



Credit Investor Presentation – September 2025



Disclaimer

The information in this material (hereinafter the "Information") has been compiled by Danish Ship Finance A/S (hereinafter "Danish Ship Finance") for informational purposes only and constitute general background information about Danish Ship Finance's activities as of the date of this presentation. The Information is provided in summary form only, it does not purport to be complete and nothing in the Information shall form the basis of any contract or commitment. By attending a meeting where this Information is presented, or by reading this material or part thereof, you agree to be bound by the following terms, conditions and limitations.

The Information does not constitute an offer to sell or the solicitation of an offer to buy any securities mentioned in the Information in any jurisdiction and should not be regarded as a recommendation in relation to any such transaction whatsoever. All Information is provided with the understanding that Danish Ship Finance is not therein rendering any professional advice or services to you and that no Information is intended to serve as or shall be deemed to be solicitation or marketing by Danish Ship Finance of loans, services or securities.

Danish Ship Finance has prepared the Information based on information available to us, including information from various sources (including third party sources). The Information has not been independently verified and Danish Ship Finance does not guarantee the timeliness, sequence, accuracy, correctness, adequacy, or completeness of the Information or opinions contained therein, nor does Danish Ship Finance make any representations or warranties of any kind, whether express or implied, in relation to the Information. The Information contains forward-looking statements based on a number of estimates and assumptions that, while considered reasonable at the time, involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Danish Ship Finance to be materially different from the estimated future results, performance or achievements expressed or implied by those forward-looking statements. No reliance whatsoever should be placed on any forward-looking statements. All Information is given as of the date hereof and Danish Ship Finance does not intend to, and does not assume any obligation to, update the Information.

Danish Ship Finance makes no representation or warranties and gives no financial advice or advice concerning the appropriate legal treatment, regulatory treatment, accounting treatment or possible tax consequences in connection with an investment in securities mentioned in the Information. Before proceeding with any such investment investors should determine, without reliance upon Danish Ship Finance, the economic risk and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of such an investment and that investors are able to assume these risks. Investors should conduct their own analysis, using such assumptions as they deem appropriate in making an investment decision. Danish Ship Finance disclaims, to the maximum extent permitted by law, any liability for any loss, howsoever arising, directly or indirectly from the issue of the Information or its contents including transactions made based on information therein.

Financial information contained in this material has not been reviewed by the Danish Ship Finance's auditor or any other auditor or financial expert. Hence, such financial information might not have been produced in accordance with applicable or recommended accounting principles and may furthermore contain errors and/or miscalculations.

The Information is being directed to you solely in your capacity as a relevant person for your information and may not be reproduced or redistributed or passed on to any other person or published in whole or in part, for any purpose, without the prior written consent of Danish Ship Finance. In this context, relevant persons are persons who possesses the experience, knowledge, and expertise to make its own investment decisions and properly assess the risk that it incurs in matters relating to investments in securities mentioned in the Information and to whom the Information may be lawfully communicated. The Information is not directed to or intended for distribution, or transfer, either directly or indirectly to, or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, transfer, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. The Information may not be acted on or relied on by persons who are not relevant persons, including, without limitation, retail investors.

This disclaimer shall be governed by and construed in accordance with Danish law. Disputes arising in connection with this disclaimer shall be subject to the exclusive jurisdiction of the City Court of Copenhagen.

Danish Ship Finance – a leading provider of stable ship financing to international shipping companies

Dedicated provider of financing to reputable shipowners

- Deep sector knowledge since 1961 with an experienced organisation
- We take a long-term view of client relationships, supporting our clients through the cycle
- We are focused on maintaining best-in-class credit quality while generating attractive returns for our owners
- We support the shipping industry's transition to net zero emissions

Robust and regulated ship financing model

- Legally limited to senior secured lending to shipowners back by first-priority ship mortgages
- Best-in-class credit track record of 14 basis points annualised loss rate on shipping since 2000
- The Danish balance principle closely aligns funding with lending, reducing risks like interest rate, currency, and liquidity mismatches
- Funded through ship covered bonds in DKK and EUR

Robust balance sheet with strong capitalisation, ample liquidity & well-proven funding model

24.7%
CET1 ratio

224%
Liquidity coverage ratio

41%
Loan to value ratio

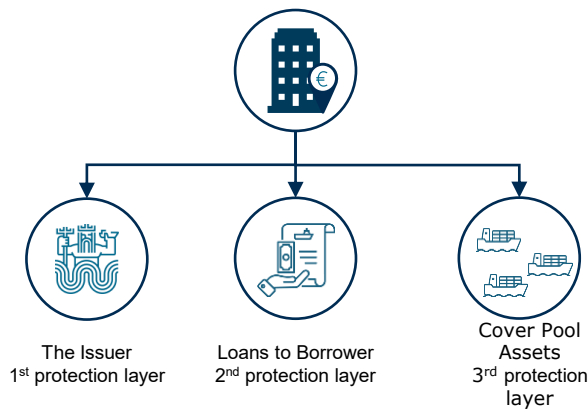
46%
Cost to income ratio

CET1 Standardised approach Solvency ratio, loan to value and cost to income ratio reported per 30/06/2025. Liquidity coverage ratio per 31/12/2024.

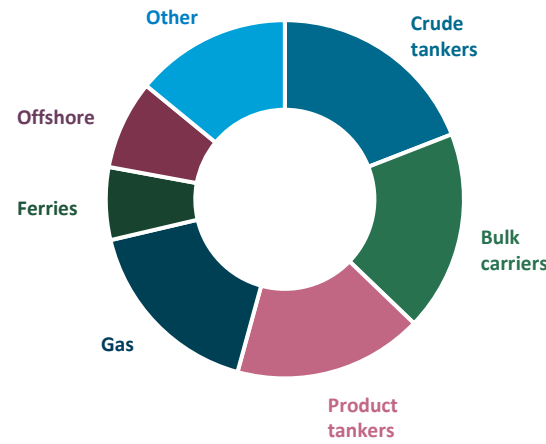


Danish Ship Finance at a glance

Robust and highly regulated ship financing model

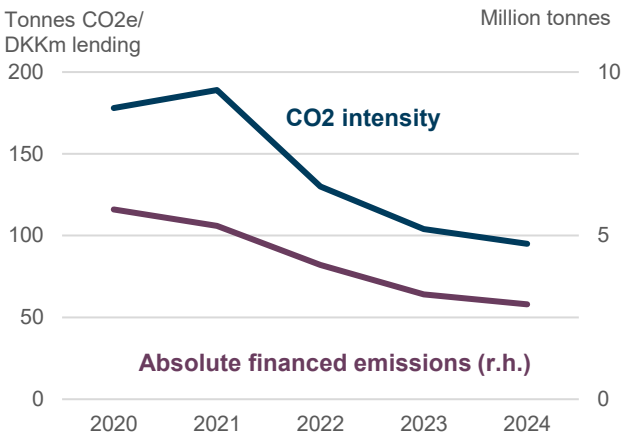


Diversified loan book across distinct markets



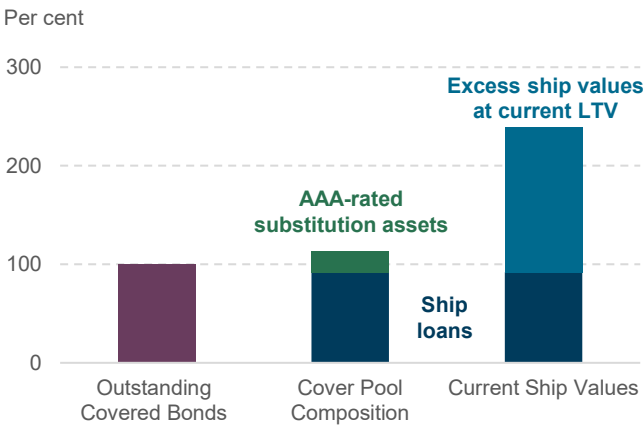
Source: Danish Ship Finance.
Note: Other includes chemical tankers, container and car carriers.

Loan book financed emissions have declined

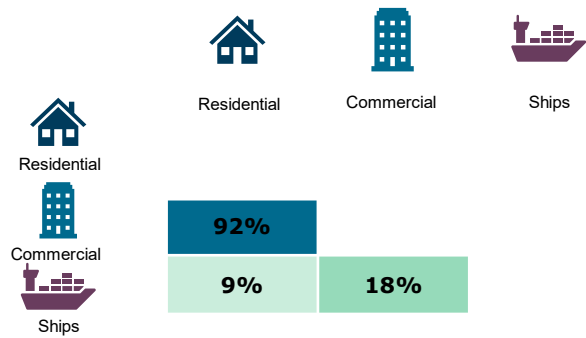


Source: Danish Ship Finance.

High over-collateralisation and low loan-to-values

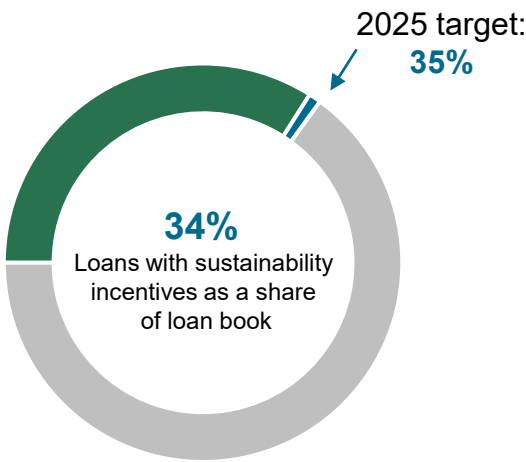


Shipping has low correlation with typical EUR cover assets



Source: ECB, Clarkson and Danish Ship Finance.
Note: Correlation measured between 2000-2024 for commercial property (Euro area 18), residential property (Euro area 20) and 10-year-old vessel prices.

Increasing share of sustainability loans



Source: Danish Ship Finance.

Danish Ship Finance

We have a strong value proposition and strategic client selection

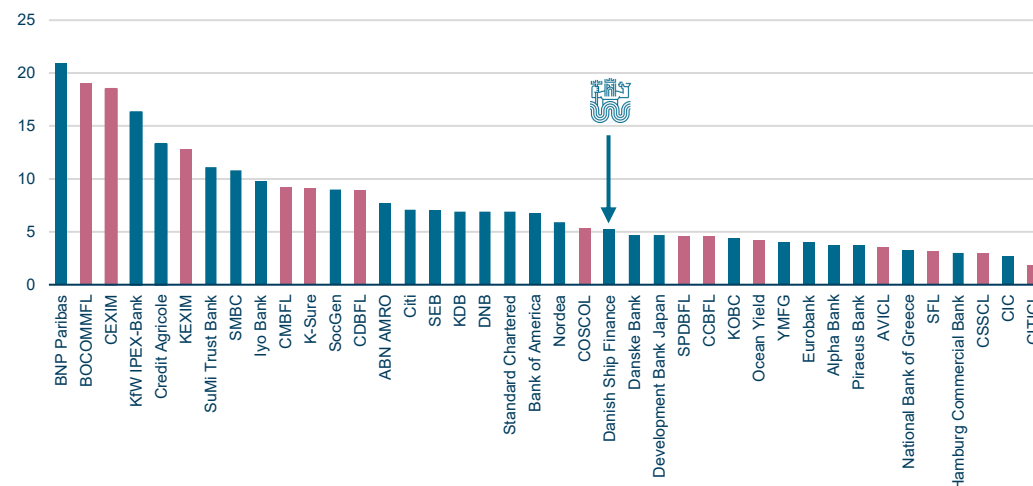
We have a strong value proposition

- Decades of experience and deep knowledge of the global shipping industry, enabling tailored financing solutions
- a long-term commitment to financing shipping and its sustainable transition
- One of the top 25 global ship finance institutions, with a strong position in the international market
- Ranked a top 4 shipping bank globally by Prospera the last 4 years

