



## Good Q4 results confirm our positive view: Buy, TP EUR 10.50

Yesterday Merkur Bank published preliminary Q4 results which confirmed our positive view for the shares. Merkur Bank reached a pretax profit of EUR 4.9m (+91% yoy) which was well above our forecast of EUR 4.4m due to a strong net interest income development in Q4. Although these growth rates cannot be extrapolated for 2019e we expect MB to continue its positive growth trend. We have fine-tuned our earnings estimates and have rolled our valuation to 2020e earnings. We confirm our Buy rating with a new TP of EUR 10.50 (EUR 10.00). Shares are attractively valued with a 2020e P/B of 0.9x (ROE: 7.5%) while offering a div. yield of close to 4%. As the residential real estate market in Munich should remain benign, the bank's growth prospective remain good.

### 2018 results in line with expectations

In 2018 Merkur Bank reached EPS of EUR 0.64 which was fully in line with our forecast. Underlying earnings development was however better than expected, in particular the strong development of net interest income surprised us positively. Although this was mainly due to a change in the accounting, underlying net interest income growth was good with estimated 6% yoy. As Merkur Bank booked once again a relatively high contribution to the fund for general banking risks with EUR 3.1m, EPS were with EUR 0.64 only in line with our forecast.

### Financials

We have fine-tuned our EPS estimates for 2019e from EUR 0.68 to EUR 0.67 and for 2020e from EUR 0.72 to EUR 0.69. Main risk for our investment case is a deterioration of the housing market in Munich, a scenario which we do not expect in the short-term.

EURm	2016	2017	2018p	2019e	2020e
M.cap.	38	45	46	49	49
NII	23	23	29	30	31
Other inc.	1	1	(1)	(1)	(1)
Op.costs	(23)	(24)	(22)	(23)	(23)
L.losses	2	(0)	(0)	(1)	(1)
Net profit	3	3	4	4	4
EPS	0.61	0.60	0.64	0.67	0.69
EPS adj	0.61	0.60	0.64	0.67	0.69
P/E	10.9	13.0	12.6	12.8	12.4
P/B	0.84	0.93	0.93	0.94	0.91
Yield (%)	3.9	3.8	4.0	3.9	4.0
ROE (%)	7.5	7.4	7.5	7.5	7.5

Source: Pareto

Target price (EUR)	10.5
Share price (EUR)	8.6

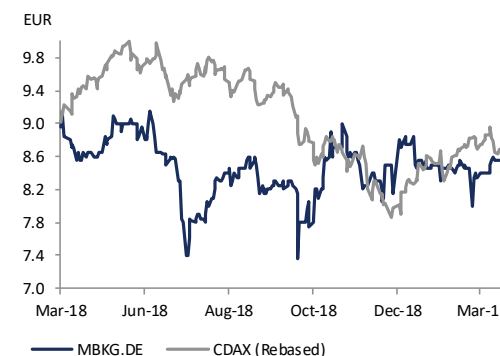
### Forecast changes

%	2019e	2020e	
NII	20	21	-
Operating income	(1)	(1)	-
PBLL	9	9	-
EPS	(1)	(5)	-

Source: Pareto

Ticker	MBKG.DE, MBK GY
Sector	Banks
Shares fully diluted (m)	5.7
Market cap (EURm)	49

### Performance



Source: Factset

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## Strong loan volume growth in 2018

*Loan portfolio up by 30% yoy in 2018*

Merkur Bank managed to grow its loan portfolio by 30% yoy to EUR 1.15bn which is an impressive growth, showing that 2018 was a very good year for Merkur Bank. Comparing the 2018 growth rate to the historic 5YR average of 6% p.a. between 2012 and 2017 it becomes obvious what a good year 2018 for Merkur Bank was.

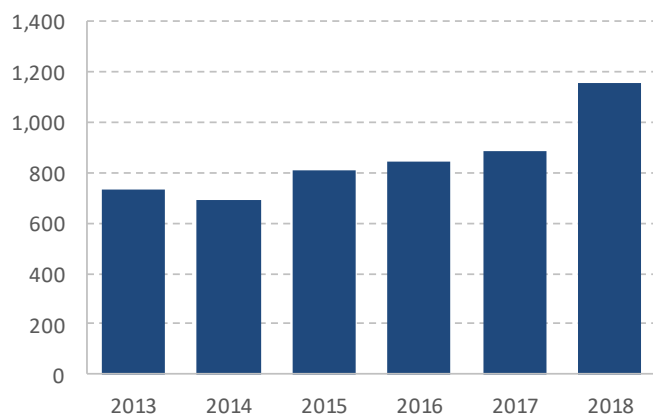
The bank's real estate developer loan portfolio grew by 38% yoy to EUR 601m. The key positive surprise was in our view the increase of the leasing loan portfolio by 31% yoy to EUR 314m. We see this particularly positively as it should reduce the bank's dependence on the residential real estate developer market somewhat. The bank's SME lending portfolio showed with an increase by 11% yoy to EUR 217m also a good development.

