Annual Report 2021
Danish Ship Finance Holding A/S

Danmarks Skibskredit Holding A/S · VAT No.: 38 03 64 83
Sankt Annae Plads 3 · DK-1250 Copenhagen K · T: +45 33 33 93 33 · E: danmarks@skibskredit.dk

www.skibskredit.dk

Table of contents

Statements and reports

Management statement

The Board of Directors and the Executive Board today approved the Annual Report of Danish Ship Finance Holding A/S ('DSH') for the financial year 1 January – 31 December 2021.

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 2021 and of the results of the Group's and the parent company's operations for the financial year.

We recommend the Annual Report for adoption by the annual general meeting on 29 March 2022.

Copenhagen, 28 February 2022

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)

Report on the audit of the Consolidated Financial Statements and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Danish Ship Finance Holding A/S (Danmarks Skibskredit Holding A/S) for the financial year 1 January – 31 December 2021, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Business Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our long-form audit report to the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

We were initially appointed as auditor of Danish Ship Finance Holding A/S (Danmarks Skibskredit Holding A/S) on 26 February 2021 for the financial year 2021.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Business Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the 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's review.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 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 Company'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 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 Company'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 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 Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Frederiksberg, 28 February 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lars Rhod Søndergaard	Thomas Hjortkjær Petersen
State Authorised	State Authorised
Public Accountant	Public Accountant
MNE no 28632	MNE no 33748

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	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 2000 Frederiksberg Company reg. (CVR) no. 30 70 02 28

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				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Net interest income from lending	529	488	503	463	553	(0)	(0)	(0)	(1)	0
Net interest income from investment activities	(222)	(146)	(72)	(23)	(47)	(185)	(187)	(186)	(186)	(182)
Total net interest income	306	342	432	440	506	(185)	(187)	(187)	(187)	(182)
Net interest and fee income	338	363	458	472	526	(185)	(187)	(187)	(187)	(182)
Market value adjustments	(82)	(150)	(197)	(135)	37	-	-	-	-	-
Staff costs and administrative expenses	(170)	(159)	(167)	(160)	(148)	(3)	(1)	(2)	(2)	(7)
Loan impairment charges	39	(100)	2	(35)	(163)	-	-	-	-	-
Income from investments in associated companies	-	-	-	-	-	208	96	186	214	273
Profit before tax	124	(47)	94	141	250	19	(93)	(4)	25	84
Net profit for the year	101	(53)	58	98	210	67	(62)	38	66	125
Loans	36,293	32,078	39,337	37,117	35,000	-	-	-	-	-
Issued bonds	43,228	42,592	47,968	43,894	42,925	-	-	-	-	-
Subordinate loan capital	2,000	1,990	1,979	1,968	1,957	2,000	1,990	1,979	1,968	1,957
Equity *)	1,459	1,403	1,449	1,423	1,466	1,524	1,454	1,488	1,442	1,468
Total assets	54,580	59,935	67,113	62,782	58,735	3,648	3,540	3,490	3,433	3,449

Unless otherwise indicated, the ratios were calculated in accordance with Appendix 5 of the Danish FSA's Executive Order on Financial Reports.

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

Income statement

Net profit for the year in Holding was DKK 67 million against a negative DKK 62 million in 2020, and DKK 101 million for the Group, against a negative DKK 53 million in 2020.

Net interest and fee income were an expense of DKK 185 million for Holding and income of DKK 338 million for the Group. In 2020, net interest and fee income was an expense of DKK 187 million for Holding and income of DKK 363 million for the Group.

Market value adjustments of securities and foreign exchange, exclusively relating to DSF, generated a loss of DKK 82 million in 2021 for the Group, compared to a loss of DKK 150 million in 2020.

In 2021, staff costs and administrative expenses amounted to DKK 3 million for Holding and DKK 170 million for the Group, compared with DKK 1 million for Holding and DKK 159 million for the Group in 2020.

Income from equity investments in Holding, corresponding to Holding's share of net profit for the year of DSF, was DKK 208 million in 2021, against DKK 96 million in 2020.

Tax on profit for the year was an income of DKK 48 million in Holding. The Group recorded a total tax expense of DKK 23 million.

Balance sheet and capital structure
Holding's total assets amounted to DKK 3,648 million at 31 December 2021, compared with DKK 3,540 million at the end of 2020.

Assets consisted mainly of investments in group enterprises in the amount of DKK 3,425 million, and liabilities were mainly subordinate loan capital of DKK 2,000 million and equity of DKK 1,524 million.

At 31 December 2021, the Group's total assets were DKK 54,580 million, of which net lending represented DKK 36,293 million and bonds DKK 16,007 million. The corresponding figures at the end of 2020 were DKK 59,935 million, DKK 32,078 million and DKK 24,319 million.

The Group's consolidated capital ratio was 17.6% at 31 December 2021, compared with 18.6% at the end of 2020.

At Group level, adequate own funds, including combined capital buffer requirements, were calculated at DKK 5,353 million at 31 December 2021, corresponding to 11.6% of the total risk exposure amount. This corresponded to excess available capital in the amount of DKK 2,765 million at the end of 2021, against DKK 2,773 million at the end of 2020.

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 after the balance sheet date
No events have occurred in the period up to the presentation of the Annual Report 2021 which materially affect the financial position presented.

Results relative to outlook
A significantly improved net result, continued robust credit quality and healthy growth in the loan book were all in line with the expectations for 2021 that we set out one year ago.

Net profits of DKK 101 million in 2021 in the Group were a significant improvement on the previous year's result and represent a meaningful step back towards normality.

Renewed growth in the loan book reflected our strategy of increasing earnings from lending, underpinned by cost-effective funding. Further contributions from cost control and reversal of loan impairment charges supported an increase in profitability in 2021. Investment of our own funds delivered a lower-than-expected result amid challenged fixed income markets.

Our loan book grew from a relatively modest DKK 33.6 billion at the beginning of 2021 to a respectable DKK 37.5 billion at year-end, representing an important step towards resuming our previous growth trajectory. We welcomed seven new clients in 2021.

Buoyant shipping markets with high levels of activity throughout the year in many sectors provided a supportive backdrop. Momentum was particularly strong in the Container and Dry Bulk segments, where rates and vessel values appreciated strongly. It was less strong in Tankers, but even here vessel values held up well in the face of continued low rates.

Overall, vessel values appreciated in 2021 and our loan book showed improved credit performance. Several legacy non-performing loans in the Offshore segment were successfully restructured during the year. Altogether, credit quality is at a strong level.

Loan impairment charges amounted to a reversal of DKK 39 million pre-tax in 2021 (compared to an expense of DKK 100 million in 2020). Non-performing loans in the Offshore segment now stand at a modest 3.5% of the loan book.

Positive loan growth was underpinned by good access to funding markets, allowing issuance of covered bonds at favourable terms in both the domestic and European markets. In November, we were pleased to see both existing and many new European covered bond investors participate in our third EUR issuance.

Operating costs remained well under control at DKK 170 million in the Group. Our Operational Excellence programme continues to strengthen the foundations for efficient and sustainable growth and in 2021 we delivered largely with internal resources and minimal external costs of DKK 3.2 million.

No material market impacts relating to upcoming regulations were observed in 2021.

Outlook, risks and uncertainty factors

Shipping markets will, in our view, remain supportive in 2022. We expect a continuation of high capacity utilisation in Container, as global supply chains are unlikely to fully normalise in the near term and demand will remain relatively high. The supply side in the Dry Bulk market looks manageable but a combination of easing supply chains and moderate demand growth may challenge the larger Dry Bulk vessels in 2022. Tankers may see more activity this year also, following two years of abnormal trading. Although the number of vessels on order in some segments has markedly increased, we do not see much effect of this in 2022. Overall, our expectation is for near-term supply-demand balances to remain strong, and to continue to provide support for rates through 2022. Albeit rates are expected to moderate from the highs of 2021 (cf. market section).