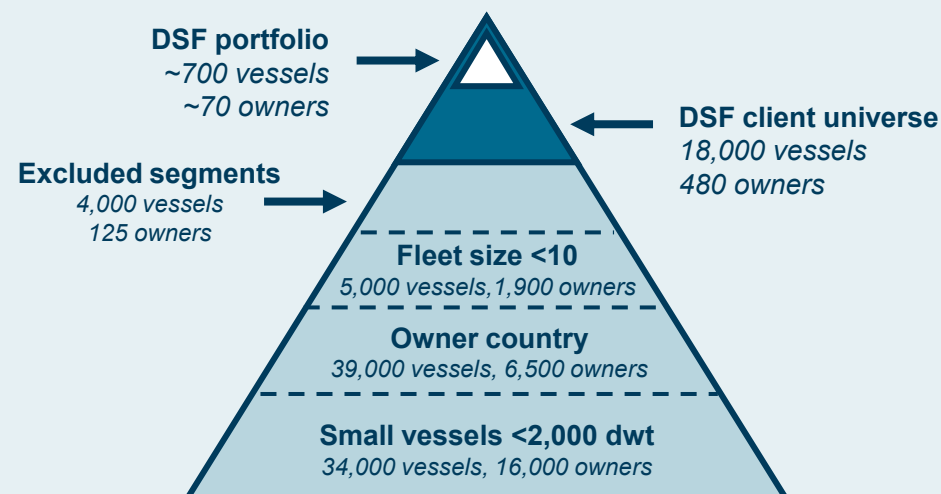
A careful client selection process is key to our business model

- While originally focused on the Danish market, DSF today serves many international as well as domestic clients
- Target clients are reputable shipping companies with a substantial market presence
- Clients are in the major shipping segments, including dry bulk, tankers, gas carriers, car carriers, and container vessels
- The target client universe is selected on a range of suitability criteria

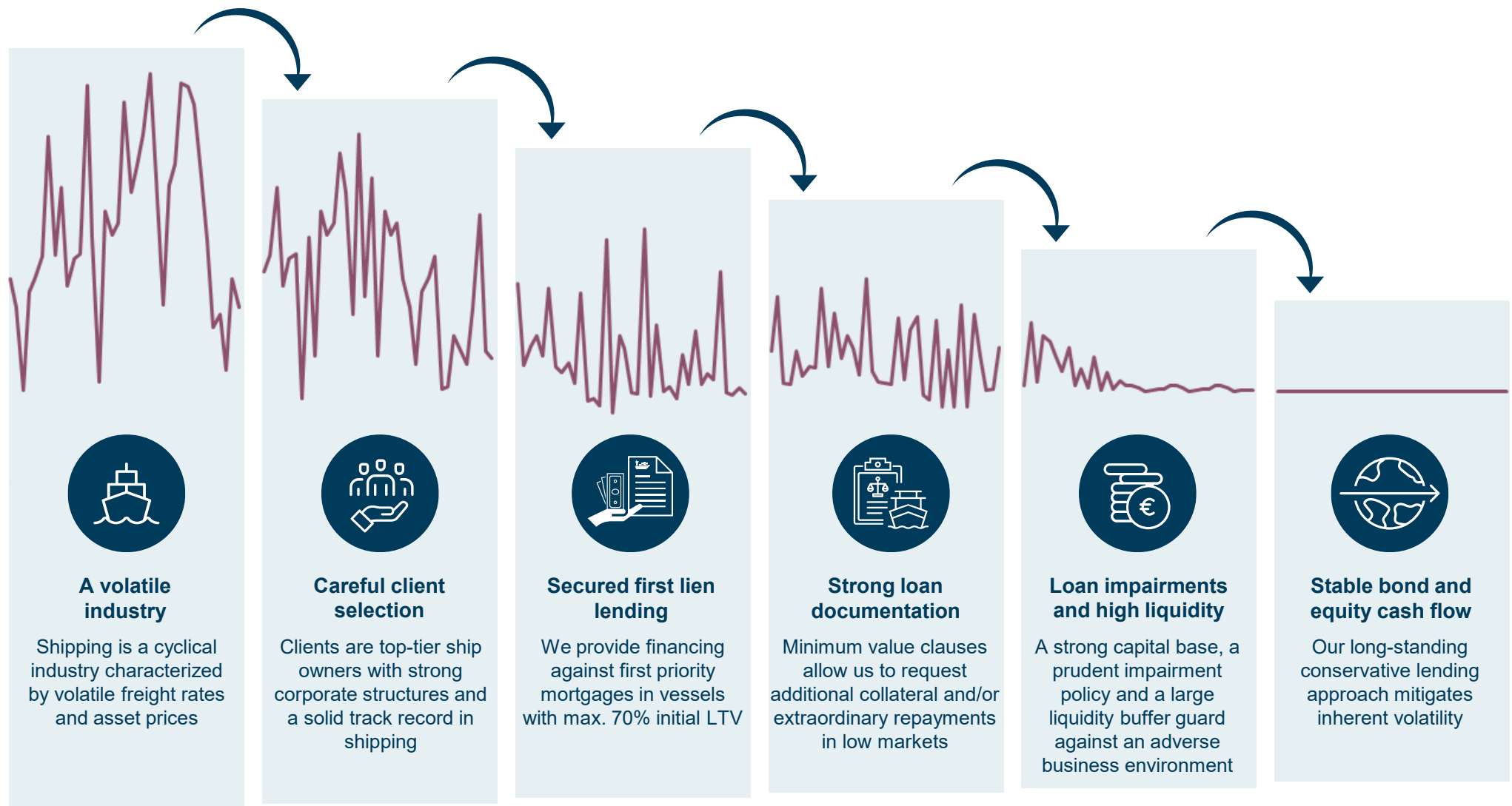
Global competitive landscape (lending in 2023, USD bn)



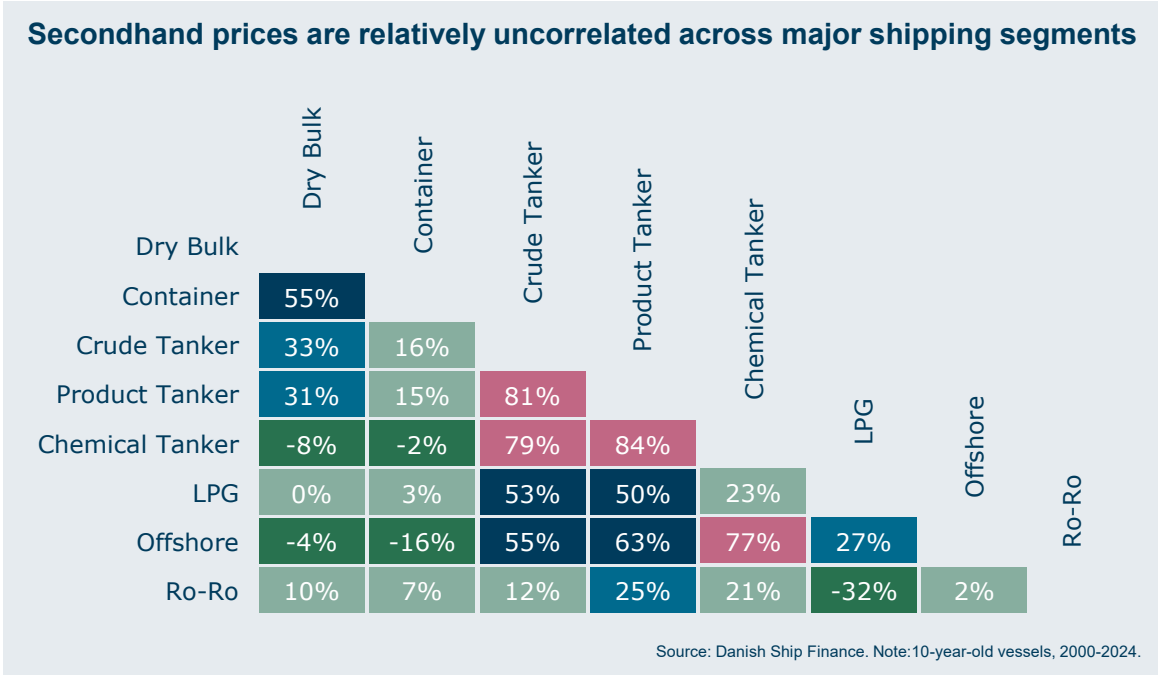
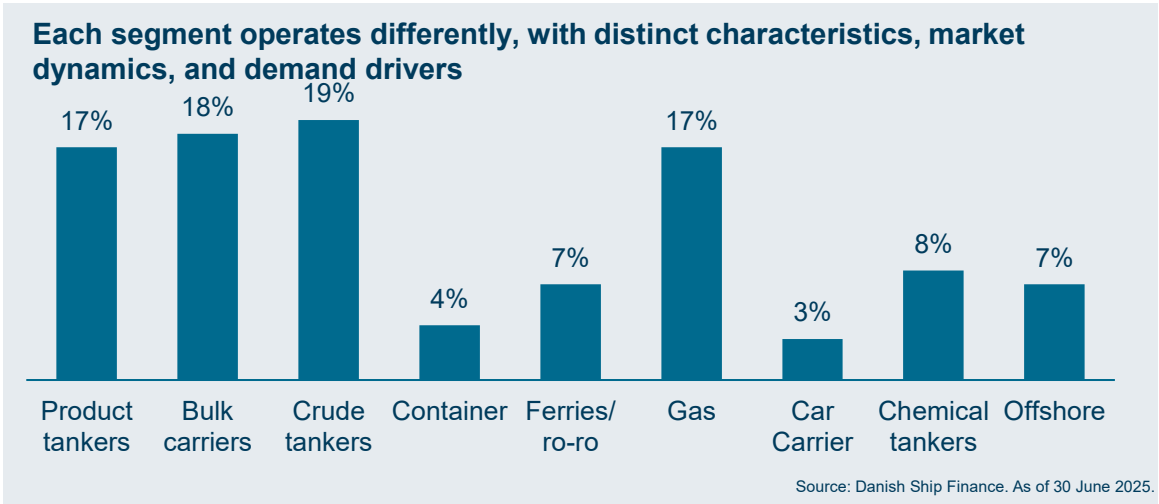
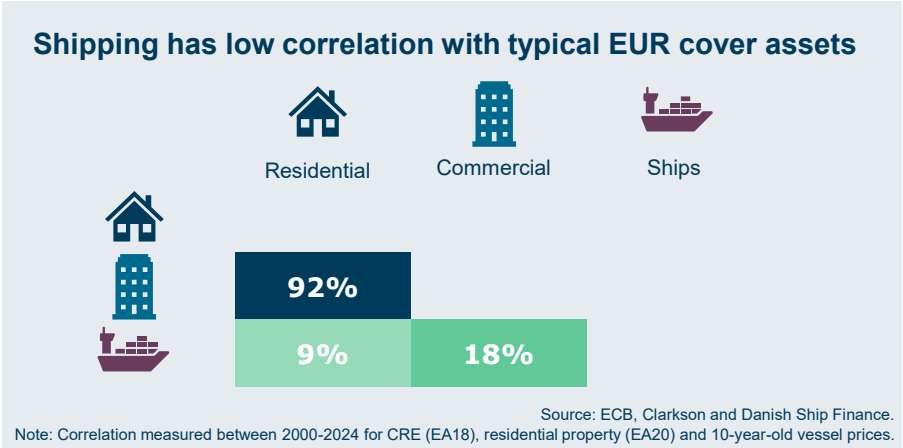
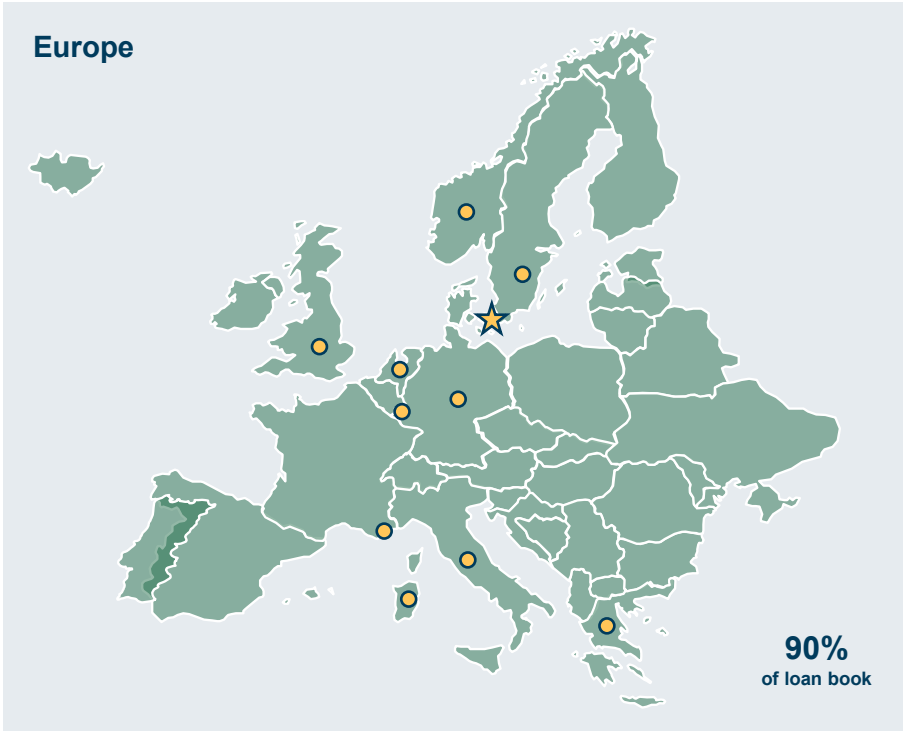
Client universe that consist of reputable shipping companies



