Maritime & Merchant Bank ASA

Financial Report

30.09.2022

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Financial Report 30.09.2022

The profit for the period 01.01.2022 - 30.9.2022 before tax was USD 9 389 448 (USD 6 066 875 01.01.2021 - 30.9.2021) and profit after tax[1] is USD 7 042 086 (USD 4 550 156 as of 30.9.2021). The bank has no credit losses or distressed loans. Net interest margin increased to 4.2% in Q3-2022 from 3.1% in Q3-2021. ROE before tax was 11.8% in Q3-2022, up from 7.2% in Q3-2021. The cost/income ratio came in at 39% in Q3-2022, down from 46% in Q3-2021.

Yet another quarter has passed with severe geopolitical disturbances and unrest in the financial markets while the general energy crisis in Europe is taking its toll in the industry production with costs for power supply climbing to record high levels. There is no prospect of a quick resolution to the tragic war between Russia and Ukraine, leaving many unanswered questions about what effects the war will have on economic development in Europe and otherwise impact on global economy. The forecast for GDP growth in Europe is 3.1% according to figures from OECD/IMF for 2022, 3.2% for the world. So far, the forecast for 2023 for GDP growth in Europe is 0.5% based on the same sources and 2.3% for the world. The geopolitical situation with origins from the Russia/Ukraine conflict means that the estimates are highly uncertain.

World seaborne trade currently shows a flat to slightly rising trend if you look at the development over the last 12 months; the forecast (Clarksons Research) is approximately 1% growth in 2022. But again, this estimate will probably be characterized by unpredictable elements in view of a heated geopolitical situation that could have an impact on cargo volumes. New building order books for tank and bulk give reason for conditional optimism that the freight markets for dry cargo and in particular tank can be maintained at attractive levels in the short and medium term. Order books for tank and dry cargo of around 5% and 7% of the sailing fleet is historically on the low side and gives reason to hope for a reasonable market balance in the next 2-3 years.

Time is running fast towards the turn of the year and the introduction of International Maritime Organization's (IMO) regulation aimed at emissions from ships. The Carbon Intensity Indicator (CII) is the tool that measures how much CO2 each ship emits. The new regulations are introduced on the 1st of January 2023, but the rating will be given based on data collected throughout 2023 thus the individual ratings will be assigned at the start of 2024. The ships will be rated from A to E, where A is the highest rating. As always with the introduction of new regulations, there are many different opinions about how the rules should be understood - and CII is no exception. As an example, CII is calculated based on Annual Efficiency Ratio (AER) and many debates take place in this area. Some argue that the principles that form the basis of the calculation - maximum load capacity and not the actual transported cargo load- lead to inefficient transport and thus works against its purpose. However, the international shipping industry is investing enormous resources to adapt operations, ships and equipment to comply with the new regulations.

This ability to adapt to new rules, which has characterized the international shipping industry for years, never ceases to impress and we feel privileged to work closely with the shipowners and to follow this work. With the growing pressure on the shipping industry to reduce CO2 emissions, the collective innovative power and ability to implement that will be the decisive factors in reaching ambitious goals for the good of all.

[1] See "Deferred Taxes and payable tax" at page 8

Profit for the period (01.01-30.09)

The profit for the period before tax is USD 9 389 448 (USD 6 066 875 in 30.09.2021) and profit after tax[1] is USD 7 042 086 (USD 4 550 156 30.09.2021).

Net interest income and related income totalled USD 15 681 554 (USD 11 372 958), and other Income (including financial derivatives and fixed income instruments) was USD -97 825 (USD 769 437).

Operating expenses before impairments and losses totalled USD 6 124 195 (USD 6 074 866). The Cost/Income ratio came in at 39.3% (50%).

Loss allowance (Expected Loss) increased USD 70 085 (increased USD 656). Credit Loss (Write Offs) was USD 0 (USD 0).

	2022 01.07 - 30.09	**2021 01.07 - 30.09**	**2022 01.01 - 30.09**	**2021 01.01 - 30.09**	**2021 01.01 - 31.12**
Interest Income	8 277 745	5 437 796	20 909 393	14 509 985	19 847 004
Interest Expense	-2 491 184	-1 128 979	-5 227 839	-3 137 026	-3 907 611
Net Interest Income	**5 786 562**	**4 308 817**	**15 681 554**	**11 372 958**	**15 939 393**
Other Income	-230 470	84 382	-97 825	769 437	333 203
Total Income	**5 556 092**	**4 393 200**	**15 583 729**	**12 142 396**	**16 272 596**
Operating Expense	-2 187 795	-2 002 144	-6 124 195	-6 074 866	-8 305 519
Operating Result	**3 368 297**	**2 391 055**	**9 459 534**	**6 067 530**	**7 967 077**
Loss Allowance	160 250	-210 479	-70 085	-656	-16 682
Write Off (Credit Loss)					0
Sum Impairment	**160 250**	**-210 479**	**-70 085**	**-656**	**-16 682**
Profit Before Tax	**3 528 548**	**2 180 576**	**9 389 448**	**6 066 875**	**7 950 395**
Tax*	-882 137	-545 144	-2 347 362	-1 516 719	-2 857 044
Profit After Tax	**2 646 411**	**1 635 432**	**7 042 086**	**4 550 156**	**5 093 351**

** See "Deferred Taxes and payable tax" at page 8*

Profit for the period (01.07-30.09)

The profit for the period before tax is USD 3 528 548 (USD 2 180 576 in Q3 2021) and profit after tax is USD[2] 2 646 411 (USD 1 635 432 Q3 2021).

Net interest income and related income totalled USD 5 786 562 (USD 4 308 817), and other Income (including financial derivatives and fixed income instruments) was USD -230 470 (USD 84 382).

Operating expenses before impairments and losses totalled USD 2 187 795 (USD 2 002 144). The Cost/Income ratio came in at 39.4% (45.6%).

