



**DANISH
SHIP FINANCE**

NASDAQ OMX Copenhagen
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Solvency need and solvency need ratio of Danish Ship Finance at 30 September 2015

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

Danish Ship Finance has determined the solvency need and the solvency need ratio on the basis of the FSA's guidelines. Only one modification has been made to adapt the guidelines to Danish Ship Finance.

Against this background, Danish Ship Finance has calculated the solvency need and the solvency need ratio as follows:

Solvency need and solvency need ratio at 30 September 2015

Total weighted items, DKKm	56,535
Pillar I requirement (8 per cent of weighted items), DKKm	4,523
Earnings, DKKm	-
Growth in lending, DKKm	-
Credit risks, DKKm	
Credit risks for large customers in financial difficulty	221
Other types of credit risk	-
Concentration risks	61
Market and liquidity risks, DKKm	-
Operational risks, DKKm	-
Other risks, DKKm	-
Total solvency need, DKKm	4,805
Solvency need ratio	8.5

Key figures and financial ratios at 30 September 2015

Total capital less deductions, DKKm	9,901
Solvency need, DKKm	4,805
Excess capital, DKKm	5,006
Solvency ratio, per cent	17.5
Solvency need ratio, per cent	8.5
Excess capital, percentage points	9.0

Danish Ship Finance has calculated its excess cover relative to the solvency need ratio at 9.0 percentage points, equivalent to DKK 5,506 million at 30 September 2015. See table above.

The countercyclical capitalbuffer is calculated to 0.2 percentage points. The excess cover including the countercyclical capitalbuffer is 8.8 percentage point.

For additional information pursuant to Schedule 2 to the Danish executive order on risk exposure, total capital and solvency need, see Danish Ship Finance's risk report, which is available at www.shipfinance.dk.

Yours sincerely

Danish Ship Finance

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