Maritime & Merchant Bank ASA

Financial Report

30.06.2022

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Financial Report 30.06.2022

The profit for the period 01.01.22 - 30.6.2022 (H1 2022) before tax was USD 5 860 901 (USD 3 886 299 in H1 2021) and profit after tax is USD 4 395 676 in H1 2022 (USD 2 914 724 in H1 2021). The bank has no credit losses or distressed loans.

The Ukrainian-Russian war has continued with undiminished strength since the break-out in February this year and creates a most unpredictable picture of the world seaborn trade. Major supply chains are disrupted by sanctions and stop of production and are causing severe challenges in order to supply the world market with necessary food and energy products. Massive rerouting and re-location of commodities are taking place in order to replace the critical volumes.

As the short-term consequences of the above situation is mostly positive in terms increased of ton-miles for the shipping industry; the other major questions are however how the global economy will develop with steeply increasing raw material prices, continued supply challenges and not at least a global inflation threat. IMF has already warned us in their World Economic Outlook published in July and clearly dampening down the expectations for growth in global GDP (3.2%) as result of all the turmoil and unrest in the total picture. As always, it is difficult to predict the direct consequences for the shipping industry as such when trying to establish a scenario for the global economy. Short-term, as pointed above, we think there is a fair reason for expecting maintained good freight markets for container, drybulk and tankers. If we extend the horizon, the decisive factors will be how the inflation threat will be dealt with and how this will influence the demand and industrial production globally.

We expect that the strong interest for investing in shipping will continue, as we have seen during the first half of 2022. Our domestic market has been particularly strong, but we have as well seen an increasing number of enquiries from our clients in all the major shipping hubs in the world. More than ever, we need an adaptable world fleet in order to meet the challenges described and to contribute for ensuring food and energy security for the world.

The work for creating an emission-free international shipping scene is continuously reaching new interesting and concrete levels. The goals are ambitious and far-reaching (zero in 2050) and have indeed been brought even stronger into focus by the prevailing energy crisis. There are apparently three major tracks going forward; ammonia, hydrogen and methanol, all of them with respective advantages/disadvantages from operational and industrial viewing angles. The production, supply and distribution of new fuels are of course a major task, but peer owners have been front runners in contracting vessels suited for same and trust that the supply issues will be solved accordingly. It is all reason to applaud such brave steps and that this will be followed by further and that necessary incentives for doing same are given from relevant political and maritime authorities. In parallel to this development the international shipping industry will adapt to new rules and regulations ensuring the necessary CO_2 emission reduction, primarily reflected in the EEXI regulation from January 2023.

We have a world scene in front of us with a series of uncertainties and challenges with a corresponding number of scenarios, however, we remain optimistic on behalf of our clients and the industry that we are serving. And by this, continue to build a profitable and sustainable bank.

Profit for the period (01.01-30.06)

The profit for the period before tax is USD 5 860 901 (USD 3 886 298 in 30.06.2021) and profit after tax is USD 4 395 676 (USD 2 914 723 30.06.2021).

Net interest income and related income totalled USD 9 894 992 (USD 7 064 141), and other Income (including financial derivatives and fixed income instruments) was USD 132 644 (USD 685 055).

Operating expenses before impairments and losses totalled USD 3 936 400 (USD 4072 722). The Cost/Income ratio came in at 39.3% (52.6%).

Loss allowance (Expected Loss) increased USD 230 336 (decreased USD 209 824). Credit Loss (Write Offs) was USD 0 (USD 0).

	2022	2021	2022	2021	2021
	01.04 - 30.06	**01.04 - 30.06**	**01.01- 30.06**	**01.01 - 30.06**	**01.01 - 31.12**
Interest Income	6 673 180	4 820 682	12 631 648	9 072 188	19 847 004
Interest Expense	-1 608 540	-1 072 094	-2 736 656	-2 008 047	-3 907 611
Net Interest Income	**5 064 640**	**3 748 589**	**9 894 992**	**7 064 141**	**15 939 393**
Other Income	302 401	163 183	132 644	685 055	333 203
Total Income	**5 367 041**	**3 911 772**	**10 027 637**	**7 749 196**	**16 272 596**
Operating Expense	-1 978 352	-2 087 155	-3 936 400	-4 072 722	-8 305 519
Operating Result	**3 388 689**	**1 824 617**	**6 091 236**	**3 676 475**	**7 967 077**
Loss Allowance	-62 604	18 557	-230 336	209 824	-16 682
Write Off (Credit Loss)					
Sum Impairment	**-62 604**	**18 557**	**-230 336**	**209 824**	**-16 682**
Profit Before Tax	**3 326 085**	**1 843 173**	**5 860 901**	**3 886 298**	**7 950 395**
Tax	-831 521	-460 793	-1 465 225	-971 575	-2 857 044
Profit After Tax	**2 494 564**	**1 382 380**	**4 395 676**	**2 914 723**	**5 093 351**

Profit for the period (01.04-30.06)

The profit for the period before tax is USD 3 326 085 (USD 1 843 173 in Q2 2021) and profit after tax is USD 2 494 564 (USD 1 382 380 Q1 2021).

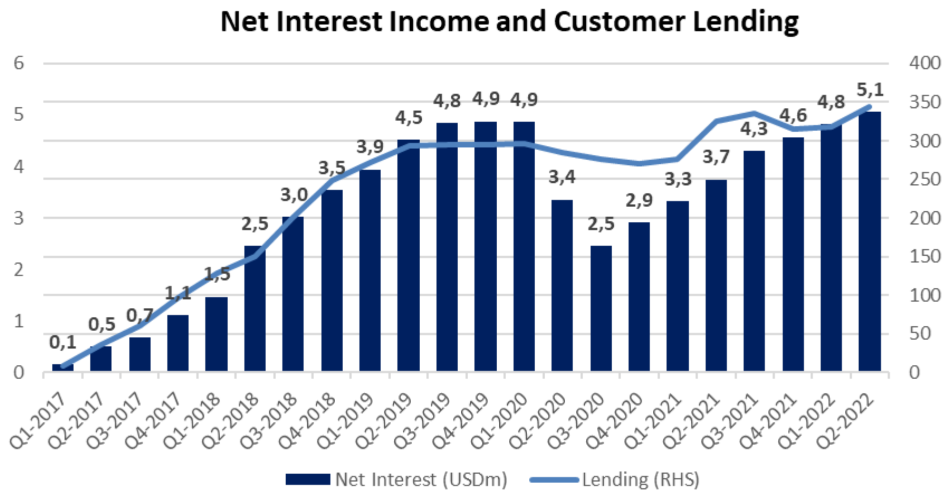
Net interest income and related income totalled USD 5 064 640 (USD 3 748 589), and other Income (including financial derivatives and fixed income instruments) was USD 302 401 (USD 163 183).

Operating expenses before impairments and losses totalled USD 1 978 352 (USD 2 087 155). The Cost/Income ratio came in at 37% (53%).

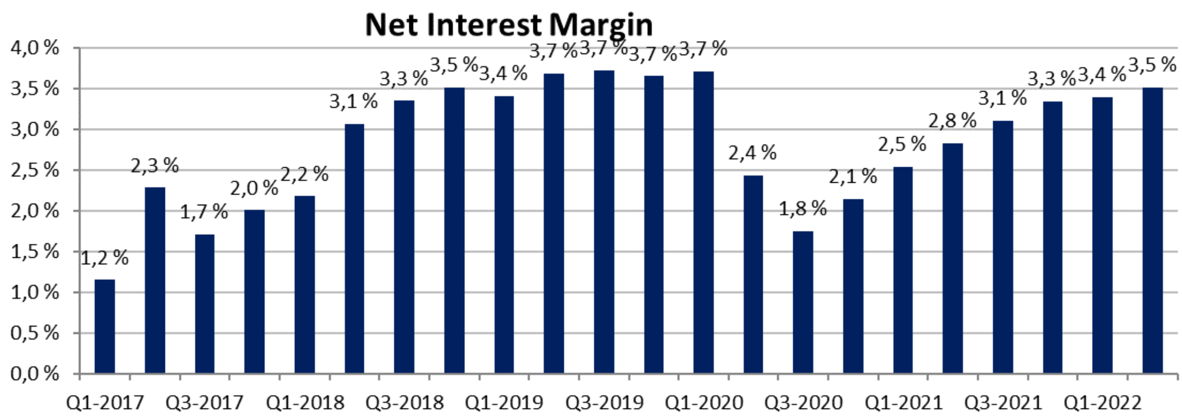
Loss allowance (Expected Loss) increased USD 62 604 (decreased USD 18 557). Credit Loss (Impairments) was USD 0 (USD 0)