Our business model turns a volatile industry into a stable cash flow



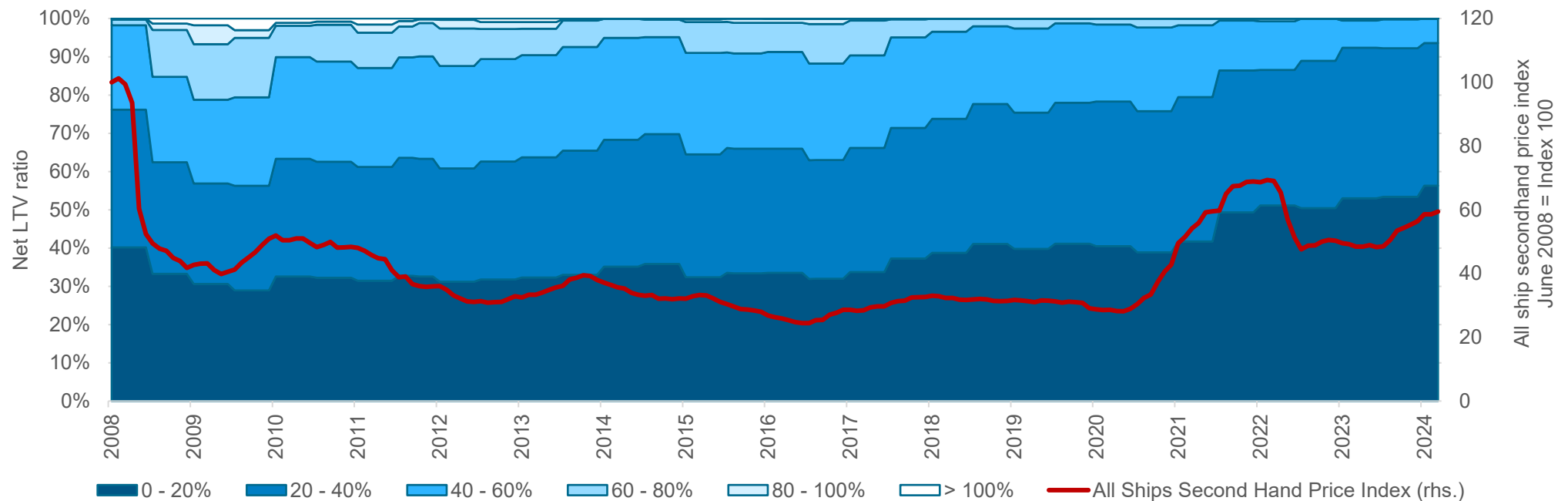
The loan book is diversified; various shipping segments cater to different cargo types and markets



Instalments and minimum value clauses stabilise asset cover

- Minimum value clauses (“MVC”) are often included in the loan documentation, giving DSF the option to demand additional collateral or prepayment if vessel values fall significantly (displayed by the coloured areas; left axis)
- Stable asset cover (Loan to Value coverage) across the loan book even in the highly stressed marked post 2008 when vessel values fell dramatically (displayed by the red curve on the below chart; right axis)

Development in LTV intervals of the loan book net of loan impairment charges

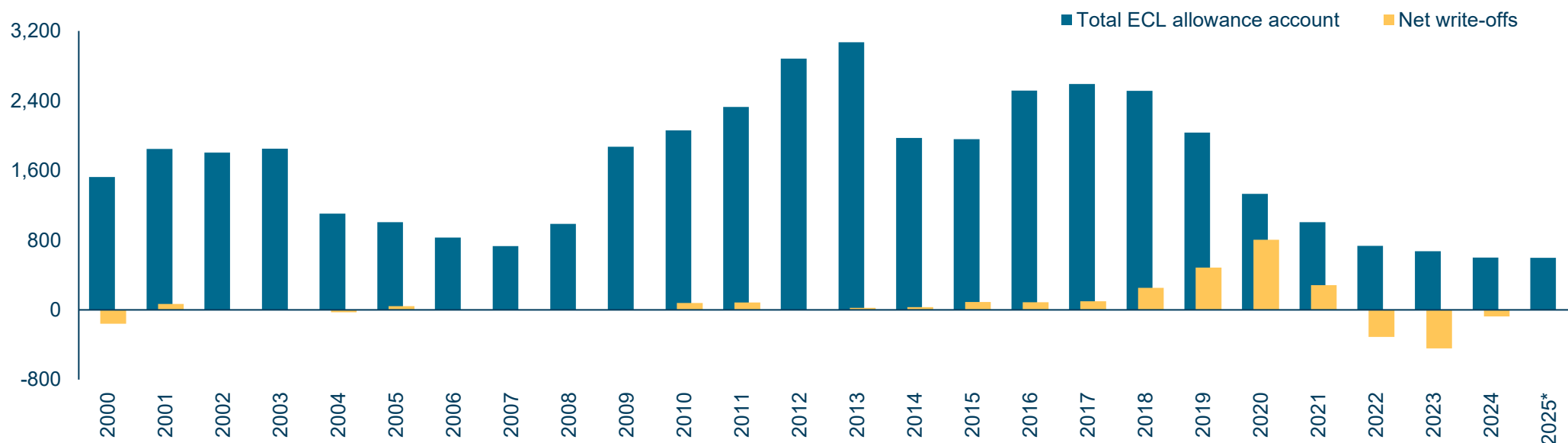


Source: Clarksons, Danish Ship Finance. Last observation 27 August 2024.

A highly prudent credit and impairment policy cushions against market fluctuations

- In the first half of 2025, loan impairment charges amounted to an income of DKK 5 million, and as of latest interim report there were no NPLs with more than 99% of the loan book in stage 1
- The ECL allowance stood at DKK 596 million at half-year 2025 (1.8% of the loan book), while ship owners maintain strong balance sheets after years of healthy markets and earnings.
- Average annual net write-offs have been only 14 bps since 2000 and just 2 bps on conventional shipping since 2008.

Total ECL allowance account and net write-offs
DKK million



Low LTVs, prudent provisioning and ample liquidity provide a strong buffer

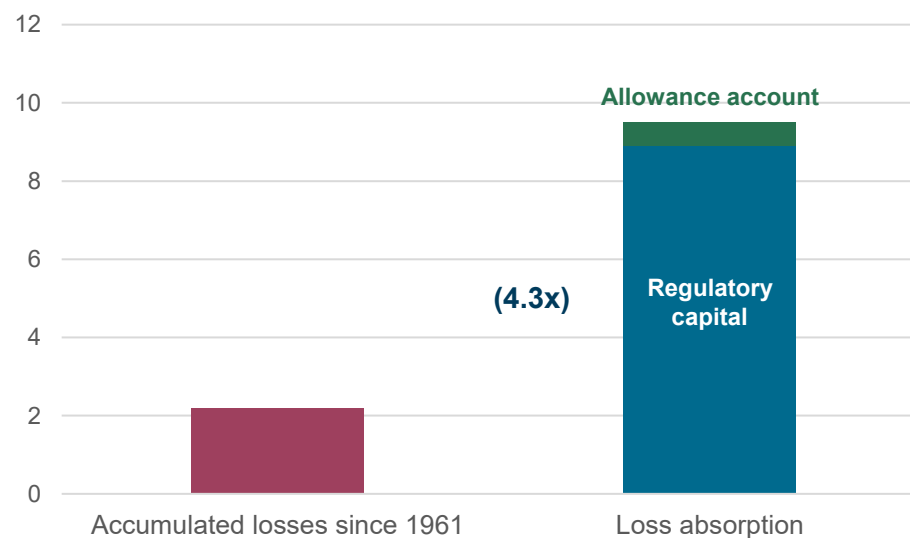
- Ability to withstand extreme default scenarios:
 - The total ECL allowance account is sufficient to cover a default rate of 80%, if vessel values above 50% (i.e. after 50% haircut) is lost
 - In this scenario, write-offs will not erode the capital base and will be covered by the existing accumulated loan impairment charges

- Accumulated historical net loan losses since 1961 of approximately DKK 2.2bn
- Total loss absorbing capacity (equity + ECL allowance account) equals 4.3x total historical net losses over 64 years

Net LTV intervals

%	30 Jun 2025	30 Jun 2024	2024	2023
0-20	53	56	59	53
20-40	37	37	36	39
40-60	10	6	6	8
60-80	0	0	0	0
80-90	0	0	0	0
>100	0	0	0	0

Loss absorbing capacity (DKKbn)



Source: Danish Ship Finance, own calculation and Interim Report 2025.
Financing the transition

Our ownership- and capital structure provides a solid platform

Background

- Established by law in 1961
- Until 2005 DSF was a self-owned foundation financing Danish built ships
- DSF was converted into a limited liability company in 2005, at which point retained earnings was encapsulated as a *tied-up reserve capital* of DKK 8.3bn
- In 2024, Magellan Capital Holdings PLC acquired the majority of the A shares in DSF from pension funds PFA and PKA, private equity firm Axcel, and other minority shareholders

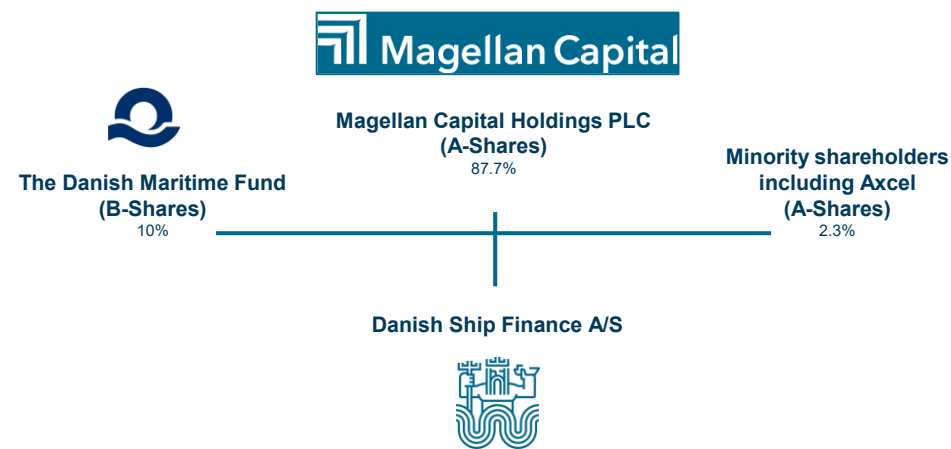
Current structure

- The B-shareholder, the Danish Maritime Fund, receives preferred 15% dividend, capped at 1% of the tied-up reserve (DKK 83m)...
- ...A-shares thus leverages earnings above this level

