**-**	**-**	**-**
Net	**-**	**-**	**-**

Group 2017	**NOMINAL VALUE**	**CARRYING AMOUNT**	**FAIR VALUE**
Commitments			
Issued bonds	10,739	11,108	11,242
Total commitments	**10,739**	**11,108**	**11,242**
Derivatives			
Interest rate swaps	(10,739)	(288)	(288)
Total derivatives	**(10,739)**	**(288)**	**(288)**
Net	**0**	**10,820**	**10,953**

Holding 2017	**NOMINAL VALUE**	**CARRYING AMOUNT**	**FAIR VALUE**
Commitments			
Issued bonds	-	-	-
Total commitments	**-**	**-**	**-**
Derivatives			
Interest rate swaps	-	-	-
Total derivatives	**-**	**-**	**-**
Net	**-**	**-**	**-**

DKK MILLION	Group 2019	Group 2018	Holding 2019	Holding 2018
NOTE 36 NOTIONAL PRINCIPALS OF OUTSTANDING DERIVATIVES				
Swap agreements				
Swap agreements have been made with the following parties to hedge the foreign exchange risk on loans and issued bonds:				
Receivables	392	508	-	-
Credit institutions	61,436	49,501	-	-
Swap agreements have been made with the following parties to hedge the interest rate risk on loans, bonds and issued bonds:				
Receivables	-	-	-	-
Credit institutions	80,297	58,680	-	-
Swap agreements, for which financial risks are not fully hedged, have been made with the following parties:				
Credit institutions	53,245	52,482	-	-
Forward interest rate and currency agreements				
Forward interest rate and currency agreements have been made with the following parties to hedge interest rate and foreign exchange risk:				
Credit institutions	29,446	46,285	-	-

DKK MILLION	Group		Holding	
	POSITIVE	NEGATIVE	POSITIVE	NEGATIVE
NOTE 37 FAIR VALUES OF OUTSTANDING DERIVATIVES				
Swap agreements				
Swap agreements have been made with the following parties to hedge the foreign exchange risk on loans and issued bonds:				
Receivables	9	-	-	-
Credit institutions	330	373	-	-
Swap agreements have been made with the following parties to hedge the interest rate risk on loans, bonds and issued bonds:				
Receivables	-	-	-	-
Credit institutions	1,180	617	-	-
Swap agreements, for which financial risks are not fully hedged, have been made with the following parties:				
Credit institutions	1,353	1,947	-	-
Forward interest rate and currency agreements				
Forward interest rate and currency agreements have been made with the following parties to hedge interest rate and foreign exchange risk:				
Credit institutions	127	0	-	-
Netting of exposure value				
The positive gross fair value of financial contracts after netting				
Counterparty with risk weight of 0%	-	-	-	-
Counterparty with risk weight of 20%	261	-	-	-
Counterparty with risk weight of 50%	1,525	-	-	-
Counterparty with risk weight of 100%	94	-	-	-
Value of total counterparty risk calculated according to the market valuation method for counterparty risk				
Counterparty with risk weight of 0%	-	-	-	-
Counterparty with risk weight of 20%	595	-	-	-
Counterparty with risk weight of 50%	2,374	-	-	-
Counterparty with risk weight of 100%	31	-	-	-

DKK MILLION

NOTE 38 FOREIGN EXCHANGE RISK AND USE OF DERIVATIVES

The total unhedged foreign currency position at 31 December 2019, translated at year-end exchange rates into DKK, amounts to DKK 188 million (DKK 113 million at 31 December 2018).

All amounts are translated into DKK at the year-end exchange rates.

