



Annual Report 2020

Danish Ship Finance Holding A/S

Company reg. (CVR) no. 38 03 64 83

Table of contents

Statements and reports 3
 Management statement 3
 Independent auditor's report 4
Management report 7
 Company information 7
Financial statements 14
Directorships and executive positions 56

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 2020.

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 2020 and of the results of the Group's and the parent company's operations for the financial year 1 January – 31 December 2020.

We recommend the Annual Report for adoption by the annual general meeting on 18 March 2021.

Copenhagen, 26 February 2021

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 01.01.2020 - 31.12.2020, 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 31.12.2020, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 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.

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 2021

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Kasper Bruhn Udam
State-Authorised
Public Accountant
MNE no 29421

Bjørn Würtz Rosendal
State-Authorised
Public Accountant
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				
	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
Net interest income from lending	488	503	463	553	78	(0)	(0)	(1)	0	-
Net interest income from financial activities	(146)	(72)	(23)	(47)	(2)	(187)	(186)	(186)	(182)	(28)
Total net interest income	342	432	440	506	76	(187)	(187)	(187)	(182)	(28)
Net interest and fee income	363	458	472	526	82	(187)	(187)	(187)	(182)	(28)
Market value adjustments	(150)	(197)	(135)	37	74	-	-	-	-	-
Staff costs and administrative expenses	(159)	(167)	(160)	(148)	(36)	(1)	(2)	(2)	(7)	(18)
Loan impairment charges	(100)	2	(35)	(163)	70	-	-	-	-	-
Income from investments in associated companies	-	-	-	-	-	96	186	214	273	151
Profit before tax	(47)	94	141	250	189	(93)	(4)	25	84	105
Net profit for the year	(53)	58	98	210	147	(62)	38	66	125	115
Loan book	32,078	39,337	37,117	35,000	40,454	-	-	-	-	-
Issued bonds	42,592	47,968	43,894	42,925	42,932	-	-	-	-	-
Subordinate loan capital	1,990	1,979	1,968	1,957	1,946	1,990	1,979	1,968	1,957	1,946
Equity *)	1,403	1,449	1,423	1,466	1,333	1,454	1,488	1,442	1,468	1,414
Total assets	59,936	67,113	62,782	58,735	63,300	3,540	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 a negative DKK 62 million against a positive DKK 38 million in 2019, and a negative DKK 53 million for the Group, against a positive DKK 58 million in 2019.

Net interest and fee income were an expense of DKK 187 million for Holding and income of DKK 363 million for the Group. In 2019, net interest and fee income was an expense of DKK 187 million for Holding and income of DKK 458 million for the Group.

Market value adjustments of securities and foreign exchange, exclusively relating to DSF, generated a loss of DKK 150 million in 2020 for the Group, compared to a loss of DKK 197 million in 2019.

Staff costs and administrative expenses at 31 December 2020 amounted to DKK 1 million for Holding and DKK 159 million for the Group, compared with DKK 2 million for Holding and DKK 167 million for the Group in 2019.

Income from equity investments in Holding, corresponding to Holding's share of net profit for the year of DSF, was DKK 96 million at 31 December 2020, against DKK 186 million in 2019.

Tax on profit for the year was an income of DKK 31 million in Holding. The Group recorded a total tax expense of DKK 6 million.

Balance sheet and capital structure

Holding's total assets amounted to DKK 3,540 million at 31 December 2020, compared with DKK 3,490 million at the end of 2019.

Assets consisted mainly of investments in group enterprises in the amount of DKK 3,397 million, and liabilities were mainly subordinate loan capital of DKK 1,990 million and equity of DKK 1,454 million.

At 31 December 2020, the Group's total assets were DKK 59,936 million, of which net lending represented DKK 32,078 million and bonds DKK 24,319 million. The corresponding figures at the end of 2019 were DKK 67,113 million, DKK 39,337 million and DKK 25,027 million.

The Group's consolidated capital ratio was 18.6% at 31 December 2020, compared with 18.0% at the end of 2019.

At Group level, adequate own funds, including combined capital buffer requirements, were calculated at DKK 4,950 million at 31 December 2020, corresponding to 11.9% of the total risk exposure amount. This corresponded to excess available capital in the amount of DKK 2,781 million at the end of 2020, against DKK 2,731 million at the end of 2019.

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 2020 which materially affect the financial position presented.

Results relative to outlook

In our annual report a year ago, we stated that the Covid-19 virus outbreak would dampen global growth expectations. It is safe to say that this prediction played out. However, its effects in 2020 were even more severe than we anticipated.

Our financial results for 2020 were not satisfactory, even if much of the performance shortfall can be explained by effects of the Covid-19 pandemic. A challenging first half-year led, via a somewhat better second half, to a full-year net profit for the Group of DKK -53 million. This was DKK 112 million lower than the 2019 net profit of DKK 58 million.

The shortfall can largely be attributed to loan impairment charges of DKK 100 million pre-tax (compared to a DKK 2 million reversal in 2019) and negative net income from investments of DKK 99 million pre-tax (DKK 20 million lower than the 2019 result).

The realised 2020 result was hence significantly below the expectations.

We were very pleased that credit quality remained robust in a difficult year, with no defaults, resolution of existing problem cases and a significant DKK 1.8 billion (43%) reduction of non-performing loans to DKK 2.4 billion at year-end 2020.

Shipping markets experienced sharply reduced vessel trading and ordering activity in 2020. Lower activity combined with an extraordinary volume of prepayments from clients flush with liquidity and depreciation of the predominant lending currency (USD) relative to our home currency (DKK) meant that the positive loan growth that we had been expecting in 2020 did not materialise. Rather, the loan book of DKK 33.6 billion at year-end 2020 was 19% below the 2019 year-end figure.

In 2020, we continued to deliver as planned on our Operational Excellence programme, which will continue to set a robust foundation for sustainable and efficient growth to be restored in 2021 and the years ahead.

No material market impacts were observed in 2020 relating to upcoming regulations or from the continued scaling back of shipping market lending by several European competitors.

Outlook, risks and uncertainty factors

Following a period of lower new lending activity in the spring and summer, we experienced higher sustained levels of activity again in the latter part of last year. This momentum has continued into the opening months of 2021.

Our expectation now is that we will resume the positive growth trajectory that we were previously following as we deepen and expand our engagement with many existing clients while again welcoming a small number of new clients.

The shipping market outlook is, in our view, reasonably supportive with a balanced orderbook in most segments underpinning a generally robust supply-demand balance, which in turn will enable the credit quality of the performing loan book to remain stable.

We expect that loan growth will be efficiently supported by our strong liquidity and continued access to covered bond markets on favourable terms. Comprehensive engagement with existing and new investors will continue to be a priority in 2021.

Last year, we concluded a full transformation of the investment management set-up, with a particular focus on enhancing downside protection. As a result, we expect investment performance in 2021 and beyond to prove comparatively stable amid a wide range of potential market conditions.

We expect operating costs to remain well controlled at a normalised current level, as a significant part of our operational transformation has been completed. We will continue to make smaller targeted investments in our platform, including sustainability and Operational Excellence initiatives.

We expect these factors to underpin a robust operating performance in 2021.

The credit quality of our performing loan book is at its strongest in years. With our very robust solvency and liquidity, this gives us headroom to grow in a sustainable manner.

Our expectation in the current market environment is for a 2021 net financial result for DSF in the range of DKK 235 million to DKK 305 million, significantly exceeding the result realised for 2020.