Shipping markets thus present a favourable backdrop for our business, which we expect will translate to continued loan growth. We expect the size of the performing loan book to surpass its recent high-water mark, achieved at the end of 2019.

We anticipate being able to access the Danish and European covered bond markets on good terms again during 2022. Combined with our conservative approach to liquidity management, this will underpin our continued ability to offer attractive financing terms to clients.

Engagement with investors will naturally remain one of our top priorities for the year, as will the development and evaluation of a platform for sustainability-linked funding products.

We expect to further evolve our careful strategy for own funds investment, with a view to realising a result close to break-even in 2022, still with very low levels of risk.

The Tier 2 capital instrument held in Danish Ship Finance Holding A/S is coming up for its first call date in May 2022. We will in the coming months review the Group's capital structure and opportunities for further strengthening the Group and DSF's long-term capital position.

We expect operating costs to remain well under control and we will continue leveraging our Operational Excellence initiatives to maintain the headcount around the current level. We may make targeted investments in 2022 to efficiently grow and diversify our lending activities, and further integrate sustainability measures into our business.

Healthy market- and credit developments are expected to underpin the stable credit quality of the loan book. We expect to resolve a further number of legacy non-performing loans this year and expect these to be adequately covered by the existing ECL allowance accounts. We do not currently anticipate a need for additional loan impairment charges in 2022.

Our very robust solvency and liquidity give us headroom to grow in a sustainable manner.

Our expectation, in the current market environment, is for a robust 2022 operating performance for DSF, resulting in net profit in the range of DKK 275 million to DKK 335 million.

Should DKK and EUR interest rates increase, we expect this to have a net positive effect on our net result, predominantly through higher investment income from the current defensive positioning.

The business outlook remains subject to market factors and elements beyond our direct control. Uncertainties related to global politics, pandemics, 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 segment, the healing process will be slow. While we believe that the ECL allowance account of DKK 1.0 billion provides adequate coverage for future credit losses, adverse credit performance remains a risk to our outlook for 2022.

Competition

During 2021, the ship finance market recovered from the initial Covid-19 impact. Due to strong shipping markets in several segments, some clients had limited need for financing, pushing margins slightly lower at the start of the year. Margins remained stable at fairly low levels, especially for shipping companies with strong balance sheets, as banks and leasing companies competed fiercely for their business. This will most likely continue going into 2022.

Several European banks continued to increase their focus on core clients in their home markets, thus reducing their overall market presence. We do not expect this trend to continue much longer and would not be surprised to see these institutions stabilise or even increase their market shares once again.

Asian banks are increasing their presence in the international ship finance markets, and we expect them to play a somewhat larger role in the years to come.

Chinese leasing companies still account for a large part of the ship finance market, especially for newbuilds. Although they remain dominant market participants, we expect growth in their market shares to level off, as shipowners are increasingly focused on having more diversified funding sources.

We are seeing a sharp increase in sustainability-linked loans, with margins linked to CO_2 emissions. This will continue in 2022, and we will also see more green loans and bonds as the shipping industry gradually moves towards decarbonisation.

Shipping segment

In 2021, the shipping industry rebounded after a challenging 2020 shaped by the Covid-19 outbreak and the subsequent waves of regional lockdowns. Some segments recovered much faster, while others remain below pre-Covid levels. The overall earnings index, the ClarkSea Index, was anchored around USD 15,000 per day for large parts of 2020 but surged to a 13-year high in October 2021 at USD 42,600 per day. The index at year-end stood at around USD 36,000 per day.

Volatility is the norm in the shipping industry, and shipowners and operators are used to adjusting accordingly. During 2021, some shipowners increased vessel speeds and reduced lay-ups to cope with the sudden rebound in demand. S&P activity reached 7% of the fleet, which is a level not seen since 2007. This reflects the fact that immediate access to vessels is highly valued by shipowners, even if there are some concerns related to future earnings. Secondhand prices for especially Container and Dry Bulk vessels surged to high levels, albeit still well below the levels seen before the financial crisis in 2008.

Seaborne trade volumes largely regained their lost territory during 2021. The recovery in trade volumes was uneven with Container, Dry Bulk and Gas Carriers seeing strong demand growth and high freight rates, while demand for Oil Tankers remained below pre-Covid levels due to massive stock drawings. Contracting increased strongly for Container and Gas Carriers, while low yard availability and low decarbonisation transparency restricted shipowners' appetite for ordering new Dry Bulk vessels and Oil Tankers. Although contracting has increased significantly from 2020 levels, the global orderbook is still relatively small and represents only 10% of the world fleet. Seaborne trade volumes are expected to continue to increase in 2022, but the recent surge in Covid cases adds risk to the outlook.

Container

In 2021, box rates in the Container market reached unprecedented highs. Consumers redirected spending towards containerised goods owing to social distancing, and demand for Container vessels surged accordingly. Port congestion rose due to increased port handling, supply chain disruptions and less effective port operations. The fleet's cargo-carrying capacity decreased accordingly. The need for tonnage caused timecharter rates and secondhand prices to sky-rocket across vessel ages and sizes. Both liner operators and tonnage providers benefited from the strong market.

Dry bulk

Strong industrial output combined with low fleet growth, port congestion and infrastructure bottlenecks raised freight rates for Dry Bulk vessels to levels not seen since 2009. Secondhand prices rose accordingly but did not enter the extraordinary territory of the past super cycle. The surge was strongest among mid-sized and small vessels. These vessel segments are enjoying a positive outlook due to promising demand prospects and low fleet growth, while the larger segments face structural headwinds to their demand outlook.

Oil tankers

Oil demand has recovered much of the lost territory but remains below pre-Covid-19 levels. Inventory drawdowns have kept both fleet utilisation and freight rates low among Crude and Product Tankers. Freight rates are expected to remain weak until late 2022, as fleets are set to grow ahead of demand. The medium-term outlook for Crude Tankers is more moderate, as oil demand is expected to grow up until 2025. However, expanding refinery capacity closer to oil-producing countries is expected to switch some Crude volumes into Product trades and thereby support the outlook for Product Tankers – there were already signs of this towards the end of 2021.

Gas carriers

Market conditions for Gas Carriers strengthened in 2021, as demand for gas recovered ahead of fleet growth. However, the fleet is expected to expand significantly in the coming years as investor appetite for larger dual-fuel vessels continues to grow. Demand is expected to increase both in the short and long run, but uncertainties persist, as production and inventory levels have not been able to follow suit.

Car carriers

Global sales of cars rebounded in 2021, which led to high growth in demand for Car Carriers. High levels of port congestion limited the number of available vessels. Consequently, timecharter rates rose to the highest level since the financial crisis. Demand is expected to continue to grow rapidly in 2022 and surpass 2019 volumes, although easing port congestion is likely to keep a lid on timecharter rates.

Ro-Ro/Ferries

Due to the firm Container market, Ro-Ro vessels have increasingly carried goods that normally would have been carried by Container vessels. This lifted earnings for Ro-Ro vessels during 2021. Ferries experienced a large rebound in activity driven by regional traffic starting to normalise during the year.

Offshore

The market for Offshore Supply vessels improved relatively sharply in 2021, in part driven by the offshore wind industry. Demand saw a reasonably firm recovery and day rates rebounded from a Covid-impacted 2020. While challenges remain, market sentiment is at its brightest since the post-2014 downturn began. Average fleet utilisation improved by approximately 7 percentage points during 2021, ending the year at 64%. The outlook for 2022 is relatively optimistic, although there is still an overhang of supply.

