

EKF

Annual Report 2023

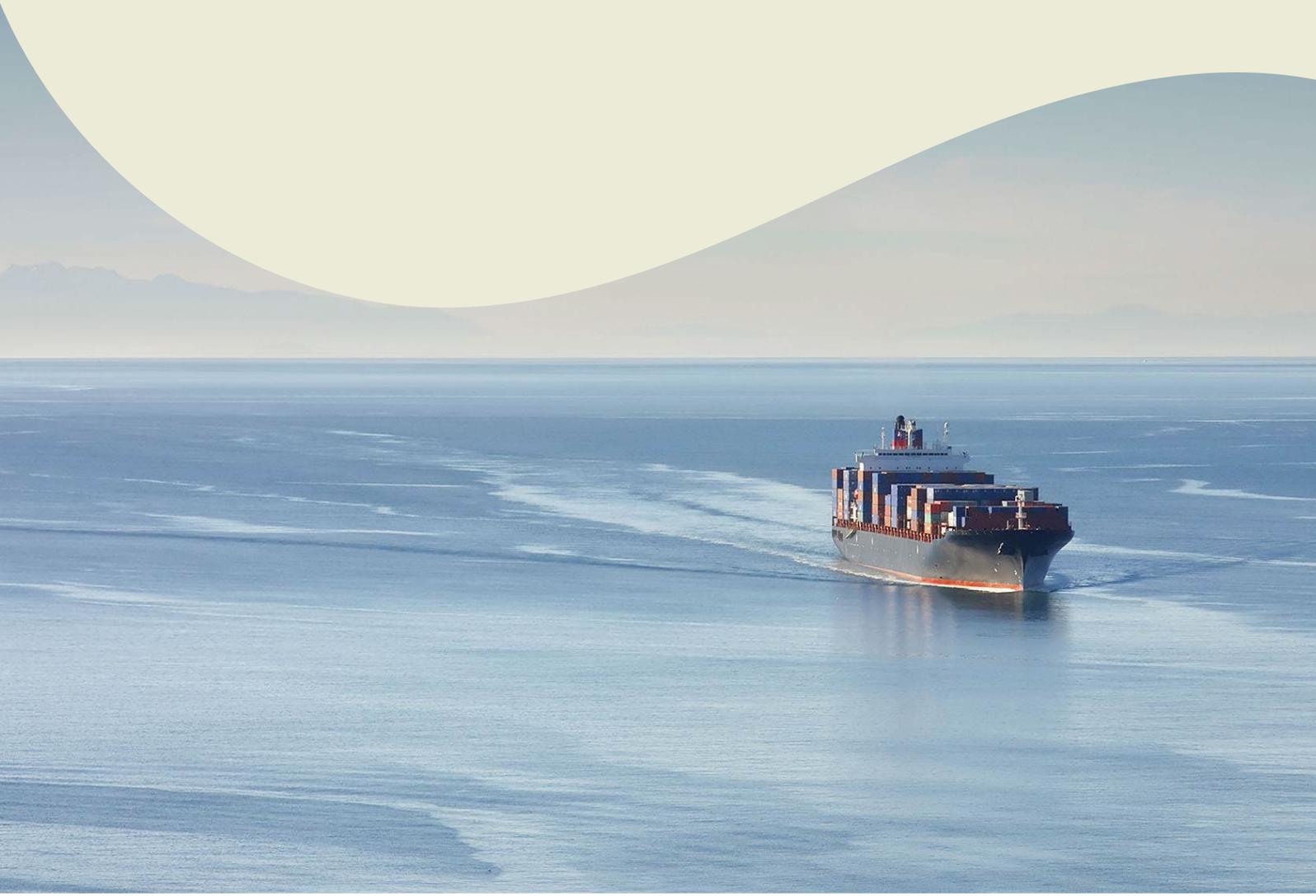


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Financial highlights and ratios for EKF

Amounts in DKK million	2023	2022	2021*	2020*	2019*
Financial highlights:					
Result of export credits and working capital guarantees	508	79	467	690	712
Result of lending activities	255	183	322	145	269
Administrative expenses, net	-130	-283	-259	-228	-209
Financial income and expenses	-93	43	18	140	-29
Net profit/loss for the year	541	22	548	747	743
Balance sheet total	30.602	30.018	26.496	27.528	26.634
Equity	1.041	7.520	9.365	8.691	8.459
Off-balance sheet items	35.243	53.153	55.397	55.933	59.234

* Due to the transition to IFRS 9 for guarantees, it has not been possible to align financial highlights and ratios for 2019–2021, and thus the figures are not comparable.

Main activities of the year

In 2023, EKF became a subsidiary of the Export and Investment Fund of Denmark group.

The Export and Investment Fund of Denmark (EIFO) was created by merging the three state funds, Vækstfonden, EKF Denmark's Export Credit Agency and Denmark's Green Investment Fund, which became subsidiaries of EIFO on 1 January 2023. As of 1 April 2023 – and with accounting effect at 1 January 2023 – the activities of Vækstfonden and Denmark's Green Investment Fund have been merged into EIFO.

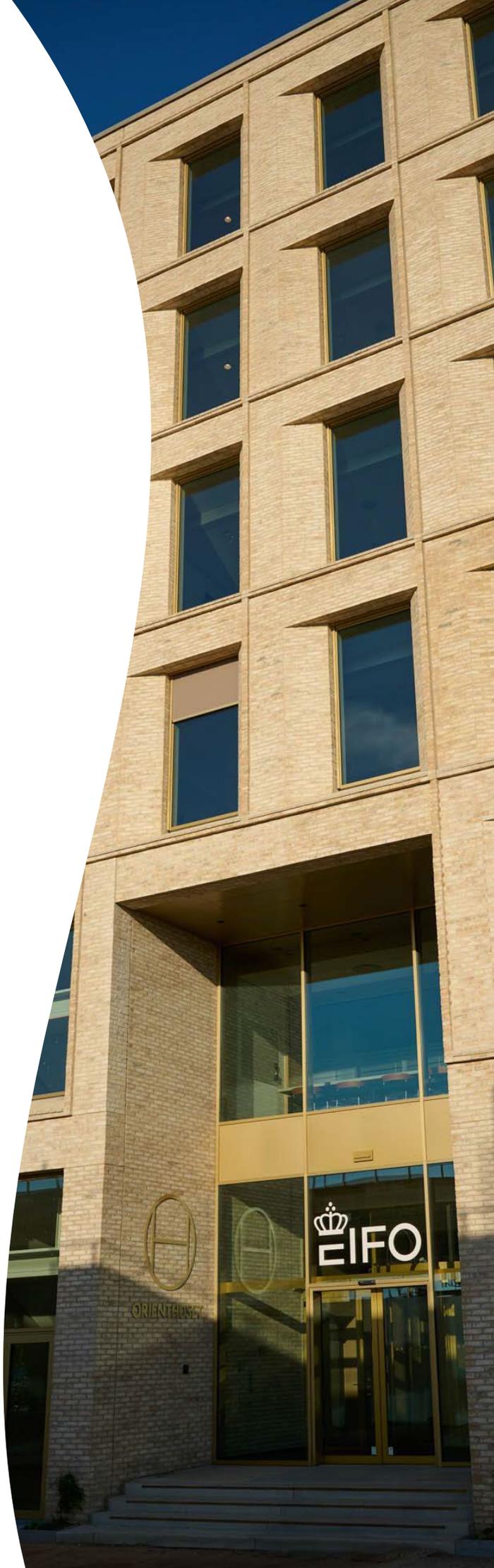
As of 1 April 2023, EKF was split, with part of the business moving as of that date to EIFO, which also undertakes new transactions from that date. The assets from the remaining business will subsequently be transferred continuously from EKF to EIFO where this is legally possible and appropriate. Where this is not the case, they will gradually be liquidated as the business winds down.

