Pilar III

According to Basel III and

The Capital Requirements Regulation

2021

1 INTRODUCTION

This document describes the risk and capital management of Maritime & Merchant Bank ASA ("the Bank").

The document thus covers the requirements set out in the capital regulation on the disclosure of financial information (Pilar III) under the Basel III regulations and the Regulations for Capital Requirements part IX.

All numbers and calculations shown in the document are based on numbers per. 31.12.2021.

The Bank also conducts a minimum annual analysis of the capital requirement in relation to risk levels and the Bank's capital situation (the Bank's ICAAP and Pilar II ratings). This document is updated according to the reviews made there.

The Bank uses the standard method for calculating capital requirements for credit risk. This implies that officiall and standardized risk weights are used to calculate the capital requirement.

For the calculation of capital requirements for operational risk, the basic method is used, which implies that the capital requirement is calculated in relation to income for the last 3 years (Maritime & Merchant Bank uses revenues for 2019, 2020 and 2021). The Bank does not have a trading portfolio and therefore does not allocate capital requirements for market risk in relation to this.

The purpose of having systems, routines and documentation in relation to the Bank's risk profile and capital management is to create certainty that the Bank has adequate capital to cover the risk associated with its business. This helps to ensure that the Bank has a continuous process for assessing overall capital requirements in relation to the Bank's risk profile at any given time. It must be stressed that this is a process that includes all of the Bank's business and that it is the Board of Directors that sets the conditions for this work. The purpose is also to help ensure that this can help the Bank refine and improve its risk management. This is done via the ongoing processes that take place in the Bank in connection with this and also through periodic audits.

The systems, routines and documentation associated with risk assessment and control cover the entire Bank. No areas are omitted. The guidelines and routines for managing and controlling risk in the Bank cover the following risks:

- Credit, concentration and counterparty risk
- Liquidity risk
- Market risk
- Interest rate risk
- Operational risk (including IT, AML, GDPR and New Products)
- Strategic risk
- ESG risk

2 CAPITAL REQUIREMENTS

The Bank's Risk Policy provides a general description of the types of risk the Bank faces and how the Bank should act in relation to these. This is described in the Bank's Risk Policy.

The Bank must at all times maintain control over the risks it faces. In cases where the risk is greater than what is acceptable in relation to our policy, measures must immediately be taken to reduce the risk.

Different risks within the various areas will have different probabilities of occurring and different consequences for the Bank. The emphasis must be to focusing on the risks with the greatest consequences.

Banking entails systematic risk taking versus risk pricing. This means that the risk must not be so high that it threatens the existence of the Bank, while at the same time it must not be so low that it threatens the Bank's earnings. The Bank accepts a moderate risk for its total business.

2.1 COMMON EQUITY TIER 1 (CET 1)

Below is an overview of the Bank's capital and minimum capital requirement regarding Pilar I calculated using the standard method regarding credit risk method and the basic method regarding operational risk. The Bank's capital base consists only of Common Equity Tier 1 (CET 1) capital.

Amounts in 1 000 USD	**Calculation Basis**	**Risk Weight**	**Balance**
Share capital	9 709		9 709
Other reserves	107 228		107 228
- Dividend	-1 528		- 1 528
- Deferred tax assets and intangible assets	-310		- 310
- This year’s result	-		-
- Adjustments to CET1 due to prudential filters	-136		- 136
Common Equity Tier 1 (CET 1)	**114 963**		**114 963**
Credit Risks			
+ Bank of Norway	-	0%	7 832
+ Local and regional authorities	-	0%	15 127
+ Institutions	17 893	20%	89 466
+ Companies	313 960	100%	313 960
+ Covered bonds	11 378	10%	113 783
+ Shares	112	100%	112
+ Other assets	692	100%	692
Total Credit risks	**344 035**		**540 973**
+ Operational risk	30 545		
+ Counterparty risk derivatives (CVA-risk)	1 867		
Total calculation basis	**376 447**		
Capital Adequacy			
Common Equity Tier 1 %	**30.54%**		
Total capital %	**30.54%**		

2.2 LEVERAGE RATIO

Maritime & Merchant Bank's capital target for the leverage ratio is 10.00%.

The requirement from The Financial Supervisory Authority of Norway is 5% leverage ratio (3% + 2%).

The leverage ratio for Maritime & Merchant Bank was 19.71 % on 31.12.2021.

2.3 BUFFER REQUIREMENTS

Maritime & Merchant Bank's **Countercyclical buffer** is calculated like this:

Exposure to customers by geographical location *(1)*	**USD**	**Country-specific buffer**	**Capital requirements**	
			USD	**%**
Norway	122 457 627	1,00 %	1 224 576	1,00 %
Germany	73 253 712	0,00 %	-	0,00 %
United Kingdom	13 446 032	0,00 %	-	0,00 %
Singapore	39 484 691	0,00 %	-	0,00 %
Other countries	65 318 242	1,00 %	653 182	1,00 %
Other Assets and shares	803 648	1,00 %	8 036	1,00 %
Total	**314 763 953**		**1 885 795**	**0.60 %**

(1) Exposure = Lending to customers + Committed loans - Cash collateral

3 RISK ANALYSIS

The Bank's risk is managed in accordance with the Bank's various policies and routines. Expertise will be a means of management and control in all areas.

