

PARETO BANK

Financial Results – First Quarter 2026

**Highlights**

Financials

Business Area Update & Outlook

# FIRST QUARTER 2026

## Highlights

- Profit after tax NOK 76.7m (NOK 178.5m in Q1-25).
- Return on equity after tax 5.0% (13.5%).
- Total impairments and losses of NOK 155.9m (NOK 37.1m). Individual impairments NOK 121.2m (NOK 29.4m) mainly within residential property development. Write downs of NOK 18.9m.
- Lending at the end of the quarter stood at NOK 19,249m (NOK 20,864m). Average lending was up 1.5% q/q.



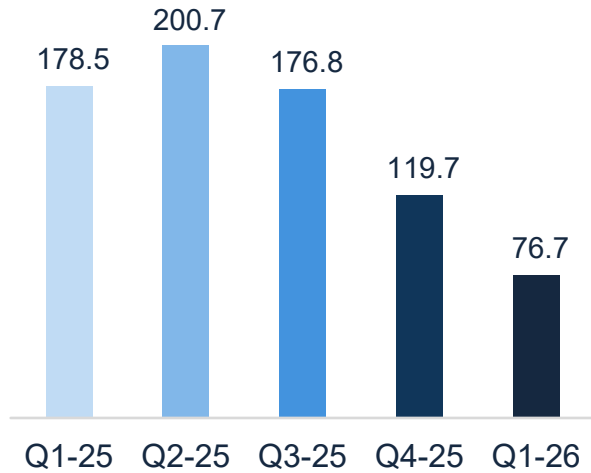
Highlights

**Financials**

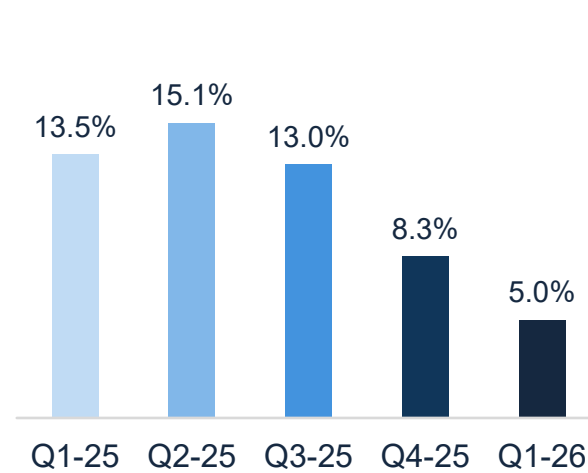
Business Area Update & Outlook

# KEY FIGURES

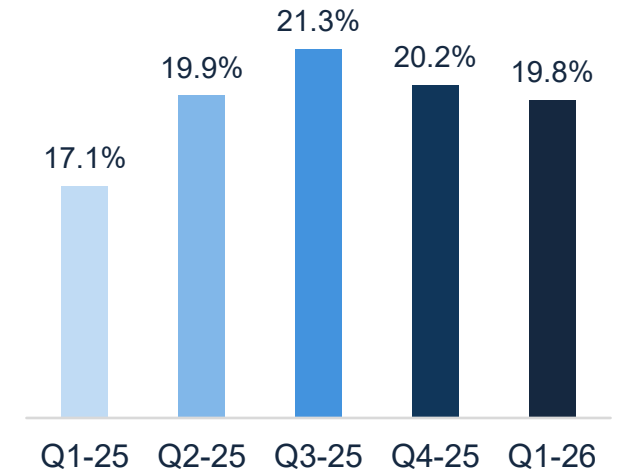
Profit after tax (NOKm)



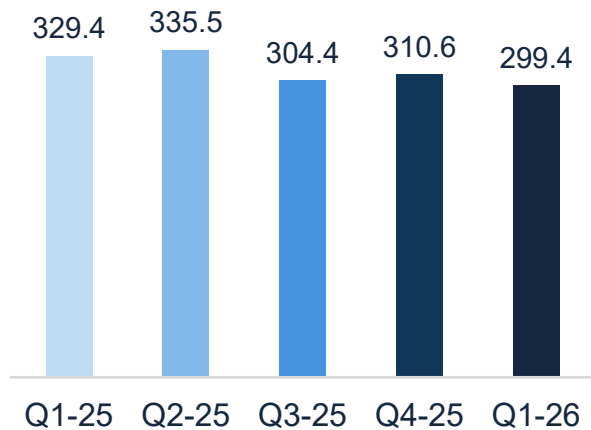
Return on Equity \*



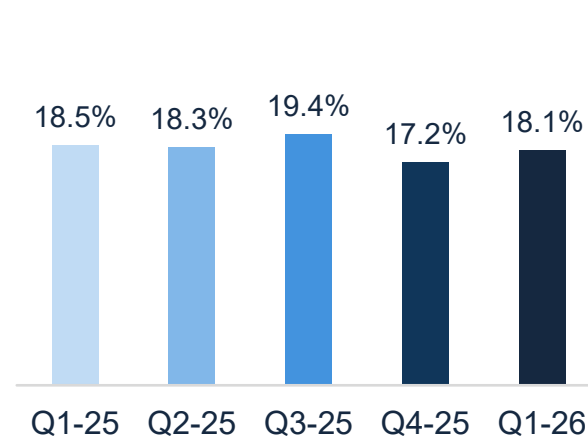
CET1 ratio



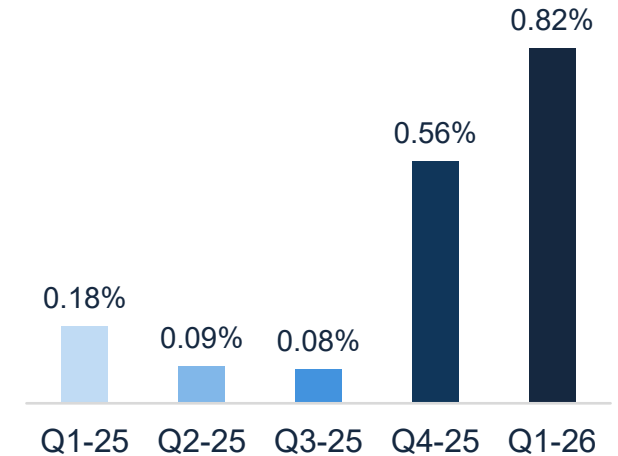
Net interest income (NOKm)



Cost/Income ratio



Loss ratio \*\*



\*) Return to shareholders after AT1 interest costs.  
 \*\*) Quarterly impairments over average net loans.

# INCOME STATEMENT

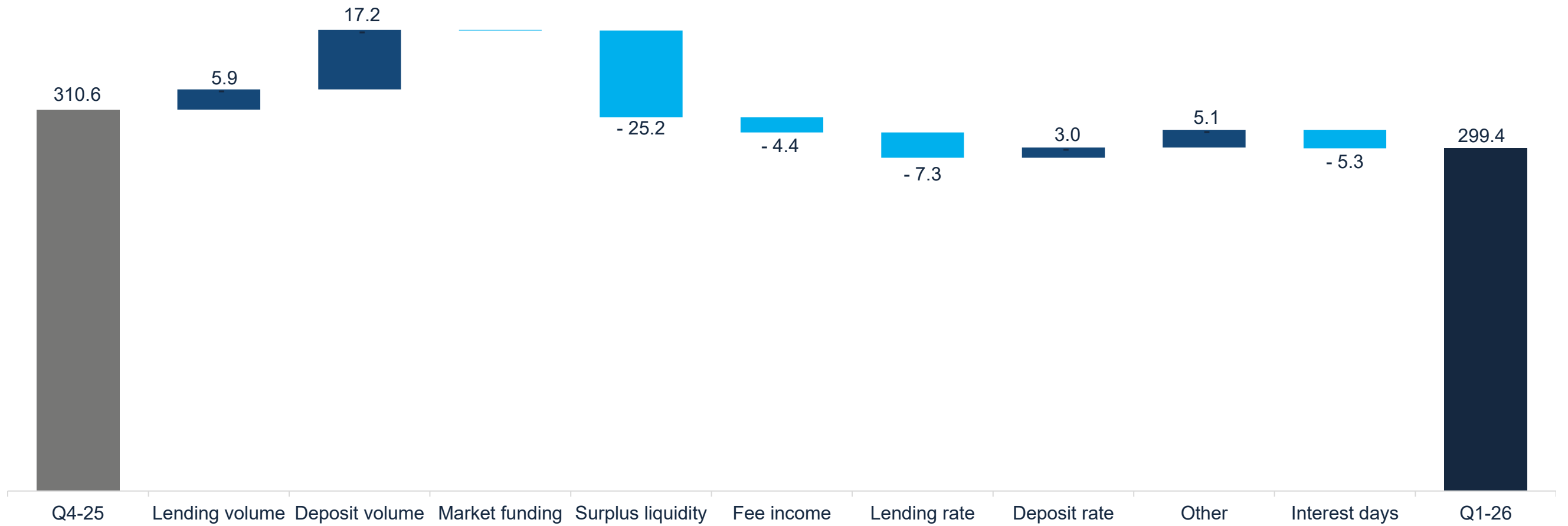
## P&L (NOKm)

	Q1-26	Q1-25	2025
Net interest income	299.4	329.4	1,279.9
Net other operating income	10.9	2.9	15.6
<b>Total net income</b>	<b>310.3</b>	<b>332.3</b>	<b>1,295.4</b>
Total operating expenses	56.3	61.5	237.6
<b>Operating profit before impairments and losses</b>	<b>254.1</b>	<b>270.8</b>	<b>1,057.9</b>
Impairments and losses on loans and guarantees	155.9	37.1	174.8
<b>Pre-tax operating profit</b>	<b>98.2</b>	<b>233.6</b>	<b>883.0</b>
Tax expense	21.5	55.2	207.4
Interest hybrid capital	12.3	13.0	51.7
<b>Profit to shareholders</b>	<b>64.4</b>	<b>165.5</b>	<b>623.9</b>