Although EKF no longer undertakes new business, new loan payments will continue to be made, as EKF had offered loans before 1 April 2023 which must be honoured.

EIFO's objects are to promote growth and innovation in Danish trade and industry via its finance offerings, to support Danish exports and to contribute to a sustainable and green transition.

EIFO provides a single point of access for all Danish businesses and delivers a coherent and internationally oriented financing initiative. The merger has created an opportunity to improve support for Danish trade and industry and speed up the transition to greater sustainability.

EKF had a satisfactory result in 2023.



Corporate social responsibility, policies, business and climate

EKF is administered by EIFO and follows EIFO's policies and procedures; hence please refer to EIFO's annual accounts for a review and description of this area for 2023. Please also see EIFO's website, which contains applicable internal policies and procedures for the following areas ([Policies \(eifo.dk\)](#)):

- Policy for ESG and sustainability
- Climate policy
- Diversity policy
- Whistleblower scheme
- Transparency policy
- Position paper on anti-bribery

Gender diversity

EKF has no employees, and the board of directors consists of three members (two women and one man). In a board containing three directors, one gender will always dominate, so there is no requirement to draw up and report in accordance with a target figure. EIFO administers EKF, and the top management of EKF consists of EIFO employees. EIFO's diversity policy is therefore the focal point for our work with gender diversity within EKF.

Risk, capital and liquidity management

EKF assumes risks in order to fulfil its objective of creating the maximum possible societal return. Risk management is a crucial and integral part of our business model. A number of requirements and internal frameworks help to ensure that the actual risk profile does not exceed EKF's capacity and appetite for risk. After 1 April 2023, the requirements and the framework for this will be governed by EIFO.

EKF's activities entail that we are primarily exposed to credit, market, liquidity and operational risks, including, for example, compliance risks. EKF's overall risk profile must be commensurate with EKF's capital strength to ensure that EKF has the ongoing capacity to support the business success stories that make a difference. EKF operates within the EU's state aid rules and its financial activities entail climate, environmental, societal and governance issues. We maintain capital adequacy to counteract credit, market and operational risks, and continuously maintain an appropriate cash balance to manage liquidity risk.

The organisation is set up according to the fundamental risk management principles. The board of directors determines the risk appetite and the main principles to be applied to risk management in a number of policies. The policies are supplemented by an instruction that specifies the management's decision-making mandate. Management is responsible for implementing the framework in the business, and the business functions act as risk owners with responsibility for ongoing risk management. EKF's risk management and compliance units monitor EKF's aggregate risk profile.

Credit risk

Credit risk reflects the risk of losses as a result of EKF's customers and counterparties defaulting on their payment obligations. Counterparties comprise commercial companies, banks, sovereign states and reinsurance companies. EKF provides loans as well as granting working capital guarantees and export credits to Danish companies in most industries and at all stages of development. Loans may be provided directly by EKF, or EKF can grant a working capital guarantee or credit to enable the company to, for example, get a bank loan. When Danish exporters sell their goods abroad, EKF offers to guarantee and provide loans to the buyers of Danish exports, which may be both existing foreign companies and in the form of international project financing.

The initial contact is generally via the customer centre, after which customers are assigned advisers from one of nine offices in Denmark. Offices are also situated in New York and Singapore.

All transactions are credit-approved by means of procedures that address the relevant credit risks and any product-specific acceptance criteria. EKF's customers and counterparties are subject to a credit analysis and potentially also a due diligence process, depending on the complexity and scale of the transaction. All transactions involving high complexity and scale must be approved by the Credit Committee prior to being granted by the board of directors.

EKF uses both internally developed and internationally recognised tools for credit assessment. To assess Danish SME counterparties, EKF uses either a model developed by Moody's or a proprietary model. For foreign debtors and projects as well as larger Danish counterparties, we base our approach to risk classification on ratings from recognised rating agencies or a model developed by S&P. For states, banks and reinsurance companies, the starting point is ratings from Moody's, Fitch and S&P, supplemented with a number of internal tools.

For all foreign counterparties, the OECD classifications for country risks are also applied as a basis for determining premiums. The country classification indicates the risk that a country – and debtors in that country – will not have the opportunity, willingness and ability to meet their payment obligations. EKF is obliged to use OECD country classifications, as government export credits are regulated by an OECD agreement.

Exposure to banks arises as a result of bank deposits or the bank's role as borrower, guarantor for a foreign buyer or as counterparty in financial derivative agreements. Derivative financial instruments are generally entered into under netting agreements with collateral.

EKF continuously monitors the credit portfolio, the aggregate commitment for each counterparty and each country. EKF's credit risk is reduced if the agreements are covered by loss mandates, and the risk can be actively reduced for larger transactions via reinsurance. This is described in the section below.

Reduction of EKF's credit risk

EKF reduces credit risk by insuring loans and reinsuring guarantees through private and public companies and schemes. Reinsurance is used actively to reduce risk concentrations in respect of individual debtors and countries.

Based on EKF's status as a national promotional bank, EKF is covered for a share of losses on selected loans via loss mandates with the European Investment Fund ("EIF") or the Danish state. The degree of coverage depends on the mandate, but is typically around 40 per cent for the individual commitment. EKF's existing loan portfolio is currently covered by a number of historic EIF mandates.

EKF buys reinsurance in the private market, either as a framework agreement or to reinsure individual transactions. Reinsurance via framework agreement – also known as a treaty agreement – made up more than half of the total reinsurance portfolio at the end of 2023. Via the treaty agreement, larger transactions that meet agreed criteria are automatically reinsured within a set framework with a panel of reinsurers. EKF's treaty agreement for 2024 has a panel of 13 reinsurers that ensure 40 per cent coverage of transactions with a term of up to 20 years.

Reinsurance on individual transactions – also known as facultative reinsurance – is flexible in terms of cover and other terms and accounted for 8 per cent of the total reinsurance portfolio excluding loss cover at the end of 2023. Private reinsurers must meet EKF's minimum requirements for an external rating from an internationally recognised credit rating agency corresponding to A- on S&P's rating scale.

EKF may sign reinsurance agreements with other export agencies in transactions that include exports from multiple countries. This is known as ECA reinsurance. The reinsurance share may vary as needed, including the share of exports between different countries. ECA reinsurance follows a standard agreement concluded between the export agencies.

EKF obtains state reinsurance via the Denmark's Green Future Fund mandate ("DGFF"). The reinsurance applies to green transactions that are already covered by private reinsurance and reflects terms in the private business-to-business agreements. The reinsurance share under DGFF is 20 per cent for transactions of less than DKK 2 billion and 30 per cent for transactions of more than DKK 2 billion. The share is never larger than that for private reinsurance.

Provisions and loss allowance to cover expected losses

EKF assesses the quality of the portfolio continuously, and any deterioration in credit will result in higher provisions and loss allowance. The largest provisions and loss allowances are assessed in the annual commitment review with the board of directors. Furthermore, EKF uses internal models to perform statistical calculations of the need for loss allowance on loans and premiums receivable in the quarterly financial statements in accordance with the IFRS 9 International Financial Reporting Standard.

