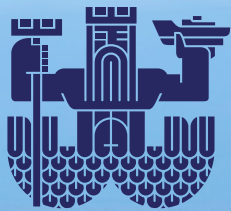


DANISH SHIP FINANCE 2020

› Interim Report – first half



COMPANY INFORMATION

COMPANY

Danish Ship Finance A/S
Company reg. no. (CVR): 27 49 26 49

Sankt Annæ Plads 3
1250 Copenhagen K
Phone: +45 33 33 93 33
Website: www.shipfinance.dk

Municipality of registered Office: Copenhagen

BOARD OF DIRECTORS

Eivind Drachmann Kolding (Chairman)
Peter Nyegaard (Vice Chairman)
Anders Damgaard
Nanna Flint
Povl Christian Lütken Frigast
Thor Jørgen Guttormsen
Anna-Berit Koertz
Ninna Møller Kristensen
Jacob Balslev Meldgaard
Michael Nellemann Pedersen
Christopher Rex
Henrik Sjøgreen

EXECUTIVE BOARD

Erik I. Lassen
Lars Jebjerg
Michael Frisch

AUDITORS

Deloitte
Statsautoriseret Revisionspartnerselskab
Company reg. no. (CVR): 33 96 35 56

MID-YEAR UPDATE TO OUR STAKEHOLDERS

We entered the year on an optimistic note, with shipping markets bolstered by a gradual rate recovery while we continued to progress on our strategic growth agenda.

Optimism was quickly put to the test – already in the first quarter of 2020 the world was upended by the Covid-19 pandemic. The lockdown containment response worldwide induced a shock to economic growth, employment and trade, contributing to a crash in oil prices and a steep sell-off in financial markets. Authorities responded with fiscal and central bank intervention on a scale exceeding that of the 2008 Financial Crisis.

Although the extensive lockdown of large parts of the global economy has been eased, it is still too early to predict the fall-out from the crisis.

Shipping has had to face up to exceptional challenges, both on a financial and operational level. The global lockdown not only radically changed trade flows but also turned routine procedures like crew changes into logistical challenges. Some shipping segments were temporarily sheltered by contango in the oil markets while others saw demand all but evaporate overnight. The shipping industry overall has responded intelligently. Yet again, well-found, prudent shipowners, have a chance to prove their resilience in a crisis.

We remain confident that shipping overall will emerge stronger in the medium term, supported by a much-improved supply/demand balance. Evidenced by an order book that, for the first time in more than 20 years, is down in the single digits, at 8%.

Danish Ship Finance had to adapt to the events of first-half 2020. Safety of employees was top priority and nearly all staff worked remotely for much of the period. Operational plans proved to hold up flawlessly in a period of intense activity. We remained in close contact with clients by all virtual means available, delivery of our strategic change initiatives continued unabated, and we completed the acquisition of a new domicile property.

Our core lending business performed satisfactorily and close to plans, however, net profit for the first half year 2020 was an unsatisfactory negative DKK 25 million, as the Covid-19 pandemic affected our first-half 2020 business performance in several ways:

Our portfolio of mostly AAA investments was adversely affected by the financial market sell-off in March and posted an unsatisfactory negative result of DKK 106 million for the first half-year (similar to other Danish financial institutions). Credit costs were somewhat higher in the first half of 2020, as lower oil prices made the business environment more difficult for already challenged clients in the offshore sector. We prudently took loan impairment charges of DKK 95 million and saw net interest income reduce by approximately DKK 20 million as more troubled offshore loans became non-accrual.

We executed well on our pipeline of prospective business in the first half of 2020 and gross lending increased to DKK 41.5 billion on 30 June 2020, collateralised by a record 807 vessels. Nevertheless, we reduce our full-year 2020 lending

volume outlook from steady growth to stable or a modest reduction, as clients temporarily reduce vessel sales and purchase activity. Continued inability to visit particularly new clients in person also plays a part.

On a positive note, we experienced no new loan defaults in the first half 2020 as conventional shipping segments (non-offshore) continued to perform. The volume of non-performing loans decreased by DKK 0.5 billion, to DKK 3.8 billion, lowering the net NPL ratio to 5.3% at 30 June 2020, from 6.3% at year-end 2019.

Our liquidity strengthened during the first half-year period and we have no incremental funding need at this time.

Staff costs and administrative expenses for the first half-year were 5% below those of the same period in 2019 and we will continue to have a particular focus on strict managing of costs.

In summary, even as the global Covid-19 pandemic continues to unfold and will negatively impact our result for 2020, our business remains robust, our capital position continues to be very strong, and our strategy of focusing on lending to prudent shipowners has proven a good guide in turbulent times. We remain guardedly optimistic about the prospects for Danish Ship Finance in the second half of 2020 and beyond.

Eivind Kolding
Chairman

Erik I. Lassen
Chief Executive Officer

FIRST HALF-YEAR RESULTS

The Board of Directors of Danish Ship Finance A/S has today considered the Interim Report for the first half of 2020.

SUMMARY RESULTS

DKK MILLION	1 ST HALF 2020	1 ST HALF 2019	FULL YEAR 2019
Total net interest and fee income	282	305	675
Market value adjustments	(134)	(80)	(197)
Staff costs and administrative expenses	(80)	(84)	(166)
Loan impairment charges	(95)	(3)	2
Net profit for the period	(25)	106	227

Net profit totalled a negative DKK 25 million (compared to a positive DKK 106 million for the first half of 2019). Income from own funds investments was lower and credit costs were significantly higher in the first half of 2020 compared to the prior year period.

Total net interest and fee income decreased to DKK 282 million (DKK 305 million in the first half of 2019) reflecting lower investment income and a higher volume of non-interest accruing loans. Market value adjustment of securities and foreign exchange amounted to a net expense of DKK 134 million (an expense of DKK 80 million in the first half of 2019).

Loan impairment charges was an expense of DKK 95 million (expense of DKK 3 million for the first half of 2019), due to higher expected credit losses on existing non-performing loans in the offshore sector. Largely, credit quality of lending to conventional shipping continued to be robust. Staff costs and administrative expenses were DKK 80 million (DKK 84 million for the prior year period, including non-recurring personnel related costs).