The net position is specified as follows

	USD	OTHER CURRENCIES	TOTAL CURRENCY	DKK	TOTAL
Loans at year-end exchange rates	36,450	3,739	40,189	1,175	41,364
Loan impairment charges	-	-	-	(2,027)	(2,027)
Loans as per the balance sheet					**39,337**
Due from credit institutions and central banks	266	326	592	392	984
Bond portfolio	-	1,562	1,562	23,465	25,027
Interest receivable, other assets etc.	255	29	284	1,481	1,765
Total assets as per the balance sheet	**36,971**	**5,657**	**42,627**	**24,486**	**67,113**
Issued bonds at year-end exchange rates	(497)	(7,470)	(7,967)	(40,001)	(47,968)
Issued bonds as per the balance sheet					**(47,968)**
Due to credit institutions and central banks	(134)	(605)	(738)	(7,965)	(8,704)
Interest payable, other payables	(152)	(10)	(162)	(886)	(1,048)
Provisions	-	-	-	(8)	(8)
Subordinated capital	-	-	-	(1,979)	(1,979)
Minority	-	-	-	(5,958)	(5,958)
Total equity	-	-	-	(1,449)	(1,449)
Total liabilities as per the balance sheet	**(783)**	**(8,085)**	**(8,868)**	**(58,245)**	**(67,113)**
Derivatives					
- receivables	7,159	17,325	24,484		
Derivatives					
- payables	(43,461)	(14,971)	(58,432)		
Total net position	**(114)**	**(75)**	**(188)**		

DKK MILLION	Group		Holding	
	2019	2018	2019	2018
NOTE 39 MARKET RISK SENSITIVITY				
Interest rate risk				
The equity is invested primarily in Danish government and mortgage bonds. Some of the bond investments are in fixed-rate claims where the interest rate risk is partly hedged using DKK or EUR interest rate swaps. In the company's internal calculations, EUR rates and DKK rates are assumed to be fully correlated.				
Calculated in accordance with internal calculation methods, the interest rate risk associated with a 1 percentage point increase in interest rates would technically lead to:	(92)	(51)	-	-
Calculated in accordance with internal calculation methods, the interest rate risk associated with a 1 percentage point decrease in interest rates would technically lead to:	62	34	-	-

Exchange rate risk

Most of the loans are denominated in USD, and most of the ship mortgages provided as collateral for the loans are also valued in USD. When calculating the collateral value of the ship mortgages for determining the level of loan impairment charges, a haircut is made to the market value of the vessel. For loans on which loan impairment charges have been made, there will typically be a difference in USD between the size of the credit exposure and the mortgage values. Other things being equal, the loan impairment charges will therefore be adversely affected in case of an increase and positively affected by a fall in the USD/DKK exchange rate. Since a small proportion of the loans are denominated in currencies other than the USD, while the ship mortgage in question is valued in USD, the total positive net effect from a fall in the USD/DKK exchange rate is reduced, and the sensitivity is thus not symmetric in the event of changes in the USD/DKK exchange rate.

Furthermore, earnings and loan impairment charges from lending are primarily denominated in USD, GBP and NOK which means that, other things being equal, an increase in these currencies against the DKK exchange rate would result in higher earnings from lending and vice versa if these currencies fall. The opposite applies to loan impairment charges.

	Group 2019	Group 2018	Holding 2019	Holding 2018
An appreciation of the USD exchange rate against the DKK				
Change in net profit for the year and equity	38	31	-	-
Percentage change in total capital ratio	(2)	(2)	-	-
A depreciation of the USD exchange rate against the DKK				
Change in net profit for the year and equity	(41)	(36)	-	-
Percentage change in total capital ratio	2	2	-	-
An appreciation of the GBP exchange rate against the DKK				
Change in net profit for the year and equity	0	0	-	-
Percentage change in total capital ratio	(27.0)	n/a	-	-
A depreciation of the GBP exchange rate against the DKK				
Change in net profit for the year and equity	0	0	-	-
Percentage change in total capital ratio	27.0	n/a	-	-
An appreciation of the NOK exchange rate against the DKK				
Change in net profit for the year and equity	0	0	-	-
Percentage change in total capital ratio	(77.7)	n/a	-	-
A depreciation of the NOK exchange rate against the DKK				
Change in net profit for the year and equity	0	0	-	-
Percentage change in total capital ratio	75.9	n/a	-	-

The impact on net profit for the year and equity from a change in the USD, GBP and NOK exchange rates assumes a permanent change of 15 % (equals a DKK 1 change against the USD) for an entire financial year. The impact comprises the change in the value of ongoing net interest and fee income as well as the change in the need for loan impairment charges due to the change in the exchange rates in question.

The impact on the total capital ratio of a change in the currencies in question will occur immediately after the exchange rates change.

DKK MILLION	Group		Holding	
	2019	2018	2019	2018

NOTE 40 FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

Financial instruments are measured in the balance sheet at fair value or amortised cost.

