

To the General Meeting of Maritime & Merchant Bank ASA

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Maritime & Merchant Bank ASA (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of changes in equity and 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 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

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 the Company for 10 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 the current period. 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.

IT Systems and Internal Controls relevant for Financial Reporting

Key audit matter	How the matter was addressed in the audit
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	Maritime & Merchant Bank AS has established a general governance model and control activities on its IT systems. We have obtained an understanding of the

<p>calculations, and in obtaining relevant information to be disclosed.</p> <p>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.</p> <p>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.</p>	<p>bank's IT governance model relevant for financial reporting.</p> <p>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.</p> <p>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.</p> <p>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.</p>
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Corporate loan loss provisions

Key audit matter	How the matter was addressed in the audit
<p>Maritime & Merchant Bank AS has loans in the corporate segment, and reference is made to note 7 for disclosures on credit risk and loss provisions on loans and guarantees.</p> <p>Maritime & Merchant Bank AS has considered the expected credit loss (ECL) on loans to customers in the corporate market segment. The estimate involves considerable judgement.</p> <p>The judgement relates to forward-looking information regarding the probability of default and loss given default.</p> <p>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.</p>	<p>Maritime & Merchant Bank AS has established control activities related to the estimation of loss allowance on loans to customers in the corporate market segment.</p> <p>We assessed and tested the design of selected control activities concerning the estimation of expected credit loss, including selected controls related to validation of methods and assumptions used and macro scenarios.</p> <p>For a sample of these control activities, we tested if they operated effectively during the period.</p> <p>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.</p> <p>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.</p>

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.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Social Responsibility.

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 International Financial Reporting Standards as adopted by the EU, 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 and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements 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 scepticism 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 2023
Deloitte AS

Morten Alsos
State Authorised Public Accountant

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Morten Alsos

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