Net interest income and related income

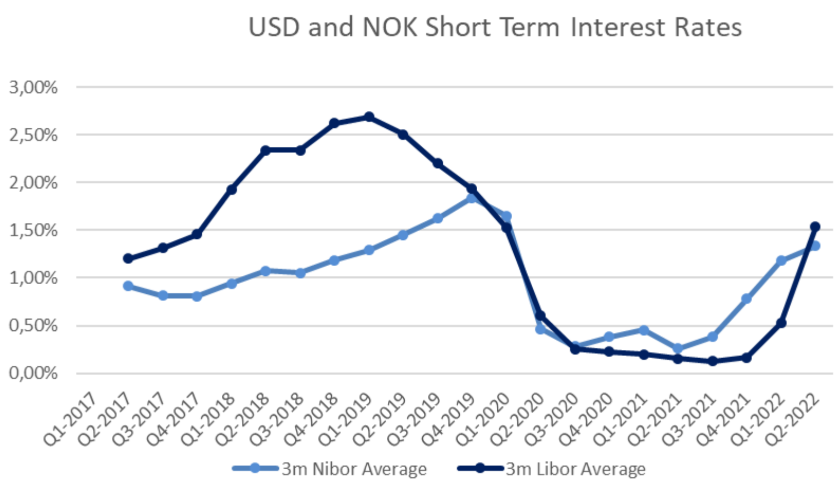
Net interest income and related income totalled USD 5 065 640 in Q2 (USD 3 748 589 in Q2 2021).



Net interest margin increased to 3.5% in Q1-2022 from 2.8% in Q2-2021. Increased lending and higher marked rates improved the Net Interest Margin.



Money market rates (daily average) in USD and NOK are on an upward trend caused by Central Banks hiking rates.



(Source: Infront, Maritime & Merchant Bank ASA)

Net other Income
Net other income amounted to USD 302 401 in Q2 2022 (USD 163 183 in Q2-2021).

Value adjustments on derivatives and hedging instrument in Q2 was USD 436 278 (USD 26 171 in Q2-2021).

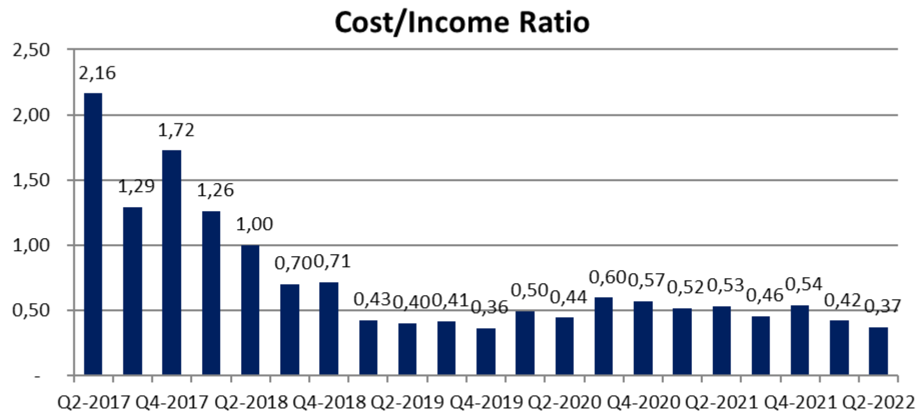
Net value adjustments on bonds was USD - 309 166 due to widening credit spreads (USD 19 421 in Q2-2021).

The principle of assessing financial instruments measured at fair value may lead to significant variation of the Bank's result between quarters.

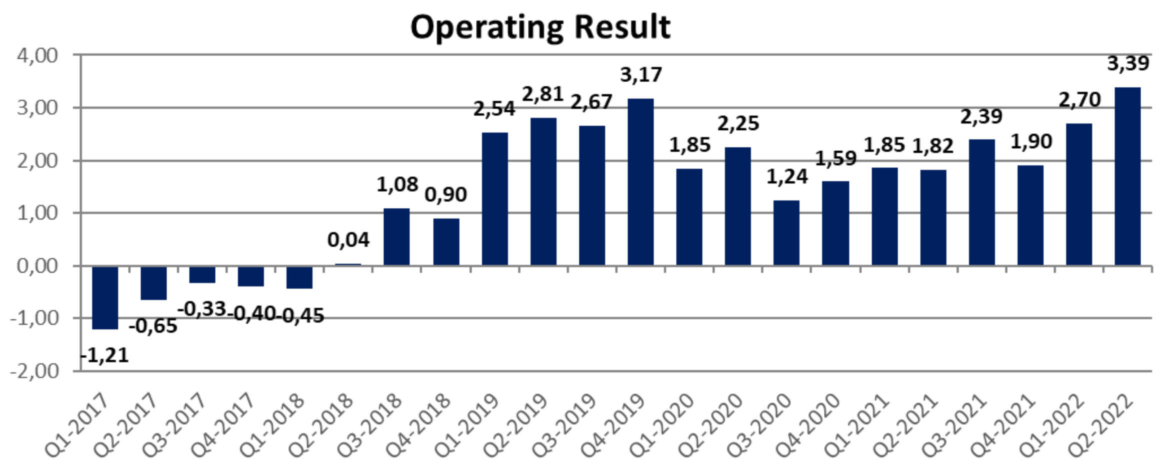
Net commissions amounted to USD 175 289 in Q2 (USD 117 591 in Q2-2021).

Total operating expenses before impairments and losses
Operating expenses before impairments and losses totalled USD 1 978 352 in Q2 (USD 2 087 155 in Q2-2021). Salaries and personnel expenses, including social costs, amounted to USD 1 432 167 (USD 1 280 112 in Q2-2021) and account for the largest proportion of the overall operating expenses.

Total depreciation and impairment of fixed and intangible assets amounted to USD 140 878 (USD 299 379 in Q2-2021). The Cost/Income ratio came in at 37% in Q2 (53.4% in Q2-2020).



Operating result
Operating result in Q2 amounted to USD 3 388 689 (USD 1 824 617 in Q2-2021).



Loan and Loan Loss provisions

Maritime & Merchant Bank ASA has lent USD 343 538 073 (USD 324 898 803 in Q2 2021) to customers.

The Bank has made USD 1 675 631 (USD 1 218 790) in loss allowance (IFRS 9). Change in loss allowance this quarter amounts to USD 62 604 (USD -18 557).

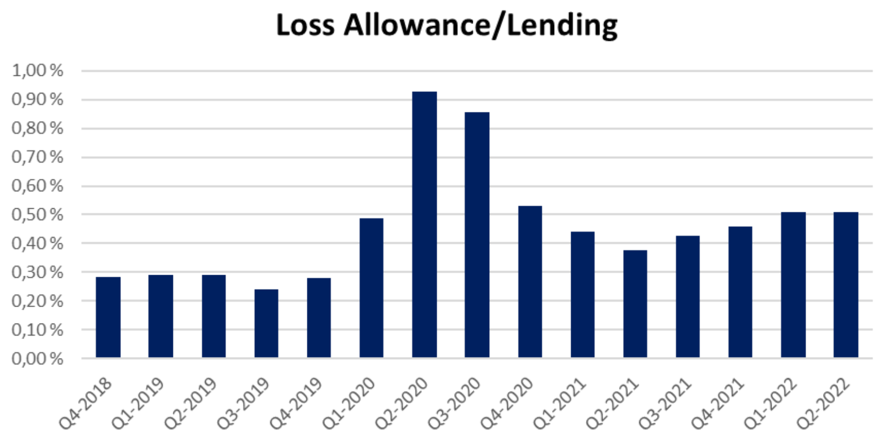
The credit quality of the majority of the loans (measured by PD – Probability of Default) to the bulker and container continues to be on very satisfactory levels due to the strong market in both segments.

There has also been an improvement in the credit quality (measured by PD) of the tanker portfolio during Q2 due to the improved tanker market and consequently vessel values. Loss Allowances at the end of Q2 compared to those at the end of Q1 2022 has a minor increase due to the increase in the overall credit portfolio.

The majority of the commitments (97.1 %) are in step 1 (96.6 % in Q2-2021).