Earnings per share (NOK)	0.84	2.16	8.13
Cost/income ratio (%)	18.1	18.5	18.3

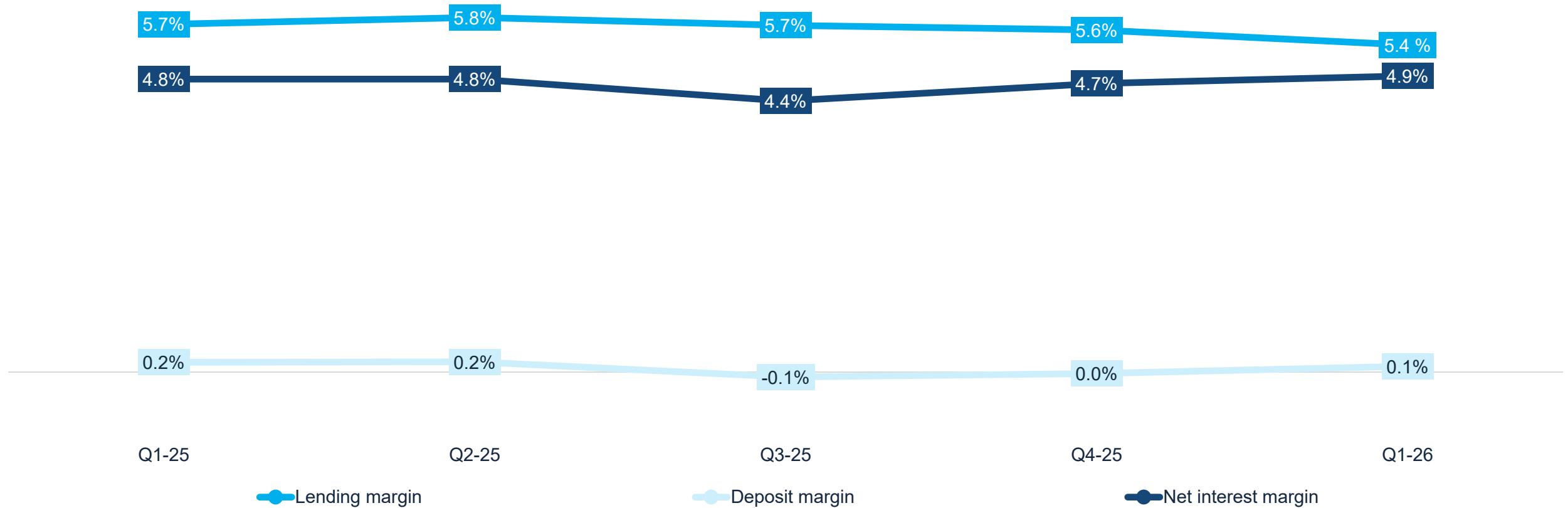
- Interest income down with average lending volumes down 6% y/y.
- Deposit volume decreased with another NOK 1.4bn (12%) in Q1-26.
- NOK 5.2m of fair value gains (loss of NOK 3.5m), explained by repricing of fixed deposits.
- Continued strong operational efficiency, with a cost/income ratio of 18.1% (18.5%).
- Highest quarterly impairments history-to-date.

# CHANGE IN QUARTERLY NET INTEREST INCOME (NOKm)



# INTEREST MARGINS

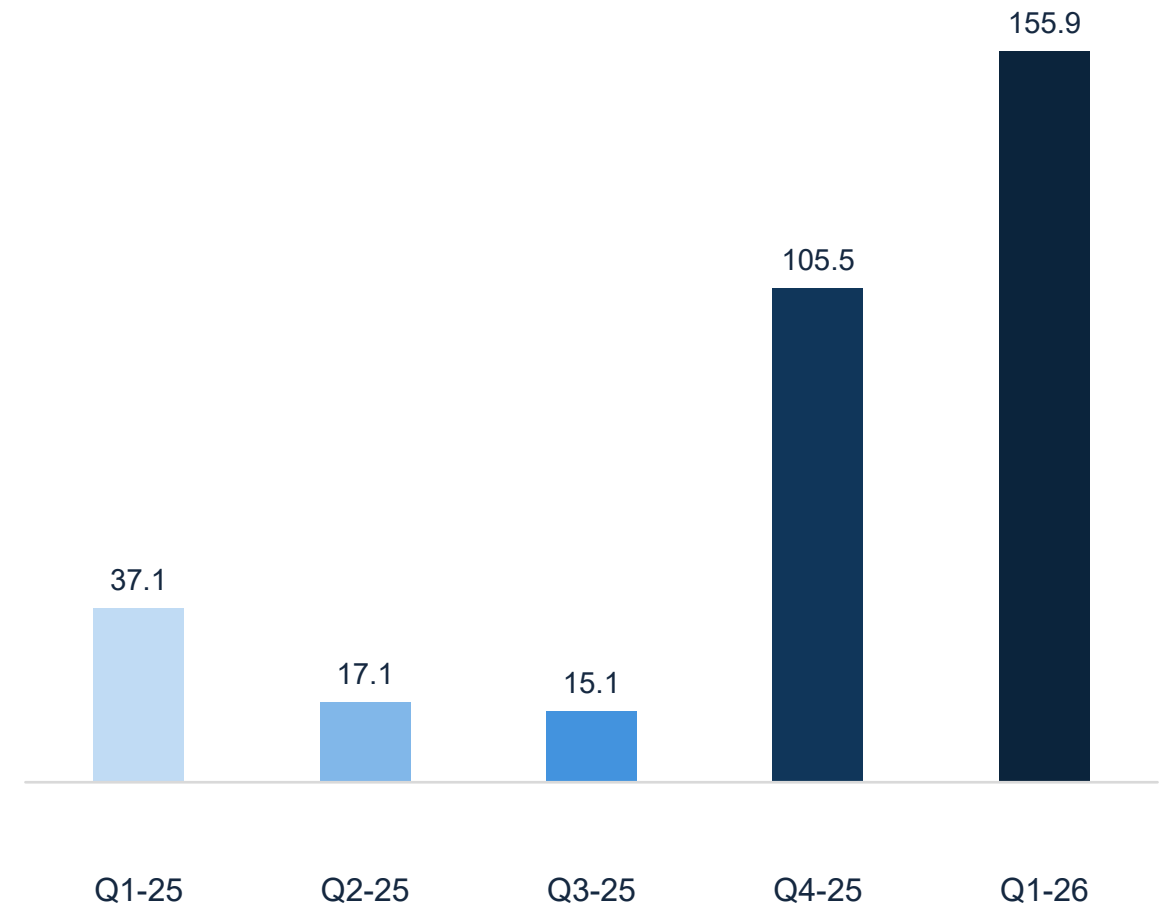
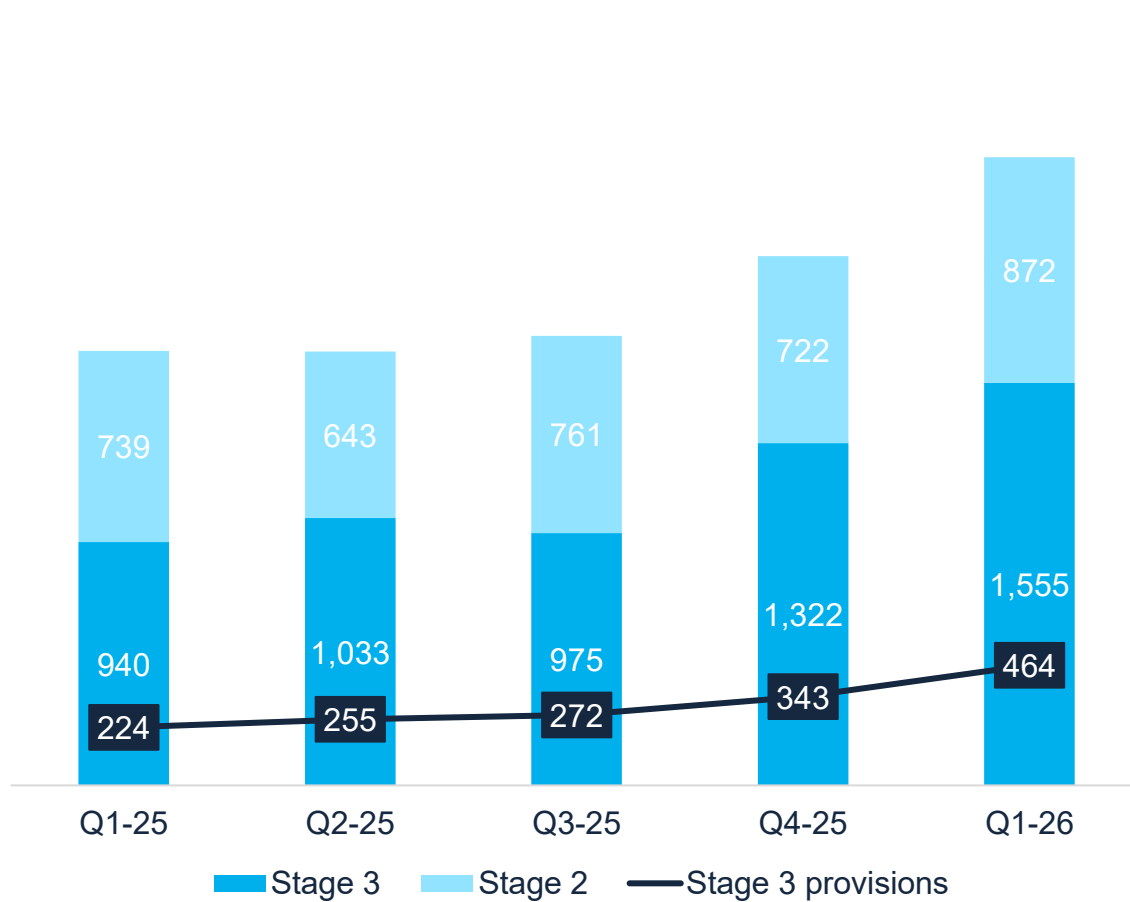
## Lending and deposit margin



