



Base Prospectus for Danmarks Skibskredit A/S Bond Programme dated 25 February 2019

Supplement no. 1, 2019

Date: 4 November 2019

Danmarks Skibskredit has released the following supplement to the Base Prospectus in accordance with Article 23(1) of Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended) (the "Prospectus Regulation") and the relevant implementation legislation in Denmark for the issue of covered bonds, ship mortgage bonds, senior secured bonds and senior unsecured debt due to updated rating by S&P and the issuance of an interim report – first half 2019.

Investors who have accepted buying or subscribing for Bonds before the publication of this supplement are entitled to withdraw their acceptance within a time limit of at least two working days after the publication of this supplement, i.e. until 6 November 2019, pursuant to Article 23(2) of the Prospectus Regulation.

The following changes have been made:

| The original Base Prospectus | Amendment |
|------------------------------|---|
| Page 1, Fifth paragraph | <p><i>The following lines are deleted:</i></p> <p>The Issuer currently has an issuer rating of BBB+ (negative outlook) from the international rating agency Standard & Poor’s Credit Market Services Europe Limited (S&P). The Issuer’s CBs from a Capital Centre (named “Capital Centre A”) as well as the Institute in general (“Institute in general”) are expected to be assigned an individual rating by S&P, while the rating of the Senior Secured Bonds and the Senior Unsecured Debt is expected to reflect the Issuer’s issuer rating. SMBs currently issued by the Institute in general have a rating of A (negative outlook).</p> <p><i>And replaced by :</i></p> <p>The Issuer currently has an issuer rating of BBB+ (stable) from the international rating agency Standard & Poor’s Credit Market Services Europe Limited (S&P). The Issuer’s CBs from a Capital Centre (named “Capital Centre A”) has a S&P programme rating of A (stable). The Issuer’s SMBs from the Institute in general (“Institute in general”) has a S&P programme rating of A (stable). The rating of any Senior Secured Bonds and Senior Unsecured issued by the Institute is expected to reflect the Issuer’s issuer rating.</p> |
| Page 8, “Benchmark” | <p><i>The following lines are deleted:</i></p> <p>As far as the Issuer is aware, the transitional provisions of Article 51 of the Benchmarks Regulation apply, such that none of Finance Denmark (as administrator of Cibor and Cita) and the European Money Markets Institute (as administrator of Euribor) is currently required to obtain authorisation or registration.</p> <p><i>And replaced by:</i></p> <p>As far as the Issuer is aware, the Danish Financial Benchmark Facility (as administrator of Cibor and Cita) has applied for authorisation as administrator pursuant to the Benchmark Regulation with the Danish Financial Supervisory Authority. The</p> |

European Money Markets Institute (as administrator of Euribor) has been authorised as administrator pursuant to the Benchmark regulation by the Belgian Financial Services and Markets Authority and is in the register of authorised administrators maintained by ESMA.

Page 13,
Section B.12
“Historical
financial
information”

Below the following line:

The list of key ratios also includes cost/income ratio excluding loan impairment charges.

The following is inserted:

Selected historical key financial information regarding the issuer for subsequent interim financial period (interim unaudited financial information for first half 2018 and first half 2019):

KEY FIGURES

| DKK MILLION | 1ST HALF 2019 | 1ST HALF 2018 |
|--|----------------------|----------------------|
| Net interest income from lending | 236 | 234 |
| Net interest and fee income from lending | 251 | 249 |
| Net interest income from investment activities | 54 | 90 |
| Total net interest income | 290 | 324 |
| Total net interest and fee income | 305 | 339 |
| Market value adjustments | (80) | (69) |
| Staff costs and administrative expenses | (84) | (90) |
| Loan impairment charges | (3) | 3 |
| Profit before tax | 138 | 183 |
| Net profit for the period | 106 | 139 |
| Loans | 38,048 | 35,297 |
| Issued bonds | 44,549 | 42,461 |
| Equity | 9,130 | 9,105 |
| Total assets | 63,802 | 59,727 |