INCOME STATEMENT

NOTE	1 JANUARY - 31 DECEMBER DKK MILLION	Group 2021	Group 2020	Holding 2021	Holding 2020
3	Interest income	1,129	1,500	0	-
4	Interest expenses	(822)	(1,158)	(185)	(187)
5	**Net interest income**	**306**	**342**	**(185)**	**(187)**
6	Fee and commission income	32	21	-	-
	Net interest and fee income	**338**	**363**	**(185)**	**(187)**
7	Market value adjustments	(82)	(150)	-	-
8,9	Staff costs and administrative expenses	(170)	(159)	(3)	(1)
22.23	Depreciation and impairment of property, plant and equipment	(2)	(1)	-	-
	Other operating expenses	-	-	(1)	(1)
15	Impairment charges on loans and receivables	39	(100)	-	-
21	Income from investments in accociated companies	-	-	208	96
	Profit before tax	**124**	**(47)**	**19**	**(93)**
10	Tax	(23)	(6)	48	31
	Net profit for the year	**101**	**(53)**	**67**	**(62)**
	Other comprehensive income	-	40	-	-
	Tax on other comprehensive income	0	(9)	-	-
	Other comprehensive income after tax	**0**	**31**	**-**	**-**
	Comprehensive income for the year	**101**	**(22)**	**67**	**(62)**
	PROPOSED ALLOCATION OF PROFIT				
	Minority shareholders	46	21	-	-
	Revaluation reserve	-	31	-	-
	Retained earnings	55	(75)	67	(62)
	Total	**101**	**(22)**	**67**	**(62)**

BALANCE SHEET

NOTE	AT 31 DECEMBER DKK MILLION	Group		Holding	
		2021	2020	2021	2020
	ASSETS				
11	Due from credit institutions and central banks	394	1,300	6	2
12,13,14	Loans and other receivables at amortised cost	36,293	32,078	-	-
17,18,19	Bonds at fair value	16,007	24,319	-	-
20	Shares, etc.	0	0	-	-
21	Shares in associated companies	-	-	3,425	3,397
22	Land and buildings	-	-	-	-
	Owner-occupied property	332	323	-	-
23	Other tangible assets	6	6	-	-
	Current tax assets	7	10	59	-
28	Deferred tax assets	217	72	158	141
19.24	Other assets	1,324	1,827	-	-
	Total assets	**54,580**	**59,935**	**3,648**	**3,540**
	LIABILITIES AND EQUITY				
	Liabilities				
25	Due to credit institutions and central banks	758	6,693	-	-
26	Issued bonds at amortised cost	43,228	42,592	-	-
	Current tax liabilities	168	-	-	-
19.27	Other liabilities	986	1,299	124	95
	Total liabilities	**45,140**	**50,584**	**124**	**95**
	Provisions				
	Other provisions	16	16	-	-
	Total provisions	**16**	**16**	**-**	**-**
29	**Additional Tier 2 capital**	**2,000**	**1,990**	**2,000**	**1,990**
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	46	46	46
	Retained earnings	188	131	252	183
	Holding's share of equity	**1,459**	**1,403**	**1,524**	**1,454**
30	**Minority interests' share of equity**	**5,964**	**5,943**	**-**	**-**
	Total equity	**7,424**	**7,345**	**1,524**	**1,454**
	Total liabilities	**54,580**	**59,936**	**3,648**	**3,540**
	Off-balance sheet items				
32	Contingent liabilities	101	116	-	-
33	Other binding agreements	3,356	3,723	-	-
	Total off-balance sheet items	**3,457**	**3,839**	**-**	**-**

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 2020	1,224	1	16	207	1,449	5,958	7,407
Dividends paid for the financial year 2019	-	-	-	-	-	(38)	(38)
Amount for distribution	-	-	-	(75)	(75)	21	(53)
Revaluation of property	-	-	30	-	30	1	31
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**
Equity as at 1 January 2021	1,224	1	46	131	1,403	5,943	7,345
Dividends paid for the financial year 2020	-	-	-	-	-	(25)	(25)
Amount for distribution	-	-	-	55	55	46	101
Revaluation of property	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	(0)	(0)	-	(0)
Sale of own shares	-	-	-	2	2	-	2
Equity at 31 December 2021	**1,224**	**1**	**46**	**188**	**1,459**	**5,964**	**7,424**

Danish Ship Finance Holding A/S

DKK MILLION	Share capital	Share premium at issue	Revaluation reserves	Retained earnings	Total
Equity as at 1 January 2020	1,224	1	16	246	1,488
Amount for distribution	-	-	-	(62)	(62)
Revaluation of property	-	-	30	0	30
Purchase of own shares	-	-	-	(2)	(2)
Sale of own shares	-	-	-	0	0
Equity at 31 December 2020	**1,224**	**1**	**46**	**183**	**1,454**
Equity as at 1 January 2021	1,224	1	46	183	1,454
Amount for distribution	-	-	-	67	67
Revaluation of property	-	-	-	0	0
Purchase of own shares	-	-	-	(0)	(0)
Sale of own shares	-	-	-	2	2
Equity at 31 December 2021	**1,224**	**1**	**46**	**252**	**1,524**

Group overview

Afilliated companies	Ownership	Voting share	Assets	Equity	Net profit	Liabilities
Danish Ship Finance A/S	86.6%	1	54,457	9,325	254	45,133

Activity: Financing of vessels for Danish and international shipowners, secured on first lien ship mortgages.

LIST OF NOTES

NOTES

NOTE 1

ACCOUNTING POLICIES

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

The accounting policies are unchanged from those applied in the Annual Report 2020.

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
- Parameters used for amortisation of fees which are an integral part of the current yield of a financial instrument

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.

In 2021, the parameters used for amortisation of fees which are an integral part of the current yield of a financial instrument have been revised to better reflect the nature and development of the loan book. The change in the parameters affected the interest income in 2021 by approx. DKK 35 million accumulated over the previous years.

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

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

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

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

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

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

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

Segment reporting

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

Offsetting

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

Translation of transactions in foreign currency

The financial statements are presented in DKK, and the functional currency is DKK.

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

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

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

Financial instruments

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

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

Classification

Financial instruments are divided into financial assets and financial liabilities.

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

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

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

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

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

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

Hedge accounting

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

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

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

Determination of fair value

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

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

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

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

BALANCE SHEET

Amounts due from credit institutions and central banks

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

Loans

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

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

Loan impairment charges

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

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

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

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

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

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

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

The Risk Report 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.