# QUARTERLY CHANGE IN STAGE 2, 3 AND IMPAIRMENTS

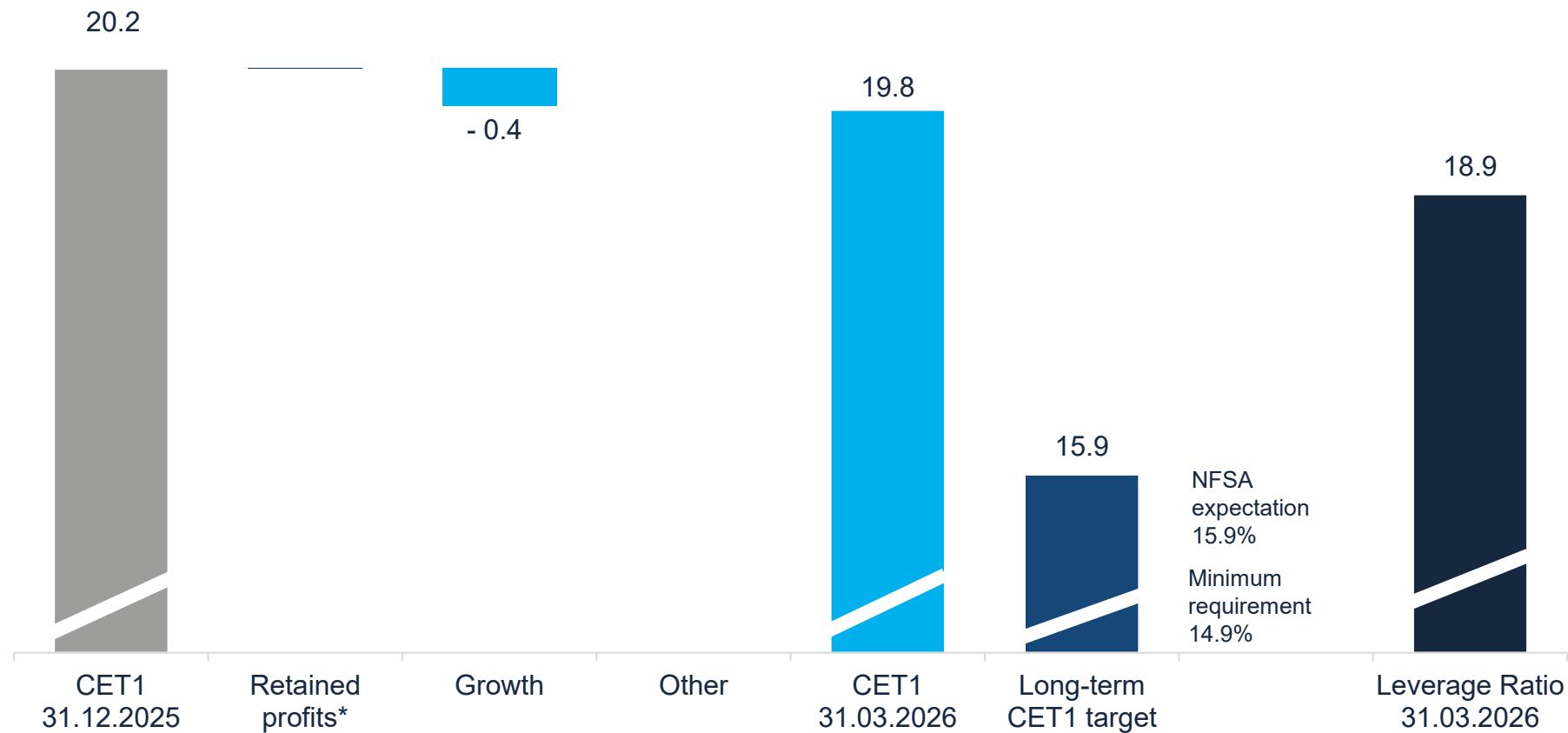
Stage 2 and 3 and provisions for stage 3 lending (NOKm)

Impairments and losses on loans and guarantees (NOKm)



# SOLIDITY AND CAPITAL REQUIREMENTS

Per cent



- Long-term CET1 target of 15.9%, in line with the NFSA expectation.
- Pareto Bank holds a buffer above this target.
- Limited retained profits during Q1-Q3'26 due to high 2025 dividends.
- Increased capital requirement on the back of decreased credit quality and higher lending.
- Limited other effects in the quarter.

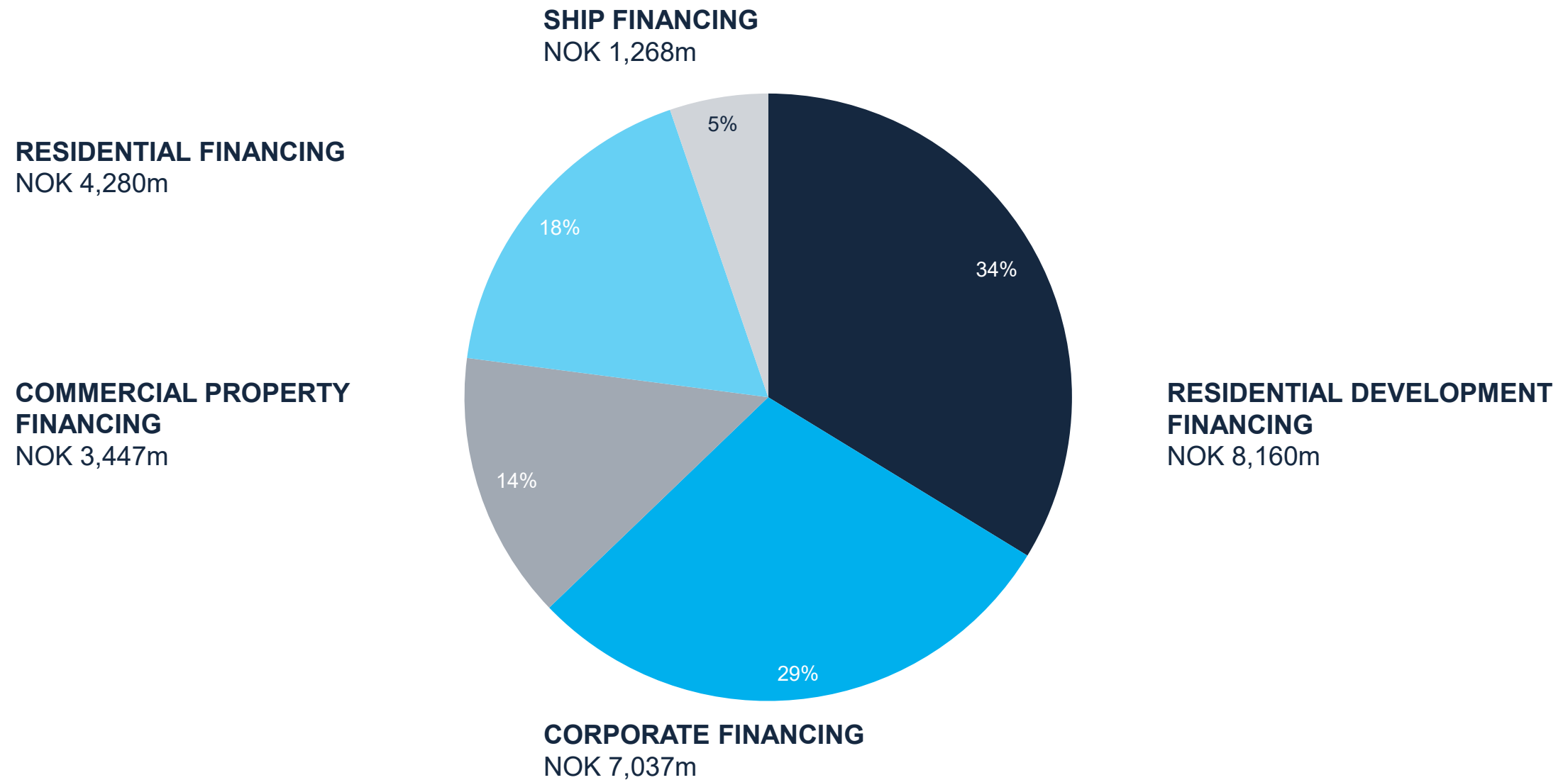
Highlights

Financials

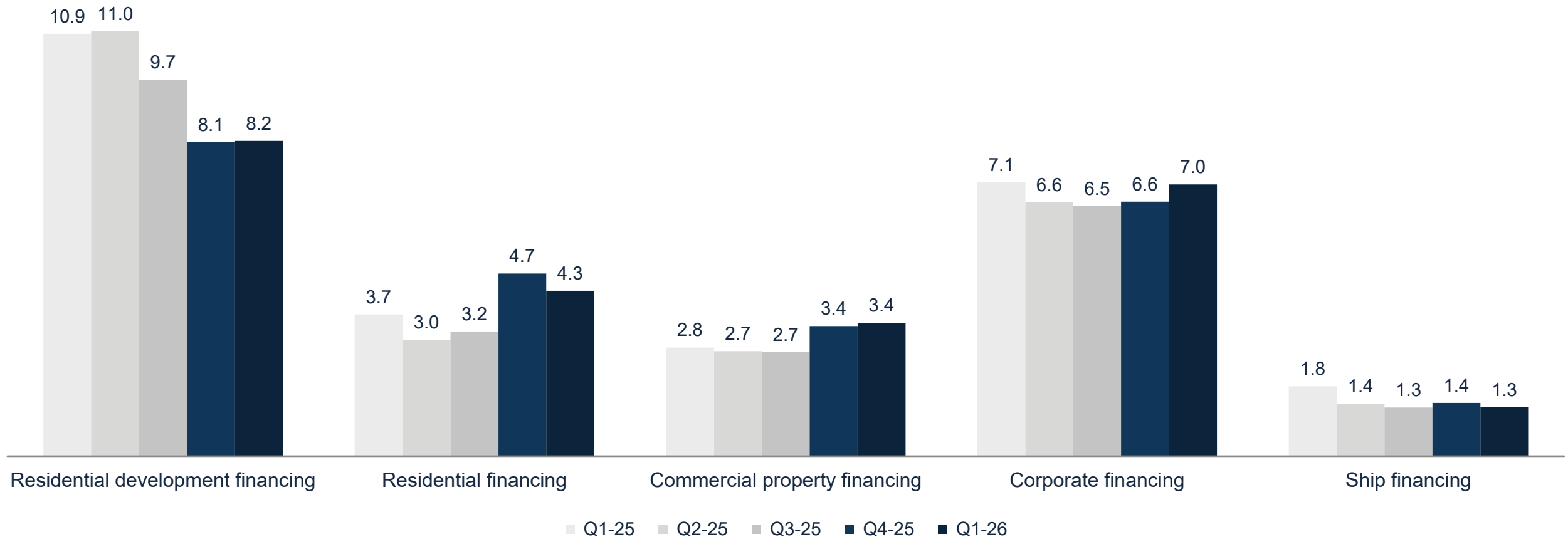
**Business Area Update & Outlook**

# A NICHE PLAYER FINANCING MEDIUM-SIZED ENTERPRISES

Exposure (NOKm)



# QUARTERLY EXPOSURE PER BUSINESS AREA (NOKbn)



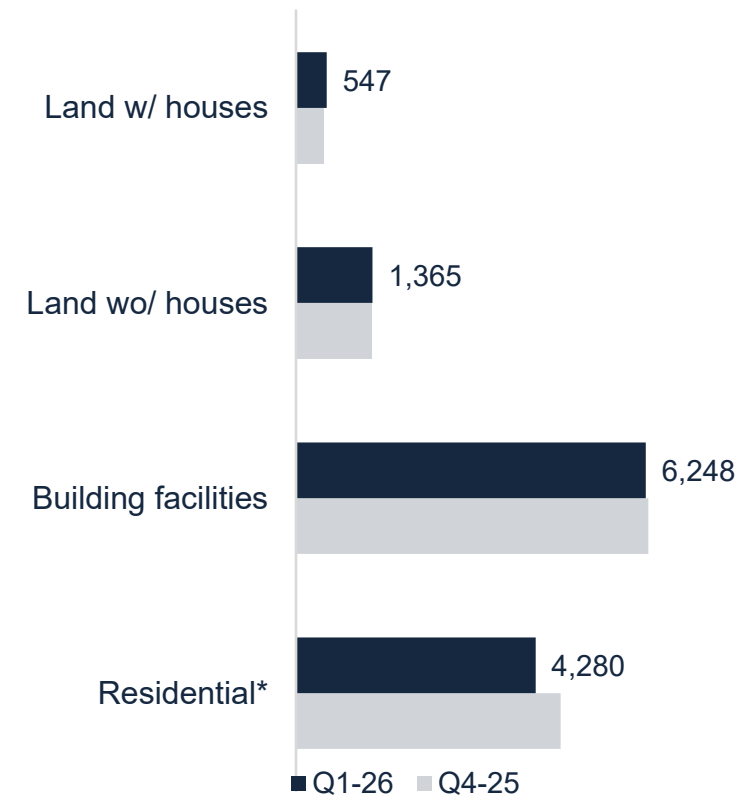
# RESIDENTIAL PROPERTY FINANCING

Residential property exposure (NOKm)

Total NOK 12,440m

## FLAT LENDING VOLUME AND EXPOSURE GROWTH EXPECTED IN Q2-26

- A troubled new-build market to continue as change in interest rate outlook postpones projects and weakens demand for new-builds further.
- The continued large price difference between new and second-hand housing is hindering recovery.
- Low project activity intensifies competition.
- Restrictive credit practice continued.
- Uncertain forecast on volume development as a slow sales market means more time is needed to fulfill sale requirements to meet conditions for opening building facilities.