Providing leverage and creditor protection

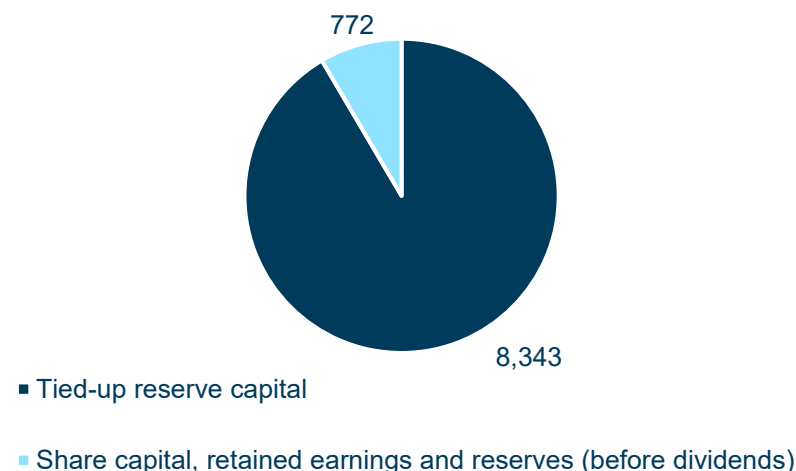
- The tied-up reserve capital cannot be distributed
- Should the reserve sustain losses, it must be fully replenished before distributions can be made to other shareholders
- As a consequence, DSF will remain highly capitalised

Ownership structure



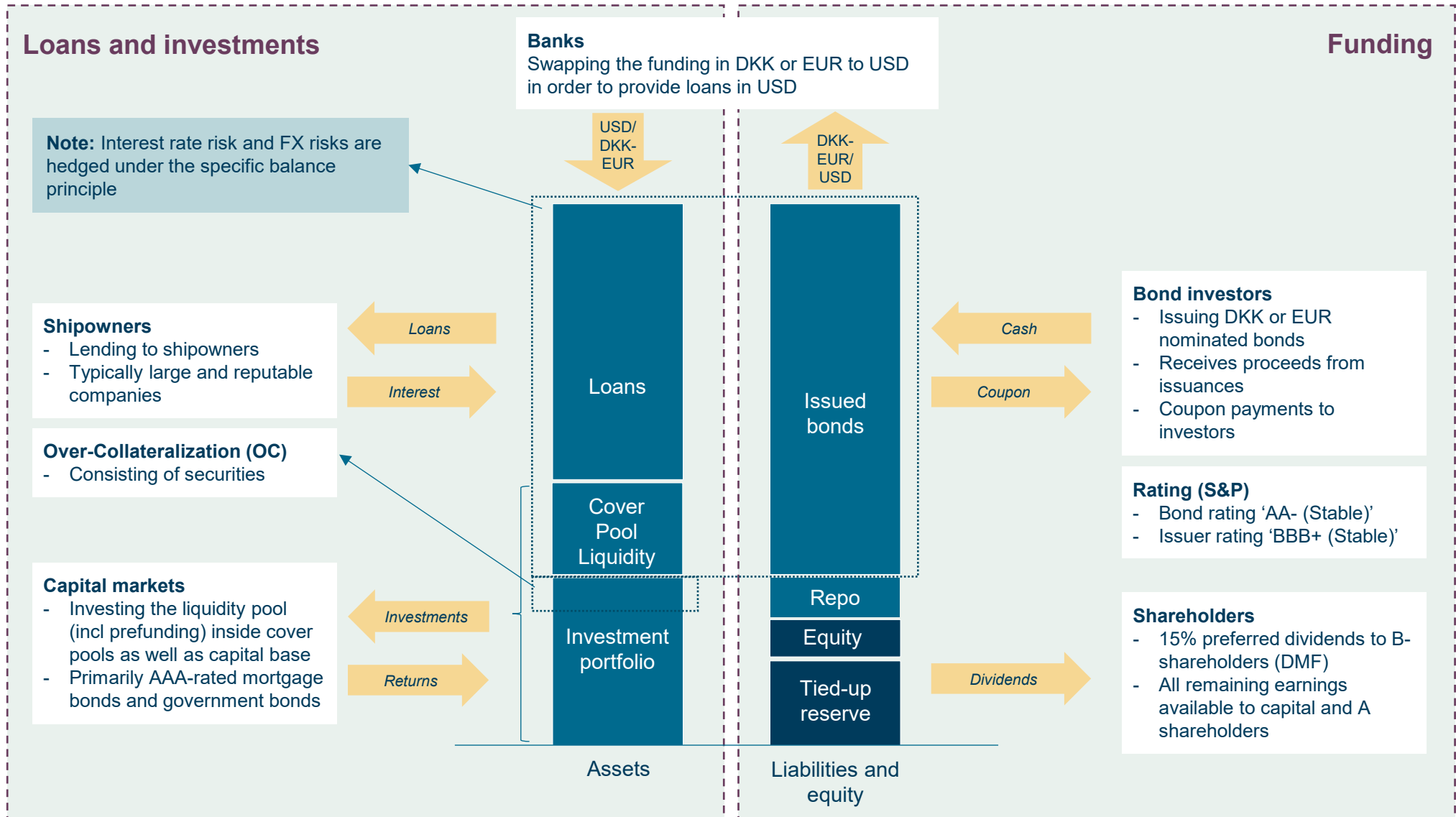
Note: Ultimate beneficial owner percentage

Total equity, DKKm



Source: Danish Ship Finance, Annual Report 2024..

We merge the safe balance principle of Danish mortgage institutions with secured corporate credit discipline



Our financial performance reflects a stable business model and a prudent credit profile

INCOME STATEMENT* DKK million	H1 2025	H1 2024	2024	2023	2022	2021	2020
Net interest income from lending	104	220	351	413	562	541	501
Net interest income from investment activities*	130	131	244	189	65	(37)	41
Total net interest income*	234	224	460	602	626	504	542
Net interest and fee income*	243	234	481	617	640	536	562
Market value adjustments	83	113	141	175	(206)	(82)	(150)
Staff costs and administrative expenses*	(129)	(96)	(196)	(201)	(187)	(167)	(158)
Loan impairment charges (plus = income)	5	106	147	506	583	39	(100)
Profit before tax*	181	357	553	1,097	830	326	154
Net profit for the period*	134	259	414	818	663	254	117

BALANCE ITEMS* DKK million	H1 2025	H1 2024	2024	2023	2022	2021	2020
Loan book	25,543	33,529	27,388	31,980	35,005	37,544	33,576
Issued bonds	37,917	43,183	38,843	43,595	41,402	43,228	42,477
Subordinated debt*	-	2,000	-	-	-	-	-
Total equity	9,115	8,594	9,269	10,407	9,755	9,325	9,275
Total capital ratio	24.7%	19.9%	23.6%	23.6%	21.9%	20.1%	22.3%
Minimum capital requirement	13.8%	13.4%	13.1%	13.3%	13.0%	11.6%	12.0%
Return on equity after tax	1.5%	3.0%	4.7%	8.1%	7.0%	2.7%	1.3%

*Comparative figures have been restated following the merger of DSH and DSF in July 2024.

State of shipping

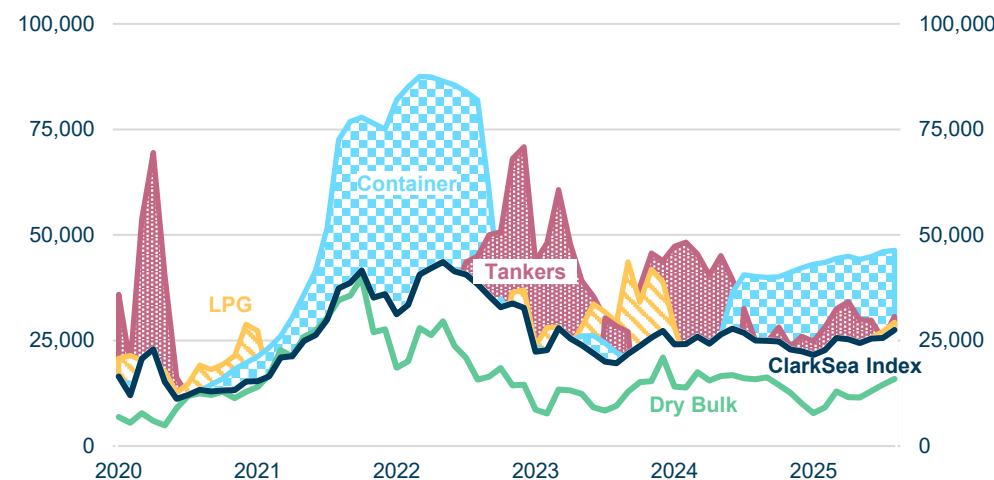


Freight rates and secondhand vessel prices remain at elevated levels

Shipping markets have benefited from temporary factors in the past few years

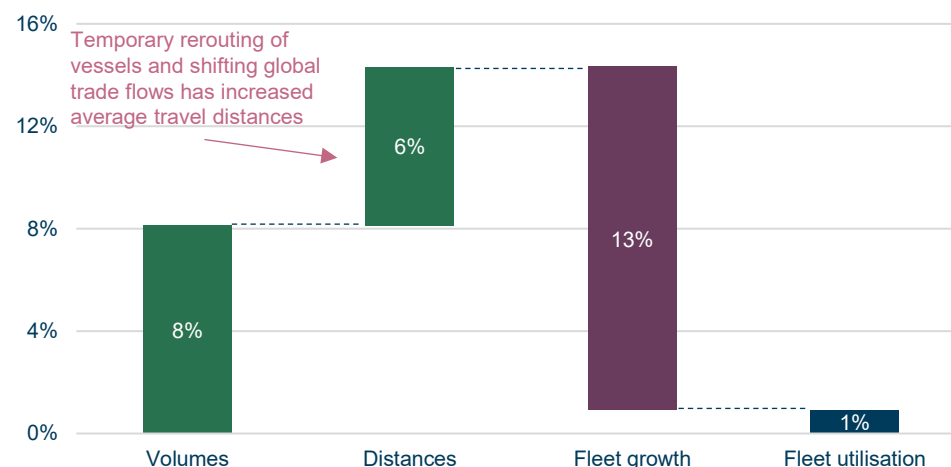
- Between 2020 and 2024, the ClarkSea Index rose by 68% - the index remains at elevated levels today at around USD 28,500 per day, placing it among the **top 20%** observed since 2000
- Similarly, average secondhand prices nearly doubled between 2020 and 2024 and are placed within the **top 20%** observed since 2000
- A mix of temporary factors have masked the build-up of an **underlying surplus in vessel supply**:
 - From 2020 to 2024, the world fleet expanded **by 13%**, while seaborne trade volumes grew **by 8%**
 - Extraordinary events, from the Covid-19 pandemic to broader geopolitical tensions, led to a **6% increase** in average travel distances
 - This temporarily boosted fleet utilisation **by 1%**
- The longevity of these factors remains **uncertain**