### Assets under custody with further increase

*Assets under custody up by 11% yoy to EUR 337m*

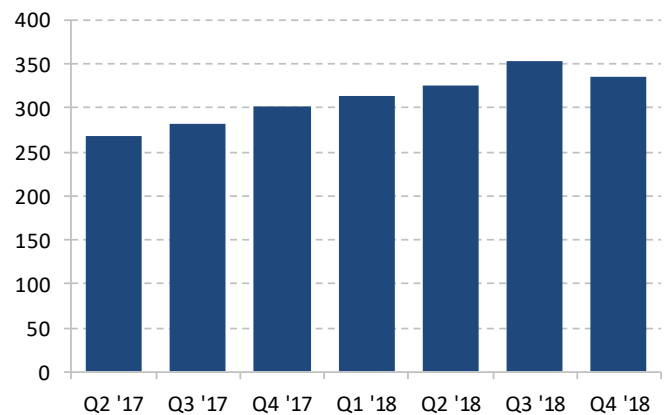
The bank's assets under custody increased by 11% yoy to EUR 337m at the end of the year. Assets under custody in Q4 declined qoq due the difficult market environment as can be seen from the graph below. Due to the equity markets recovery quarter-to-date assets under custody should have also increased again at Merkur Bank. Generally we expect Merkur Bank to be able to further grow its assets under custody which we see as important to strengthen this business unit.

**Exhibit 1: Loan book development (EUR m)**



Source: Pareto Securities Research

**Exhibit 2: Development of assets under custody (EUR m)**



Source: Pareto Securities Research

## Market environment should remain benign

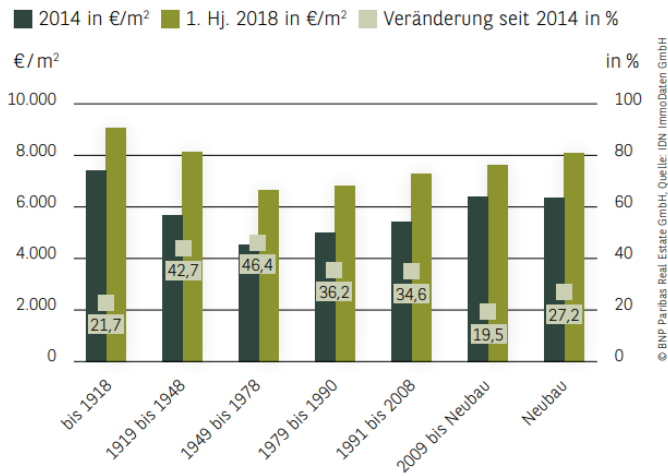
Munich is the most important market in the residential real estate developer business for Merkur Bank. As can be seen from the graphs on the next page the price development, like in most of the other German cities, was very positive in recent years. Although we think that it is unlikely that the recent dynamic development will continue with the same growth rates in the next years, we see good growth prospective for the residential real estate market in Munich as demand for apartments should remain high due to migration. Hence, the market environment for residential real estate development should remain positive.

### 2019 Outlook

Merkur Bank has not published any earnings target for 2019 but has only stated in the press release that it continues to see good growth opportunities in the segments in which it operates. It plans further investments into its branch network and into its head office in Munich in 2019. We do not expect Merkur Bank to continue growing its loan portfolio in 2019e with the same growth rate like in 2018; this should not be possible without any capital measures. Nevertheless the bank's net interest income should benefit from the significantly higher starting point of its loan book. Hence, we see our expected EPS growth estimate of 3% yoy clearly achievable.