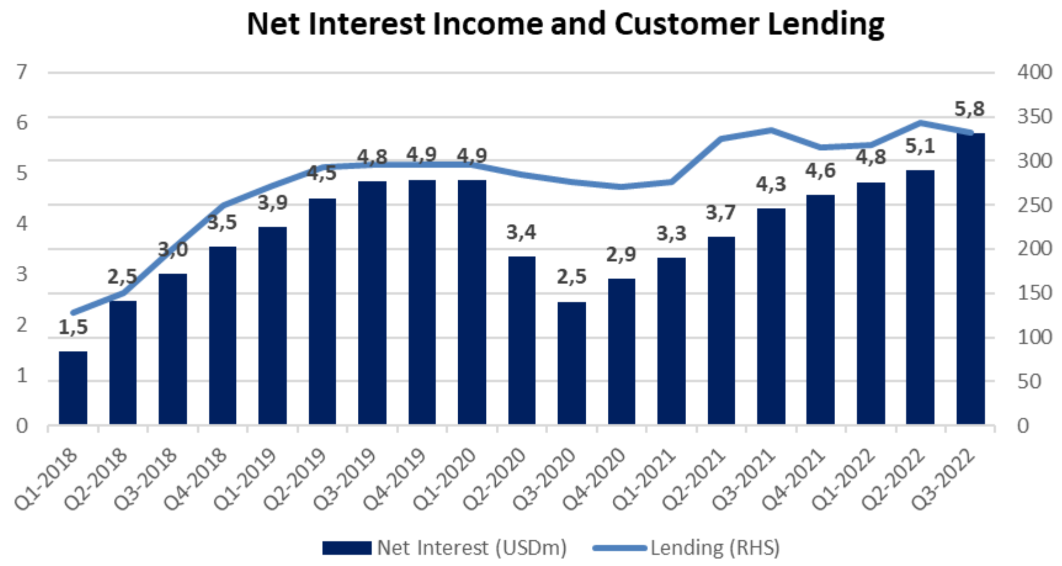
Loss allowance (Expected Loss) decreased USD 160 250 (increased USD 210 479). Credit Loss (Impairments) was USD 0 (USD 0)

[1] See "Deferred Taxes and payable tax" at page 8

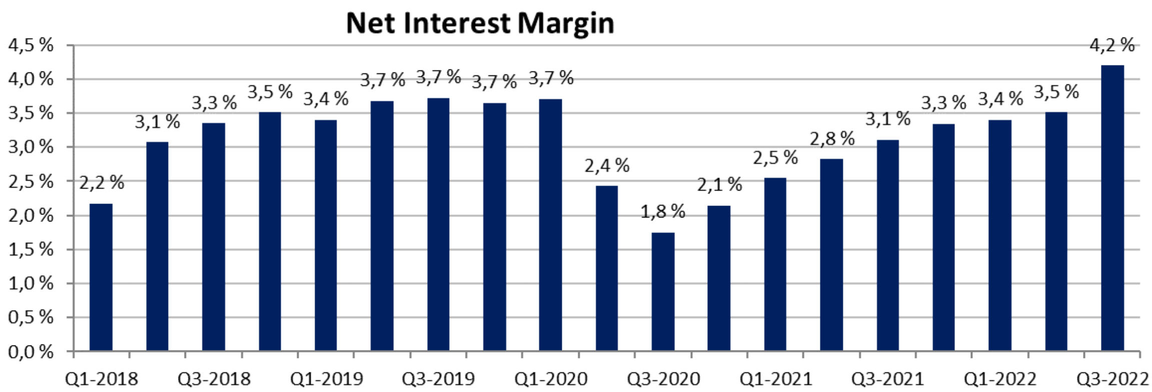
[2] See "Deferred Taxes and payable tax" at page 8

Net interest income and related income

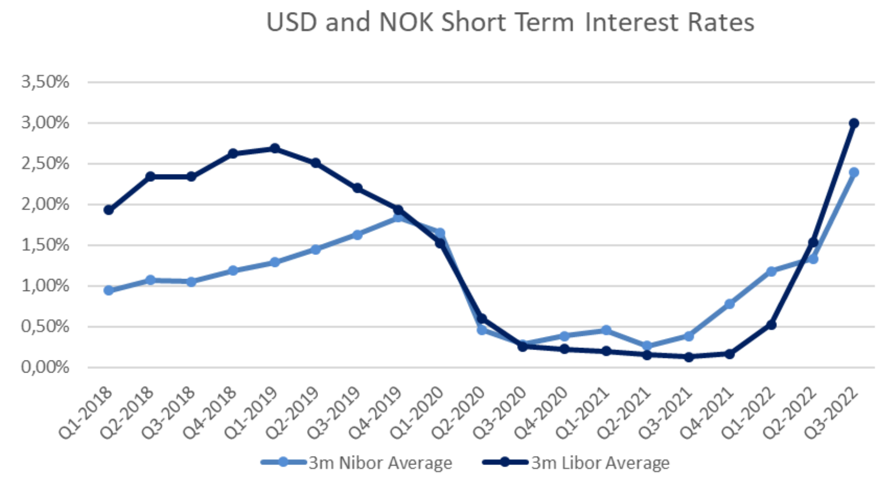
Net interest income and related income totalled USD 5 786 562 in Q3 (USD 4 308 817 in Q3 2021).



Net interest margin increased to 4.2% in Q3-2022 from 3.1% in Q3-2021. 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 -230 470 in Q3 2022 (USD 84 382 in Q3-2021).

Value adjustments on derivatives and hedging instrument in Q3 was USD -165 747 (USD -97 887 in Q3-2021).

Net value adjustments on bonds was USD -155 070 due to widening credit spreads (USD 29 992 in Q3-2021).

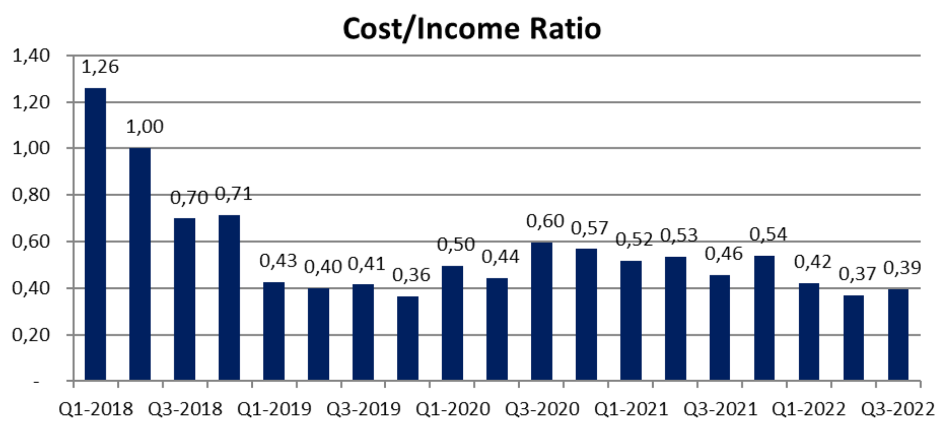
The principle of assessing financial instruments measured at fair value may lead to significant variation of the Bank's result between quarters.

