



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 912 277 070
Organisasjonsform: Allmennaksjeselskap
Foretaksnavn: MARITIME & MERCHANT BANK ASA
Forretningsadresse: Haakon VII's gate 1
0161 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2024 - 31.12.2024

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Lars Fossen
Dato for fastsettelse av årsregnskapet: 20.03.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 09.05.2025



Resultatregnskap

Beløp i: USD	Note	2024	2023
RESULTATREGNSKAP			
Renteinntekter og lignende inntekter			
Renteinntekter beregnet etter effektivrentemetoden av utlån til og fordringer på kredittinstitusjone		4 620 916	3 399 282
Renteinntekter beregnet etter effektivrentemetoden av utlån til og fordringer på kunder		38 781 834	36 560 104
Renteinntekter beregnet etter effektivrentemetoden av rentebærende verdipapirer		6 366 331	5 359 104
Sum renteinntekter og lignende inntekter		49 769 081	45 318 490
Rentekostnader og lignende kostnader			
Rentekostnader beregnet etter effektivrentemetoden på innskudd fra og gjeld til kunder		21 610 883	14 905 710
Øvrige rentekostnader		2 754 056	4 233 924
Sum rentekostnader og lignende kostnader		24 364 939	19 139 634
Netto renteinntekter		25 404 142	26 178 856
Provisjonsinntekter og inntekter fra banktjenester		352 680	408 489
Provisjonskostnader og kostnader ved banktjenester		100 455	91 209
Utbytte og andre inntekter av egenkapitalinstrumenter			
Sum utbytte og andre inntekter av egenkapitalinstrumenter		0	0
Netto verdiendring og gevinst/tap på valuta og finansielle instrumenter			
Netto verdiendring og gevinst/tap på rentebærende verdipapirer		151 741	213 802
Netto verdiendring og gevinst/tap på valuta og finansielle derivater		87 573	425 984
Sum netto verdiendring og gevinst/tap på valuta og finansielle instrumenter		239 314	639 786
Andre driftsinntekter		7 521	0
Lønn og andre personalkostnader		6 770 408	6 030 990
Andre driftskostnader		2 199 163	2 357 289



Resultatregnskap

Beløp i: USD	Note	2024	2023
Av-/nedskrivninger, verdiendringer og gevinst/tap på ikke-finansielle eiendeler			
Avskrivninger	14	333 407	355 019
Sum av-/nedskrivninger, verdiendringer og gevinst tap på ikke-finansielle eiendeler		-333 407	-355 019
Kredittap på utlån, garantier mv. og rentebærende verdipapirer			
Kredittap på utlån målt til amortisert kost eller virkelig verdi med 7 verdiendring over andre inntekt		141 661	-179 492
Sum kredittap på utlån, garantier og rentebærende verdipapirer		141 661	-179 492
Resultat før skatt fra videreført virksomhet			
Skatt på resultat fra videreført virksomhet	9	7 440 430	5 672 129
Resultat etter skatt fra videreført virksomhet		9 018 133	12 899 987
Resultat før andre inntekter og kostnader		9 018 133	12 899 987
Andre inntekter og kostnader			
Sum andre inntekter og kostnader		0	0
Totalresultat for regnskapsåret		9 018 133	12 899 987



Balanse

Beløp i: USD	Note	2024	2023
BALANSE - EIENDELER			
Kontanter og kontantekvivalenter		6 132 938	6 545 566
Utlån til og fordringer på kredittinstitusjoner og finansieringsforetak			
Utlån og fordringer på kredittinstitusjoner og finansieringsforetak til amortisert kost		77 415 019	59 414 387
Sum utlån og fordringer på kredittinstitusjoner og finansieringsforetak		77 415 019	59 414 387
Utlån til og fordringer på kunder			
Utlån og fordringer på kunder til amortisert kost	7	379 860 282	341 176 165
Sum utlån og fordringer på kunder		379 860 282	341 176 165
Rentebærende verdipapirer			
Rentebærende verdipapirer til virkelig verdi	7	125 486 849	135 607 625
Sum rentebærende verdipapirer		125 486 849	135 607 625
Finansielle derivater			
Finansielle derivater	16	140 741	2 387 368
Aksjer, andeler og andre egenkapitalinstrumenter			
Aksjer, andeler og andre egenkapitalinstrumenter		264 803	242 726
Immaterielle eiendeler			
Immaterielle eiendeler	14	94 479	61 479
Varige driftsmidler			
Andre varige driftsmidler	14	991 599	1 349 772
Sum varige driftsmidler		991 599	1 349 772
Andre eiendeler			
Andre eiendeler		358 559	328 925
Sum andre eiendeler		358 559	328 925
SUM EIENDELER		590 745 269	547 114 013



Balanse

Beløp i: USD	Note	2024	2023
BALANSE - GJELD OG EGENKAPITAL			
GJELD			
Innlån fra kredittinstitusjoner og finansieringsforetak			
Sum innlån fra kredittinstitusjoner og finansieringsforetak		0	0
Innskudd og andre innlån fra kunder			
Innskudd og andre innlån fra kunder til amortisert kost		430 823 775	397 316 100
Sum innskudd og andre innlån fra kunder		430 823 775	397 316 100
Gjeld stiftet ved utstedelse av verdipapirer			
Sum gjeld stiftet ved utstedelse av verdipapirer		0	0
Finansielle derivater			
Finansielle derivater	16	13 340 360	8 120 584
Annen gjeld			
Annen gjeld	17	2 739 078	3 183 991
Avsetninger			
Forpliktelse ved periodeskatt	17	3 762 563	5 827 029
Forpliktelse ved utsatt skatt	17	4 631 571	1 083 734
Sum avsetninger		8 394 134	6 910 763
Ansvarlig lånekapital			
Sum ansvarlig lånekapital		0	0
Fondsobligasjonskapital			
Sum fondsobligasjonskapital		0	0
Sum gjeld		455 297 347	415 531 438
EGENKAPITAL			
Innskutt egenkapital			
Aksjekapital/eierandelskapital	18	9 708 655	9 708 655
Overkursfond		94 148 865	94 148 865
Sum innskutt egenkapital		103 857 520	103 857 520



Balanse

Beløp i: USD	Note	2024	2023
Opptjent egenkapital			
Annen egenkapital		31 590 402	27 725 055
Sum opptjent egenkapital		31 590 402	27 725 055
Sum egenkapital		135 447 922	131 582 575
SUM GJELD OG EGENKAPITAL		590 745 269	547 114 013



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	30.12.2017	01.02.2018
Telefon	Deres referanse	Vår referanse
90076012	Halvor Sveen	2018/32257

MARITIME & MERCHANT BANK ASA
Postboks 1494 Vika
0116 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Maritime & Merchant Bank ASA, org.nr. 912 277 070

Vi viser til deres brev av 30. desember 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Maritime & Merchant Bank ASA.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Maritime & Merchant Bank ASA dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden gjengis:

Maritime & Merchant Bank er en nisjebank som tilbyr førsteprioritetslån til små og mellomstore rederier i Norge og internasjonalt. Selskapet har konsesjon til å drive bankvirksomhet.(...)

(...)Begrunnelsen for å søke å avgi årsregnskap og årsberetning på engelsk er at all kommunikasjon innad i selskapet og mot omverdenen foregår på engelsk. Bakgrunnen for dette er følgende:

- Hoveddelen av bankens aksjonærer er internasjonale og har engelsk som språk. All kommunikasjon og regnskapsrapportering foregår derfor på engelsk.*
- Banken har internasjonale styremedlemmer og all informasjon i styresammenheng foregår derfor på engelsk.*
- Banken opererer i et internasjonalt marked og har behov for at alle offisielle dokumenter, herunder årsregnskap og årsberetninger på engelsk.*
- Banken har internasjonale samarbeidspartnere (banker og advokater etc.) som krever at denne type informasjon er på engelsk.*
- Banken har internasjonale kunder innenfor shipping som krever at denne type informasjon er på engelsk.*

En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post:	22 17 08 60
	skatteetaten.no/sendepost	



Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *”informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at banken hovedsaklig er eid av utenlandske investorer, og har utenlandske styremedlemmer. Arbeidsspråket er engelsk. Banken er en nisjebank som utelukkende retter seg mot små og mellomstore rederier i Norge og utlandet. Det er vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk. Videre har banken utenlandske samarbeidspartnere.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Maritime & Merchant Bank ASA

Financial Report

31.12.2024





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The profit for 2024 the period before tax is USD 16 458 564 (USD 18 572 116). The bank has zero credit losses and no distressed loans. The return on equity before tax was 10% in the 4th quarter of 2024. The net loan book increased from USD 341.176.165 to USD 379.860.282 during 2024.

The market for ship financing continued in 2024 to be characterized by a large supply of credit. The generally good market development over the past few years has resulted in a large volume of loan repayments, which in turn has put downward pressure on margins to employ this capital. There are a number of signs in the market that this development is about to level off.

2024 was a new year in which war and geopolitical unrest took center stage. In addition, Trump's election victory brought in several trade policy aspects, which brought with it many concerns about free world trade. Later, Mr. Trump has shown that he is serious about his plans and has implemented new tariffs on areas the administration believes American domestic industry is threatened. Basically, bad news for free world trade is also the same for international shipping, and the further development is of course followed very closely. A few questions are hanging in the air and naturally create uncertainty for the near future. How many of the Trump administration's many moves in the field of trade policy will be realized or are most of them part of strategic moves to achieve negotiated solutions? And of course; what direct impact will the various measures have on seaborne trade? Most of the answers will probably come during the next two quarters and it is probably just a matter of preparing for several surprising new developments. International shipping is an industry that has always shown a great ability to adapt to changing geo-political and trade policy premises, but even for this industry there are unusually many uncertainties on the table in the current situation.

The bulk carrier sector experienced a downturn in ton-miles demand during 2024 which reduced the earnings gradually during the second half of the year and this has continued into 2025. The forecast (Clarksons) for 2025 draws a soft picture of the segment with a trade growth (ton-miles) of 0.9% and fleet growth of around 3%. The likelihood for China repeating its high import figures for dry bulk from the 2023-24 season is not there, if we refer to the leading analytical circles, and there lies the key question for the dry sector. The asset values have been adjusted downward over the last two quarters with approximately 15%.

Again, the tanker owners experienced a new strong year in 2024, despite a reduction in rates year-over-year with 13%, which still is 46% above the 10-year average in tankers earnings. (Clarksons). The forecasts for 2025 are overall healthy, but the complexity surrounding the segment is significant. The solving of different tensions in the Middle East might loose up disruptions while the ramp-up of sanctions could lead to a tighter supply side and corresponding positive freight rate development. The orderbook for the crude segments are fairly moderate, while the product newbuilding back-log could cause pressure on the market within the next 2-3 years.

The unrest in the Red Sea and Suez area have impacted strongly into the container market due to the extensive re-routing of ships which again have resulted in ineffective utilization of the fleet, thus 2024 was a very profitable year for the container owners. The immediate prospects looking into 2025 are positive and is reflected in high activity in the period fixture market. Further down the road there are obviously several uncertainties. A cease fire and free transit through Suez and Red Sea will ease pressure on the supply side while the trade policy questions raising various concerns, and finally, "as always" in the container sector; the newbuilding order book is a major threat. This time around there are the new buildings above 10.000 TEU that represents the largest challenge, while the feeder sector seems to have moderate list of new orders.

We will take this opportunity to thank sincerely all our clients across the globe for all your support and co-operation during 2024. Your enquiries and project presentations are of decisive importance for our further



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development and enabling us for taking new steps for improvement of our services. We are looking forward to new ventures in a challenging, demanding and yet rewarding market

Going concern assumption

The financial statements are prepared assuming that the business will continue to operate in the foreseeable future, i.e. under the going concern assumption.

Profit for the period (01.01-31.12)

The profit for the period before tax is USD 16 458 564 (USD 18 572 116) and profit after tax* is USD 9 018 133(USD 12 899 987).

Net interest income and related income totalled USD 25 404 142 (USD 26 178 856), and other Income (including financial derivatives and fixed income instruments) was USD 499 060(USD 957 066).

Operating expenses before impairments and losses totalled USD 9 302 978 (USD 8 743 298). The Cost/Income ratio came in at 35.9% (32.2%).

