

# **Danske Leasing A/S**

**Birkerød Kongevej 25**

**3460 Birkerød**

**Denmark**

**Business Registration No. (CVR) DK 78 86 76 12**

**Annual Report for 2018**

The Annual Report has been presented  
and approved at the Company's annual  
general meeting on 15 March 2019



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Chairman of the general meeting

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## Statement by Management on the annual report

The Board of Directors and Executive Board have today considered and approved the Annual Report of Danske Leasing A/S for the financial year 1 January - 31 December 2018.

The Annual Report has been presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements provide a fair presentation of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's activities for the financial year 1 January - 31 December 2018.

It is our opinion that the management's review provides a fair review of the development in the Company's operations and financial matters, the results for the year and the Company's financial position.

We recommend that the Annual Report be approved by the annual general meeting.

Copenhagen, 8 February 2019

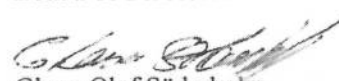
### Executive Board

  
Henrik Bech-Hansen  
Managing Director


  
Niels Æbelholt Krabbe


  
Flemming Buhl

### Board of Directors


  
Glenn Olof Söderholm  
Chairman

  
Kim Erik Borau

  
Niels Valdemar Bang-Hansen

  
Georgios Anagnostopoulos

  
Katrine Mitens

  
Lisbet Kragelund

## **Independent auditor's report**

**To the shareholder of Danske Leasing A/S**

### **Opinion**

We have audited the financial statements of Danske Leasing A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations and cash flows for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Independent auditor's report**

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## **Independent auditor's report**

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

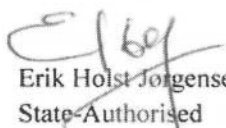
Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 8 February 2019

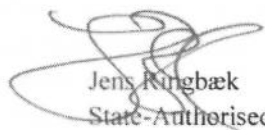
### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Business registration No. (CVR) DK 33 96 35 56



Erik Holst Jørgensen  
State-Authorised  
Public Accountant  
MNE no. mne9943



Jens Ringbæk  
State-Authorised  
Public Accountant  
MNE no. mne27735

## Company data

### Company

Danske Leasing A/S  
Birkerød Kongevej 25  
3460 Birkerød  
Denmark

Telephone: +45 45 12 12 12

Business registration No. (CVR)  
DK 78 86 76 12

Financial year: 1 January - 31 December

Founded: 10 September 1985

Registered office: Rudersdal, Denmark

### Board of Directors

Glenn Olof Söderholm, Chairman  
Kim Erik Borau  
Niels Valdemar Bang-Hansen  
Georgios Anagnostopoulos  
Katrine Mitens  
Lisbet Kragelund

### Executive Board

Henrik Bech-Hansen, Managing Director  
Niels Æbelholt Krabbe  
Flemming Buhl

### Auditor

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6, P.O. box 1600  
0900 Copenhagen K, Denmark

The annual general meeting will be held on 15 March 2019 at 15:00 at the Company's address.

## Financial highlights

Over a 5-year period, the Company's development can be described by the following financial highlights:

	2018	2017	2016	2015	2014
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Revenue	1,137,641	1,021,590	920,402	784,798	784,565
Operating profit	368,147	455,966	446,908	369,141	429,086
Net financials	(96,623)	(119,133)	(138,029)	(153,906)	(180,972)
Profit before tax	251,459	323,257	258,463	166,977	211,798
Profit for the year	169,289	252,346	215,306	152,469	160,815
Balance sheet total	19,541,120	18,866,434	16,975,889	14,754,453	13,481,704
Investment in property, plant and equipment	2,642,400	2,484,529	1,667,897	897,786	1,270,039
Equity	2,775,860	2,606,571	2,354,225	2,138,919	1,986,450
<b>Financial ratios</b>					
Return on equity	6.3%	10.2%	9.6%	7.4%	8.5%

The ratios are calculated in accordance with "Recommendations and Financial Ratios 2015", issued by the Danish Society of Financial Analysts. For definitions, please refer to the "Accounting policies" section.



## **Management's review**

### **Principal activity**

Danske Leasing A/S is a wholly owned subsidiary of Danske Bank A/S. In Denmark, Danske Bank A/S and Danske Leasing A/S provide leasing, financing of hire purchase and other financial services. The companies' activities are marketed through the business unit Nordania Leasing which operates as an independent company with its own brand.