As far as the management of credit risk is concerned, this is performed in accordance with the regulations for capital adequacy as they are described in Circular 12/2016. The overarching guidelines for managing credit and counterparty risk are described in detail in this document. This specifies that the Bank uses the standard method. Further descriptions are provided in the underlying policies and routines for this area.

Credit risk is the risk of the Bank incurring losses in connection with granting credit due to the customer being unable to fulfil their obligations. This is one of the risks that can have the greatest consequences and is thus one of the risks the Bank must focus on and monitor most.

The key prerequisites for reducing this type of risk are good credit assessments, as well as good routines, systems and tools for granting credit and monitoring loan commitments.
A special Credit Policy has been prepared that describes this in more detail.
The Bank's Credit Policy states that debt servicing capacity is the most important criteria when considering granting credit. Thereafter, the collateral is assessed. The policy also requires that all credit customers have adequate insurance cover.

The Bank must maintain control over its credit risk at all times through the use of good systems and routines for granting credit and monitoring commitments. The Bank wants to maintain a moderate risk profile when it comes to credit risk.

3.1 Status

The bank had a profit before tax of USD 1 883 520 in Q4 2021 (USD 2 180 576 in Q3 2021). The net interest margin was 3.3% in Q4 2021 (3.1% in Q3 2021). The profit before tax for the year 2021 is USD 7 950 395 (USD 5 931 709 in 2020). Return on Equity before tax in 2021 is 7%.

In 2021 the bank had its 5 years anniversary for starting the operation. During these years we have disbursed USD 578 mill in loans and financed 120 ships. The total credit loss for the bank during the same period constitutes 0.06%.

The Bank has no defaulted exposures and no credit losses has been accounted for in 2021. The net loan portfolio increase was 17% and ended at USD 314 073 711. The bank experienced a considerable turn-over in the portfolio during 2021 due to the historic development in the container market and the strong upturn in the dry sector, resulting in owners securing huge profits by selling tonnage and repaying the loans. Mirroring the positive market development; a corresponding significant improvement took place in the credit quality of the bank’s loan portfolio of container and dry bulk. The tanker segment had to digest a new year with generally weak markets, though with a few bright spots within product and chemicals.

By the end of 2021 the bank had the following diversification of the loan portfolio:
- Dry bulk 35%
- Tankers 36%
- Containers 24%
- LPG/Car 4%
- Specialized 1%

2021 has been another year in which the general working life has been marked by various Covid-19 restrictions. The bank has in longer period been operated from home office solutions in accordance with guidelines from the Government. This has worked satisfactory and we have been able to service our clients world-wide.

The severe disruptions in the global logistic chains and industrial production have to a large extent been leading up to the ‘’perfect storm’’ for the container market. 2021 broke new records for freight rates and asset values in the segment. There is obviously no ‘’quick fix’’ for normalizing the cargo flow and the forecasts are basically most positive for the next 12 months. The strong momentum encouraged contracting activity, especially for the sizes above 8000 TEU, which will enter the market during 2023/24.

The dry bulk market in 2021 showed a distinct positive development, turning the rates from barely break-even levels to solid cash-generating levels. Modest orderbooks for newbuildings and fair forecasts for the global economy for the next two years provides backing for an optimistic view for the further development.

The tanker market continues to show weak earnings and is surrounded by many question marks. In analytical circles the horizon for the long-awaited upswing is inevitably moved forward in time. On the other hand, the history has taught us that one should ‘’expect the unexpected’’ when it comes to the tanker market. The poor freight market has surprisingly not significantly affected the second-hand values.

IMF forecasted in October 2021 a 4.9% global GDP increase for 2022, but adjusted the figure to 4.4% in January 2022. The reason for this was uncertainties in USA and China, growing inflation and remaining disturbances caused by Covid-19. Based on these figures Clarkson Research forecasts a growth in seaborn trade by 4% in 2022 which isolated is good news, however as always, bearing in mind geo-political and financial unexpected events.

The newbuilding market is clearly marked by the transition to Green Fuels. At present approximately 35% (measured in gross tons) of the global order book have propulsion systems suited for alternative fuels. The development is as well accelerating on the back of the new requirements from IMO and EU coming into force in 2023. What the ‘’preferred alternative’’ will be for Green Fuel is hard to tell at the moment; ammonia, hydrogen, LNG and methanol are all considered with pros and cons. New technological progress and innovation will be decisive for the choices going forward.

3.2 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.

3.3 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.

<u>Risk classes and credit score:</u>

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%

<u>Factors in scorecard PD - model:</u>

<u>Quantitative factors:</u>

- 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

<u>Qualitative factors</u>

- Corporate structure
- Ownership
- Technical management
- Commercial management

<u>Factors in LGD model:</u>

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

Expected Loss (EL)

EL = PD * LGD * EAD

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

3.3.1 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 have an impact on shipping markets and value appraisal of vessels financed in our portfolio in the respective markets. Each scenario gets assigned a probability and a factor. The factor represent change in Expected Loss or Loss Allowance. The forecast, probability assignment and factor estimation are based on own judgment and experience.

The following factors are included in the macro evaluation process:

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

The probability weighted macro factor (MF) will be multiplied with the Expected Loss and give Loss Allowance (or Macro Scenario adjusted Expected Loss). The factor (MF) is calculated to be 1,8015.

Exposure in the scenario model is the same as at year-end (31.12.2021).