KEY RATIOS

| | 1ST HALF 2019 | 1ST HALF 2018 |
|--|----------------------|----------------------|
| Return on equity after tax (%) | 1.2 | 1.5 |
| Return on investment activities (%) *) | (0.6) | 0.5 |
| Total capital ratio (%) | 17.9 | 19.2 |
| Combined capital buffer requirement (%) | 12.0 | 12.0 |
| Cost/income ratio (%) **) | 37.8 | 33.4 |
| Equity as % of lending | 24.0 | 25.8 |
| Net write-offs on loans as % of gross lending | 0.4 | 0.2 |
| Total allowance account as % of gross lending (***) | 5.9 | 6.9 |
| Weighted loan-to-value after loan impairment charges (%) | 54 | 55 |
| Proportion of loans covered within 60% of market value (%) | 97 | 97 |

*) *Return on investment activities was calculated exclusive of return from shares and foreign currency.*

**) *The calculation of the cost/income ratio does not include loan impairment charges.*

***) *See note 6 in the interim reports first half 2018 and 2019, respectively.*

Page 13,
Section B.12
“Historical
financial
information”

The following lines are deleted:

The total assets of the Group amounted to DKK 62.78 billion as at 31 December 2018. The Group’s equity amounted to DKK 1.42 billion as at 31 December 2018, and the result before tax for the financial year ending 31 December 2018 amounted to DKK 140 million.

And replaced by:

The total assets of the Group amounted to DKK 62.78 billion as at 31 December 2018. The Group’s total equity amounted to DKK 7.39 billion as at 31 December 2018, and the result before tax for the financial year ending 31 December 2018 amounted to DKK 140 million.

The total assets of the Group amounted to DKK 64.35 billion as at 30 June 2019. The Group’s total equity amounted to DKK 7.37 billion as at 30 June 2019, and the result before tax for the first half year ending 30 June 2019 amounted to DKK 38 million.

Page 15,
Section B.17
“Credit Ratings”

The wording of Section B.17 is deleted in its entirety and replaced by the following:

The Issuer and any Bonds issued under this Base Prospectus have been assigned the following credit ratings by the international rating agency S&P:

| Rating | S&P |
|------------------------------------|---------------|
| Issuer rating | BBB+ (stable) |
| SMBs from the Institute in general | A (stable) |
| CBs from Capital Centre A | A (stable) |

A credit rating is not a recommendation to buy, sell or hold securities. There is no assurance that a credit rating will remain for any given period of time or that a credit rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant. It should be noted that the Issuer may decide to terminate its credit rating cooperation with the rating agency or choose to cooperate with other rating agencies.

S&P has determined a stable outlook for the Issuer's credit rating. S&P's outlook assesses the potential direction of Issuer's long-term credit rating over the intermediate term, but an outlook is not necessarily a precursor of a rating change or future action by S&P. S&P states that a future negative rating can stem from, e.g. increased risk appetite by the Issuer, significant deterioration in the shipping industry or marked worsening of the Issuer's funding and liquidity metrics.

In 2016, the Issuer elected to cease soliciting ratings from Moody's Investors Service (Moody's). Any ratings published by Moody's ratings entities in connection with the Issuer are unsolicited and based purely on publicly available information. Such ratings are, therefore, not disclosed in this Base Prospectus.

Page 23,
Section 4.1.8 "Risk
relating to
implementation of
new rules"

The following paragraph are deleted:

The implementation of the EU Capital Requirements Directive, ("CRD IV") (as defined in Appendix 6 (Legislation) and the EU Capital Requirements Regulation, ("CRR") (as defined in Appendix 6 (Legislation) entails the phase-in of stricter requirements for the Issuer's liquidity and capital resources. Failure to meet such requirements may result in sanctions from the DFSA and ultimately lead to the revocation of the Issuer's licence to carry on business as a ship finance institute, which may affect the Issuer's ability to meet its obligations with respect to the Bonds.