Danske Leasing A/S' principal activity is leasing, covering operating leases as well as finance leases for cars and properties. In addition, the Company is also engaged in the leasing of real property, financing of hire purchase for cars and factoring.

Jointly with the Sempler Group, Danske Leasing A/S owns the company Shared Mobility A/S in which the principal activity, car rental services, is marketed under the name Enterprise Rent a Car.

### **Development in the year**

The profit for 2018 is mDKK 169.29, against mDKK 252.35 the preceding year. The profit falls short of the expectations expressed in the annual report for 2017 due to changes in impairment estimates in Danske Bank A/S concerning bad debts. Disregarding this, the results of operations were satisfactory.

The revenue in Danske Leasing A/S has increased due to growth in activities within leasing and hire purchase contracts, while the property portfolio has been reduced to scale down exposure in real property. The reduction in the property portfolio concerns investment properties as well as finance leases and is in line with the strategy chosen for the business area.

Results for Enterprise are in line with expectations.

### **Special risks - operating risks and financial risks**

#### ***Operations***

The Company's most significant operating risks are credit risks, residual value risks and interest rate and liquidity risks. Credit and residual value risks are identified through an assessment of both client and leased assets in connection with the conclusion of the individual financing arrangement. Interest rate and liquidity risks are hedged through matchfunding via Danske Bank A/S.

The Company's estimates for impairment for bad debts are in accordance with Danske Bank A/S' measurement principles. Danske Bank A/S implemented IFRS 9 in 2018.

## **Management's review**

### **Outlook for 2019**

For 2019, the Company expects to realise a profit before tax that exceeds the 2018-level.

### **Uncertainty relating to recognition and measurement**

The Company's investment properties are measured at fair value. The fair value is calculated for the individual properties based on a number of assumptions, including the net earnings budgeted for the individual properties and the required rate of return determined, see the description in "Accounting policies", p.12. The required rates of return have been fixed in such a way as to reflect the market's current required rate of return for similar properties. The determination of the required rates of return is subject to uncertainty, see in this regard note 8 to the financial statements.

A material misstatement in the Annual Report 2017 has been ascertained. The comparative figures and the key figures and financial ratios have been restated accordingly. The error concerns the adjustment of depreciation of property, plant and equipment and the accrual of fees, etc. The impact on the profit for the year in the Annual Report 2017 is negative mDKK 19.02 and the equity for 2017 has been corrected accordingly. The error concerns 2017 only.

### **Events after the end of the financial year**

No events have occurred after the end of the financial year, which may materially affect the assessment of the Annual Report.

### **Corporate social responsibility**

Danske Leasing A/S follows Danske Bank's corporate responsibility policy. For details in this regard, please refer to the consolidated financial statements of Danske Bank A/S for 2018.

## Accounting policies

### General

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies are unchanged compared with 2017.

The format of the income statement and the balance sheet has been adapted to the Company's activity.

The Company's financial statements are included in the consolidated financial statements of Danske Bank A/S, Copenhagen, Denmark. Consequently, no cash flow statement is prepared in accordance with section 86(4) of the Danish Financial Statements Act, and in accordance with section 99a(6) no statement on corporate social responsibility has been prepared. The Company's estimates for impairment losses are in accordance with Danske Bank A/S' measurement principles. Danske Bank A/S implemented IFRS 9 in 2018.

A material misstatement in the Annual Report 2017 has been ascertained. The comparative figures and the key figures and financial ratios have been restated accordingly. The error concerns the adjustment of depreciation of property, plant and equipment and the accrual of fees, etc. The impact on the profit for the year in the Annual Report 2017 is negative mDKK 19.02 and the balance sheet has been corrected accordingly: Assets: mDKK 116.73, Liabilities: mDKK 135.75, Equity: mDKK -19.02. The error concerns 2017 only.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities and investment properties measured at fair value are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation and impairment losses.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably. Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risk occurring before the presentation of the annual report which confirm or invalidate affairs and conditions existing at the balance sheet date.

## **Accounting policies**

### **Accounting estimates and judgments**

The preparation of the financial statements requires Management to make a number of significant estimates and judgments concerning future circumstances which have an influence on the carrying amount of assets and liabilities. The areas in which Management's critical estimates and judgments have the most significant effect on the financial statements are:

- impairment losses relating to credit and residual value risks which concern accounts receivable as well as property, plant and equipment.