For the whole year, loss allowance (Expected Loss) increased by USD 141 661(Decreased USD 179 492). The increase in loss allowance is mainly due to increased lending. Credit Loss (Impairments) was USD 0 (USD 0)

(*) see Deferred Taxes and payable tax below

	2024	2023	2024	2023
	01.10 - 31.12	01.10 - 31.12	01.01 - 31.12	01.01 - 31.12
Interest Income	12 258 763	11 401 591	49 769 081	45 318 489
Interest Expense	-5 922 669	-4 799 590	-24 364 939	-19 139 633
Net Interest Income	6 336 093	6 602 001	25 404 142	26 178 856
Other Income	-248 580	271 577	499 060	957 066
Total Income	6 087 513	6 873 578	25 903 202	27 135 922
Operating Expense	-2 469 019	-2 136 505	-9 302 978	-8 743 298
Operating Result	3 618 494	4 737 073	16 600 224	18 392 624
Loss Allowance	-305 148	99 931	-141 661	179 492
Write Off (Credit Loss)				
Sum Impairment	-305 148	99 931	-141 661	179 492
Profit Before Tax	3 313 346	4 837 005	16 458 563	18 572 116
Tax	-4 149 122	-2 238 283	-7 440 430	-5 672 129
Profit After Tax	-835 777	2 598 721	9 018 133	12 899 987



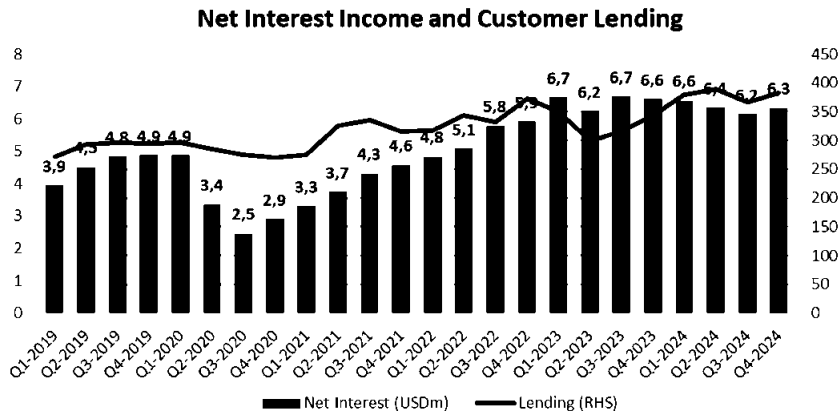
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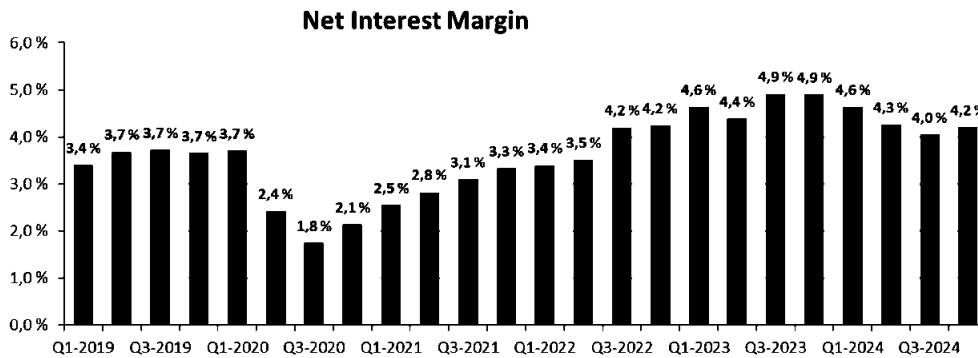
Q4: 01.10- 31.12.2024

Net interest income and related income

Net interest income and related income totalled USD 6 336 093 in Q4 (USD 6 602 001 in Q4 2023).



Net interest margin decreased from 4.9% in Q4-23 to 4.2% in Q4-24. Lower money market rates and margin pressure decreased Net Interest Margin.

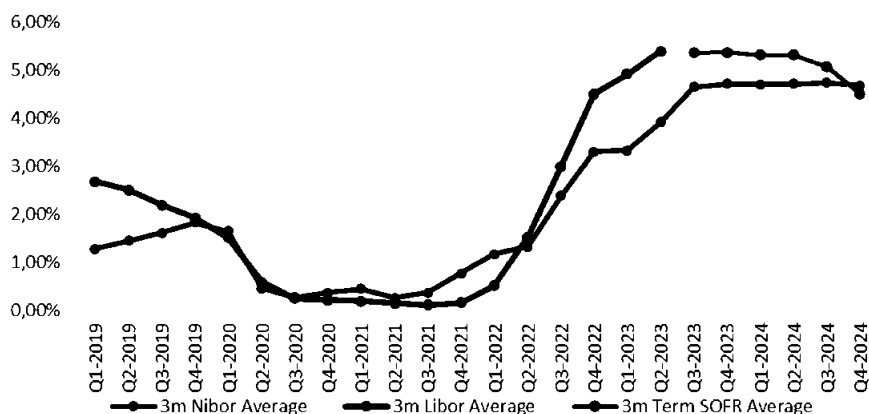


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Lower money market rates (daily average) in USD and stable in NOK during the year. The Bank's deposit rates were stable during 2024.

USD and NOK Short Term Interest Rates



(Source: Infront, Maritime & Merchant Bank ASA)

Net other income

Net other income amounted to USD -248 580 in Q4 2024 (USD 271 577 in Q4-2023).

Value adjustments on derivatives and hedging instruments in Q4 was USD -282 715 due to an appreciation of the USD against NOK (USD 117 330 in Q4-2023). Value adjustment YTD is USD 87 573 (USD 425 984 in 2023).

Value adjustments on interest-bearing securities was USD -25 896 in Q4-2023 (USD 80 724 in Q4-2023). Year to date adjustments is USD 151 741 (USD 213 802 in 2023).

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 60 031 in Q4 (USD 73 523 in Q4-2023).

Total operating expenses before impairments and losses

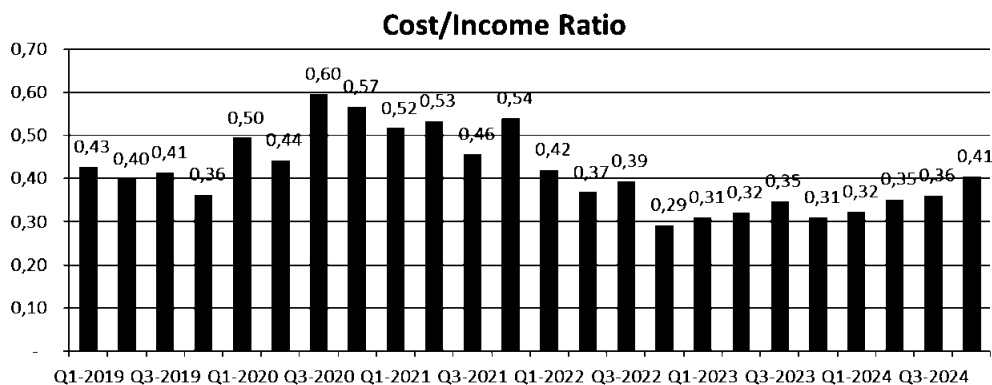
Operating expenses before impairments and losses totalled USD 2 469 019 in Q4 (USD 2 136 505 in Q4-2023).

Salaries and personnel expenses, including social costs, amounted to USD 1 792 696 (USD 1 502 154 in Q4-2023) and account for the largest proportion of the overall operating expenses.

Total depreciation and impairment of fixed and intangible assets amounted to USD 84 900 (USD 74 347 in Q4-2023). The Cost/Income ratio came in at 40.6% in Q4 (31.3% in Q4-2023).

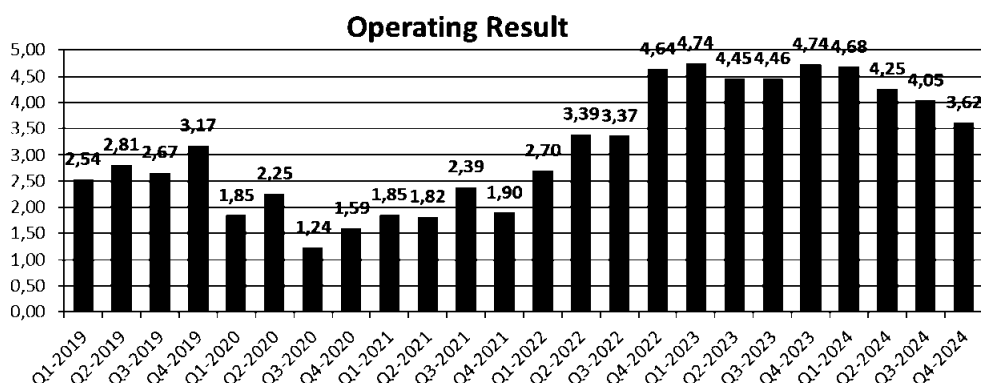


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Operating result

Operating result in Q4 amounted to USD 3 618 494 (USD 4 737 073 in Q4-2023).



Loan and Loan Loss provisions

Maritime & Merchant Bank ASA has lent USD 381 736 470 (USD 342 910 692 in 2023) to customers.

The Bank has made USD 1 876 188 (USD 1 734 527) in loss allowance (IFRS 9). Change in loss allowance through the year amounts to USD 141 661 (USD -179 492).

The credit quality of the majority of the loans (measured by PD – Probability of Default) to the tanker segment has been strong throughout the year, due to the improvement in rates and market values. The bulk and container markets have decreased some from previous year due to the volatility in the market, but the reduction in rates has not been fully reflected in the values. The Loss Allowances at 31.12.2024 compared to 31.12.23 is slightly lower as a percentage of the outstanding portfolio, but the nominal allowance is higher due to the portfolio increased compared to year-end 2023.

Majority of all commitments (98%) are in step 1 (100% in Q4-2023).



Financial Report 31.12.2024

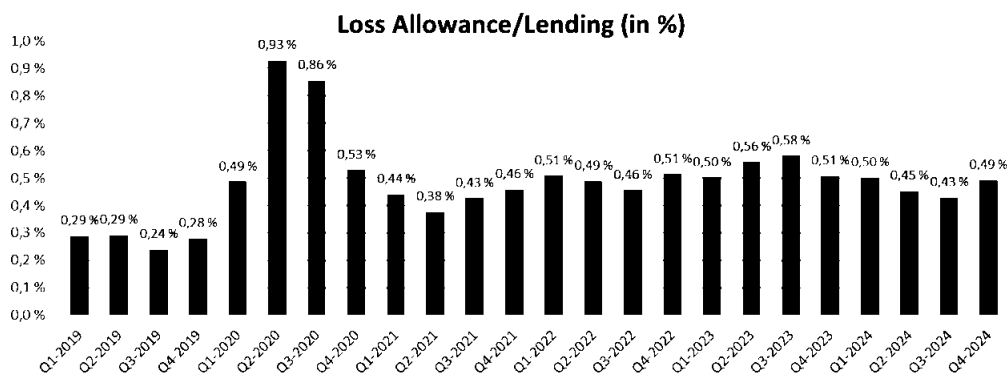


The bank has no defaulted or non-performing loans by the end of the Q4.

Loss allowance	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Step 1	1 686 583	1 298 277	1 345 649	618 860
Step 2	189 605	436 250*	568 370*	826 436
Step 3	0	0	0	0
Sum	1 876 188	1 734 527	1 914 019	1 445 296
Allowance Loans not disbursed				
Allowance/Loans Ratio	0.49%	0.51%	0.51%	0.46%
Impairments (Credit Loss)	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

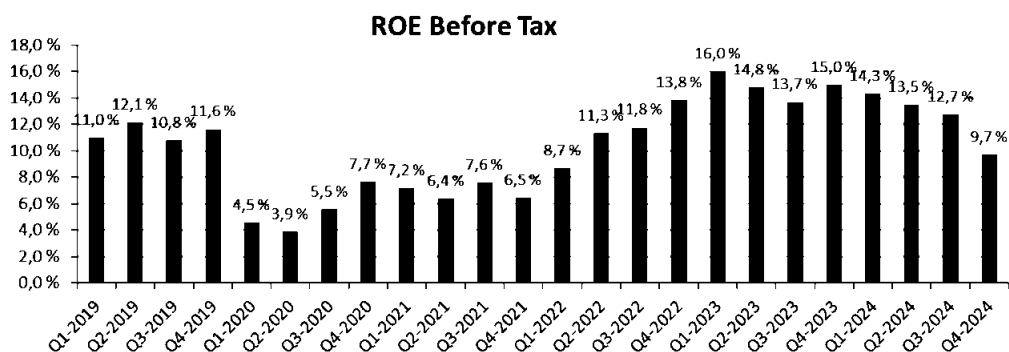
** Assigning migration due to macro analysis in Stage-2 are discontinued from Q2-24. This does not affect total allowance.