Overall, credit quality of the loan book remained sound in the first half of 2020, despite the COVID-19 pandemic, and credit deterioration was mainly seen in the offshore segments.

BUSINESS AREAS

Management commentary below on income developments for the main business areas presented in an activity-based segmentation.

DKK MILLION	1 ST HALF 2020	1 ST HALF 2019	FULL YEAR 2019
INCOME BY BUSINESS AREA			
Lending	290	290	598
Funding	(34)	(29)	(52)
Investments	(106)	(29)	(79)
Total Income	149	232	468

LENDING

Lending comprises lending of funds, obtained by issuance of ship covered bonds, to ship-owning clients.

Income, lending			
DKK MILLION	1ST HALF 2020	1ST HALF 2019	FULL YEAR 2019
Net interest income	282	275	572
Net fees & commission	8	15	26
Total net income	290	290	598

Net income from lending in the first half of 2020 was DKK 290 million, on par with the result in the first half 2019. Net interest income made out a slightly higher proportion of total net income relative to fees in first half 2020 compared to the prior year period.

Higher net interest income reflected a larger average loan book as credit margins remained unchanged compared to the same period in 2019. The average loan book over the period increased from DKK 40.3 billion in the first half of 2019 to DKK 42.1 billion over the same period of 2020, an increase of 5 %.

Currency hedging of interest income from lending meant that net income from lending was immunised from the effects of a lower USD/DKK exchange rate in the first half 2020, as well as in the remainder of 2020.

Credit quality of new business remained robust, with the average internal credit rating of new business slightly better than the portfolio average and collateral coverage at a comparable level.

FUNDING

Funding comprises the issuance of ship covered bonds. The result reflects income and costs not allocated to the lending and own funds investment business areas, including warehousing of bond issuance proceeds until loan disbursement, buybacks of own bonds and hedging costs.

Income, funding

DKK MILLION	1ST HALF 2020	1ST HALF 2019	FULL YEAR 2019
Not covered funding costs	(27)	(18)	(4)
Warehousing	1	(4)	(7)
Non-business activities	(9)	(7)	(41)
Total net income	(34)	(29)	(52)

We continue to enjoy access to funding on good terms and were able to issue ship covered bonds through the Covid-19 market ructions in the first half of 2020. We extended funding maturities by issuing predominantly longer-dated bonds in the period and currently have no net funding need for the rest of the year.

We supported liquidity for existing investors by buying targeted amounts of our outstanding bonds, especially shorter-dated maturities. Buy-backs will marginally reduce future interest expenses.

Our liquidity position remained very strong through the Covid-19 crisis. This is reflected in an average warehousing bond portfolio of DKK 3.8 billion for the first half year. The income from warehousing was slightly positive in the first half of 2020. Our intention is to gradually reduce the amount of excess liquidity as markets normalise in the second half of 2020.

Not covered funding costs was primarily driven by rapidly changing interest rates that led to temporary increased funding and hedging costs in the second quarter. Not covered funding costs increased by DKK 9 million to DKK 27 million in the first half of 2020.

In total, net income in non-business activities was a negative DKK 9 million in 2019. Non-accrual loans contributed a negative DKK 12 million and termination of interest hedges contributed a negative DKK 14 million to net income from non-business activities. FX hedging of credit margins contributed an income of DKK 8 million and buy-backs of issued bonds a net income of DKK 10 million.

In total, the cost of funding increased by DKK 5 million year-on-year to a cost of DKK 34 million.

INVESTMENTS

The Investments area comprises investment of the company's own funds: core equity and amounts held in the allowance account.

Income, investments			
DKK MILLION	1ST HALF 2020	1ST HALF 2019	FULL YEAR 2019
Net interest income	26	54	115
MV adjustments	(132)	(83)	(193)
Total Income	(106)	(29)	(79)

Own funds are placed in a portfolio of high-grade bonds subject to limits set by the Board of Directors. The bond portfolio consists mainly of Danish 'AAA' rated government and covered bonds, and bonds with similar risk profiles.

Facing turbulent financial markets in March and April, mark-to-market losses were realised on both government and mortgage bonds. Some ground was subsequently recovered as liquidity returned to markets.

Portfolio risk was further reduced in the second quarter, limiting the potential for large positive or negative portfolio stresses.

The investment return year to date remains at a negative 1.0%.

FINANCIAL HIGHLIGHTS

KEY FIGURES

DKK MILLION	AT 30 JUNE 2020	AT 30 JUNE 2019	AT 31 DECEMBER 2019
Net interest income from lending*)	248	236	516
Net interest and fee income from lending*)	256	251	543
Net interest income from financial activities	26	54	115
Total net interest income	274	290	631
Net interest and fee income	282	305	657
Market value adjustments	(134)	(80)	(197)
Staff costs and administrative expenses	(80)	(84)	(166)
Loan impairment charges	(95)	(3)	2
Profit before tax	(28)	138	296
Net profit for the year	(25)	106	227
Gross lending	41,452	40,615	41,308
Issued bonds	46,131	44,549	47,738
Equity	9,114	9,130	9,260
Total assets	62,870	63,802	66,824
Common Equity Tier 1 capital after deductions	9,046	8,965	9,065

*) Lending covers both lending and funding by comparison with 'Income by business areas'.

KEY RATIOS

DKK MILLION	AT 30 JUNE 2020	AT 30 JUNE 2019	AT 31 DECEMBER 2019
Return on equity after tax (%)	(0.3)	1.2	2.5
Return on investment activities (%) *)	(1.0)	(0.6)	(0.6)
Total capital ratio (%)	18.4	17.9	18.5
Combined capital buffer requirement (%)	11.9	12.0	12.5
Cost/income ratio (%) **)	54.7	37.8	35.5
Equity as % of lending	23.2	24.0	23.7
Loan impairment charges as % of lending	0.2	0.0	(0.0)
Total allowance account as % of gross lending ***)	4.6	5.9	4.9
Weighted loan-to-value after loan impairment charges (%)	52	54	51
Proportion of loans covered within 60% of market value (%)	98	97	99

*) Return on investment activities was calculated exclusive of return from shares and foreign currency.