Market risk

Market risk is a natural consequence of EKF's activity. It is the risk of deterioration in the value of EKF's portfolio as a result of rate and price changes in the financial markets. After the splitting of the business, EIFO has taken over EKF's market risk and reference is made to Note 31 on EIFO's financial statements on the use of derivative financial instruments to hedge market risk.

Interest rate risk is the risk of deterioration in the value of EKF's portfolio as a result of changes in market interest rates. After the splitting of the business, EIFO has taken over EKF's interest rate risk.

Interest spread risk is the risk of deterioration in the value of EKF's portfolio as a result of different interest rate curves in the same currency moving in relation to each other. Interest spread risk is not actively hedged, but is calculated on an ongoing basis. After the splitting of the business, EIFO has taken over EKF's interest spread risk.

Exchange rate risk is the risk of deterioration in the value of EKF's portfolio as a result of changes in exchange rates. Exchange rate risk arises as a natural consequence of EKF's foreign transactions. After the splitting of the business, EIFO has taken over EKF's exchange rate risk and reference is made to Note 29 on EIFO's financial statements regarding EIFO's exchange rate exposure and risk.

Concentrations

EKF's role as Denmark's export credit agency entails large transactions, challenging markets and a higher concentration of sectors in which Denmark is in a strong position. Large Corporates is extensively concentrated in the wind energy sector, since wind energy projects – particularly offshore wind farms – are getting bigger and bigger. Wind energy projects sell their production on local markets and are primarily exposed to local risk factors such as the amount of wind, political issues, maturity of local infrastructure, and so on. Having a high concentration of wind energy projects is thus not inherently a problem for EKF, but a high concentration of wind energy projects in individual countries could be problematic. The biggest exposures for Large Corporates are in regard to the UK and Taiwan. Internal frameworks limit country concentration risk, and the capital requirement also reflects this risk in the Large Corporates segment.

Operational risks

Operational risks is the risk of loss resulting from flawed or deficient internal procedures, human error, system error or external events. EKF accepts that the operation of the organisation is associated with operational risk, but we try not to suffer economic losses or reputational damage as a result of operational risk in excess of the expected cost of alleviating the specific risk.

In 2023, we focused particularly on establishing new common policies for EIFO and a common approach to incident reporting which supports systematic recording, categorisation and assessment of operational incidents. We encourage all employees to report operational incidents so that we can learn from our mistakes.

In the new organisation, we have also continued the concept of risk and compliance ambassadors in some departments to anchor an understanding of operational risk within the organisation.

EKF aims to comply with relevant external regulation and, in regard to compliance, performs continuous risk assessment, thereby identifying areas to be monitored in the coming year. We address identified compliance risks and the ensuing follow up, and we assess and monitor whether any new risks are being addressed appropriately.

Liquidity risk

Liquidity risk means the risk that

- a) EKF's costs associated with raising liquidity increase disproportionately
- b) lack of funding prevents EKF from maintaining its current business model
- c) EKF is ultimately unable to meet its payment obligations due to a lack of funding.

EKF's liquidity risk arises primarily as a result of maturity mismatches between EKF's assets (loans) and liabilities. EKF also has payment obligations in the form of losses and loan defaults. This results in fluctuations in the liquidity requirement over time.

The risk of running out of liquidity is mitigated by calculating the expected liquidity requirement on a daily basis, regular stress tests, maintaining a liquidity buffer and access to liquidity even under difficult market conditions. EKF's business is financed by equity and on-lending from the Danish state via EIFO. In the case of on-lending, EIFO takes out loans directly from the state. The loan is disbursed from the state's account, and the resulting financing requirement is covered by ongoing issues in the state's on-the-run issues.

Financial highlights

Net profit for 2023 was DKK 541 million. This result is within the expected range of DKK 500–700 million outlined in the half-year report, particularly in light of the general economic and geopolitical unrest. EKF has had a large loss allowance for one specific project. Conversely, increased activity and rising market interest rates have contributed to increased interest income from lending.

Income statement

Result of export credits and working capital guarantees

EKF's export credits and working capital guarantees contributed a profit of DKK 508 million before administrative expenses in 2023. The activity primarily relates to the financing of exports, which contributed stable premium income. The result was negatively affected by increased loss allowances for a major commitment, but other loss allowances remained low.

An update to the EIFO group's model for calculating the accounting estimate for loss allowances for export credits and working capital guarantees entailed a reduction of loss allowance by DKK 88 million. The update means that EKF no longer makes provisions based on grouped ratings, but makes these calculations based on the debtor's exact rating.

Result of lending activities

Lending, which mainly consists of export credit financing, totalled DKK 255 million. Net interest income benefited from an increase in activity and income from impaired transactions. There were no new major loss allowances in 2023.

Administrative expenses

Administrative costs totalled DKK 130 million in 2023. As a result of the split on 1 April and the subsequent transfers of activities to EIFO, EKF bears the full costs for the continued administration of the portfolio. After 1 April, the administration of EKF has been transferred to EIFO.

Net financials

Net financials totalled DKK -93 million. DKK. This is mainly due to interest rates and positive value adjustments for on-lending (EKF's funding of the loan portfolio) and swaps, which EKF uses in connection with hedging the interest rate risk for on-lending.

Balance sheet

EKF's balance sheet total as at 31 December 2023 was DKK 30,602 million, compared with DKK 30,018 million as at 31 December 2022. Loans after loss allowances totalled DKK 26,709 million, corresponding to 88 per cent of the balance sheet total. After the splitting of the business, EKF has taken on intra-group debt on conditions that ensure EKF's hedging of interest rate and exchange rate risks associated with the remaining loans.

As part of the split, EKF has made transfers to EIFO. EKF has subsequently effected a smaller asset transfer. A total of DKK 26,063 million in the balance sheet total and DKK 4,041 million in off-balance sheet items was transferred from EKF to EIFO in 2023, cf. the table below.

Asset transfer 2023

Assets

Amounts in DKK million	2023
Cash and demand deposits	9.099
Balance with the parent company	13.603
Securities	3.319
Fixed assets	34
Other receivables	4
Total assets	26.063

Liabilities

Amounts in DKK million	2023
Total equity	7.008
Provisions, export credits and working capital guarantees	336
Payables to the Danish state, credit institutions and central banks	17.097
Other payables	1.622
Total liabilities	26.063

Total off-balance sheet items (after reinsurance)	4.041
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Contingent liabilities

EKF provides guarantees for loans in connection with export transactions and working capital guarantees for loans to companies. Export credits and working capital guarantees are recorded, not in the balance sheet, but under contingent liabilities. EKF also undertakes substantial reinsurance in order to reduce credit risk and maintain capacity to maintain a high level of activity.

Before reinsurance, EKF's exposure to contingent liabilities totalled DKK 74,159 million. After reinsurance this amount was DKK 30,688 million.

Uncertainty in recognition and measurement

The calculation of a number of significant income statement and balance sheet items is associated various uncertainty factors that affect some of the accounting assessments and estimates made by Management when presenting the accounts, cf. the detailed description in the section on "Management's significant accounting estimates and assessments" under "Significant accounting policies".

Those areas that involve assumptions and estimates of significance to the accounts include loss allowances for loans and guarantees.

Result relative to expectations

EKF's half-year report for 2023 estimated that net profit for the year as a whole would be in the region of DKK 500-700 million.

With a net profit of DKK 541 million, the financial year ended as expected.

Outlook for 2024

In 2024, EKF expects net profit to be in the region of DKK 300-500 million.

Net profit for 2024 is thus expected to be lower than in 2023, due to the fact that net profit from the primary product areas is expected to fall, as EKF no longer issues new loans or guarantees, and because certain transactions are expected to be transferred to EIFO.