Profit before tax

Profit before tax amounted to USD 3 313 346 in Q4 (USD 4 837 005 in Q4-2023).

Return on equity before tax was 9.7% (15% in Q4-2023).

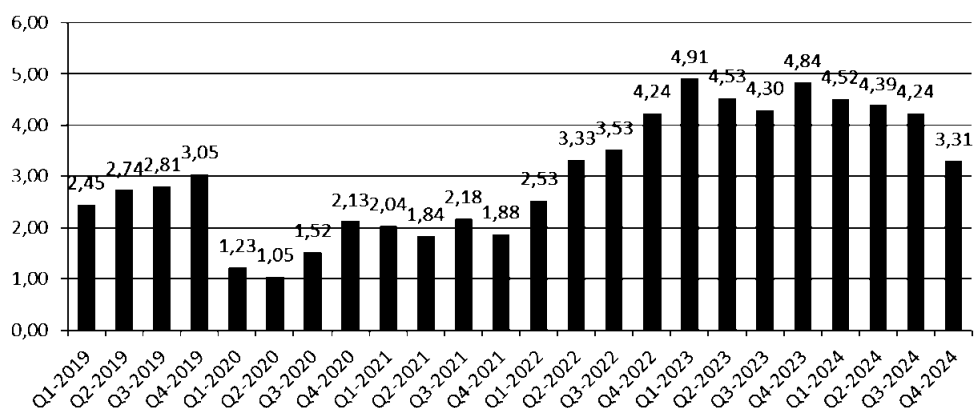




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Profit Before Tax (USDm)



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 has been used in the first three quarters of 2024.

Ministry of Finance has not concluded regarding the tax rule adjustment. The Bank has on that basis incorporated full agio effect for the year 2024 in Q4 2024.

The agio effect (unintended taxable income/cost) for 2024 is positive NOK 150 143 087 (USD 13 240 131). This "phantom" income will result in an increased calculated (not payable) tax of NOK 37 535 772 or USD 3 310 033 (USD 1 001 116 in 2023).

Exchange rate (USD/NOK) 31.12.2024 was 11.34 compared to USD 10.16715 (31.12.2023).

See Note 9, Tax Calculation.

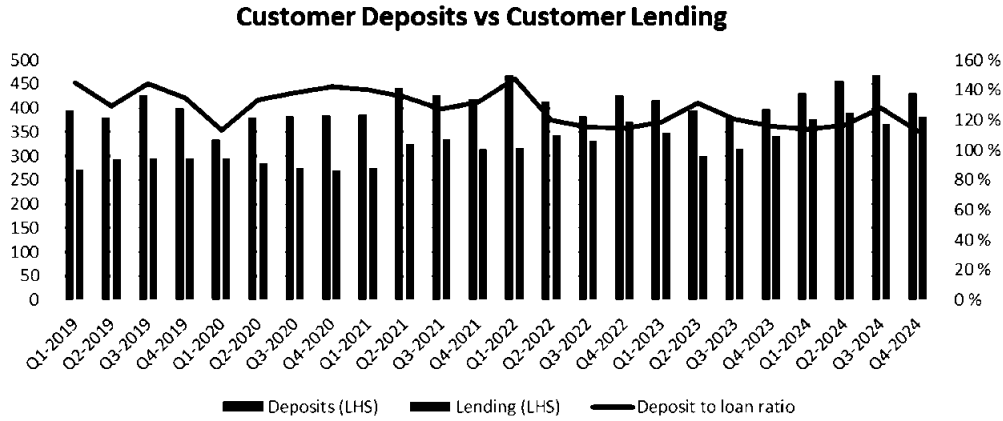


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Deposit and Liquidity

Customer deposits amounted to USD 430 823 775 in Q4-2024 (USD 397 316 100 in Q4-2023).



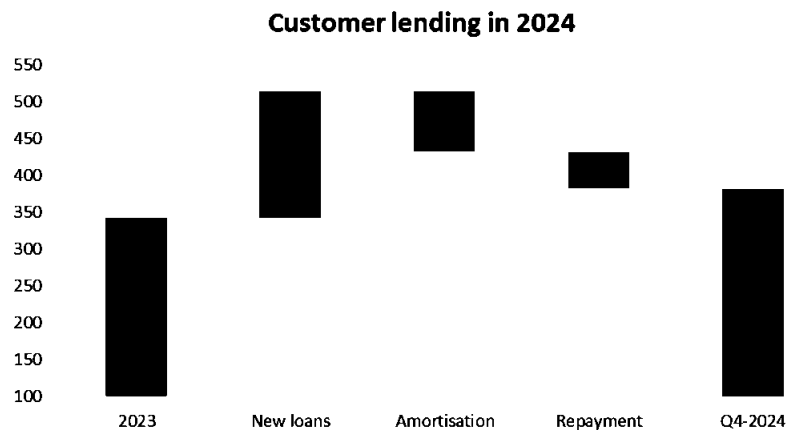
The deposit to loan ratio was 113% at the end of 2024 (116% in 2023). The liquidity situation has been good throughout the quarter. Surplus liquidity of about USD 209 million was mainly invested in interest-bearing securities, deposits in major Norwegian banks and in Norges Bank. The securities investments are in bonds with good liquidity and very low risk.

The Bank's short-term liquidity risk measured by LCR (Liquidity Coverage Ratio) was 648% (above a minimum requirement of 100%), and the long-term liquidity risk measured by NSFR (net Stable Funding Ratio) was 160% (above a minimum requirement of 100%).

Total Assets and Lending

Total assets ended at USD 590 745 269 in 2024 (USD 547 114 013 in 2023).

Lending to customer increased from USD 342 910 692 in 2023 to USD 381 736 470 in 2024.



Solvency

Core equity ratio (CET1) was 32.8% 31.12.2024 (34% 31.12.2023).

The Bank has not issued any subordinated or perpetual bonds.

The Bank paid USD 0.063 per share as dividend for 2023 (Total USD 5 159 995).

The Board propose a dividend of USD 0.033 per share for 2024 (Total USD 2 705 440).

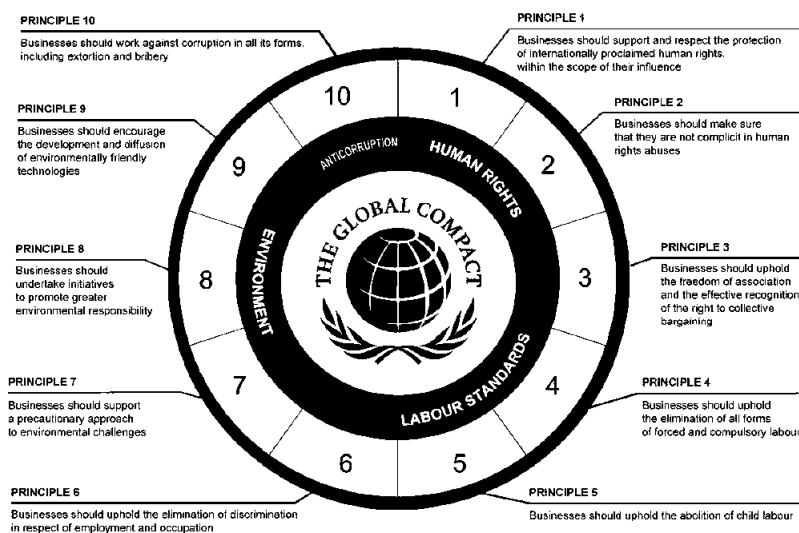
ESG

Environmental, Social and Governance factors (ESG) are included in the Bank's decision making process and analysis from the first contact with our customers and throughout the customer relationship. Our focus areas within ESG are responsible lending within the shipping and offshore industry, being a reliable bank for our clients, a safe bank for our deposit customers, safeguarding our customers' privacy and preventing financial crime while at the same time taking good care of our employees.

We believe that the sustainability challenges facing the shipping and offshore industry cannot be solved by one company alone but requires joint action and collaboration between companies throughout the value chain across borders, governments, and international agencies. Therefore, we are involved in various initiatives that aim to drive the industry in the right direction.

The Bank supports the Net Zero 2050-ambition set forward by UN to cut greenhouse gas emission as close to zero as possible and keep global warming below 1.5 degrees. The Bank became a member of the UN Global Compact programme in February 2022.

As a member, the Bank has undertaken to support the 10 principles of the UNGC in our business which are:





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The Bank has selected UN's sustainability targets number 5 (Gender Equality), 8 (Decent Work and Economic Growth), 14 (Life Below Water) and 16 (Peace, Justice and Strong Institutions) as particularly important in view of our market segment, risks and opportunities to contribute to a sustainable development. These goals are guiding our efforts within the ESG area.



In July 2021, EU adopted "Fit for 55" setting out how EU intends to reduce the net greenhouse gas emission by at least 55% by 2030, compared to 1990 levels. The aim is to reduce emissions to become climate-neutral by 2050.

The International Maritime Organization's (IMO) regulations with regards to the Carbon Intensity Indicator (CII) was introduced on 1 January 2023. This measures how much CO2 each ship emits annually. The vessels are measured for a 12-month emission period based on a detailed and extensive formula. Each vessel will be assigned a rating from A to E based on the prior year's data, with A being the highest rating.

Vessels that receive an A to C rating are in the clear and compliant, however, vessels receiving a D rating for three consecutive years or an E rating will have to put forward a corrective action plan on how to receive a C rating or better during the coming 12 months. Example of a corrective action plan might be installation of Engine Power Limitation (EPL), permanent slow steaming, or for the vessel to change fuel. An EPL establishes a semi-permanent, overridable limit on a ship's maximum power, and therefore its speed. Calculations shows that band E vessels would need to reduce their voyage speed by approximately 12% while those in D need to decrease speed by 4%. The trajectory to obtain the rating classes A to E is lowered each year, thereby becoming increasingly rigorous towards 2030.

During 2024 vessels received their first A-E ratings. Out of the vessels in the bank's portfolio 81% were scored A-C, 5% scored D and 14% scored E (mainly container feeders). We have so far not seen any evidence that these ratings have impacted second hand values and time charter rates to any large extent. Hence, at present time the introduction of these rules does not have a significant impact on our financial accounts or credit quality.



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The IMO regulations for EEXI and CII do not apply to offshore supply ships. The Norwegian government's political platform states that offshore supply ships must have 'low emission solutions from 2025 and zero emissions from 2030'. It has not yet been clearly communicated by the authorities what this should be, if this only applies to new vessels, what kind of offshore vessels are included or how it can be achieved.

Making the shipping and offshore industry more sustainable is a collective challenge that requires commitment from all actors in the entire value chain in terms of de-carbonisation, responsible recycling of ships and securing labour and human rights for seafarers and other workers.

The international shipping and offshore industries are 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 industries for years, never ceases to impress and the Bank feels privileged to work closely with the owners and to follow this work. With the growing pressure on the shipping and offshore 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 benefit of all.

The uptake of alternative fuels on the global orderbook has been on an upwards trajectory over the recent years. Alternative fuel is being tested out like LNG, batteries, methanol, green ammonia and hydrogen. In 2024 overall newbuild order volumes reached their highest since 2007, and alternative fuel accounted for approximately 50% of the orderbook (according to Clarksons). However, replacing the full shipping fleet will take many years, and there is also a necessity to invest heavily in the onshore terminals to ensure that the new fuels are available at port. LNG is the most preferred alternative fuel option at the moment, and lower the CO2 emission with about 20-25%. However, it is not down to zero emissions. Hence, the solution for net zero in 2050 for the shipping and offshore industry has not been fully concluded on, and is a work in progress.

