

30 June 2025

Statement on the inspection of Danish Ship Finance's credit area

Introduction

In March 2025, the Danish Financial Supervisory Authority (the "Danish FSA") conducted an inspection of Danish Ship Finance A/S. The inspection focused on the credit area, including the institution's credit risk appetite, loan impairment charges and arrears, with particular emphasis on new and large credit exposures. During the inspection, the Danish FSA reviewed a sample of 30 credit exposures as well as relevant policies, SOPs and reporting. Additionally, the Danish FSA examined Danish Ship Finance's loan impairment framework, including how the institution allocates management judgments.

Summary and risk assessment

Danish Ship Finance's loan book is undergoing changes as the proportion of Danish clients is decreasing in volume. There is an intention to increase the number of clients. Historically, significant changes in credit institutions' exposures have led to increased risks. Danish Ship Finance should remain mindful of this.

Danish Ship Finance's loan impairment charges have historically fluctuated considerably, reflecting the volatile market in which it operates. Combined with an uncertain geopolitical and economic outlook, this necessitates continued caution in determining management overlays related to loan impairments.

The inspection did not give rise to any regulatory reactions.