# COMMERCIAL PROPERTY FINANCING

Commercial property exposure (NOKm)

Total NOK 3,447m

## RELATIVELY FLAT DEVELOPMENT FOR Q2-26

- Continued low activity in the transaction market as long-term rate outlook remains high.
- Low risk appetite and financing demand.

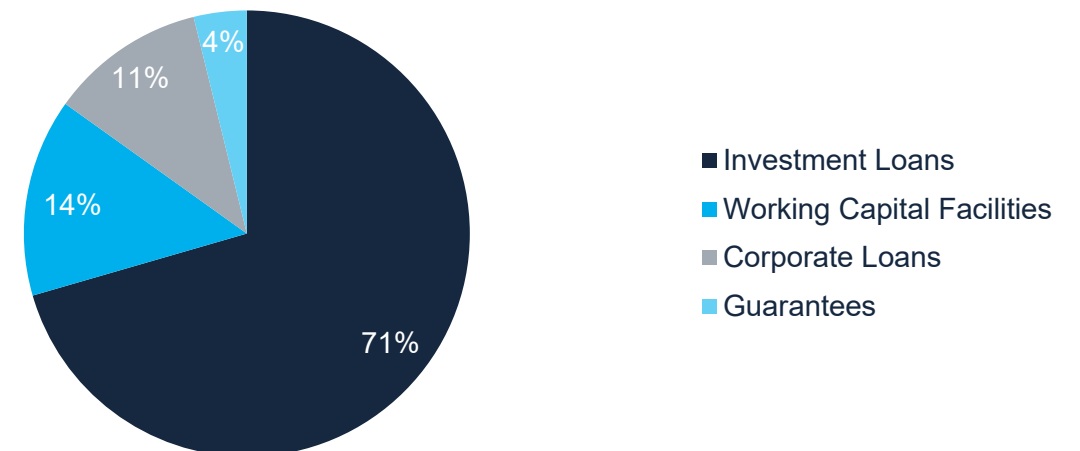
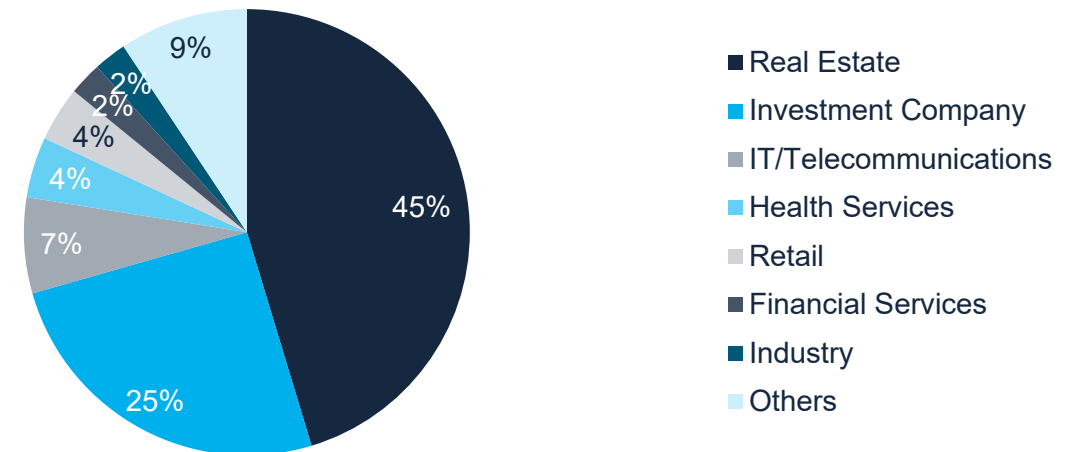


# CORPORATE FINANCING

## SLIGHTLY INCREASING EXPOSURE IN Q2-26

- Steady deal flow and sales activity led to good growth in Q1-26.
- Growth expected to continue in Q2-26 supported by Sweden where efforts are gradually increased.
- Pareto Bank is well positioned as an attractive financing partner within the SME lending market and sees continued opportunities for long-term growth even though the competition remains strong.

Corporate exposure (NOKm) Total NOK 7,037m (Q4-25: NOK 6,587m)



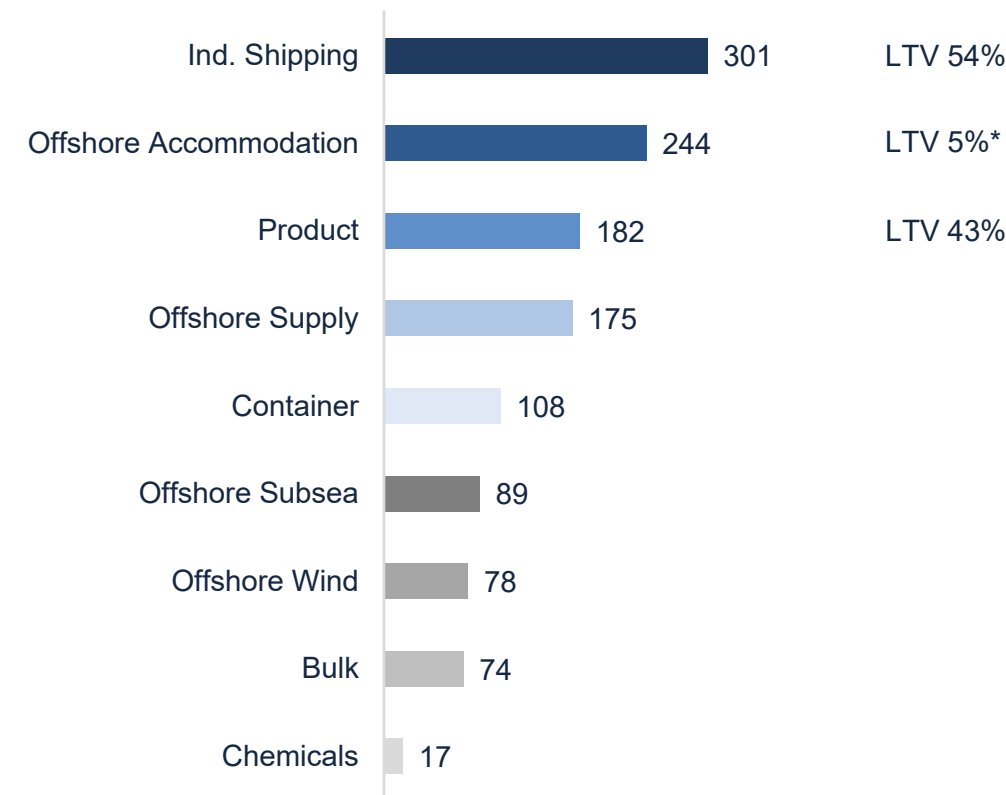
# SHIP FINANCING

## INCREASED EXPOSURE EXPECTED FOR Q2-26.

- Higher activity and deal flow in Q1-26, but competition from banks and other capital sources remains strong.
- Uncertainty prevails as the war in Iran has a big impact on global shipping markets and tanker markets in particular. Tanker demand depends on cargo availability, which remains impaired by damage, shutdowns and the blockade of the Strait of Hormuz.
- Oil and gas prices have increased significantly due to disruptions in trade flows. Continued elevated levels are expected to negatively affect the world economy and shipping demand in general. Many shipping segments are now high in the cycle benefitting from strong earnings but are also facing significant supply growth potentially overriding the demand growth going forward.
- Increased focus on energy security is supportive to investments and projects for oil and gas and for the Atlantic basin in particular. With limited fleet growth, vessel utilization is expected to remain resilient in most offshore segments.

Exposure (NOKm)

Total NOK 1,268m (Q4-25: NOK 1,379m)



\*) Offshore Accommodation credit exposure : Super Senior Revolving credit facility.