The most significant uncertainty regarding the outlook for 2024 relates to loss allowances for guarantees and loans, including in the light of geopolitical tensions.

Post-balance sheet events

No incidents have occurred after the end of the financial year and up to the signing of the annual report which could have a material impact on the company's financial position.

Corporate information

Management

Peder Lundquist, Chief Executive Officer

Auditors

Deloitte

Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

DK-2300 Copenhagen S

Rigsrevisionen

Landgreven 4

DK-1301 Copenhagen K

Bank

Nordea Danmark,

Branch of Nordea Bank Abp, Finland

Grønjordsvej 10

DK-2300 Copenhagen S

Board of directors

Anna Marie Lunde Skov Owie, chair

Charlotte Christensen-Degn, deputy chair

Christoffer Ring, board member

Corporate information

EKF Denmark's Export Credit Agency

Haifagade 3

DK-2150 Nordhavn

Website: www.eifo.dk

CVR no.: 43 47 82 06

Founded: 1999

Registered office: Copenhagen

Financial year: 1 January to 31 December

Direction: Marie Louise Bank

Date of approval: 26 April 2024

Executive functions

Executive functions for Management and the board of directors are shown below

Executive functions

Members

Anna Marie Lunde Skov Owie

Charlotte Christensen-Degn

Christoffer Ring

Other executive functions

The Export and Investment Fund of Denmark

The Export and Investment Fund of Denmark Translated By Us ApS

The Export and Investment Fund of Denmark

Function

Employee representative

Employee representative Chair

Employee representative

Financial statements 2023



Income statement

Amounts in DKK million	Note	EKF 2023	EKF 2022*
Result of export credits and working capital guarantees	2	508	79
Result of lending activities	3	255	183
Operating income		764	262
Administrative expenses, net	4	130	283
Result before net financials		634	-21
Financial income	5	64	108
Financial expenses	5	157	65
Net profit/loss for the year		541	22
Proposed distribution of profit	6		
Retained earnings		541	11
Proposed dividend		-	11
Total		541	22

* Comparative figures for 2022 have changed as a result of the establishment of EIFO. Please refer to the significant accounting policies for a description of this.

Balance sheet

Assets		EKF	EKF
Amounts in DKK million	Note	2023	2022*
Cash and demand deposits	7	339	9.909
Securities at fair value		-	760
Securities at amortised cost		-	440
Loans at amortised cost	8	26.709	14.546
Intangible, tangible and financial fixed assets		0	30
Other receivables	9	2.241	2.740
Prepayments and accrued income	10	1.313	1.594
Total assets		30.602	30.018
Equity and liabilities		EKF	EKF
Amounts in DKK million	Note	2023	2022*
Payables to the Danish state, credit institutions and central banks		-	14.049
Payables to parent company		24.114	-
Other payables	11	597	2.022
Accruals and deferred income	12	1.614	2.933
Total debt		26.325	19.003
Provisions, export credits and working capital guarantees	13	3.236	3.495
Total provisions		3.236	3.495
Shared capital		500	0
Change in the cash flow hedges reserve		0	-89
Retained earnings		541	7.608
Total equity		1.041	7.520
Total liabilities		30.602	30.018
Off-balance sheet items			
	14		
Contingent liabilities		30.688	44.570
Other binding agreements		4.555	8.583
Total off-balance sheet items		35.243	53.153

* Comparative figures for 2022 have changed as a result of the establishment of EIFO. Please refer to the significant accounting policies for a description of this.

Statement of changes in equity

Significant accounting policies

Equity

Equity is divided into share capital, a cash flow hedges reserve, retained earnings and proposed dividend.

Share capital

Share capital includes contributions from the state to support EKF's activities and is recognised in the year in which the contribution is received.

Cash flow hedges reserve

The cash flow hedges reserve comprises the effective hedging of future transactions at fair value estimation of derivative financial instruments.

Retained earnings

Retained earnings comprise the remaining reserve after calculation of the proposed dividend and the cash flow hedges reserve.

Amounts in DKK million	Contributed capital	Cash flow hedges reserve	Retained earnings	Proposed dividend	EKF 2023
As at 1 January 2023	3.080	-89	4.517	11	7.520
Transferred during merger	-2.580	89	-40517	-	-7.008
Net profit/loss for the year	-	-	541	-	541
Dividend paid	-	-	-	-11	-11
As at 31 December 2023	500	0	541	0	1.041

Amounts in DKK million	Contributed capital	Cash flow hedges reserve	Retained earnings	Proposed dividend	EKF 2023
As at 1 January 2022	2.885	-6	4.505	150	7.534
Dividend paid	-	-	-	-150	-150
Change in cash flow hedges for the year	-	-83	-	-	-83
Capital injection regarding Eksportpakke 2	195	-	-	-	195
Recommended capital transfer to the Danish state/EIFO	-	-	-11	11	0
Net profit/loss for the year	-	-	22	-	22
As at 31 December 2022	3.080	-89	4.517	11	7.520

• Comparative figures for 2022 have changed as a result of the establishment of EIFO. Please refer to the significant accounting policies for a description of this.

Cash flow statement

In accordance with section 86, subsection 4 of the Danish Financial Statements Act, no cash flow statement is prepared for EKF. Please refer to the calculation in the EIFO group's accounts for 2023.



Overview of notes

- 1: Significant accounting policies, framework for preparation of financial statements
- 2: Result of export credits and working capital guarantees
- 3: Result of lending activities
- 4: Administrative expenses, net
- 5: Financial income and expenses
- 6: Distribution of profit
- 7: Cash and demand deposits
- 8: Loans at amortised cost
- 9: Other receivables
- 10: Prepayments and accrued income
- 11: Other payables
- 12: Accruals and deferred income
- 13: Provisions, working capital guarantees and export credits
- 14: Off-balance sheet items
- 15: Related parties
- 16: Post-balance sheet events



Note 1: Significant accounting policies

General

The Annual Report has been prepared in accordance with the Act on EKF Denmark's Export Credit Agency (EKF) and the provisions of the Danish Financial Statements Act for reporting class D, subject to the addition of recognition and measurement criteria in IFRS 9 as a basis for interpretation and necessary adjustments required as a consequence of EKF's special nature as an independent public company, including:

In regard to section 11(2) of the Financial Statements Act on fair presentation, the formal requirements of the Financial Statements Act have not been followed in full for all accounting items, since EKF's activities are more fairly presented by way of different naming of accounting items.

The basic principle of universality in the Financial Statements Act has not been followed, as presenting the results broken down by product is considered fairer. This is particularly evident in the operating items, where income and expenses are presented together, including recognition of various loss reimbursements.

The financial statements present all amounts in whole DKK millions. Due to rounding, minor differences may arise between the totals stated and the sum of the underlying figures.

Accounting policies when transferring assets and liabilities to EIFO

Assets and liabilities transferred to EIFO are merged with the going concern's corresponding assets and liabilities at carrying value without adjustment and recognition of goodwill according to the merger method.

As of 1 April 2023, EKF was split, and as of that date part of the business have moved to EIFO, which also undertakes new transactions from that date. Assets from the business will subsequently be transferred on an ongoing basis from EKF to EIFO where this is considered appropriate.

As a result of the merger, EKF has chosen to use the same accounting structure as EIFO. This means that comparative figures for 2022 have been drawn up according to a new method, without changes to the year's result for 2022 or to EKF's equity.