Loss Allowance and Impairments

Loss allowance	
Step1	618 860
Step2	826 436
Step3	0
Sum	1 445 296
Allowance/Loan Ratio	0.46 %
Impairments (Credit Loss)	0

Forbearance

Based on the soft freight markets for the tanker vessels, a small number of clients has been granted relief on their contractual debt obligations towards the bank – this was only related to scheduled instalment payments and not to interest payments. The loans concerned are adequately secured and well within the agreed minimum value clauses, both prior and post amendments. All waivers were done in combination with the ultimate owners of the borrowers providing new equity into the borrowing entities to strengthen their financial position.

		31.12.2021			
Stage	Number of loans	Exposure 2021	Amortization relief	Interest relief	Owner contribution
1	1	1 957 344	300 000	0	350 000
2	0				
Total	**1**	**1 957 344**	**300 000**	**0**	**350 000**

		31.12.2020				Status 2021	
Stage	Number of loans	Exposure 2020	Amortization relief	Interest Relief	Owner Contribution	Exposure 2021	Number of loans
1	5	23 266 245	2 025 000	0	3 425 000	10 052 966	3
2	1	4 073 489	282 500	0	500 000		0
Total	**6**	**27 339 735**	**2 307 500**	**0**	**3 925 000**	**10 052 966**	**3**

Status 2021: Status year end 2021 for loans given reliefs in 2020.Loans with reliefs given before 2020 are either repaid or individually assessed to be moderate or low risk.

Loans where no loss provision has been recognized due to collateral:
31.12.2021: 0
31.12.2020: 0

Remaining exposure from credit impaired loans and loss exposed loans:

31.12.2021	Gross Loans	First-Priority pledge in vessel	Cash Pledge	Other Collateral
Remaining exposure from credit impaired loans	**0**	**0**	**0**	**0**
Loss exposed loans	**0**	**0**	**0**	**0**

Loss allowance sensitivity

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

Scenario	Expected Loss allowance
Vessel value up 30%	755 000
Unchanged	815 000
Vessel value down 30%	2 310 000

Loss allowance per credit score

Risk Class	2021
Very low risk	
Low risk	230 880
Moderate risk	1 214 416
High risk	
Loss exposed	
Sum	**1 445 296**

31.12.2021

	Step 1	Step 2	Step 3	
	Classification by first time recognition	**Significantly increase in credit risk since first time recognition**	**Significantly increase in credit risk since first recognition and objective proof of loss**	
	Expected loss next 12 months	**Expected loss over the life of instrument**	**Expected loss over the life of instrument**	**Sum**
Loss allowance as of 31.12.2020	649 254	779 360	-	1 428 614
Lending to customers 31.12.2020	241 576 445	28 417 958	-	269 994 403
				-
Changes				-
Transfer to Step 1	264 010	- 264 010	-	-
Transfer to Step 2	- 43 512	43 512	-	-
Transfer to Step 3	-	-	-	-
Reclassification	- 237 220	72 088	-	- 165 132
Amortization	- 422 312	- 58 236		- 480 548
New commitments	322 440			322 440
Effect of Scenario Adjustment	86 200	253 722		339 922
Allowance as of 31.12.2021	**618 860**	**826 436**	**-**	**1 445 296**
Lending to customers 31.12.2021	299 883 739	*15 635 268*	-	*315 519 007*
Loans not disbursed	0			
Allowanse: Loans not dispursed	-			-
Net Change in Loss allowance	**-30 394**	**47 076**	**0**	**16 682**

Reclassification: Change in Expected Loss calculation

Credit risk: Total

End of year 2021

Amounts in USD	Very low risk	Low risk	Moderate risk	High risk	Loss exposed	Sum
Deposit with Central Bank	7 832 345					7 832 345
Deposits with credit institution	90 907 732					90 907 732
Certificates and bonds	128 910 217					128 910 217
Shares and other securities			111 713			111 713
Loans to customers		86 589 753	228 929 254	0	0	315 519 007
Total	**227 650 294**	**86 589 753**	**229 040 967**	**0**	**0**	**543 281 014**
Committed loans, not disbursed			34 000 000			

Lending to customers by segment

	2021	
Sector	**USD**	**Share %**
Bulk	111 378 209	35 %
Container	76 986 638	24 %
Tank	112 955 804	36 %
Gas	10 727 646	3 %
Specialized	3 470 709	1 %
Offshore	-	0 %
Sum	**315 519 007**	**100.000 %**

Lending to customers by geographical location

	31.12.2021	
	USD	Share
Norway	123 065 586	39 %
Europe (ex. Norway)	93 012 866	29 %
Asia	47 620 406	15 %
Oceania	48 682 205	15 %
Central America	0	0 %
Liberia	3 137 944	1 %
Total	**315 519 007**	**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

	2021	
LTV Bracket	**Loan Amount**	**Pledge in vessel**
< 40%	199 297 071	199 297 071
40-50%	67 119 608	67 119 608
50-55%	31 928 089	31 928 089
55-60%	12 222 498	12 222 498
>60%	4 951 742	4 951 742
Sum	315 519 007	

Bonds and certificates: Risk Weight

	2021	
Risk Weight	Fair Value	Amortised Cost
0 %	15 127 481	
10 %	113 782 736	
20 %	0	
100 %	0	
Total	**128 910 217**	

Bonds and certificates: Rating

Rating	2021 Fair Value
AAA	123 003 838
AA+	5 906 379
AA	0
A	0
Total	**128 910 217**

Bonds and certificates: Sector

Sector	2021 Fair Value
Supranational	2 408 519
Local authority	12 718 962
Credit Institutions	113 782 736
Bank	-
Total	**128 910 217**

3.3.2 Calculation basis for companies

Net Lending to customers	USD	Deposits pledged accounts	Committed loans	Calculation basis
Companies	314 073 711	- 34 113 406	34 000 000	313 960 305

3.3.3 Credit management and control

The following management and control have been established for the area to manage and reduce the risk:

- The Bank's Credit Policy
- The Bank's scoring model
- Routines and instructions for the area
- The Bank's credit monitoring systems

3.3.4 Concentration risk stress test

Scenario calculations have been prepared to estimate the effect of the capital calculation in for a serious economic setback and downturn. As far as the credit aspect is concerned, stress tests are carried out for loss percentage.