We thus continue the strategy that we laid out in 2018, of growing and diversifying core lending and funding activities in a controlled and sustainable manner while developing a robust, scalable and cost-

efficient operational platform. At the same time, we will preserve an overriding focus on best-in-class credit quality to ensure long-term viability.

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.

Although we expect a gradual reduction of the remaining non-performing loans in the Offshore segments, the healing process will be slow. While we believe that the allowance account of DKK 1.3 billion provides adequate coverage for future credit losses, adverse credit performance remains a risk to our outlook for 2021.

The shipping industry

The shipping industry was affected by the Covid-19 outbreak and the subsequent waves of regional lockdowns in 2020. But the impact varied greatly between segments. Shipping is accustomed to volatility and the overall impact was not as severe as many may have expected. In the aftermath of the financial crisis of 2008-09, shipowners increased their use of lay-ups and slow steaming to balance supply and demand. Many of the same mechanisms were brought into play during 2020. Some segments even recorded periods with elevated earnings at levels not seen for years.

The shipping market and competition

Freight markets exhibited extraordinary volatility in 2020. In the first six months of the year, the overall earnings index, the ClarkSea index, showed the strongest first-half performance for ten years with an average of USD 16,400 per day. In the second half of 2020, the index dropped by USD 3,000 per day. The average secondhand price declined by 6% during 2020, reflecting greater uncertainty about future earnings potential.

The strategic outlook is changing in tandem with the unfolding climate agenda. The call to decarbonise the shipping industry is intensifying, while the technological and regulatory side remains largely unsettled. No clear pathway to fully zero-carbon fuels has yet been identified, and hence most efforts are currently being focused on lowering existing vessels' emissions.

The uncertainty over the fuel choice of the future is affecting investment decisions. In 2020, little more than 500 vessels, with a combined market value of USD 27 billion, were ordered. This is less than half the number of vessels ordered in 2019. The size of the orderbook is shrinking rapidly, as fewer new vessels are being contracted than are being delivered. The orderbook-to-fleet ratio has come down to its lowest level in decades, reaching 7% in 2020. This is positive for shipping going forward.

The inflow of new vessels has been lower than expected, since many newbuildings have been delayed either because of supply chain challenges or simple travel restrictions. Sale & purchase activity has also been extraordinarily low.

On the operational side, mobility restrictions have introduced bottlenecks that have hampered crew changes with many seafarers unfortunately stranded at sea for prolonged periods. The restrictions have also affected vessel inspections and caused large fluctuations in cargo activity, resulting in periods of port congestion.

Shipping segment

Market conditions in the major shipping segments continue to be mixed, but the supply side is becoming more manageable with a very low orderbook and consolidation in the yard industry. Still, average fleet utilisation declined during 2020, since global seaborne demand shrank while the fleet continued to grow. We expect 2021 to be a year of recovery with few new orders placed and more vessels scrapped. Seaborne trade volumes are expected to regain much of the lost territory, although the outlook in some segments is shrouded in uncertainty. The impact of the second or third waves of Covid-19, geopolitical tensions, 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

Due to strict capacity management by liner operators, box rates increased in 2020 despite declining Container demand. Port calls were cancelled, slow steaming increased, and chartered vessels were returned to tonnage providers. Timecharter rates suffered accordingly but have managed to regain the lost territory.

Oil tankers

Global oil demand crashed in the first half of the year as a result of the Covid-19 restrictions, while OPEC+ embarked on a price war that flooded the market with excess oil. Vessels were used for storage, which caused freight rates to spike. While most vessels have returned to the fleet, demand remains low and freight rates have softened. Persistent Covid-19 restrictions are keeping vessels in surplus.

Gas carriers

Market conditions for Gas Carriers weakened in 2020, with supply outpacing demand significantly as the Covid-19 pandemic lowered consumption of gas commodities. Freight rates declined accordingly during the year but recovered strongly during the fourth quarter. Uncertainty over future demand and large fleet growth have reduced expectations for rates and values for the coming year.

Offshore

At the end of 2019 and in early 2020, the Offshore sector was expected to slowly recover. However, Covid-19 and the oil price shock in the first half of 2020 have delayed the recovery further into the future. Offshore projects are being postponed or cancelled, lowering vessel demand and exacerbating the oversupply.

Dry bulk

Demand for Dry Bulk vessels came under pressure in 2020, due to a sharp decline in coal and minor bulk volumes. On the supply side, the fleet continued to expand rapidly, driven by a large inflow of Capesize vessels. The outlook for the smaller vessel segment is cautiously positive, while a large orderbook and a blurred demand picture will challenge the Capesize segment.

Ro-Ro

Car carriers saw a significant drop in demand in 2020, leading to extensive lay-ups of ships and increased scrapping. European ferry routes also saw a sharp drop in demand due to travel restrictions. For both segments, we expect the Covid-19 effects to be temporary. Notably, demand increased in the second half of 2020.

INCOME STATEMENT

NOTE	1 JANUARY - 31 DECEMBER	DKK MILLION	Group		Holding	
			2020	2019	2020	2019
3	Interest income		1,500	2,109	-	-
4	Interest expenses		(1,158)	(1,678)	(187)	(187)
5	Net interest income		342	432	(187)	(187)
6	Fee and commission income		21	26	-	-
	Net interest and fee income		363	458	(187)	(187)
7	Market value adjustments		(150)	(197)	-	-
8,9	Staff costs and administrative expenses		(159)	(167)	(1)	(2)
22,23	Depreciation and impairment of property, plant and equipment		(1)	(2)	-	-
	Other operating expenses		-	-	(1)	(1)
15	Loan impairment charges		(100)	2	-	-
21	Income from investments in associated companies		-	-	96	186
	Profit before tax		(47)	94	(93)	(4)
10	Tax		(6)	(36)	31	41
	Net profit for the year		(53)	58	(62)	38
	Other comprehensive income		40	11	-	-
	Tax on other comprehensive income		(9)	(2)	-	-
	Other comprehensive income after tax		31	9	-	-
	Comprehensive income for the year		(22)	67	(62)	38
	PROPOSED ALLOCATION OF PROFIT					
	Minority shareholders		21	41	-	-
	Revaluation reserve		31	9	-	-
	Retained earnings		(75)	17	(62)	38
	Total		(22)	67	(62)	38

BALANCE SHEET

NOTE	AT 31 DECEMBER	DKK MILLION		Group		Holding	
				2020	2019	2020	2019
		ASSETS					
11	Due from credit institutions and central banks		1,300	984	2	90	
12,13,14	Loans and other receivables at amortised cost		32,078	39,337	-	-	
17,18,19	Bonds at fair value		24,319	25,027	-	-	
20	Shares, etc.		-	3	-	-	
21	Shares in associated companies		-	-	3,397	3,366	
22	Land and buildings		-	-	-	-	
	Owner-occupied property		323	100	-	-	
23	Other tangible assets		6	8	-	-	
	Current tax assets		10	3	-	-	
28	Deferred tax assets		72	81	141	34	
19,24	Other assets		1,827	1,570	-	-	
	Total assets		59,935	67,113	3,540	3,490	
		LIABILITIES AND EQUITY					
	Liabilities						
25	Due to credit institutions and central banks		6,693	8,704	-	-	
26	Issued bonds at amortised cost		42,592	47,968	-	-	
	Current tax liabilities		0	3	-	-	
19,27	Other liabilities		1,299	1,046	95	23	
	Total liabilities		50,584	57,719	95	23	
	Provisions						
	Other provisions		16	8	-	-	
	Total provisions		16	8	-	-	
29	Additional Tier 2 capital		1,990	1,979	1,990	1,979	
30	Equity						
	Share capital		1,224	1,224	1,224	1,224	
	Premium received on issues of shares		1	1	1	1	
	Revaluation reserves		46	16	46	16	
	Retained earnings		131	207	183	246	
	Holding's share of equity		1,403	1,449	1,454	1,488	
30	Minority interests' share of equity		5,943	5,958	-	-	
	Total equity		7,345	7,407	1,454	1,488	
	Total liabilities and equity		59,936	67,113	3,540	3,490	
	Off-balance sheet items						
32	Contingent liabilities		116	132	-	-	
33	Other binding agreements		3,723	3,168	-	-	
	Total off-balance sheet items		3,839	3,301	-	-	

