



DANMARKS  
SKIBSKREDIT

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Company announcement no.4

## Adequate own funds and the internal capital adequacy requirement

Pursuant to the executive order on calculation of risk exposure, total capital and solvency need, Danish Ship Finance must publish its adequate own funds on a quarterly basis.

The calculation is made on the basis of the 8+ approach and the Danish FSA's "Guidelines on Adequate Capital Base and Solvency Needs for Credit Institutions".

The guidelines issued by the FSA contain benchmarks for stress tests etc. These benchmarks define the limits within which the FSA assesses the institution's risks as being covered by 8 per cent of the total risk exposure. If these limits are exceeded, the institution is required to increase its adequate own funds.

The solvency calculation is presented for the Group and the subsidiary (referred to as solo).

### Adequate own funds at 31 December 2019

DKKm / %	Group	Solo
<b>Total weighted items</b>	<b>49,406</b>	<b>49,020</b>
Pillar I requirement (8 per cent of total risk exposure amount)	3,952	3,922
Earnings	-	-
Growth in lending	-	-
Credit risks		
- Credit risks for large customers in financial difficulty	50	50
- Other types of credit risk	75	75
- Concentration risks	32	32
Market and liquidity risks	397	397
Operational and control risk	21	21
Leverage ratio	-	-
Other risks	-	-
<b>Total adequate own funds</b>	<b>4,527</b>	<b>4,497</b>

## Key figures and financial ratios at 31 December 2019

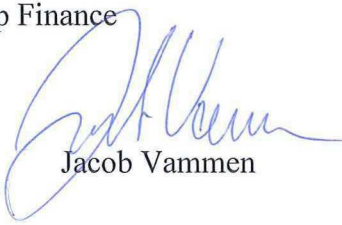
	Group	Solo
Total capital less deductions, DKKm	8,911	9,065
Total adequate own funds, DKKm	4,527	4,497
Capital conservation buffer, DKKm	1,235	1,226
Countercyclical capital buffer, DKKm	417	414
<b>Excess capital, DKKm</b>	<b>2,731</b>	<b>2,929</b>
Solvency ratio, per cent	18.0	18.5
Internal capital adequate requirement, per cent	9.2	9.2
Capital conservation buffer, per cent	2.5	2.5
Countercyclical capital buffer, per cent	0.8	0.8
<b>Excess capital, per cent</b>	<b>5.5</b>	<b>6.0</b>

For additional information see Danish Ship Finance's risk report, which is available at [www.shipfinance.dk](http://www.shipfinance.dk).

Yours sincerely

Danish Ship Finance

  
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