These calculations show that reduced results due to increased losses will affect the Bank's capacity to grow in relation to building up the Bank's equity. The Bank's funding costs are also expected to increase as a result of such high losses.

3.4 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 is life at ports and on oceans and in the end recycling at the end of the lifetime. In addition to this there are aspect 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.

MM Bank is working to further integrate ESG assessments into the risk and credit discussions and will continue to follow the developments within the ESG area closely. IMO has adopted new CO2 emission regulations applicable to existing ships when it comes to energy efficiency which will lead to an index addressing the technical efficiency, carbon intensity and energy efficient management plan. This index will be effective from January 2023.

EU approved in July 2021 an extensive package of proposals intended to reduce the EU's total Green House Gas (GHG) emissions by 55% by 2030 in conjunction with EU's overall goal for full decarbonization by 2050. The package contains comprehensive regulations of both operational and fiscal character for the maritime industry which will gradually be imposed from 2023.

3.5 Interest Rate Risk

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

Reference rates

The Bank has assets, liabilities and derivatives linked to current money markets reference rates (LIBOR, NIBOR and EURIBOR). USD Libor will be replaced with 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 could 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)

Notional in USD mio	Up to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years
Deposits with central bank	8				
Deposits with banks	91				
Certificates and bonds	129				
Loans to customers	316				
Derivatives	196				
Sum Assets	**740**				
Loans from credit institutions	0				
Deposits	417				
Derivatives	196				
Sum liabilities	**613**				
Net	**126**				

3.6 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.

Assets (2021)	**NOK**	**EUR**
Deposit with Central Bank	69 062 488	
Deposit with Banks	464 484 910	851 584
Bonds	1 136 678 729	
Loans	-	11 035 363
Derivatives	1 732 099 650	
Other Assets	3 232 353	
Total Assets	**3 405 558 131**	**11 886 947**

Liabilities	**NOK**	**EUR**	
Loans from credit institutions	-		
Deposits	3 378 828 318	1 432 863	
Derivatives		10 520 000	
Tax	15 974 599		
Other Liabilities	6 433 213		
Total Liabilities	**3 401 236 130**	**11 952 863**	
Net Currency	**4 322 000**	**- 65 916**	
Estimated Monthly Operational Cost		5 263 260	NOK
Number of months with hedging		*1,3*	

3.7 CVA Risk

CVA (Credit Value Adjustment) risk is defined as the risk of losses arising from changing CVA values in response to changes in counterparty credit spreads and market risk factors that drive prices of derivative transactions and SFTs (securities financing transactions). Banks that undertake derivative or securities financing transactions (SFTs) are subject to the risk of incurring mark-to-market losses because of the deterioration in the creditworthiness of their counterparties (banks). This potential source of loss due to changes in counterparty credit spreads and other market risk factors is known as CVA risk. It is complementary to the risk of a counterparty defaulting, which is known as counterparty credit risk (CCR).

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	188 000		1 624 703	1 213	5 079
Buy/Sell EUR against NOK		10 520	107 397	336	10
Total Currency Derivatives	**188 000**	**10 520**	**1 732 100**	**1 549**	**5 089**

The Counterparty risk derivatives (CVA-risk) is USD 1 867 000 (cf. point 2.1)

3.8 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 2021

USD	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	7 832 345					7 832 345
Loans and receivables from credit institutions	90 907 732					90 907 732
Loans to and receivables from customers	2 625 000	19 187 701	70 431 229	223 275 077	0	315 519 007
Commercial papers and bonds		19 084 559	68 646 516	30 485 783	10 693 359	128 910 217
Shares, funds and other securities					111 713	111 713
Assets	**101 365 077**	**38 272 260**	**139 077 745**	**253 760 860**	**10 805 072**	**543 281 014**

Deposits from credit institutions		0				0
Deposits from and liabilities to customers	395 790 799	1 154 863	3 611 918	16 468 014		417 025 594
Debt from issuance of bonds						
Subordinated loan capital						
Liabilities	**395 790 799**	**1 154 863**	**3 611 918**	**16 468 014**	**0**	**417 025 594**
Financial derivatives (net settlement)	-	-794 598	-293 246	-2 452 590		-3 540 434
Total	**-294 425 722**	**36 322 799**	**135 172 581**	**234 840 257**	**10 805 072**	**122 714 986**

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

3.9 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.

4 RISK MANAGEMENT IN MARITIME & MERCHANT BANK

The Bank's organisation

The Bank is staffed by experienced personnel who, besides possessing expertise in all of the relevant banking areas (risk, compliance, credit work, routines, guidelines for credit liquidity, operations, IT and security) also possess in-depth knowledge about the maritime industry and its cyclical nature.