Hundreds of ships are recycled every year, a process that often entails significant environmental pollution and health risks for people. Ship recycling should always be performed according to strict standards for protecting human health, safety and the environment including ensuring that hazardous material are not dumped but disposed of responsibly. The Bank requires that vessels financed by us will follow the Hong Kong convention from 2009 and the Environmentally Sound recycling of ships legislation given by the EU for the safe and environmentally friendly recycling of ships. In most cases the vessels we finance are repaid in full before they reach the age of recycling.

The Bank ensures that the vessels financed are docked in accordance with the ships' docking schedules and remain in a good shape for further trading. This is regulated in the loan agreement, and we require that the vessel inspection report meet our criteria before financing a vessel. The Bank has increasingly set focus on our clients having sufficient funds to dock the vessels in line with the docking schedule and require in most cases financial covenants for funds to be built up on the minimum cash account to fully serve the next scheduled drydocking.

Ballast water is essential for safe and efficient shipping operations, however, loading and unloading untreated ballast water poses serious ecological, economic and health risks as ships become a vector for the transfer of organisms between ecosystems. The spread of invasive species is recognized as one of the greatest threats to the ecological well being of the planet, and the damage to the environment is often irreversible.

There are many different other IMO regulations than previously mentioned that put restrictions on emission, pollution and treatment of ballast water, with various time aspects for implementation. The Bank



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screens the standard of all vessels financed in regarding to pollution and safety of the seas, and make sure funds are set aside to meet the requirements. Being compliant with the applicable IMO regulations is regulated in our loan agreements with the clients. If there is a non-compliance this will be a breach of the loan agreement, which, if not rectified, will lead to an event of default.

The taxonomy for sustainable economic activity is a classification system with the aim to channel capital to profitable sustainable activities and projects. The new law came into force in Norway from 2023 and includes CSRD reporting requirements. The reporting obligation applies to listed companies as well as all banks and insurance companies, which have over 500 employees and are considered large companies according to the EU's accounting directive. The Bank has less than 500 employees, and based on our budgeted income for 2025 do not fall within the requirement to report before 2026.

The Bank has and shall continue to build a strong compliance culture. This ensures that the Bank adheres to applicable laws, rules and regulations in the market and countries we operate in. As regulatory requirements continue to evolve, we will also continue to invest in developing our risk management framework and capabilities to ensure that any new requirements remain firmly embedded in our daily activities.

The main target in relation to corporate governance is matters related to ownership of clients, Anti Money Laundering, KYC (Know Your Customer) information and CFT (Combating the Financing of Terrorism). The Bank has developed an extensive template/questionnaire, which is sent to each potential corporate customer prior to opening of a business relationship.

The Board is the ultimate responsible for the ESG area in the Bank. The Bank faces credit, regulatory and reputational risk in the ESG area. The Bank has its own ESG guidelines which are updated by the management and approved by the Board on a yearly basis. By requiring information and asking the right questions we believe that we also raise the customer's awareness towards the different ESG risk area. The Bank's credit memo has sections on ESG and KYC for each client, and new credit memos and clients are always reviewed by the Board or the Board's credit committee (holds 4 Board members) depending on size of the credit. ESG is also a part of our credit scoring models, and we will continue to develop these models in line with the new regulations and requirements within the shipping industry. Changes in the credit scoring models are approved by the Board. ESG is a part of the weekly management meetings and the change and challenges facing the industry is high on the agenda. No financial KPIs are in place for this area as of yet, but will most likely be introduced together with the taxonomy reporting.

The Transparency Act (Åpenhetsloven) came into force in Norway on 1 July 2022. The act was put in place to promote enterprises' respect for fundamental human rights and decent working conditions with the production of goods and services. The Bank carries out a due diligence in accordance with this act, and the findings are published on the Bank's homepage.

The Bank continuously work to ensure that women and men have equal opportunities, and that no individual shall experience any form of discrimination based on gender, colour, religion, age, sexual orientation, marital status, ethnicity, disabilities, political opinion, or any other personal preference. The Bank promotes equality, which is reflected in the business' processes for recruitment and staff/management development. We want to be an equal opportunities workplace, and as of December 31st, 2024, 39% of the employees are female up from 34.7% in 2023. Of the management group 17% are female. Our board consist of 7 members of which 43% are female.



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The Bank has its office in Oslo, Norway and hence do not come across any major human rights issues in our daily activities. However, in our choice of customers, suppliers and products, the bank will work to encourage support and compliance with internationally recognised human rights.

Sickness absence in 2024 was 0.88% in the Bank. No serious occupational accident or incidents resulting in significant material damage or personal injury have occurred or been reported during the year.

Risk factors

Credit risk

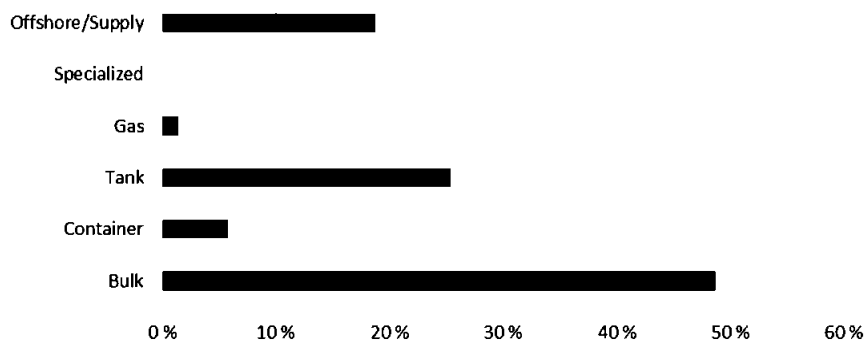
The average weighted quality of the portfolio is moderate risk, and the portfolio has a strong concentration around the mid-point. The risk in the bulker segment has gone up during the year due to the volatile bulk market and some movement in the vessel values.

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. 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 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 (48.7%), tankers (25.3%), container vessels (5.8%), LPG (gas) (1.4%), Offshore (18.8%) and specialized (0%).

The loan portfolio



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.



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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.

	31.12.2024	31.12.2023	31.12.2022	31.12.2021
LCR	648%	750%	450%	564%
Deposit Ratio (1)	73%	71%	74%	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. Routines have been established for ongoing monitoring and reporting of the interest rate risk to the Board of Directors.

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.

AML risk

Risk related to money laundering and terrorist financing represents an inherent operational risk. The bank works systematically to prevent products and services from being used to criminal activity. To understand the risk in own business, a business-oriented risk assessment has been prepared. The risk assessment sheds light on how the business can be misused for money laundering or terrorist financing, hereunder including vulnerabilities of the bank, and it forms thus the basis for the customer measures which are implemented. The risk assessment is based on external sources, own insight and experience. The assessment is updated at least annually, but more frequently in connection with relevant changes in threats against or vulnerabilities of the bank, e.g. new relevant criminal modes that the bank becomes aware of, new systems taken into usage or new products/services provided or expansion of business.

Systematic work is being done to strengthen professional competence in the day-to-day execution of anti-money laundering work. All employees receive regular training in the money laundering regulations, both through e-learning and classroom teaching.

Customer portfolios and customer information will be regularly reviewed and followed up. The bank must know its own customers and information is therefore obtained about the customers both at establishment and on an ongoing basis in the customer relationship. The knowledge of who the customers are and how they plan to use the bank will contribute to reveal whether a customer's use of the bank can entail a risk of money laundering or terrorist financing.

All transactions are subject to transaction monitoring. If something suspicious is discovered, this is investigated in more detail and possibly reported to the local Financial Intelligence Unit (Økokrim).

Sanction risk

The Bank is subject to the Sanctions Act, and through it imposed a number of duties to prevent violations of or circumvention of international sanctions. The sanctions regulations are complex and changing rapidly.



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That is why it is important that the bank has a focus on and knowledge of sanctions and regulations and has a risk-based routine work in place.

In order to comply with the Sanctions Act, there is close follow-up of own customers through familiarity with customers' business, monitoring of transactions and screening of international payments against sanctions lists as well as monitoring of vessel movements. A separate risk assessment relating to sanction risk is prepared.

ESG

Maritime & Merchant Bank ASA has established ESG guidelines, and follow this area closely as especially environmental requirement are introduced from several different international and national bodies e.g. IMO and EU. The biggest risk for the bank is introduction of new rules and regulations which potentially can make our secured vessels harder to sell or charter. The bank has made a project plan to be ready to report on CSRD when this comes into force for the bank in 2026.

Ratios

<u>Ratios</u>	<u>2024</u>	<u>2023</u>
Cost/Income Ratio	35.9%	32.2%
Return on Equity before tax	12.5%	15.1%
Net Income Margin	4.6%	5.0%
Net Interest Margin	4.5%	4.8%
Deposit to loan Ratio	113%	115%
LCR	648%	750%
NPL Ratio	0%	0%
Equity Ratio (CET1)	32.8%	34.0%

Ratio formulas, se Appendix 1

Outlook

We are motivated and feel that we are well equipped with our human resources and business management systems and control tools to meet the challenges and opportunities for the forthcoming years. International shipping is an industry that adapts continuously to new premises. We are ready to be a partner that meet our clients expectations.

Oslo, February 13th, 2025

Board of Directors, Maritime & Merchant Bank ASA



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Statement of Profit & Loss

- In USD	Note	2024		2023	
		01.10 - 31.12	01.10 - 31.12	01.01 - 31.12	01.01 - 31.12
Interest income and related income					
Interest income from customers (effective Interest method)		9 365 118	9 054 538	38 781 834	36 560 104
Interest from certificates and bonds		1 608 079	1 587 792	6 366 331	5 359 104
Interest from credit institutions (effective interest method)		1 285 565	759 261	4 620 916	3 399 282
Total interest income and related income		12 258 763	11 401 591	49 769 081	45 318 489
Interest expenses					
Interest and similar expenses of debt to credit		0	0	0	0
Interest and related expenses of debt to customers		-5 442 298	-4 110 453	-21 610 883	-14 905 710
Net interest expenses from financial derivatives		-417 837	-615 871	-2 492 145	-3 939 409
Other fees and commissions		-62 534	-73 267	-261 911	-294 515
Net interest expenses and related expenses		-5 922 669	-4 799 590	-24 364 939	-19 139 633
Net interest income and related income		6 336 093	6 602 001	25 404 142	26 178 856
Commissions, other fees and income from banking		85 977	94 475	352 680	408 489
Commissions, other fees and expenses from banking		-25 946	-20 952	-100 455	-91 209
Net value adjustments on foreign exchange and financial		-282 715	117 330	87 573	425 984
Net value adjustments on interest-bearing securities		-25 896	80 724	151 741	213 802
Other operating income		0	0	7 521	0
Total income		6 087 513	6 873 578	25 903 202	27 135 922
Salaries, administration and other operating expenses					
Salaries and personnel expenses		-1 792 696	-1 502 154	-6 770 408	-6 030 990
Administrative and other operating expenses		-591 423	-560 003	-2 199 162	-2 357 290
Net salaries, administration and other operating expenses		-2 384 119	-2 062 157	-8 969 571	-8 388 280
Total depreciation and impairment of fixed and intangible :	14	-84 900	-74 347	-333 407	-355 019
Total operating expenses		-2 469 019	-2 136 505	-9 302 978	-8 743 298
Operating result		3 618 494	4 737 074	16 600 224	18 392 624
Loan loss provisions (IFRS - 9)	7	-305 148	99 931	-141 661,1	179 492
Impairments (Credit Loss)		0	0		
Profit (+) / Loss (-) for the period before tax		3 313 346	4 837 005	16 458 564	18 572 116
Income Tax	9	-4 149 122	-2 238 283	-7 440 430	-5 672 129
Result for the period after tax		-835 777	2 598 721	9 018 133	12 899 987
Comprehensive result for the period		-835 777	2 598 721	9 018 133	12 899 987