The difference between carrying amounts and fair-value based values, which are not recognised in the income statement and which are attributable to the difference between the amortised cost and the calculated fair value is shown below.

	2019	2018	2019	2018
Loans				
Measured at amortised cost	39,337	37,117	-	-
Measured at fair value	39,789	37,389	-	-
Difference between carrying amounts and fair-value based value of loans, total	**452**	**272**	**-**	**-**

Loans at fair value is assesed using the market value of fixed-rate loans.

	2019	2018	2019	2018
Issued bonds				
Measured at amortised cost, incl. hedging	47,968	43,894	-	-
Measured at fair value	48,246	44,003	-	-
Difference between carrying amounts and fair-value based value of issued bonds total	**278**	**109**	**-**	**-**

For issued bonds, the fair value is calculated on the basis of quoted market prices.
For unlisted bonds, the fair value is calculated on the basis of observable market data.

NOTE 41 **SUPPLEMENTARY NOTES WITHOUT REFERENCE**

FINANCIAL RISKS AND POLICIES FOR FINANCIAL RISK MANAGEMENT

RISK MANAGEMENT
DSF is exposed to different types of risk.

The most important types of risk are:

- Credit risk: The risk of loss caused by borrowers or counterparties failing to meet all or part of their payment obligations
- Market risk: The risk of loss resulting from changes in the fair value of the assets and liabilities as a result of changes in marked conditions.

CREDIT RISK
Credit risk is the risk of loss caused by borrowers or counterparties failing to meet all or part of their payment obligations, including risk associated with clients in financial difficulty, large exposures, concentration risk and risk on offered, non-disbursed loans.

The overall credit risk is managed on the basis of the company's credit policy, which the Board of Directors determines together with the overall risk management framework. The key objective of the credit policy is to ensure that earnings and risks are balanced, and that the assumption of risk is always quantified.

The credit process is controlled centrally by the Credit Department. The Executive Board and the Head of Credit have been authorised by the Board of Directors to grant loans up to pre-determined limits. The granting of loans must be disclosed at the subsequent ordinary board meeting. Other loans are granted by the Board of Directors. Note 16 includes a more detailed description of credit risk.

DSF has developed IT tools for managing and monitoring credit risks. The credit analysis system is used for monitoring purposes, and the system records key data regarding credit exposures and clients' financial standing to detect warning signals for exposures at an early stage as well as to monitor portfolios and client groups.

In addition, a number of risk events have been defined as representing credit impairment and default.

MARKET RISK
Market risk is defined as the risk of changes in the market value of the company's financial assets and liabilities because of changes in market conditions.

Market risk can be divided into interest rate risk, equity price risk, foreign exchange risk and liquidity risk.

The Board of Directors determines the general policies, frameworks and principles for risk management. The policies cover the identification and calculation of various types of market risk. The frameworks indicate specific limits on the extent of risk the company is ready to assume. The principles establish the methods to be used in calculating the various risk targets. The Board of Directors receives continuous reporting on risk developments and the utilisation of allocated risk limits.

The purpose of the company's market risk policy is to ensure that the market risk at all times is appropriate in relation to the total capital. The objective of the market risk policy is also to ensure that the company consistently maintains adequate and appropriate handling and management of market risk.

The Risk Management function is responsible for calculating, monitoring, controlling and reporting market risk to the Board of Directors and Executive Board. The function is independent of front office department. The market risks are managed and monitored via a risk management system. The company follows up on all material types of market risk with respect to all units subject to instructions, and failure to comply with instructions are escalated accordingly to policy.

Notes 38-39 include more detailed descriptions of foreign exchange risk and market risk sensitivity.

For further information, please see the unaudited Risk Report at www.shipfinance.dk.