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 2019	1,224	1	8	191	1,423	5,962	7,385
Dividends paid for the financial year 2018	-	-	-	-	-	(46)	(46)
Amount for distribution	-	-	-	17	17	41	58
Revaluation of property	-	-	9	-	9	0	9
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
Revaluation of property	-	-	30	-	30	1	31
Dividends paid for the financial year 2019	-	-	-	-	-	(38)	(38)
Amount for distribution	-	-	-	(75)	(75)	21	(53)
Purchase of own shares	-	-	-	(2)	(2)	-	(2)
Sale of own shares	-	-	-	0	0	-	0
Equity at 31 December 2020	1,224	1	46	131	1,403	5,943	7,345

Danish Ship Finance Holding A/S

DKK MILLION	Share capital	Share premium at issue	Revaluation reserves	Retained earnings	Total
Equity as at.1 January 2019	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
Revaluation of property	-	-	30	0	30
Amount for distribution	-	-	-	(62)	(62)
Purchase of own shares	-	-	-	(2)	(2)
Sale of own shares	-	-	-	0	0
Equity at 31 December 2020	1,224	1	46	183	1,454

Group overview

Affiliated companies	Ownership	Voting share	Assets	Equity	Net profit	Liabilities
Dannish Ship Finance A/S	86.6%	1	59,805	9,275	148	50,514

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

LIST OF NOTES

1	ACCOUNTING POLICIES
2	KEY FIGURES
3	INTEREST INCOME
4	INTEREST EXPENSES
5	NET INTEREST INCOME
6	FEE AND COMMISSION INCOME
7	MARKET VALUE ADJUSTMENTS
8	STAFF COSTS AND ADMINISTRATIVE EXPENSES
9	AUDIT FEES
10	TAX
11	DUE FROM CREDIT INSTITUTIONS AND CENTRAL BANKS
12	LOANS AT AMORTISED COST
13	LOANS AT AMORTISED COST BROKEN DOWN BY DUE DATE
14	NON-PERFORMING LOANS
15	LOAN IMPAIRMENT CHARGES
16	CREDIT RISK
17	BONDS AT FAIR VALUE
18	BONDS BY TIME TO MATURITY
19	CSA COLLATERAL
20	SHARES, ETC.
21	SHARES IN ASSOCIATED COMPANIES
22	LAND AND BUILDINGS
23	OTHER TANGIBLE ASSETS
24	OTHER ASSETS
25	DUE TO CREDIT INSTITUTIONS AND CENTRAL BANKS
26	ISSUED BONDS AT AMORTISED COST
27	OTHER LIABILITIES
28	DEFERRED TAX
29	SUBORDINATED DEBT
30	EQUITY
31	CAPITAL ADEQUACY
32	CONTINGENT LIABILITIES
33	OTHER CONTINGENT LIABILITIES
34	RELATED PARTIES
35	HEDGE ACCOUNTING
36	NOTIONAL PRINCIPALS OF OUTSTANDING DERIVATIVES
37	FAIR VALUES OF OUTSTANDING DERIVATIVES
38	FOREIGN EXCHANGE RISK AND USE OF DERIVATIVES
39	MARKET RISK SENSITIVITY
40	FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST
41	SUPPLEMENTARY NOTES WITHOUT REFERENCE
42	CAPITAL CENTRES

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 2019.

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.

$$\text{ECL} = \text{PD} * \text{EAD} * \text{LGD} * \text{MEF}$$

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 2020 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 domiciles located at Sankt Annæ Plads 3, DK-1250 Copenhagen K and Langebrogade 5, DK-1411 Copenhagen K.

Owner-occupied property

On initial recognition, the domicile properties 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				
		2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
NOTE 2	Net interest income from lending	488	503	463	553	78	(0)	(0)	(1)	0	-
	Net interest income from financial activities	(146)	(72)	(23)	(47)	(2)	(187)	(186)	(186)	(182)	(28)
	Total net interest income	342	432	440	506	76	(187)	(187)	(187)	(182)	(28)
	Net interest and fee income	363	458	472	526	82	(187)	(187)	(187)	(182)	(28)
	Market value adjustments	(150)	(197)	(135)	37	74	-	-	-	-	-
	Staff costs and administrative expenses	(159)	(167)	(160)	(148)	(36)	(1)	(2)	(2)	(7)	(18)
	Loan impairment charges	(100)	2	(35)	(163)	70	-	-	-	-	-
	Income from investments in associated companies	-	-	-	-	-	96	186	214	273	151
	Profit before tax	(47)	94	141	250	189	(93)	(4)	25	84	105
	Net profit for the year	(53)	58	98	210	147	(62)	38	66	125	115
Loans	32,078	39,337	37,117	35,000	40,454	-	-	-	-	-	
Bonds	24,319	25,027	22,470	20,093	19,730	-	-	-	-	-	
Subordinate loan capital	1,990	1,979	1,968	1,957	1,946	1,990	1,979	1,968	1,957	1,946	
Equity	1,403	1,449	1,423	1,466	1,333	1,454	1,488	1,442	1,468	1,414	
Total assets	59,935	67,113	62,782	58,735	63,300	3,540	3,490	3,433	3,449	3,394	

KEY RATIOS

	Group					Holding				
	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
Common Equity Tier 1 capital ratio	13.8	14.0	12.9	12.4	12.0	-	-	-	-	-
Tier 1 capital ratio	13.8	14.0	12.9	12.4	12.0	-	-	-	-	-
Total capital ratio	18.6	18.0	17.0	16.7	15.8	-	-	-	-	-
Return on equity before tax (%)	(3.4)	6.5	9.9	17.1	14.2	(6.4)	(0.2)	1.7	5.7	7.4
Return on equity after tax (%)	(3.8)	4.0	6.9	14.3	11.1	(4.3)	2.5	4.6	8.5	8.1
Income/cost ratio *)	0.8	1.7	1.8	1.9	(4.5)	(159.4)	(109.8)	(112.3)	(26.1)	(1.5)
Income/cost ratio (excluding loan impairment charges)	1.3	1.5	2.1	3.8	4.3	(159.4)	(109.8)	(112.3)	(26.1)	(1.5)
Foreign exchange position (%)	3.4	2.8	5.3	12.6	4.9	-	-	-	-	-
Gearing of loans	22.9	27.1	26.0	23.8	30.3	-	-	-	-	-
Annual growth in lending (%)	(18.5)	6.0	6.0	(13.5)	(6.3)	-	-	-	-	-
Annual loan impairment charges (%)	0.3	(0.0)	0.1	0.4	(0.2)	-	-	-	-	-
Accumulated loan impairment charges as % of loan book	3.9	4.9	6.3	6.9	5.8	-	-	-	-	-
Rate of return on assets (%)	(0.0)	0.1	0.2	0.4	0.2	(1.7)	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	
		2020	2019	2020	2019
NOTE 3	INTEREST INCOME				
	Due from credit institutions and central banks	30	49	-	-
	Loans and other receivables	1,255	1,791	-	-
	Bonds	155	219	-	-
	Other interest income	0	0	-	-
	Derivatives				
	Interest rate contracts	59	46	-	-
	Foreign exchange contracts	2	4	-	-
	Total interest income*	1,500	2,109	-	-

Of this amount, income from genuine purchase and resale transactions recognised in:

Due from credit institutions and central banks	31	46	-	-
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*) In Group total interest income contains negative interest expenses of DKK 0.5 million in 2020 (2019: 0.5 DKK million).