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Balance Sheet

<u>Assets</u>		2024	2023
<i>- In USD</i>		31.12.2024	31.12.2023
	Note		
Cash and balances at Central Bank		6 132 938	6 545 566
Lending to and receivables from credit institutions		77 415 019	59 414 387
Lending to customers	7	381 736 470	342 910 692
Loss provisions on loans to customers	7	-1 876 188	-1 734 527
Net lending to customers		379 860 282	341 176 165
Certificates, bonds and other receivables			
Commercial papers and bonds valued at market value	7	125 486 849	135 607 625
Commercial papers and bonds valued at amortised cost		0	0
Certificates, bonds and other receivables		125 486 849	135 607 625
Shares		264 803	242 726
Intangible assets			
Deferred tax assets		0	0
Other intangible assets	14	94 479	61 479
Total intangible assets		94 479	61 479
Fixed assets			
Fixed assets	14	991 599	1 349 772
Total fixed assets		991 599	1 349 772
Other assets			
Financial derivatives	16	140 741	2 387 368
Other assets		17 948	71 565
Total other assets		158 688	2 458 933
Expenses paid in advance			
Prepaid, not accrued expenses		340 612	257 359
Total prepaid expenses		340 612	257 359
TOTAL ASSETS		590 745 269	547 114 013
Liabilities and shareholders equity			
<i>- In USD</i>			
		31.12.2024	31.12.2023
Liabilities			
Loans and deposits from credit institutions		0	0
Deposits from and liabilities to customers		430 823 775	397 316 100
Total loans and deposits		430 823 775	397 316 100
Other liabilities			
Financial derivatives	16	13 340 360	8 120 584
Other liabilities	17	10 383 837	9 403 332
Total other liabilities		23 724 197	17 523 916
Accrued expenses and received unearned income			
Accrued expenses and received unearned income	17	749 376	691 422
Total accrued expenses and received unearned income		749 376	691 422
Total Liabilities		455 297 347	415 531 438
Shareholders equity			
Paid-in capital			
Share capital	18	9 708 655	9 708 655
Share premium account		94 148 865	94 148 865
Total paid-in capital		103 857 520	103 857 520
Other Equity			
Retained earnings, other		-405 953	-413 161
Retained earnings		31 996 354	28 138 216
Total other equity		31 590 401	27 725 055
Total shareholder equity		135 447 922	131 582 575
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		590 745 269	547 114 013



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Statement of Equity

<u>- In USD</u>	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
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
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
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
Employee stock option				12 627	12 627
Profit			146 612	0	146 612
Equity as per 31.12.2022	9 708 655	94 148 865	19 238 230	-437 885	122 657 864
Employee stock option				8 781	8 781
Declared dividend			-4 000 000		-4 000 000
Profit			3 679 592	0	3 679 592
Equity as per 31.03.2023	9 708 655	94 148 865	18 917 822	-429 104	122 346 238
Employee stock option				7 296	7 296
Profit			3 397 061	0	3 397 061
Equity as per 30.06.2023	9 708 655	94 148 865	22 314 883	-421 808	125 750 595
Employee stock option				4 322	4 322
Profit			3 224 613	0	3 224 613
Equity as per 30.09.2023	9 708 655	94 148 865	25 539 495	-417 486	128 979 529
Employee stock option				4 325	4 325
Profit			2 598 721	0	2 598 721
Equity as per 31.12.2023	9 708 655	94 148 865	28 138 216	-413 161	131 582 575
Employee stock option				4 325	4 325
Declared dividend			-5 159 995		-5 159 995
Profit			3 391 199		3 391 199
Equity as per 31.03.2024	9 708 655	94 148 865	26 369 419	-408 836	129 818 103
Employee stock option				2 884	2 884
Profit			3 285 341	0	3 285 341
Equity as per 30.06.2024	9 708 655	94 148 865	29 654 761	-405 952	133 106 329
Profit			3 177 370	0	3 177 370
Equity as per 30.09.2024	9 708 655	94 148 865	32 832 131	-405 952	136 283 699
Profit			-835 777	0	-835 777
Equity as per 31.12.2024	9 708 655	94 148 865	31 996 354	-405 952	135 447 922



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Statement of Cash Flows

<i>- In USD</i>	2024	2023
Cashflow from operational activities		
Profit before tax	16 458 564	18 572 116
Change in loans to customers excluding accrued interest	-38 551 431	27 299 377
Change in deposits from customers excluding accrued interest	33 507 675	-28 267 739
Change in loans and deposits from credit institutions	0	0
Change in certificates and bonds	10 120 777	-4 417 515
Change in shares, mutual fund units and other securities	-22 077	-50 882
Change in financial derivatives	7 466 403	-8 406 217
Change in other assets and other liabilities	1 008 824	-1 103 693
Interest income and related income from customers	-38 781 834	-36 560 104
Interest received from customers	38 649 147	38 483 356
Net interest expenses and related expenses to customers	21 610 883	14 905 710
Interest paid to customers	-21 610 883	-14 905 710
Ordinary depreciation	333 336	355 019
Other non cash items	457 683	19 357
Net cash flow from operating activities	30 647 068	5 923 076
Payments for acquisition of assets	-115 073	-71 327
Net cash flow from investing activities	-115 073	-71 327
Issuance of equity	0	0
Lease payments	-369 873	-346 136
Dividend Payments	-5 159 995	-4 000 000
Net cash flow from financing activities	-5 529 868	-4 346 136
Effect of exchange rate changes and other	-7 414 122	-5 306 549
Sum cash flow	17 588 005	-3 800 937
Net change in cash and cash equivalents	17 588 005	-3 800 937
Cash and cash equivalent as per 01.01.	65 959 952	69 760 889
Cash and cash equivalent as per 31.12.	83 547 957	65 959 953



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Notes 31.12.2024

Note 1, Reporting entity

Maritime & Merchant Bank ASA is a company domiciled in Norway. The Bank's registered office is at Haakon VII's gate 1, 0161 Oslo. The Bank's lending is towards the corporate market.

Note 2, Basis of accounting

These financial statements have been prepared in accordance with Regulations on annual accounts for banks, credit institutions and financing companies (The annual accounts regulations). The bank has elected to prepare the accounts in accordance with the annual accounting regulations § 1-4 2nd subsection b, which means that the accounts are prepared in accordance with IFRS unless otherwise follows from the regulations

They were authorised for issue by the Bank's Board of Directors on 13th of February 2025. Changes to significant accounting policies are described in Note 4.

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.

USD/NOK exchange rate 31.12.2024: 11.34 (31.12.2023: 10.16715)

Note 4, Changes in accounting policies

Changes in accounting rules and conceptual framework have no significant effect on the Bank's accounting practices.

Note 5, Significant accounting policies

Recognition of interest

Interest income is recognised using the internal rate of return method. This involves recognising nominal interest with the addition of the amortisation of arrangement fees less direct arrangement costs. The recognition of interest by the internal rate of return method is used both for balance sheet items valued at amortised cost and for balance sheet items valued at fair value through profit or loss. Interest income on written down credit commitments is calculated as the internal rate of return on the written down value.

Fees and commissions that are not interest rate related will be displayed as Commissions, other fees and income from banking.

Accrual of interest and charges

Interest and commission are recognised in the income statement as it is earned as income or accrues as expense. Charges that are direct payment for services rendered are taken to income when they are paid. Arrangement fees are included in the cash flows when calculating amortised costs and recognised as income in the line item "Interest expenses and similar expenses of loans to and receivables from customers" using the internal rate of return method.

Lease, right to use assets

Office rental

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

Tangible fixed assets



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Fixed assets are classified as tangible fixed assets and valued at acquisition cost less accumulated depreciation and write-downs. Acquisition cost includes expenses related directly to the acquisition. Repairs and maintenance are expensed on an on-going basis in the income statement. Tangible fixed assets are depreciated on a straight-line basis over their expected useful life. Fixtures and fittings etc. and computer equipment are amortised over a period of 3 years. The residual values and useful lives of the assets are assessed on an annual basis and adjusted as necessary. The need for write-downs is also assessed on a regular basis.

Intangible assets

Purchased software/licences are classified as intangible assets and recognised in the balance sheet at acquisition cost with the addition of the expenses required to make the software ready for use. These are amortised in line with the duration of the contracts and the expected economic life of the asset. The development of software is recorded in the balance sheet and, where the value is assessed as substantial and is expected to have lasting value, it is amortised over the course of its estimated useful life. The residual values and useful lives of the assets are assessed on an annual basis and adjusted as necessary. The need for write-downs is also assessed on a regular basis.

Pensions

The Bank has a defined contribution pension scheme for its employees and the scheme is managed by a life assurance company. The Bank pays an annual contribution to the Bank pension savings scheme of the individual employee. The Bank has no further commitments beyond the payment of the annual contribution.

Taxes

The year's tax cost comprises taxes payable for the financial year as well as changes in deferred tax on temporary differences. Temporary differences are the differences between the accounting and tax values of balance sheet items. Deferred tax is determined using the tax rates and tax rules applicable on the reporting date, and such assumed will be applied when the deferred tax asset is realised or when the deferred tax is settled. Deferred tax asset is recognised in the balance sheet in so far as it is probable that it can be charged to future taxable income. In tax accounting the equity is denominated in NOK, hence the taxable result will fluctuate with the USDNOK exchange rate.

Statement of Cash Flows

The Statement of Cash Flows has been prepared using the indirect method.

Translation of transactions in foreign currencies

The financial statements are presented in USD, which is also the functional currency of the Bank. Monetary items in foreign currencies are translated at the rate of exchange applicable on the balance sheet date. Changes in value as a consequence of changes in the rate of exchange between the transaction date and the balance sheet date are recognised in the income statement.

Financial instruments

Financial assets with fixed or determinable payments that are not quoted in an active market, other than designated on initial recognition as assets at fair value through profit or loss are classified as "Loans and receivables". Financial assets with fixed or determinable payments that Maritime & Merchant Bank ASA intends and is able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss are classified as "Held-to-maturity" investments. Loans and receivables and Held-to-maturity investments are measured at amortised cost. Financial assets and liabilities are recognised in the balance sheet on the trading date, i.e. at the point in time when the Bank becomes party to the contractual provisions of the instrument. Financial assets are removed from the balance sheet when the contractual obligations have been sold, cancelled or have expired.



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Classification

Contractual obligations and the business model of the Bank will be used to classify financial assets and liabilities in IFRS 9. The measurement categories are:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through profit or loss
- Financial liabilities measured at amortised cost
- Financial liabilities measured at fair value through profit or loss

Financial assets

The Bank's financial assets and classifications are as follows:

Assets	Classification/Measurement
Cash and deposits with central banks	Amortised cost
Cash and deposits with credit institutions	Amortised cost
Certificates and bonds (liquidity portfolio)	Fair value through profit or loss
Financial derivatives	Fair value through profit or loss
Shares and other securities	Fair value through profit or loss
Loans to customer	Amortised cost

Loans are classified using the Business model of the Bank and an assessment of the characteristics of the contractual cash flows that aims to identify whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI-test).

The liquidity portfolio represents a significant part of our operation, and fair value is monitored and managed. Certificates and bonds are on that basis classified as "Fair value through profit or loss".

Liabilities	Classification/Measurement
Deposits without fixed terms	Amortised cost
Deposit with fixed terms	Fair value through profit or loss
Debt securities issues with fixed rates	Fair value through profit or loss
Debt securities issues with floating rates	Amortised cost
Financial Derivatives	Fair value through profit or loss

Measurement

All financial assets that are not recognised at fair value through profit or loss are initially recognised in the balance sheet at fair value with the addition of transaction costs. Other liabilities recognised at amortised cost are initially recognised in the balance sheet at fair value less transaction costs. Financial assets and liabilities recognised at fair value through profit or loss are recognised at the time of acquisition at fair value and transaction costs are recognised in the income statement. Financial assets and liabilities at fair value through profit or loss are measured in subsequent periods at fair value. Loans and receivables and other financial commitments are measured at amortised cost using the effective interest method.

Fair value measurement

Fair value is the price that would be received by selling an asset or a liability and can be settled in a transaction between independent parties. The going concern assumption is applied in the calculation and a provision for the credit risk associated with the instrument is included in the valuation. Financial instruments are measured at the price within the bid-ask spread where a corresponding market risk can be shown to be present to a sufficient degree of probability.



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Financial assets and liabilities traded in an active market, quoted prices are used. In so far as no quoted prices for the instrument are obtainable, the instrument will be decomposed and valued on the basis of the prices of the individual components. This applies to the majority of derivatives such as forward exchange contracts and interest rate swaps, as well as to certificates and bonds.

In the case of other financial instruments such as deposits and loans by customers and credit institutions with locked-in rates, contractual cash flows are determined, discounted by the market rate including a credit risk margin at the reporting date.