Recognition and measurement in general

Assets are recognised in the balance sheet when, as a result of previous events, it is probable that future economic benefits will flow to EKF and the asset value can reliably be measured. Liabilities are recognised in the balance sheet when EKF, as a result of a previous event, has a legal or actual commitment, it is probable that future economic benefits will flow from EKF, and the value of the liability can reliably be measured.

Assets and liabilities are measured at cost on initial recognition. Subsequently, assets and liabilities are measured as described for each accounting item below. Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the maturity period. Amortised cost is determined as the original cost less any repayments plus addition/deduction of the accumulated amortisation of the difference between the cost and nominal amount.

During recognition and measurement, foreseeable gains, losses and risks arising before the presentation of the accounts are taken into account where these confirm or disprove matters existing on the balance sheet date.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, expenses incurred to achieve the earnings for the year are recognised, including depreciation, loss allowances and provisions as well as reversals as a result of changed accounting estimates of amounts that have previously been recognised in the income statement.

Currency conversion

On initial recognition, transactions in foreign currency are measured at the exchange rate on the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled on the balance sheet date are converted at the exchange rates on the balance sheet date. Any differences between exchange rates on the transaction date and the payment date and balance sheet date respectively are recognised in the income statement under result of participations in funds, result of equity investments, result of export credits and working capital guarantees, result of lending activities and under other financial income and expenses.

Management's significant accounting estimates and assessments

Accounting estimates and assessments have been applied in connection with the preparation of the financial statements. These are undertaken by EKF's management in accordance with accounting policies and on the basis of historical experience and assumptions which the management considers reasonable and realistic. Those areas which entail a high degree of complexity or where estimates and assessments are significant are as follows:

Export credits and working capital guarantees

Where significant estimates are associated with the calculation of the probability that the guarantees will be paid out and thus with the loss provision that has been made. With loss allowances, there are significant estimates associated with the quantification of the risk that payment will be made for the guarantee provided. In loss allowances for irrevocable credit commitments, estimates have been used for the size of the exposure in case of default. When measuring reinsurance agreements, estimates are used to calculate loss allowances.

Loans

Loans for which significant estimates are associated with the assessment of the risk that not all future payments will be received and thus with the loss allowance that has been made. Negative changes within sectors in which EKF has significant exposure.

Rising interest rates will create uncertainty when measuring the value of exposure involving weak creditworthiness.

Loss allowances for loans and guarantees undertaken in accordance with accounting policies and based on a number of assumptions. If these assumptions change, the financial reporting may be affected, and the impact could be significant. The probability of default is used to calculate the loss allowance for the unhedged part of the exposure. Management's determination of the probability of default is based on experience with loss history, etc. and associated with a significant estimate.

Note 2: Result of export credits and working capital guarantees

Significant accounting policies

Earnings from export credits and working capital guarantees are recognised in the income statement.

Premium income comprises premiums on export credit and working capital guarantees. Premiums are recognised when cover under the guarantee commences, when the policy is issued or at the time of payment.

Reinsurance premiums paid, etc. and fees are the share of the premium income and fees for the year ceded to other insurance companies due to reinsurance cover.

Commission to and from reinsurance companies is the administration fee that EKF receives or pays in connection with reinsurance agreements.

For provisions for losses on guarantees, see the detailed discussion in the sections on provisions, export credits and working capital guarantees and on off-balance sheet items.

Amounts in DKK million	EKF 2023	EKF *2022
Income from premiums and fees	1.009	1.076
Reinsurance premiums and fees paid	-526	-364
Commission from reinsurance	92	51
Change in impairment (stages 1–3)	-65	-684
Result of export credits and working capital guarantees, total	508	79

* Comparative figures for 2022 have changed as a result of the establishment of EIFO. Please refer to the significant accounting policies for a description of this.

Note 3: Result of lending activities

Significant accounting policies

Result of lending activities

The income statement includes the annual interest income and front-end fees from loans, reinsurance premiums and fees paid and derivative financial instruments, loss allowance and changes for loans and loss reimbursements.

Interest income is recognised in the income statement and includes both due and accrued interest up to the balance sheet date on loans. The amount includes interest both from lending and from derivative financial instruments used to hedge this.

Interest and fee expenses comprise interest expenses for the year for on-lending and derivative financial instruments. The item also includes fees to Danmarks Nationalbank calculated based on the nominal value of on-lending. The amount includes interest both from on-lending and from derivative financial instruments used to hedge this.

Loss allowances, including reinsurance and loss reimbursements which correspond to the expected future losses, are based on continuous updating of existing methods and models. For more information, see the section on loans.

Amounts in DKK million	EKF 2023	EKF 2022
Export credit finance:		
Interest income	351	615
Commissions and other fees	20	74
Interest and fee expenses	-251	-374
Reinsurance interest and fees paid	-155	-66
Commission from reinsurance	28	13
Change in impairment (stages 1–3)	-19	-24
Result of export credit finance, total	-27	238
Claims:	EKF 2023	EKF *2022
Interest income	270	78
Change in impairment (stages 1–3)	38	-115
Realised loss/incurred on previously written-off receivables	-26	-19
Result of claims, total	282	-56

* Comparative figures for 2022 have changed as a result of the establishment of EIFO. Please refer to the significant accounting policies for a description of this.

Note 4:

Administrative expenses, net

Significant accounting policies

Administrative costs include costs relating to the administrative functions of the funds, including salaries and various bonus programmes, costs for external consultants, office staff costs and other costs used in day-to-day operations.

Amounts in DKK million	EKF 2023	EKF *2022
Remuneration, including board of directors and management	36	151
Pensions	6	22
Other social security expenses	0	1
Other administrative expenses	30	113
Total administrative expenses	72	287
Administrative services paid to EIFO.	59	
Reimbursements and fees	0	-3
Total administrative expenses, net	130	287
Number of employees		
The average number of employees in the financial year converted to full-time equivalents	134	172
As at 1 April 2023, all employees apart from the management switched to being employed by EIFO, which is why the number of FTE is calculated for 1 January to 31 March.		
Salary and remuneration of the board of directors		
Salary and pension	0	1
Total salary and remuneration of the board of directors	0	1
No salaries or pensions have been paid to EKF's Board of Directors.		
Salary and remuneration of management**		
Salary and pension from 1 January to 31 March	1	3
Total salary and remuneration of management	1	3
Auditors' fee		
Statutory audit of the financial statements	1	1
Other assurance tasks	0	0
Other services	1	0
Total auditors' fees	2	1

* Comparative figures for 2022 have changed as a result of the establishment of EIFO. Please refer to the significant accounting policies for a description of this.

** Management will be remunerated by EIFO after 1 April 2023.

Other services include fees for advice on accounting matters.

Note 5: Financial income and expenses

Significant accounting policies

This item, which includes income and expenses on bonds, repo transactions, borrowing, bank deposits and financial instruments, is divided into:

Interest received and paid in connection with bonds, repo transactions, loans and bank deposits. Transactions are recorded on an accrual basis.

Positive and negative value adjustments for bonds and derivative financial instruments.

Exchange rate adjustments for covered products in foreign currency.

Amounts in DKK million	EKF 2023	EKF *2022
Financial income:		
Interest, receivables from credit institutions and central banks	4	0
Interest, securities	2	5
Value adjustments to securities	1	-1
Other interest income	-1	0
Derivative financial instruments	58	104
Total financial income		
Financial expenses:		
Interest and other payables	0	0
Other interest expenses and fees	0	0
Value adjustment, loans and related financial instruments	-31	63
Value adjustment, on-lending and related financial instruments	108	-87
Exchange rate adjustment of assets and liabilities	80	88
Total financial expenses	157	64
Total net financials	-93	-44

* Comparative figures for 2022 have changed as a result of the establishment of EIFO. Please refer to the significant accounting policies for a description of this.