Net commissions amounted to USD 90 347 in Q3 (USD 152 278 in Q3-2021).

Total operating expenses before impairments and losses

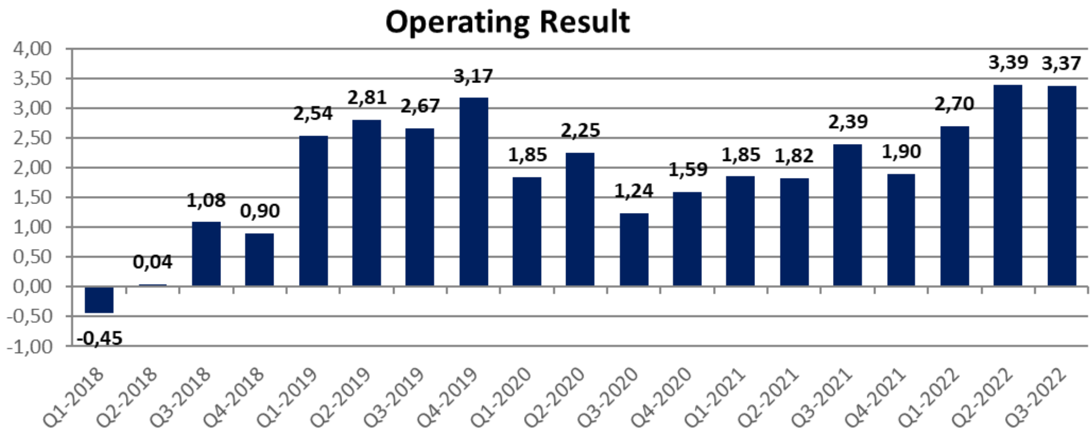
Operating expenses before impairments and losses totalled USD 2 187 795 in Q3 (USD 2 002 144 in Q3-2021). Salaries and personnel expenses, including social costs, amounted to USD 1 471 621 (USD 1 236 388 in Q3-2021) and account for the largest proportion of the overall operating expenses.

Total depreciation and impairment of fixed and intangible assets amounted to USD 128 522 (USD 322 931 in Q3-2021). The Cost/Income ratio came in at 39% in Q3 (46% in Q3-2021).



Operating result

Operating result in Q3 amounted to USD 3 368 297 (USD 2 391 055 in Q3-2021).



Loan and Loan Loss provisions

Maritime & Merchant Bank ASA has lent USD 331 808 243 (USD 335 436 115 in Q3 2021) to customers.

The Bank has made USD 1 515 382 (USD 1 429 270) in loss allowance (IFRS 9). Change in loss allowance this quarter amounts to USD -160 250 (USD 210 479).

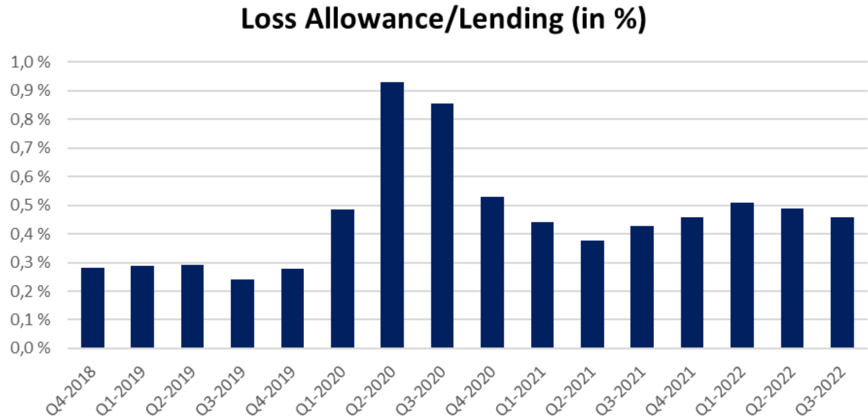
The credit quality of the majority of the loans (measured by PD – Probability of Default) to the major segments tank, bulk and container continues to be on very satisfactory levels due to the strong markets. Loss Allowances at the end of Q3 are marginally lower than at the end of Q2 2022. This is due to a slight decrease in the overall credit portfolio following loan repayments.

All commitments are in step 1 (95.2 % in Q3-2021).

The bank has no defaulted or non-performing loans by the end of the Q3.

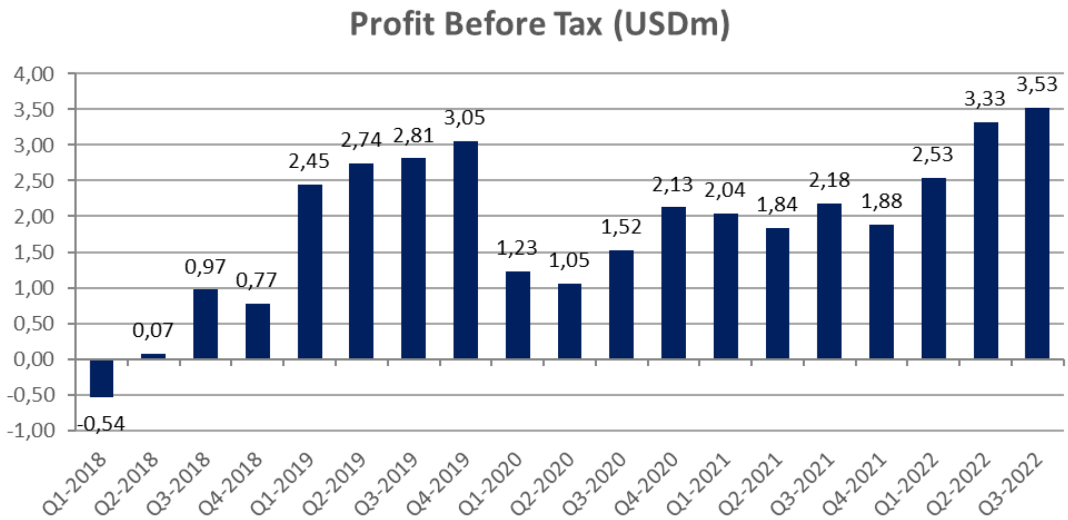
Loss allowance	**30.09.2022**	**30.09.2021**	**31.12.2021**	**31.12.2020**
Step1	686 910	600 389	618 860	659 824
Step2	828 471*	828 880	826 436	779 360
Step3	0	0	0	0
Sum	1 515 382	1 429 270	1 445 296	1 439 184
Loss Allowance/Loan Ratio	0,46 %	0,43 %	0.46%	0,53 %
Impairments	0	0	0	0
Non performing Loans	0	0	0	0