NOTE 4	INTEREST EXPENSES				
	Credit institutions and central banks	(2)	(14)	(0)	(0)
	Bonds	(18)	(15)	-	-
	Issued bonds	(169)	(180)	-	-
	Interest paid on additional Tier 2 capital	(187)	(186)	(187)	(186)
	Other interest expenses	(121)	(129)	-	-
	Derivatives				
	Interest rate contracts	(662)	(1,154)	-	-
	Total interest expenses*	(1,158)	(1,678)	(187)	(187)

Of this amount, interest expenses for genuine sale and repurchase transactions recognised in:

Due to credit institutions and central banks	(12)	(12)	-	-
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*) In Group total interest expenses contain negative interest income of DKK 19.2 million in 2020 (2019: 15.5 DKK million). In Holding total interest expenses contain negative interest expenses of DKK 0.3 million in 2020 (2019: 0.4 DKK million).

	DKK MILLION		Group		Holding	
	2020	2019	2020	2019	2020	2019
NOTE 5	NET INTEREST INCOME					
	Net interest income from lending					
Loans and other receivables	1,255	1,791	-	-	-	-
Bonds	14	6	-	-	-	-
Due from credit institutions	4	5	-	-	-	-
Interest to credit institutions	0	(1)	(0)	(0)	-	(0)
Issued bonds	(169)	(180)	-	-	-	-
Other interest expenses	(14)	(13)	-	-	-	-
Derivatives	0	0	-	-	-	-
Interest rate contracts	(604)	(1,108)	-	-	-	-
Foreign exchange contracts	2	4	-	-	-	-
Total net interest income from lending	488	503	(0)	(0)	(0)	(0)
	Net interest income from Finance activities					
Bonds	123	199	-	-	-	-
Due from credit institutions	27	45	-	-	-	-
Interest paid on additional Tier 2 capital	(187)	(186)	(187)	(186)	-	(186)
Other interest income	(0)	(0)	-	-	-	-
Interest to credit institutions	(3)	(13)	-	-	-	-
Other interest expenses	(106)	(116)	-	-	-	-
Total net interest income from Finance activities	(146)	(72)	(187)	(187)	(187)	(186)
Total net interest income	342	432	(187)	(187)	(187)	(187)
NOTE 6	FEE AND COMMISSION INCOME					
Guarantee commission	2	2	-	-	-	-
Fee and other commission income	19	24	-	-	-	-
Total fee and commission income	21	26	-	-	-	-
NOTE 7	MARKET VALUE ADJUSTMENTS					
Market value adjustment of bonds	(64)	(108)	-	-	-	-
Market value adjustment of shares	6	0	-	-	-	-
Exchange rate adjustments	(5)	(3)	-	-	-	-
Market value adjustment of derivatives	(87)	(87)	-	-	-	-
Total market value adjustments	(150)	(197)	-	-	-	-
NOTE 8	STAFF COSTS AND ADMINISTRATIVE EXPENSES					
	Remuneration of Board of Directors and Executive Board					
Board of Directors	(3)	(3)	-	-	-	-
Executive Board	(15)	(19)	(1)	(0)	-	(0)
Total remuneration of Board of Directors and Executive Board	(19)	(22)	(1)	(0)	(1)	(0)
	Staff costs					
Salaries and wages	(73)	(74)	(0)	(0)	-	(0)
Pensions	(8)	(8)	-	-	-	-
Social security costs and financial services employer tax	(23)	(23)	(0)	(0)	-	(0)
Total staff costs	(105)	(105)	(0)	(0)	(0)	(1)
Other administrative expenses	(35)	(41)	(0)	(1)	-	(1)
Total staff costs and administrative expenses	(159)	(167)	(1)	(2)	(1)	(2)
Number of employees - full-time equivalents	78	79	-	-	-	-
Average number of employees - full-time equivalents	79	79	-	-	-	-

DKK '000

NOTE 8 REMUNERATION OF THE BOARD OF DIRECTORS
CONTINUED

Group		Ordinary fee	Committee fee	Fee moved forward due to change in settlement period	Total fee
2020					
Eivind Kolding (Chairman)	*)	750	-	94	844
Peter Nyegaard (Vice Chairman)	*)	-	-	-	-
Anders Damgård	*)	-	-	-	-
Christian Frigast	*)	-	-	-	-
Michael Nellemann Pedersen	*)	200	150	44	394
Henrik Sjøgreen	*)	200	150	44	394
Jacob Meldgaard	*)	200	150	14	364
Thor Jørgen Guttormsen	*)	200	150	14	364
Christopher Rex	**)	200	-	50	250
Ninna Møller Kristensen (member as of 26 March 2020)	**)	100	-	50	150
Berit Koertz (member as of 26 March 2020)	**)	100	-	50	150
Nanna Flint (member as of 26 March 2020)	**)	100	-	50	150
Henrik Rohde Søgaaard (leaving as of 26 March 2020)		100	-	-	100
Marcus Freuchen Christensen (leaving as of 26 March 2020)		100	-	-	100
Total		2,250	600	410	3,260

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

		Ordinary fee	Committee fee	Total fee
2019				
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 Søgaaard	**)	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

*) 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 REMUNERATION OF THE EXECUTIVE BOARD

CONTINUED

Group

	Erik I. Lassen	Michael Frisch	Lars Jebjerg	Total
2020				
Salary	4,345	4,125	4,125	12,595
Pension	541	514	514	1,569
Tax value of car	166	152	146	464
Incentive bonus *)	313	298	298	909
Warrants awarded in a previous year	103	93	93	289
Total	5,468	5,182	5,176	15,826
Adjustment of variable pay for previous years	66	82	80	228
Total expenses for accounting purposes/earned income	5,534	5,264	5,256	16,054

*) Estimated value at the time of allocation in 2021

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.

Incentive bonus for 2020 to the Executive Board is provided as warrants with a deferral period of five years and a retention period of one year.

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

	Erik I. Lassen	Michael Frisch	Lars Jebjerg	Total
2019				
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

The remuneration terms for 2019 are identical with the terms for 2020.

Incentive bonus for 2019 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.

DKK '000

NOTE 8 Danish Ship Finance Holding A/S
CONTINUED

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

Bonus allocated in the form of warrants	2020	2018	2017
Executive Board			
Erik I. Lassen	313	-	718
Michael Frisch	298	635	-
Lars Jebjerg	298	635	-
Per Schnack (resigned as of 22 May 2018)	-	-	671
Executive Board, total	909	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	909	1,598	2,327

The Executive Board and other risktakers have not been awarded any bonus in Danish Ship Finance Holding in 2019.

INFORMATION ON REMUNERATION POLICY (Group)

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 26 March 2020.

The remuneration policy is available on the company's website:

<https://www.shipfinance.dk/investor-relations/>

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.