4.1 Corporate governance

Corporate governance encompasses the values, goals and overarching principles that provide a basis for managing and supervising the Bank in order to protect the interests of our owners, depositors and other stakeholders. The Bank's corporate governance is intended to ensure prudent asset management and greater assurance that our publicly declared goals and strategies are attained and realised.

Our corporate governance mainly involves:
- The establishment of general short-term and long-term goals.
- A continuous strategy process aimed at achieving the Bank's short-term and long-term goals.
- Continuous and integrated management of the risks associated with the Bank's goal attainment.
- Regular reporting on the Bank's established goals.
- Following up approved corrective measures.

Section 13-5 of the Norwegian Financial Institutions Act defines the principle of proportionality, which clarifies that management and control arrangements, as well as guidelines and routines, must be proportionate to the risk associated with, and scope of, an institution's business. Furthermore, chapter X of the Regulation on capital requirements and national adjustment of CRR/CRD IV (CRR/CRD IV Regulation) says that undertakings must adjust their risk management and internal control according to the nature, scope and complexity of the undertaking's business. The principle of proportionality has been incorporated into Acts and Regulations in order to clarify that what is good and adequate risk management and internal control can vary. The principle allows for less comprehensive requirements for the process of risk management and internal control in small banks than in large banks.

4.1.1 Management principles

The Bank has the following hierarchy of governance documents:
- Governing Policies form the top level of the internal control system. These are adopted by the Board. Describes the relationship between the various governing bodies in the Bank and verify the Bank's control environment, culture, values, ethical basis and different governance processes.
- Function Policies specify the frameworks and principles that are to be observed in the various functions and processes. These apply to the entire bank and indicate what to do and what to approve where.
- Work processes and procedures. Describes more in detail how the principles stated in different policies are to be performed. These are process-oriented and provide a documentation of the processes through different activities and roles. These are important tools for implementing policies and help ensure compliance and follow-up of these.
- Key controls are the most significant control activities in terms of reducing risk to a level consistent with the Bank's risk tolerance in the various areas. The key controls are identified and are part of the various procedures and procedures. In addition, there will be a set of key controls at the bank level (management level).

4.1.2 Risk limits - risk appetite

The Bank's risk limits and goals are set out by the Board in various documents:
- Limits for the commercial targets in relation to returns, growth, financial strength, capital, etc.
- Limits and goals for liquidity with specified limits (targets) for various management parameters in the areas of LCR, NSFR and liquidity buffers.
- Limits and targets for credit with the distribution of loans to different industries (maximum exposure within different industries), quality of credit customers (PD – number of customers within the various risk classes, risk-weighted return, expected losses).

4.1.3 Governing policies

Documents that apply to the entire business and all underlying governing documents. Documents that describe the core values, culture and management system of the business. The key documents are: Core Values, Code of Conduct, and Management, Governance and Control Policy. The documents are approved by the Board. The documents describe the Bank's culture and the relationship between the Bank's departments, Board and Executive Management team.

The Bank has prepared the following management policies, which must be approved by the Board:

- Code of Conduct (Ethical Guidelines)
- Risk Policy
- ESG Guidelines
- GDPR Policy
- Risk Limits Policy
- Operational Risk Policy
- Market Risk Policy
- Information Security Policy
- Remuneration Policy
- Policy and Procedures on Anti-Money Laundering (“AML”) and Combatting the Financing of Terrorism (“CFT”)
- Recovery Plan

4.1.4 Function policies

The Bank has prepared the following function policies:

- Credit
- ICT Disaster plan
- ICT Risk and Vulnerability Analysis
- Liquidity, including ILAAP (contingency cf. Recovery Plan)

These documents must also be approved by the Board.

4.1.5 Work processes and procedures

Process descriptions describe and document operation and responsibility in detail based on corporate structure, allocation of tasks and responsibilities, choice of products and services, and instructions and procedures.

These processes will be used together with the procedures as guidelines for the performance of the tasks. In the same way as for procedures, process descriptions will be subject to periodic internal control and revision.

4.1.6 Key controls

The need for key controls is identified via risk assessments for processes and on a sub-process level. High risks require measures or key controls whose implementation in practice must be documented and monitored. Key controls must be documented in control matrices and include risk, control activity, executer, frequency and documentation requirements upon implementation.

ATTACHMENTS

Standard form for disclosure of Common Equity capital

(in Norwegian and - NOK Thousand)