And replaced by:

The implementation of the Amending EU Capital Requirements Directive ("CRD V") (as defined in Appendix 6 (Legislation)) and any related directives or regulations and the Amending EU Capital Requirements Regulation ("CRR II") (as defined in Appendix 6 (Legislation)) and any related directives or regulations entails stricter requirements for the Issuer's liquidity and capital resources. Failure to meet such requirements may result in sanctions from the DFSA and ultimately lead to the revocation of the Issuer's licence to carry on business as a ship finance institute, which may affect the Issuer's ability to meet its obligations with respect to the Bonds.

Page 26,
Section 4.1.16
"Credit ratings
may not reflect all
risks"

The following paragraphs are deleted:

The Issuer currently has an S&P issuer rating of BBB+ (negative outlook). The Issuer's CBs from a Capital Centre (named Capital Centre A) as well as the Institute in general are expected to be assigned an individual rating by S&P, while the rating of the Senior Secured Bonds and the Senior Unsecured Debt is expected to reflect the Issuer's issuer rating. SMBs currently issued by the Institute in general have a rating of A (negative outlook).

S&P has determined a negative outlook for the Issuer's credit rating. S&P's outlook assesses the potential direction of Issuer's long-term credit rating over the intermediate term, but an outlook is not necessarily a precursor of a rating change or future action by S&P. Given the negative outlook by S&P there is a risk that the Issuer's rating may be lowered in the short to medium term.

And replaced by:

The Issuer currently has an S&P issuer rating of BBB+ (stable). The Issuer's CBs from Capital Centre A has a S&P programme rating of A (stable). The Issuer's SMBs from the Institute in general has a S&P programme rating of A (stable). The rating of any Senior Secured Bonds and Senior Unsecured issued by the Institute is expected to reflect the Issuer's issuer rating.

S&P has determined a stable outlook for the Issuer's credit rating. S&P's outlook assesses the potential direction of Issuer's long-term credit rating over the intermediate term, but an outlook is not necessarily a precursor of a rating change or future action by S&P. S&P states that a future negative rating can stem from, e.g. increased risk appetite by the Issuer, significant deterioration in the shipping industry or marked worsening of the Issuer's funding and liquidity metrics.

Page 32,
Section 4.3.9.1
"Initiative on
integrated covered
bond framework"

The following lines are deleted:

The European Parliament published a report on 26 June 2017 "Toward a pan-European covered bond framework". On 13 March 2018 a proposal for a regulation and directive regarding the issue of covered bonds was published by the Commission. The regulation and directive is not yet adopted.

And replaced by:

In February 2019 a political agreement was reached between the European Parliament and the European Commission covering a harmonized framework for covered bonds. The final text was provisionally adopted by the European Parliament in April 2019. The framework consists of a directive and a regulation, which has yet to be published in the Official Journal.

The expected entry into force of the implementation of the directive in national legislation and the regulation is no later than spring 2022.

Page 47, Section 2.1 "The Issuer's auditors"

The following name are deleted:

Bjørn Philip Rosendal

And replaced by:

Bjørn Würtz Rosendal

Page 48, New section "3.2"

Below section 3.1 the following section is inserted:

3.2

The table below shows selected un-audited interim financial information concerning the Issuer for the first half of 2018 and 2019, respectively:

KEY FIGURES

| DKK MILLION | 1ST HALF 2019 | 1ST HALF 2018 |
|--|---------------|---------------|
| Net interest income from lending | 236 | 234 |
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| Market value adjustments | (80) | (69) |
| Staff costs and administrative expenses | (84) | (90) |
| Loan impairment charges | (3) | 3 |
| Profit before tax | 138 | 183 |
| Net profit for the period | 106 | 139 |
| Loans | 38,048 | 35,297 |
| Issued bonds | 44,549 | 42,461 |
| Equity | 9,130 | 9,105 |
| Total assets | 63,802 | 59,727 |