# SWEDEN

## CONTINUED GROWTH AND STEADY DEAL FLOW

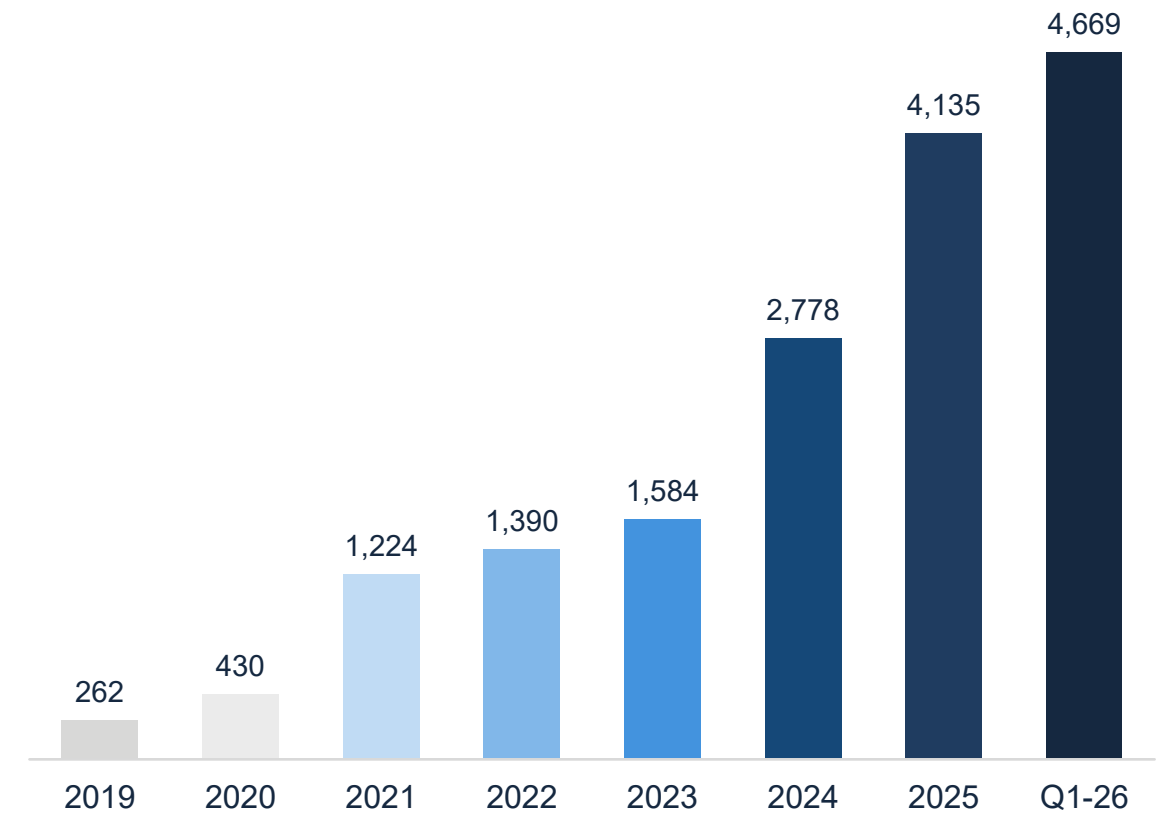
- Solid growth materialised in Q1-26. Good deal flow and loan commitments opened as planned.
- Further growth expected in Q2-26 due to committed loans and ongoing loan discussions.
- Increased efforts in corporate financing.
- Continued high focus on expanding network and customer base.
- Marketing initiatives ongoing in newspapers and other relevant channels.
- Good credit quality and lower capital requirements in Sweden ensures an attractive risk/reward.

## LONG-TERM GOAL

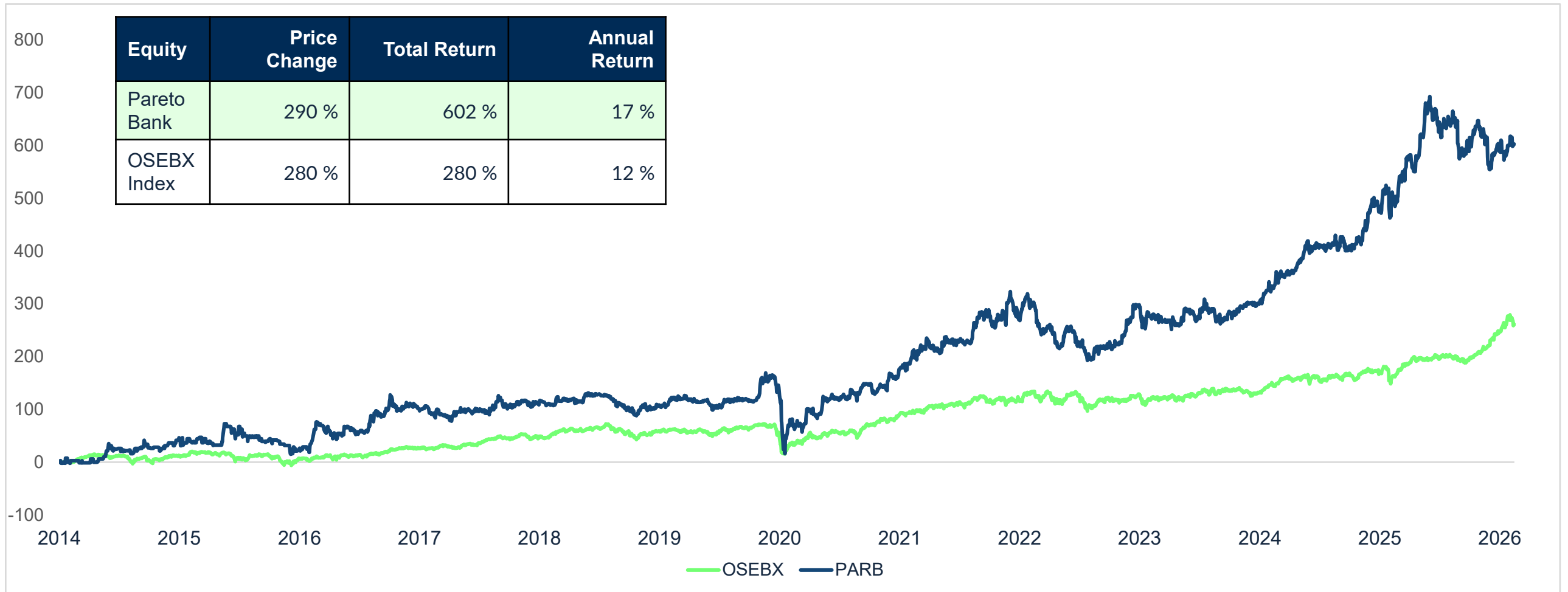
- Diversified, robust and profitable loan portfolio.
- ROE target above long-term ambition of 15%.

## Exposure Sweden branch (NOKm)

Total NOK 4,669m

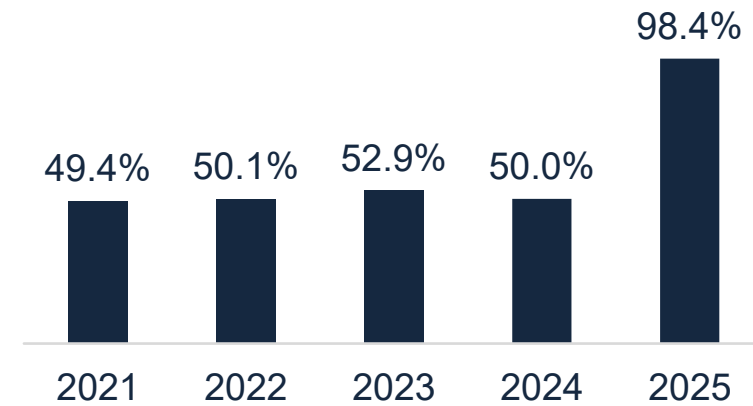
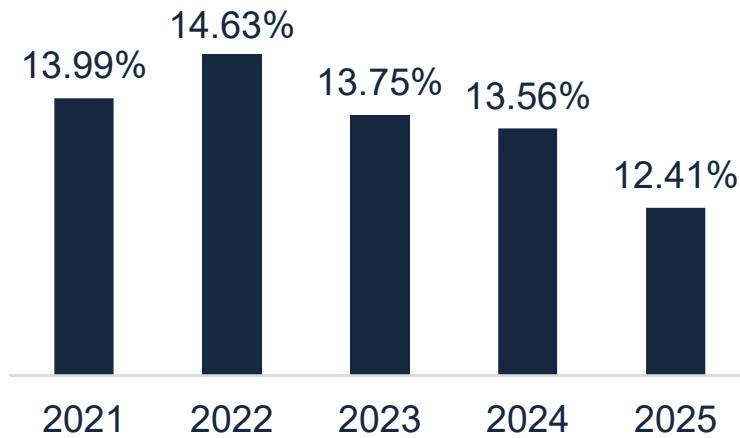
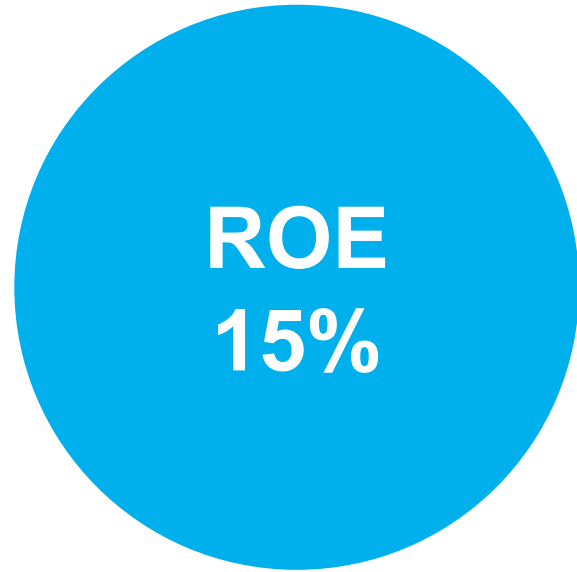