***) The calculation of the cost/income ratio does not include loan impairment charges.

**) See note 6.

MANAGEMENT'S REPORT

Danish Ship Finance A/S presents its financial statements in accordance with the rules set out in the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. (Executive Order on Financial Reports).

As in previous years, the Interim Report is unaudited and has not been reviewed.

INCOME STATEMENT

- Net interest and fee income from lending amounted to DKK 256 million, including pre-funding and hedging costs, in the first half of 2020, on par with the result in the first half of 2019.
- Interest income from investment activities was DKK 26 million, compared to DKK 54 million in the first half of 2019, reflecting lower interest rates.
- In total, net interest income decreased by DKK 16 million from DKK 290 million to DKK 274 million.
- Market value adjustment of securities and foreign exchange for the first half of 2020 was a net expense of DKK 134 million against a net expense of DKK 80 million in the first half of 2019, reflecting losses on highly rated mortgage bonds.
- Loan impairment charges for the first half of 2020 were a net expense of DKK 95 million against a net expense of DKK 3 million for the same period in 2019.
- Staff costs and administrative expenses totalled DKK 80 million, lower than the level recorded in the same period of 2019.
- The higher cost/income ratio was primarily due to lower income from investment activities.
- Net profit for the period was a negative DKK 25 million compared with DKK 106 million for the first half of 2019.

BALANCE SHEET AND CAPITAL STRUCTURE

- Total assets amounted to DKK 62.9 billion at 30 June 2020 against DKK 66.8 billion at 31 December 2019.
- During the first half of 2020, lending increased by DKK 0.3 billion from DKK 39.1 billion at 31 December 2019 to DKK 39.4 billion at 30 June 2020, an increase of 1%.
- New loans of DKK 4.8 billion were disbursed, while loan repayments and prepayments amounted to DKK 4.1 billion. Net write-offs amounted to DKK 0.3 billion.
- Average lending was up 5% in the first half of 2020 compared to the same period in 2019. Lending benefitted from appreciation of the average USD/DKK exchange rate during the period.
- The total allowance account fell to DKK 1.9 billion at 30 June 2020 from DKK 2.0 billion at 31 December 2019.
- Issued bonds totalled DKK 46.1 billion at 30 June 2020, a decrease of DKK 1.6 billion over the period and an increase of 1.6 billion from 30 June 2019. The increase was supported by higher lending activity.
- Bond issuance in the first half of 2020 was a nominal amount of DKK 4.4 billion. Maturing bonds and buybacks totalled nominal DKK 6.0 billion.
- The bond investments portfolio, comprising investment of own funds, bond repo transactions and investment of proceeds from bonds issued to fund loans not yet disbursed, totalled DKK 20.9 billion at 30 June 2020 against DKK 22.1 billion at 31 December 2019.
- The total capital ratio was 18.4% at 30 June 2020, compared to 18.5% at year-end 2019. The net loss for the first-half year period has been recognised in own funds for the purpose of calculating the total regulatory capital ratio.

THE SHIPPING MARKET AND COMPETITION

The Covid-19 pandemic has pushed the global economy into a recession of historic proportions. The collapse in economic activity globally has been far more severe than in previous recessions.

Restrictions on social interaction, movement, and the introduction of social distancing to slow the spread of the virus have reduced economic activity and labour demand. Whole sectors of domestic economies have been shut down, including non-essential retail trade, significant parts of manufacturing, travel, hotels and restaurants.

Spill-over effects are being transmitted through numerous channels, ranging from supply-side shocks over domestic demand to a decline in global trade. Non-essential spending is being postponed or cancelled, investments are being delayed, and many companies are shedding workers.

The IMF predicts global GDP to contract by 4.9% in 2020, as the Chinese economy expands by only 1% while all other major economies are expected to shrink. Current projections suggest a partial recovery in 2021, but global GDP growth is expected to remain below the pre-Covid-19 crisis trend.

Covid-19 will leave a substantial imprint on international trade. Uncertainty over its precise economic impact leaves room for a significant range of outcomes. The IMF currently predicts global trade to decline by 11.9% in 2020.

The shipping industry is facing a challenging year. Most vessel segments were scheduled for growth, while world trade is expected to shrink. Comparisons can be made with past crises, but it should be kept in mind that the supply side is much less leveraged today than it was in 2009. Broadly speaking, the industry should be able to recover within a few years if world trade regains some of the lost ground quickly, since the orderbook is low and asset values are largely in balance.

The ClarkSea earnings index, has in the first half of 2020 on average been USD 2,000 per day below the level of second half 2019, but USD 4,500 per day above the first half of 2019. Supply expands ahead of demand across many vessel segments. The earnings index showed great volatility in March and April, reflecting turmoil in the oil markets that caused tankers to be employed for floating storage. The average second-hand vessel price declined 8% during the first half of 2020, but market activity has been low which makes the price development somewhat uncertain.

Tanker earnings have been strong during the first half of 2020. Travel bans, border closures

and quarantine measures reduced economic activity and spilled over into lower global oil demand. Oil market suddenly struggled to store surplus oil which caused many tanker vessels to be taken out of service for floating storage. The removal of ships from the active fleet reduced the short-term supply and earnings increased significantly. However, since May vessels have started to return to the fleet causing earnings to decline.

The Dry Bulk market has been depressed for most of the first half of 2020. This was driven by the global lockdown and seasonally low demand coupled with an increasing fleet. The fleet is expected to expand ahead of demand in 2020, particularly for the larger segments.

The Container market remains divided between liners and tonnage providers. The global lockdown has lowered Container demand during the first half of 2020. Liner companies have cancelled sailings, returned chartered vessels and reduced port calls. These measures have kept box rates fairly steady while time-charter rates have dropped. More than 10% of the fleet, owned mostly by tonnage providers, were in lay-up by end-June.

Global gas demand has softened during the first half of 2020. The LPG market has resisted the turbulence created by the coronavirus well but the outlook for freight rates and second-hand prices is deteriorating, as supply is expected to expand ahead of demand. The LNG market balance has deteriorated in the first half of 2020 primarily driven by a fleet expansion that runs ahead of demand.