2020	Fixed salary/fee	Variable salary	Total salary/fee	Number of recipients
Board of Directors	3,260	-	3,260	12
Executive Board	14,628	1,426	16,054	3
Other employees whose activities have a material impact on the company's risk profile	12,203	1,579	13,782	7
Total	30,091	3,005	33,096	

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.

NOTE 8 INFORMATION ON REMUNERATION POLICY
CONTINUED

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.

2020	Number of	
	Shares	Warrants
Board of Directors		
Eivind Kolding (Chairman)	300,000,000	
Jacob Meldgaard	150,000,000	
Henrik Sjøgreen	150,000,000	
Thor Jørgen Guttormsen	150,000,000	
Nanna Flint *)	6,038,437	
Ninna Møller Kristensen *)	3,735,776	
Berit Koertz *)	6,257,167	
Christopher Rex *)	9,999,900	16,666,500
Executive Board		
Erik I. Lassen	279,999,998	654,311,498
Lars Jebjerg	160,000,000	552,095,556
Michael Frisch	160,000,100	552,095,556
Other employees whose activities have a material impact on the company's risk profile	371,916,788	665,882,834
Total	1,747,948,166	2,441,051,944

*) Employee representative

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	

DKK MILLION	Group		Holding		
	2020	2019	2020	2019	
NOTE 9	AUDIT FEES				
	Fees for statutory audit of financial statements	(0.9)	(0.9)	(0.1)	(0.1)
	Fees for tax advisory services	(0.2)	(0.3)	-	0.0
	Fees for non-audit services	0.0	(1.6)	0.0	0.0
	Fees for other assurance engagements	(0.2)	(0.4)	0.0	(0.1)
	Total fees	(1.3)	(3.2)	(0.1)	(0.3)

Fees for non-audit services provided by Deloitte Statsautoriserede Revisionspartnerselskab to Danish Ship Finance A/S cover various assurance reports, review of the Interim Report, and VAT and tax advisory.

NOTE 10	TAX				
	Tax on profit for the year				
	Estimated tax on profit for the year	(3)	2	-	-
	Changes in deferred tax	4	(35)	36	41
	Adjustment of prior-year tax charges	(7)	(3)	(4)	-
	Total tax	(6)	(36)	31	41
	Effective tax rate	%	%	%	%
	Tax rate in Denmark	22.0	22.0	22.0	22.0
	Non-taxable income and non-deductible expenses	(20.5)	(56.7)	19.8	(1,184.2)
	Adjustment of prior-year tax charges	(13.8)	2.9	(8.4)	0.0
	Effective tax rate	(12.3)	(31.9)	33.4	(1,162.2)

NOTE 11	DUE FROM CREDIT INSTITUTIONS AND CENTRAL BANKS				
	Genuine purchase and resale transactions (reverse repo)	1,170	632	-	-
	Other receivables	130	352	2	90
	Total due from credit institutions and central banks	1,300	984	2	90
	Broken down by due date				
	Demand deposits	24	52	2	90
	Up to 3 months	1,276	931	-	-
	Total due from credit institutions and central banks	1,300	984	2	90

The company has no term deposits with central banks.

NOTE 12	LOANS AT AMORTISED COST *)				
	At 1 January	39,337	37,117	-	-
	Additions	6,472	7,327	-	-
	Ordinary repayments and redemptions	(5,181)	(4,595)	-	-
	Extraordinary repayments	(4,533)	(1,502)	-	-
	Net change concerning revolving credit facilities	(318)	362	-	-
	Exchange rate adjustment of loans	(4,287)	273	-	-
	Initial impact at 1 January 2018 (IFRS 9)	-	-	-	-
	Other adjustments	(128)	(128)	-	-
	Change in amortised cost for the year	2	2	-	-
	Depreciation, amortisation and impairment for the year	713	481	-	-
	At 31 December	32,078	39,337	-	-

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

DKK MILLION	Group		Holding	
	2020	2019	2020	2019
NOTE 13	LOANS AT AMORTISED COST BROKEN DOWN BY DUE DATE			
Gross loans at exchange rates at the balance sheet date	33,392	41,364	-	-
Accumulated loan impairment charges	(1,314)	(2,027)	-	-
Total loans	32,078	39,337	-	-
Total loans broken down by due date				
Up to 3 months	1,257	1,654	-	-
From 3 months to 1 year	2,657	3,485	-	-
From 1 to 5 years	24,140	24,870	-	-
Over 5 years	4,024	9,329	-	-
Total loans	32,078	39,337	-	-
Total loans				
Loans at fair value	32,703	39,789	-	-
Loans at amortised cost	32,078	39,337	-	-

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

NOTE 14	NON-PERFORMING LOANS			
Impaired loans (DSF Rating 11)				
Loans subject to forbearance or otherwise impaired, gross	650	3,161	-	-
Accumulated loan impairment charges	(150)	(1,169)	-	-
Impaired loans, net	500	1,993	-	-
Defaulted loans (DSF rating 12)				
Loans in default, gross	1,757	1,088	-	-
Accumulated loan impairment charges	(901)	(609)	-	-
Defaulted loans, net	855	478	-	-
Non-performing loans, gross (NPL)	2,407	4,249	-	-
Non-performing loans, net (net NPL)	1,356	2,471	-	-
NPL ratio	7.2%	10.3%	-	-
Net NPL ratio	4.2%	6.3%	-	-

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			
The following impairment charges/loss allowances were made on loans/credit commitments				
Accumulated loan impairment charges	1,314	2,027	-	-
Accumulated loss allowances for loan commitments	16	8	-	-
Total	1,330	2,035	-	-
Accumulated loan impairment charges as % of the loan book	3.9	4.9	-	-
Reconciliation of total ECL allowance account				
At 1 January	2,035	2,514	-	-
New loan impairment charges/loss allowances	760	581	-	-
Reversal of loan impairment charges/loss allowances	(648)	(575)	-	-
Gross write-offs debited to the allowance account	(817)	(486)	-	-
Total	1,330	2,035	-	-
Loan impairment charges for the period				
New loan impairment charges/loss allowances	(760)	(581)	-	-
Reversal of loan impairment charges/loss allowances	648	575	-	-
Reclassification of interest	0	8	-	-
Recovery on loans previously written off	12	0	-	-
Loan impairment charges	(100)	2	-	-

DKK MILLION	Group		Holding	
	2020	2019	2020	2019
NOTE 16 CREDIT RISK				
Reconciliation of loans and guarantees (loan book)				
Balance sheet				
Loans at amortised cost	32,078	39,337	-	-
Other receivables	196	198	-	-
Loan impairment charges	1,314	2,027	-	-
Total balance sheet items	33,588	41,563	-	-
Guarantees	116	132	-	-
Total guarantees	116	132	-	-
Total loans and guarantees	33,704	41,695	-	-
Reconciliation of other contingent liabilities				
Credit commitments	3,723	3,168	-	-
Total other contingent liabilities	3,723	3,168	-	-
Reconciliation of financial exposure				
Due from credit institutions and central banks	1,300	984	2	90
Bonds at fair value	24,319	25,027	-	-
Shares, etc.	0	3	-	-
Derivatives	1,674	1,293	-	-
Total financial exposure	27,293	27,307	2	90
Total credit risk from loans and financial exposures	64,720	72,170	2	90

RATING CATEGORY BREAKDOWN

The internal DSF Rating scale consists of 12 rating categories.