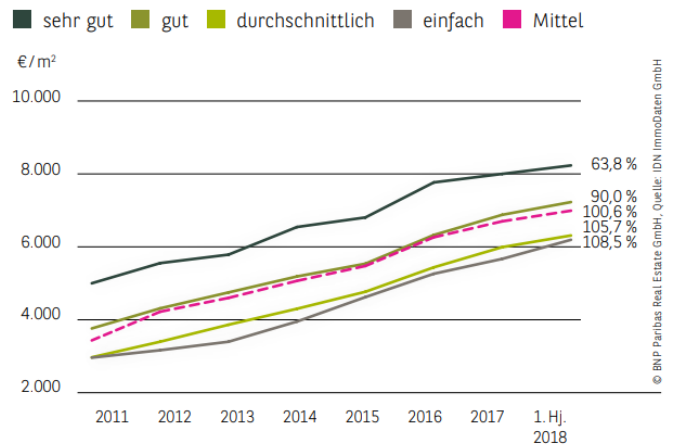
*We forecast an EPS of EUR 0.67 for 2019e*

**Exhibit 3: Price development of apartments in Munich depending on the construction year**



Source: Pareto Securities Research, BNP Paribas Real Estate

**Exhibit 4: Price development of apartments depending on the location**



Source: Pareto Securities Research, BNP Paribas Real Estate

### Valuation and Recommendation

Our valuation is based upon a Dividend Discount Model, a Gordon Growth Model and a Peer Group Analysis. For the Peer Group Analysis we have taken into account other German banks; as some of these banks are significantly bigger than Merkur Bank the peer group comparison must be seen in combination with the two other valuation approaches, which we regard as more appropriate. From the weighted average of the three calculated fair values we have derived a target price of EUR 10.50 (before: EUR 10.00). Given a share price upside of more than 30% we recommend buying the shares.

**Exhibit 5: Gordon Growth Model (ROE 2020e: 9.1%)**

#### Gordon Growth Model - Sensitivity Analysis

COE	Growth (g)						
	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
7.5%	17.24	17.49	17.79	18.13	18.55	19.06	19.70
8.0%	16.09	16.24	16.41	16.62	16.86	17.15	17.50
8.5%	15.08	15.15	15.24	15.34	15.45	15.58	15.74
9.0%	14.19	14.20	14.22	14.24	14.26	14.28	14.31
9.5%	13.40	13.37	13.33	13.28	13.24	13.18	13.11
10.0%	12.69	12.62	12.54	12.45	12.35	12.23	12.10
10.5%	12.06	11.96	11.84	11.72	11.58	11.42	11.23

Source: Pareto Securities Research

## Exhibit 6: Dividend Discount Model

EUR m	Phase I				Phase II						Phase III
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
<b>EBT</b>	<b>12.8</b>	<b>12.5</b>	<b>13.0</b>	<b>13.6</b>	<b>14.2</b>	<b>14.9</b>	<b>15.6</b>	<b>16.3</b>	<b>17.0</b>	<b>17.7</b>	
CIR	63.2%	63.3%	62.6%	62.6%	61.7%	60.7%	59.8%	58.9%	58.1%	57.2%	
<b>Tax</b>	<b>-5.3</b>	<b>-5.0</b>	<b>-5.2</b>	<b>-5.5</b>	<b>-5.7</b>	<b>-6.0</b>	<b>-6.2</b>	<b>-6.5</b>	<b>-6.8</b>	<b>-7.1</b>	
Tax rate	41.5%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	
<b>Minorities/Others</b>	<b>-3.8</b>	<b>-3.7</b>	<b>-3.9</b>	<b>-3.9</b>	<b>-3.9</b>	<b>-3.9</b>	<b>-3.9</b>	<b>-3.9</b>	<b>-3.9</b>	<b>-3.9</b>	
growth rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>Net profit</b>	<b>3.7</b>	<b>3.8</b>	<b>3.9</b>	<b>4.3</b>	<b>4.7</b>	<b>5.1</b>	<b>5.5</b>	<b>5.9</b>	<b>6.3</b>	<b>6.8</b>	
growth rate	8.0%	3.5%	3.3%	9.9%	8.5%	8.2%	7.9%	7.7%	7.5%	7.3%	
<b>Total dividend</b>	<b>1.6</b>	<b>1.9</b>	<b>2.0</b>	<b>2.2</b>	<b>2.3</b>	<b>2.5</b>	<b>2.7</b>	<b>2.9</b>	<b>3.2</b>	<b>3.4</b>	<b>49</b>
payout ratio	43.5%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	
<b>PV Phase I</b>	<b>7</b>										
<b>PV Phase II</b>	<b>10</b>										
<b>PV Phase III</b>	<b>24</b>										
<b>Total Fair Value</b>	<b>42</b>										
# shares	6										
<b>Fair value per share</b>	<b>7.34</b>										
					<b>Risk premium</b>	<b>4.0%</b>		<b>Beta</b>		<b>1.1</b>	
					<b>Risk free rate</b>	<b>4.5%</b>		<b>Cost of equity</b>		<b>9.0%</b>	
					<b>Sensitivity</b>		<b>Growth in phase III</b>				
							<b>1.0%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>2.5%</b>	<b>3.0%</b>
					<b>8.1%</b>	8	8	8	9	10	
					<b>8.5%</b>	7	7	8	8	9	
					<b>C. of eq. 9.0%</b>	7	7	7	8	8	
					<b>9.4%</b>	6	7	7	7	8	
					<b>9.9%</b>	6	6	7	7	7	