Ren kjernekapital: Instrumenter og opptjent kapital		(A) Beløp på datoen for offentlig-gjøring	(B) Referanser til artikler i forordningen (CRR)	(C) Beløp omfattet av overgangs-regler
1	Kapitalinstrumenter og tilhørende overkursfond	1 017 628	26 (1), 27, 28 og 29	
	herav: instrumenttype 1			
	herav: instrumenttype 2			
	herav: instrumenttype 3			
2	Opptjent egenkapital i form av tidligere års tilbakeholdte resultater		26 (1) (c)	
3	Akkumulerte andre inntekter og kostnader og andre fond o.l.		26 (1) (d) og (e)	
3a	Avsetning for generell bankrisiko		26 (1) (f)	
4	Rene kjernekapitalinstrumenter omfattet av overgangsbestemmelser			
	Statlige innskudd av ren kjernekapital omfattet av overgangsbestemmelser			
5	Minoritetsinteresser		84	
5a	Revidert delårsoverskudd fratrukket påregnelig skatt mv. og utbytte		26 (2)	
6	**Ren kjernekapital før regulatoriske justeringer**	1 017 628	**Sum rad 1 t.o.m. 5a**	
Ren kjernekapital: Regulatoriske justeringer				
7	Verdijusteringer som følge av kravene om forsvarlig verdsettelse (negativt beløp)	- 1 196	34 og 105	
8	Immaterielle eiendeler redusert med utsatt skatt (negativt beløp)	- 2 730	36 (1) (b) og 37	
9	Tomt felt i EØS			
10	Utsatt skattefordel som ikke skyldes midlertidige forskjeller redusert med utsatt skatt som kan motregnes (negativt beløp)		36 (1) (c) og 38	
11	Verdiendringer på sikringsinstrumenter ved kontantstrømsikring		33 (1) (a)	
12	Positive verdier av justert forventet tap etter kapitalkravsforskriften § 15-7 (tas inn som negativt beløp)		36 (1) (d), 40 og 159	
13	Økning i egenkapitalen knyttet til fremtidig inntekt grunnet verdipapiriserte eiendeler (negativt beløp)		32 (1)	
14	Gevinster eller tap på gjeld målt til virkelig verdi som skyldes endringer i egen kredittverdighet		33 (1) (b) og (c)	
15	Overfinansiering av pensjonsforpliktelser (negativt beløp)		36 (1) (e) og 41	
16	Direkte, indirekte og syntetiske beholdninger av egne rene kjernekapitalinstrumenter (negativt beløp)		36 (1) (f) og 42	
17	Beholdning av ren kjernekapital i annet selskap i finansiell sektor som har en gjensidig investering av ansvarlig kapital (negativt beløp)		36 (1) (g) og 44	
18	Direkte, indirekte og syntetiske beholdninger av ren kjernekapital i andre selskaper i finansiell sektor der		36 (1) (h), 43, 45, 46, 49 (2),	

	Ren kjernekapital: Instrumenter og opptjent kapital	(A) Beløp på datoen for offentlig-gjøring	(B) Referanser til artikler i forordningen (CRR)	(C) Beløp omfattet av overgangs-regler
	institusjonen ikke har en vesentlig investering. Beløp som overstiger grensen på 10 %, regnet etter fradrag som er tillatt for korte posisjoner (negativt beløp)		79, 469 (1) (a), 472 (10) og 478 (1)	
19	Direkte, indirekte og syntetiske beholdninger av ren kjernekapital i andre selskaper i finansiell sektor der institusjonen har vesentlige investeringer som samlet overstiger grensen på 10 %. Beløp regnet etter fradrag som er tillatt for korte posisjoner (negativt beløp)		36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) til (3) og 79	
20	Tomt felt i EØS			
20a	Poster som alternativt kan få 1250 % risikovekt (negativt beløp),		36 (1) (k)	
20b	herav: kvalifiserte eiendeler i selskap utenfor finansiell sektor (negativt beløp)		36 (1) (k) (i) og 89 til 91	
20c	herav: verdipapiriseringsposisjoner (negativt beløp)		36 (1) (k) (ii), 243 (1) (b), 244 (1) (b) og 258	
20d	herav: motpartsrisiko for transaksjoner som ikke er avsluttet (negativt beløp)		36 (1) (k) (iii) og 379 (3)	
21	Utsatt skattefordel som skyldes midlertidige forskjeller og som overstiger unntaksgrensen på 10 %, redusert med utsatt skatt som kan motregnes (negativt beløp)		36 (1) (c), 38 og 48 (1) (a)	
22	Beløp som overstiger unntaksgrensen på 17,65 % (negativt beløp)		48 (1)	
23	herav: direkte, indirekte og syntetiske beholdninger av ren kjernekapital i andre selskaper i finansiell sektor der institusjonen har en vesentlig investering (negativt beløp)		36 (1) (i) og 48 (1) (b)	
24	Tomt felt i EØS			
25	herav: utsatt skattefordel som skyldes midlertidige forskjeller (negativt beløp)		36 (1) (c), 38 og 48 (1) (a)	
25a	Akkumulert underskudd i inneværende regnskapsår (negativt beløp)		36 (1) (a)	
25b	Påregnelig skatt relatert til rene kjernekapitalposter (negativt beløp)		36 (1) (l)	
26	Justeringer i ren kjernekapital som følge av overgangsbestemmelser		Sum 26a og 26b	
26a	Overgangsbestemmelser for regulatoriske filtre relaterte til urealiserte gevinster og tap			
	herav: filter for urealisert tap 1			
	herav: filter for urealisert tap 2			
	herav: filter for urealisert gevinst 1 (negativt beløp)		468	
	herav: filter for urealisert gevinst 2 (negativt beløp)		468	
26b	Beløp som skal trekkes fra eller legges til ren kjernekapital som følge av overgangsbestemmelser for andre filtre og fradrag			
	herav: …			