Ro-Ro, Ferry and Car Carrier markets have experienced a large decline in demand as Covid-19 has lowered both freight volumes and the demand for transportation of people.

The offshore sector has experienced a new downturn as oil majors are adapting to market conditions by postponing E&P spending, lowering 2020 demand for offshore related tonnage. Mature oil fields continue to deplete which may pave the way for renewed investments in offshore oil production in the years to come.

Covid-19 has to some degree affected the commercial banks' lending to shipping. Several banks have been focused on supporting core clients in their home markets, reducing their exposure in other segments. Overall, this reinforces the year-long trend towards less overall shipping exposure amongst commercial banks. Leasing companies seem to have been less active during the Covid-19 crisis, but we expect their exposure to shipping to increase in the second half of 2020.

In general a relatively large part of ship finance so far in 2020 has been structured as RCF's, in part due to shipowners' wish for financial flexibility in uncertain times, and in part due to commercial banks preference for providing loans with de-facto shorter tenors.

IMPACT OF USD ON INCOME STATEMENT

The USD/DKK exchange rate for the first half of 2020 averaged just over 677 compared with just over 659 for the same period in 2019. All else being equal, this had a positive impact of DKK 7 million on net interest and fee income in the period.

At 30 June 2020, the USD/DKK exchange rate of 666 was on par with the USD/DKK exchange rate of 668 at 31 December 2019, hence there was no significant exchange rate effect on loan impairment charges in the first half of 2020.

EVENTS SINCE THE BALANCE SHEET DATE

In mid-July 2020, we entered into an agreement for the sale of our current domicile property at a price above book value. The sale will be effected once we can move to our new office, expected to be in first half 2022.

No events have occurred in the period up to the publication of the Interim Report which materially affect the financial position of the company.

OUTLOOK FOR THE SECOND HALF OF 2020

We remain comfortable with our core strategy of lending to well-managed and reputable shipowners, but global uncertainties have undeniably increased in 2020. The fall-out from the Covid-19 pandemic has the potential to drive a range of different macro-economic and business outcomes. The need to carefully monitor these and respond appropriately will remain key in the second-half 2020.

In the box on the following page, we indicate some of the possible challenges of Covid-19 on our outlook. This list is not exhaustive.

A weakening US Dollar since the end of first-half 2020 reduces loan volumes measured in Danish Kroner significantly and our base case for total lending by year-end 2020 is no longer to surpass the current level of gross lending of DKK 41.5 billion (at prevailing exchange rates). We now expect lending volumes at the current level or a modest reduction.

The more negative assessment also reflects a lower volume of new lending and increased pre-payments, as clients temporarily focus their attention on the day-to-day challenges of

Covid-19 rather than sale and purchase of vessels (year to date sales and purchase activity is down by 30% compared to the same period of 2019, by number of vessels).

Net interest income from lending is nevertheless expected to remain robust in 2020, supported by exchange rate hedging, though with a small negative effect from the increase in the volume of non-interest accruing loans.

We continue to access funding markets on favourable terms and have no net funding need for the rest of the year. Our capital and liquidity positions are expected to remain very comfortable and well in excess of external and internal requirements.

Notwithstanding the operational changes necessitated by the Covid-19 lockdown in Denmark and abroad, delivery of our strategic change programme remains fully on track and is expected to proceed as expected in 2020.

Containing cost pressures remains a priority and a strict focus on cost management is expected to deliver realised operating costs for 2020 at a level similar to last year.

Absent unexpected market events or material change to loan impairments, we expect net profit for the full year 2020 in the range of DKK 100 – 150 million. The difference to the prior outlook is entirely explained by the effects of the Covid-19 pandemic on the 2020 investment result and credit costs (loan impairment charges and an increase in the volume of non-accrual loans).

A material improvement, or worsening, of financial market conditions, or change to credit costs, in second-half 2020 may still affect the expected full-year profit. Our guidance is, as always, subject to potential impact from loan impairment charges, market value adjustments and fluctuations in the USD/DKK exchange rate, which are the principal risks and uncertainty factors facing the company during the remaining six months of the financial year.

Danish Ship Finance only publishes full-year and half-year reports as it is believed that more frequent reporting would not affect the pricing of the bonds issued.

COVID-19 RISKS TO THE FULL-YEAR OUTLOOK

Our mostly AAA fixed-income investment portfolio took mark-to-market losses in the March-April Covid-19 induced financial market sell-off. The losses have since been partially reclaimed and the portfolio is expected to continue to make positive headway in the second half 2020. A significant deterioration of financial markets sentiment, particularly in the Danish fixed income market, in the second half of 2020 would put this expectation at risk.

A resumption of large-scale lockdown and travel restrictions, unexpected changes to client behaviour, or an escalation of global trade disputes, could challenge our current expectation for the loan book in the second half of 2020.

We took loan impairment charges of DKK 95 million in the first half 2020, reflecting an expectation of further pressure on certain clients, particularly some already challenged credits in the offshore segment. A significant further worsening of credit conditions compared to current expectations could lead us later in the year to change our assessment of required impairment charges for performing or non-performing loans.

STATEMENT BY THE MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the Interim Report of Danish Ship Finance A/S for the period 1 January - 30 June 2020.

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

In our opinion, the interim financial statements give a true and fair view of the company's assets, liabilities and financial position at 30 June 2020 and the results of the company's activities for the period 1 January - 30 June 2020.

Further, in our opinion, the Management's Report contains a fair review of developments in the activities and financial position of the company and describes the significant risks and uncertainty factors that may affect the company.