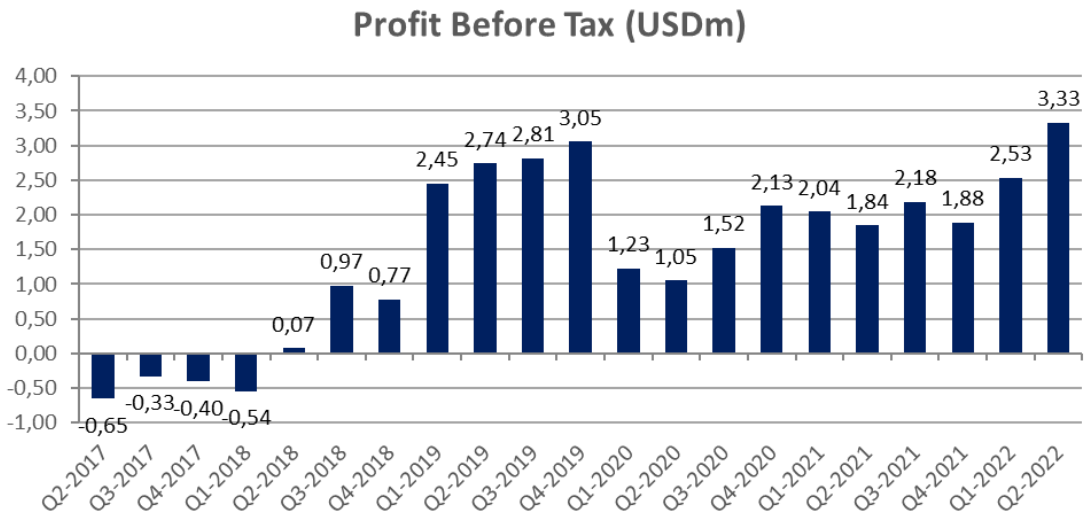
The bank has no defaulted or non-performing loans by the end of the Q2.

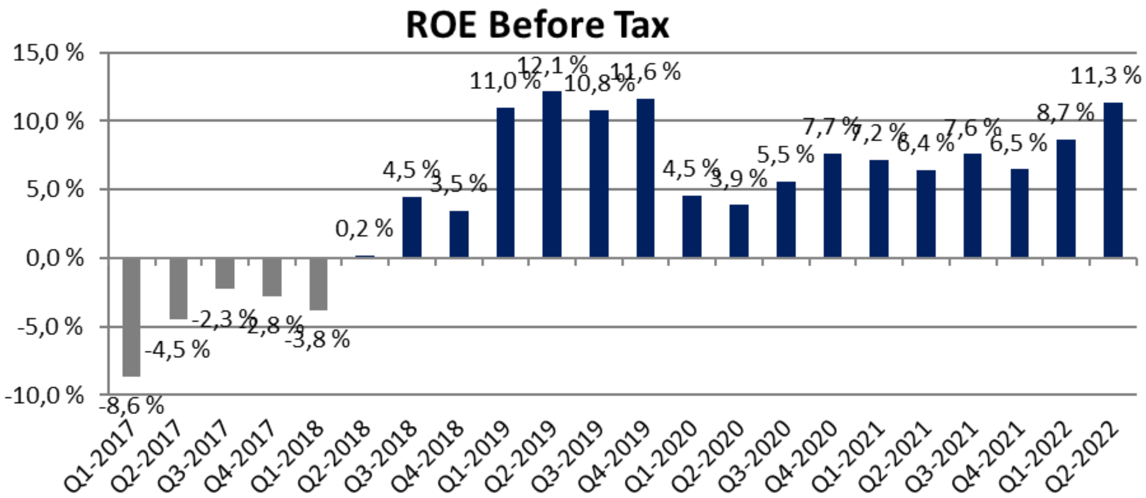
Loss allowance	**30.06.2022**	**30.06.2021**	**31.12.2021**	**31.12.2020**
Step1	746 156	637 295	618 860	659 824
Step2	929 475	581 495	826 436	779 360
Step3	0	0	0	0
Sum	1 675 631	1 218 790	1 445 296	1 439 184
Loss Allowance/Loan Ratio	0,49 %	0,38 %	0.46%	0,53 %
Impairments	0	0	0	0
Non performing Loans	0	0	0	0



Profit before tax

Profit before tax amounted to USD 3 326 085 in Q2 (USD 1 843 173 in Q2-2021).
Return on equity before tax was 11.4% (6.4% in Q2-2021).





Deferred Taxes and payable tax

The Bank operates with USD as functional currency.

In the tax accounting, both P&L and the major part of assets and liabilities are being converted from USD to NOK, including any effect currency fluctuations would have on the equity of the Bank.

The volatility of the NOK against the USD has given the Bank an unintended volatility in the tax expense, due to currency gains/losses related to our equity.
The Bank has started a process for a rule adjustment for the basis of tax calculation that prevents unintended effects for the future.

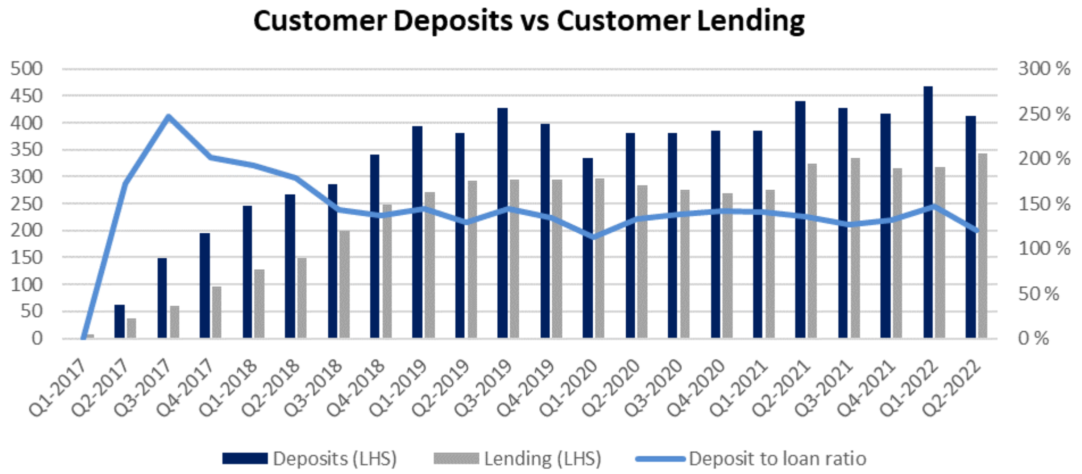
Common 25% corporate tax rate is used in the first two quarters of 2022.
If there is no decision (or a negative one) from the Ministry of Finance within the fiscal year, we will incorporate a full agio effect in Q4 2022. The agio effect (extra taxable income/cost) will be a result of the USDNOK exchange rate at year end. USDNOK 31.12.2021 was 8.8176, and ended at 9.94215 30.06.2022.

The agio effect (unintended taxable income/cost) for YTD 2022 is positive NOK 13 029 046. This “phantom” income will result in an increased tax of NOK 32 382 716 (USD 3 257 261).

See Note 5, Tax Calculation.

Deposit and Liquidity

Customer deposits amounted to USD 413 063 745 in Q2-2022 (USD 440 271 452 in Q2-2021).



The deposit to loan ratio was 120% at the end of Q2 2022 (136% in Q2 -2021).

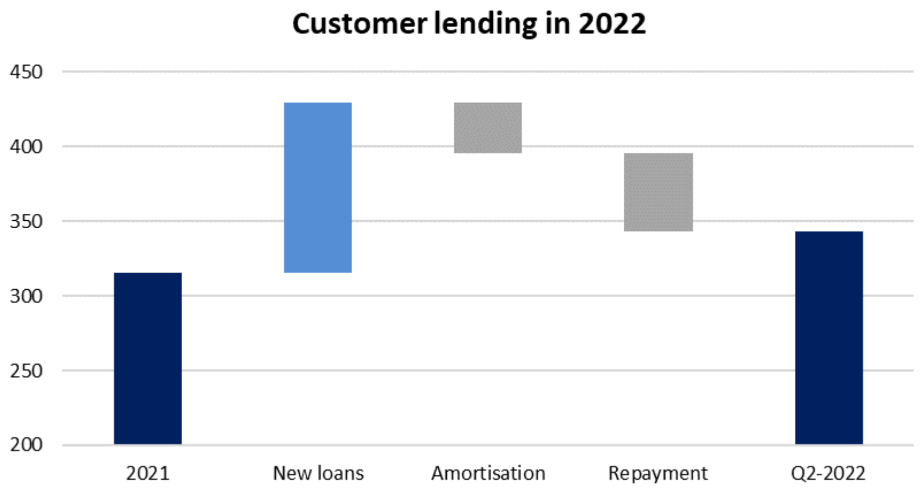
The liquidity situation has been good throughout the quarter. Surplus liquidity of about USD 215 million was mainly invested in interest-bearing securities, deposits in major banks and in Bank of Norway. The securities investments are in bonds with good liquidity and very low risk.