# TOTAL RETURN



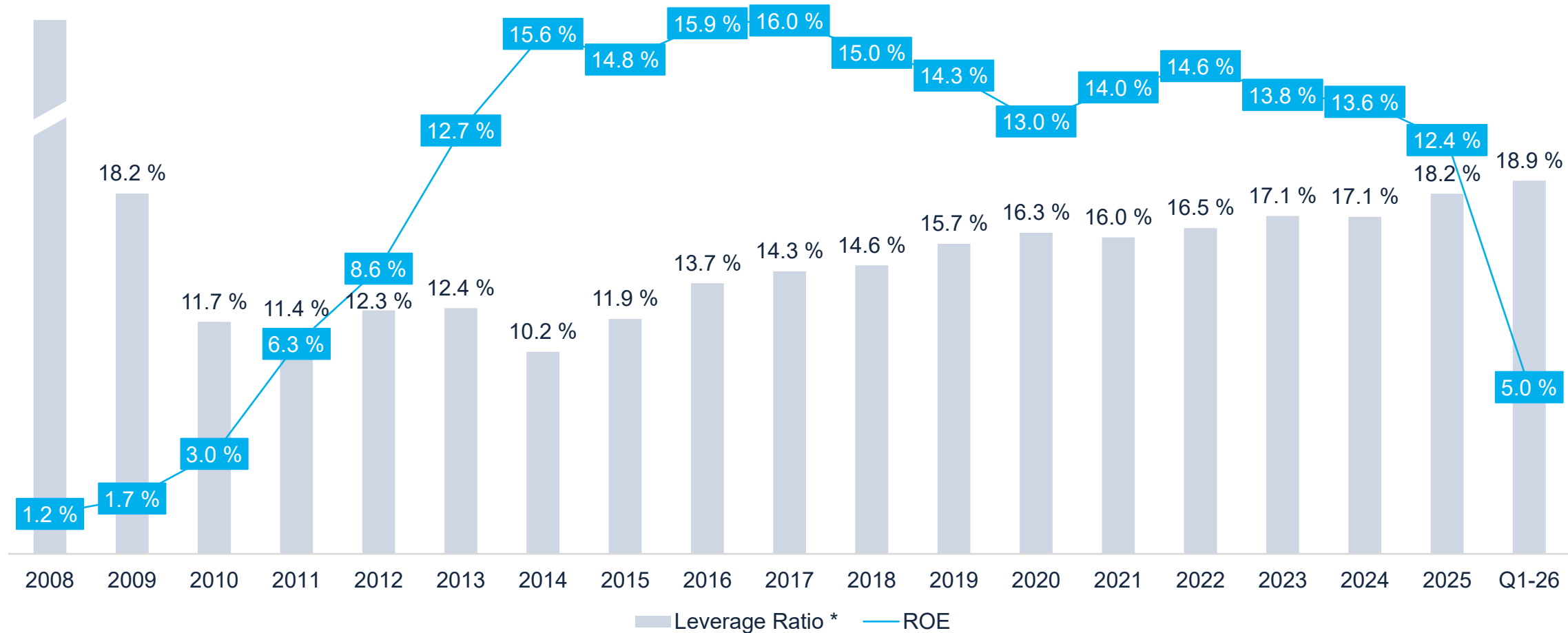
# APPENDIX

# LONG-TERM AMBITIONS



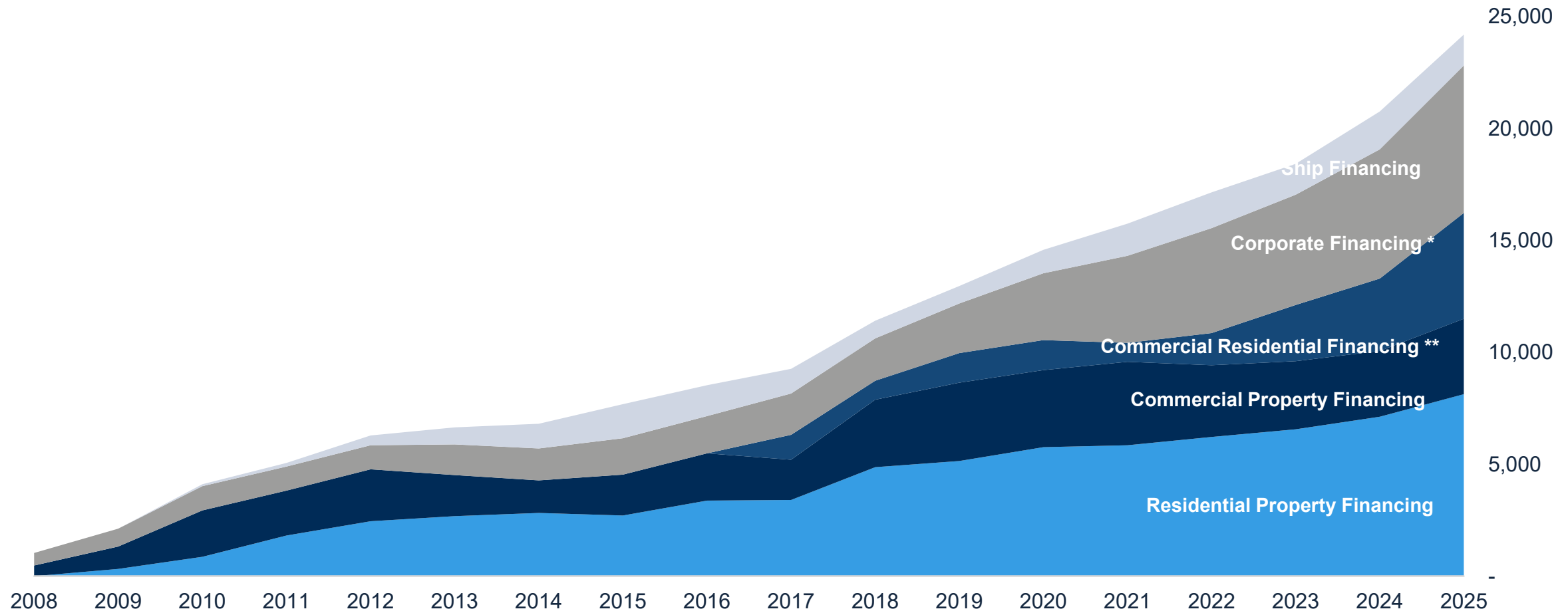
# ROE AND LEVERAGE RATIO

Profitability with increasing solidity



# LENDING GROWTH

Per business area (NOKm)



\*) Including securities financing

\*\*\*) Commercial residential financing reported from 2017

# LARGEST SHAREHOLDERS

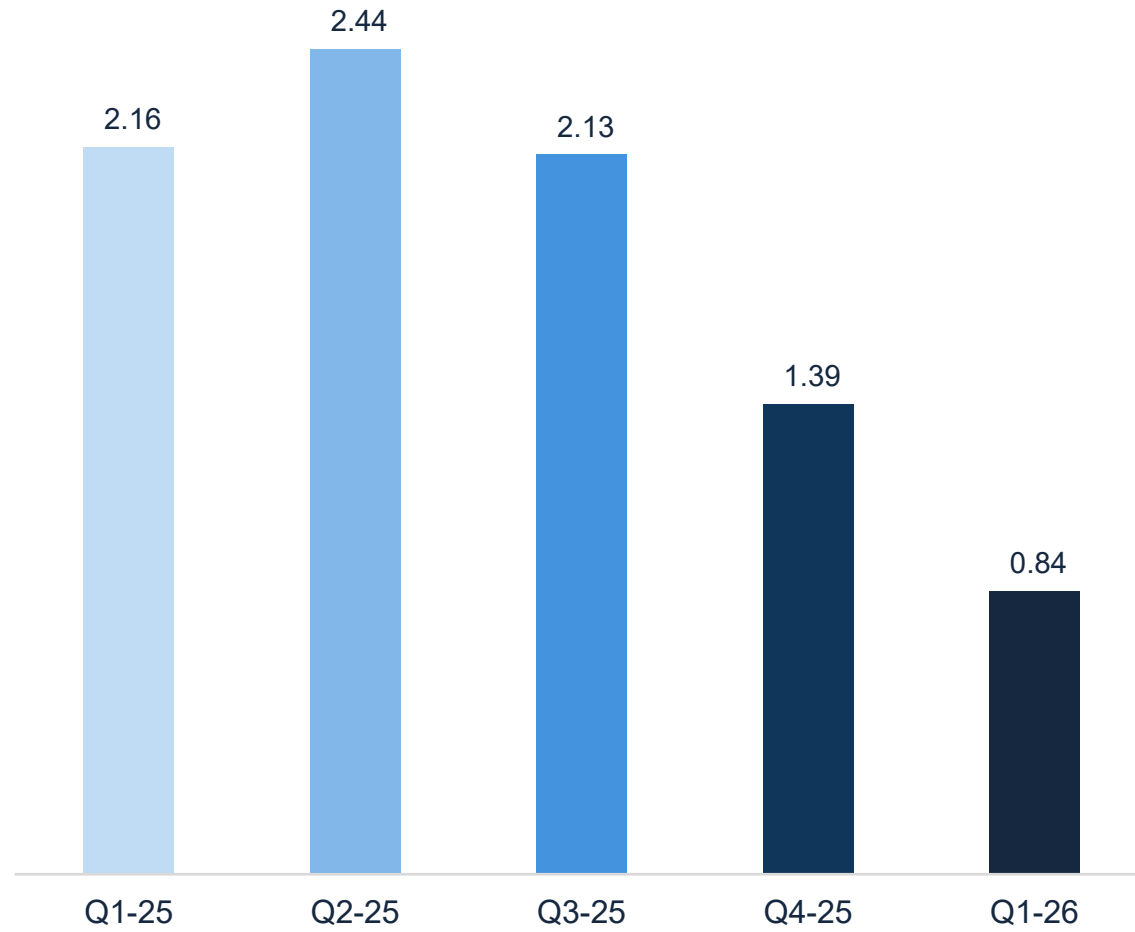
31 March 2026

	Name	Shares	% Total
1	Pareto AS	15,356,484	20.00 %
2	Société Générale	6,156,149	8.02 %
3	AWC AS	5,182,451	6.75 %
4	Hjellegjerde Invest AS	3,803,301	4.95 %
5	Salt value AS	2,446,633	3.19 %
6	Verdipapirfondet Holberg Norge	2,420,856	3.15 %
7	Kolberg Motors AS	2,100,000	2.74 %
8	Landkreditt Utbytte	2,041,801	2.66 %
9	Stenshagen Invest AS	1,923,470	2.51 %
10	RB Investor AS	1,913,000	2.49 %
11	OM Holding AS	1,261,512	1.64 %
12	Verdipapirfondet Fondsfinans Norge	1,200,000	1.56 %
13	Catilina Invest AS	1,034,950	1.35 %
14	Verdipapirfondet Heimdal Utbytte	1,000,000	1.30 %
15	As Straen	929,252	1.21 %
16	Skandinaviska Enskilda Banken AB	900,820	1.17 %
17	VPF Eika Egenkapitalbevis	814,433	1.06 %
18	Folketrygdfondet	756,271	0.98 %
19	Elgar Kapital AS	661,480	0.86 %
20	Varde Norge AS	586,500	0.76 %
	<b>Sum TOP 20</b>	<b>52,489,363</b>	<b>68.36 %</b>
	<b>Other shareholders</b>	<b>24,293,060</b>	<b>31.64 %</b>
	<b>Total</b>	<b>76,782,423</b>	<b>100.00 %</b>