KEY RATIOS

| | 1ST HALF 2019 | 1ST HALF 2018 |
|--|---------------|---------------|
| Return on equity after tax (%) | 1.2 | 1.5 |
| Return on investment activities (%) *) | (0.6) | 0.5 |
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| Combined capital buffer requirement (%) | 12.0 | 12.0 |
| Cost/income ratio (%) **) | 37.8 | 33.4 |
| Equity as % of lending | 24.0 | 25.8 |
| Net write-offs on loans as % of gross lending | 0.4 | 0.2 |
| Total allowance account as % of gross lending ***) | 5.9 | 6.9 |
| Weighted loan-to-value after loan impairment charges (%) | 54 | 55 |
| Proportion of loans covered within 60% of market value (%) | 97 | 97 |

*) Return on investment activities was calculated exclusive of return from shares and foreign currency.

**) The calculation of the cost/income ratio does not include loan impairment charges.

***) See note 6 in the interim reports first half 2018 and 2019, respectively.

Page 56, Section 13.5.1 and 13.5.2

The wording of Section 13.5.1 and 13.5.2 is deleted in its entirety and replaced by the following:

Interim financial information, including key figures, an income statement and a statement on balance sheet and capital structure, is set out in the interim report – first half 2018 and interim report – first half 2019 for the Issuer, see Appendix 1. The information in the interim financial reports has not been audited.

13.5.2

KEY FIGURES

| DKK MILLION | 1ST HALF 2019 | 1ST HALF 2018 |
|--|---------------|---------------|
| Net interest income from lending | 236 | 234 |
| Net interest and fee income from lending | 251 | 249 |
| Net interest income from investment activities | 54 | 90 |

| | | |
|---|--------|--------|
| Total net interest income | 290 | 324 |
| Total net interest and fee income | 305 | 339 |
| Market value adjustments | (80) | (69) |
| Staff costs and administrative expenses | (84) | (90) |
| Loan impairment charges | (3) | 3 |
| Profit before tax | 138 | 183 |
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KEY RATIOS

| | 1ST HALF 2019 | 1ST HALF 2018 |
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| Return on equity after tax (%) | 1.2 | 1.5 |
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| Total capital ratio (%) | 17.9 | 19.2 |
| Combined capital buffer requirement (%) | 12.0 | 12.0 |
| Cost/income ratio (%) **) | 37.8 | 33.4 |
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| Proportion of loans covered within 60% of market value (%) | 97 | 97 |

*) Return on investment activities was calculated exclusive of return from shares and foreign currency.

**) The calculation of the cost/income ratio does not include loan impairment charges.

***) See note 6 in the interim reports first half 2018 and 2019, respectively.

Interim financial reports are available on the Issuer's website on www.skibskredit.dk

Page 59,
Section 17
"Documents
available for
inspection

The following paragraph is deleted:

- The annual reports, financial information and any other documents included, in whole or in part, in this Base Prospectus

And replaced by:

- The annual reports, interim financial reports, financial information and any other documents included, in whole or in part, in this Base Prospectus

Page 61, Section
4.2 "Information
concerning the
securities to be
offered/admitted to
trading"

The wording of Section 4.2 is deleted in its entirety and replaced by the following:

The issuance of the Bonds is governed by the Act, the Executive Order and the Executive Order on Bond Issuance. For a more detailed review of the legal framework, reference is made to Item 5 (Legislative framework for the Issuer's activities). Terms and conditions included in Appendix 2 to the Base Prospectus (the "Terms and Conditions") together with the Final Terms set out the terms and conditions for the Bonds. In the event of inconsistency between the Terms and Conditions and other parts of the Base Prospectus, the Terms and Conditions will prevail. In the event of inconsistency between the Terms and Conditions and the applicable Final Terms, the applicable Final Terms will prevail.