The Bank's short-term liquidity risk measured by LCR (Liquidity Coverage Ratio) was 482% (above a minimum requirement of 100%), and the long-term liquidity risk measured by NSFR (net Stable Funding Ratio) was 149% (above a minimum requirement of 100%).

Total Assets and Lending

Total assets ended at USD 560 072 089 in Q2 2021 (USD 562 129 474 in Q2 2021).

Lending to customer increased from USD 315 519 007 in Q4 2021 to USD 343 538 073 in Q2 2022.



Solvency

Core equity ratio (CET1) was 32.8% 30.06.2022 (29.4% 30.06.2021).
The Bank has not issued any subordinated or perpetual bonds.
The Bank paid USD 1 529 318 in dividend for 2021.

Risk factors

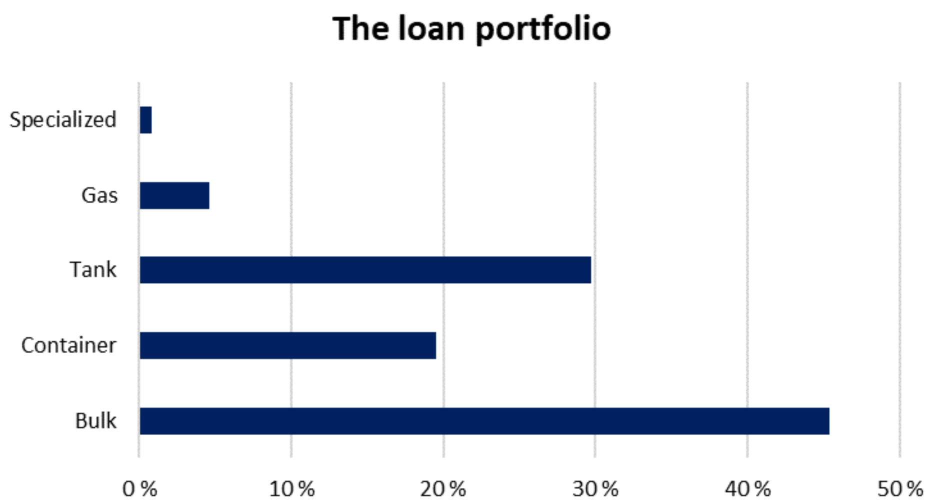
Credit risk

The average weighted quality of the portfolio is moderate risk, with a strong concentration around the mid-point. The migration we saw through 2020-2021 into higher risk classes have been rectified due stronger overall shipping markets.

All commitments are secured with 1st priority mortgage on vessels, and the large majority of those were secured within 50-55% of appraised values when granted, and in combination with an estimated moderate Default Probability, this provided for a sound credit portfolio with a limited potential for future losses, and the vessels' values for most clients have a good margin in relation to the outstanding exposures.

In addition to estimating the Default Probability, we also estimate the Loss Given Default on each exposure. Based on the low leverage of financing in combination with financing non-specialized tonnage with strict covenants, the Loss Given Default for the loan portfolio is satisfactory.

The Bank's estimated risk cost, Expected Loss, is calculated as Probability of Default multiplied with Loss Given Default. It is included in all internal return on capital estimations in connection with granting new loans. The portfolio is distributed in risk classes according to collateral and internal risk classification. The loan portfolio is diversified and is distributed on bulk carriers (45%), tankers (30%), container vessels (20%), LPG (gas) (4%) and specialized (1%).



The Bank's internal credit strategy has limits for maximum exposure to the various shipping segments, and Acceptable Risk Criteria form guidelines for the lending strategy. All present loan exposures were within the bank's credit strategy/ARC when granted with the exception of some case specific deviations acceptable to and approved by the Board

Liquidity risk

Maritime & Merchant Bank ASA has adopted guidelines for management of the Bank's liquidity position to ensure that the Bank maintains a solid liquidity. The Bank has a low liquidity risk profile. Main funding sources are equity and NOK deposits. The Bank has liquidity portfolio/buffers well above minimum requirement. Liquidity stress tests show satisfactory liquidity.

	30.06.2022	30.06.2021	31.12.2021	31.12.2020	31.12.2019
LCR	482%	298%	564%	353%	636%
Deposit Ratio *(1)*	74%	78%	77%	78%	77%

(1) % of total assets

Interest rate risk

Maritime & Merchant Bank ASA has defined guidelines that set limits for the maximum interest rate risk. Any exposure exceeding the interest rate risk limits shall be mitigated by using hedging instruments.

Market risk

Maritime & Merchant Bank ASA has developed guidelines and limits for counterparty exposure, maturity per counterpart, average duration of portfolio and foreign exchange risk.

Operational risk

Maritime & Merchant Bank ASA has established operational risk policy and guidelines. Contingency plans have been established, and insurance (professional responsibility, crime and Board of Directors responsibility) is purchased in order to reduce risk.

Ratios

Ratios	YTD 2022	YTD 2021	2021
Cost/Income Ratio	39.3%	52.6%	51%
Return on Equity before tax	10.0%	6.8%	7.0%
Net Income Margin	3.64%	2.8%	3.0%
Net Interest Margin	3.59%	2.57%	2.95%
Deposit to loan Ratio	120%	135%	132%
LCR	482%	298%	564%
NPL Ratio	0%	0%	0%
Equity Ratio (CET1)	32.8%	29.4%	30.5%
Loss allowance/Loan ratio	0.49%	0.38%	0.46%

Ratio formulas, se Appendix 1

Outlook

It is a world in front of us marked by uncertainties and partly financial unrest. We maintain however our optimistic view on the next 6 months for the development of the bank and we are looking forward to assist our clients in developing new shipping projects and by this further strengthening the banks overall position.

Oslo August 11th, 2022

Board of Directors, Maritime & Merchant Bank ASA

Statement of Profit & Loss

- In USD	*Note*	2022 01.04 - 30.06	2021 01.04 - 30.06	2022 01.01 - 30.06	2021 01.01 - 30.06	2021 01.01 - 31.12
Interest income and related income						
Interest income from customers (effective Interest method)		5 947 275	4 567 358	11 389 247	8 536 558	18 889 590
Interest from certificates and bonds		584 955	253 325	1 013 160	535 631	929 010
Interest from credit institutions (effective interest method)		140 950	0	229 241	-1	28 404
Total interest income and related income		**6 673 180**	**4 820 682**	**12 631 648**	**9 072 188**	**19 847 004**
Interest expenses						
Interest and similar expenses of loans to credit institutions		0	0	0	-24 447	-24 447
Interest and related expenses of loans to customers		-1 330 785	-1 082 112	-2 716 886	-2 063 081	-4 195 172
Net interest expenses from financial derivatives		-217 987	53 627	82 489	174 304	473 022
Other fees and commissions		-59 768	-43 609	-102 258	-94 823	-161 014
Net interest expenses and related expenses		**-1 608 540**	**-1 072 094**	**-2 736 656**	**-2 008 047**	**-3 907 611**
Net interest income and related income		**5 064 640**	**3 748 589**	**9 894 992**	**7 064 141**	**15 939 393**
Commissions, other fees and income from banking		212 283	128 302	362 723	395 053	653 214
Commissions, other fees and expenses from banking		-36 994	-10 711	-73 560	-20 507	-54 204
Net value adjustments on foreign exchange and financial		436 278	26 171	520 313	195 061	-121 493
Net value adjustments on interest-bearing securities		-309 166	19 421	-676 831	115 448	-144 314
Total income		**5 367 041**	**3 911 772**	**10 027 637**	**7 749 197**	**16 272 596**
Salaries, administration and other operating expenses						
Salaries and personnel expenses		-1 432 167	-1 280 112	-2 789 438	-2 493 071	-5 135 448
Administrative and other operating expenses		-405 307	-507 665	-823 541	-978 117	-1 944 230
Net salaries, administration and other operating expenses		**-1 837 474**	**-1 787 777**	**-3 612 979**	**-3 471 188**	**-7 079 678**
Total depreciation and impairment of fixed and intangible assets	**8**	**-140 878**	**-299 379**	**-323 422**	**-601 534**	**-1 225 841**
Total operating expenses		**-1 978 352**	**-2 087 155**	**-3 936 400**	**-4 072 722**	**-8 305 519**
Operating result		**3 388 689**	**1 824 617**	**6 091 236**	**3 676 475**	**7 967 077**
Loan loss provisions (IFRS - 9)	4	-62 604	18 557	-230 336	209 824	-16 682
Impairments (Credit Loss)		0	0	0		
Profit (+) / Loss (-) for the period before tax		**3 326 085**	**1 843 173**	**5 860 901**	**3 886 299**	**7 950 395**
Income tax	5	-831 521	-460 793	-1 465 225	-971 575	-2 857 044
Result for the period after tax		**2 494 564**	**1 382 380**	**4 395 676**	**2 914 724**	**5 093 351**
Comprehensive result for the period		**2 494 564**	**1 382 380**	**4 395 676**	**2 914 724**	**5 093 351**