Longer travel distances fuelled shipping markets between 2020 and 2024



Sources: Clarksons, Danish Ship Finance

Temporary dynamics are enabling clearance between supply and demand



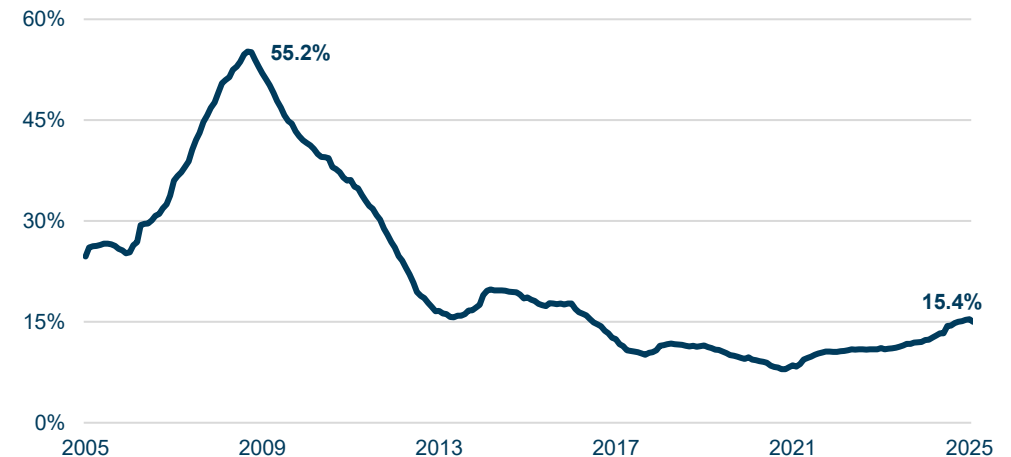
*Aggregated balance for between supply and demand, 2020-2024. Not including infrastructural bottlenecks

Shipping markets are expected to normalise going forward

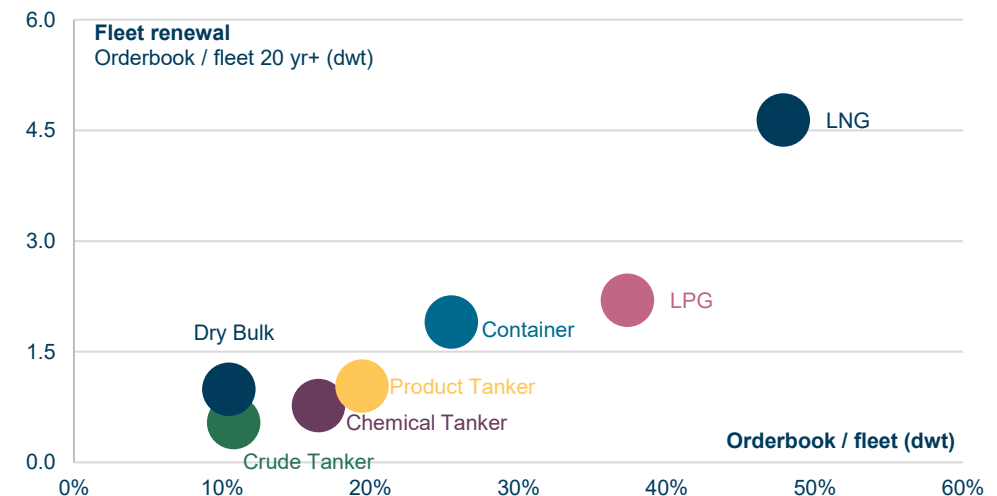
New vessels are scheduled for delivery just as average travel distances are anticipated to decline

- Four years of elevated earnings have **triggered** a surge in orders for new vessels
- Supply is expected to increase **by 4.3%** in 2025, with the most significant increases in the Gas, Container and Product Tanker segments
- Distance-adjusted demand is currently forecasted to **increase by 0.8%** in 2025 likely leading to a decline in fleet utilisation
- Rising geopolitical tensions and the prospective impacts of a tariff war **further cloud the outlook**

Global orderbook-to-fleet ratio



Orderbook-to-fleet ratio by segment



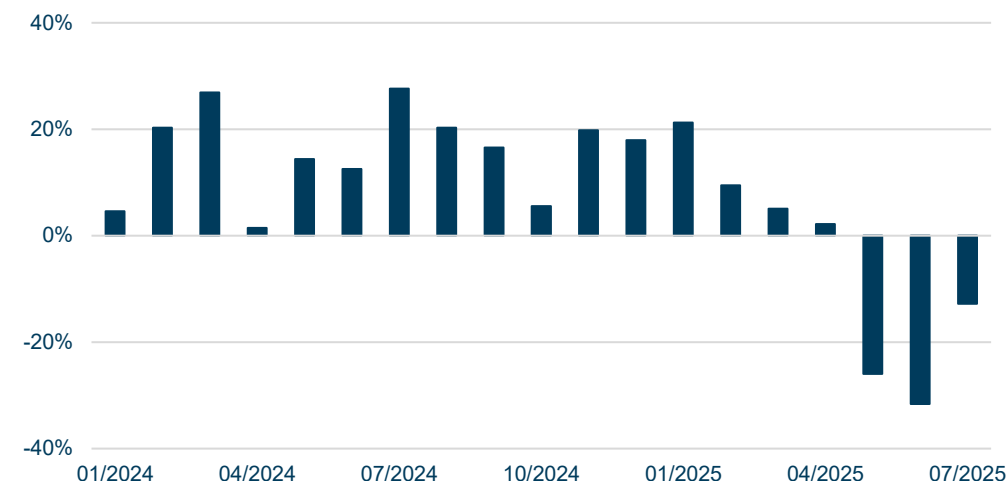
Sources: Clarksons, Danish Ship Finance

Shipping markets are navigating increasingly uncertain waters

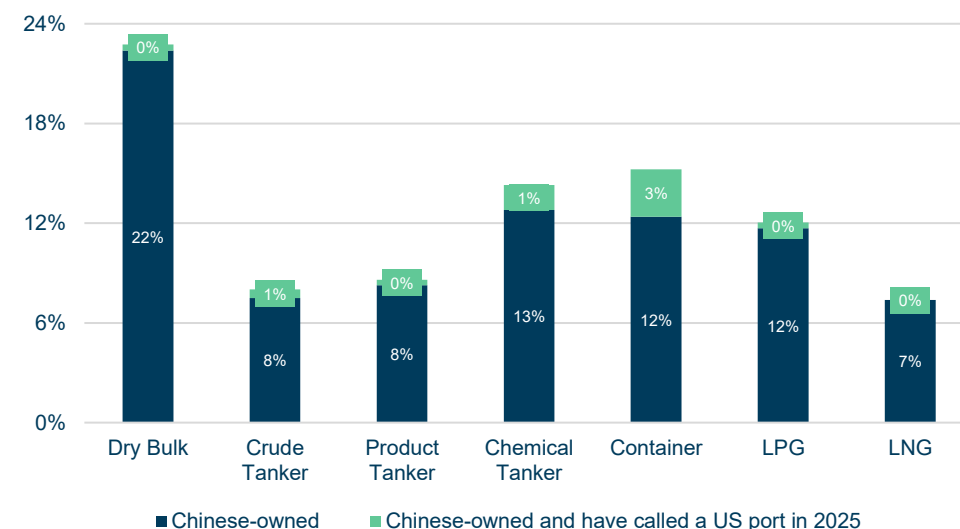
The recent policies are expected to impact shipping markets negatively

- Although we may see some countries benefit from reshuffled supply chains, tariffs **are inherently negative** to global economic growth and seaborne demand
- Some segments are more exposed than others – Container and Car Carrier trade is more exposed
- The many disruptions seen in the past years may lead to **more fragmentation and regionalisation** in the long-run, as countries and companies look for more supply chain resiliency
- US port fees will materially raise cost burdens for shipowners with a high share of Chinese-built vessels in their fleets

Y-o-Y growth in US seaborne imports from China



Share of Chinese-owned vessels by subsegment



Sources: Clarksons, Danish Ship Finance

Sustainability



Decarbonisation – defining the challenge in shipping

Shipping will continue to play a major economic role

- The most energy efficient mode of transportation
- Carries 80-90% of global trade and is responsible for 2% of global CO₂ emissions
- Is expected to grow in line with global trade at 3% p.a.
- Hence, CO₂ reduction in shipping is imperative

Shipping is a "hard to abate" industry

- Capital-intensive, with asset life-span of 20+ years
- Carbon-free alternatives are not yet available in any scale
- Fuel alternatives are not economically viable today

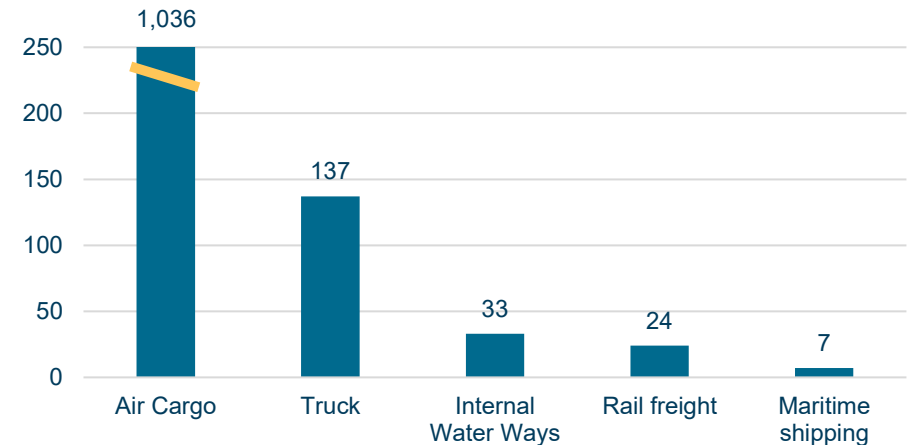
Shipping has already achieved substantial CO₂ reductions

- Shipping's emissions per tonne-mile (CO₂ intensity) has fallen by 47% since 2008
- Absolute emissions have fallen by ~14% over the period
- Full de-carbonisation will require technological change

The road to de-carbonisation in shipping

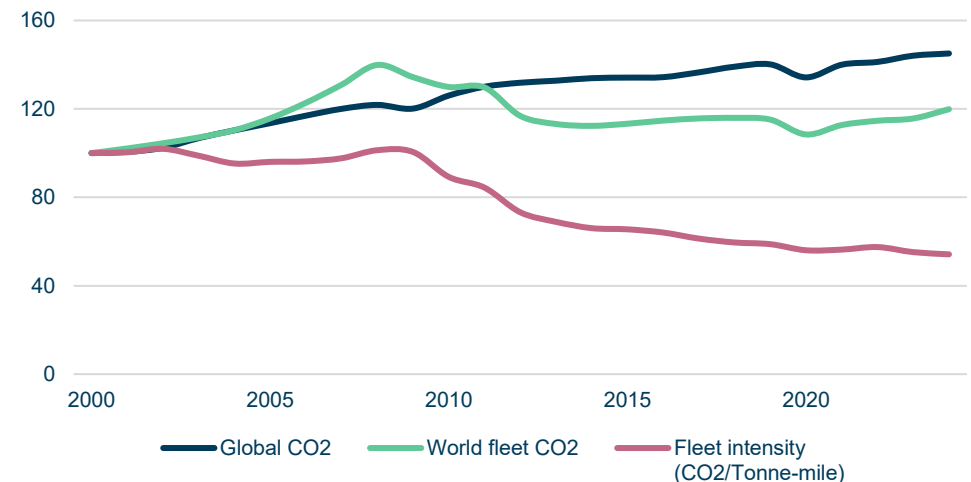
- Commercial optimisation and decarbonisation
- The IMO recently agreed at the MEPC83 on the first globally binding carbon price in an industry by introducing a global fuel standard
- Other emissions regulations (low-emissions corridors, ETS, FuelEU Maritime) and reporting requirements (CII, EEXI, Poseidon Principles)
- The final transition to zero-carbon fuels and -vessels will require substantial investment in land-based infrastructure

Avg GHG emissions by mode of transport (gCO₂e/Tonne km)



Source: European Environment Agency

Shipping vs. Global CO₂ emissions (2000=100)