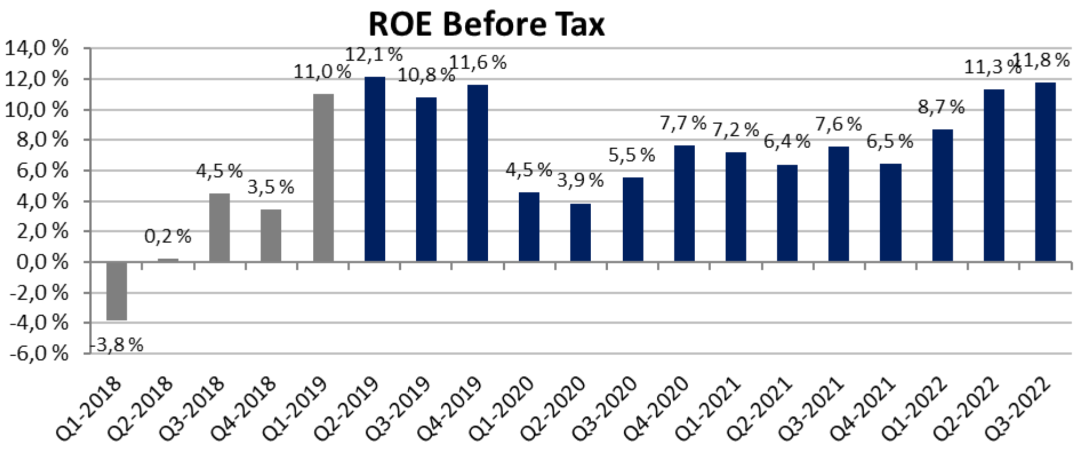
**Loss allowance in step 2 is a result of anticipated migration in the negative macro scenario*



Profit before tax

Profit before tax amounted to USD 3 528 548 in Q3 (USD 2 180 576 in Q3-2021).
Return on equity before tax was 11.8% (7.6% in Q3-2021).





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. This process is ongoing and not concluded.

The Bank has applied the regular 25% corporate tax rate of Profit Before Tax in the first three quarters of 2022.
If there is no decision (or a negative one) from the Ministry of Finance within the 2022 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 10.8214 30.09.2022.

The agio effect (unintended taxable income/cost) for YTD 2022 is positive NOK 230 012 669. This "phantom" income will result in an increased tax of NOK 57 503 167 (USD 5 313 838).

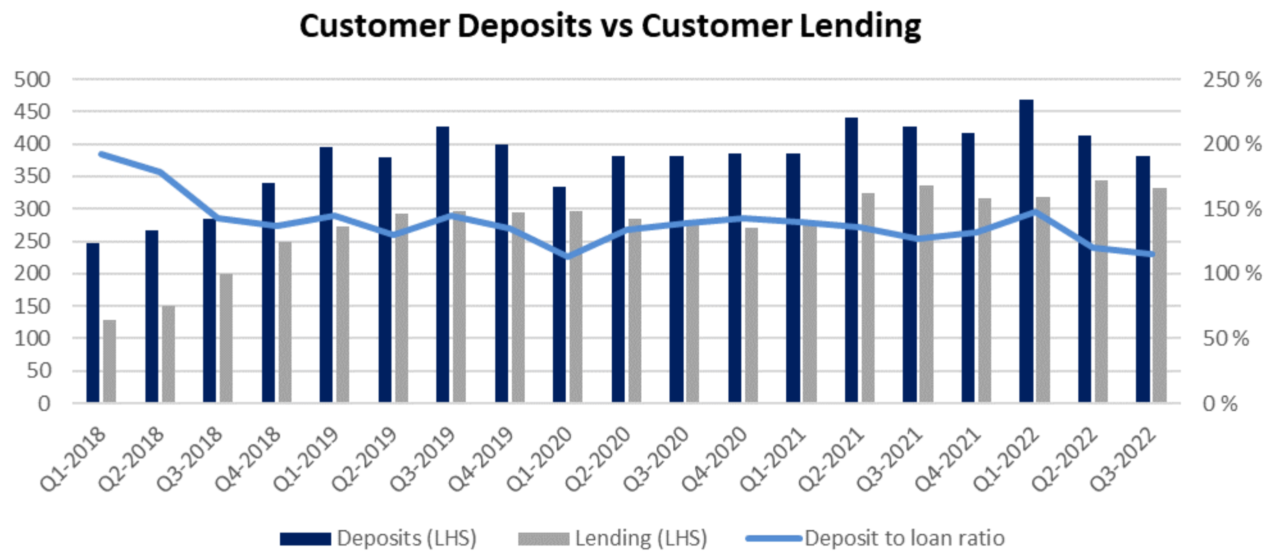
Result of this unintended taxable income/loss per quarter 2022:

USDNOK (start)	8,8176	8,73815	9,94215
USDNOK (end)	8,73815	9,94215	10,8214
Change (%)	-0,9 %	13,8 %	8,8 %
	Q1-22	**Q2-22**	**Q3-22**
Profit Before Tax (USD)	2 534 816	3 326 085	3 528 548
Profit Before Tax (NOK)	22 149 600	33 068 436	38 183 828
Tax related agio on equity (NOK)	-9 418 471	138 949 333	100 481 807
Taxable profit (NOK)	12 731 129	172 017 769	138 665 634
Tax (25%, NOK)	-3 182 782	-43 004 442	-34 666 409
Tax rate (%)	14 %	130 %	91 %
Ordinary Tax rate	25 %	25 %	25 %
Tax Rate deviation	-11 %	105 %	66 %

See Note 5, Tax Calculation.

Deposit and Liquidity

Customer deposits amounted to USD 382 037 622 in Q3-2022 (USD 426 826 434 in Q3-2021).



The deposit to loan ratio was 115% at the end of Q3 2022 (127% in Q2 -2021).