Source: Pareto Securities Research

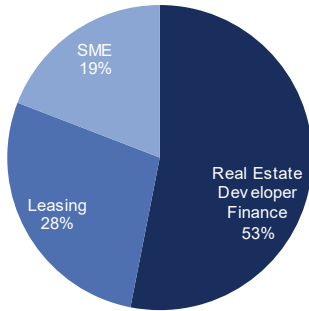
## Exhibit 7: Peer Group Analysis

Company	Share Price (LC)	MC (LC m)	PER 2019e	PER 2020e	P/B 2019e	P/B 2020e	ROE 2019e	ROE 2020e	Yield 2018e	1M Perf	12M Perf
Aareal Bank AG	27.49	1,645	9.9x	9.0x	0.6x	0.6x	6.0%	6.5%	8.0%	-3%	-30%
comdirect	9.97	1,408	12.3x	18.2x	1.9x	1.8x	15.4%	9.8%	2.5%	-1%	-12%
Commerzbank AG	6.63	8,303	8.5x	6.5x	0.3x	0.3x	3.3%	4.3%	3.0%	0%	-38%
Deutsche Bank AG	7.68	15,856	13.4x	8.9x	0.3x	0.2x	1.9%	2.8%	1.4%	-6%	-34%
Deutsche Pfandbrieff	10.58	1,423	10.5x	10.8x	0.5x	0.5x	4.4%	4.2%	9.0%	5%	-15%
Umweltbank	9.12	257	9.2x	8.9x	2.5x	2.3x	26.2%	26.8%	15.4%	0%	26%
<b>Average</b>	<b>Share Price</b>		<b>PER 2019e</b>	<b>PER 2020e</b>	<b>P/B 2019e</b>	<b>P/B 2020e</b>	<b>ROE 2019e</b>	<b>ROE 2020e</b>	<b>Yield 2018e</b>	<b>1M Perf</b>	<b>12M Perf</b>
<b>MERKUR BANK</b>	<b>8.35</b>	<b>47</b>	<b>12.5x</b>	<b>12.1x</b>	<b>0.6x</b>	<b>0.6x</b>	<b>9.2%</b>	<b>9.1%</b>	<b>3.9%</b>	<b>0%</b>	<b>-38%</b>
<i>vs average</i>			<i>17.6%</i>	<i>16.7%</i>	<i>-35.8%</i>	<i>-37.2%</i>	<i>-3.3%</i>	<i>0.4%</i>	<i>-41.1%</i>		
<b>FAIR VALUE BASED UPON 2017e PER:</b>	<b>7.16</b>		<b>FV BASED UPON REGRESSION ANALYSIS (P/B 2017e &amp; ROE):</b>				<b>13.33</b>	<b>AVERAGE</b>	<b>10.24</b>		

Source: Pareto Securities Research, FactSet

Exhibit 8: Investment Case in Charts

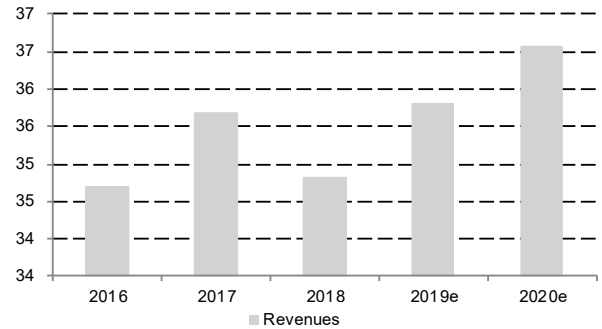
Loan portfolio split by business unit (12 2018)



Commercial Real Estate Developer Financing business is Merkur Bank's key revenue pillar.

Source: Merkur Bank, Pareto Research

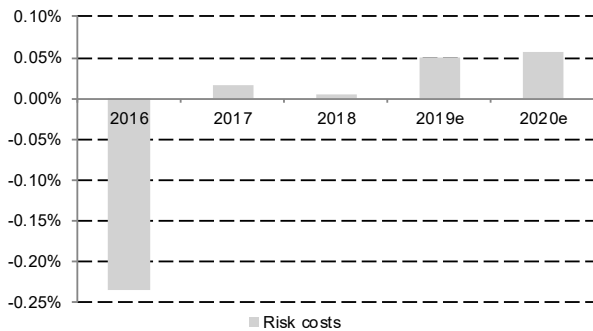
Revenues should grow again ...