- *Q2 numbers (2022 and 2021) are not audited.*
- *Income Tax: see page 7 "Deferred Tax and payable tax" and note 5 "Taxation of profit"*
- *Income Tax will affect "Result after Tax", "Total Equity", and "Other liabilities"*

Balance Sheet

Assets		**2022**	**2021**	**2021**
- In USD	**Note**	**30.06.2022**	**30.06.2021**	**31.12.2021**
Cash and balances at Central Bank		**6 960 209**	**8 072 504**	**7 832 345**
Lending to and receivables from credit institutions		**66 358 733**	**85 038 310**	**90 907 732**
Lending to customers	4	343 538 073	324 894 803	315 519 007
Loss provisions on loans to customers	4	-1 675 631	-1 218 790	-1 445 296
Net lending to cutomers		**341 862 442**	**323 676 013**	**314 073 711**
Certificates, bonds and other receivables				
Commercial papers and bonds valued at market value	4	142 026 650	140 471 232	128 910 217
Commercial papers and bonds valued at amortised cost		0	0	0
Certificates, bonds and other receivables		**142 026 650**	**140 471 232**	**128 910 217**
Shares		**186 754**	**117 323**	**111 713**
Intangible assets				
Deferred tax assets		0	0	0
Other intangible assets	8	140 708	762 903	309 619
Total intangible assets		**140 708**	**762 903**	**309 619**
Fixed assets				
Fixed assets	8	1 876 294	526 709	325 356
Total fixed assets		**1 876 294**	**526 709**	**325 356**
Other assets				
Financial derivatives	9	22 925	2 927 962	1 548 715
Other assets		207 183	136 210	30 692
Total other assets		**230 109**	**3 064 172**	**1 579 407**
Expenses paid in advance				
Prepaid, not accrued expenses		430 190	400 307	335 888
Total prepaid expenses		**430 190**	**400 307**	**335 888**
TOTAL ASSETS		**560 072 089**	**562 129 474**	**544 385 987**

Liabilities and shareholders equity				
- In USD		**30.06.2022**	**30.06.2021**	**31.12.2021**
Liabilities				
Loans and deposits from credit institutions		0	0	0
Deposits from and liabilities to customers		413 063 745	440 271 452	417 025 594
Total loans and deposits		**413 063 745**	**440 271 452**	**417 025 594**
Other liabilities				
Financial derivatives	9	20 804 029	3 064 436	5 089 149
Other liabilities	10	5 767 387	3 204 572	4 604 940
Total other liabilities		**26 571 415**	**6 269 008**	**9 694 089**
Accrued expenses and received unearned income				
Accrued expenses and received unearned income	10	599 266	564 670	729 588
Total accrued expenses and received unearned income		**599 266**	**564 670**	**729 588**
Total Liabilities		**440 234 426**	**447 105 129**	**427 449 270**
Shareholders equity				
Paid-in capital				
Share capital	11	9 708 655	9 708 655	9 708 655
Share premium account		94 148 866	94 148 865	94 148 865
Total paid-in capital		**103 857 521**	**103 857 520**	**103 857 520**
Other Equity				
Retained earnings, other		-465 062	-233 395	-499 651
Retained earnings		16 445 205	11 400 220	13 578 849
Total other equity		**15 980 143**	**11 166 825**	**13 079 198**
Total shareholder equity		**119 837 664**	**115 024 345**	**116 936 717**
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		**560 072 089**	**562 129 474**	**544 385 987**

- *Income Tax: see page 7 "Deferred Tax and payable tax" and note 5 "Taxation of profit"*
- *Income Tax will affect "Result after Tax", "Total Equity", and "Other liabilities"*

Statement of Equity

- In USD	Share capital	Share premium	Retained earnings	Other free equity	Total equity
Equity as per 31.12.2018	8 630 639	83 296 586	-3 337 221	-556 370	88 033 634
Equity as per 31.12.2019	9 708 655	94 148 865	4 739 462	-438 660	108 158 322
Equity as per 31.12.2020	9 708 655	94 148 865	9 972 177	-267 393	113 562 304
Employee stock option				11 159	11 159
Profit			1 532 344	0	1 532 344
Equity as per 31.03.2021	9 708 655	94 148 865	11 504 520	-256 234	115 105 806
Employee stock option				22 839	22 839
Dividend payment			-1 486 680		-1 486 680
Profit			1 382 380	0	1 382 380
Equity as per 30.06.2021	9 708 655	94 148 865	11 400 221	-233 395	115 024 346
Employee stock option				11 737	11 737
Profit			1 635 432	0	1 635 432
Equity as per 30.09.2021	9 708 655	94 148 865	13 035 653	-221 658	116 671 515
Employee stock option				-277 993	-277 993
Profit			543 195	0	543 195
Equity as per 31.12.2021	9 708 655	94 148 865	13 578 849	-499 651	116 936 717
Employee stock option				17 843	17 843
Declared dividend			-1 529 318		-1 529 318
Profit			1 901 112	0	1 901 112
Equity as per 31.03.2022	9 708 655	94 148 865	13 950 643	-481 808	117 326 354
Employee stock option				16 746	16 746
Declared dividend			0		0
Profit			2 494 564	0	2 494 564
Equity as per 30.06.2022	9 708 655	94 148 865	16 445 207	-465 062	119 837 664

- *Income Tax: see page 7, "Deferred Tax and payable tax" and note 5 "Taxation of profit"*
- *Income Tax will affect "Result after Tax", "Total Equity", and "Other liabilities"*

Statement of Cash Flows

- In USD	30.06.2022	30.06.2021	31.12.2021
Cashflow from operational activities			
Profit before tax	5 860 901	3 886 299	7 950 395
Change in loans to customers excluding accrued interest	-27 110 224	-55 102 921	-45 231 158
Change in deposits from customers excluding accrued interest	-6 366 584	53 519 755	32 298 092
Change in loans and deposits from credit institutions	0	-35 199 014	-35 199 014
Change in certificates and bonds	-13 116 433	71 712 461	83 273 477
Change in shares, mutual fund units and other securities	-75 041	-33 564	-27 954
Change in financial derivatives	17 240 669	-2 050 582	1 353 378
Change in other assets and other liabilities	761 331	-843 142	892 081
Interest income and related income from customers	-11 389 247	-8 536 558	-18 889 590
Interest received from customers	10 710 740	8 529 255	18 612 826
Net interest expenses and related expenses to customers	2 716 886	2 063 081	4 195 172
Interest paid to customers	-312 151	-38 886	-4 195 172
Ordinary depreciation	322 317	590 485	1 225 840
Other non cash items	-1 249 464	0	-399 882
Net cash flow from operating activities	**-22 006 301**	**38 496 669**	**45 858 491**
Payments for acquisition of assets	0	0	0
Net cash flow from investing activities	**0**	**0**	**0**
Issuance of equity	0	0	0
Lease payments	-146 666	-166 213	-319 453
Dividend Payments	-1 529 318	-1 486 680	-1 486 680
Net cash flow from financing activities	**-1 675 983**	**-1 652 893**	**-1 806 133**
Effect of exchange rate changes and other	**-1 738 850**	**-773 884**	**-2 353 203**
Sum cash flow	**-25 421 134**	**36 069 892**	**41 699 155**
Net change in cash and cash equivalents	-25 421 134	36 069 892	41 699 155
Cash and cash equivalent as per 01.01.	98 740 077	57 040 922	57 040 922
Cash and cash equivalent as per 30.06.	**73 318 943**	**93 110 814**	**98 740 077**

Notes 30.06.2022.