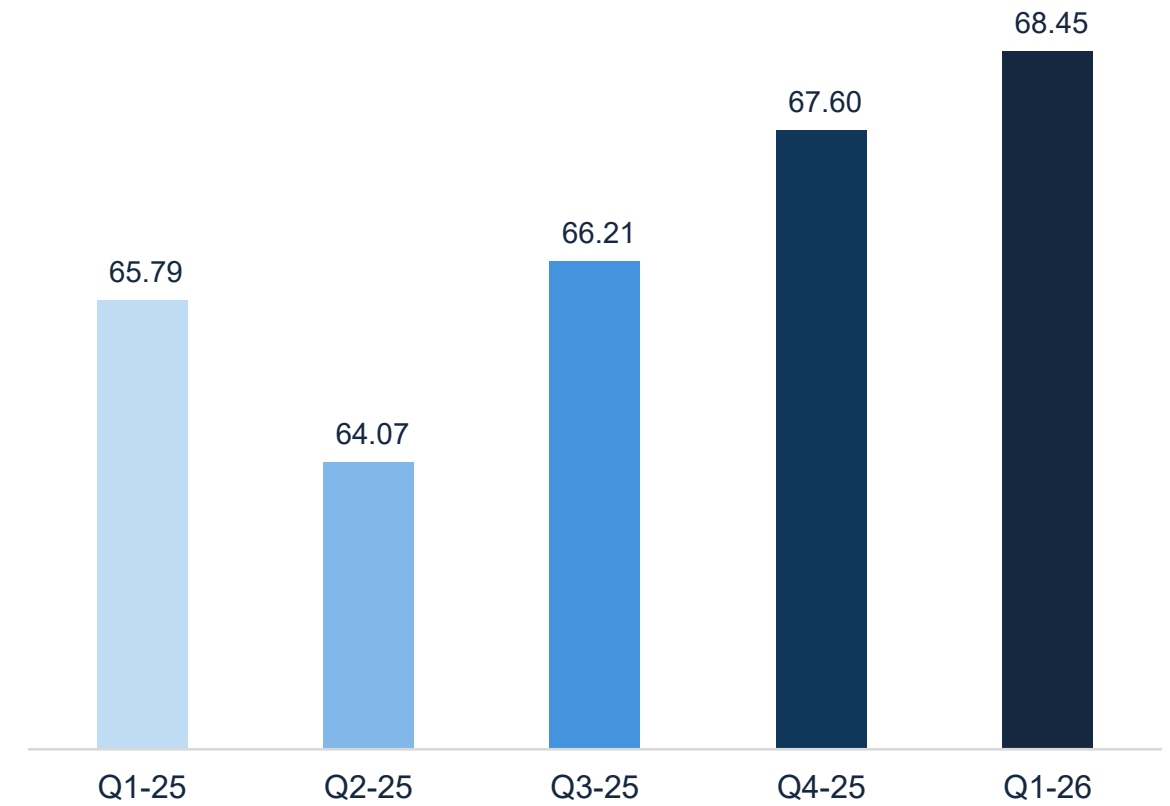
- The Company has 76,782,423 shares outstanding. One class of shares where each share carries one voting right.
- Diversified investor base with 5,180 shareholders.
- The Top 10 and 20 investors hold 56% and 68% of the shares respectively.
- Employees in Pareto Bank own 1.6%.
- All employees are covered by an annual bonus compensation scheme settled 50% in Pareto Bank shares.

# THE SHARE

Earnings per share (NOK)



Book value per share (NOK)



# QUARTERLY INCOME STATEMENT

## P&L (NOKm)

	Q1-26	Q4-25	Q3-25	Q2-25	Q1-25
Net interest income	299.4	310.6	304.4	335.5	329.4
Net other operating income	10.9	3.7	1.2	7.8	2.9
<b>Total net income</b>	<b>310.3</b>	<b>314.3</b>	<b>305.6</b>	<b>343.2</b>	<b>332.3</b>
Total operating expenses	56.3	54.0	59.2	62.9	61.5
<b>Operating profit before impairments and losses</b>	<b>254.1</b>	<b>260.3</b>	<b>246.4</b>	<b>280.4</b>	<b>270.8</b>
Impairments and losses on loans and guarantees	155.9	105.5	15.1	17.1	37.1
<b>Pre-tax operating profit</b>	<b>98.2</b>	<b>154.8</b>	<b>231.3</b>	<b>263.3</b>	<b>233.6</b>
Tax expense	21.5	35.1	54.6	62.6	55.2
Interest hybrid capital	12.3	12.7	13.0	13.0	13.0
<b>Profit for the period</b>	<b>76.7</b>	<b>119.7</b>	<b>176.8</b>	<b>200.7</b>	<b>178.5</b>
Earnings per share (NOK)	0.84 %	1.39	2.13	2.44	2.16
Return on equity	5.0 %	8.3 %	13.0 %	15.1 %	13.5 %
Cost/income ratio	18.1 %	17.2 %	19.4 %	18.3 %	18.5 %

# QUARTERLY BALANCE SHEET

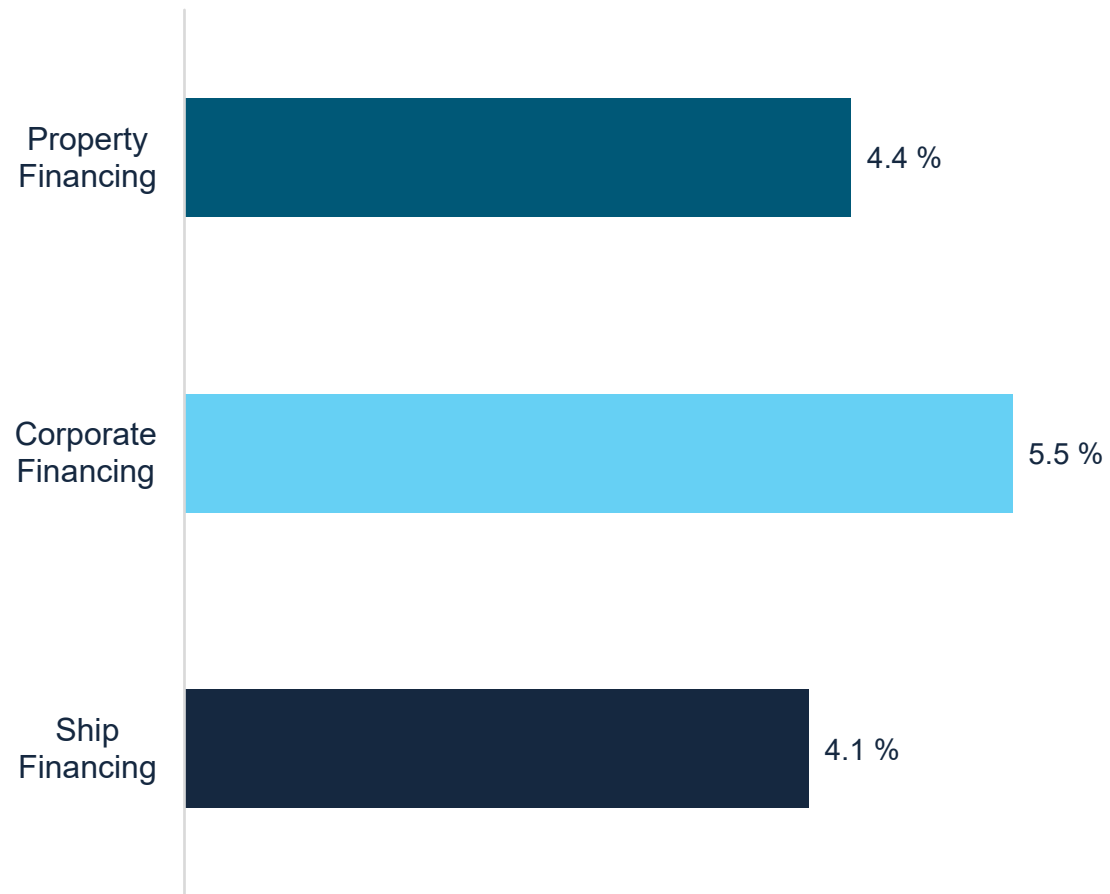
## (NOKm)

	Q1-26	Q4-25	Q3-25	Q2-25	Q1-25
Loans to credit institutions	2,213	1,589	1,841	3,214	2,144
Loans to customers	19,249	18,774	18,983	19,249	20,864
Bonds and other securities	2,861	4,668	5,692	4,897	5,158
Shareholdings in associated companies	33	33	34	34	34
Other assets	324	273	210	212	218
<b>Total assets</b>	<b>24,680</b>	<b>25,337</b>	<b>26,761</b>	<b>27,606</b>	<b>28,418</b>
Deposits from customers and institutions	10,351	11,758	13,297	13,772	14,367
Senior securities issued	7,582	6,743	6,737	7,348	7,336
Other liabilities	241	395	394	316	414
Tier 2 subordinated securities issued	700	700	700	700	700
Additional tier 1 capital	550	550	550	550	550
Other equity	5,256	5,191	5,084	4,919	5,052
<b>Total liabilities and equity</b>	<b>24,680</b>	<b>25,337</b>	<b>26,761</b>	<b>27,606</b>	<b>28,418</b>

# MARGINS AND INTEREST CONTRIBUTION

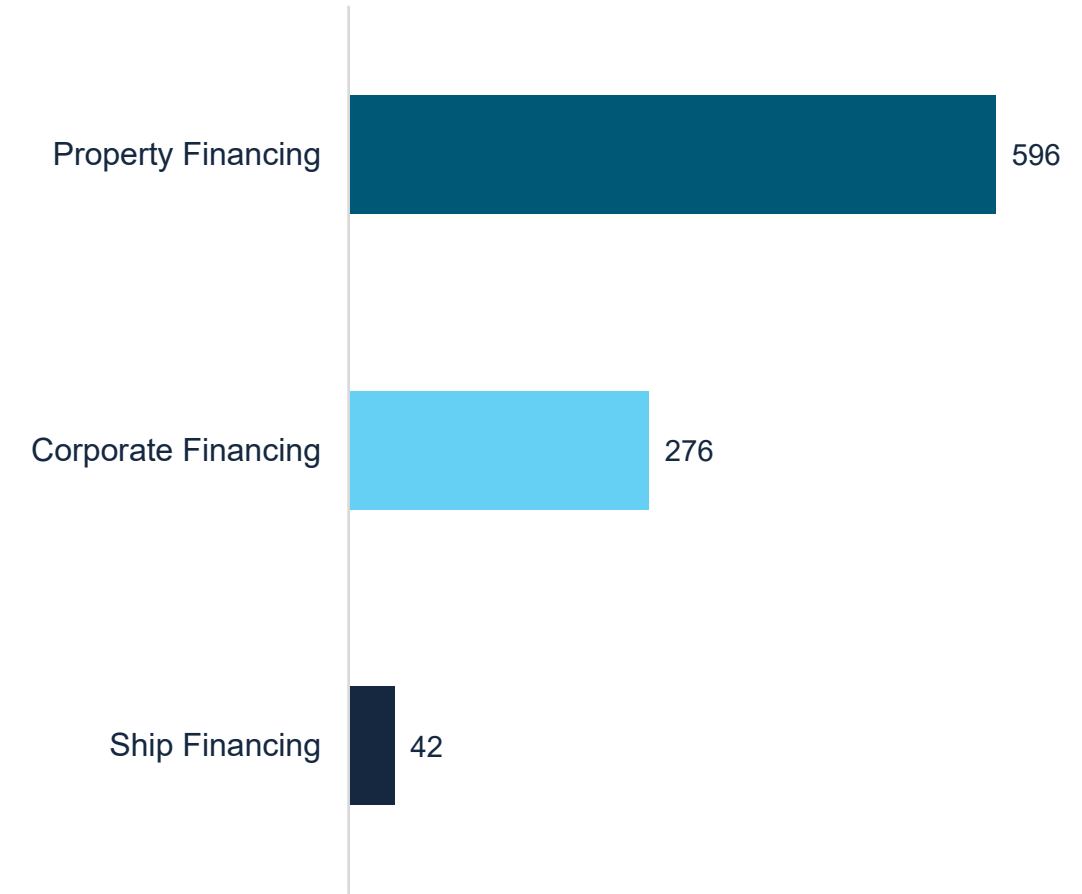
## Margins per business area

Estimated annualized margins including commissions, excluding front and back-end fees over 3M Nibor or similar rate.