The main objective of the DSF Rating model is to rank 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 a DSF Rating, and the DSF 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 DSF 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

DSF RATING	Group		Holding	
	2020	2019	2020	2019
1 - 2	-	-	-	-
3 - 4	5,471	7,805	-	-
5 - 6	11,755	14,650	-	-
7 - 8	12,977	13,123	-	-
9 - 10	1,084	1,842	-	-
11	653	3,181	-	-
12	1,764	1,094	-	-
Total	33,703	41,695	-	-

DKK MILLION

NOTE 16 STAGES FOR CHANGES IN CREDIT RISK
CONTINUED

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

DSF RATING	STAGE 1	STAGE 2	LOANS AND	
			STAGE 3	GUARANTEES
				2020
1	-	-	-	-
2	-	-	-	-
3	1,813	-	-	1,813
4	3,658	-	-	3,658
5	1,095	-	-	1,095
6	10,659	-	-	10,659
7	8,203	1,543	-	9,746
8	3,232	-	-	3,232
9	0	358	-	358
10	-	726	-	726
11 (impaired)	-	-	653	653
12 (default)	-	-	1,764	1,764
Total	28,660	2,627	2,416	33,703

Credit commitments broken down by rating category and stages

DSF RATING	STAGE 1	STAGE 2	CREDIT	
			STAGE 3	COMMITMENTS
				2020
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	1,221	-	-	1,221
5	298	-	-	298
6	1,023	-	-	1,023
7	727	-	-	727
8	429	-	-	429
9	-	25	-	25
10	-	-	-	-
11 (impaired)	-	-	-	-
12 (default)	-	-	-	-
Total	3,698	25	-	3,723

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

DSF RATING	STAGE 1	STAGE 2	LOANS AND	
			STAGE 3	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	41,695

Credit commitments broken down by rating category and stages

DSF RATING	STAGE 1	STAGE 2	CREDIT	
			STAGE 3	COMMITMENTS
				2019
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	728	-	-	728
5	-	-	-	-
6	147	-	-	147
7	1,881	90	-	1,971
8	295	-	-	295
9	-	27	-	27
10	-	-	-	-
11 (impaired)	-	-	-	-
12 (default)	-	-	-	-
Total	3,051	117	-	3,168

**NOTE 16 STAGES FOR CHANGES IN CREDIT RISK
CONTINUED**
Changes in total allowance account broken down by stages

	STAGE 1	STAGE 2	STAGE 3	TOTAL
At 1 January 2020	167	90	1,778	2,035
Transferred to stage 1 during the period	0	0	0	0
Transferred to stage 2 during the period	(9)	189	(179)	0
Transferred to stage 3 during the period	0	0	0	0
New impairment charges/loss allowances	53	51	656	760
Reversal of impairment charges/loss allowances	(75)	(186)	(386)	(648)
Gross write-offs for the period	0	0	(817)	(817)
Total ECL allowance account at 31 December 2020	135	144	1,051	1,330

Of which:

- Accumulated loan impairment charges	119	144	1,051	1,314
- Accumulated loss allowances for credit commitments	16	0	0	16

	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 ECL allowance account at 31 December 2019	167	90	1,778	2,035

Of which:

- Accumulated loan impairment charges	159	90	1,778	2,027
- Accumulated loss allowances for credit commitments	8	0	0	8

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 losses ("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 DSF 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 stages 2 and 3, loan impairment charges for lifetime ECL are recognised.

The Risk Report 2020 provides more detailed information.

NOTE 16 Arrears/Past-due loans

CONTINUED 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.

Covid-19 concessions

Our forbearance practices have been updated to cater for clients materially affected by the Covid-19 pandemic. Temporary Covid-19 concessions to clients are not considered forbearance if such clients - based on individual credit assessments - are considered to have viable business models post-Covid-19.

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 declined by 13.8% on average in 2020. Declines in vessel prices do not in general have a material adverse effect on the collateral coverage of the loan book due to positive effects of regular loan repayments and benefit of minimum value clauses (MVC).

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

LOAN-TO-VALUE INTERVAL	Koncernen		Holding	
	SHARE OF LOANS		SHARE OF LOANS	
	2020	2019	2020	2019
0 - 20 %	39%	41%	-	-
20 - 40 %	37%	37%	-	-
40 - 60 %	22%	21%	-	-
60 - 80 %	2%	1%	-	-
80 - 90 %	0%	0%	-	-
90 - 100 %	0%	0%	-	-
Over 100 %	-	-	-	-

The table above shows that at year-end 98% (2019: 99%) of all loans were secured within 60% of the market value of the mortgage, and 100% (2019: 100%) of all loans were within 80% of the market value of the mortgage.

The weighted loan-to-value ratio on the loan book after loan impairment charges was 54% (2019: 51%).

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

LOAN-TO-VALUE INTERVAL	Group		Holding	
	SHARE OF LOANS		SHARE OF LOANS	
	2020	2019	2020	2019
0 - 20 %	41%	40%	-	-
20 - 40 %	35%	38%	-	-
40 - 60 %	22%	21%	-	-
60 - 80 %	2%	1%	-	-
80 - 90 %	0%	0%	-	-
90 - 100 %	0%	0%	-	-
Over 100 %	-	-	-	-

The table above shows that at year-end 98% (2019: 99%) of non-performing loans were secured within 60% of the market value of the mortgage, and 100% (2019: 100%) of non-performing loans were 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 53% (2019: 52%).

DKK MILLION	Group		Holding	
	2020	2019	2020	2019
NOTE 17	BONDS AT FAIR VALUE			
Bond portfolio				
Own non-callable bonds	962	-	-	-
Non-callable bonds	21,697	18,036	-	-
Callable bonds	2,622	6,991	-	-
Total portfolio of bonds	25,281	25,027	-	-
Own bonds (offset against issued bonds at amortised cost)	(962)	-	-	-
Total bond portfolio	24,319	25,027	-	-
Bond portfolio				
Own bonds	962	0	-	-
Government bonds and bonds issued by KommuneKredit	7,048	4,004	-	-
Mortgage bonds	17,271	21,023	-	-
Total portfolio of bonds	25,281	25,027	-	-
Own bonds (offset against issued bonds at amortised cost)	(962)	-	-	-
Total bond portfolio	24,319	25,027	-	-
NOTE 18	BONDS BY TIME TO MATURITY			
Bond portfolio				
Bonds with a maturity up to and including 1 year	1,658	1,722	-	-
Bonds with a maturity over 1 year and up to and including 5 years	17,935	13,489	-	-
Bonds with a maturity over 5 years and up to and including 10 years	1,624	889	-	-
Bonds with a maturity over 10 years	3,102	8,927	-	-
Total bonds specified by time to maturity	24,319	25,027	-	-

DKK MILLION		Group		Holding	
		2020	2019	2020	2019
NOTE 19	CSA COLLATERAL				
	Collateral under CSA agreements				
	Collateral received	714	203	-	-
	Collateral delivered	(999)	(808)	-	-
	Net value of collateral under CSA agreements	(285)	(605)	-	-

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.				
	Shares listed on Nasdaq Copenhagen A/S	-	-	-	-
	Unlisted shares recognised at fair value	-	3	-	-
	Total shares, etc.	-	3	-	-

NOTE 21	SHARES IN ASSOCIATED COMPANIES				
	Cost, 1 January	-	-	4,088	4,088
	Additions	-	-	-	-
	Redemptions	-	-	-	-
	Cost, 31 December	-	-	4,088	4,088
	Depreciation, amortisation and impairment losses, 1 January	-	-	(722)	(757)
	Dividend	-	-	(95)	(159)
	Value adjustment for the period	-	-	30	9
	Profit share	-	-	96	186
	Depreciation, amortisation and impairment losses, 31 December	-	-	(691)	(722)
	Carrying amount, 31 December	-	-	3,397	3,366

NOTE 22	LAND AND BUILDINGS				
	Owner-occupied property				
	Revaluation, 1 January	102	90	-	-
	Acquisition	183	-	-	-
	Revaluations	40	11	-	-
	Revaluation including improvements, 31 December	325	102	-	-
	Accumulated depreciation, 1 January	2	2	-	-
	Depreciation for the year	0	0	-	-
	Accumulated depreciation, 31 December	2	2	-	-
	Total revaluation, 31 December	323	100	-	-

The owner-occupied properties are the office properties at Sankt Annæ Plads 3, Copenhagen (public property valuation on 1 October 2019: DKK 79 million) and Langebrogade 5, Copenhagen (public property valuation on 1 October 2019: DKK 88 million).