Revenues should grow in 2019e and 2020e, a higher net interest income being the key driver.

Source: Merkur Bank, Pareto Research

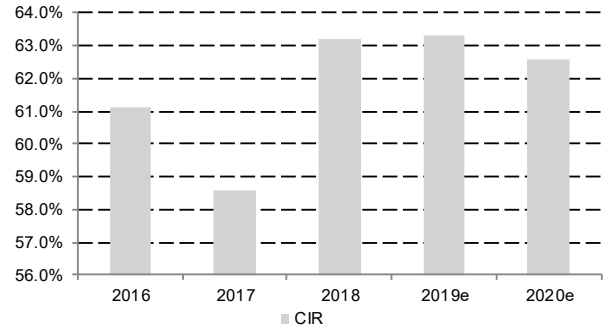
... while risk costs should remain low



Risk costs should remain on low level as we expect the benign commercial real estate environment to continue.

Source: Merkur Bank, Pareto Research

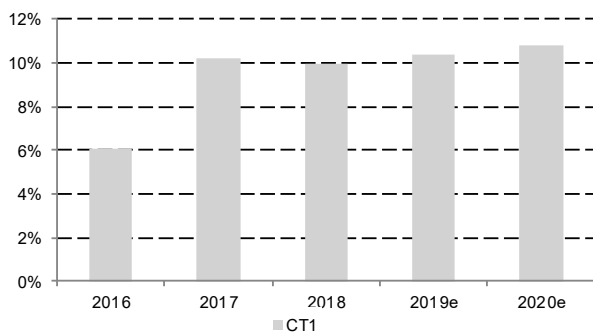
Efficiency is solid with a CIR of slightly above 60%



CIR is at relatively low level. We see however no room for further improvement as Merkur Bank is already operating quite efficiently.

Source: Merkur Bank, Pareto Research

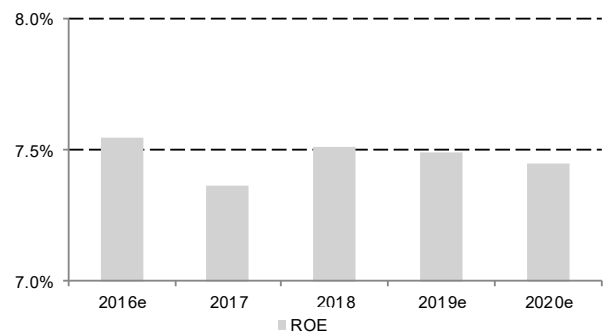
Capitalization with positive development in 2017



Due to various measures (e.g. capital increase) MB has increased its CT1 ratio to solid 10% in 2017.

Source: Merkur Bank, Pareto Research


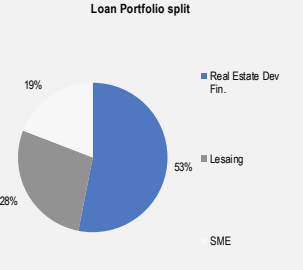
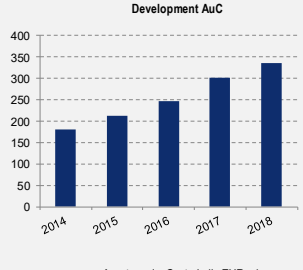
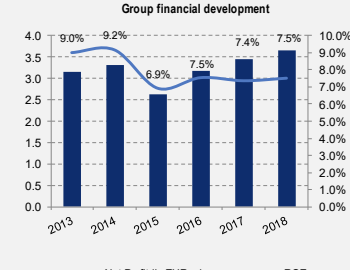
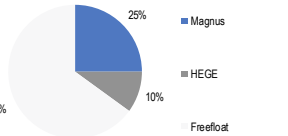
Solid Profitability



With an expected ROE of around 7.5% for 2019e Merkur Bank has a solid profitability.