Note 6: Distribution of profit

Amounts in DKK million	EKF 2023	EKF 2022
Proposed dividend	-	11
Retained earnings	541	11
Total distribution of profit	541	22

Note 7: Cash and demand deposits

Significant accounting policies

Cash and demand deposits comprise bank deposits. Cash and demand deposits are measured at amortised cost.

Amounts in DKK million	EKF 2023	EKF *2022
Receivables from the state	0	9.887
Receivables from credit institutions	339	22
Total cash and demand deposits	339	9.887

* Comparative figures for 2022 have changed as a result of the establishment of EIFO. Please refer to the significant accounting policies for a description of this.

As part of the split on 1 April 2023, EKF transferred all receivables from the state to EIFO.

Note 8: Loans at amortised cost

Loans at amortised cost

Significant accounting policies

Lending includes disbursements for export credit finance and receivables (disbursement under a non-performing guarantee). Loss allowances for loans incorporate the rules in IFRS 9 as a basis for interpretation.

EKF uses proprietary models to calculate the expected credit loss according to IFRS 9 as a basis for interpretation. The impairment models, which are based on an assessment of the likelihood that the counterparty will no longer be able to meet its contractual commitments, imply that a financial asset is written down at the time of initial recognition by an amount corresponding to the expected credit loss for 12 months (stage 1). In the event of a subsequent considerable increase in credit risk relative to the time of initial recognition, the asset is further written down by an amount corresponding to the expected credit loss during the remaining term of the asset (stage 2). If the asset is found to be impaired, the loss allowance is based on an increased probability of loss (stage 3).

The placement in the various stages is important for the calculation method used and is determined, among other things, based on the change in probability of loss (PD) over the asset's expected remaining time to maturity.

The expected credit losses (ECL) are calculated on the basis of:

- › Probability of default (PD)
- › Exposure at default (EAD)
- › Loss given default (LGD).

The formula for loss allowances is: $PD \times LGD \times EAD$. The above parameters are based on EKF's experience with issues such as loss history.

The principles in the impairment models are described under the section on export credit finance.

Export credit finance

Loans

Loans are measured at amortised cost using the effective interest method. The difference between the value on initial recognition and the redemption value is amortised over the remaining time to maturity and recognised under "Result of lending activities".

To estimate PD, EKF uses well-known methods such as rating tools from Standard & Poor's and Moody's to determine ratings. Ratings are translated into PD based on Moody's statistics for one-year default rates.

Note 8:

Loans at amortised cost – continued

Criteria and calculation methods for the three stages are as follows:

- › On initial recognition, the asset is placed in stage 1, where a probability-weighted loss expected within the next 12 months is written down (PD12 months x LGD x EAD).
- › In the event of a significant change in credit risk, the asset moves to stage 2, where it is written down by the expected loss over the remaining time to maturity (PD time to maturity x LGD x EAD). A significant change in credit risk is:
 - › For 12-month PDs on first recognition below 1 per cent: an increase in the 12-month PD of 0.5 percentage points or more and a doubling of the PD for the asset's expected remaining time to maturity.
 - › For 12-month PDs on first recognition of 1 per cent or more: an increase in the 12-month PD of 2.0 percentage points or more or a doubling of the PD for the asset's expected remaining time to maturity.
- › If the asset is deemed to be credit-impaired (and thus stage 3), the asset is written down by an amount corresponding to the expected credit loss during the remaining term of the asset. Loans for which EKF has observable data on events indicating that the asset is credit-impaired are written down individually. EKF applies individual loss allowance based on a trade-off between three scenarios: a best-case scenario, a base-case scenario and a worst-case scenario.
- › Loss allowances may be supplemented with managerial allowances in matters that the calculation models do not take into account.

EKF has entered into intra-group loans with EIFO, hedging EKF's interest rate and exchange rate risks.

Claims

Claims consist of receivables from previous payments under export credit guarantees where the guarantee amount has been paid to the guarantee recipient.

Where an agreement exists with the counterparty, claims are recognised at cost and subsequently assessed so that the value of the claim corresponds to the expected repayment. Where no agreement exists with the counterparty, which is the general rule, the value of claims is assessed taking into account the customers' ability and willingness to pay.

Gross claims comprise indemnification payments with addition of the recognised capitalised interest less recovered amounts, adjusted at the exchange rate on the balance sheet date. Net claims are reduced by loss allowances to offset losses.

Note 8: Loans at amortised cost – continued

Amounts in DKK million	EKF 2023	EKF 2022
Export credit finance, loans	25.037	13.256
Export credit finance, claims	1.672	1.290
Loans at amortised cost, total*	26.709	14.546

*A breakdown of the individual items follows below.

Amounts in DKK million	Loans	Claims	Total 2023
Loans before loss allowance	25.743	2.637	28.379
Loss allowance, after reinsurance*	-705	-965	-1.670
Total loans	25.037	1.672	26.709

* Loss allowances for loans and receivables are reduced by the value of reinsurance.

Loans (before loss allowance) broken down by stage:

Stage 1	23.711	-	23.711
Stage 2	1.307	-	1.307
Stage 3	724	2.637	3.361
Loans (before loss allowance), total	25.743	2.637	28.379

Loans (before loss allowance) broken down by redemption:

Up to 1 year	3.377	-	3.377
Over 1 year up to and including 5 years	11.827	-	11.827
Over 5 years	10.539	2.367	13.175
Loans broken down by redemption, total	25.743	2.637	28.379

* Since receivables are based on individual agreements that are continuously adjusted depending on the customer's current circumstances, they are not broken down by term to maturity.

Loans (before loss allowance) broken down by rating classification*:

A+	29	-	29
B, B-, B+	4.045	-	4.045
BB, BB-, BB+	3.024	-	3.024
BBB, BBB+	17.709	-	17.709
CCC-	212	-	212
D	724	2.637	3.361
Loans distributed by rating classification, total	25.743	2.637	28.379

* Ratings calculated by Moody's are used.

Loans by sector:

Financial sector	205	0	205
Agriculture	-	246	246
Aviation	-	72	72
Commerce	2.420	647	3.067
Shipping	-	911	911
Green energy	22.209	629	22.838
Other industry	909	133	1.042
Loans by sector, total:	25.743	2.637	28.379

Note 8:

Loans at amortised cost – continued

Amounts in DKK million	EKF 2023		EKF *2022	
	Loans	Claims	Loans	Claims
Beginning of year	755	1.090	697	1.028
Transferred during merger	0	-316	-	-
New loss allowance as a result of additions and changes in credit risk	-51	221	38	113
Discharge as a result of redemption and changes in credit risk	-18	-	-14	-
Loss allowance for established loss	-7	-27	-	-20
Other adjustments	25	-4	36	-31
Loss allowance as at 31 December	705	965	755	1.090

* Comparative figures for 2022 have changed as a result of the establishment of EIFO. Please refer to the significant accounting policies for a description of this.

Note 9: Other receivables

Significant accounting policies

Other receivables

Other receivables consist of interest and premiums receivable, reinsurance shares and other assets.

Interest and premiums receivable

Interest receivable recognised under assets includes accrued interest that is attributed in subsequent financial years, while premiums receivable are measured at the present value of the receivable at the time of recognition.