NOTE 2

DKK MILLION	Group 2021	Group 2020	Group 2019	Group 2018	Group 2017	Holding 2021	Holding 2020	Holding 2019	Holding 2018	Holding 2017
Net interest income from lending	529	488	503	463	553	(0)	(0)	(0)	(1)	-
Net interest income from investment activities	(222)	(146)	(72)	(23)	(47)	(185)	(187)	(186)	(186)	(182)
Total net interest income	306	342	432	440	506	(185)	(187)	(187)	(187)	(182)
Total net interest and fee income	338	363	458	472	526	(185)	(187)	(187)	(187)	(182)
Market value adjustments	(82)	(150)	(197)	(135)	37	-	-	-	-	-
Staff costs and administrative expenses	(170)	(159)	(167)	(160)	(148)	(3)	(1)	(2)	(2)	(7)
Loan impairment charges	39	(100)	2	(35)	(163)	-	-	-	-	-
Income from investments in associated companies	-	-	-	-	-	208	96	186	214	273
Profit before tax	124	(47)	94	141	250	19	(93)	(4)	25	84
Net profit for the year	101	(53)	58	98	210	67	(62)	38	66	125
Loans	36,293	32,078	39,337	37,117	35,000	-	-	-	-	-
Bonds	16,007	24,319	25,027	22,470	20,093	-	-	-	-	-
Subordinate loan capital	2,000	1,990	1,979	1,968	1,957	2,000	1,990	1,979	1,968	1,957
Equity	1,459	1,403	1,449	1,423	1,466	1,524	1,454	1,488	1,442	1,468
Total assets	54,580	59,935	67,113	62,782	58,735	3,648	3,540	3,490	3,433	3,449

KEY RATIOS	Group 2021	Group 2020	Group 2019	Group 2018	Group 2017	Holding 2021	Holding 2020	Holding 2019	Holding 2018	Holding 2017
Common Equity Tier 1 capital ratio	13.3	13.8	14.0	12.9	12.4	-	-	-	-	-
Tier 1 capital ratio	13.3	13.8	14.0	12.9	12.4	-	-	-	-	-
Total capital ratio	17.6	18.6	18.0	17.0	16.7	-	-	-	-	-
Return on equity before tax (%)	8.5	(3.4)	6.5	9.9	17.1	1.2	(6.4)	(0.2)	1.7	5.7
Return on equity after tax (%)	6.9	(3.8)	4.0	6.9	14.3	4.4	(4.3)	2.5	4.6	8.5
Income/cost ratio *' **)	1.9	0.8	1.7	1.8	1.9	(59.0)	(159.4)	(109.8)	(112.3)	(26.1)
Income/cost ratio (excluding loan impairment charges)**	1.5	1.3	1.5	2.1	3.8	(59.0)	(159.4)	(109.8)	(112.3)	(26.1)
Foreign exchange position (%)	3.5	3.4	2.8	5.3	12.6	-	-	-	-	-
Gearing of loans	24.9	22.9	27.1	26.0	23.8	-	-	-	-	-
Annual growth in lending (%)	13.1	(18.5)	6.0	6.0	(13.5)	-	-	-	-	-
Loan impairment charges for the year as % of lending	(0.1)	0.3	(0.0)	0.1	0.4	-	-	-	-	-
Total allowance account as % of gross lending	2.6	3.9	4.9	6.3	6.9	-	-	-	-	-
Rate of return on assets (%)	0.2	(0.0)	0.1	0.2	0.4	1.8	(1.7)	1.1	1.9	3.9

The key figures are calculated in accordance with Appendix 5 of the Danish FSA's Executive Order on Financial Reports.

**) In accordance with the instructions, the income/cost ratio must be calculated including loan impairment charges.*

***) Income from investments in associated companies is excluded by calculating income/cost ratio.*

DKK MILLION	Group		Holding	
	2021	2020	2021	2020

NOTE 3

INTEREST INCOME

Due from credit institutions and central banks	15	30	0	-
Loans and other receivables	936	1,255	-	-
Bonds	138	155	-	-
Other interest income	0	0	-	-
Derivatives				
Interest rate contracts	37	59	-	-
Foreign exchange contracts	2	2	-	-
Total interest income*	**1,129**	**1,500**	**0**	**-**
Of this amount, income from genuine purchase and resale transactions is recognised in:				
Due from credit institutions and central banks	16	31	-	-

*) Group total interest income contains negative interest expenses of DKK 0.6 million in 2021 (2020: 0.5 DKK million).

NOTE 4

INTEREST EXPENSES

Credit institutions and central banks	(7)	(2)	(0)	(0)
Bonds	(6)	(18)	-	-
Issued bonds	(138)	(169)	-	-
Interest paid on additional Tier 2 capital	(185)	(187)	(185)	(187)
Other interest expenses	(148)	(121)	-	-
Derivatives				
Interest rate contracts	(340)	(662)	-	-
Total interest expenses*	**(822)**	**(1,158)**	**(185)**	**(187)**
Of this amount, interest expenses for genuine sale and repurchase transactions is recognised in:				
Due to credit institutions and central banks	(12)	(12)	-	-

*) Group total interest expenses contain negative interest income of DKK 6.1 million in 2021 (2020: 19.2 DKK million). In Holding total interest expenses contain negative interest expenses of DKK 0.1 million in 2021 (2020: 0.3 DKK million).

DKK MILLION	Group		Holding	
	2021	2020	2021	2020

NOTE 5

NET INTEREST INCOME

	2021	2020	2021	2020
Net interest income from lending				
Loans and other receivables	936	1,255	-	-
Bonds	46	14	-	-
Due from credit institutions	3	4	-	-
Interest to credit institutions	(5)	0	(0)	(0)
Issued bonds	(138)	(169)	-	-
Other interest expenses	(13)	(14)	-	-
Derivatives	0	0	-	-
Interest rate contracts	(303)	(604)	-	-
Foreign exchange contracts	2	2	-	-
Total net interest income from lending	**529**	**488**	**(0)**	**(0)**
Net interest income from Finance activities				
Bonds	87	123	-	-
Due from credit institutions	12	27	-	-
Interest paid on additional Tier 2 capital	(185)	(187)	(185)	(187)
Other interest income	0	(0)	-	-
Interest to credit institutions	(2)	(3)	-	-
Other interest expenses	(135)	(106)	-	-
Total net interest income from Finance activities	**(222)**	**(146)**	**(185)**	**(187)**
Total net interest income	**306**	**342**	**(185)**	**(187)**

NOTE 6

FEE AND COMMISSION INCOME

	2021	2020	2021	2020
Guarantee commission	2	2	-	-
Fee and other commission income	31	19	-	-
Total fee and commission income	**32**	**21**	**-**	**-**

NOTE 7

MARKET VALUE ADJUSTMENTS

	2021	2020	2021	2020
Market value adjustment of bonds	(459)	(64)	-	-
Market value adjustment of shares	0	6	-	-
Exchange rate adjustments	1	(5)	-	-
Market value adjustment of derivative financial instruments	376	(87)	-	-
Total market value adjustments	**(82)**	**(150)**	**-**	**-**

NOTE 8

STAFF COSTS AND ADMINISTRATIVE EXPENSES

	2021	2020	2021	2020
Remuneration of the Board of Directors and Executive Board				
Board of Directors	(3)	(3)	-	-
Executive Board	(15)	(15)	(0)	(1)
Total remuneration of the Board of Directors and Executive Board	**(18)**	**(19)**	**(0)**	**(1)**
Staff costs				
Salaries and wages	(88)	(73)	(1)	(0)
Pensions	(9)	(8)	-	-
Social security costs and financial services employer tax	(21)	(23)	(0)	(0)
Total staff costs	**(118)**	**(105)**	**(1)**	**(1)**
Other administrative expenses	(34)	(35)	(2)	(0)
Total staff costs and administrative expenses	**(170)**	**(159)**	**(3)**	**(1)**
Number of employees - full-time equivalents	79	78	-	-
Average number of employees - full-time equivalents	79	79	-	-

DKK ‘000

NOTE 8 CONTINUED

INFORMATION ON REMUNERATION POLICY

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

The remuneration policy and remuneration report were adopted at the company’s annual general meeting on 18 March 2021. The remuneration policy and remuneration report are 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.

Incentive bonus granted in a financial year relates to the performance of the preceeding year.