Page 75, Section
7.2 "Additional
information"

Below the following line:

Only the annual reports to which the Base Prospectus refers, has been audited by the Issuer's auditors.

The following is inserted:

The interim financial reports to which the Base Prospectus refers have not been audited by the Issuer's auditors.

Page 75,
Section 7.5

The wording of Section 7.5 is deleted in its entirety and replaced by the following:

The Issuer is rated by S&P. S&P is established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council on credit rating agencies, see Article 4(1).

The Issuer and any Bonds issued under this Base Prospectus have currently been assigned the following credit ratings by (S&P):

| Rating | S&P |
|------------------------------------|---------------|
| Issuer rating | BBB+ (stable) |
| SMBs from the Institute in general | A (stable) |

S&P has determined a stable outlook for the Issuer's credit rating. S&P's outlook assesses the potential direction of Issuer's long-term credit rating over the intermediate term, but an outlook is not necessarily a precursor of a rating change or future action by S&P. S&P states that a future negative rating can stem from, e.g. increased risk appetite by the Issuer, significant deterioration in the shipping industry or marked worsening of the Issuer's funding and liquidity metrics. The Issuer points out that S&P may change its rating and that the Issuer may decide not to have the issued Bonds covered by a rating. The Issuer may also decide to terminate its credit rating cooperation with the rating agency or choose other rating agencies. The rating of the Bonds will be stated in the Final Terms for the specific Bonds.

Page 77,

Section 11

"Appendix 1: List of documents incorporated by reference in this Base Prospectus"

Below the following line:

Item 13.3.3 of the Registration Document refers to the above-mentioned annual report in its entirety.

The following is inserted:

Danmarks Skibskredit – interim report – first half 2018

Item 3.2 of the Registration Document refers, for selected financial information, to the Items entitled "Financial Highlights for Danish Ship Finance A/S" and "Key ratios" in the above interim report.

Item 13.5.1 of the Registration Document refers, for selected financial information, to the Items entitled "Financial Highlights for Danish Ship Finance A/S" and "Key ratios" in the above interim report.

Danmarks Skibskredit – interim report – first half 2019

Item 3.2 of the Registration Document refers, for selected financial information, to the Items entitled "Key figures" and "Key ratios" in the above interim report.

Item 13.5.1 of the Registration Document refers, for selected financial information, to the Items entitled "Key figures" and "Key ratios" in the above interim report.

Page 108,

Section 16

"Appendix 6: Legislation"

Below the following lines:

The "Capital Requirements Regulation (CRR)" means Regulation (EU) no. 575/2013 of 26 June 2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) no. 648/2012 consolidated on 1 January 2018.

The following is inserted:

The "Amending Capital Requirements Directives (CRD V)" means Directive 878/2019 of 20 May 2019 of the European Parliament and of the Council amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures.

The "Amending Capital Requirements Regulation (CRR II)" means Regulation (EU) no. 876/2019 of 20 May 2019 of the European Parliament and of the Council amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012.

Supplement no. 1 to Danmarks Skibskredit A/S Base Prospectus – dated 25 February 2019 – has been prepared by:

Danmarks Skibskredit A/S
Sankt Annæ Plads 3
1250 Copenhagen K.

Statement

The persons responsible for the information provided in this Base Prospectus hereby declare to have taken all reasonable care to ensure that, to the best of their knowledge, the information contained in the Base Prospectus is in accordance with the facts and that the Base Prospectus makes no omission likely to affect its import.

Copenhagen, 4 November 2019

The Board of Directors

This supplement is signed on behalf of the Executive Board and the Board of Directors pursuant to special authority of the Board of Directors.

The Executive Board

Erik I. Lassen
Chief Executive Officer

Lars Jebjerg
Chief Financial Officer

Michael Frisch
Chief Commercial Officer