CAPITAL CENTRES 2019	Capital Centre Institute In General	Capital Centre A	Total

NOTE 42 **CAPITAL CENTRES 2019**

Income statement			
Interest, loans and other receivables	1,650	142	1,791
Other interest and fee income, net	(1,044)	(90)	(1,134)
Market value adjustments	(212)	15	(197)
Staff costs and administrative expenses	(154)	(13)	(167)
Loan impairment charges	35	(32)	2
Tax	(64)	(5)	(69)
Net profit for the year	**210**	**17**	**227**
Assets			
Loans and other receivables at amortised cost	32,177	6,905	39,082
Other assets	25,701	2,040	27,742
Total assets	**57,879**	**8,945**	**66,824**
Liabilities			
Issued bonds at amortised cost	40,513	7,225	47,738
Other liabilities	9,823	3	9,826
Equity	7,542	1,717	9,260
Total liabilities	**57,879**	**8,945**	**66,824**
Transferrals between capital centres *	**(1,717)**	**1,717**	**0**

*) Capital Centre A was established in 2019 and in this connection DKK 1.7 billion has been transferred to the centre.

Directorships and executive positions

This section lists positions, other directorships, executive positions and fiduciary positions held by board members at the date of publication of the Annual Report for 2018.

Board of Directors

Christian Frigast, Partner, Axcel
Chairman
Born on 23 November 1951
Nationality: Danish

Directorships and executive positions:
Chairman of the Board of Directors:
Axcel Management
Danish Ship Finance Holding A/S
EKF (Denmark's export credit agency)
The Board Leadership Society in Denmark
Axcelfuture, Axcel's think tank
Vice Chairman of the Board of Directors:
Pandora
PostNord
DVCA (Danish Venture Capital and Private Equity Association)
Axcel Advisory Board
Member of the Board of Directors:
Nissens A/S
Associate professor at CBS (Copenhagen Business School)

Michael N. Pedersen, Management Executive, PKA A/S
Born on 8 July 1961
Nationality: Danish

Directorships and executive positions:
Management Executive of:
Property companies owned by the three pension funds managed by PKA A/S
Ejendomsselskabet Dronningegården
OPP HoldCo ApS
A/S Kjøbenhavns Ejendomsselskab
Forstædernes Ejendomsaktieselskab
Chairman/member of the Advisory Board and investment committees of various foundations relating
to private equity, infrastructure and micro finance due to PKA's investment in such foundations

Member of the Board of Directors:
Danish Ship Finance Holding A/S
Refshaleøen Holding A/S
Refshaleøens Ejendomsselskab A/S
Margretheholmen P/S

Komplementarselskabet Margretheholm ApS
PKA Skejby Komplementar ApS
PKA Skejby P/S
Hotel Koldingfjord A/S
Fonden Dansk Sygeplejehistorisk Museum
Poppelstykket 12 A/S
P/S PKAE Ejendom
Komplementarselskabet PKA AE ApS
SAS Pilot & Navigators Pension Fund
Investeringsselskabet af 24. februar 2015 A/S
Tuborg Havnevej I/S
PKA Ejendomme I I/S
PKA Ejendomme af 2013 I/S
PKA Projektselskab I/S
Brokvarteret P/S
P/S Tranders Høje
Investeringsselskabet af 4. juli 2018 ApS
Institutional Holding GP ApS
Institutional Holding P/S
PKA Ejendomme af 2012 I/S
IIP Denmark P/S
Komplementarselskabet Vilvordevej 70 ApS
Ejendomsselskabet Vilvordevej 70 P/S
PKA Private Funds III GP ApS
Rugårdsvej Odense A/S
PKA Venture I GP ApS

Anders Damgaard, Group CFO, PFA Pension
Born on 8 August 1970
Nationality: Danish

Directorships and executive positions:
Member of the Board of Directors:
Blue Equity Management A/S
Danish Ship Finance Holding A/S
PFA Asset Management A/S
PFA Bank
PFA DK Boliger Høj A/S
PFA DK Boliger Lav A/S
PFA Ejendomme Høj A/S
PFA Ejendomme Lav A/S
PFA Europe Real Estate High A/S
PFA Europe Real Estate Low A/S
PFA Europe Real Estate Medium A/S
PFA Kapitalforening
PFA Kollegier ApS
PFA Sommerhuse ApS
PFA US Real Estate Medium P/S

Executive Board

Erik I. Lassen, CEO
Executive positions in other business enterprises:
CEO at Danish Ship Finance A/S

Michael Frisch
Executive positions in other business enterprises:
Member of the Executive Board at Danish Ship Finance A/S

Lars Jebjerg
Executive positions in other business enterprises:
Member of the Executive Board at Danish Ship Finance A/S