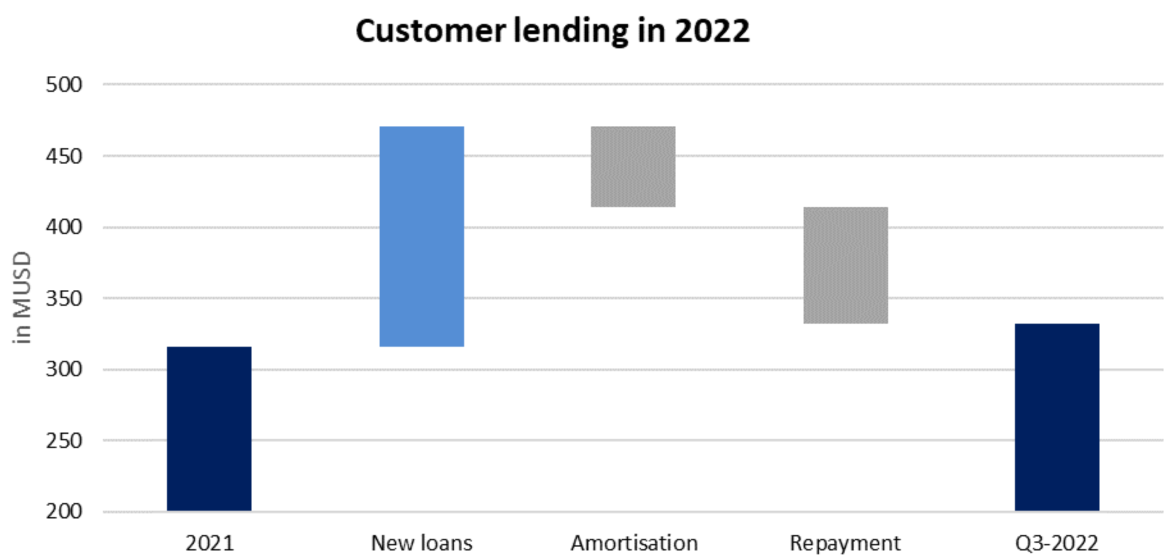
The liquidity situation has been good throughout the quarter. Surplus liquidity of about USD 213 million was mainly invested in interest-bearing securities and deposits in major banks and the Central Bank of Norway. The securities investments are in bonds with good liquidity and very low risk.

The Bank's short-term liquidity risk measured by LCR (Liquidity Coverage Ratio) was 754% (above the minimum requirement of 100%), and the long-term liquidity risk measured by NSFR (Net Stable Funding Ratio) was 158% (above the minimum requirement of 100%).

Total Assets and Lending

Total assets ended at USD 546 036 658 in Q3 2021 (USD 552 664 802 in Q3 2021).

Lending to customer increased from USD 315 519 007 in Q4 2021 to USD 331 808 243 in Q3 2022.



Solvency

The Banks's Core equity ratio (CET1) was 34.8% on 30.09.2022 (30.27% on 30.09.2021).
The Bank has not issued any subordinated or perpetual bonds.
The Bank paid USD 1 529 318 in dividends for 2021.

Risk factors

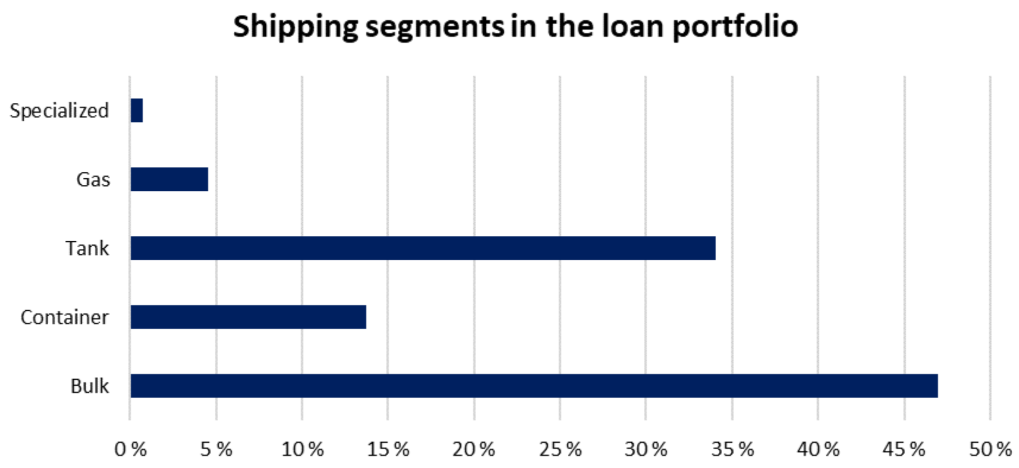
Credit risk

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 to stronger overall shipping markets.

All commitments are secured with a 1st priority mortgage on the vessels, with the large majority within 50%-55% of appraised values when granted. In combination with an estimated moderate Default Probability, the moderate loan-to-value ratios provide for a sound credit portfolio with a limited potential for future losses, in particular, since 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 moderate leverage 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 when granting new loans.
The portfolio is distributed in risk classes according to collateral and internal risk classification.
The loan portfolio is diversified, distributed on bulk carriers (47%), tankers (34%), container vessels (13.7%), LPG (gas) (4.6%) and specialized (0.7%).



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

Liquidity risk

Maritime & Merchant Bank ASA has adopted guidelines for the management of the Bank's liquidity position to ensure that the Bank maintains a satisfying liquidity level. The Bank currently has a low liquidity risk profile.

The main funding sources are equity and NOK deposits. The Bank has liquidity portfolio/buffers well above the minimum requirement. Liquidity stress tests show satisfactory liquidity.

	30.09.2022	30.09.2021	31.12.2021	31.12.2020	31.12.2019
LCR	754%	724%	564%	353%	636%
Deposit Ratio *(1)*	77%	77%	77%	78%	77%

(1) % of total assets

Interest rate risk

The Bank has adopted guidelines that set limits for the maximum interest rate risk. Any exposure exceeding the interest rate risk limits shall be mitigated through the use of hedging instruments.

Market risk

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

Operational risk

The Bank 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%	50%	51%
Return on Equity before tax	10.7%	7.1%	7.0%
Net Income Margin	3.82%	3.0%	3.0%
Net Interest Margin	3.84%	2.8%	2.95%
Deposit to loan Ratio	115%	127%	132%
LCR	754%	724%	564%
NPL Ratio	0%	0%	0%
Equity Ratio (CET1)	34.8%	30.3%	30.5%
Loss allowance/Loan ratio	0.46%	0.43%	0.46%

Ratio formulas, se Appendix 1

Outlook

The geopolitical unrest and economic turbulence will continue to influence the world during the next quarter, leaving substantial uncertainty and many challenges to come. The global supply of food, energy and other necessities depend on the international shipping industry as a key input factor. From our knowledge of this industry, we maintain that it is prepared and ready for taking this position with all its common competence and experience. We are looking forward to continuing to serve our clients for them to obtain new ambitious goals.