Note 1, Reporting entity

Maritime & Merchant Bank ASA is a company domiciled in Norway. The Bank's registered office is at Haakon VIIs gate 1, 0161 Oslo. The Bank is primarily involved in corporate banking.

Note 2, General accounting principles

The interim report for the first two quarters of 2022 is prepared according to IAS 34 Interim Financial Reporting and IFRS as adopted by EU. The interim report for the first two quarters of 2022 is prepared using the same accounting principles and calculation methods as described in the Annual Report 2021.

Note 3, Functional and presentation currency

These consolidated financial statements are presented in USD, which is the Bank's functional currency. The Bank's taxation currency is NOK.

RISK

Note 4, Risk

Risk Management and Capital Adequacy

The Capital Adequacy figures for Maritime & Merchant Bank ASA are based on the calculation by means of the standardised approach.

Credit risk

The Bank has chosen the basic approach for calculation credit risk (Risk-Weighted Assets).

Operational risk

The Bank has chosen to apply the basic approach under Pilar 1 for calculating operational risk. This applies a capital requirement of 15 per cent of the annual income reported in the last three years.

Market risk

The market risk of the Bank is modest and is calculated using the standardised approach in Pilar 1.

Capital Adequacy

Amounts in 1000 USD	30.06.2022	31.12.2021	30.06.2021
Share capital	9 709	9 709	9 709
+ Other reserves	110 129	107 228	105 316
- Dividend		- 1 528	
- Deferred tax assets and intangible assets	-141	-310	-763
- This year's result	-4 396	-	-2 915
- Adjustments to CET1 due to prudential filters	-163	-136	-147
Common Equity Tier 1 (CET 1)	**115 138**	**114 963**	**111 200**
Calculation basis			
Credit Risks			
+ Bank of Norway	-	-	-
+ Local and regional authorities	-	-	-
+ Institutions	11 666	17 893	17 645
+ Companies	293 350	313 960	316 878
+ Covered bonds	12 841	11 378	12 483
+ Shares	187	112	117
+ Other assets	2 514	692	1 063
Total Credit risks	**320 558**	**344 035**	**348 186**
+ Operational risk	27 090	30 545	27 482
+ Counterparty risk derivatives (CVA-risk)	3 176	1 867	2 324
Total calculation basis	**350 824**	**376 447**	**377 992**
Capital Adequacy			
Common Equity Tier 1 %	**32.82 %**	**30.54 %**	**29.42 %**
Total capital %	**32.82 %**	**30.54 %**	**29.42 %**

Credit Risk

Credit risk is the major risk to the Bank. Maritime & Merchant Bank ASA may face a loss if the borrower is not able to pay interest or principal as agreed upon, provided the pledged collateral is not sufficient to cover the Bank's exposure.

The Bank monitors market developments in segments where it has exposure and takes a proactive approach towards the risks taken.

The Bank's internal credit strategy has limits for maximum exposure to the various shipping segments, and Acceptable Risk Criteria form guidelines for the lending strategy.

The Bank uses an internally developed scorecard model for assessing the credit risk in the loan portfolio. The scorecard model predicts Probability of Default (PD), Loss Given Default (LGD) and risk class (from 1 to 10). Default is failure to satisfy the terms of a loan obligation or failure to pay back a loan.

Significant judgements are required when assessing models and assumptions, and resulting estimates are thus uncertain in nature. The model is based on experience and criteria well known in scoring models. The model is validated on a regular basis.
Forward looking factors, like expected freight earnings and ship values, are based on one year forward estimates. Time charter rates for each specific segment and interest rates that are used in the model are those prevailing at the time of scoring.

Input in the scoring model for establishing the PD for one specific exposure can either be the actual earnings based on freight contracts entered into, or shipbrokers earnings estimates for the next 12 months, normally expressed in the time charter rates for the period going 12 months forward.

When a loan is granted, the PD is estimated for the full tenor of the loan, and projected future cash flow is based on long term time charter rates for similar tenor (if available) in combination with consideration of low-rate scenarios.

Risk classification is done once per year as a minimum in connection with annual renewal of exposures, or more frequently if there are shifts in input factors which are not regarded as temporary.

Risk classes and credit score:

Very low risk	Credit score: 1-2	PD:	0.00 – 0.25%
Low risk	Credit score: 3-4	PD:	0.25 – 1.00%
Medium risk	Credit score: 5-7	PD:	1.00 – 3.00%
High risk	Credit score: 8-9	PD:	3.00 – 8.00%
Loss exposed	Credit score: 10-11	PD:	> 8.00%

Factors in scorecard PD - model:

Quantitative factors:
- Loan to value (LTV) – Value Adjusted Equity
- Interest coverage – Cash flow to support interest payment
- Instalment coverage – Cash flow to support instalments
- Current Ratio
- Free Cash

Qualitative factors
- Corporate structure
- Ownership
- Technical management
- Commercial management

Factors in LGD model:
- Age of vessel
- Liquidity of vessel type (specialised tonnage)
- Yard/Country
- Net loan exposure above scrap value
- Enforcement cost
- Jurisdiction
- Corporate complexity
- Covenant Structure
- ESG

Expected Loss (EL)

EL = PD * LGD * EAD

EAD = Exposure at Default (Notional + Accrued Interest - Cash Reserves)

Loss allowance

The EL is performed on an individual basis. After the transition to IFRS 9, provisions have been presented as expected loss over 12 months (Step 1) and expected loss over the life of the instrument (Step 2).

Non-performing commitments (Step 3) are commitments where the customer has not paid due instalments on loans within 90 days of maturity.

If credit risk has increased significantly after initial recognition but there is no objective proof of loss, an allowance of expected loss over the entire lifetime ("Step 2") has to be made. The individual loss provisions under IAS 39 did not change materially upon the transition to IFRS 9 ("Step 3").

In assessing what constitutes a significant increase in credit risk, the Bank, in addition to the standard's presumption of financial assets that have cash flows that have been due for more than 30 days are subject to significantly increased credit risk, assumed qualitative and quantitative indicators. The most important quantitative indicator the Bank assess is whether it has been a significant increase in credit risk determined by comparing the original likelihood of default and Loss Given Default ("PD x LGD") with the Probability of Default and Loss Given Default ("PD x LGD") at the reporting date. However, when assessing significant increase in credit risk for IFRS 9 purposes, Loss Given Default is not included in the assessment. Based on this the Bank has defined that a doubling in the Probability of Default or an absolute change of 1% constitutes a significant increase in credit risk.

Reclassification of commitments from Step 2 to Step 1, is based on an individual assessment. However, there must be some objective evidence that the commitment has recovered.

The Bank follows qualitative and quantitative indicators on a regular basis and in any situation where there is a suspicion that there have been conditions of negative importance for the commitment/customer.

Macro scenarios

Expected Loss from the Bank's risk score model will be adjusted with a macro scenario factor (MF). The Bank estimates three macro-economic scenarios consisting of factors that will or can have an impact on shipping markets and value appraisal of vessels financed in our portfolio in the respective markets. Each scenario gets assigned a probability and a factor. The factor represent change in Expected Loss or Loss Allowance. The forecast, probability assignment and factor estimation are based on own judgment and experience.

The following factors are included in the macro evaluation process:

- Demand for seaborn shipping (World growth (GDP))
- Supply: Orderbook (shipbuilding), scrapping and idle capacity (utilization)
- Cyclicality (we assume shipping is cyclical and mean reverting)
- Geopolitical and other factors

The probability weighted macro factor (MF) will be multiplied with the Expected Loss and give Loss Allowance (or Macro Scenario adjusted Expected Loss). The factor (MF) is calculated to be 1,7998.

Exposure in the scenario model is the same as at 30.06.2022.