Ren kjernekapital: Instrumenter og opptjent kapital		(A) Beløp på datoen for offentlig-gjøring	(B) Referanser til artikler i forordningen (CRR)	(C) Beløp omfattet av overgangs-regler
27	Overskytende fradrag i annen godkjent kjernekapital (negativt beløp)		36 (1) (j)	
28	**Sum regulatoriske justeringer i ren kjernekapital**	3 926	**Sum rad 7 t.o.m. 20a, 21, 22, 25a, 25b, 26 og 27**	
29	**Ren kjernekapital**	1 013 702	**Rad 6 pluss rad 28 hvis beløpet i rad 28 er negativt, ellers minus**	
Annen godkjent kjernekapital: Instrumenter				
30	Kapitalinstrumenter og tilhørende overkursfond		51 og 52	
31	herav: klassifisert som egenkapital etter gjeldende regnskapsstandard			
32	herav: klassifisert som gjeld etter gjeldende regnskapsstandard			
33	Fondsobligasjonskapital omfattet av overgangsbestemmelser		486 (3) og (5)	
	Statlige innskudd av fondsobligasjonskapital omfattet av overgangsbestemmelser			
34	Fondsobligasjonskapital utstedt av datterselskaper til tredjeparter som kan medregnes i annen godkjent kjernekapital		85 og 86	
35	herav: instrumenter omfattet av overgangsbestemmelser			
36	**Annen godkjent kjernekapital før regulatoriske justeringer**		**Sum rad 30, 33 og 34**	
Annen godkjent kjernekapital: Regulatoriske justeringer				
37	Direkte, indirekte og syntetiske beholdninger av egen fondsobligasjonskapital (negativt beløp)		52 (1) (b), 56 (a) og 57	
38	Beholdning av annen godkjent kjernekapital i annet selskap i finansiell sektor som har en gjensidig investering av ansvarlig kapital (negativt beløp)		56 (b) og 58	
39	Direkte, indirekte og syntetiske beholdninger av fondsobligasjonskapital i andre selskaper i finansiell sektor der institusjonen ikke har en vesentlig investering. Beløp som overstiger grensen på 10 %, regnet etter fradrag som er tillatt for korte posisjoner (negativt beløp)		56 (c), 59, 60 og 79	
40	Direkte, indirekte og syntetiske beholdninger av fondsobligasjonskapital i andre selskaper i finansiell sektor der institusjonen har en vesentlig investering. Beløp regnet etter fradrag som er tillatt for korte posisjoner (negativt beløp)		56 (d), 59 og 79	
41	Justeringer i annen godkjent kjernekapital som følge av overgangsbestemmelser		Sum rad41a, 41b og 41c	
41a	Fradrag som skal gjøres i annen godkjent kjernekapital, i stedet for ren kjernekapital, som følge av overgangsbestemmelser (negativt beløp)		469 (1) (b) og 472 (10) (a)	
	herav: spesifiser de enkelte postene linje for linje			

	Ren kjernekapital: Instrumenter og opptjent kapital	(A) Beløp på datoen for offentlig-gjøring	(B) Referanser til artikler i forordningen (CRR)	(C) Beløp omfattet av overgangs-regler
41b	Fradrag som skal gjøres i annen godkjent kjernekapital, i stedet for tilleggskapital, som følge av overgangsbestemmelser (negativt beløp)			
	herav: spesifiser de enkelte postene linje for linje			
41c	Beløp som skal trekkes fra eller legges til annen godkjent kjernekapital som følge av overgangsbestemmelser for andre filtre og fradrag			
	herav: filter for urealisert tap			
	herav: filter for urealisert gevinst (negativt beløp)			
	herav: …			
42	Overskytende fradrag i tilleggskapital (negativt beløp)		56 (e)	
43	**Sum regulatoriske justeringer i annen godkjent kjernekapital**		**Sum rad 37 t.o.m. 41 og rad 42**	
44	**Annen godkjent kjernekapital**		**Rad 36 pluss rad 43. Gir fradrag fordi beløpet i rad 43 er negativt**	
45	**Kjernekapital**	1 013 702	**Sum rad 29 og rad 44**	
	Tilleggskapital: instrumenter og avsetninger			
46	Kapitalinstrumenter og tilhørende overkursfond		62 og 63	
47	Tilleggskapital omfattet av overgangsbestemmelser		486 (4) og (5)	
	Statlige innskudd av tilleggskapital omfattet av overgangsbestemmelser			
48	Ansvarlig lånekapital utstedt av datterselskaper til tredjeparter som kan medregnes i tilleggskapitalen		87 og 88	
49	herav: instrumenter omfattet av overgangsbestemmelser			
50	Tallverdien av negative verdier av justert forventet tap		62 (c) og (d)	
51	**Tilleggskapital før regulatoriske justeringer**		**Sum rad 46 t.o.m. 48 og rad 50**	
Tilleggskapital: Regulatoriske justeringer				
52	Direkte, indirekte og syntetiske beholdninger av egen ansvarlig lånekapital (negativt beløp)		63 (b) (i), 66 (a) og 67	
53	Beholdning av tilleggskapital i annet selskap i finansiell sektor som har en gjensidig investering av ansvarlig kapital (negativt beløp)		66 (b) og 68	
54	Direkte, indirekte og syntetiske beholdninger av ansvarlig lånekapital i andre selskaper i finansiell sektor der institusjonen ikke har en vesentlig investering. Beløp som overstiger grensen på 10 %, regnet etter fradrag som er tillatt for korte posisjoner (negativt beløp)		66 (c), 69, 70 og 79	
54a	herav: nye beholdninger som ikke omfattes av overgangsbestemmelser			