Reinsurance share

Reinsurance share of accumulated loss allowance for guarantees comprises the reinsurers' share of EKF's loss allowance. The share is adjusted for EKF's counterparty risk relating to the reinsurance companies.

Other assets

Other assets primarily comprise receivables relating to loss cover. Receivables relating to loss cover are measured at amortised cost, which usually corresponds to nominal value, minus loss allowance to offset expected losses.

Amounts in DKK million	EKF 2023	EKF *2022
Receivables for interest and premiums, loans and guarantees	79	129
Receivables for interest, securities	-	3
Reinsurance share	2.059	1.450
Positive value of derivative financial instruments	-	1.082
Other assets	103	76
Other receivables, total	2241	2740

* Comparative figures for 2022 have changed as a result of the establishment of EIFO. Please refer to the significant accounting policies for a description of this.

Note 10: Prepayments and accrued income

Significant accounting policies

Prepayments and accrued income recognised under assets comprise costs incurred relating to subsequent financial years as well as interest costs consisting of prepayments to reinsurers. The prepayments cover contracts with reinsurance of the credit risk on loans, and are expensed as a financial cost under the result of lending activities in line with the repayment profile of the loan.

Prepayments and accrued income are measured at cost.

Amounts in DKK million	EKF 2023	EKF *2022
Prepaid expenses	14	7
Prepaid interest and premium costs, guarantees	712	907
Prepaid interest and premium costs, lending	586	679
Total prepayments and accrued income	1.313	1.594

* Comparative figures for 2022 have changed as a result of the establishment of EIFO. Please refer to the significant accounting policies for a description of this.

Note 11: Other payables

Significant accounting policies

Other payables

Other liabilities consist of payables to reinsurance companies and other liabilities.

Payables to reinsurance companies

Payables to reinsurance companies are recognised at the present value on the date of recognition. Subsequently, current recalculation of present values is performed on the balance sheet date. Payables with a maturity of more than one year are discounted by a CIRR rate in the currency in which the receivable concerned was raised. Payables to reinsurers are written down according to the same principles as premiums receivable. See the section on premiums receivable under "Other assets".

Other liabilities

Other liabilities include wages and holiday pay owed, as well as debts to creditors. Other payables are measured at amortised cost.

Amounts in DKK million	EKF 2023	EKF *2022
Payables to reinsurance companies	585	202
Interest and commission payable	0	10
Negative value of derivative financial instruments	-	1.767
Other liabilities	12	43
Total other payables	597	2.022

* Comparative figures for 2022 have changed as a result of the establishment of EIFO. Please refer to the significant accounting policies for a description of this.

Note 12: Accruals and deferred income

Significant accounting policies

Accruals and deferred income recognised under liabilities include prepayments received, which primarily relate to interest income on loans, commission paid and premiums covering the following financial year.

Prepayments and accrued income are measured at cost.

Amounts in DKK million	EKF 2023	EKF *2022
Prepaid interest and premium income, etc.	1.614	2.933
Total prepayments and accrued income	1.614	2.933

* Comparative figures for 2022 have changed as a result of the establishment of EIFO. Please refer to the significant accounting policies for a description of this.

Note 13: Loss allowance for export credits and working capital guarantees

Significant accounting policies

Provisions include expected costs for working capital guarantee, loss and export credit exposure, advance payments received and provisions for guarantees. Expected costs for guarantee exposure are calculated according to the same principle as described in the section on "Result of export credits and working capital guarantees".

Other provisions are recognised and measured as the best estimate of the costs necessary to settle the obligations on the balance sheet date. Provisions which are expected to mature more than one year after the balance sheet date are measured at discounted value.

Accumulated provisions for guarantees are in accordance with IFRS 9. EKF uses a proprietary model to calculate the expected credit loss under IFRS 9. Please refer to the description under "Lending" above.

Amounts in DKK million	EKF 2023	EKF *2022
Loss allowance, beginning of year	3.495	1.373
Transferred during merger	-336	-
New loss allowance as a result of additions and changes in credit risk	558	2.416
Discharge as a result of redemption and changes in credit risk	-288	-326
Loss allowance for established loss	-3	-249
Other adjustments	-190	281
Loss allowance, end of year	3.235	3.495

* Comparative figures for 2022 have changed as a result of the establishment of EIFO. Please refer to the significant accounting policies for a description of this.

Note 14: Off-balance sheet items

Contingent liabilities

This item primarily covers export credits and working capital guarantees.

Amounts in DKK million	EKF 2023	EKF 2022
Contingent liabilities:		
Export credit and working capital guarantee exposures, before reinsurance	74.159	93.365
Export credit and working capital guarantee exposures, reinsurance	43.471	48.795
Contingent liabilities, total	30.688	44.570
Other binding agreements:		
Commitments, lending	4.555	5.583
Other binding agreements, total	4.555	8.583
Total off-balance sheet items	35.243	53.153

Other binding agreements

Guarantee exposure comprises the largest possible exposure less reinsurance in cases that include both commercial and political exposure. The guarantee exposure is regularly written down during the guarantee period on the basis of the repayment profile defined when the guarantee is issued. Read about loss allowance under the section on "Loans".

Conditional offers comprise the largest possible exposure in cases that include both commercial and political exposure. Conditional offers are either converted to a guarantee or the transaction is settled on the expiry date.

Commitments are recorded off the balance sheet under other binding agreements. The item is measured at face value.

Tax

EKF is exempt from tax liability.

Note 14:

Off-balance sheet items – continued

Amounts in DKK million	EKF 2023	EKF 2022
Breakdown:		
Export credits and working capital guarantees (before loss allowance) broken down by stage:		
Stage 1	62.683	75.966
Stage 2	7.861	12.212
Stage 3	3.615	5.187
Export credits and working capital guarantees (before loss allowance), total	74.159	93.365
Export credits and working capital guarantees (before loss allowance) broken down by rating classification*:		
A, A-, A+	142	433
B, B-, B+	23.793	26.348
BB, BB-, BB+	26.273	30.929
BBB, BBB+	19.242	26.932
C, C-, C+	3	-
CCC, CCC-, CCC+	1.088	8.722
D	3.615	-
Export credits and working capital guarantees broken down by rating classification, total	74.159	93.365
* Ratings calculated by Moody's are used		
Export credits and working capital guarantees broken down by sector:		
Financial sector	5.138	6.496
Agriculture	704	1.123
Aviation	-	151
Commerce	13.640	18.757
Shipping	-	66
Green energy	54.114	64.151
Other industry	563	2.621
Export credits and working capital guarantees broken down by sector, total	74.159	93.365

Note 15: Related parties

The Danish state is considered a related party with decisive influence, since under the Act on EKF Denmark's Export Credit Agency and the Act on the Export and Investment Fund of Denmark, the Minister for Industry, Business and Financial Affairs lays down detailed provisions for the fund's activities and appoints the board of directors. The Act also states that EKF can be discontinued by law, after which the Danish treasury takes over the fund's assets and otherwise assumes the fund's rights and obligations.

EKF's related parties also include the parent company, the Export and Investment Fund of Denmark.

All transactions are effected on market terms.

Amounts in DKK million	Transactions with related parties 2023
Income statement:	
Administrative services (fees for secretariat services)	-59
Balance sheet items	
Cash and demand deposits	-24.114
Payables to EIFO	24.114

Note 16: Post-balance sheet events

No incidents have occurred after the end of the financial year and up to the signing of the annual report which could have a material impact on the company's financial position.

Management statement

Today the Board of Directors and Management have considered and approved the Annual Report for the period 1 January – 31 December 2023 for EKF Denmark's Export Credit Agency.