2021		**Variable salary**			
	Fixed salary/fee	**Incentive bonus**	**Adjustment of variable pay for previous years**	**Total salary/fee**	**Number of recipients**
Board of Directors	2,950	-	-	2,950	12
Executive Board*	14,871	909	214	15,994	3
Other employees whose activities have a material impact on the company’s risk profile	12,169	1,075	196	13,440	7
Total	**29,990**	**1,984**	**410**	**32,384**	

*) Estimated value at the time of allocation in 2021.

The Executive Board has received a variable remuneration in the form of warrants in Danish Ship Finance Holding A/S.

Detailed information about remuneration for the Board of Directors and the Executive Board can be found in the company's remuneration report which include information on variable salary for the 2021 performance.

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.

The pension plans of other employees are defined contribution plans.

2020		**Variable salary**			
	Fixed salary/fee	**Incentive bonus**	**Adjustment of variable pay for previous years**	**Total salary/fee**	**Number of recipients**
Board of Directors	3,260	-	-	3,260	12
Executive Board *)	14,628	4,570	517	19,715	3
Other employees whose activities have a material impact on the company’s risk profile	12,203	1,595	-16	13,782	7
Total	**30,091**	**6,165**	**501**	**36,757**	

*) The incentive bonus for the Executive Board has been adjusted from the 2020 annual report to reflect that incentive bonus relates to the preceeding year.

Variable remuneration for 2020 to the Executive Board is provided as warrants with a deferral period of four years and a retention period of one year.

The variable remuneration terms and pension plans for 2020 for other employees are identical with the terms for 2021.

DKK MILLION	Group		Holding	
	2021	2020	2021	2020

NOTE 9 AUDIT FEES

Fees for statutory audit of financial statements	(1.1)	(0.9)	(0.1)	(0.1)
Fees for tax advisory services	(0.0)	(0.2)	-	-
Fees for non-audit services	(0.0)	-	-	-
Fees for other assurance engagements	(0.1)	(0.2)	-	-
Total fees	**(1.3)**	**(1.3)**	**(0.1)**	**(0.1)**

Fees for non-audit services provided by Deloitte Statsautoriseret Revisionspartnerselskab (in 2020) and EY Godkendt Revisions-partnerselskab (in 2021) 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	(49)	(3)	-	-
Changes in deferred tax	18	4	41	36
Adjustment of prior-year tax charges	7	(7)	7	-4
Total tax	**(23)**	**(6)**	**48**	**31**
Effective tax rate	**%**	**%**	**%**	**%**
Tax rate in Denmark	22.0	22.0	22.0	22.0
Non-taxable income and non-deductible expenses	2.3	(20.5)	(0.1)	(3.5)
Adjustment of prior-year tax charges	(5.6)	(13.8)	3.7	(2.1)
Effective tax rate	**18.6**	**(12.3)**	**25.6**	**16.4**

NOTE 11 DUE FROM CREDIT INSTITUTIONS AND CENTRAL BANKS

Genuine purchase and resale transactions (reverse repo)	367	1,170	-	-
Other receivables	27	130	6	2
Total due from credit institutions and central banks	**394**	**1,300**	**6**	**2**
Broken down by due date				
Demand deposits	27	24	6	2
Up to 3 months	367	1,276	-	-
Total due from credit institutions and central banks	**394**	**1,300**	**6**	**2**

The company has no term deposits with central banks.

NOTE 12 LOANS AT AMORTISED COST *)

At 1 January	32,078	39,337	-	-
Additions	9,380	6,472	-	-
Ordinary repayments and redemptions	(4,962)	(5,181)	-	-
Extraordinary repayments	(3,047)	(4,533)	-	-
Net change concerning revolving credit facilities	461	(318)	-	-
Exchange rate adjustment of loans	2,152	(4,287)	-	-
Other adjustments	(128)	(128)	-	-
Change in amortised cost for the year	36	2	-	-
Depreciation, amortisation and impairment for the year	323	713	-	-
At 31 December	**36,293**	**32,078**	**-**	**-**

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

DKK MILLION	Group		Holding	
	2021	2020	2021	2020

NOTE 13 LOANS AT AMORTISED COST BROKEN DOWN BY DUE DATE

	2021	2020	2021	2020
Gross loans at exchange rates at the balance sheet date	37,284	33,392	-	-
Accumulated loan impairment charges	(991)	(1,314)	-	-
Total loans	**36,293**	**32,078**	**-**	**-**
Total loans broken down by due date				
Up to 3 months	1,981	1,257	-	-
From 3 months to 1 year	4,230	2,657	-	-
From 1 to 5 years	25,329	24,140	-	-
Over 5 years	4,753	4,024	-	-
Total loans	**36,293**	**32,078**	**-**	**-**
Total loans				
Loans at fair value	37,066	32,703	-	-
Loans at amortised cost	36,293	32,078	-	-

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

NOTE 14 NON-PERFORMING LOANS

	2021	2020	2021	2020
Impaired loans (rating category 11)				
Loans subject to forbearance or otherwise impaired, gross	635	650	-	-
Accumulated loan impairment charges	(231)	(150)	-	-
Impaired loans, net	**404**	**500**	**-**	**-**
Defaulted loans (rating category 12)				
Loans in default, gross	1,276	1,757	-	-
Loan impairment charges	(569)	(901)	-	-
Defaulted loans, net	**707**	**855**	**-**	**-**
Non-performing loans, gross (NPL)	**1,911**	**2,407**	**-**	**-**
Non-performing loans, net (net NPL)	**1,111**	**1,356**	**-**	**-**
NPL ratio	**5.1%**	**7.2%**	**-**	**-**
Net NPL ratio	**3.0%**	**4.2%**	**-**	**-**

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/LOSS ALLOWANCES

	2021	2020	2021	2020
The following impairment charges/loss allowances were made on loans/credit commitments				
Individual impairment charges	991	1,314	-	-
Loss allowances for loan commitments	16	16	-	-
Total	**1,007**	**1,330**	**-**	**-**
Accumulated loan impairment charges as % of the loan book	**2.6**	**3.9**	**-**	**-**
Reconciliation of total allowance account				
At 1 January	1,330	2,035	-	-
New impairment charges/loss allowances	277	760	-	-
Reversal of loan impairment charges/loss allowances	(307)	(648)	-	-
Gross write-offs debited to the allowance account	(293)	(817)	-	-
Total	**1,007**	**1,330**	**-**	**-**
Loan impairment charges for the period				
New loan impairment charges/loss allowances	(277)	(760)	-	-
Reversal of loan impairment charges/loss allowances	307	648	-	-
Reclassification of interest	0	0	-	-
Recovery on loans previously written off	9	12	-	-
Loan impairment charges	**39**	**(100)**	**-**	**-**

DKK MILLION	Group 2021	Group 2020	Holding 2021	Holding 2020

NOTE 16

CREDIT RISK

Reconciliation of loans and guarantees (loan book)				
Balance sheet				
Loans at amortised cost	36,293	32,078	-	-
Other receivables	160	196	-	-
Loan impairment charges	991	1,314	-	-
Total balance sheet items	**37,444**	**33,588**	**-**	**-**
Off-balance sheet items				
Guarantees	101	116	-	-
Total off-balance sheet items	**101**	**116**	**-**	**-**
Total loans and guarantees	**37,544**	**33,704**	**-**	**-**
Reconciliation of other contingent liabilities				
Credit commitments	3,356	3,723	-	-
Total other contingent liabilities	**3,356**	**3,723**	**-**	**-**
Reconciliation of financial exposure				
Due from credit institutions and central banks	394	1,300	6	2
Bonds at fair value	16,007	24,319	-	-
Shares, etc.	0	0	-	-
Derivatives	1,153	1,674	-	-
Total financial exposure	**17,554**	**27,293**	**6**	**2**
Total credit risk from loans and financial exposures	**58,454**	**64,720**	**6**	**2**