Management's estimates and judgments are based on assumptions considered by Management to be reasonable but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected future events or situations may occur. Therefore, making such estimates and judgments is difficult and when they involve transactions with clients and other counterparties, they will always entail uncertainty, even under stable macroeconomic conditions. The Company follows the same principles as Danske Bank A/S.

### **Principles for transactions between Group companies**

The Company is part of the Danske Bank Group which consists of a number of independent legal entities. Transactions between Group companies are settled at market prices. Costs paid centrally are invoiced to the companies in the form of calculated unit prices based on consumption and activity in accordance with the rules on Transfer Pricing or at market prices if such exist.

## **Income statement**

### **Revenue**

Revenue includes interest income on accounts receivable and leasing income from property, plant and equipment. Furthermore, it includes fee and commission income from the Company's lending and leasing activities. Interest income, fees and commission income are accrued over the life of the loans and the term of the leases.

### **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise.

### **External expenses**

External expenses comprise costs associated with the operation and management of the Company's lending and leasing activities.

## **Accounting policies**

### **Depreciation and impairment losses**

Depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Fixtures, fittings, tools and equipment are depreciated on a straight-line basis considering the economic life and scrap value of the asset.

### **Net financials**

#### **Financial income**

Financial income comprises interest and interest-like income from accounts receivable and cash funds. Interest on accounts receivable is, however, recognised in “Revenue”.

#### **Measurement of accounts receivable**

Accounts receivable are written down to allow for any impairment following their initial recognition. Accounts receivable are written down for impairment on basis of a number of estimates, including recognition of expected losses on accounts receivable, expected future cash flows and the value of collateral. The impairment losses are determined by the expectations for the debtor’s ability to pay. The repayment ability depends on a number of factors, including the debtor’s earnings capacity, the general economic growth and unemployment. Expectations for a deteriorated repayment ability will be reflected in a deteriorated credit quality and consequently a lower client rating. The Company’s estimates for impairment losses are in accordance with Danske Bank A/S’ measurement principles. Danske Bank A/S implemented IFRS 9 in 2018.

#### **Other financial expenses**

Other financial expenses include interest and interest-like expenses on payables.

#### **Income from investments in joint venture**

The proportionate share of the profit or loss for the year is recognised in the income statement after full elimination of intercompany profit/loss and less amortisation of goodwill under the item “Income from investments in joint venture”.

#### **Tax on the profit for the year**

Tax for the year, consisting of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and directly in equity with the portion attributable to equity transactions.

## **Accounting policies**

### **Joint taxation**

Danske Leasing A/S is jointly taxed with its parent company.

The current Danish income tax is distributed between the jointly taxed companies in proportion to their taxable incomes (full absorption with refunds for tax losses). The jointly taxed companies are included in the Danish tax prepayment scheme.

### **Balance sheet**

#### **Property, plant and equipment**

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus any directly related acquisition costs.

Subsequent to initial recognition, investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date. However, the value of the property is reduced if the lessee has a purchase option with a purchase price lower than the fair value. The fair value is determined by applying the yield-based model as the calculated value of expected cash flows from each property.

The calculation is based on budgeted net earnings for the next year that has been adjusted to normal earnings. The value is adjusted for factors not reflected in normal earnings, for example, actual vacancy rate, major refurbishments etc.

The value in use is calculated using a required rate of return determined for the individual properties based on the applicable market conditions on the balance sheet date for the relevant property type, the location of the property, the credit quality of the lessees etc., so that the required rate of return is estimated to reflect the market's current required rate of return for similar properties.

The financial year's adjustments of the properties' fair value are recognised in the income statement.

Fixtures, fittings, tools and equipment comprise operating equipment leased out through operating leases. This equipment is recognised in the balance sheet at cost less depreciation and impairment. Depreciation is provided on a straight-line basis, taking into account the economic life and scrap value of the asset.

#### **Investments in joint venture**

Investments in joint ventures are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the joint ventures equity value plus or minus unrealised pro rata intra-group profits and losses.

## **Accounting policies**

Net revaluation of investments in the joint venture is transferred under equity to the reserve for net revaluation according to the equity method. The reserve is reduced by dividend distributions to the parent company and is adjusted by other changes in equity in the joint venture.

A joint venture with a negative equity value is recognised at DKK 0. If the parent company has a legal or actual obligation to cover the company's deficit, a provision will be recognised to this effect. If the carrying negative equity value exceeds accounts receivable, the residual amount is recognised under impairment losses if the parent company has a legal or actual obligation to cover the subsidiary's deficit.