Source: Merkur Bank, Pareto Research

Exhibit 9: At a Glance

Business Areas	Corporate Banking	Retail / Private Banking		
<b>Company Profile</b>	 <p>MERKUR BANK</p> <p>MERKUR Bank is a private bank, located in Munich, focusing on corporate and retail banking. While it has expanded its retail banking activities in recent years, residential real estate developer finance remains its most important business. MERKUR Bank has the legal status of a KGaA and is listed on the Munich stock exchange.</p>			
<b>Business Focus</b>	MERKUR Bank offers residential real estate developer finance, leasing and classical loans to its customers with a clear focus on developer loans. Total corporate loans amount to around EUR 1.15bn.	In Retail / Private Banking MERKUR Bank offers retail banking services both online and through its four branches to its customers. It has more than EUR 300m assets under custody.		
<b>Customers</b>	MERKUR Bank's customer are SME customers. While in real estate financing they comprise different real estate investors, they include traditional SME in the other segments.	MERKUR Bank's customers are classical retail customers which should be somewhat more affluent than the average retail customer.		
<b>Regional Focus</b>	Regional Focus in real estate developer finance is Munich and to a lesser extent Stuttgart and Nuremberg.	Regional Focus is Bavaria, Thuringia and Saxony with the branches being located in Munich, Jena, Plauen and Auerbach.		
<b>Market share/ positioning</b>	MERKUR Bank's market share should be insignificant overall but in its core market Munich MERKUR Bank should be among the established players in its niche.	MERKUR Bank's market share in the German retail banking market insignificant.		
<b>Drivers</b>	Apart from the general macroeconomic development in Germany, the overall demand for housing in Munich and thus new construction activity is the key driver for MERKUR Bank's revenues.	We see two developments which should be beneficial for MERKUR Bank: 1) The ongoing branch closures of the market leaders (savings and mutual banks) should continue to be beneficial for MERKUR Bank as it should help it to further grow its assets under custody. 2) The low interest rate environment forces people to invest its assets into riskier assets which should be beneficial for banks/asset managers offering asset management services.		
<b>Asset Quality</b>	We do not have any NPL figures for MERKUR Bank but based upon the current very favorable housing market in Munich, particularly the high demand for new housing, and the company's statement we assume that NPLs are currently on low levels. Clearly, a deterioration of the housing market in Munich should lead to rising NPLs.			
<b>Capitalization</b>	With a CT1 ratio of 10% (2018; Pareto estimate) and total capital ratio of 15.3% MERKUR Bank fulfills the regulatory requirements but capitalization, unlike in the years before the CT1 ratio, is not a weak spot anymore for MERKUR Bank, i.e. the bank should be able to take advantage of future growth opportunities.			
<b>Strategy &amp; Guidance</b>	<p><b>Strategy:</b></p> <p>(I) MERKUR Bank intends to further increase its AuC to increase revenues in retail/private banking to become less dependent from the real estate business</p> <p>(II) Further improve its capitalization to be able to make use of the business opportunities in the housing market in Munich</p>	<p><b>Guidance 2018:</b></p> <p>no concrete earnings guidance published</p> <p>EPS y/y</p> <p>Pareto Estimates</p> <p>0.67</p> <p>3.5%</p> <p>Consensus</p> <p>na</p> <p>na</p>		
<b>2018</b>	<p><b>Revenues (EURm)</b></p> <p>34.8</p> <p>y/y -2.4%</p>	<p><b>CIR</b></p> <p>63.2%</p>	<p><b>Net Profit (EURm)</b></p> <p>3.7</p> <p>ROE 7.5%</p>	<p><b>EPS 5Y hist. CAGR</b></p> <p>1.1%</p>
<b>New bus. &amp; Portfolio Split</b>	  			
<b>Shareholder structure &amp; management</b>	<p><b>CEO</b></p> <p><u>Dr. Marcus Lingel</u></p> <p>CEO &amp; personal liability partner</p> <ul style="list-style-type: none"> <li>• Dr. Lingel joined MERKUR Bank's management board in 2005</li> <li>• He joined MERKUR Bank in 2000 after having finished his studies and having worked for a large private bank in the corporate banking unit</li> </ul>	<p><b>Board member</b></p> <p><u>Claus Herrmann</u></p> <ul style="list-style-type: none"> <li>• Mr. Herrmann joined MERKUR Bank in 1999 and became a board member in 2002</li> <li>• Mr. Herrmann has gained bank experience in different savings banks and other mid-sized banks</li> </ul>	<p><b>Shareholder structure</b></p> 	
<b># of employees FY 2017</b>	189			