Amortised cost measurement

Financial instruments that are not measured at fair value are measured at amortised cost and income is calculated using the effective rate of interest of the instrument (internal rate of return). The internal rate of return is determined by discounting contractual cash flows within the anticipated term. The cash flow includes arrangement fees and direct transaction costs not payable by the customer, as well as any residual value at the end of the anticipated term. Amortised cost is the present value of these cash flows discounted at the internal rate of return.

Impairment

The Bank recognises loss allowances for EL (expected loss) on the following financial instruments that are not measured at fair value through profit and loss:

- Financial assets that are debt instruments
- Loan commitments issued

No impairment loss is recognised on equity investments. The Bank measures loss allowances at an amount equal to 12-month or Life-time EL, and the assessment is performed on an individual basis.

12-month EL are the portion of EL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month EL is recognised are referred to as "Step 1 financial instruments".

Life-time EL are the EL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime EL is recognised but which are not credit-impaired are referred to as "Step 2 financial instruments" (See Note 7).

Measurement of EL

EL are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive).
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Restructured financial assets

Where there have been renegotiations with substantially different terms, or there has been a substantial modification of the terms of an existing loan, this transaction is accounted for as an extinguishment of the original loan and the recognition of a new loan. A gain or loss from extinguishment of the original loan is recognised in profit or loss.

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost are credit-impaired (referred to as "Step 3 financial assets"). A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.



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Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer
- A breach of contract such as a default or past due event
- The restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise
- It is becoming probable that the borrower will enter bankruptcy or another financial reorganisation
- The disappearance of an active market for a security because of financial difficulties

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

Presentation of Loss allowance in the statement of financial position

Loss allowances for EL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets
- Loan commitments and financial guarantee contracts: generally, as a provision

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

Note 6, Accounting estimates and discretionary assessments

Application of estimates

The Bank's financial reporting will to some extent be based on estimates and discretionary assessments, which are based on historical experience and expectations about future events. The outcome will most likely differ from accounting estimates and represents a risk for future changes in the book value of financial instruments and intangible assets.

Value measurement at fair value

Fair value is the amount an asset can be exchanged for, or an obligation can be settled in between independent parties. Fair value of financial instruments not traded in an active market, is determined by the use of valuation techniques. The Bank assesses and uses methods and assumptions that as far as possible are based on market conditions on the balance sheet date. This includes the Bank's holdings of certificates, bonds and financial derivatives.



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Impairment of financial assets

Expected credit loss (IFRS-9) must be measured reflecting an objective probability weighted outcome, determined by considering several possible scenarios, time value of money and affordable and documentable information related to past, present, and future economic conditions.

The method of measuring expected credit loss depends of whether the credit risk has increased significantly since initial recognition as this will influence whether the write-downs are based on 12 months expected loss or expected loss over the expected remaining life.

This means that the calculations will be based on discretion, among other things, related to how one defines what constitutes a significant increase in credit risk and how one considers future-oriented information.

The model for calculating expected losses and the loan portfolio is described in note 7.



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RISK

Note 7, 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 Pillar 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 Pillar 1.

Capital Adequacy

Amounts in 1000 USD	31.12.2024	31.12.2023
Share capital	9 709	9 709
+ Other reserves	125 739	121 874
- Dividend	-2 705	-5 160
- Deferred tax assets and intangible assets	-94	-61
- This year's result	-	-
- Adjustments to CET1 due to prudential filters	-139	-146
Common Equity Tier 1 (CET 1)	132 509	126 216
Calculation basis		
Credit Risks		
+ Bank of Norway	-	-
+ Local and regional authorities	-	-
+ Institutions	13 926	13 477
+ Companies	330 841	302 069
+ Covered bonds	11 380	12 245
+ Shares	265	243
+ Other assets	1 350	1 679
Total Credit risks	357 762	329 713
+ Operational risk	43 422	38 674
+ Counterparty risk derivatives (CVA-risk)	2 581	2 944
Total calculation basis	403 765	371 330
Capital Adequacy		
Common Equity Tier 1 %	32.82 %	33.99 %
Total capital %	32.82 %	33.99 %

The proposed dividend payment has been deducted



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IT

Given the inherent IT-risks for a bank, this area is subject to continuous monitoring. IT-related risks are closely monitored and included in the Bank's risk reporting to the Board and executive management team. The Internal Audit also carries out independent reviews in this area.

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



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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 (or as described in Note 6).

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



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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 seaborne shipping (World growth (GDP))
- Supply: Orderbook (shipbuilding), scrapping and idle capacity (utilization)
- Cyclical (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 1,5977.

Exposure in the scenario model is the same as at year-end (31.12.2024).

Loss Allowance and Impairments

Loss allowance	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Step1	1 686 583	1 298 277	1 345 649	618 860
Step2	189 605	436 250	568 370	826 436
Step3	0	0	0	0
Sum	1 876 188	1 734 527	1 914 019	1 445 296
Allowance/Loan Ratio	0,49 %	0,51 %	0,51 %	0.46 %
Impairments (Credit Loss)				

Forbearance

Based on the soft freight markets for the bulk vessels, a small number of clients were granted relief on their contractual debt obligations towards the bank (amortisations only) during-24. All waivers were done in combination with the ultimate owners of the borrowers providing new equity/liquidity into the borrowing entities to strengthen their financial position. Loans with reliefs given are individually assessed to be moderate risk and no significant negative migration.

As per year end 2024 no commitments have been forbearance marked.

31.12.2024					
Stage	Number of loans	Exposure 2022	Amortization relief	Interest relief	Owner contribution
1	0	0	0	0	0
2	0	0	0	0	0
Total	0	0	0	0	0

31.12.2023					
Stage	Number of loans	Exposure 2021	Amortization relief	Interest relief	Owner contribution
1	0	0	0	0	0
2	0	0	0	0	0
Total	0	0	0	0	0

Loans with reliefs given before 2022 are either repaid or individually assessed to be moderate or low risk.



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

31.12.2024: 0

31.12.2023: 0

Remaining exposure from credit impaired loans and loss exposed loans:

31.12.2024	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

31.12.2023	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 30%	984 000
Unchanged	1 056 000
Vessel value down 30%	2 383 000

Loss allowance per credit score

Risk Class	2024	2023
Very low risk	-	
Low risk	406 895	331 332
Moderate risk	1 279 689	1 403 195
High risk	189 605	
Loss exposed		
Sum	1 876 188	1 734 527



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31.12.2024

	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 31.12.2023	1 298 277	436 250	-	1 734 527
Lending to customers 31.12.2023	302 802 074	40 108 618	-	342 910 692
Changes				
Transfer to Step 1	-	-	-	-
Transfer to Step 2	- 19 045	19 045	-	-
Transfer to Step 3	-	-	-	-
Reclassification	- 120 477	99 629	-	20 848
Amortization	- 460 637	-	-	460 637
New commitments	593 684			593 684
Effect of Scenario Adjustment	394 781	- 365 319		29 462
Allowance as of 31.12.2024	1 686 583	189 605	-	1 876 188
Lending to customers 31.12.2024	375 760 923	5 975 548	-	381 736 470
Loans not disbursed	0			
Allowance: Loans not dispursed	-			-
Net Change in Loss allowance	388 306	-246 645	0	141 661

(1) Assigning migration due to macro analysis are discontinued from Q2-24. This does not affect total allowance.
 Reclassification: Change in expected loss calculation



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	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 31.12.2022	1 345 649	568 370	-	1 914 019
<i>Lending to customers 31.12.2022</i>	317 388 832	54 923 981	-	372 312 813
Changes				
Transfer to Step 1	-	-	-	-
Transfer to Step 2	-	-	-	-
Transfer to Step 3	-	-	-	-
Reclassification	- 60 504	-	-	- 60 504
Amortization	- 400 568	-	-	- 400 568
New commitments	539 765			539 765
Effect of Scenario Adjustment	- 126 065	- 132 120	-	- 258 185
Allowance as of 31.12.2023	1 298 277	436 250	-	1 734 527
<i>Lending to customers 31.12.2022</i>	302 802 074	40 108 618	-	342 910 692
<i>Loans not disbursed</i>	0			
Allowance: Loans not dispursed	-			-
Net Change in Loss allowance	-47 372	-132 120	0	- 179 492

(1) Amortisations and changes in individual assessments

Step 2 Expected loss is due to assumed migration in the macro scenario analysis. No commitments are currently identified in step 2.



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Credit risk: Total

End of year 2024

Amounts in USD	Very low risk	Low risk	Moderate risk	High risk	Loss exposed	Sum
Deposit with Central Bank	6 132 938					6 132 938
Deposits with credit institution	77 415 019					77 415 019
Certificates and bonds	125 486 849					125 486 849
Shares and other securities			264 803			264 803
Loans to customers		140 303 790	235 457 132	5 975 548	0	381 736 470
Total	209 034 806	140 303 790	235 721 936	5 975 548	0	591 036 079

Committed loans, not disbursed	27 450 000
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End of year 2023

Amounts in USD	Very low risk	Low risk	Moderate risk	High risk	Loss exposed	Sum
Deposit with Central Bank	6 545 566					6 545 566
Deposits with credit institution	59 414 387					59 414 387
Certificates and bonds	135 607 626					135 607 626
Shares and other securities			242 726			242 726
Loans to customers		118 078 406	224 832 286	0	0	342 910 692
Total	201 567 579	118 078 406	225 075 012	0	0	544 720 997

Committed loans, not disbursed	30 700 000
--------------------------------	------------

Lending to customers by segment

Sector	2024		2023	
	USD	Share %	USD	Share %
Bulk	185 905 661	49 %	192 715 809	56 %
Container	22 140 715	6 %	14 059 338	4 %
Tank	96 579 327	25 %	100 815 743	29 %
Gas	5 344 311	1 %	8 572 767	3 %
Specialized	-	0 %	-	0 %
Offshore/Supply	71 766 456	19 %	26 747 034	8 %
Sum	381 736 470	100 %	342 910 692	100 %



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Lending to customers by geographical location

	31.12.2024		31.12.2023	
	USD	Share	USD	Share
Norway	245 310 059	64 %	162 704 576	47 %
Europe (ex Norway)	61 000 360	16 %	38 316 244	11 %
Asia	9 522 441	2 %	10 501 140	3 %
Oceania	34 181 286	9 %	45 263 551	13 %
North America	0	0 %	26 965 774	13 %
Central America	18 939 346	5 %	41 327 184	7 %
Liberia	12 782 977	3 %	17 832 222	5 %
Total	381 736 470	100 %	342 910 692	100 %

Collateral held and other credit enhancements

Lending to customers

The general creditworthiness of a corporate customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security. The Bank takes collateral in the form of a first priority charge over vessels, pledged cash deposits, assignment of earnings and insurances as well as other liens and guarantees.

The credit worthiness of the corporate customer is based on a combination of the customer's value adjusted equity and the customer's cash flow and cash balance. Due to the fact that shipping in general is regarded as a cyclical industry, all loan agreements have provisions related to maximum loan to value, and valuations are assessed on a semi-annual basis, or more often when needed, to establish compliance with the loan agreements.

Valuations of collateral are updated if and when a loan is put on watch list, and the loan is monitored closely.

The following table stratify credit exposures to shipping customers by ranges of loan-to-value (LTV) ratio. LTV is calculated as the ratio of the gross amount of the loan – or the amount committed for loan commitments – to the value of the collateral. For each loan, the value of disclosed collateral is capped at the nominal amount of the loan that it is held against.

The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. The value of the collateral for shipping loans is based on the collateral value of the last appraisal (semi-annual), the Bank's estimation or observable transactions in the market.

For credit-impaired loans the value of collateral is based on the most recent appraisals.