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 LOANS AND GUARANTEES 2021	Group LOANS AND GUARANTEES 2020	Holding LOANS AND GUARANTEES 2021	Holding LOANS AND GUARANTEES 2020
1 - 2	-	-	-	-
3 - 4	4,659	5,471	-	-
5 - 6	17,188	11,755	-	-
7 - 8	13,188	12,977	-	-
9 - 10	598	1,084	-	-
11	635	653	-	-
12	1,276	1,764	-	-
Total	**37,544**	**33,704**	**-**	**-**

DKK MILLION

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

Loan book before loan impairment charges broken down by rating category and stages for 2021

DSF RATING	STAGE 1	STAGE 2	STAGE 3	LOANS AND GUARANTEES Total
1	-	-	-	-
2	-	-	-	-
3	1,953	-	-	1,953
4	2,706	-	-	2,706
5	5,158	-	-	5,158
6	12,030	-	-	12,030
7	7,955	3,228	-	11,183
8	2,005	-	-	2,005
9	-	204	-	204
10	-	394	-	394
11 (impaired)	-	-	635	635
12 (default)	-	-	1,276	1,276
Total	**31,807**	**3,827**	**1,911**	**37,544**

Credit commitments broken down by rating category and stages for 2021

DSF RATING	STAGE 1	STAGE 2	STAGE 3	CREDIT COMMITMENTS Total
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	741	-	-	741
5	142	-	-	142
6	1,213	-	-	1,213
7	914	-	-	914
8	346	-	-	346
9	-	-	-	-
10	-	-	-	-
11 (impaired)	-	-	-	-
12 (default)	-	-	-	-
Total	**3,356**	**-**	**-**	**3,356**

Loan book before loan impairment charges broken down by rating category and stages for 2020

DSF RATING	STAGE 1	STAGE 2	STAGE 3	LOANS AND GUARANTEES Total
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 for 2020

DSF RATING	STAGE 1	STAGE 2	STAGE 3	CREDIT COMMITMENTS Total
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**

DKK MILLION

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

Changes in total allowance account broken down by stages

	STAGE 1	STAGE 2	STAGE 3	TOTAL
At 1 January 2021	135	144	1,051	1,330
Transferred to stage 1 during the period	-	-	-	-
Transferred to stage 2 during the period	-	-	-	-
Transferred to stage 3 during the period	-	-	-	-
New impairment charges/loss allowances	117	-	160	277
Reversal of impairment charges/loss allowances	(81)	(107)	(118)	(307)
Gross write-offs for the period	-	-	(293)	(293)
Total ECL allowance account at 31 December 2021	**171**	**37**	**800**	**1,007**
Of which:				
- Accumulated loan impairment charges	155	37	800	991
- Accumulated loss allowances for credit commitments	16	-	-	16
Of which:				
- Management judgments	0	0	75	75

	STAGE 1	STAGE 2	STAGE 3	TOTAL
At 1 January 2020	167	90	1,778	2,035
Transferred to stage 1 during the period	-	-	-	-
Transferred to stage 2 during the period	(9)	189	(179)	0
Transferred to stage 3 during the period	-	-	-	-
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	-	-	(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	-	-	16
Of which:				
- Management judgments	0	0	100	100

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

The stage migration of a loan is closely linked to the development of the client's 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 provides more detailed information.

DKK MILLION

NOTE 16 CONTINUED

Arrears/Past-due loans

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

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 increased by 24.4% on average in 2021.

Loan book after loan impairment charges broken down by LTV interval

	Group		Holding	
LTV	SHARE OF LOANS		SHARE OF LOANS	
INTERVAL	2021	2020	2021	2020
0 - 20 %	49%	39%	-	-
20 - 40 %	37%	37%	-	-
40 - 60 %	13%	22%	-	-
60 - 80 %	1%	2%	-	-
80 - 90 %	0%	0%	-	-
90 - 100 %	0%	0%	-	-
Over 100 %	-	-	-	-

The table above shows that at year-end 99% (2020: 98%) of all loans were secured within 60% of the market value of the mortgage, and 100% (2020: 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 44% (2020: 54%).

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

	Group		Holding	
LTV	SHARE OF LOANS		SHARE OF LOANS	
INTERVAL	2021	2020	2021	2020
0 - 20 %	48%	41%	-	-
20 - 40 %	37%	35%	-	-
40 - 60 %	15%	22%	-	-
60 - 80 %	1%	2%	-	-
80 - 90 %	0%	0%	-	-
90 - 100 %	0%	0%	-	-
Over 100 %	-	0%	-	-

The table above shows that at year-end 99% (2020: 98%) of non-performing loans were secured within 60% of the market value of the mortgage, and 100% (2020: 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 47% (2020: 53%).

DKK MILLION	Group		Holding	
	2021	2020	2021	2020

NOTE 17

BONDS AT FAIR VALUE

Bond portfolio				
Own non-callable bonds	3,225	962	-	-
Non-callable bonds	15,626	21,697	-	-
Callable bonds	381	2,622	-	-
Total portfolio of bonds	**19,232**	**25,281**	**-**	**-**
Own bonds (offset against issued bonds at amortised cost)	(3,225)	(962)	-	-
Total bond portfolio	**16,007**	**24,319**	**-**	**-**
Bond portfolio				
Own bonds	3,225	962	-	-
Government bonds and bonds issued by KommuneKredit	2,385	7,048	-	-
Mortgage bonds	13,622	17,271	-	-
Total portfolio of bonds	**19,232**	**25,281**	**-**	**-**
Own bonds (offset against issued bonds at amortised cost)	(3,225)	(962)	-	-
Total bond portfolio	**16,007**	**24,319**	**-**	**-**

NOTE 18

BONDS BY TIME TO MATURITY

Bond portfolio				
Bonds with a maturity up to and including 1 year	4,107	1,658	-	-
Bonds with a maturity over 1 year and up to and including 5 years	8,774	17,935	-	-
Bonds with a maturity over 5 years and up to and including 10 years	1,417	1,624	-	-
Bonds with a maturity over 10 years	1,709	3,102	-	-
Total bonds specified by time to maturity	**16,007**	**24,319**	**-**	**-**

DKK MILLION	Group		Holding	
	2021	2020	2021	2020

NOTE 19 CSA COLLATERAL

Collateral under CSA agreements				
Collateral received	12	714	-	-
Collateral delivered	(1,274)	(999)	-	-
Net value of collateral under CSA agreements	**(1,262)**	**(285)**	**-**	**-**

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	0	0	-	-
Unlisted shares recognised at fair value	-	-	-	-
Total shares, etc.	**0**	**0**	**-**	**-**

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	-	-	(691)	(722)
Dividend	-	-	(180)	(95)
Value adjustment for the period	-	-	0	30
Profit share	-	-	208	96
Depreciation, amortisation and impairment losses, 31 December	**-**	**-**	**(663)**	**(691)**
Carrying amount, 31 December	**-**	**-**	**3,425**	**3,397**

NOTE 22 LAND AND BUILDINGS

Owner-occupied property				
Valuation, 1 January	325	102	-	-
Acquisition	-	183	-	-
Property improvements during the year	9	-	-	-
Revaluations	-	40	-	-
Revaluation including improvements, 31 December	**334**	**325**	**-**	**-**
Accumulated depreciation, 1 January	2	2	-	-
Depreciation for the year	0	0	-	-
Accumulated depreciation, 31 December	**2**	**2**	**-**	**-**
Total revaluation, 31 December	**332**	**323**	**-**	**-**

The owner-occupied properties are the office properties at Sankt Annæ Plads 3, Copenhagen (public property valuation on 1 October 2020: DKK 79 million) and Langebrogade 5, Copenhagen (public property valuation on 1 October 2020: DKK 88 million).