Copenhagen, 25 August 2020

EXECUTIVE BOARD

Lars Jebjerg
Chief Financial Officer

Erik Ingvar Lassen
Chief Executive Officer

Michael Frisch
Chief Commercial Officer

BOARD OF DIRECTORS

Eivind Drachmann Kolding
(Chairman)

Peter Nyegaard
(Vice Chairman)

Anders Damgaard

Nanna Flint

Povl Christian Lütken Frigast

Thor Jørgen Guttormsen

Anna-Berit Koertz

Ninna Møller Kristensen

Jacob Balslev Meldgaard

Michael Nellemann Pedersen

Christopher Rex

Henrik Sjøgreen

INCOME STATEMENT

NOTE	DKK MILLION	1 ST HALF 2020	1 ST HALF 2019	FULL YEAR 2019
	Interest income	886	1,043	2,109
	Interest expenses	(612)	(753)	(1,478)
	Net interest income*)	274	290	631
	Dividends on shares, etc.	0	-	-
	Fee and commission income	8	16	26
	Fees and commission expenses	-	-	-
	Net interest and fee income	282	305	657
3	Market value adjustments	(134)	(80)	(197)
	Other operating income	0	0	1
	Staff costs and administrative expenses	(80)	(84)	(166)
	Depreciation and impairment of property, plant and equipment	(1)	(1)	(2)
6	Loan impairment charges	(95)	(3)	2
	Profit before tax	(28)	138	296
	Tax	3	(32)	(69)
	Net profit for the period	(25)	106	227
	Other comprehensive income**)	15	-	11
	Tax on other comprehensive income	(3)	-	(2)
	Other comprehensive income after tax	12	-	9
	Comprehensive income for the period	(13)	106	236

*) A DKK 1.1 million component of interest income reflects negative interest rates, and a DKK 13.8 million component of interest expenses also reflects negative interest rates.

**) Revaluation of current domicile property.

BALANCE SHEET

NOTE	DKK MILLION	AT 30 JUNE 2020	AT 30 JUNE 2019	AT 31 DECEMBER 2019
	ASSETS			
	Due from credit institutions and central banks	335	1,701	984
4,5	Loans and other receivables at amortised cost	39,354	38,048	39,082
	Bonds at fair value	20,967	22,162	25,027
	Shares, etc.	9	3	3
	Land and buildings			
	Owner-occupied property	297	89	100
	Other tangible assets	7	8	8
	Current tax assets	-	-	3
	Deferred tax assets	174	48	47
	Other assets	1,727	1,743	1,570
	Total assets	62,870	63,802	66,824

BALANCE SHEET

NOTE	DKK MILLION	AT 30 JUNE 2020	AT 30 JUNE 2019	AT 31 DECEMBER 2019
	LIABILITIES AND EQUITY			
	Liabilities			
	Due to credit institutions and central banks	6,146	8,906	8,704
8	Issued bonds at amortised cost	46,131	44,549	47,738
	Current tax liabilities	117	29	3
	Other liabilities	1,358	1,175	1,112
	Total liabilities	53,752	54,659	57,557
	Provisions			
	Other provisions	4	13	8
	Total provisions	4	13	8
9	Equity			
	Share capital	333	333	333
	Tied-up reserve capital	8,343	8,343	8,343
	Revaluation reserves	50	29	38
	Retained earnings	387	424	545
	Total equity	9,114	9,130	9,260
	Total liabilities and equity	62,870	63,802	66,824
	Off-balance sheet items			
	Contingent liabilities	124	140	132
	Other contingent liabilities	2,555	3,506	3,605
	Total off-balance sheet items	2,679	3,646	3,737

STATEMENT OF CHANGES IN EQUITY

DKK MILLION	SHARE CAPITAL	TIED-UP RESERVE CAPITAL	REVALUATION RESERVES	DISTRIBUTABLE RESERVES	RETAINED EARNINGS	TOTAL
Equity at 1 January 2019	333	8,343	29	318	205	9,229
Dividends paid for the financial year 2018	-	-	-	0	(205)	(205)
Amount for distribution	-	-	-	106		106
Equity at 30 June 2019	333	8,343	29	424	-	9,130
Revaluation of property	-	-	9			9
Amount for distribution	-	-	-	(12)	133	121
Equity at 31 December 2019	333	8,343	38	412	133	9,260
Dividends paid for the financial year 2019	-	-	-	-	(133)	(133)
Revaluation of property	-	-	12			12
Amount for distribution	-	-	-	(25)	-	(25)
Equity at 30 June 2020	333	8,343	50	387	0	9,114

LIST OF NOTES

- 1 ACCOUNTING POLICIES
- 2 KEY FIGURES
- 3 MARKET VALUE ADJUSTMENTS
- 4 LOANS AT AMORTISED COST
- 5 NON-PERFORMING LOANS
- 6 LOAN IMPAIRMENT CHARGES
- 7 CREDIT RISK - LOANS, GUARANTEES AND FINANCIAL EXPOSURE
- 8 ISSUED BONDS AT AMORTISED COST
- 9 EQUITY
- 10 CAPITAL ADEQUACY
- 11 RELATED PARTIES
- 12 SUPPLEMENTARY NOTES WITHOUT REFERENCE

NOTES

NOTE 1 ACCOUNTING POLICIES

The Interim Report has been prepared in accordance with the Danish Financial Business Act, including the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. (Executive Order on Financial Reports).

The interim financial statements are presented in Danish kroner (DKK) and in millions unless otherwise stated.

The accounting policies are unchanged from the policies applied in the Annual Report 2019. The Annual Report 2019 provides a more detailed description of the accounting policies, including the definitions of the ratios used, which are calculated in accordance with the definitions laid down in the Executive Order on Financial Reports.

The preparation of the interim financial statements is based on Management's estimates and judgements of future events that may significantly affect the carrying amounts of assets and liabilities. As was the case in the Annual Report 2019, the amounts most influenced by critical estimates in the Interim Report are the fair value of financial instruments as well as measurement and impairment of loans.