	Ren kjernekapital: Instrumenter og opptjent kapital	(A) Beløp på datoen for offentlig-gjøring	(B) Referanser til artikler i forordningen (CRR)	(C) Beløp omfattet av overgangs-regler
54b	herav: beholdninger fra før 1. januar 2013 omfattet av overgangsbestemmelser			
55	Direkte, indirekte og syntetiske beholdninger av ansvarlig lånekapital i andre selskaper i finansiell sektor der institusjonen har en vesentlig investering. Beløp regnet etter fradrag som er tillatt for korte posisjoner (negativt beløp)		66 (d), 69 og 79	
56	Justeringer i tilleggskapital som følge av overgangsbestemmelser (negativt beløp)		Sum rad 56a, 56b og 56c	
56a	Fradrag som skal gjøres i tilleggskapital, i stedet for ren kjernekapital, som følge av overgangsbestemmelser (negativt beløp)		469 (1) (b) og 472 (10) (a)	
	herav: spesifiser de enkelte postene linje for linje			
56b	Fradrag som skal gjøres i tilleggskapital, i stedet for annen godkjent kjernekapital, som følge av overgangsbestemmelser (negativt beløp)			
	herav: spesifiser de enkelte postene linje for linje			
56c	Beløp som skal trekkes fra eller legges til tilleggskapitalen som følge av overgangsbestemmelser for filtre og andre fradrag		468	
	herav: filter for urealisert tap			
	herav: filter for urealisert gevinst		468	
	herav:…			
57	**Sum regulatoriske justeringer i tilleggskapital**		**Sum rad 52 t.o.m. 54, rad 55 og 56**	
58	**Tilleggskapital**		**Rad 51 pluss rad 57 hvis beløpet i rad 57 er negativt, ellers minus**	
59	**Ansvarlig kapital**	1 013 702	**Sum rad 45 og rad 58**	
59a	Økning i beregningsgrunnlaget som følge av overgangsbestemmelser		472 (10) (b)	
	herav: beløp som ikke er trukket fra ren kjernekapital		469 (1) (b)	
	herav: beløp som ikke er trukket fra annen godkjent kjernekapital			
	herav: beløp som ikke er trukket fra tilleggskapital			
60	**Beregningsgrunnlag**	3 319 359		
Kapitaldekning og buffere				
61	**Ren kjernekapitaldekning – se tabell**	30,54 %	92 (2) (a)	
62	**Kjernekapitaldekning**	30,54 %	92 (2) (b)	
63	**Kapitaldekning**	30,54 %	92 (2) (c)	
64	**Kombinert bufferkrav som prosent av beregningsgrunnlaget (4,5 % + 0,60 % + 2 % + 3 %)**	10,10 %	CRD 128, 129, 130, 131 og 133	

Ren kjernekapital: Instrumenter og opptjent kapital		(A) Beløp på datoen for offentlig-gjøring	(B) Referanser til artikler i forordningen (CRR)	(C) Beløp omfattet av overgangs-regler
65	**herav: bevaringsbuffer**	2,5 %		
66	**herav: motsyklisk buffer (bankens individuelle)**	0,60 %		
67	**herav: systemrisikobuffer**	3,0 %		
67a	**herav: buffer for andre systemviktige institusjoner (O-SII-buffer)**		CRD 131	
68	**Ren kjernekapital tilgjengelig for oppfyllelse av bufferkrav (30,54 % - 4,5 %)**	26,04 %	CRD 128	
69	**Ikke relevant etter EØS-regler**			
70	**Ikke relevant etter EØS-regler**			
71	**Ikke relevant etter EØS-regler**			
Kapitaldekning og buffere				
72	Beholdninger av ansvarlig kapital i andre selskaper i finansiell sektor der institusjonen har en ikke vesentlig investering, som samlet er under grensen på 10 %. Beløp regnet etter fradrag som er tillatt for korte posisjoner.		36 (1) (h), 45, 46, 472 (10), 56 (c), 59, 60, 66 (c), 69 og 70	
73	Beholdninger av ren kjernekapital i andre selskaper i finansiell sektor der institusjonen har en vesentlig investering, som samlet er under grensen på 10 %. Beløp regnet etter fradrag som er tillatt for korte posisjoner.		36 (1) (i), 45 og 48	
74	Tomt felt i EØS			
75	Utsatt skattefordel som skyldes midlertidige forskjeller redusert med utsatt skatt som kan motregnes, som er under grensen på 10 %.		36 (1) (c), 38 og 48	
Grenser for medregning av avsetninger i tilleggskapitalen				
76	Generelle kredittrisikoreserver		62	
77	Grense for medregning av generelle kredittrisikoreserver i tilleggskapitalen		62	
78	Tallverdien av negative verdier av justert forventet tap		62	
79	Grense for medregning i tilleggskapitalen av overskytende regnskapsmessige nedskrivninger		62	
Kapitalinstrumenter omfattet av overgangsbestemmelser				
80	Grense for medregning av rene kjernekapitalinstrumenter omfattet av overgangsbestemmelser		484 (3) og 486 (2) og (5)	
81	Overskytende ren kjernekapital omfattet av overgangsbestemmelser		484 (3) og 486 (2) og (5)	
82	Grense for medregning av fondsobligasjonskapital omfattet av overgangsbestemmelser		484 (4) og 486 (3) og (5)	
83	Overskytende fondsobligasjonskapital omfattet av overgangsbestemmelser		484 (4) og 486 (3) og (5)	
84	Grense for medregning av ansvarlig lånekapital omfattet av overgangsbestemmelser		484 (5) og 486 (4) og (5)	
85	Overskytende ansvarlig lånekapital omfattet av overgangsbestemmelser		484 (5) og 486 (4) og (5)	