Source: Pareto Securities Research, Merkur Bank

<b>PROFIT &amp; LOSS (fiscal year) (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018p</b>	<b>2019e</b>	<b>2020e</b>
Net interest income	22	23	23	29	30	31
Net fee and commission income	10	10	12	7	7	7
<b>Operating income</b>	<b>33</b>	<b>35</b>	<b>36</b>	<b>35</b>	<b>36</b>	<b>37</b>
Staff costs	(13)	(13)	(13)	(14)	(14)	(14)
Other expenses	(9)	(9)	(10)	(8)	(8)	(8)
Depr.	(1)	(1)	(1)	-	-	-
<b>Operating expenses</b>	<b>(23)</b>	<b>(23)</b>	<b>(24)</b>	<b>(22)</b>	<b>(23)</b>	<b>(23)</b>
<b>Operating profit before losses</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>14</b>
Net loan losses	(2)	2	(0)	(0)	(1)	(1)
<b>Pre-tax profit</b>	<b>8</b>	<b>13</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>13</b>
Tax expense	(3)	(4)	(4)	(5)	(5)	(5)
<b>Net profit</b>	<b>4</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>8</b>
Minority interests	(2)	(6)	(4)	(4)	(4)	(4)
<b>Net profit attributable</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>BALANCE SHEET (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018p</b>	<b>2019e</b>	<b>2020e</b>
Current assets	72	121	141	98	141	146
Gross loans	813	847	888	1,155	1,178	1,201
Other assets and accruals	87	65	64	100	80	80
<b>Total assets</b>	<b>973</b>	<b>1,033</b>	<b>1,094</b>	<b>1,353</b>	<b>1,398</b>	<b>1,427</b>
Deposits from credit institutions	84	74	62	68	63	63
Deposits from the public	800	846	905	1,152	1,201	1,225
Certificates and bond loans	-	-	-	-	-	-
Other liabilities accruals and allocat.	19	26	32	31	30	32
Subordinated loan capital	31	41	46	52	52	53
Equity	39	46	48	50	52	54
<b>Total debt and equity</b>	<b>973</b>	<b>1,033</b>	<b>1,094</b>	<b>1,353</b>	<b>1,398</b>	<b>1,427</b>
Average total assets		1,003	1,063	1,223	1,375	1,412
<b>PER SHARE DATA &amp; VALUATION (EUR)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018p</b>	<b>2019e</b>	<b>2020e</b>
Avg. no. of shares	5	5	6	6	6	6
End. no. of shares	5	6	6	6	6	6
Price	5.9	6.7	7.9	8.2	8.6	8.6
Market cap.	31	38	45	46	49	49
<b>EPS reported</b>	<b>0.51</b>	<b>0.61</b>	<b>0.60</b>	<b>0.64</b>	<b>0.67</b>	<b>0.69</b>
EPS adj.	0.51	0.61	0.60	0.64	0.67	0.69
<b>BVPS</b>	<b>7.5</b>	<b>8.0</b>	<b>8.4</b>	<b>8.7</b>	<b>9.1</b>	<b>9.4</b>
DPS	0.22	0.26	0.30	0.32	0.33	0.34
<b>P/E</b>	<b>11.6</b>	<b>10.9</b>	<b>13.0</b>	<b>12.6</b>	<b>12.8</b>	<b>12.4</b>
P/E adj.	11.6	10.9	13.0	12.6	12.8	12.4
<b>P/B</b>	<b>0.8</b>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>
Dividend Yield	3.7%	3.9%	3.8%	4.0%	3.9%	4.0%
<b>KEY RATIOS</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018p</b>	<b>2019e</b>	<b>2020e</b>
Net interest margin	2.39%	2.30%	2.16%	2.39%	2.17%	2.16%
Net interest margin (int.-bearing assets)	2.63%	2.62%	2.53%	2.70%	2.42%	2.46%
Cost/Income	67%	64%	63%	63%	63%	63%
Loan losses (bps annualised)	0	(0)	0	0	0	0
<b>ROE</b>		<b>7.5%</b>	<b>7.4%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>7.5%</b>
ROA	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
RORWA	0.3%	0.4%	0.4%	0.5%	0.5%	0.5%

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## Appendix A

Disclosure requirements pursuant to the Norwegian Securities Trading Regulations section 3-10 (2) and section 3-11 (1), letters a-b

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Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
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Pareto Bank ASA	10,843,900	18.50%	Sparebanken Vest	4,506,060	7.63%

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Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
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NHST Media Group AS	21,475	1.85%	SpareBank 1Østfold Akersl	1,139,560	9.20%
Pareto Bank ASA	10,843,900	18.50%	Sparebanken Møre	311,739	3.15%
Selvaag Bolig ASA	2,174,147	2.32%	Sparebanken Sør	460,589	2.94%
SpareBank 1BV	1,557,140	2.48%	Sparebanken Vest	4,506,060	7.63%
SpareBank 1Nord-Norge	1,045,659	1.04%			