Loss Allowance and Impairments

Loss allowance	**30.06.2022**	**30.06.2021**	**31.12.2021**	**31.12.2020**	**31.12.2019**
Step1	746 156	637 295	618 860	659 824	822 991
Step2	929 475	581 495	826 436	779 360	0
Step3	0	0	0	0	0
Sum	1 675 631	1 218 790	1 445 296	1 439 184	822 991
Allowance/Loan Ratio	0,49 %	0,38 %	0.46 %	0,53 %	0,28 %
Impairments	0	0	0	0	0

The loss allowance has increased since year-end 2021 based on an increase in the overall portfolio.

Loans where no loss provision has been recognized due to collateral:
30.06.2022: 0
30.06.2021: 0

Remaining exposure from credit impaired loans and loss exposed loans:

30.06.2022	Gross Loans	First-Priority pledge in vessel	Cash Pledge	Other Collateral
Remaining exposure from credit impaired loans	**0**	**0**	**0**	**0**
Loss exposed loans	**0**	**0**	**0**	**0**

30.06.2021	Gross Loans	First-Priority pledge in vessel	Cash Pledge	Other Collateral
Remaining exposure from credit impaired loans	**0**	**0**	**0**	**0**
Loss exposed loans	**0**	**0**	**0**	**0**

Loss allowance sensitivity
The macro scenarios impact on Probabilities of Default (PDs) result in the following sensitivity in Expected Loss Allowance calculation.

Scenario	Expected Loss allowance
Vessel value up	906 000
Unchanged	914 000
Vessel value down	2 232 000

30.06.2022

	Step 1	Step 2	Step 3	
	Classification by first time recognition	**Significantly increase in credit risk since first time recognition**	**Significantly increase in credit risk since first recognition and objective proof of loss**	
	Expected loss next 12 months	**Expected loss over the life of instrument**	**Expected loss over the life of instrument**	**Sum**
Loss allowance as of 31.12.2021	618 860	826 436	-	1 445 296
Lending to customers 31.12.2021	299 883 739	15 635 268	-	315 519 007
				-
Changes				-
Transfer to Step 1	35 896	- 35 896	-	-
Transfer to Step 2	-	-	-	-
Transfer to Step 3	-	-	-	-
Reclassification	- 27 442	4 462	-	- 22 980
Amortization	- 195 105	- 2 584		- 197 689
New commitments	349 406			349 406
Effect of Scenario Adjustment	- 35 458	137 057		101 599
Allowance as of 30.06.2022	**746 156**	**929 475**	**-**	**1 675 631**
Lending to customers 30.06.2022	333 670 037	*9 868 036*	-	*343 538 073*
Loans not disbursed	0			
Allowance: Loans not dispursed	-			-
Net Change in Loss allowance	**127 296**	**103 039**	**0**	**230 336**

1) *Reclassification: Change in Expected Loss calculation*

30.06.2021

	Step 1	Step 2	Step 3	
	Classification by first time recognition	**Significantly increase in credit risk since first time recognition**	**Significantly increase in credit risk since first recognition and objective proof of loss**	
	Expected loss next 12 months	**Expected loss over the life of instrument**	**Expected loss over the life of instrument**	**Sum**
Loss allowance as of 31.12.2020	649 254	779 360	-	1 428 614
Lending to customers 31.12.2020	241 576 445	28 417 958	-	269 994 403
				-
Changes				-
Transfer to Step 1	334 158	- 334 158	-	-
Transfer to Step 2	- 31 044	31 044	-	-
Transfer to Step 3	-	-	-	-
Reclassification	- 389 106	54 209	-	- 334 897
Amortization	- 140 726	- 28 988		- 169 714
New commitments	235 488			235 488
Effect of Scenario Adjustment	- 20 729	80 028		59 299
Allowance as of 30.06.2021	**637 295**	**581 495**	**-**	**1 218 790**
Lending to customers 30.06.2021	313 981 514	*10 913 289*	-	*324 894 803*
Loans not disbursed	0			
Allowance: Loans not dispursed	-			-
Net Change in Loss allowance	**-11 959**	**-197 865**	**0**	**- 209 824**

Reclassification: Change in Expected Loss calculation

Credit risk: Total

30.06.2022

Amounts in USD	Very low risk	Low risk	Moderate risk	High risk	Loss exposed	Sum
Deposit with Central Bank	6 960 209					6 960 209
Deposits with credit institution	66 358 733					66 358 733
Certificates and bonds	142 026 651					142 026 651
Shares and other securities			186 754			186 754
Loans to customers		111 715 088	231 822 985	0	0	343 538 073
Total	**215 345 593**	**111 715 088**	**232 009 739**	**0**	**0**	**559 070 421**
Committed loans, not disbursed			50 669 000			

30.06.2021

Amounts in USD	Very low risk	Low risk	Moderate risk	High risk	Loss exposed	Sum
Deposit with Central Bank	8 072 504					8 072 504
Deposits with credit institution	85 038 310					85 038 310
Certificates and bonds	140 471 232					140 471 232
Shares and other securities			117 323			117 323
Loans to customers		96 605 891	228 288 912	0	0	324 894 803
Total	**233 582 047**	**96 605 891**	**228 406 235**	**0**	**0**	**558 594 173**
Committed loans, not disbursed			28 787 000			

Lending to customers by segment

	Q2 2022		Q2 2021		Q4 2021	
Sector	**USD**	**Share %**	**USD**	**Share %**	**USD**	**Share %**
Bulk	155 966 285	45 %	107 215 285	33 %	111 378 209	35 %
Container	66 989 924	20 %	84 472 649	26 %	76 986 638	24 %
Tank	102 030 808	30 %	116 962 129	36 %	112 955 804	36 %
Gas	15 802 751	5 %	12 995 792	4 %	10 727 646	3 %
Specialized	2 748 305	1 %	3 248 948	1 %	3 470 709	1 %
Offshore	-	0 %	-	0 %	-	0 %
Sum	**343 538 073**	**100,00 %**	**324 894 803**	**100,00 %**	**315 519 007**	**100%**

Bonds and certificates: Risk Weight

Risk Weight	Q2 2022 Fair Value	Q2 2021 Fair Value	2021 Fair Value
0 %	13 614 123	15 640 952	15 127 481
10 %	128 412 527	124 830 280	113 782 736
20 %			0
100 %			0
Total	**142 026 651**	**140 471 232**	**128 910 217**

Bonds and certificates: Rating

Rating	Q2 2022 Fair Value	Q2 2021 Fair Value	2021 Fair Value
AAA	136 815 216	134 361 351	123 003 838
AA+	5 211 434	6 109 881	5 906 379
AA	0	0	0
A	0	0	0
Total	**142 026 651**	**140 471 232**	**128 910 217**

Bonds and certificates: Sector

Sector	Q2 2022 Fair Value	Q2 2021 Fair Value	2021 Fair Value
Supranationals	2 121 853	2 512 893	2 408 519
Local authority	11 492 271	13 128 099	12 718 962
Credit Institutions	128 412 527	124 830 240	113 782 736
Bank	-		-
Total	**142 026 651**	**140 471 232**	**128 910 217**

Interest Rate Risk
Maritime & Merchant Bank ASA has defined guidelines that set limits for the maximum interest rate risk. All exposure on the balance sheet and outside the balance sheet will be assessed, and any exposure exceeding the interest rate risk limits shall be mitigated by using hedging instruments. Routines have been established for on-going monitoring and reporting of the interest rate risk to the Board of Directors.

Reference rates
The Bank has assets, liabilities and derivatives linked to current money markets reference rates (LIBOR, NIBOR and EURIBOR). USD will be replaced with a new reference rate in June 2023 (SOFR). NIBOR and EURIBOR reference rates might be replaced with other reference rates going forward. Changes in reference rates can have an impact on interest income, interest expenses, fair value of derivatives and financial assets/liabilities.

Currency Risk
All exposure on the balance sheet, outside the balance sheet and estimated income and expense items will be identified. Market exposure will be limited and within limits and authorisations granted by the Board. Routines have been established for on-going monitoring and reporting of the currency risk to the Board of Directors.

Funding in NOK is swapped to USD using cross currency basis swaps, with duration around 3 years. Using cross currency swaps match funding in NOK with lending in USD. Assets and liabilities are currency matched. The Bank has income in USD and most of the operating cost in NOK. Current strategy is to hedge between 0 and 12 months forward.

Liquidity Risk

Maritime & Merchant Bank ASA aims to maintain a low liquidity risk, which means high liquidity buffers and good deposit coverage.

The Bank's liquidity level is assessed by calculating the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). These ratios describe the short liquidity level and the level of stable funding.