Oslo November 11th, 2022

Board of Directors, Maritime & Merchant Bank ASA

Statement of Profit & Loss

- In USD	*Note*	2022 01.07 - 30.09	2021 01.07 - 30.09	2022 01.01 - 30.09	2021 01.01 - 30.09	2021 01.01 - 31.12
Interest income and related income						
Interest income from customers (effective Interest method)		7 214 607	5 261 377	18 603 854	13 797 935	18 889 590
Interest from certificates and bonds		599 140	173 908	1 612 300	709 538	929 010
Interest from credit institutions (effective interest method)		463 998	2 511	693 239	2 511	28 404
Total interest income and related income		**8 277 745**	**5 437 796**	**20 909 393**	**14 509 985**	**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		-1 870 291	-1 100 021	-4 587 178	-3 163 102	-4 195 172
Net interest expenses from financial derivatives		-570 846	10 589	-488 357	184 893	473 022
Other fees and commissions		-50 046	-39 547	-152 304	-134 369	-161 014
Net interest expenses and related expenses		**-2 491 184**	**-1 128 979**	**-5 227 839**	**-3 137 026**	**-3 907 611**
Net interest income and related income		**5 786 562**	**4 308 817**	**15 681 554**	**11 372 958**	**15 939 393**
Commissions, other fees and income from banking		123 055	162 777	485 778	557 830	653 214
Commissions, other fees and expenses from banking		-32 708	-10 499	-106 268	-31 006	-54 204
Net value adjustments on foreign exchange and financial		-165 747	-97 887	354 566	97 174	-121 493
Net value adjustments on interest-bearing securities		-155 070	29 992	-831 901	145 439	-144 314
Total income		**5 556 092**	**4 393 200**	**15 583 729**	**12 142 396**	**16 272 596**
Salaries, administration and other operating expenses						
Salaries and personnel expenses		-1 471 621	-1 236 388	-4 261 059	-3 729 459	-5 135 448
Administrative and other operating expenses		-587 651	-442 826	-1 411 192	-1 420 943	-1 944 230
Net salaries, administration and other operating expenses		**-2 059 272**	**-1 679 214**	**-5 672 251**	**-5 150 402**	**-7 079 678**
Total depreciation and impairment of fixed and intangible assets	**8**	**-128 522**	**-322 931**	**-451 944**	**-924 464**	**-1 225 841**
Total operating expenses		**-2 187 795**	**-2 002 144**	**-6 124 195**	**-6 074 866**	**-8 305 519**
Operating result		**3 368 297**	**2 391 055**	**9 459 534**	**6 067 530**	**7 967 077**
Loan loss provisions (IFRS - 9)	4	160 250	-210 479	-70 085	-656	-16 682
Impairments (Credit Loss)		0	0	0		
Profit (+) / Loss (-) for the period before tax		**3 528 548**	**2 180 576**	**9 389 448**	**6 066 875**	**7 950 395**
Income tax	5	-882 137	-545 144	-2 347 362	-1 516 719	-2 857 044
Result for the period after tax		**2 646 411**	**1 635 432**	**7 042 086**	**4 550 156**	**5 093 351**
Comprehensive result for the period		**2 646 411**	**1 635 432**	**7 042 086**	**4 550 156**	**5 093 351**

- *Q3 numbers (2022 and 2021) are not audited.*
- *Income Tax: see page 8 "Deferred Tax and payable tax" and note 5 "Taxation of profit"*
- *Income Tax will affect "Result after Tax", "Total Equity", and "Other liabilities"*

MARITIME & MERCHANT BANK ASA

Balance Sheet

Assets - In USD	Note	2022 30.09.2022	2021 30.09.2021	2021 31.12.2021
Cash and balances at Central Bank		**5 947 581**	**7 868 701**	**7 832 345**
Lending to and receivables from credit institutions		**87 538 813**	**76 839 694**	**90 907 732**
Lending to customers	4	331 808 243	335 436 115	315 519 007
Loss provisions on loans to customers	4	-1 515 382	-1 429 270	-1 445 296
Net lending to cutomers		**330 292 861**	**334 006 846**	**314 073 711**
Certificates, bonds and other receivables				
Commercial papers and bonds valued at market value	4	119 237 964	131 020 415	128 910 217
Commercial papers and bonds valued at amortised cost		0	0	0
Certificates, bonds and other receivables		**119 237 964**	**131 020 415**	**128 910 217**
Shares		**175 175**	**114 386**	**111 713**
Intangible assets				
Deferred tax assets		0	0	0
Other intangible assets	8	86 870	527 586	309 619
Total intangible assets		**86 870**	**527 586**	**309 619**
Fixed assets				
Fixed assets	8	1 632 350	410 222	325 356
Total fixed assets		**1 632 350**	**410 222**	**325 356**
Other assets				
Financial derivatives	9	767 322	1 600 891	1 548 715
Other assets		133 373	20 287	30 692
Total other assets		**900 695**	**1 621 178**	**1 579 407**
Expenses paid in advance				
Prepaid, not accrued expenses		224 348	255 774	335 888
Total prepaid expenses		**224 348**	**255 774**	**335 888**
TOTAL ASSETS		**546 036 658**	**552 664 802**	**544 385 987**

Liabilities and shareholders equity - In USD	Note	30.09.2022	30.09.2021	31.12.2021
Liabilities				
Loans and deposits from credit institutions		0	0	0
Deposits from and liabilities to customers		382 037 622	426 826 434	417 025 594
Total loans and deposits		**382 037 622**	**426 826 434**	**417 025 594**
Other liabilities				
Financial derivatives	9	34 879 551	5 471 350	5 089 149
Other liabilities	10	5 896 926	2 817 393	4 604 940
Total other liabilities		**40 776 477**	**8 288 743**	**9 694 089**
Accrued expenses and received unearned income				
Accrued expenses and received unearned income	10	723 934	878 110	729 588
Total accrued expenses and received unearned income		**723 934**	**878 110**	**729 588**
Total Liabilities		**423 538 033**	**435 993 288**	**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		-450 512	-221 657	-499 651
Retained earnings		19 091 618	13 035 652	13 578 849
Total other equity		**18 641 105**	**12 813 995**	**13 079 198**
Total shareholder equity		**122 498 625**	**116 671 515**	**116 936 717**
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		**546 036 658**	**552 664 802**	**544 385 987**

- ***Income Tax: see page 8 "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
Employee stock option				14 550	14 550
Declared dividend			0		0
Profit			2 646 411	0	2 646 411
Equity as per 30.09.2022	9 708 655	94 148 865	19 091 618	-450 512	122 498 625