LTV ratio and pledge in vessel

LTV Bracket	2024		2023	
	Loan Amount	Pledge in vessel	Loan Amount	Pledge in vessel
< 40%	181 444 005	181 444 005	102 602 517	102 602 517
40-50%	117 755 914	117 755 914	120 767 104	120 767 104
50-55%	39 204 284	39 204 284	40 538 908	40 538 908
55-60%	43 332 268	43 332 268	52 036 389	52 036 389
>60%			26 965 774	26 965 774
Sum	381 736 470		342 910 692	



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Bonds and certificates: Risk Weight

Risk Weight	2024		2023	
	Fair Value	Amortised Cost	Fair Value	Amortised Cost
0 %	11 686 004		13 153 323	
10 %	113 800 845		122 454 303	
20 %	0		0	
100 %	0		0	
Total	125 486 849		135 607 626	

Bonds and certificates: Rating

Rating	2024	2023
	Fair Value	Fair Value
AAA	120 997 320	130 556 680
AA+	4 489 528	5 050 946
AA	0	0
A	0	0
Total	125 486 849	135 607 626

Bonds and certificates: Sector

Sector	2024	2023
	Fair Value	Fair Value
Supranational	1 806 152	2 041 996
Local authority	9 879 852	11 111 327
Credit Institutions	113 800 845	122 454 303
Bank	-	-
Total	125 486 849	135 607 626

ESG

The Bank focuses on responsible lending to our shipping customers, to be a secure bank for our deposit customers, safeguarding customer privacy and preventing financial crime while caring for our employees.

Ship financing and the life cycle of a vessel includes a variety of ESG risks starting at construction, through trade during its life at ports and on oceans and in the end recycling at the end of its lifetime. In addition to this there are aspects in running a shipping company when it comes to for example social welfare for the crew, complying with health and safety regulation, anti-corruption and money laundering regulations. As a financial institution we have the ability to provide guidance and support by sharing our knowledge.

The Bank has integrated ESG assessments into the risk and credit discussions and will continue to follow the developments within the ESG area closely.

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.



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Reference rates

The Bank has assets, liabilities and derivatives linked to current money markets reference rates SOFR, NIBOR and EURIBOR. USD Libor were 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.

The table below shows notional amounts per interest rate period (time bucket)

<i>Notional in USD mio</i>	Up to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years
Deposits with central bank	6				
Deposits with banks	77				
Certificates and bonds	125				
Loans to customers	382				
Derivatives	202				
Sum Assets	793				
Loans from credit institutions	0				
Deposits	431				
Derivatives	202				
Sum liabilities	633				
Net	160				

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. The following table shows assets and liabilities in other currencies than USD.

Calculated tax will be affected by changes in USDNOK exchange rate (see Note 9).



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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 Financing 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.

End of 2024

	Up to 1 month	1 to 3 months	3 to 12 months	Over 1 year	Over 5 years	Total
Cash and claims on central banks	6 132 938					6 132 938
Loans and receivables from credit inst	77 415 019					77 415 019
Loans to and receivables from customers	0	0	0	381 736 470	0	381 736 470
Loss provisions on loans to customers				-1 876 188		-1 876 188
Commercial papers and bonds		38 087 110	15 082 965	72 316 774	0	125 486 849
Shares, funds and other securities	-				264 803	264 803
Other Assets	340 612			1 104 026		1 444 638
Derivatives	140 741					140 741
Assets	84 029 309	38 087 110	15 082 965	453 281 082	264 803	590 745 270
Deposits from credit institutions		0				0
Deposits from and liabilities to customers	402 626 731	6 976 244	985 396	20 235 404		430 823 775
Debt from issuance of bonds						0
Subordinated loan capital						0
Other Liabilities	749 376		10 384 106			11 133 482
Financial derivatives (net settlement)	0	200 183	0	13 140 177		13 340 360
Liabilities	403 376 107	7 176 427	11 369 502	33 375 581	0	455 297 617
Total	-319 346 797	30 910 683	3 713 463	419 905 501	264 803	135 447 653



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End of 2023

	Up to 1 month	1 to 3 months	3 to 12 months	Over 1 year	Over 5 years	Total
Cash and claims on central banks	6 545 566					6 545 566
Loans and receivables from credit inst	59 414 387					59 414 387
Loans to and receivables from customers	9 685 000	9 945 000	46 695 000	276 585 692	0	342 910 692
Commercial papers and bonds		0	37 986 670	97 620 955	0	135 607 625
Shares, funds and other securities	-				242 726	242 726
Other Assets	257 359			2 135 658		2 393 017
Assets	75 902 312	9 945 000	84 681 670	376 342 305	242 726	547 114 013
Deposits from credit institutions		0				0
Deposits from and liabilities to customers	382 470 213	983 560	1 872 874	11 989 452		397 316 100
Debt from issuance of bonds						0
Subordinated loan capital				9 403		0
Other Liabilities	691 422			332		10 094 754
Liabilities	383 161 635	983 560	1 872 874	21 392 784	0	407 410 854
Financial derivatives (net settlement)	0	538 155	7 582 430	0		8 120 585
Total	-307 259 323	9 499 595	90 391 225	354 949 521	242 726	131 582 575

The time buckets are contractual maturity. Assets and liabilities without any time restrictions are put in the "up to 1 month" time bucket.

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.



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INCOME AND COST

Note 8, Remuneration

Management and Board of Directors - 2024

<i>- In USD</i>	Fixed Salary	Other Remuneration	Bonus	Total Remuneration	No. Of shares	%
Management						
Halvor Sveen (CEO)	485 568	1 587	48 685	535 840	21 630	0.0265%
Lars Fossen (CRO/CCO)	321 006	1 587	32 205	354 798	-	-
Linda Christin Hoff (CCO)	231 687	1 587	24 250	257 525	-	-
Tor Stenumgård (CFO)	294 424	1 587	30 058	326 069	-	-
Per Ugland (Executive Director)	255 971	531	25 764	282 265	-	-
Bjørn Havsgård	205 755	1 587	21 587	228 929	-	-
Total management	1 794 412	8 467	182 548	1 985 426	21 630	-

<i>- In USD</i>	Proposed Fee	Other Remuneration	Bonus	Total Remuneration	Number of shares (1), (2)	%
Board of Directors						
Endre Røsjø, Chair	56 681	-	-	56 681	20 419 790	24.9935%
Henning Oldendorff	28 340	-	-	28 340	20 419 790	24.9935%
Magnus Roth (1)	28 340	-	-	28 340	4 388 990	5.3720%
Nikolaus Oldendorff	28 340	-	-	28 340	4 313 940	5.2802%
Ingrid Elvira Leisner	28 340	-	-	28 340	-	0.0000%
Karin Thorburn	28 340	-	-	28 340	95 000	0.1163%
Anne-Margrethe Firing	28 340	-	-	28 340	-	0.0000%
Total Board of Directors	226 722	-	-	226 722	49 637 510	60.7555%

(1) Owned through Canemaro Shipping AS

<i>- In USD</i>	Proposed Fee		Total
Audit Committee			
Ingrid Elvira Leisner, chair	9 069		9 069
Karin Thorburn	6 235		6 235
Anne-Margrethe Firing	6 235		6 235
Risk Committee			
Karin Thorburn, chair	9 069		9 069
Ingrid Elvira Leisner	6 235		6 235
Anne-Margrethe Firing	6 235		6 235
Remuneration Committee			
Anne-Margrethe Firing, chair	9 069		9 069
Endre Røsjø	6 235		6 235
Bjørn S. Havsgård (1)	-		-
Total Audit and Risk Committee	58 381		58 381

(1) Employed representative

Exchange rates 11,34



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Management and Board of Directors – 2023

- In USD	Fixed Salary	Other Remuneration	Bonus	Total Remuneration	No. Of shares	%	Number of options
Management							
Halvor Sveen (CEO)	503 395	2 158	61 472	567 026	21 630	0.0265 %	147 070
Lars Fossen (CRO/CCO)	336 320	2 158	40 664	379 143	-	-	-
Linda Christin Hoff (CCO)	242 424	2 158	29 820	274 403	-	-	-
Tor Stenumgard (CFO)	308 023	2 158	37 953	348 135	-	-	80 000
Per Ugland (Executive Director)	258 885	1 042	32 531	292 458	-	-	-
Total management	1 649 048	9 676	202 441	1 861 164	21 630	0.0265 %	227 070

- In USD	Proposed Fee	Other Remuneration	Bonus	Total Remuneration	Number of shares (1), (2)	%
Board of Directors						
Endre Røsjø, Chair (1)	59 641	-	-	59 641	20 419 790	24.9935%
Henning Oldendorff	29 820	-	-	29 820	20 419 790	24.9935%
Magnus Roth	29 820	-	-	29 820	4 388 990	5.3720 %
Nikolaus Oldendorff	29 820	-	-	29 820	4 313 940	5.2802 %
Ingrid Elvira Leisner	29 820	-	-	29 820	-	0.0000 %
Karin Thorburn	29 820	-	-	29 820	95 000	0.1163 %
Anne-Margrethe Firing	29 820	-	-	29 820	-	0.0000 %
Total Board of Directors	238 563	-	-	238 563	49 637 510	60.7555%

(1) Owned through Centennial AS, (2) Owned through Canemara Bulk AS

- In USD	Proposed Fee		Total
Audit Committee			
Ingrid Elvira Leisner, chair	9 542		9 542
Karin Thorburn	6 560		6 560
Anne-Margrethe Firing	6 560		6 560
Risk Committee			
Karin Thorburn, chair	9 542		9 542
Ingrid Elvira Leisner	6 560		6 560
Anne-Margrethe Firing	6 560		6 560
Remuneration Committee			
Anne-Margrethe Firing, chair	9 542		9 542
Endre Røsjø	6 560		6 560
Bjørn S. Havsgård (1)	-		-
Total Audit and Risk Committee	61 430		61 430

(1) Employed representative

Exchange rates 10,16715

Number of Employees

	2024	2023
Number of employees at December 31st	29	27
Number of full-time equivalents	27,4	25,4
Average number of employees	27,54	25,75
Average number of full-time equivalents	25,44	24,15

Remuneration

- In USD	2024	2023
Salaries	5 117 038	4 520 357
Employer's national insurance contribution	1 143 605	1 048 162
Pension expenses	342 220	316 743
Other personnel expenses	167 546	145 728
Salaries and personnel expenses	6 770 408	6 030 990



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The employees will have the following pension/insurance arrangements covered

Pension Cost

Maritime & Merchant Bank ASA is required to have an occupational pension scheme pursuant to the Act concerning occupational pension schemes and has a scheme that complies with the provisions of the Act. The Bank has a defined contribution pension scheme for all employees, which is managed by life assurance company Storebrand Livsforsikring AS.

Employee insurance cover

- Occupational Injury and Occupational Disease Insurance: 30 G
- Group Life Insurance: 40 G
- Health Insurance: To be covered by the Bank
- Business and Leisure Travel Insurance: To be covered by the Bank
- Defined Contribution Pension: 7% annual contribution up to 7.1 G and 10% additional annual contribution for salaries between 7.1 and 12 G

Remuneration to auditors

The following table shows total audit and other services delivered to the Bank by the appointed auditor. Amounts do not incl. VAT.

<u>- In USD</u>	2024	2023
Audit fee	63 168	70 808
Assurance services	-	-
Tax services	8 413	6 885
Other non-audit services		
Total	71 580	77 693

Declaration on remuneration

Background

The Financial Institutions Act and the Financial Institutions Regulations, section 15, regulate claims for remuneration. The regulations respect the EU capital requirement directive's (CRD IV) provisions for good remuneration schemes to reduce excessive risk taking and promote sound and efficient risk management in financial institutions. The Bank's practice of the remuneration scheme is described in the annual report regarding the remuneration scheme was reviewed by the remuneration committee and by the board of directors on February 13th, 2025. Regulatory requirements are covered and accounted for in a satisfactory manner.

Setting up and carrying out the scheme

- The Policy for Remuneration were approved by the Board of Directors November 13th, 2024.
- The Bank has reviewed the practice and results from the remuneration scheme, and prepared a report on the review for 2024, dated January 27th, 2025, signed by the CEO. The review shows that the remuneration scheme for 2024 complies with relevant regulations.
- The scheme will be evaluated and reviewed by the Board of Directors February 13th, 2025.
- The Bank has more than NOK 5 billion in total assets and has established a separate remuneration committee.



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The remuneration scheme

- The remuneration scheme encompasses all employees.
- The scheme determines which groups of employees are considered executive employees, employees with work tasks of considerable significance to the bank's risk exposure, and employees with supervisory tasks.
- The bank will disclose information regarding the practice of remuneration in notes to the annual accounts for 2024 in the same way as last year (note 8 2023).
- The remuneration consists of a fixed salary and common fringe benefits such as pension and insurance arrangements, free mobile phone etc.
- All employees have been granted 1,25 months salary as variable remuneration for 2024.