NOTES

DKK MILLION	1 ST HALF 2020	1 ST HALF 2019	FULL YEAR 2019
NOTE 2 KEY FIGURES			
Net interest income from lending	248	236	516
Net interest income from investment activities	26	54	115
Total net interest income	274	290	631
Net interest and fee income	282	305	657
Market value adjustments	(134)	(80)	(197)
Staff costs and administrative expenses	(80)	(84)	(166)
Loan impairment charges	(95)	(3)	2
Profit before tax	(28)	138	296
Net profit for the period	(25)	106	227
Loans	39,354	38,048	39,082
Bonds	20,967	22,162	25,027
Equity	9,114	9,130	9,260
Total assets	62,870	63,802	66,824

NOTES

NOTE 2 CONTINUED

DKK MILLION	1 ST HALF 2020	1 ST HALF 2019	FULL YEAR 2019
KEY RATIOS			
Common equity tier 1 capital ratio	18.4	17.9	18.5
Tier 1 capital ratio	18.4	17.9	18.5
Total capital ratio	18.4	17.9	18.5
Return on equity before tax (%)	(0.3)	1.5	3.2
Return on equity after tax (%)	(0.3)	1.2	2.5
Income/cost ratio *)	0.8	2.6	2.8
Income/cost ratio (excluding loan impairment charges)	1.8	2.6	2.7
Foreign exchange position (%)	3.8	3.4	2.8
Gearing of loans (loans / equity)	4.3	4.2	4.2
Growth in lending for the period (%)	0.7	3.6	6.4
Loan impairment charges for the period as % of lending	0.2	0.0	(0.0)
Total allowance account as % of lending	4.6	5.9	4.9
Rate of return on assets (%)	(0.0)	0.2	0.4

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 inclusive of loan impairment charges.

The list of key figures also includes a income/cost ratio in which the impairment charges are not included.

NOTES

DKK MILLION	1 ST HALF 2020	1 ST HALF 2019	FULL YEAR 2019
NOTE 3 MARKET VALUE ADJUSTMENTS			
Market value adjustment of bonds	(30)	131	(108)
Market value adjustment of shares	6	-	0
Exchange rate adjustments	(7)	3	(3)
Market value adjustment of derivatives	(104)	(214)	(87)
Total market value adjustments	(134)	(80)	(197)

NOTES

DKK MILLION	AT 30 JUNE 2020	AT 30 JUNE 2019	AT 31 DECEMBER 2019
NOTE 4 LOANS AT AMORTISED COST			
At 1 January	39,082	36,735	36,735
Additions	4,778	4,199	7,327
Ordinary repayments and redemptions	(2,714)	(2,204)	(4,595)
Extraordinary repayments	(1,386)	(710)	(1,502)
Net change concerning revolving credit facilities	(21)	(73)	362
Exchange rate adjustment of loans	(512)	(41)	273
Change in amortised cost for the period	(7)	(6)	2
Depreciation, amortisation and impairment for the period	134	147	481
At the end of the period	39,354	38,048	39,082
Gross loans at exchange rates at the balance sheet date	41,247	40,408	41,109
Loan impairment charges	(1,893)	(2,361)	(2,027)
Total loans	39,354	38,048	39,082
Total loans			
Loans at fair value	40,062	38,785	39,789
Loans at amortised cost	39,354	38,048	39,082

Loans at fair value is an approximation based on amortised cost with the addition of the value of fixed-rate loans.

NOTES

DKK MILLION	AT 30 JUNE 2020	AT 30 JUNE 2019	AT 31 DECEMBER 2019
NOTE 5 NON-PERFORMING LOANS			
Impaired loans (rating category 11)			
Loans subject to forbearance or otherwise impaired, gross	1,293	3,784	3,161
Loan impairment charges	(492)	(1,200)	(1,169)
Impaired loans, net	801	2,584	1,993
Defaulted loans (rating category 12)			
Loans in default, gross	2,458	1,507	1,088
Loan impairment charges	(1,148)	(936)	(609)
Defaulted loans, net	1,310	571	478
Non-performing loans, gross (NPL)	3,750	5,290	4,249
Non-performing loans, net (Net NPL)	2,111	3,154	2,471

Note 7 provides detailed information about LTV intervals for the total loan book and for non-performing loans.

NOTES

NOTE 6 LOAN IMPAIRMENT CHARGES

DKK MILLION	AT 30 JUNE 2020	AT 30 JUNE 2019	AT 31 DECEMBER 2019
The following impairment charges/loss allowance were made on loans/loan commitments			
Individual impairment charges	1,893	2,361	2,027
Collective impairment charges	-	-	-
Loss allowance for loan commitments	4	13	8
Total	1,897	2,374	2,035
As a percentage of loans and guarantees			
Individual impairment charges	4,6	5,8	4,9
Collective impairment charges	-	-	-
Total *)	4,6	5,8	4,9
Breakdown of total allowance account			
Loan impairment charges	1,893	2,361	2,027
Loss allowance for loan commitments	4	13	8
Total	1,897	2,374	2,035
Reconciliation of total allowance account			
At 1 January	2,035	2,514	2,514
New impairment charges/loss allowances	562	531	581
Reversal of loan impairment charges/loss allowances	(466)	(521)	(575)
Gross write-offs debited to the allowance account	(234)	(150)	(486)
Total	1,897	2,374	2,035
Loan impairment charges for the period			
New impairment charges/loss allowance	(562)	(531)	(581)
Reversal of impairment charges/loss allowance	466	521	575
Reclassification of interest	1	7	8
Recovery on loans previously written off	-	-	-
Loan impairment charges	(95)	(3)	2

* Only loan impairment charges are included.

NOTES

DKK MILLION	AT 30 JUNE 2020	AT 30 JUNE 2019	AT 31 DECEMBER 2019
NOTE 7 CREDIT RISK - LOANS, GUARANTEES AND FINANCIAL EXPOSURE			
Reconciliation of loans and guarantees (loan book)			
Balance sheet			
Loans at amortised cost	39,354	38,048	39,082
Other receivables	205	206	198
Loan impairment charges	1,893	2,361	2,027
Total balance sheet items	41,452	40,614	41,307
Off-balance sheet items			
Guarantees related to lending	124	140	132
Total guarantees related to lending	124	140	132
Total loans and guarantees	41,576	40,754	41,440
Reconciliation of financial exposure			
Due from credit institutions and central banks	335	1,699	984
Bonds at fair value	21,432	22,573	25,027
Shares, etc.	9	3	3
Derivatives	1,509	1,407	1,293
Total financial exposure	23,285	25,682	27,307

RATING CATEGORY BREAKDOWN

The internal rating scale consists of 12 rating categories.