The domicile properties have been valued based on rent levels and yields for similar properties in the respective areas. Consequently, a recalculation has been made to the recognised value. External experts have not been involved in valuing the owner-occupied properties.

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 therefore been valued based on its sale price. The sale will be effected once we move to our new offices, expected in the first part of 2023.

DKK MILLION	Group 2021	Group 2020	Holding 2021	Holding 2020

NOTE 23 OTHER TANGIBLE ASSETS

	2021	2020	2021	2020
Cost, 1 January	12	23	-	-
Additions during the year	0	0	-	-
Disposals during the year	0	(11)	-	-
Cost, 31 December	**13**	**12**	**-**	**-**
Accumulated depreciation, 1 January	6	16	-	-
Disposals during the year	0	(11)	-	-
Depreciation during the year	1	1	-	-
Accumulated depreciation, 31 December	**7**	**6**	**-**	**-**
Total other tangible assets	**6**	**6**	**-**	**-**

NOTE 24 OTHER ASSETS

	2021	2020	2021	2020
Interest receivable	147	131	-	-
Prepayments to swap counterparties	17	12	-	-
Derivatives	1,153	1,674	-	-
Miscellaneous receivables	7	10	-	-
Total other assets	**1,324**	**1,827**	**-**	**-**

NOTE 25 DUE TO CREDIT INSTITUTIONS AND CENTRAL BANKS

	2021	2020	2021	2020
Repo transactions	509	6,693	-	-
Other amounts due	249	-	-	-
Total due to credit institutions and central banks	**758**	**6,693**	**-**	**-**
Broken down by due date				
On demand	-	-	-	-
Up to 3 months	758	6,693	-	-
Total due to credit institutions and central banks	**758**	**6,693**	**-**	**-**

DKK MILLION	Group		Holding	
	2021	2020	2021	2020

NOTE 26

ISSUED BONDS AT AMORTISED COST

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

	2021	2020	2021	2020
At 1 January	42,592	47,968	-	-
Additions in conjunction with pre-issuance	9,600	7,935	-	-
Amortisation of cost	(89)	(137)	-	-
Adjustment for hedge accounting	(71)	(1)	-	-
Exchange rate adjustment	(2)	(38)	-	-
Other adjustment	(115)	(115)	-	-
Own bonds	(2,300)	(970)	-	-
Ordinary and extraordinary redemptions	(6,386)	(12,050)	-	-
At 31 December	**43,228**	**42,592**	**-**	**-**

Specification of issued bonds

	2021	2020	2021	2020
Bonds issued in DKK				
Bullet bonds	35,170	35,768	-	-
Amortising CIRR bonds	161	276	-	-
Total Danish bonds	**35,330**	**36,044**	**-**	**-**
Bonds issued in foreign currency				
Bullet bonds	11,123	7,439	-	
Amortising CIRR bonds, at year-end exchange rates	-	71	-	-
Total bonds issued in foreign currency	**11,123**	**7,510**	**-**	**-**
Own bonds	(3,225)	(962)	-	-
Total issued bonds	**43,228**	**42,592**	**-**	**-**
Broken down by term to maturity				
Up to 3 months	625	1,175	-	-
From 3 months to 1 year	3,739	38	-	-
From 1 to 5 years	31,884	38,158	-	-
Over 5 years	10,206	4,184	-	-
Issued bonds, total before set-off against portfolio of own bonds	**46,454**	**43,555**	**-**	**-**
Own bonds	(3,225)	(962)	-	-
Total issued bonds	**43,228**	**42,592**	**-**	**-**

DKK MILLION	Group 2021	Group 2020	Holding 2021	Holding 2020

NOTE 27 OTHER LIABILITIES

	2021	2020	2021	2020
Interest payable	146	152	21	21
Derivatives	779	1,074	-	-
Tax	0	0	-	-
Other liabilities	62	72	103	74
Total other liabilities	**986**	**1,299**	**124**	**95**

NOTE 28 DEFERRED TAX

	2021	2020	2021	2020
Deferred tax, 1 January	72	81	141	34
Initial adjustment regarding IFRS 9	0	-	-	-
Adjustment of prior-year	(21)	(91)	-	-
Estimated deferred tax on profit for the year	(2)	82	18	106
Total deferred tax	**50**	**72**	**158**	**141**

		Group		Holding
	2021	2021	2021	2021
	Deferred tax assets	**Deferred tax liabilities**	**Deferred tax net**	**Deferred tax net**
Property, plant and equipment	0	(21)	(21)	0
Loans	35	0	35	0
Shares, etc.	0	0	0	0
Issued bonds	-	(134)	(134)	0
Payables	12	-	12	12
Employee obligations	12	-	12	1
Balance of tax losses	145	-	145	145
Total deferred tax	**205**	**(155)**	**50**	**158**

NOTE 29 SUBORDINATED DEBT

	2021	2020	2021	2020
Convertible debt instrument	2,000	2,000	2,000	2,000
Amortised initial expenses	0	(10)	0	(10)
Total subordinate loan capital	**2,000**	**1,990**	**2,000**	**1,990**

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

DKK MILLION	Group		Holding	
	2021	2020	2021	2020
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 122,389,960,000 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 128,091,359 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 2021	2020
NOTE 31 CAPITAL ADEQUACY		
Common Equity Tier 1 capital		
Share capital	1,224	1,224
Tied-up reserve capital	4,735	4,413
Retained earnings	189	133
Revaluation reserves	-	-
Total common equity tier 1 capital before deductions	**6,148**	**5,770**
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	24	28
Deductions for NPE Loss coverage	8	-
Positions of own shares	1	2
Total deductions from Common Equity Tier 1 capital	**34**	**30**
Common Equity Tier 1 capital after deductions	**6,115**	**5,740**
Addtional Tier 2 capital	**2,000**	**1,990**
Own funds after deductions	**8,115**	**7,731**
Risk exposure amount		
Assets outside the trading book	38,350	33,904
Off-balance sheet items	1,230	1,444
Counterparty risk outside the trading book	2,264	1,557
Market risk	3,346	3,736
Operational risk	829	880
Total risk exposure amount	**46,020**	**41,522**
Common Equity Tier 1 capital ratio	**13.3**	**13.8**
Tier 1 capital ratio	**13.3**	**13.8**
Total capital ratio	**17.6**	**18.6**
The risk exposure amount for market risk consists of:		
Position risk related to debt instruments	3,045	3,454
Position risk related to shares	18	18
Total currency position	284	265
Total risk-weighted items involving market risk	**3,346**	**3,736**

DKK MILLION	Group		Holding	
	2021	2020	2021	2020

NOTE 32 **CONTINGENT LIABILITIES**

	2021	2020	2021	2020
In the ordinary course of its lending operations, DSF has undertaken guarantee commitments of	101	116	-	-
Payment guarantee provided to the Danish Securities Centre	0	0	-	-
Guarantees provided to the Danish Securities Centre	-	-	-	-
Total contingent liabilities	**101**	**116**	**-**	**-**

NOTE 33 **OTHER CONTINGENT LIABILITIES**

	2021	2020	2021	2020
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	896	885	-	-
In the course of its lending operations, DSF has issued irrevocable credit commitments in the amount of	2,460	2,837	-	-
Total other contingent liabilities	**3,356**	**3,723**	**-**	**-**