In mid-July 2020, we entered into an agreement for the sale of our current domicile property at Sankt Annæ Plads and the property has been valued based on sale price. The sale will be effected once we can move to our new offices, expected to be in the first half of 2022.

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

DKK MILLION		Group		Holding	
		2020	2019	2020	2019
NOTE 23	OTHER TANGIBLE ASSETS				
	Cost, 1 January	23	23	-	-
	Additions during the year	0	0	-	-
	Disposals during the year	(11)	0	-	-
	Cost, 31 December	12	23	-	-
	Accumulated depreciation, 1 January	16	15	-	-
	Disposals during the year	(11)	0	-	-
	Depreciation during the year	1	1	-	-
	Accumulated depreciation, 31 December	6	16	-	-
	Total other tangible assets	6	8	-	-
NOTE 24	OTHER ASSETS				
	Interest receivable	131	247	-	-
	Prepayments to swap counterparties	12	15	-	-
	Derivatives	1,674	1,293	-	-
	Miscellaneous receivables	10	15	-	-
	Total other assets	1,827	1,570	-	-
NOTE 25	DUE TO CREDIT INSTITUTIONS AND CENTRAL BANKS				
	Repo transactions	6,693	8,447	-	-
	Other amounts due	0	256	-	-
	Total due to credit institutions and central banks	6,693	8,704	-	-
	Broken down by due date				
	On demand	0	256	-	-
	Up to 3 months	6,693	8,447	-	-
	Total due to credit institutions and central banks	6,693	8,704	-	-

DKK MILLION	Group		Holding	
	2020	2019	2020	2019
NOTE 26	ISSUED BONDS AT AMORTISED COST			
The figures relate to the subsidiary Danish Ship Finance A/S				
At 1 January	47,968	43,894	-	-
Additions in connection with pre-issuance	7,935	13,969	-	-
Amortisation of cost	(137)	(73)	-	-
Adjustment for hedge accounting	(1)	101	-	-
Exchange rate adjustment	(38)	28	-	-
Other adjustment	(115)	(115)	-	-
Own bonds	(970)	0	-	-
Ordinary and extraordinary redemptions	(12,050)	(9,836)	-	-
At 31 December	42,592	47,968	-	-
Specification of issued bonds				
Bonds issued in DKK				
Bullet bonds	35,768	39,629	-	-
Amortising CIRR bonds	276	392	-	-
Total Danish bonds	36,044	40,020	-	-
Bonds issued in foreign currency				
Bullet bonds	7,439	7,450	-	-
Amortising CIRR bonds, at year-end exchange rates	71	497	-	-
Total bonds issued in foreign currency	7,510	7,947	-	-
Own bonds	(962)	-	-	-
Total issued bonds	42,592	47,968	-	-
Broken down by term to maturity				
Up to 3 months	1,175	1,301	-	-
From 3 months to 1 year	38	373	-	-
From 1 to 5 years	38,158	25,328	-	-
Over 5 years	4,184	20,965	-	-
Issued bonds, total				
before set-off against portfolio of own bonds	43,555	47,968	-	-
Own bonds	(962)	-	-	-
Total issued bonds	42,592	47,968	-	-

DKK MILLION		Group		Holding	
		2020	2019	2020	2019
NOTE 27	OTHER LIABILITIES				
	Interest payable	152	152	21	21
	Derivatives	1,074	824	-	-
	Tax	0	0	-	-
	Other liabilities	72	69	74	2
	Total other liabilities	1,299	1,046	95	23

NOTE 28	DEFERRED TAX				
	Deferred tax, 1 January	81	114	34	32
	Initial adjustment regarding IFRS 9	0	-	-	-
	Adjustment of prior-year	(91)	1	-	-
	Estimated deferred tax on profit for the year	82	(33)	106	2
	Total deferred tax	72	81	141	34

	Group		Holding	
	2020	2020	2020	2020
	Deferred tax assets	Deferred tax liabilities	Deferred tax net	Deferred tax net
Property, plant and equipment	0	(21)	(21)	-
Loans	72	-	72	-
Shares, etc.	1	-	1	-
Issued bonds	0	(121)	(121)	-
Payables	128	-	128	128
Employee obligations	0	-	0	-
Balance of tax losses	12	0	12	12
Total deferred tax	214	(141)	73	141

NOTE 29	SUBORDINATED DEBT				
	Convertible debt instrument	2,000	2,000	2,000	2,000
	Amortised initial expenses	(10)	(21)	(10)	(21)
	Total subordinate loan capital	1,990	1,979	1,990	1,979

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 Cibar (floored).

DKK MILLION	Group		Holding	
	2020	2019	2020	2019
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 215,300,298 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 5,943 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	
		2020	2019
NOTE 31	CAPITAL ADEQUACY		
	Common Equity Tier 1 capital		
	Share capital	1,224	1,224
	Tied-up reserve capital	4,413	5,528
	Retained earnings	133	208
	Revaluation reserves	-	-
	Total Common Equity Tier 1 capital	5,770	6,961
	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
	Prudent valuation pursuant to Article 105 of the CRR	28	28
	Deductions of own shares	2	1
	Total deductions from Common Equity Tier 1 capital	30	29
	Common Equity Tier 1 capital after deductions	5,740	6,931
	Tier 2 capital	1,990	1,979
	Own funds after deductions	7,731	8,911
	Risk exposure amount		
	Assets outside the trading book	33,904	41,410
	Off-balance sheet items	1,444	1,366
	Counterparty risk outside the trading book	1,557	1,363
	Market risk	3,736	4,211
	Operational risk	880	1,056
	Total risk exposure amount	41,522	49,406
	Common Equity Tier 1 capital ratio	13.8	14.0
	Tier 1 capital ratio	13.8	14.0
	Total capital ratio	18.6	18.0
	The risk exposure amount for market risk consists of:		
	Position risk related to debt instruments	3,454	3,952
	Position risk related to shares	18	7
	Total currency position	265	253
	Total risk exposure amount for market risk	3,736	4,211

DKK MILLION		Group		Holding	
		2020	2019	2020	2019
NOTE 32	CONTINGENT LIABILITIES				
	In the ordinary course of its lending operations, DSF has undertaken guarantee commitments of	116	132	-	-
	Payment guarantee provided to the Danish Securities Centre	0	0	-	-
	Guarantees provided to the Danish Securities Centre	-	-	-	-
	Total contingent liabilities	116	132	-	-

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	885	437	-	-
	In the ordinary course of its lending operations, DSF has undertaken commitments relating to irrevocable credit commitments in the amount of	2,837	2,731	-	-
	Total other contingent liabilities	3,723	3,168	-	-

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.