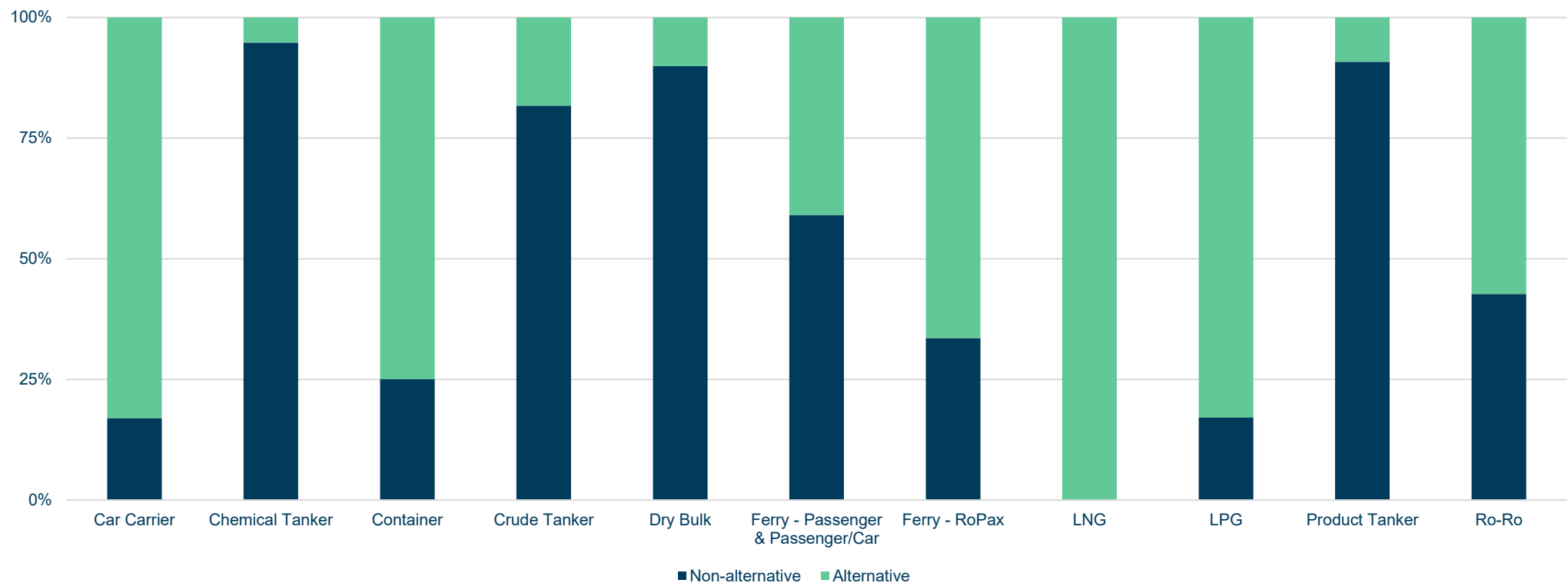


Source: Clarksons, Danish Ship Finance

Over 50% of the orderbook is alternative fuel ‘ready’ or ‘capable’

- The alternative fuel orderbook is primarily driven by Liner segments and Gas Carriers
- Most dual fuel new-builds are LNG-capable, a transition fuel. Relatively few ships are fully zero-carbon fuel compliant from the outset

Share of orderbook by segment and fuel type (cgt)



Source: Clarksons, Danish Ship Finance

Advancing sustainability: incorporating incentives and strengthening ESG reporting

Our targets

Sustainable finance

We are committed to supporting the shipping industry in its sustainable transition by targeting a net zero loan book by 2050

Targets:

- 2025** More than 35% of our loan book must have sustainability incentives
- 2025** More than 10% of the investment portfolio must consist of sustainable bonds
- 2025** New loans only to clients who are actively engaged in the sustainable transition
- 2025** The environmental performance of the loan portfolio must align with the Poseidon Principles trajectories

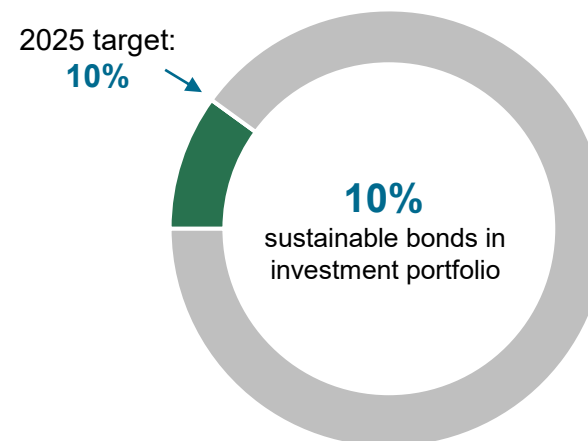
Our own impact

We are committed to being a responsible employer with a diverse and inclusive culture and a strong focus on minimising our environmental footprint from our own operations.

Targets:

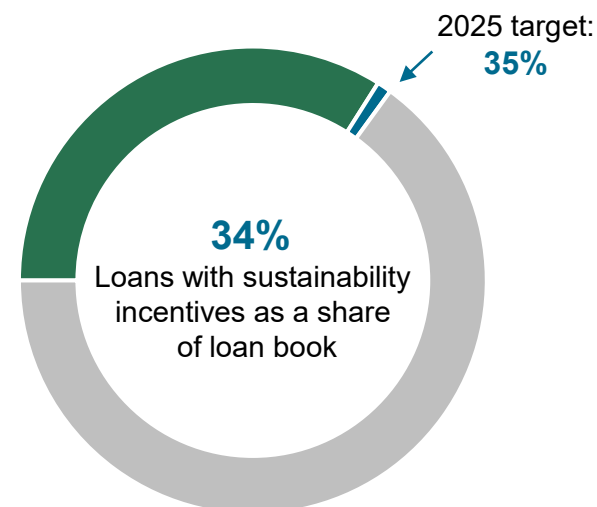
- 2025** Reduce the climate footprint from our own operations by 5% annually compared to a 2023 baseline
- 2025** 12.5% of Board members must be of the underrepresented gender
- 2025** Minimum 40% of leadership positions to be held by the underrepresented gender

Holdings of sustainable bonds exceeded the committed investing target of a minimum of 10% of our investment portfolio



Source: Danish Ship Finance, Interim Report 2025.

Loans with sustainability incentives as a share of the total loan book



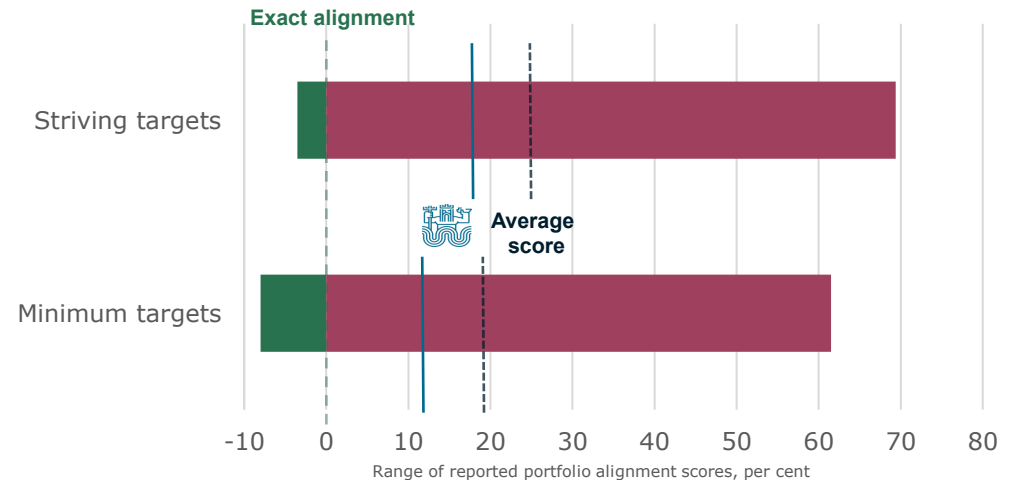
Source: Danish Ship Finance, Interim Report 2025.

Poseidon Principles: A pioneering sustainable finance initiative for ship finance

Increasing visibility and transparency about climate risk

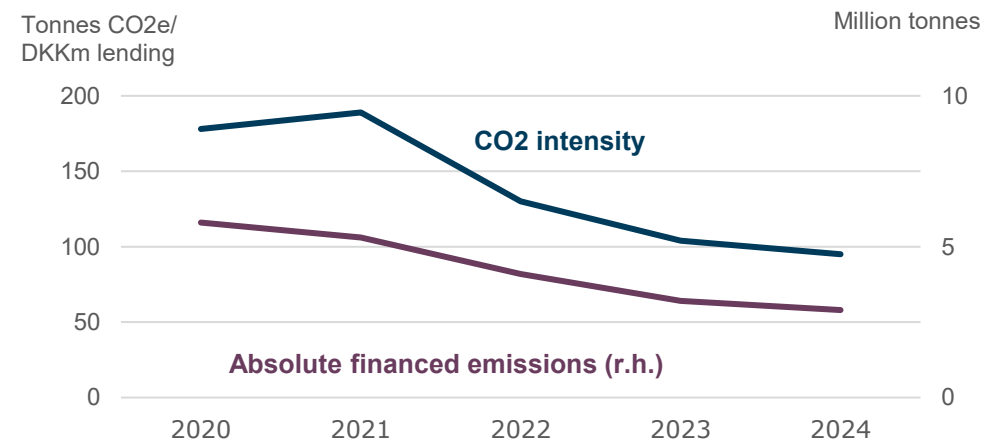
- We participate in the Poseidon Principles Steering Committee – 35 banks have committed to the Poseidon Principles (approx. 80% of global shipping finance)
- The Poseidon Principles has adopted IMO's ambitious targets of reaching net zero “by or around” 2050, on a well-to-wake basis, along with the following two indicative checkpoints:
 - Minimum 20%, striving for 30%, by 2030
 - Minimum 70%, striving for 80%, by 2040
- The Poseidon Principles methodology has recently been endorsed by the SBTi as an acceptable methodology that meets the 1.5-degree ambition
- Financed emissions account for, by far, the majority of the climate impact of our activities
- The emission intensity of our loan book is declining. In 2024, the emission intensity of our financed emissions was reduced by 9% to 95 tonnes CO2e per DKK million of lending
- Ship values are part of the financed emissions calculation. In some years they are extremely volatile, and can therefore have a notable impact on the results from year to year

Danish Ship Finance rank in the top 30% out of 35 banks



Source: Poseidon Principles, 2024 Annual Disclosure Report.

Declining financed emissions from the loan book



Source: Danish Ship Finance, Annual Report 2024.

Funding



Danish Ship Finance is a committed covered bonds issuer

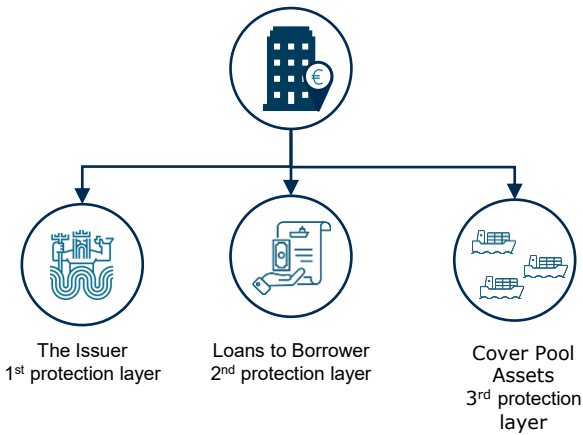
Long lasting commitment to ship covered bonds

Danish Ship Finance has been issuing DKK-denominated ship covered bonds for more than 50 years.