Remuneration to employees in executive positions

- Based on submitted documentation, none of the employees considered as executive employees etc. have received salary or other benefits except fixed salary, variable salary (1.25 months salary) and common fringe benefits.
- The Policy for Remuneration includes principles for awarding variable remuneration to employees in executive positions.
- Variable remuneration is limited to 50 % of the employees fixed salary.
- The Bank's variable remuneration scheme is within the maximum allowable rate for remuneration.

Note 9, Taxation of profit

	2024	2023
<i>- in NOK</i>		
Profit before tax, USD translated to NOK	186 597 465	188 789 954
Translation of Equity to NOK	150 143 087	40 712 975
Profit before tax NOK	336 740 552	229 502 929
Permanent differences	597 412	688 946
Change in temporary differences	-167 032 725	6 947 142
Change in tax loss carryforward	0	0
Taxable profit NOK	170 305 239	237 139 017
Tax Payable, USD translated to NOK	-42 616 295	-59 406 172
Change in deferred tax assets, USD translated to NOK	0	0
Change in deferred tax, USD translated to NOK	-41 758 181	1 736 785
Tax expense NOK	-84 374 476	-57 669 387
Tax expense USD	-7 440 430	-5 672 129



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ASSETS

Note 10, Classification of financial instruments.

Amounts in USD 1000	2024		2023	
	Fair Value	Amortised Cost	Fair Value	Amortised Cost
Deposit with central bank		6 133		6 546
Deposits with credit institution		77 415		59 414
Certificates and bonds	125 486		135 608	
Shares and other securities		265		243
Loans to customers		381 736		342 911
Financial derivatives	141		2 387	
Total financial assets	125 628	465 549	137 995	409 113
Deposits from customers		430 824		397 316
Loans from credit institutions		0		0
Financial derivatives	13 340		8 121	
Subordinated loans				
Total financial liabilities	13 340	430 824	8 121	397 316

Note 11, 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.

2024

Amounts in USD 1000	Level 1	Level 2	Level 3	Total
Certificates and bonds	0	125 487	0	125 487
Shares and other securities	0	0	0	0
Financial derivatives	0	141	0	141
Total financial assets	0	125 628	0	125 628
Financial derivatives	0	13 340	0	13 340
Total financial liabilities	0	13 340	0	13 340



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2023

Amounts in USD 1000	Level 1	Level 2	Level 3	Total
Certificates and bonds	0	135 608	0	135 608
Shares and other securities	0	0	0	0
Financial derivatives	0	2 387	0	2 387
Total financial assets	0	137 995	0	137 995
Financial derivatives	0	8 121	0	8 121
Total financial liabilities	0	8 121	0	8 121

Note 12, Fair value of financial instruments recognized at amortised cost.

Amounts in USD 1000	2024		2023	
	Fair Value	Amortised Cost	Fair Value	Amortised Cost
Deposit with central bank	6 133	6 133	6 546	6 546
Deposits with credit institution	77 415	77 415	59 414	59 414
Shares and other securities	265	265	243	243
Loans to customers	381 736	381 736	342 911	342 911
Total financial assets	465 549	465 549	409 113	409 113
Deposits from customers	430 824	430 824	397 316	397 316
Loans from credit institutions	0	0	0	0
Total financial liabilities	430 824	430 824	397 316	397 316

We have divided instruments recognised at amortized cost the following items:

Assets

- lending to and receivables on credit institutions,
- lending to customers

Liabilities

- deposits from and debt to customers
- debt to credit institutions
- debt incurred by issuing securities

Assets

The Bank assesses that loans to the corporate market and credit institutions with floating interest rate has a correct market price at the balance sheet date.

The reason for this is that the floating interest rate is continuously assessed and adjusted in accordance with the interest rate level in the capital market and changes in the competitive situation.

Fixed rate loans and deposits with fixed rate will be subject to fair value calculation. Fair value is net present value of change in fixed rate for the remaining tenor.

Liabilities

For deposits to customers and debt to credit institutions fair value is estimated equal to book value since these in all mainly have floating interest rates. Based on the above assessments, there will be no difference between posted value and fair value in the table above.

Debt created by issuing securities and liable loan capital (none as of 31.12.2024) will be valued by theoretical market valuation based on the current interest rate and spread curves.



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Note 13, Financial pledges

The Bank has pledged NOK 155 250 000 of deposits as collateral for financial derivatives.

Note 14, Other intangible assets and fixed assets

- In USD

	31.12.2024		31.12.2023	
	Other intangible assets	Property, plant and equipment	Other intangible assets	Property, plant and equipment
Cost or valuation at 01.01	616 205	2 666 819	3 855 490	2 983 100
Exchange and other adjustments		54 289	-208 647	-42 805
Additions	76 070	39 004	55 919	15 408
Disposals and retirement	-509 983	-21 014	-3 086 558	-288 885
Cost or valuation at end of period	182 291	2 739 098	616 205	2 666 819
Accumulated depreciation and impairment at 01.01.	-554 726	-1 317 047	-3 806 667	-1 322 905
Exchange and other adjustments	-30 658	-130 470	207 327	32 633
Depreciation charge this year	-12 411	-320 996	-41 943	-307 709
Disposals and retirement	509 983	21 014	3 086 558	280 933
Accumulated depreciation and impairment at end of period	-87 812	-1 747 499	-554 726	-1 317 047
Balance sheet amount at end of period	94 479	991 599	61 479	1 349 772
<i>Economic lifetime</i>	<i>5 years</i>	<i>3 years</i>	<i>5 years</i>	<i>3 years</i>
<i>Depreciation schedule</i>	<i>Linear</i>	<i>Linear</i>	<i>Linear</i>	<i>Linear</i>

Fixed assets	31.12.2024	31.12.2023
Right to use assets	958 817	1 352 191
Other	32 782	245 789
Sum fixed assets	991 599	1 349 772

LIABILITIES

Note 15, Deposits

By customer group

	31.12.2024	31.12.2023
Private	403 739 787	397 843 287
Corporates	27 083 989	21 472 812
Total customer deposits	430 823 775	397 316 100

Customers deposits by geographical location

	31.12.2024	31.12.2023
Norway	417 751 640	383 227 450
Europe	6 427 732	6 770 867
Outside Europe	6 644 403	7 317 783
Sum Deposits	430 823 775	397 316 100



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Note 16, Other assets and financial derivatives.

As of 2024

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	210 000		2 242 021	141	13 152
Buy/Sell EUR against NOK		4 700	53 133	0	188
Total Currency Derivatives	210 000	4 700	2 295 154	141	13 340

As of 2023

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	170 000		1 681 100	2 387	7 582
Buy/Sell EUR against NOK		6 200	64 201	0	538
Total Currency Derivatives	170 000	6 200	1 745 301	2 387	8 121

Note 17, Other Liabilities and accrued cost

- In USD	31.12.2024	31.12.2023
Account payables	98 362	92 421
Tax withholdings	399 728	435 373
VAT payable	50 955	43 730
Tax payable	3 753 349	5 827 029
Deferred tax	4 653 725	1 083 734
Lease liability	1 019 819	1 411 740
IFRS-9 Allowance (loans not disbursed)	-	
Other liabilities	407 898	509 304
Total other liabilities	10 383 837	9 403 332
Holiday pay and other accrued salaries	703 520	644 201
Other accrued costs	45 855	47 221
Total accrued costs	749 376	691 422



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Note 18, Share capital and shareholder information

The Company has 81 700 480 shares at NOK 1.

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

The Company have 57 shareholders.

The ten largest shareholders of the Company are:

No	Shareholder	Numb. of shares	%
1	Endre Røsjø	20 419 790	24.9935%
1	Henning Oldendorff	20 419 790	24.9935%
3	Société Générale	8 170 000	9.9999%
3	Skandinaviska Enskilda Banken AB	8 170 000	9.9999%
5	Titan Venture AS	4 554 070	5.5741%
6	Canomaro Shipping AS	4 388 990	5.3720%
7	Deutsche Bank Aktiengesellschaft	4 313 940	5.2802%
8	Citibank N. A.	2 923 130	3.5779%
9	Ole Einar Bjørndalen	1 642 625	2.0105%
10	DNB Luxembourg S.A	905 000	1.1077%
	Others	5 793 145	7.0907%
	Total	81 700 480	100 %

Note 19, Country by country reporting

Country	Norway
Name	Maritime & Merchant Bank ASA
Address	Haakon VII gate, 0161 Oslo, Norway
Turnover	USD 49 769 081
Number of employees	29
Result before tax	USD 16 458 564
Received public support and subsidies	USD 0



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Appendices

Appendix 1, Alternative Performance Measures

Formulas for calculation of Alternative Performance Measures

Ratio formulas

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

$$\text{Return on equity before tax} = \frac{\text{Net profit before tax}}{(\text{Equity start of the year} + \text{New equity}) \cdot \text{Year fraction}}$$

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

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

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

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

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

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

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



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To the General Meeting of Maritime Merchant Bank ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Maritime Merchant Bank ASA (the Company), which comprise the balance sheet as at 31 December 2024, the statement of profit & loss, statement of equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

Maritime & Merchant Bank ASA was registered as a bank 20. December 2016. We have been the auditor of Maritime Merchant Bank ASA for 12 years from the election by the general meeting of the shareholders on 13. August 2013 for the accounting year 2013.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent auditor's report
Maritime Merchant Bank ASA

IT-systems and Internal Controls relevant for Financial Reporting

Description of the Key Audit Matter

The IT systems within Maritime & Merchant Bank AS are key in the accounting and reporting of completed transactions, in obtaining the basis for key estimates and calculations, and in obtaining relevant information to be disclosed.

The IT systems are standardized, and the management and operation of the systems are to a great extent outsourced to external service providers. For more information regarding development, operation and management of the bank's IT systems see note 7 in the Financial Statements.

Proper management and control of these IT systems both at Maritime & Merchant Bank AS and their service providers are of high importance in order to ensure precise, complete and reliable financial reporting, and this area is therefore a key audit matter.

How the matter was addressed in the audit

Maritime & Merchant Bank AS has established a general governance model and control activities on its IT systems. We have obtained an understanding of the bank's IT governance model relevant for financial reporting.

We assessed and tested the design of selected internal control activities relevant for financial reporting, including selected controls related to information security. For a sample of these controls, we tested their operating effectiveness in the reporting period.

We also reviewed the third-party attestation report (ISAE 3402 Report) from Maritime & Merchant Bank AS's service provider of the core banking system focusing on whether they had adequate internal controls on areas that are of importance for the financial reporting of Maritime & Merchant Bank AS.

In addition, we reviewed a third-party confirmation (ISRS 4400 (Revised) Agreed-upon procedures) related to the service provider with regards to whether selected automated control activities in the IT systems, including among others the calculation of interests and fees, as well as system generated reports were satisfactorily designed and if they had operated effectively in the period.

We engaged our internal IT experts in the work related to understanding the governance model on IT systems and in assessing and testing the internal control activities related to IT systems.

Loan loss provisions

Description of the Key Audit Matter

Maritime & Merchant Bank AS has loans exclusively in the corporate segment, and reference is made to note 7 for disclosures on credit risk and loss provisions on loans and guarantees.

Maritime & Merchant Bank AS has considered the expected credit loss (ECL) on loans to

How the matter was addressed in the audit

Maritime & Merchant Bank AS has established control activities related to the estimation of loss allowance on loans to customers.

We assessed and tested the design of selected control activities concerning the estimation of expected credit loss. For a sample of these control activities, we tested if they operated effectively during the period.



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customers. The estimate involves considerable judgement.

The judgement relates to forward-looking information regarding the probability of default and loss given default.

The bank has developed internal models to estimate ECL. The assumptions and estimates used in these assessments are decisive for the size of the loss allowance and is therefore a key audit matter in the audit.

We have performed audit procedures to address the loss allowance as of year-end. We have obtained and assessed the bank's justification for the ECL and challenged management on the assumptions and assessments on which the overall estimates are based.

We considered if the disclosures on loss allowance on loans to customers include relevant and significant information in accordance with requirements set forth in IFRS 7.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements



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can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Oslo, 13 February 2025
Deloitte AS

Eivind Bollum Berge
State Authorised Public Accountant
(electronically signed)



Independent auditor's rep...me & Merchant Bank ASA

Name	Date
Berge, Eivind Bollum	2025-02-13

Identification

 bankID Berge, Eivind Bollum



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