The financial statements have been prepared in accordance with the Danish Financial Statements Act, subject to the necessary exemptions and adjustments required as a consequence of EKF Denmark's Export Credit Agency's special nature as an independent public company, cf. the Act on the Export and Investment Fund of Denmark.

We consider that the financial statements give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2023 and of the results of the company's activities and cash flows for the period 1 January to 31 December 2023.

We also consider that the transactions covered by the presentation of the financial statements are in compliance with the funding granted, legislation and other regulations, as well as with agreements made and customary practice. Finally, we consider that the necessary financial considerations have been made in the administration of the funds and operation of the activity covered by the financial statements, and that in connection with this, we have established systems and processes to support the principles of economy, productivity and efficiency.

We consider that the management's review gives a true and fair account of the development of the company's operations and financial circumstances, net profit/loss for the year and financial position.

The Annual Report is recommended for approval at the company meeting on 24 April 2024.

Copenhagen, 17 April 2024

Management

Peder Lundquist
Chief Executive Officer

Board of Directors

Anna Marie Lunde Skov Owie
Chair

Charlotte Christensen-Degn
Deputy Chair

Christoffer Ring
Board Member

The independent auditors' report

To the Minister for Industry, Business and Financial Affairs

Opinion

We have audited the financial statements for EKF Denmark's Export Credit Agency for the financial year 01/01/2023 to 31/12/2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including significant accounting policies, for EKF Denmark's Export Credit Agency. The financial statements are prepared in accordance with the Act on the Export and Investment Fund of Denmark pursuant to the provisions of the Danish Financial Statements Act, subject to the necessary adjustments.

In our opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the company as at 31/12/2023 and of the results of the activities of EKF Denmark's Export Credit Agency for the financial year 01/01/2023 to 31/12/2023 in accordance with the Act on the Export and Investment Fund of Denmark pursuant to the provisions of the Financial Statements Act, subject to the necessary adjustments.

Basis of opinion

We have conducted our audit in accordance with International Standards on Auditing and the additional requirements applying in Denmark and in accordance with good public auditing practice, given that the audit is conducted on the basis of the provisions of the Act on the Export and Investment Fund of Denmark. Our responsibility according to these standards and requirements is described in more detail in the section "Auditors' responsibilities for the audit of the financial statements".

The Auditor General is independent of the Export and Investment Fund of Denmark in accordance with section 1(6) of the Act on Audit of the State Accounts, and the approved auditor is independent of the group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have complied with both our other ethical obligations under these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with the Act on the Export and Investment Fund of Denmark pursuant to the provisions of the Financial Statements Act with the necessary adjustments.

This responsibility includes implementing such internal controls that management determines are necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, for providing information about going concern issues where this is relevant and for preparing the financial statements on the basis of the going concern accounting principle, unless management plans either to liquidate the EKF Denmark's Export Credit Agency or to discontinue operations or has no realistic alternative other than to do so.

Auditor's responsibility for audit of the financial statements

Our objective is to obtain a high degree of certainty that the overall financial statements are free from material misstatement, whether due to fraud or error, and to present an auditor's report with an opinion. A high degree of certainty is a high level of certainty, but is not a guarantee that an audit performed in accordance with International Standards on Auditing and the additional requirements applying in Denmark and in accordance with good public auditing practice will always disclose material misstatements, if any. Misstatements may occur as a result of fraud or error and can be deemed to be material if it can reasonably be expected that they will, individually or jointly, have an impact on the financial decisions made by users on the basis of the financial statements.

As part of an audit performed in accordance with International Standards on Auditing and the additional requirements applying in Denmark and in accordance with good public auditing practice, we perform professional assessments and exercise professional scepticism during the audit.

In addition:

- We identify and assess the risk of material misstatement in the financial statements, whether due to fraud or error, plan and perform audit activities in response to such risk and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not discovering material misstatements is higher for material misstatements resulting from fraud than for material misstatements resulting from error as fraud may include conspiracy, forgery, wilful omissions, misrepresentation or non-observance of internal controls.
- We gain insight into the internal controls of relevance to the audit in order to design audit activities that are appropriate in the circumstances, but not to express an opinion on the effectiveness of EKF Denmark's Export Credit Agency's internal controls.
- We consider whether the significant accounting policies applied by management are appropriate and whether the accounting estimates made and related information prepared by management are reasonable.
- We express an opinion as to whether the preparation of the financial statements by management on the basis of the going concern accounting principle is appropriate and whether, on the basis of the audit evidence obtained, there is material uncertainty linked to events or circumstances that may cause substantial doubt as to EKF Denmark's Export Credit Agency's ability to continue as a going concern. If we reach the conclusion that there is material uncertainty, we must in our auditors' report draw attention to information about this in the financial statements or, if such information is not sufficient, qualify our opinion. Our opinions are based on the audit evidence obtained until the date of our auditors' report. However, future events or circumstances could mean that EKF Denmark's Export Credit Agency is no longer able to continue as a going concern.
- We consider the overall presentation, structure and content of the financial statements, including information in the notes, and whether the financial statements reflect the underlying transactions and events in such a way that they provide a true and fair view thereof.

We communicate with the top management on, inter alia, the planned scope and timing of the audit, as well as material audit observations, including any material shortcomings in the internal controls identified by us during our audit.

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the financial statements does not include the management's review, and we do not express any opinion with certainty about the management's review.

In connection with our audit of the financial statements, it is our responsibility to read the management's review and in connection with that to consider whether the management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit or otherwise seems to contain any material misstatement.

In addition, it is our responsibility to consider whether the management's review includes the information required under the relevant legislation

In our opinion and based on the work performed, the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant legislation.

We have not found any material misstatements in the management's review.

Statement according to other legislation and other regulation

Statement on compliance audit and performance audit

Management is responsible for ensuring that the transactions covered by the presentation of the financial statements are in compliance with the funding granted, legislation and other regulations, as well as with agreements made and customary practice, and that the necessary financial considerations have been made in the administration of the funds and operation of the activity covered by the financial statements. In connection with this, management is responsible for establishing systems and procedures to support the principles of economy, productivity and efficiency.

In connection with our audit of the financial statements, it is our responsibility to select relevant issues for both compliance audit and performance audit in accordance with good public auditing practice. In our compliance audit, we control with a high degree of certainty in terms of the issues selected whether the examined transactions that are covered by the presentation of financial statements are in compliance with relevant provisions in funding granted, legislation and other regulations, as well as with agreements made and customary practice. In our performance audit, we assess with a high degree of certainty whether the systems, processes or transactions examined support the necessary financial considerations in the administration of the funds and operation of the activity covered by the financial statements.

If, based on the work performed, we reach the conclusion that there is cause for material critical remarks, we must report that in this statement.

We did not carry out a compliance audit or a performance audit for EKF Denmark's Export Credit Agency's financial statements in 2023. This is because EKF Denmark's Export Credit Agency has not had significant transactions or activities in the financial year that are relevant to the individual planned themes.

We therefore have no material critical remarks to report in connection with this.

Copenhagen, 17 April 2024

Deloitte statsautoriseret revisionspartnerselskab

CVR no. 33 96 35 56

Kasper Bruhn Udam
State-authorized public accountant
MNE no.: 29421

Jakob Lindberg
State-authorized public accountant
MNE no.: 40824

Rigsrevisionen

CVR no. 77 80 61 13

Yvan Pedersen
Head of Department

Marie Katrine Bisgaard Lindeløv
Director