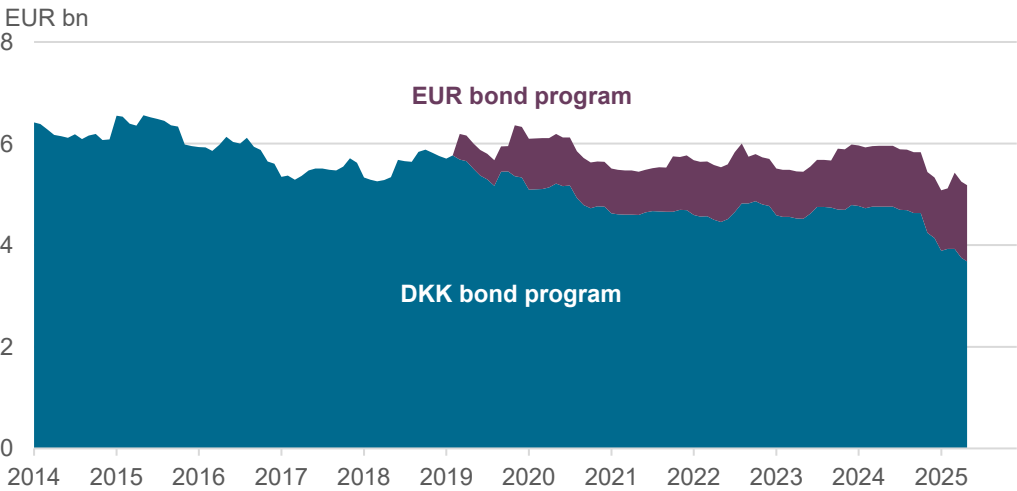
A EUR covered bond program was introduced in 2019, DSF is now established as a regular EUR issuer

The market size for Danish Ship Finance's bonds is relatively steady around EUR 6 bn, where bonds are issued out of two dedicated capital centers with similar cover pools structures

Built upon the balance principles of the Danish mortgage system



Market size of Danish Ship Finance ship covered bonds has been stable



Source: Danish Ship Finance.

Danish Ship Finance's funding programs

	EUR	DKK
Issuer rating (S&P)	BBB+ (Stable Outlook)	
Covered Bond rating (S&P)	AA- (Stable Outlook)	
CRR & CBR Compliance	European Covered Bond (Premium)	European Covered Bond
CRD IV risk weight	10% (CQS1)	20% (CQS1)
LCR	Level 1B asset (> EUR 500m) Level 2A asset (> EUR 250m)	
CB Repo	ECB Eligible	-
Expected GC Pooling*	ECB Basket	-

Note: CQS stands for Credit Quality Step.

Danish Ship Finance's covered bonds upgraded to 'AA-' by S&P

Consequently, the rating of Danish Ship Finance's covered bonds will be mapped to the Credit Quality Step 1 category

In Jan 2025, S&P upgraded DSF's covered bond rating

- Ship covered bonds changed systemic importance classification from **moderate** to **strong** affect the achievable rating uplift for DSF's covered bond program
- The change in shipping's systemic importance yields a +2 notches uplift to the previous rating on the jurisdiction-supported rating level and the reference rating level, respectively
- In comparisons, S&P considers the Danish mortgage covered bond institution to have a very strong systemic importance to Denmark, which means that the Danish peer group receives an additional +1 notch uplift to the JRL

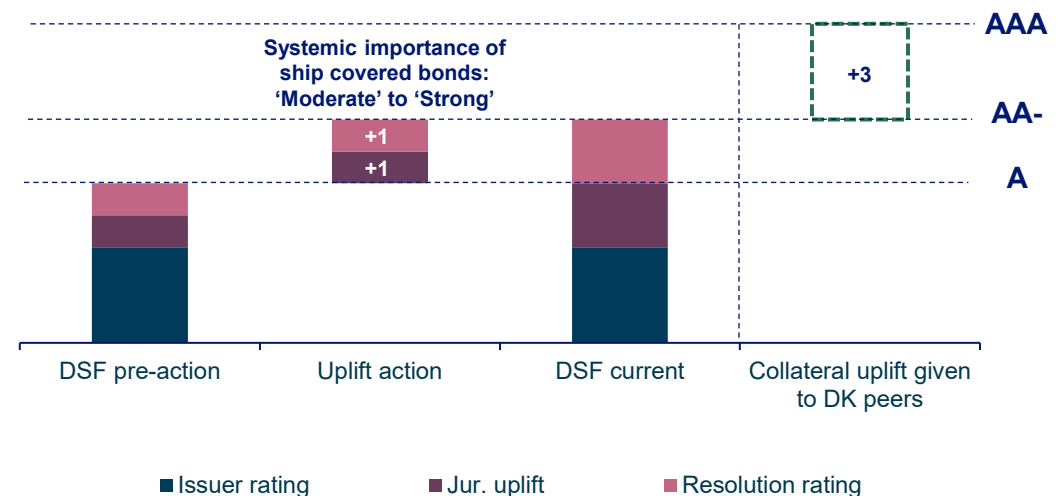
The S&P rating of Danish Ship Finance doesn't reflect collateral-based uplift

- Ship mortgaging and enforceability have historically been fundamental to ship financing – and is required by law
- The cover pool assets consists of:
 1. First lien ship mortgage loans
 2. Substitute assets for liquidity management
 3. Over-collateralisation above regulatory compliance
- The rating does not reflect the value of the vessels pledged as collateral for all loans in the cover pools
- Furthermore, neither the substitute assets nor the substantial over-collateralisation in the cover pools are accounted for in the rating – both consisting of AAA-rated securities

This uplift is based on the interplay between the jurisdiction-supported rating level (JRL) and the reference rating level (RRL)

Reference Rating Level	a	+	Jurisdiction-Supported Rating Level	aa-	+	Maximum Achievable Covered Bond Rating	aa-	=	Covered Bond Rating
Resolution Regime Uplift	+2		Assigned Jurisdictional Support Uplift	+2		Collateral Support Uplift	N/A		Rating Constraints
Systemic Importance	Strong		Jurisdictional Support Assessment	Strong		Overcollateralization Adjustment	N/A		Counterparty Risk
Resolution Counterparty Rating	N/A		Legal Framework	Very Strong		Liquidity Adjustment	N/A		Sovereign Risk
Issuer Credit Rating	BBB+		Systemic Importance	Strong		Potential Collateral Based Uplift	N/A		
			Sovereign Credit Capacity	Very Strong					
									AA-/Stable

The S&P rating of doesn't reflect collateral-based uplift for neither ship loans, highly-rated substitute assets nor the substantial over-collateralisation

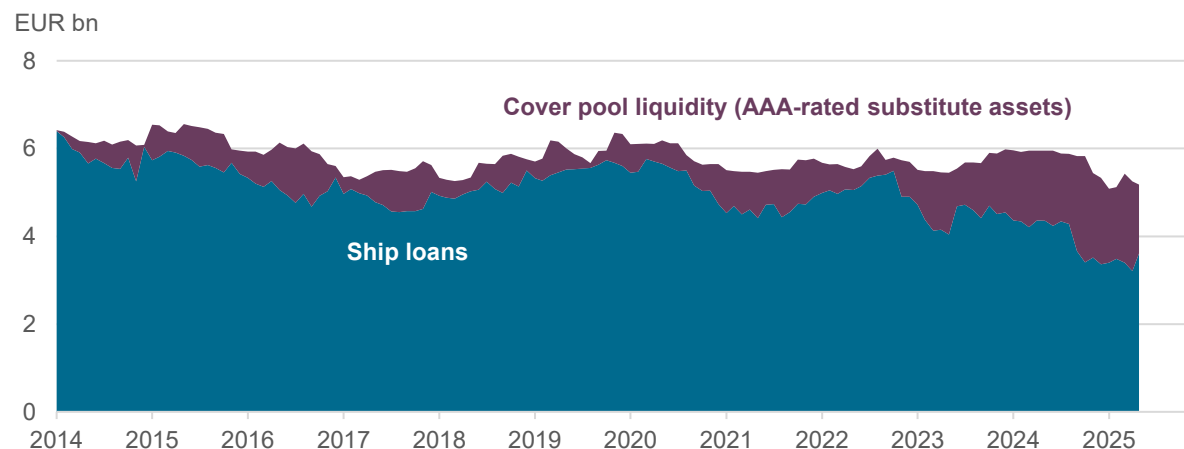


Source: S&P Global and own calculations.

Loan originations and refinancings leads to relatively high bond turnover

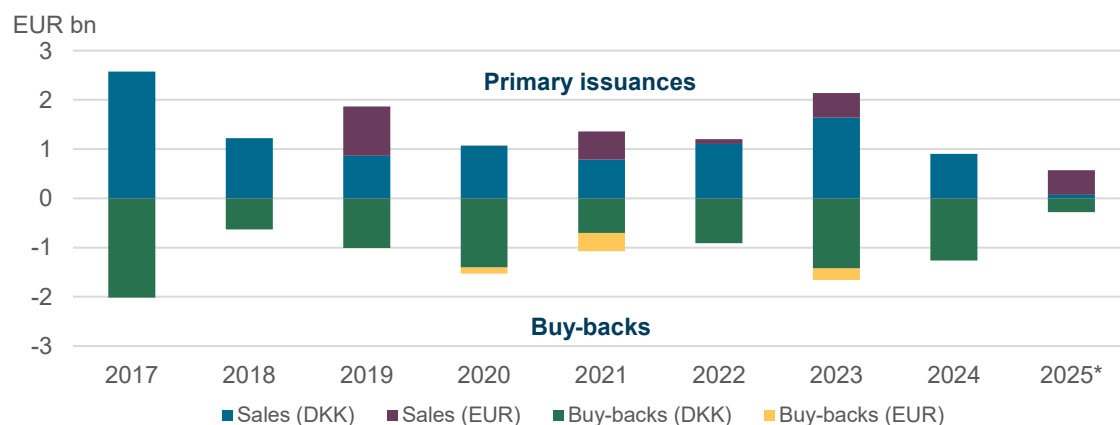
The corporate lending business creates an organic flow in the cover pool, which is managed and optimised via prefunded liquidity warehousing

Liquidity warehousing provides flexibility and exposure to a high share of highly-rated substitute assets



Source: Danish Ship Finance.

Active ship covered bond issuances - along with frequent buy-backs adding liquidity to the secondary market



Source: Danish Ship Finance.



Prefunding is primarily invested in AAA-rated mortgage and government bonds, averaging 10% of the cover pools over time

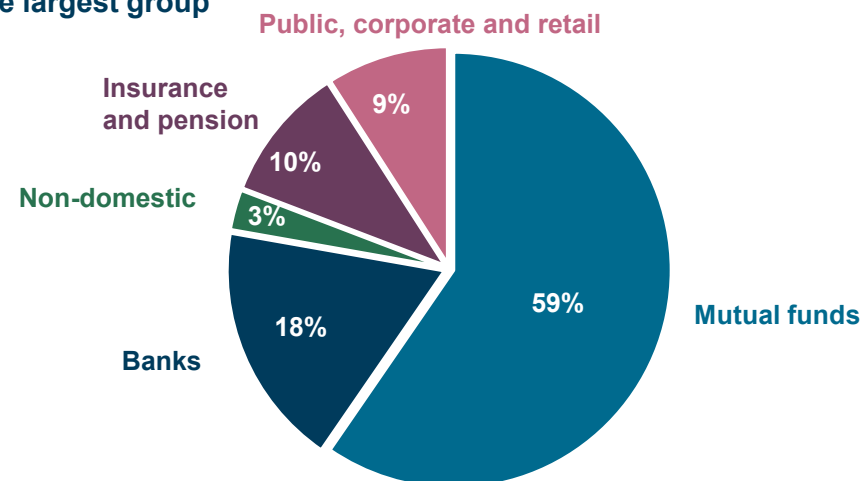


DSF acts as a structural buyer of its own shorter-maturity bonds (1–3 years) while facilitating two-way flows to support funding extensions.