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Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings
AF Gruppen	0	1,675	Helgeland Sparebank	0	1,700	Prosafe	0	5,984
Aker	0	682	Höegh LNG	0	6,085	Protector Forsikring	0	15,385
Aker BP	0	5,100	Jæren Sparebank	0	500	REC Silicon	0	157,742
Aker Solutions	0	1,825	Komplett Bank	0	104,934	SailMar	0	130
AKVA Group	0	1,500	Kongsberg Gruppen	0	5,901	Sandnes Sparebank	0	19,782
Archer	0	72,770	KWS Saat	15	15	Scatec Solar	0	35,635
Atea	0	450	Lerøy Seafood	0	33,795	Seadrill	0	8,661
Austevoll Seafood	0	5,780	Magseis Fairfield	0	12,879	Selvaag Bolig	0	5,000
Avance Gas	0	4,595	Monobank	0	1,371,000	SpareBank 1BV	0	17,700
Axactor	0	19,724	Mowi	0	1,964	SpareBank 1Nord-Norge	0	30,000
B2Holding	0	6,000	Nordic Semiconductor	0	6,000	SpareBank 1SMN	0	16,590
Bonheur	0	46,709	Norsk Hydro	0	125,295	SpareBank 1SR-Bank	0	34,187
Borr Drilling	0	4,685	Northern Drilling	0	6,060	SpareBank 1Østlandet	0	4,042
BWLPG	0	5,569	Norwegian Air Shuttle	0	19,202	Sparebanken Møre	0	6,550
DNB	0	35,132	Norwegian Property	0	150,000	Sparebanken Sør	0	43,280
DNO	0	29,377	Ocean Yield	0	32,967	Sparebanken Øst	0	1,500
Entra	0	14,362	Odjell Drilling	0	8,649	Storebrand	0	5,005
Equinor	0	10,201	Okeanis Eco Tankers	0	1,886	Subsea 7	0	7,484
Europris	0	10,850	Orkla	0	24,026	Telenor	0	2,311
Flex LNG	0	1,182	Panoro Energy	0	5,670	TGS-NOPEC	0	2,050
Frontline	0	13,793	Pareto Bank	0	968,027	XXL	0	11,115
Gjensidige Forsikring	0	8,623	Petroleum Geo-Services	0	60,134	Yara International	0	19,866
Golden Ocean Group	0	1,824	Pioneer Property	0	2,050	Zenterio	0	78,865
Grieg Seafood	0	770						

This overview is updated monthly (last updated 18.03.2019).

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## Appendix B

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letters e-f, ref the Securities Trading Act Section 3-10

Overview over issuers of financial instruments where Pareto Securities AS have prepared or distributed investment recommendation, where Pareto Securities AS have been lead manager/co-lead manager or have rendered publicly known not immaterial investment banking services over the previous 12 months:

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Andfjord Salmon	Herttha BSC GmbH	Panoro Energy
APC Forsikringsmæglere A/S	HKN Energy Ltd	Pareto Bank
Arnarlax	Hunter Group	PetroMatad Limited
Atlantic Sapphire AS	Ice Group	Petroleum Geo-Services
Avida Holding AB	Instabank	Pioneer Public Properties Finland Oy
Bank Norwegian	Jactel AS	Point Resources AS
Bluewater Holding	Klaveness Ship Holding	Quant AB
Borr Drilling Limited	Lundin Petroleum	Rødovre Port Holding A/S
DNO ASA	Magseis	Sand Hill Petroleum
DOF ASA	McDermott International	SAS
Dof Subsea AS	Monobank ASA	Scatec Solar
Echo Energy	Nemaska Lithium	Scorpio Tankers
Eco Atlantic Oil and Gas	NGEX Resources	Shamaran
Eidesvik Offshore	Northern Drilling	Sparebank 1 Østlandet
Eland Oil & Gas	Northmill Group AB	SpareBank1 Buskerud-Vestfold
FFS Bidco	Norwegian Air Shuttle	Sparebanken Vest
Flex LNG	Odfjell	Union Maritime Limited
Floatel	Odfjell Drilling	Vantage Drilling
Fortum	Okea AS	

*This overview is updated monthly (this overview is for the period 28.02.2018 – 28.02.2019).*

## Appendix C

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11(4)

### Distribution of recommendations

Recommendation	% distribution
Buy	67%
Hold	29%
Sell	4%

### Distribution of recommendations (transactions\*)

Recommendation	% distribution
Buy	92%
Hold	8%
Sell	0%

\* Companies under coverage with which Pareto Securities Group has on-going or completed public investment banking services in the previous 12 months

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Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letter d, ref the Securities Trading Act Section 3-10

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## Appendix F

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letter g, ref the Securities Trading Act Section 3-10

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comdirect	Hypoport AG	OHB SE	Vapiano

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