### **Assets held for sale**

Operating lease assets that are put up for sale are reclassified as current assets under the item "Assets held for sale" and include lease assets put up for sale when the lease expires as well as assets taken over in connection with non-performing facilities. Lease assets put up for sale are measured at cost or fair value less expected sales costs, whichever is the lower. Cost is the carrying amount when the lease expires. Any profit or loss is recognised in the income statement under "Other operating income".

### **Accounts receivable**

Accounts receivable, finance leases are recognised in the balance sheet under "Current assets" and are measured at amortised cost, i.e. cost less repayments and front-end fee etc. and write-downs for bad debts. The repayments are calculated according to the annuity principle considering the term of the individual leases.

Other receivables are recognised at amortised cost, usually corresponding to nominal value, less write-downs for bad debts when an objective indication of impairment exists.

### **Prepayments**

Prepayments comprise prepaid expenses concerning the following year.

### **Current tax and deferred tax**

Current tax obligations and receivable tax is recognized in the balance sheet as calculated tax on profit/loss for the year, regulated tax from previous years, and account payments.

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

## Accounting policies

### Liabilities

Liabilities in the form of debt to credit institutions are recognised at cost at the time the liability is incurred. Subsequently, they are measured at amortised cost. Other liabilities are measured at amortised cost.

### Foreign currency translation

Assets and liabilities in foreign currencies are translated into Danish kroner (DKK) using the exchange rates published by Danmarks Nationalbank at year-end. Income and expenses in foreign currencies are translated using the exchange rates ruling at the transaction date.

### Financial highlights

Financial highlights in the 5-year history of financial highlights in the Management's review are calculated in accordance with the recommendations of the Danish Society of Financial Analysts.

Return on  
equity

$$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$$



## Income statement 1 January - 31 December

	Note	2018 DKK'000	2017 DKK'000
<b>Revenue</b>	1	<b>1,137,641</b>	<b>1,021,590</b>
Other operating income		136,462	135,183
External expenses	2	(138,092)	(108,988)
<b>Gross profit</b>		<b>1,136,011</b>	<b>1,047,785</b>
Deprec. and impair. of property, plant and equipment	3	(680,729)	(596,413)
Impairment of accounts receivable	4	(87,135)	4,594
<b>Operating profit</b>		<b>368,147</b>	<b>455,966</b>
Income from equity investments in joint venture		5,824	95
Financial income		137	23
Fair-value adjustment of investment properties	5	(25,889)	(13,671)
Financial expenses	6	(96,760)	(119,156)
<b>Profit before tax</b>		<b>251,459</b>	<b>323,257</b>
Tax on the profit for the year	7	(82,170)	(70,911)
<b>Profit for the year</b>		<b>169,289</b>	<b>252,346</b>
 <b>Proposal for the distribution of net profit</b>			
Retained profit		169,289	252,346
		<b>169,289</b>	<b>252,346</b>

## Notes to the annual report

	Note	2018 DKK '000	2017 DKK '000
<b>Assets</b>			
Investment properties		846,347	1,195,627
<b>Investment properties</b>	8	<b>846,347</b>	<b>1,195,627</b>
Fixtures, fittings, tools and equipment		3,563,519	3,019,250
<b>Property, plant and equipment</b>	9	<b>3,563,519</b>	<b>3,019,250</b>
Equity investments in joint venture	10	9,171	3,137
<b>Investments</b>		<b>9,171</b>	<b>3,137</b>
<b>Total non-current assets</b>		<b>4,419,037</b>	<b>4,218,014</b>
<b>Assets held for sale</b>	11	<b>153,195</b>	<b>152,678</b>
Accounts receivable	12	12,383,534	13,033,585
Other receivables		643,598	172,788
Income tax		0	93,377
Prepayments	13	396,413	339,267
<b>Accounts receivable</b>		<b>13,423,545</b>	<b>13,639,017</b>
<b>Cash</b>		<b>1,545,343</b>	<b>856,725</b>
<b>Total current assets</b>		<b>15,122,083</b>	<b>14,648,420</b>
<b>Total assets</b>		<b>19,541,120</b>	<b>18,866,434</b>