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

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

NOTES

DKK MILLION

NOTE 7
CONTINUED

Loan book before loan impairment charges broken down by rating category

RATING	LOANS AND GUARANTEES 30 JUNE 2020	LOANS AND GUARANTEES 30 JUNE 2019	LOANS AND GUARANTEES 31 DECEMBER 2019
1 - 2	-	-	-
3 - 4	7,664	7,577	7,757
5 - 6	13,098	14,259	14,560
7 - 8	15,685	12,760	13,043
9 - 10	1,379	868	1,831
11	1,293	3,784	3,161
12	2,458	1,507	1,088
Total	41,576	40,754	41,440

NOTES

DKK MILLION

NOTE 7
CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

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

RATING	STAGE 1	STAGE 2	STAGE 3	LOANS AND GUARANTEES 30 JUNE 2020
1	-	-	-	-
2	-	-	-	-
3	3,854	-	-	3,854
4	3,810	-	-	3,810
5	1,247	-	-	1,247
6	11,851	-	-	11,851
7	9,811	2,310	-	12,121
8	3,563	-	-	3,563
9	-	1,009	-	1,009
10	-	371	-	371
11 (impaired)	-	-	1,293	1,293
12 (default)	-	-	2,458	2,458
Total	34,136	3,689	3,750	41,576

NOTES

DKK MILLION

NOTE 7
CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

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

RATING	STAGE 1	STAGE 2	STAGE 3	LOANS AND GUARANTEES 30 JUNE 2019
1	-	-	-	-
2	-	-	-	-
3	3,935	-	-	3,935
4	3,642	-	-	3,642
5	2,098	-	-	2,098
6	12,161	-	-	12,161
7	7,026	229	-	7,254
8	5,304	202	-	5,506
9	349	441	-	790
10	-	78	-	78
11 (impaired)	-	-	3,784	3,784
12 (default)	-	-	1,507	1,507
Total	34,515	949	5,290	40,754

NOTES

DKK MILLION

NOTE 7
CONTINUED

STAGES FOR CHANGES IN CREDIT RISK

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

RATING	STAGE 1	STAGE 2	STAGE 3	LOANS AND GUARANTEES 31 DECEMBER 2019
1	-	-	-	-
2	-	-	-	-
3	3,935	-	-	3,935
4	3,821	-	-	3,821
5	1,959	-	-	1,959
6	12,601	-	-	12,601
7	8,592	374	-	8,966
8	3,898	179	-	4,077
9	-	1,181	-	1,181
10	-	649	-	649
11 (impaired)	-	-	3,161	3,161
12 (default)	-	-	1,088	1,088
Total	34,807	2,384	4,249	41,440

NOTES

DKK MILLION

NOTE 7 CONTINUED

Changes in total allowance account broken down by IRFS 9 stage

RATING	STAGE 1	STAGE 2	STAGE 3	TOTAL
At 1 January	167	90	1,778	2,035
Transferred to stage 1 during the period	3	(3)	-	-
Transferred to stage 2 during the period	(9)	9	-	-
Transferred to stage 3 during the period	-	-	-	-
New impairment charges/loss allowances	23	41	498	562
Reversal of impairment charges/loss allowances	(39)	(24)	(403)	(466)
Gross write-offs for the period	-	-	(234)	(234)
Total allowance account at 30 June 2020	144	114	1,640	1,897
Of which:				
- Loan impairment charges	140	114	1,640	1,893
- Loss allowances for loan commitments	4	-	-	4

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

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

The 'Risk Report 2019' provides more detailed information.

NOTES

DKK MILLION

NOTE 7 CONTINUED

Changes in total allowance account broken down by IRFS 9 stage

RATING	STAGE 1	STAGE 2	STAGE 3	TOTAL
At 1 January	197	79	2,238	2,514
Transferred to stage 1 during the period	-	-	-	-
Transferred to stage 2 during the period	-	-	-	-
Transferred to stage 3 during the period	-	(37)	37	-
New impairment charges/loss allowances	63	-	468	531
Reversal of impairment charges/loss allowances	(47)	(17)	(457)	(521)
Gross write-offs for the period	-	-	(150)	(150)
Total allowance account at 30 June 2019	213	25	2,137	2,374
Of which:				
- Loan impairment charges	200	25	2,136	2,361
- Loss allowances for loan commitments	12	-	1	13

NOTES

DKK MILLION

NOTE 7 CONTINUED

Changes in total allowance account broken down by IRFS 9 stage

RATING	STAGE 1	STAGE 2	STAGE 3	TOTAL
At 1 January	197	79	2,238	2,514
Transferred to stage 1 during the period	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	-	-	(486)	(486)
Total allowance account at 31 December 2019	167	90	1,778	2,035
Of which:				
- Loan impairment charges	159	90	1,778	2,027
- Loss allowances for loan commitments	8	0	0	8

NOTES

NOTE 7 **CONTINUED** **Arrears/Past-due loans**

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

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 an individual credit assessment – are considered to have a viable business model post-COVID-19.

In the second quarter of 2020, DSF granted COVID-19 concessions to a limited number of clients on loans totalling DKK 1.9 billion, equivalent to 4.5% of the gross loan book as at 30 June 2020.

Credit risk mitigation

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

The USD market value of mortgaged vessels has on average declined by 6.6% in 2020.

NOTES

DKK MILLION

NOTE 7
CONTINUED

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

LOAN-TO-VALUE INTERVAL	SHARE OF LOANS 30 JUNE 2020	SHARE OF LOANS 30 JUNE 2019	SHARE OF LOANS 31 DEC 2019
0 - 20 %	40%	40%	41%
20 - 40 %	38%	36%	37%
40 - 60 %	20%	22%	21%
60 - 80 %	2%	3%	1%
80 - 90 %	0%	0%	0%
90 - 100 %	0%	0%	0%
Over 100 %	0%	0%	0%

The table above shows that at 30 June 2020 98% (end-2019: 99%) of all loans are secured within 60% of the market value of the mortgage, and 100% (end-2019: 100%) of all loans are within 80% of the market value of the mortgage.