- *Income Tax: see page 8, "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	30.09.2022	30.09.2021	31.12.2021
Cashflow from operational activities			
Profit before tax	9 389 448	6 066 875	7 950 395
Change in loans to customers excluding accrued interest	-14 979 891	-65 111 987	-45 231 158
Change in deposits from customers excluding accrued interest	-38 873 921	39 059 622	32 298 092
Change in loans and deposits from credit institutions	0	-35 199 014	-35 199 014
Change in certificates and bonds	9 672 253	81 163 278	83 273 477
Change in shares, mutual fund units and other securities	-63 462	-30 626	-27 954
Change in financial derivatives	30 571 795	1 683 403	1 353 378
Change in other assets and other liabilities	1 295 191	-656 424	892 081
Interest income and related income from customers	-18 603 854	-13 797 935	-18 889 590
Interest received from customers	17 364 595	13 468 865	18 612 826
Net interest expenses and related expenses to customers	4 587 178	3 163 102	4 195 172
Interest paid to customers	-701 229	-123 792	-4 195 172
Ordinary depreciation	448 764	924 464	1 225 840
Other non cash items	-1 787 983	-123 469	-399 882
Net cash flow from operating activities	**-1 681 117**	**30 486 361**	**45 858 491**
Payments for acquisition of assets	-5 835	0	0
Net cash flow from investing activities	**-5 835**	**0**	**0**
Issuance of equity	0	0	0
Lease payments	-232 619	-247 228	-319 453
Dividend Payments	-1 529 318	-1 486 680	-1 486 680
Net cash flow from financing activities	**-1 761 936**	**-1 733 908**	**-1 806 133**
Effect of exchange rate changes and other	**-1 804 794**	**-1 084 980**	**-2 353 203**
Sum cash flow	**-5 253 682**	**27 667 473**	**41 699 155**
Net change in cash and cash equivalents	-5 253 682	27 667 473	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 30.09.	**93 486 395**	**84 708 395**	**98 740 077**

Notes 30.09.2022.

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 three quarters of 2022 is prepared according to IAS 34 Interim Financial Reporting and IFRS as adopted by EU. The interim report for the first three 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

The consolidated financial statement is 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 Bank's Capital Adequacy ratios 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	30.09.2022	31.12.2021	30.09.2021
Share capital	9 709	9 709	9 709
+ Other reserves	112 790	107 228	106 963
- Dividend		- 1 528	
- Deferred tax assets and intangible assets	-87	-310	-528
- This year's result	-7 042	-	-4 550
- Adjustments to CET1 due to prudential filters	-155	-136	-138
Common Equity Tier 1 (CET 1)	**115 215**	**114 963**	**111 456**
Calculation basis			
Credit Risks			
+ Bank of Norway	-	-	-
+ Local and regional authorities	-	-	-
+ Institutions	13 417	17 893	15 224
+ Companies	274 321	313 960	310 535
+ Covered bonds	10 676	11 378	11 577
+ Shares	175	112	114
+ Other assets	1 990	692	686
Total Credit risks	**300 579**	**344 035**	**338 136**
+ Operational risk	26 691	30 545	26 691
+ Counterparty risk derivatives (CVA-risk)	3 335	1 867	3 335
Total calculation basis	**330 605**	**376 447**	**368 162**
Capital Adequacy			
Common Equity Tier 1 %	**34.85 %**	**30.54 %**	**30.27 %**
Total capital %	**34.85 %**	**30.54 %**	**30.27 %**

Credit Risk

Credit risk is the major risk to the Bank. The Bank may incur a loss if the borrower is not able to pay interest or principal as agreed upon, provided there is insufficient collateral 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 the estimates are thus uncertain in nature. The model is based on experience and criteria well known in scoring models. The Bank validates its credit risk model 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 1,8351.

Exposure in the scenario model is the same as at 30.09.2022.

Loss Allowance and Impairments

Loss allowance	**30.09.2022**	**30.09.2021**	**31.12.2021**	**31.12.2020**	**31.12.2019**
Step1	686 910	600 389	618 860	659 824	822 991
Step2	828 471	828 880	826 436	779 360	0
Step3	0	0	0	0	0
Sum	1 515 382	1 429 270	1 445 296	1 439 184	822 991
Allowance/Loan Ratio	0,46 %	0,43 %	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:
30.09.2022: 0
30.09.2021: 0

Remaining exposure from credit impaired loans and loss exposed loans:

30.09.2022	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

30.09.2021	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	807 000
Unchanged	822 000
Vessel value down	1 935 000

30.09.2022

	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	74 186	- 74 186	-	-
Transfer to Step 2	-	-	-	-
Transfer to Step 3	-	-	-	-
Reclassification	- 73 918	-	-	- 73 918
Amortization	- 317 115	-		- 317 115
New commitments	414 535			414 535
Effect of Scenario Adjustment	- 29 638	76 221		46 583
Allowance as of 30.09.2022	**686 910**	**828 471**	**-**	**1 515 382**
Lending to customers 30.09.2022	331 808 243	-	-	*331 808 243*
Loans not disbursed	0			
Allowance: Loans not disbursed	-			-
Net Change in Loss allowance	**68 050**	**2 035**	**0**	**70 085**

1) *Reclassification: Change in Expected Loss calculation*

**Loss allowance in step 2 is a result of anticipated migration in the negative macro scenario*

30.09.2021

	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	264 010	- 264 010		
Transfer to Step 2	- 43 512	43 512		
Transfer to Step 3				
Reclassification	- 317 864	74 735		- 243 129
Amortization	- 289 795	- 56 820		- 346 615
New commitments	282 218			282 218
Effect of Scenario Adjustment	56 078	252 103		308 181
Allowance as of 30.09.2021	**600 389**	**828 880**	**-**	**1 429 270**
Lending to customers 30.09.2021	319 262 966	*16 173 149*	-	*335 436 115*
Loans not disbursed	0			
Allowanse: Loans not disbursed	-			-
Net Change in Loss allowance	**-48 865**	**49 520**	**0**	**656**

Reclassification: Change in Expected Loss calculation

Credit risk: Total

30.09.2022

Amounts in USD	Very low risk	Low risk	Moderate risk	High risk	Loss exposed	Sum
Deposit with Central Bank	5 947 581					5 947 581
Deposits with credit institution	87 538 813					87 538 813
Certificates and bonds	119 237 964					119 237 964
Shares and other securities			175 175			175 175
Loans to customers		109 845 069	221 963 174	0	0	331 808 243
Total	**212 724 359**	**109 845 069**	**222 138 349**	**0**	**0**	**544 707 777**
Committed loans, not disbursed			34 500 000			