Related-party transactions concerning loans and loan offers totalled at 31 December 2020 a nominal amount of DKK 1,252 million (at 31 December 2019: DKK 1,379 million). Transactions with related parties are settled on an arm's-length basis and recognised in the financial statements according to the same accounting policy as for similar transactions with unrelated parties.

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 2020	NOMINAL VALUE	CARRYING AMOUNT	FAIR VALUE
Commitments			
Issued bonds	12,910	13,014	13,350
Total commitments	12,910	13,014	13,350
Derivatives			
Interest rate swaps	(12,910)	(101)	(101)
Total derivatives	(12,910)	(101)	(101)
Net	0	12,913	13,249

Holding 2020	NOMINAL VALUE	CARRYING AMOUNT	FAIR VALUE
Commitments			
Issued bonds	-	-	-
Total commitments	-	-	-
Derivatives			
Interest rate swaps	-	-	-
Total derivatives	-	-	-
Net	-	-	-

Group 2019	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 2019	NOMINAL VALUE	CARRYING AMOUNT	FAIR VALUE
Commitments			
Issued bonds	-	-	-
Total commitments	-	-	-
Derivatives			
Interest rate swaps	-	-	-
Total derivatives	-	-	-
Net	-	-	-

DKK MILLION		Group		Holding	
		2020	2019	2020	2019
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	279	392	-	-
	Credit institutions	78,741	61,436	-	-
	Swap agreements have been made with the following parties to hedge the interest rate risk on loans, bonds and issued bonds:				
	Receivables	-	-	-	-
	Credit institutions	129,437	80,297	-	-
	Swap agreements, for which financial risks are not fully hedged, have been made with the following parties:				
	Credit institutions	56,487	53,245	-	-
	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	34,619	29,446	-	-

NOTE 37	DKK MILLION	Group		Holding	
		POSITIVE	NEGATIVE	POSITIVE	NEGATIVE
	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	19	-	-	-
	Credit institutions	1,240	285	-	-
	Swap agreements have been made with the following parties to hedge the interest rate risk on loans, bonds and issued bonds:				
	Receivables	-	-	-	-
	Credit institutions	1,161	967	-	-
	Swap agreements, for which financial risks are not fully hedged, have been made with the following parties:				
	Credit institutions	1,200	1,861	-	-
	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	46	258	-	-
	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%	539	-	-	-
	Counterparty with risk weight of 50%	1,251	-	-	-
	Counterparty with risk weight of 100%	36	-	-	-
	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%	881	-	-	-
	Counterparty with risk weight of 50%	2,750	-	-	-
	Counterparty with risk weight of 100%	36	-	-	-

DKK MILLION

NOTE 38 FOREIGN EXCHANGE RISK AND USE OF DERIVATIVES

The total unhedged foreign currency position at 31 December 2020, translated at year-end exchange rates into DKK, amounts to DKK 265 million (DKK 188 million at 31 December 2019).

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

The net position is specified as follows

	USD	OTHER	TOTAL	DKK	TOTAL
	CURRENCIES		CURRENCY		
Loans at year-end exchange rates	29,026	2,828	31,854	1,538	33,392
Loan impairment charges	-	-	-	(1,314)	(1,314)
Loans as per the balance sheet					32,078
Due from credit institutions and central banks	4	57	61	1,240	1,300
Bond portfolio	-	1,912	1,912	22,407	24,319
Interest receivable, other assets etc.	135	47	183	2,056	2,238
Total assets as per the balance sheet	29,165	4,844	34,008	25,927	59,936
Issued bonds at year-end exchange rates	(71)	(6,577)	(6,648)	(35,944)	(42,592)
Issued bonds as per the balance sheet					(42,592)
Due to credit institutions and central banks	(48)	(190)	(239)	(6,455)	(6,693)
Interest payable, other payables	(3)	(0)	(3)	(1,296)	(1,299)
Provisions	-	-	-	(16)	(16)
Subordinated capital	-	-	-	(1,990)	(1,990)
Minority	-	-	-	(5,943)	(5,943)
Total equity	-	-	-	(1,403)	(1,403)
Total liabilities as per the balance sheet	(122)	(6,767)	(6,889)	(53,046)	(59,936)
Derivatives					
- receivables	13,277	26,312	39,590		
Derivatives					
- payables	(42,112)	(24,332)	(66,443)		
Total net position	209	57	265		

DKK MILLION	Group		Holding	
	2020	2019	2020	2019
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:	(46)	(92)	-	-
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:	32	62	-	-
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.				
An appreciation of the USD exchange rate against the DKK				
Change in net profit for the year and equity	(2)	38	-	-
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	(5)	(41)	-	-
Percentage change in total capital ratio	3	2	-	-
An appreciation of the GBP exchange rate against the DKK				
Change in net profit for the year and equity	(32)	0	-	-
Percentage change in total capital ratio	(0.0)	(27)	-	-
A depreciation of the GBP exchange rate against the DKK				
Change in net profit for the year and equity	32	0	-	-
Percentage change in total capital ratio	0.0	27	-	-
An appreciation of the NOK exchange rate against the DKK				
Change in net profit for the year and equity	(29)	0	-	-
Percentage change in total capital ratio	(0.3)	(78)	-	-
A depreciation of the NOK exchange rate against the DKK				
Change in net profit for the year and equity	22	0	-	-
Percentage change in total capital ratio	0.3	76	-	-

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	
	2020	2019	2020	2019
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.				
Loans				
Measured at amortised cost	32,078	39,337	-	-
Measured at fair value	32,703	39,789	-	-
Difference between carrying amounts and fair-value based				
value of loans, total	625	452	-	-

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

Issued bonds				
Measured at amortised cost, incl. hedging	42,592	47,968	-	-
Measured at fair value	43,034	48,246	-	-
Difference between carrying amounts and fair-value based value of				
issued bonds total	442	278	-	-

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, 2020		Capital Centre Institute In General	Capital Centre A	Total
NOTE 42	CAPITAL CENTRES 2020			
Income statement				
	Interest, loans and other receivables	1,062	193	1,255
	Other interest and fee income, net	(586)	(106)	(692)
	Market value adjustments	(135)	(15)	(150)
	Staff costs and administrative expenses	(134)	(24)	(158)
	Loan impairment charges	(217)	117	(100)
	Tax	(1)	(36)	(37)
	Net profit for the year	(11)	128	117
Assets				
	Loans and other receivables at amortised cost	26,021	5,929	31,950
	Other assets	25,373	2,482	27,855
	Total assets	51,394	8,411	59,805
Liabilities				
	Issued bonds at amortised cost	35,857	6,620	42,477
	Other liabilities	8,047	5	8,053
	Equity	7,490	1,785	9,275
	Total liabilities	51,394	8,411	59,805
	Transferrals between capital centres	(68)	68	0
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 2020.

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)

Aktive Ejere (Active Owners)

The Board Leadership Society in Denmark

Vice Chairman of the Board of Directors:

Pandora

PostNord

Axcelfuture, Axcel's think tank

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

Margrethelholmen P/S

Komplementarselskabet Margrethelholm 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
Investeringselskabet 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
Investeringselskabet 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
Falckgården P/S
PKA AIP A/S
PKA Private Funds IV GP ApS
IIP Denmark GP ApS
DEAS Invest I A/S
DEAS Invest I Holding A/S
PS Gjellerup

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 A/S

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
PFA Nordic Real Estate Low 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