## Notes to the annual report

	Note	2018 DKK'000	2017 DKK'000
<b>Equity and liabilities</b>			
Share capital		10,000	10,000
Retained profit		2,765,860	2,596,571
<b>Equity</b>	14	<b>2,775,860</b>	<b>2,606,571</b>
Provision for deferred tax	15	61,141	220,980
<b>Total provisions</b>		<b>61,141</b>	<b>220,980</b>
Mortgage credit institutions		1,114,809	1,268,445
Credit institutions		4,453,286	4,693,459
<b>Long-term liabilities</b>	16	<b>5,568,095</b>	<b>5,961,904</b>
Credit institutions	16	9,520,886	8,791,154
Accounts payable		81,836	63,024
Payables to Group companies		122,133	156,824
Income tax		216,324	0
Other payables		981,552	907,966
Deposits		213,293	158,011
<b>Current liabilities other than provisions</b>		<b>11,136,024</b>	<b>10,076,979</b>
<b>Total liabilities</b>		<b>16,704,119</b>	<b>16,038,883</b>
<b>Total equity and liabilities</b>		<b>19,541,120</b>	<b>18,866,434</b>
Remuneration for auditor elected by general meeting	17		
Related parties and ownership structure	18		
Contingent liabilities	19		

## Notes to the annual report

	2018	2017
	DKK'000	DKK'000
<b>1 Revenue</b>		
Revenue distributed on segments:		
Interest on accounts receivable, finance leases	150,346	155,289
Interest on accounts receivable, other	157,763	167,396
Lease receivables re. operating leases and investment properties	935,027	794,070
Fees received	290,768	282,197
Fees paid	(396,263)	(377,362)
<b>Total revenue</b>	<b>1,137,641</b>	<b>1,021,590</b>

## 2 External expenses

There are no employees in the Company. Danske Leasing A/S and Danske Bank A/S have concluded a management agreement.

The fee in this regard is included in "External expenses". No remuneration is paid to the Executive Board and the Board of Directors.

	2018	2017
	DKK'000	DKK'000
<b>3 Deprec. and impair. of property, plant and equipment</b>		
Depreciation of property, plant and equipment	709,805	601,688
Profit and loss on sale	(29,076)	(5,275)
	<b>680,729</b>	<b>596,413</b>

## Notes to the annual report

	2018 DKK'000	2017 DKK'000
<b>4 Impairment of receivables</b>		
Impairment for the year	132,891	21,539
The year's reversal of previous years' impairment of receivables	(45,756)	(26,133)
	<u>87,135</u>	<u>(4,594)</u>
<b>5 Fair-value adjustment of investment properties</b>		
Unrealised value adjustment to fair value	(25,889)	(13,671)
	<u>(25,889)</u>	<u>(13,671)</u>
<b>6 Financial expenses</b>		
Financial expenses, Group companies	93,576	110,817
Other financial expenses	3,184	8,339
	<u>96,760</u>	<u>119,156</u>
<b>7 Tax on the profit for the year</b>		
Current tax for the year	299,477	(21,964)
Deferred tax for the year	(241,525)	89,669
Readjustment of tax for previous years	24,218	3,206
	<u>82,170</u>	<u>70,911</u>

## Notes to the annual report

### 8 Investment properties

	Investment properties
Cost	1,396,756
Additions	60,988
Disposals	(384,379)
Cost	1,073,365
Value adjustments	201,129
Value adjustments for the year	25,889
Value adjustments	227,018
<b>Carrying amount 31 December 2018</b>	<b>846,347</b>

A mortgage is registered as security for debt to a mortgage credit institution of DKK 220 million in connection with properties with a carrying amount of DKK 846 million.

Investment properties are, see "Account policies", measured at fair value using the return-based model. The average required rate of return for the Company's properties is 8.10 per cent at 31.12.2018 (7.60 per cent at 31.12.2017). An increase of the required rate of return by an average 1 percentage point will reduce the total fair value by DKK 9.2 million.