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 2021 a nominal amount of DKK 1,456 million (at 31 December 2020: DKK 1,252 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 2021	**NOMINAL VALUE**	**CARRYING AMOUNT**	**FAIR VALUE**
Commitments			
Issued bonds	15,250	15,165	15,560
Total commitments	**15,250**	**15,165**	**15,560**
Derivatives			
Interest rate swaps	(15,250)	121	121
Total derivatives	**(15,250)**	**121**	**121**
Net	**0**	**15,287**	**15,681**

Holding 2021	**NOMINAL VALUE**	**CARRYING AMOUNT**	**FAIR VALUE**
Commitments			
Issued bonds	-	-	-
Total commitments	**-**	**-**	**-**
Derivatives			
Interest rate swaps	-	-	-
Total derivatives	**-**	**-**	**-**
Net	**-**	**-**	**-**

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	**-**	**-**	**-**

DKK MILLION	Group		Holding	
	2021	2020	2021	2020
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	161	279	-	-
Credit institutions	85,578	78,741	-	-
Swap agreements have been made with the following parties to hedge the interest rate risk on loans, bonds and issued bonds:				
Receivables	-	-	-	-
Credit institutions	132,962	129,437	-	-
Swap agreements, for which financial risks are not fully hedged, have been made with the following parties:				
Credit institutions	56,768	56,487	-	-
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	31,745	34,619	-	-

DKK MILLION	Group POSITIVE	Group NEGATIVE	Holding POSITIVE	Holding NEGATIVE
NOTE 37 FAIR VALUES OF OUTSTANDING DERIVATIVES				
Swap agreements				
Swap agreements have been made with the following parties to hedge the foreign exchange risk on loans and issued bonds:				
Receivables	26	-	-	-
Credit institutions	109	501	-	-
Swap agreements have been made with the following parties to hedge the interest rate risk on loans, bonds and issued bonds:				
Receivables	-	-	-	-
Credit institutions	1,069	979	-	-
Swap agreements, for which financial risks are not fully hedged, have been made with the following parties:				
Credit institutions	711	1,278	-	-
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	44	121	-	-
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%	525	-	-	-
Counterparty with risk weight of 50%	1,407	-	-	-
Counterparty with risk weight of 100%	26	-	-	-
Value of total counterparty risk calculated according to the market valuation method for counterparty risk				
Counterparty with risk weight of 0%	0	-	-	-
Counterparty with risk weight of 20%	580	-	-	-
Counterparty with risk weight of 50%	2,094	-	-	-
Counterparty with risk weight of 100%	26	-	-	-

DKK MILLION

NOTE 38 **FOREIGN EXCHANGE RISK AND USE OF DERIVATIVES**

The total unhedged foreign currency position at 31 December 2021, translated at year-end exchange rates into DKK, amounts to DKK a negative 97 million (DKK 265 million at 31 December 2020).

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

For the Group, the net position is specified as follows

	USD	OTHER CURRENCIES	TOTAL CURRENCY	DKK	TOTAL
Loans at year-end exchange rates	33,017	2,731	35,748	1,536	37,284
Loan impairment charges	-	-	-	(991)	(991)
Loans as per the balance sheet					**36,293**
Due from credit institutions and central banks	4	12	17	377	394
Bond portfolio	-	1,374	1,374	14,633	16,007
Interest receivable, other assets etc.	109	51	160	1,726	1,886
Total assets as per the balance sheet	**33,130**	**4,168**	**37,298**	**17,282**	**54,580**
Issued bonds at year-end exchange rates	0	(8,034)	(8,034)	(35,195)	(43,228)
Issued bonds as per the balance sheet					**(43,228)**
Due to credit institutions and central banks	(235)	(75)	(310)	(448)	(758)
Interest payable, other payables	(3)	(4)	(7)	(1,148)	(1,154)
Provisions	-	-	-	(16)	(16)
Subordinated capital	-	-	-	(2,000)	(2,000)
Minority	-	-	-	(5,964)	(5,964)
Total equity	-	-	-	(1,459)	(1,459)
Total liabilities as per the balance sheet	**(237)**	**(8,112)**	**(8,350)**	**(46,230)**	**(54,580)**
Derivatives					
- receivables	12,668	28,579	41,247		
Derivatives					
- payables	(45,505)	(24,788)	(70,293)		
Total net position	**56**	**(153)**	**(97)**		

DKK MILLION	Group		Holding	
	2021	2020	2021	2020

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.

	Group 2021	Group 2020	Holding 2021	Holding 2020
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:	(20)	(46)	-	-
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:	(1)	32	-	-

Exchange rate risk

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

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

	Group 2021	Group 2020	Holding 2021	Holding 2020
An appreciation of the USD exchange rate against the DKK				
Change in net profit for the year and equity	30	(2)	-	-
Percentage change in total capital ratio	(2.1)	(2.4)	-	-
A depreciation of the USD exchange rate against the DKK				
Change in net profit for the year and equity	(31)	(5)	-	-
Percentage change in total capital ratio	2.6	3.1	-	-
An appreciation of the GBP exchange rate against the DKK				
Change in net profit for the year and equity	(18)	(32)	-	-
Percentage change in total capital ratio	(0.0)	0.0	-	-
A depreciation of the GBP exchange rate against the DKK				
Change in net profit for the year and equity	18	32	-	-
Percentage change in total capital ratio	0.0	0.0	-	-
An appreciation of the NOK exchange rate against the DKK				
Change in net profit for the year and equity	(29)	(29)	-	-
Percentage change in total capital ratio	(0.2)	(0.3)	-	-
A depreciation of the NOK exchange rate against the DKK				
Change in net profit for the year and equity	22	22	-	-
Percentage change in total capital ratio	0.2	0.3	-	-

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	
	2021	2020	2021	2020

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.

	2021	2020	2021	2020
Loans				
Measured at amortised cost	36,293	32,078	-	-
Measured at fair value	37,066	32,703	-	-
Difference between carrying amounts and fair-value based value of loans, total	**773**	**625**	**-**	**-**

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

	2021	2020	2021	2020
Issued bonds				
Measured at amortised cost, incl. hedging	43,228	42,592	-	-
Measured at fair value	43,842	43,034	-	-
Difference between carrying amounts and fair-value based value of issued bonds total	**613**	**442**	**-**	**-**

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.

We have developed IT tools for managing and monitoring credit risk. 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. We follows up on all material types of market risk with respect to all units subject to instructions, and failure to comply with instructions is 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.

NOTE 42

DKK MILLION	Capital Centre Institute In General	Capital Centre A	Total
CAPITAL CENTRES 2021			
Income statement			
Interest, loans and other receivables	777	159	936
Other interest and fee income, net	(332)	(68)	(400)
Market value adjustments	(108)	27	(82)
Staff costs and administrative expenses	(139)	(29)	(168)
Loan impairment charges	9	30	39
Tax	(45)	(26)	(72)
Net profit for the year	**161**	**93**	**254**
Assets			
Loans and other receivables at amortised cost	28,971	7,322	36,293
Other assets	15,477	2,687	18,165
Total assets	**44,448**	**10,010**	**54,457**
Liabilities			
Issued bonds at amortised cost	35,281	7,947	43,228
Other liabilities	1,899	5	1,904
Equity	7,268	2,057	9,325
Total liabilities	**44,448**	**10,010**	**54,457**
Transferrals of capital between capital centres	**(272)**	**272**	**0**

DKK MILLION	Capital Centre Institute In General	Capital Centre A	Total
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 of capital between capital centres	**(68)**	**68**	**0**

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
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)
Brancheforeningen for Aktive Ejere i Danmark (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
Danmarks Ship Finance A/S
Refshaleøen Holding A/S
Refshaleøens Ejendomsselskab A/S
Margretheholmen P/S

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