The Bank calculates liquidity surplus, which appears as available funding less future liabilities within the defined time interval and required liquidity buffers.

Maritime & Merchant Bank ASA has adopted guidelines for management of the Bank’s liquidity position to ensure that the Bank maintains a solid liquidity.

Operational Risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed processes or systems, from human error, fraud, or external events including legal risk, compliance risk and reputational risk. This type of risk also encompasses administrative risk, i.e. that the day-to-day operations of the Bank do not function properly.

The Bank Measures operational risk through incident reporting on main operational areas. The management team handle incidents in the management meetings. This incident reporting is summarized and communicated to the Risk Committee.

The Bank reduces operational risk through prudent management and supervision by establishing efficient control procedures, a well-established set of routines, a compliance function, as well as insurance cover against attempts at defrauding the Bank.

INCOME AND COST

Note 5, Taxation of profit

1) Present tax calculation (Ordinary 25% tax on profit/loss)

	USD	NOK
Profit Before Tax	5 860 901	58 267 316
Tax related agio on equity	-	-
Basis for Tax Calculation	5 860 901	58 267 316
Calculated Tax (25%)	**1 465 225**	**14 566 829**

2) Full currency agio on Equity (Previous method)

	USD	NOK
Profit Before Tax	5 860 901	58 267 316
Tax related agio on equity	13 029 046	129 530 863
Basis for Tax Calculation	18 889 946	187 798 179
Calculated Tax (25%)	**4 722 487**	**46 949 545**

The calculated tax for the period is 80.6% of the ordinary result before tax.
The main reason is that even though the Bank's functional currency is USD, it is required to translate both P&L and the majority of assets and liabilities to NOK for tax purposes. Changes in net assets (equity) resulting from exchange rate will be subject to tax.

ASSETS

Note 6, Financial instruments at fair value.

The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable, and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

30.06.2022

Amounts in USD 1000	Level 1	Level 2	Level 3	Total
Certificates and bonds	0	142 027	0	142 027
Shares and other securities	0	0	0	0
Financial derivatives	0	23	0	23
Total financial assets	**0**	**142 050**	**0**	**142 050**
Financial derivatives	0	20 804	0	20 804
Total financial liabilities	**0**	**20 804**	**0**	**20 804**

30.06.2021

Amounts in USD 1000	Level 1	Level 2	Level 3	Total
Certificates and bonds	0	140 471	0	140 471
Shares and other securities	0	0	0	0
Financial derivatives	0	2 928	0	2 928
Total financial assets	**0**	**143 399**	**0**	**143 399**
Financial derivatives	0	3 064	0	3 064
Total financial liabilities	**0**	**3 064**	**0**	**3 064**

Note 7, Financial pledges

The Bank has pledged NOK 191 050 000 of deposits as collateral for financial derivatives.

Note 8, Other intangible assets and fixed assets

- In USD	30.06.2022		30.06.2021	
	Other intangible assets	Property, plant and equipment	Other intangible assets	Property, plant and equipment
Cost or valuation at 01.01	4 309 246	1 356 789	4 446 666	1 400 057
Exchange and other adjustments	-487 416	-364 335	-8 362	-2 633
Introduction of right to use-asset				
Additions		1 959 964		
Disposals				
Cost or valuation at end of period	**3 821 830**	**2 952 419**	**4 438 304**	**1 397 424**
Accumulated depreciation and impairment at 01.01.	-3 999 627	-1 031 433	-3 237 478	-731 667
Exchange and other adjustments	465 777	131 459	10 684	2 829
Depreciation charge this year	-147 272	-176 150	-448 607	-141 877
Disposals				
Accumulated depreciation and impairment at end of period	**-3 681 122**	**-1 076 125**	**-3 675 401**	**-870 715**
Balance sheet amount at end of period	**140 708**	**1 876 294**	**762 903**	**526 709**
Economic lifetime	*5 years*	*3 years*	*5 years*	*3 years*
Depreciation schedule	*Linear*	*Linear*	*Linear*	*Linear*

Fixed assets	**30.06.2022**	**30.06.2021**
Right to use assets	1 870 113	500 371
Other	6 181	26 338
Sum fixed assets	1 876 294	526 709

LIABILITIES

Note 9, Other assets and financial derivatives.

30.06.2022

Amounts in 1000	Nominal Value	Nominal Value	Nominal Value	Positive Market Values	Negative Market Values
	USD	EUR	NOK	USD	USD
Interest Rate Derivatives					
Interest rate swap	0	0	0	0	0
Currency Derivatives					
Cross currency basis swap					
Buy/Sell USD against NOK	200 000		1 785 580	0	20 702
Buy/Sell EUR against NOK		8 740	89 347	23	102
Total Currency Derivatives	**200 000**	**8 740**	**1 874 927**	**23**	**20 804**

30.06.2021

Amounts in 1000	Nominal Value	Nominal Value	Nominal Value	Positive market values	Negative Market values
	USD	EUR	NOK	USD	USD
Interest Rate Derivatives					
Interest rate swap	0	0	0	0	0
Currency Derivatives					
Cross currency basis swap					
Buy/Sell USD against NOK	175 000		1 497 200	2 763	2 812
Buy/Sell EUR against NOK		12 456	125 574	165	252
Total Currency Derivatives	**175 000**	**12 456**	**1 622 774**	**2 928**	**3 064**

Note 10, Other Liabilities and accrued cost

- In USD	**30.06.2022**	**30.06.2021**
Account payables	104 372	320 596
Tax withholdings	214 396	294 478
VAT payable	58 106	75 302
Tax payable	-	-
Deferred tax	1 409 157	1 539 114
Lease liability	1 893 024	490 183
IFRS-9 Allowance (loans not disbursed)	-	-
Other liabilities	2 088 331	484 900
Total other liabilities	**5 767 387**	**3 204 572**
Holiday pay and other accrued salaries	554 243	452 794
Other accrued costs	45 023	111 876
Total accrued costs	**599 266**	**564 670**

Note 11, Share capital and shareholder information

The Bank has 8 170 048 shares at NOK 10.

The total share capital is NOK 81 700 480. The Bank has one share class only.

The Bank has 53 shareholders.

The ten largest shareholders of the Bank are:

No	Shareholder		Numb. of shares	%
1	Centennial AS		2 041 979	24.99 %
2	Henning Oldendorff		2 041 979	24.99 %
3	Société Générale		757 847	9.28 %
4	Deutsche Bank Aktiengesellschaft		666 700	8.16 %
5	Canomaro Bulk AS		438 899	5.37 %
6	Skandinaviska Enskilda Banken AB		365 000	4.47 %
7	Apollo Asset Limited		223 526	2.74 %
8	Klaveness Marine Finance AS		176 923	2.17 %
9	TD Veen AS		143 821	1.76 %
10	Herfo Finans AS		132 467	1.62 %
	Others		1 180 907	14.45 %
		Total	**8 170 048**	**100 %**

Appendices

Appendix 1, Alternative Performance Measures

Formulas for calculation of Alternative Performance Measures

Ratio formulas

$$Cost/Income\ Ratio = \frac{Total\ operating\ expences}{Total\ income}$$

$$Return\ on\ equity\ before\ tax\ = \frac{Net\ profit\ before\ tax}{(Equity\ start\ of\ the\ year + New\ equity * Yearfraction)}$$

$$Year\ fraction = \frac{12 - Months\ before\ equity\ issue}{12}$$

$$Net\ Income\ Margin = \frac{Total\ income}{(Interest-bearing\ assets\ start\ of\ year + Interest-bearing\ assets\ end\ of\ year)*0{,}5}$$

$$Net\ Interest\ Margin = \frac{Net\ interest\ income}{(Interest-bearing\ assets\ start\ of\ year + Interest-bearing\ assets\ end\ of\ year)*0{,}5}$$

$$Deposit\ to\ loan\ ratio = \frac{Total\ deposits}{Loans\ to\ customers}$$

$$NPL\ ratio = \frac{Non\ performing\ exposure\ (loans\ to\ customers)}{Loans\ to\ customers}$$ *(non-performing loan ratio)*

$$Deposit\ ratio = \frac{Total\ deposits}{Total\ Assets}$$

$$Loss\ allowance/Loan\ Ratio = \frac{Total\ Loss\ Alloance}{Loans\ to\ customers}$$ *(on performing loans)*

LCR = Liquid assets relative to net liquidity outflow in a 30-day stress scenario.