The DSF investor base continues to grow broader and more diversified

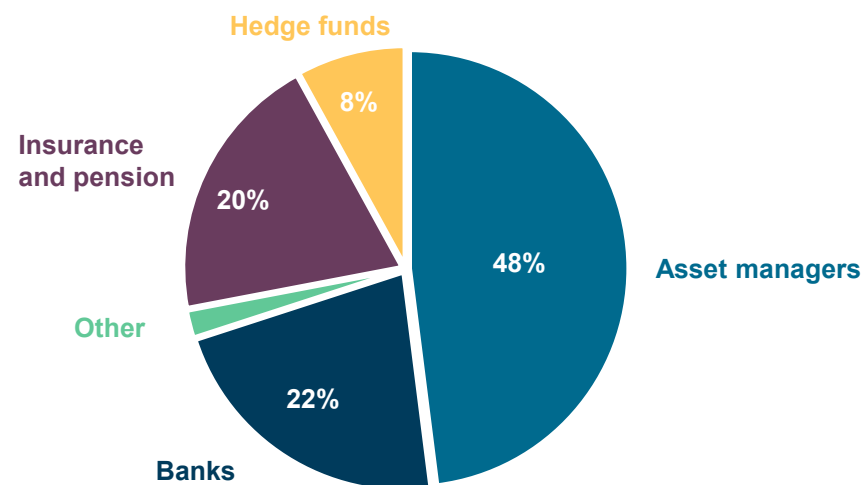
- The DKK program continues to be well-positioned with Danish investors. We have seen increased participation from new investors in insurance & pensions and banks, following the rating upgrade
- In March 2025, we successfully completed our fifth EUR benchmark issue, further extending our funding profile with a 6-year bond
- The transaction attracted strong investor interest, resulting in a record peak order book and a final book with a 2.7 bid-to-cover ratio
- The final book comprised orders from more than 50 investors, including 28 investors new to DSF, who collectively accounted for EUR 840m in demand
- More than 50% of the allocated volume came from investors outside the Nordics, with 28% directed to the DACH region and 13% to the Benelux region
- In terms of investor type, the order book was dominated by long-term investors, with asset managers accounting for 48%, bank treasuries for 22%, and insurance and pension funds for 20%

DKK program is well-placed with domestic mutual funds constituting the largest group



Source: Danmarks Nationalbank, January 2025.

Orderbook statistic on our March 2025 EUR benchmark issuance



Source: Danish Ship Finance, March 2025.

The operational setup allows for continuous supply of DSF ship covered bonds



DKK program

Transacted via tap-sales and buy-backs on a reverse inquiry basis. Additionally, the program is characterized by instrument flexibility to cater to demand.



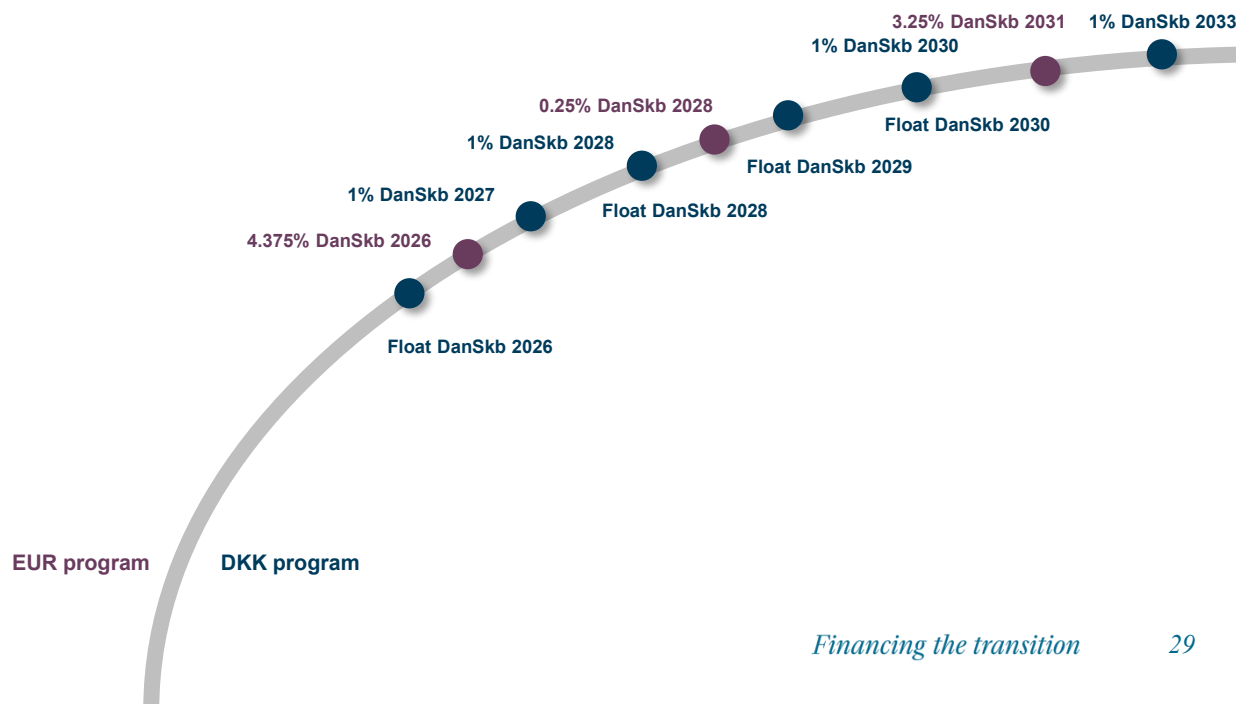
EUR Program

Offerings are done via syndicated book building – which can be accompanied with invitations for offers on off-the-run bonds



Weekly funding targets

Weekly indicative funding targets and spreads available upon request



Further information

Please visit our website
www.shipfinance.dk or follow the QR-code
to gain more information



Investor Relations Contacts



Simon Hajaj Ruby Harmat
Head of Funding and Investor Relations

E: SHA@shipfinance.dk
T: +45 3374 1048



Martin Dalskov Linderstrøm
Head of Treasury

E: MLI@shipfinance.dk
T: +45 3374 1034



Lars Jebjerg
CFO

E: LJE@shipfinance.dk
T: +45 3374 1014

Recent Publications



Interim Report 2025 ([link](#))



Risk Report 2024 ([link](#))



Shipping Market Review May 2025 ([link](#))

Danmarks Skibskredit A/S

Asset	BBB	+ Support	0	Guarantee	+1
Bank	BBB				
Property					
Investment					
Debt					
Guarantee					
Reserve					
Equity					
Liquidity					

BBB + / Stable / A -

Major Rating Factors

Strength	Weakness
- Strong financial position - Low debt compared with conservative solvency and prudent governing	- Business and revenue concentration in the capital and shipping industry and due to COVID-19 - Uncertainty regarding long term results

S&P's latest update on our covered bond and issuer rating ([link](#))

Appendix



Profile of the two capital centres

Capital Centre A (30/06-2025)

Cover Pool (EUR issuances)	
LTV (max 60%)	38%
OC*	13.8%
Weighted Average Life – Funding	3.3yrs
Weighted Average Life – Loans	2.6yrs
Seasoning avg. (client relationship)	10yrs
Number of loans	130
Client concentration (10 largest)	53%
Substitute assets DKK (mostly AAA)	2.7bn
Bonds DKK (equivalent)	11.2bn

Institute in general (30/06-2025)

Cover Pool (DKK issuances)	
LTV (max 70% initially)	43%
OC*	13.8%
Weighted Average Life – Funding	2.9yrs
Weighted Average Life – Loans	2.4yrs
Seasoning avg. (client relationship)	16yrs
Number of loans	147
Client concentration (10 largest)	56%
Substitute assets DKK (mostly AAA)	17.9bn
Bonds DKK	27.5bn

Note: Cover pool information for both capital centres are available at ECBC Label Templates (NTT) & (HTT) on a quarterly basis. The OC-level is derived from the capital requirement based on allocated risk exposure amounts for the capital centers.



The legal framework governing our business closely resembles that of Danish mortgage institutions

Legislation governing the treatment of holders of ship covered bonds and holders of real estate covered bonds is similar, apart from adjustments to account for the differences between the mortgaged assets

General regulation	Special regulation	Articles of association
• The Danish Financial Business Act • The Executive Order on Bond Issuance, the Balance Principle and Risk Management • The Danish Companies Act • The Danish Capital Markets Act	• The Act on a Ship Finance Institute: • Issuance of bonds • Bankruptcy proceedings • Restrictions on cessation of activities • The Executive Order on a Ship Finance Institute: • Regulation of management • Collateral for loans/CB • Capital/solvency requirements • We are exempted from the EU Credit directive: • Not subject to large single exposure regulation	• Our purpose: • Ship financing in Denmark and, if it does not limit the ability to provide loans in Denmark, internationally • Tied-up reserve capital of DKK 8.3bn

Legal framework

	EUR Ship Covered Bonds (SDO)	Ship Covered Bonds Skibskreditobligationer (SO)	Covered Bonds (real estate) Realkreditobligationer (RO)	Covered Bonds (real estate) (SDO)
Structure	Assets remain on balance sheet, but are ringfenced in cover pool	Assets remain on balance sheet, but are ringfenced in cover pool	Assets remain on balance sheet, but are ringfenced in cover pool	Assets remain on balance sheet, but are ringfenced in cover pool
Loan-to-value	60% at all times	70%	60-80%	60-80% at all time
UCITS compliant	Yes	Yes	Yes	Yes
Compliant with CRR art. 129	Yes	No (domestic law)	No (domestic law)	Yes
Eligibility of collateral under all approaches and methods in CRR	Yes, only if quality step 3 or better (In DK quality step 2 or better)	Yes, only if quality step 3 or better (In DK quality step 2 or better)	Yes, only if quality step 3 or better (In DK quality step 2 or better)	Yes, only if quality step 3 or better (In DK quality step 2 or better)
Risk weight (if held in banking book)	Quality step 1 2-3 4-5 6 Risk weight 10% 20% 50% 100%	Quality step 1 2 3 4-5 6 Risk weight 20% 30% 50% 100% 150%	Quality step 1 2 3 4-5 6 Risk weight 20% 30% 50% 100% 150%	Quality step 1 2-3 4-5 6 Risk weight 10% 20% 50% 100%
Compliant with Liquidity-Coverage-Ratio (ECAI)	Yes, only if quality step 1-2	Yes, only if quality step 1-2	Yes	Yes
Compliant with Liquidity-Coverage-Ratio (issue size)	Yes, only if the issue size is at least EUR 250 million (or the equivalent amount in domestic currency)	Yes, only if the issue size is at least EUR 250 million (or the equivalent amount in domestic currency)	Yes, only if the issue size is at least EUR 250 million (or the equivalent amount in domestic currency)	Yes, if the issue size is at least EUR 250 million (or the equivalent amount in domestic currency)
Specific capital requirements	Yes, min 8% of RWA	Yes, min. 8% of RWA	Yes, min. 8% of RWA	Yes, min. 8% of RWA
Balance principle (general or specific)	Specific Balance Principle No liquidity risk No FX risk Very low interest rate risk	Specific Balance Principle	Optional	Optional
180-day liquidity buffer	Yes	Yes	Yes Match funding exempt	Yes Match funding exempt
Limits on market and liquidity risk that issuers can assume	Yes	Yes	Yes	Yes
Excluded from bail-in	Yes	Yes	Yes	Yes
Investors have a preferential claim in the event of default	Yes	Yes	Yes	Yes

Sustainability ratings and loans with sustainability incentives

Sustainability ratings



Maintained sustainability ratings coverage for 100% of our loan portfolio

- Primary focus is on material issues in shipping, with an emphasis on strategies for reducing greenhouse gas emissions.
- Individual ratings are reviewed when a new transaction is considered by the Credit Committee.
- The framework is updated annually to ensure it evolves in line with societal discourse on sustainability, thereby maintaining the integrity of the ratings.

Sustainability rating framework

We assess all clients' documented levels of engagement, accountability and future planning on the following material issues:

Environment	Fuel consumption and energy efficiency
	GHG emissions
	Pollution prevention and biodiversity
Social	Health and safety
	Human rights and responsible business practices
Governance	Anti-corruption and anti-bribery
	Organisational anchoring of sustainability
Ship recycling	Ship recycling policies and practices
Quality of information	Public reporting and other information shared

Loans with sustainability incentives



34% of the loan book by volume as loans with sustainability incentives

- As of 30 June 2025, the share of loans with sustainability incentives comprises 34% of the loan book
- We expect all agreements to have slight differences, and to be structured with varying degrees of complexity until a clear market benchmark materialises
- Our standard framework suggests that KPIs in loan agreements should be directly linked to the performance on Poseidon Principles trajectories and that owner's full fleet should be regarded, not just individual vessels in transactions



**DANISH
SHIP FINANCE**