30.09.2021

Amounts in USD	Very low risk	Low risk	Moderate risk	High risk	Loss exposed	Sum
Deposit with Central Bank	7 868 701					7 868 701
Deposits with credit institution	76 839 694					76 839 694
Certificates and bonds	131 020 415					131 020 415
Shares and other securities			114 386			114 386
Loans to customers		137 732 492	197 703 623	0	0	335 436 115
Total	**215 728 810**	**137 732 492**	**238 944 610**	**0**	**0**	**551 279 311**
Committed loans, not disbursed			11 660 000			

Lending to customers by segment

	Q3 2022		Q3 2021		Q4 2021	
Sector	**USD**	**Share %**	**USD**	**Share %**	**USD**	**Share %**
Bulk	155 717 609	47 %	122 467 726	37 %	111 378 209	35 %
Container	45 457 729	14 %	78 995 205	24 %	76 986 638	24 %
Tank	113 047 068	34 %	118 543 123	35 %	112 955 804	36 %
Gas	15 163 637	5 %	11 740 264	4 %	10 727 646	3 %
Specialized	2 422 200	1 %	3 689 797	1 %	3 470 709	1 %
Offshore	-	0 %	-	0 %	-	0 %
Sum	**331 808 243**	**100,00 %**	**335 436 115**	**100 %**	**315 519 007**	**100%**

Bonds and certificates: Risk Weight

Risk Weight	Q3 2022 Fair Value	Q3 2021 Fair Value	2021 Fair Value
0 %	12 479 081	15 248 358	15 127 481
10 %	106 758 884	115 772 057	113 782 736
20 %			
100 %			
Total	**119 237 964**	**131 020 415**	**128 910 217**

Bonds and certificates: Rating

Rating	Q3 2022 Fair Value	Q3 2021 Fair Value	2021 Fair Value
AAA	114 458 499	193 427 682	123 003 838
AA+	4 779 465	2 634 473	5 906 379
AA	0	0	0
A	0	0	0
Total	**119 237 964**	**196 062 155**	**128 910 217**

Bonds and certificates: Sector

Sector	Q3 2022 Fair Value	Q3 2021 Fair Value	2021 Fair Value
Supranationals	1 946 771	5 011 050	2 408 519
Local authority	10 532 309	8 965 866	12 718 962
Credit Institutions	106 758 884	182 085 239	113 782 736
Bank	-		-
Total	**119 237 964**	**196 062 155**	**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.

Calculated tax will be affected by changes in USDNOK exchange rate (see Note 5).

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 Board 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	9 389 448	101 606 975
Tax related agio on equity	-	-
Basis for Tax Calculation	9 389 448	101 606 975
Calculated Tax (25%)	**2 347 362**	**25 401 744**

2) Full currency agio on Equity (Previous method)

	USD	NOK
Profit Before Tax	9 389 448	101 606 975
Tax related agio on equity	21 255 352	230 012 669
Basis for Tax Calculation	30 644 801	331 619 644
Calculated Tax (25%)	**7 661 200**	**82 904 911**

The calculated tax for the period is 81.6% 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 a change in the USDNOK exchange rate are 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.

30.09.2022

Amounts in USD 1000	Level 1	Level 2	Level 3	Total
Certificates and bonds	0	119 238	0	119 238
Shares and other securities	0	0	0	0
Financial derivatives	0	767	0	767
Total financial assets	**0**	**120 005**	**0**	**120 005**
Financial derivatives	0	34 880	0	34 880
Total financial liabilities	**0**	**34 880**	**0**	**34 880**

30.09.2021

Amounts in USD 1000	Level 1	Level 2	Level 3	Total
Certificates and bonds	0	131 020	0	131 020
Shares and other securities	0	0	0	0
Financial derivatives	0	1 601	0	1 601
Total financial assets	**0**	**132 621**	**0**	**132 621**
Financial derivatives	0	5 471	0	5 471
Total financial liabilities	**0**	**5 471**	**0**	**5 471**

Note 7, Financial pledges

The Bank has pledged NOK 355 350 000 of deposits as collateral for financial derivatives.

Note 8, Other intangible assets and fixed assets

- In USD	30.09.2022		30.09.2021	
	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	-797 944	-604 710	-117 585	-37 022
Introduction of right to use-asset				
Additions		1 965 799		
Disposals				
Cost or valuation at end of period	**3 511 302**	**2 717 878**	**4 329 081**	**1 363 035**
Accumulated depreciation and impairment at 01.01.	-3 999 627	-1 031 433	-3 237 478	-731 667
Exchange and other adjustments	765 568	207 475	111 386	27 917
Depreciation charge this year	-190 374	-261 570	-675 402	-249 062
Disposals				
Accumulated depreciation and impairment at end of period	**-3 424 432**	**-1 085 528**	**-3 801 494**	**-952 812**
Balance sheet amount at end of period	**86 870**	**1 632 350**	**527 586**	**410 222**
Economic lifetime	*5 years*	*3 years*	*5 years*	*3 years*
Depreciation schedule	*Linear*	*Linear*	*Linear*	*Linear*

Fixed assets	**30.09.2022**	**30.09.2021**
Right to use assets	1 623 787	390 013
Other	8 563	20 209
Sum fixed assets	1 632 350	410 222

LIABILITIES

Note 9, Other assets and financial derivatives.

30.09.2022

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	205 000		1 863 863	767	34 628
Buy/Sell EUR against NOK		8 600	87 961	0	252
Total Currency Derivatives	**205 000**	**8 600**	**1 951 824**	**767**	**34 880**

30.09.2021

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	190 000		1 633 483	1 418	5 390
Buy/Sell EUR against NOK		11 160	114 024	183	81
Total Currency Derivatives	**190 000**	**11 160**	**1 747 507**	**1 601**	**5 471**

Note 10, Other Liabilities and accrued cost

- In USD	**30.09.2022**	**30.09.2021**
Account payables	90 572	69 572
Tax withholdings	124 676	125 389
VAT payable	73 220	81 564
Tax payable	-	1 516 722
Deferred tax	1 294 662	553 572
Lease liability	1 658 240	399 171
IFRS-9 Allowance (loans not disbursed)	-	-
Other liabilities	2 655 557	71 404
Total other liabilities	**5 896 926**	**2 817 394**
Holiday pay and other accrued salaries	673 397	794 312
Other accrued costs	50 536	83 798
Total accrued costs	**723 934**	**878 110**

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	233 526	2.86 %
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	1 170 907	14.33 %
	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.