The weighted loan-to-value ratio on the loan book after loan impairment charges was 52% (end-2019: 51%).

NOTES

DKK MILLION

NOTE 7
CONTINUED

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

LOAN-TO-VALUE INTERVAL	SHARE OF LOANS 30 JUNE 2020	SHARE OF LOANS 30 JUNE 2019	SHARE OF LOANS 31 DEC 2019
0 - 20 %	40%	36%	40%
20 - 40 %	39%	35%	38%
40 - 60 %	20%	25%	21%
60 - 80 %	2%	3%	1%
80 - 90 %	0%	0%	0%
90 - 100 %	0%	0%	0%
Over 100 %	0%	0%	0%

The table above shows that at 30 June 2020 98% (end-2019: 99%) of non-performing loans are secured within 60% of the market value of the mortgage, and 100% (end-2019: 100%) of non performing loans are within 80% of the market value of the mortgage.

The weighted average loan-to-value ratio for non-performing loans after loan impairment charges was 52% (end-2019: 52%).

NOTES

DKK MILLION	AT 30 JUNE 2020	AT 30 JUNE 2019	AT 31 DECEMBER 2019
NOTE 8 ISSUED BONDS AT AMORTISED COST			
At 1 January	47,737	3,549	43,549
Additions in connection with pre-issuance	4,422	6,907	13,969
Amortisation of cost	(38)	(13)	(73)
Adjustment for hedge accounting	(19)	251	101
Exchange rate adjustment	(13)	9	28
Ordinary and extraordinary redemptions	(5,960)	(6,155)	(9,836)
At the end of the period	46,131	44,549	47,737
Specification of issued bonds			
Bonds issued in DKK			
Bullet bonds	38,419	39,517	39,398
Amortising CIRR bonds	334	450	392
Total Danish bonds	38,753	39,967	39,790
Bonds issued in foreign currency			
Bullet bonds	3,453	3,763	7,450
Amortising CIRR bonds, at period-end exchange rates	233	818	479
Total bonds issued in foreign currency	7,686	4,582	7,947
Own bonds	(308)	-	-
Total issued bonds	44,548	44,549	47,737

NOTES

DKK MILLION	AT 30 JUNE 2020	AT 30 JUNE 2019	AT 31 DECEMBER 2019
NOTE 9 EQUITY			
Share capital			
A shares	300	300	300
B shares	33	33	33
Total share capital	333	333	333
Tied-up reserve capital	8,343	8,343	8,343
Revaluation reserves	50	29	29
Retained earnings	387	424	412
Proposed dividend for the financial year	-	-	133
Total equity	9,114	9,130	9,260

The share capital is divided into the following denominations:

A shares	300,000,000	shares of DKK 1.00 each
B shares	33,333,334	shares of DKK 1.00 each

Each A share of DKK 1.00 entitles the holder to 10 votes.

Each B share of DKK 1.00 entitles the holder to 1 vote.

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.

The tied-up reserve capital 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.

NOTES

DKK MILLION	AT 30 JUNE 2020	AT 30 JUNE 2019	AT 31 DECEMBER 2019
NOTE 10 CAPITAL ADEQUACY			
Common equity tier 1 capital			
Share capital A-shares	300	300	300
Share capital B-shares	33	33	33
Tied-up reserve capital	8,343	8,343	8,343
Retained earnings	387	424	412
Proposed dividends for the financial year			133
Revaluation reserves	50	29	38
Total common equity tier 1 capital before deductions	9,114	9,130	9,260
Deductions from common equity tier 1 capital			
Proposed dividends for the financial year	-	-	133
Retained earnings	-	106	-
Additional capital charge pursuant to the Executive Order on a Ship Finance Institute	9	-	-
Prudent valuation pursuant to article 105 of the CRR	25	26	28
Deductions pursuant to transitional rules regarding B share capital	33	33	33
Total deductions from common equity tier 1 capital	68	165	195
Common equity tier 1 capital after deductions	9,046	8,965	9,065
Own funds after deductions	9,046	8,965	9,065

NOTES

**NOTE 10
CONTINUED**

DKK MILLION	AT 30 JUNE 2020	AT 30 JUNE 2019	AT 31 DECEMBER 2019
CAPITAL ADEQUACY			
Risk exposure amount			
Assets outside the trading book	40,683	39,163	40,069
Off-balance sheet items	1,401	1,893	1,732
Counterparty risk outside the trading book	1,779	1,820	1,953
Market risk	4,151	5,904	4,211
Operational risk	1,056	1,376	1,056
Total risk exposure amount	49,070	50,156	49,020
Common equity tier 1 capital ratio (%)	18.4	17.9	18.5
Tier 1 capital ratio (%)	18.4	17.9	18.5
Total capital ratio (%)	18.4	17.9	18.5
The risk exposure amount for market risk consists of:			
Position risk related to debt instruments	3,791	5,594	3,952
Position risk related to shares	18	7	7
Total currency position	342	303	253
Total risk-weighted exposure amount for market risk	4,151	5,904	4,211

NOTES

NOTE 11 RELATED PARTIES

Related parties comprise members of the company's Executive Board and Board of Directors.

Related parties furthermore comprise Danmarks Skibskredit Holding A/S, which holds an ownership interest of 86.2% and more than 20% of the voting rights in the company.

Danmarks Skibskredit Holding A/S is majority owned by Axcel, PFA and PKA, which hold more than 20% of the share capital each and more than 20% of the voting rights each and are therefore also related parties of Danmarks Skibskredit A/S.

Transactions with the Executive Board and the Board of Directors only concerned remuneration.

Related-party transactions concerning loans and loan offers totalled a nominal amount of DKK 1,176 million at 30 June 2020 (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 by Danmarks Skibskredit Holding A/S and dividends to Danmarks Skibskredit Holding A/S.

There have been no related-party transactions other than those referred to above.

NOTE 12 SUPPLEMENTARY NOTES WITHOUT REFERENCE

Reference is made to the description of financial risk and policies for financial risk management provided in the risk management sections in the Annual Report 2019, as no significant changes are deemed to have occurred as at 30 June 2020.