## Notes to the annual report

### 9 Property, plant and equipment

	<u>Fixtures, fittings, tools and equipment</u>
Cost	3,728,081
Additions during the year	2,642,400
Disposals during the year	<u>(1,875,647)</u>
Cost	<u>4,494,834</u>
Depreciation and impairment	708,831
Impairment for the year	(2,841)
Depreciation for the year	709,805
Reversed write-downs for impairment and depreciation of assets sold	<u>(484,480)</u>
Depreciation and impairment	<u>931,315</u>
<b>Carrying amount 31 December 2018</b>	<b><u><u>3,563,519</u></u></b>

## Notes to the annual report

	2018	2017
	DKK'000	DKK'000
<b>10 Investments in joint venture</b>		
Cost 1 January	9,253	9,253
Cost 31 December	9,253	9,253
Value adjustments 1 January	(6,116)	(6,111)
Profit for the year	6,034	39
Adjustment, previous years	0	(44)
Value adjustments 31 December	(82)	(6,116)
<b>Carrying amount 31 December</b>	<b>9,171</b>	<b>3,137</b>

Investments in joint venture are specified as follows:

Voting and Name	Reg. office	Share capital	ownership share	Equity	Profit for the year
Shared Mobility A/S	Brøndby, Denmark	800	50%	18,342	12,069

The object of the company is to carry on renting activities, renting out passenger cars and vans from its own stations in Denmark.

	2018	2017
	DKK'000	DKK'000
<b>11 Assets held for sale</b>		
Lease assets held for sale	153,195	152,678
	<b>153,195</b>	<b>152,678</b>



## Notes to the annual report

	2018	2017
	DKK'000	DKK'000
<b>12 Accounts receivable</b>		
Accounts receivable are specified as follows:		
Accounts receivable, finance leases	4,962,796	6,327,025
Other accounts receivable	7,157,254	6,383,749
Accounts receivable and lease payments receivable	263,484	322,811
	<b>12,383,534</b>	<b>13,033,585</b>
Receivables falling due after 1 year:		
Accounts receivable, finance leases	3,824,029	4,490,147
Other accounts receivable	7,097,471	6,595,604
	<b>10,921,500</b>	<b>11,085,751</b>
Of this, finance leases with properties as the underlying asset	3,516,396	4,334,214

A mortgage is registered as security for debt to a mortgage credit institution of DKK 894 million in connection with properties (finance leases) with a carrying amount of DKK 3,435 million.

## 13 Prepayments

Prepaid lease payments	299,846	304,112
Prepaid expenses	96,567	35,155
	<b>396,413</b>	<b>339,267</b>

## Notes to the annual report

### 14 Equity

	<u>Share capital</u>	<u>Retained profit</u>	<u>Total</u>
Equity	10,000	2,596,571	2,606,571
Profit for the year	0	169,289	169,289
<b>Equity</b>	<b>10,000</b>	<b>2,765,860</b>	<b>2,775,860</b>

The share capital consists of 10,000 shares with a nominal value of 1,000 each. No share confers special rights on any shareholder.

The share capital has not changed for the past 5 years.

### 15 Provision for deferred tax

Deferred tax primarily concerns property, plant and equipment and accounts receivable, finance leases.

### 16 Long-term liabilities

	<u>2018</u>	<u>2017</u>
	DKK'000	DKK'000
<b>Mortgage credit institutions</b>		
After 5 years	1,114,809	1,268,445
Long-term portion	1,114,809	1,268,445
Within 1 year	0	0
	<b>1,114,809</b>	<b>1,268,445</b>
<b>Credit institutions</b>		
After 5 years	547,475	541,936
Between 1 and 5 years	3,905,811	4,151,523
Long-term portion	4,453,286	4,693,459
Within 1 year	9,520,886	8,791,154
	<b>13,974,172</b>	<b>13,484,613</b>

## Notes to the annual report

### 17 Remuneration for auditor elected by general meeting

	2018 DKK'000	2017 DKK'000
Statutory audit of financial statements	200	48
Other services	135	75
	<u>335</u>	<u>123</u>

### 18 Related parties and ownership structure

The Company is a wholly owned subsidiary of Danske Bank A/S, Copenhagen, Denmark.

The Company's financial statements are included in the consolidated financial statements of Danske Bank A/S, Copenhagen, Denmark.

	2018 DKK'000	2017 DKK'000
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### 19 Contingent liabilities

Irrevocable loan commitments amount to	<u>611,276</u>	<u>312,353</u>
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The Company is jointly taxed with all other Danish companies in the Danske Bank Group and is jointly and severally liable for the income taxes and withholding taxes etc. of these Danish companies.

The Company is registered jointly for payroll tax and VAT with all significant Danish companies in the Danske Bank Group and is jointly and severally liable for the payment of these taxes.

The Company is registered voluntarily for VAT in connection with certain properties. The remaining VAT adjustment liability is	<u>176,340</u>	<u>224,614</u>
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