## Interest contribution per business area

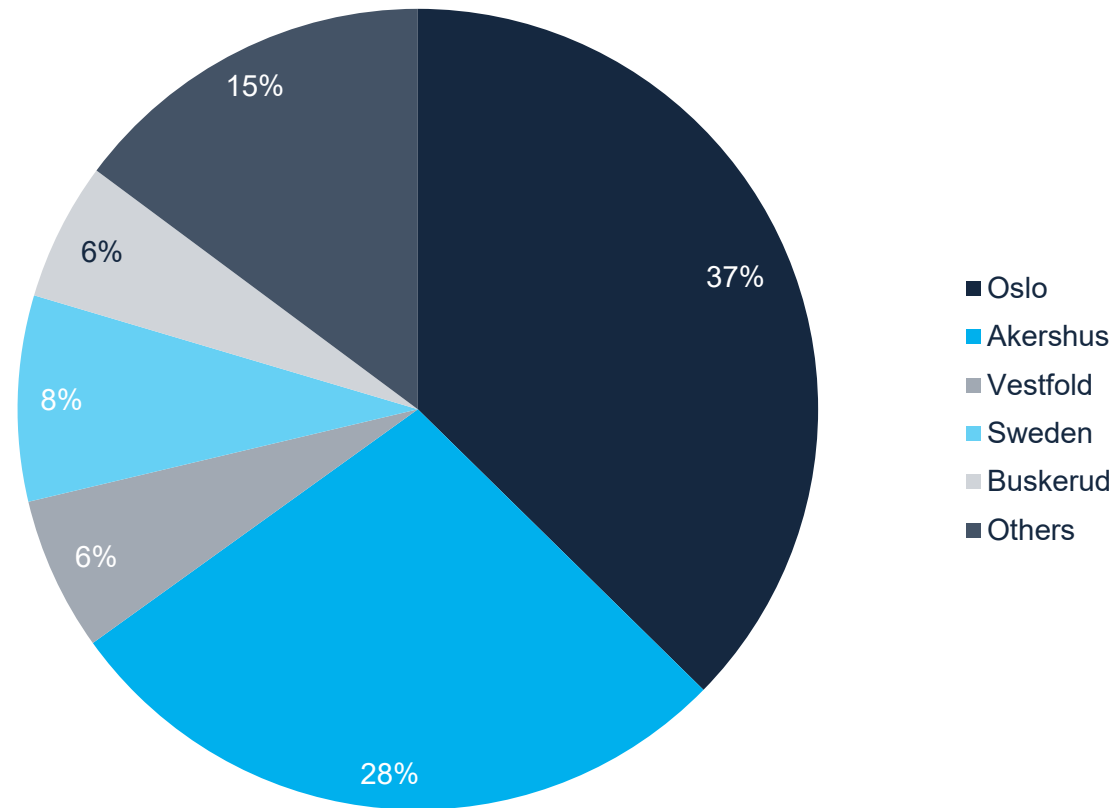
NOKm, estimated interest contribution including commissions, excluding front and back-end fees over 3M Nibor or similar rate.



# REAL ESTATE FINANCING EXPOSURE

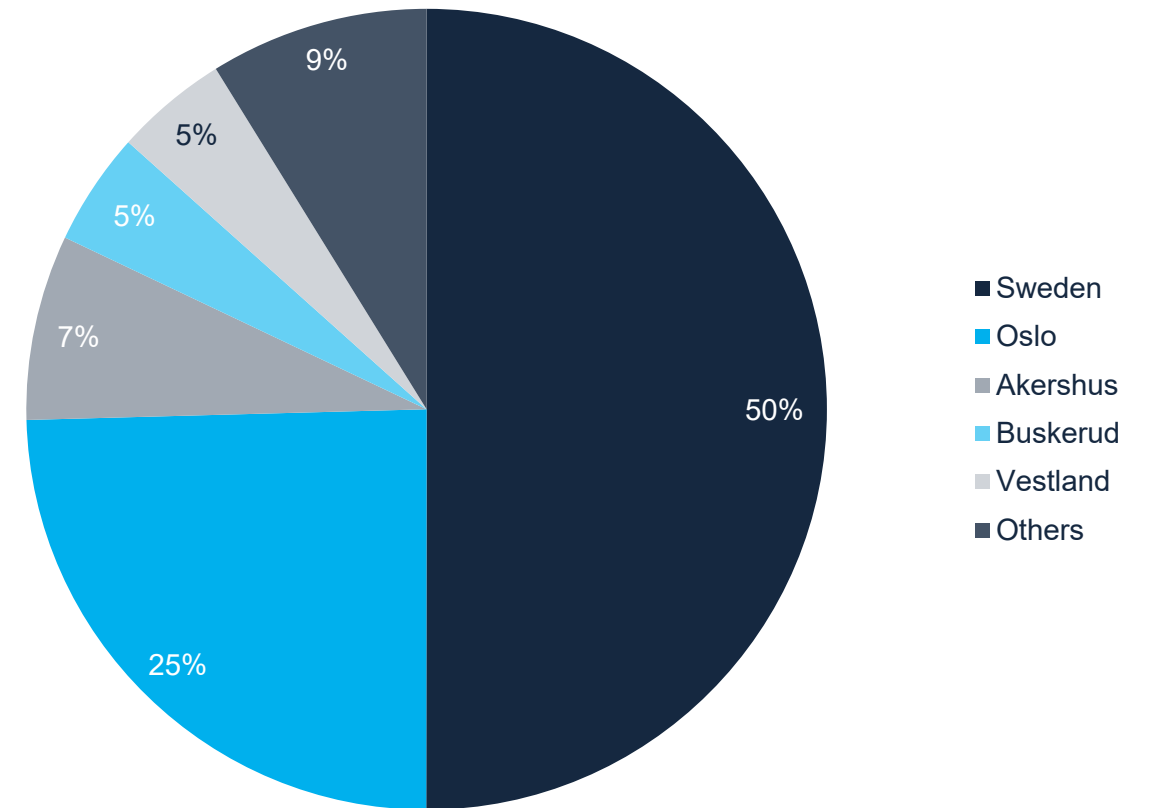
Geographical residential property exposure

Total NOK 12,440m\*



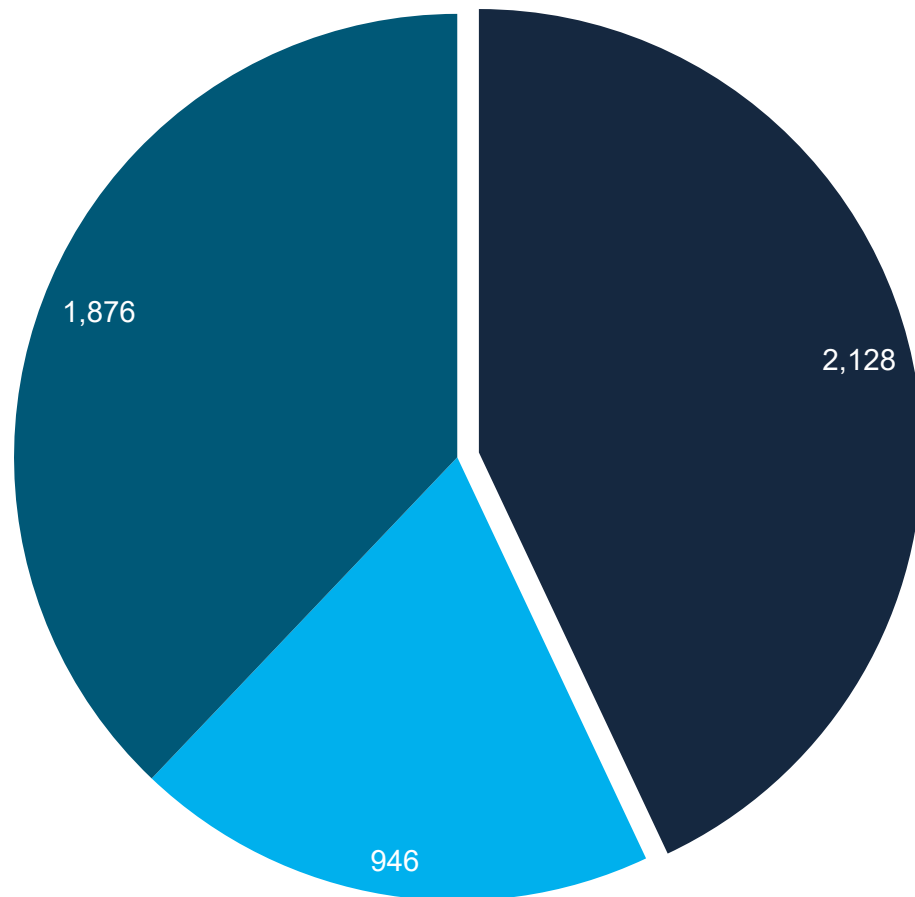
Geographical commercial property exposure

Total NOK 3,447m\*



# LIQUIDITY BUFFER

## Low credit and market risk (NOKm)



- Cash (Norges Bank & DNB)
- Bonds issued by government & PSEs
- Covered bonds

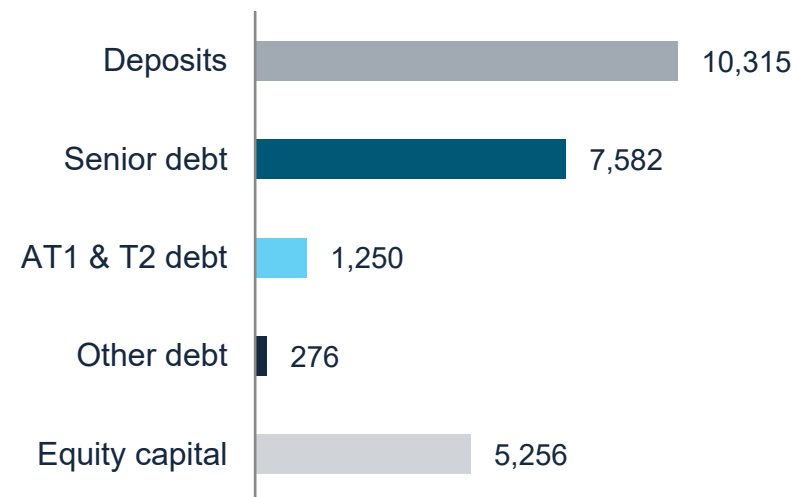
### Comments

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- Cash on hand.
- Highly liquid bonds.
- Low credit risk.
- No interest rate or foreign exchange risk.
- Access to central bank facilities and repo market.
- Marked to market.
- Assets qualify for LCR portfolio.

# FUNDING

## Sources (NOKm)

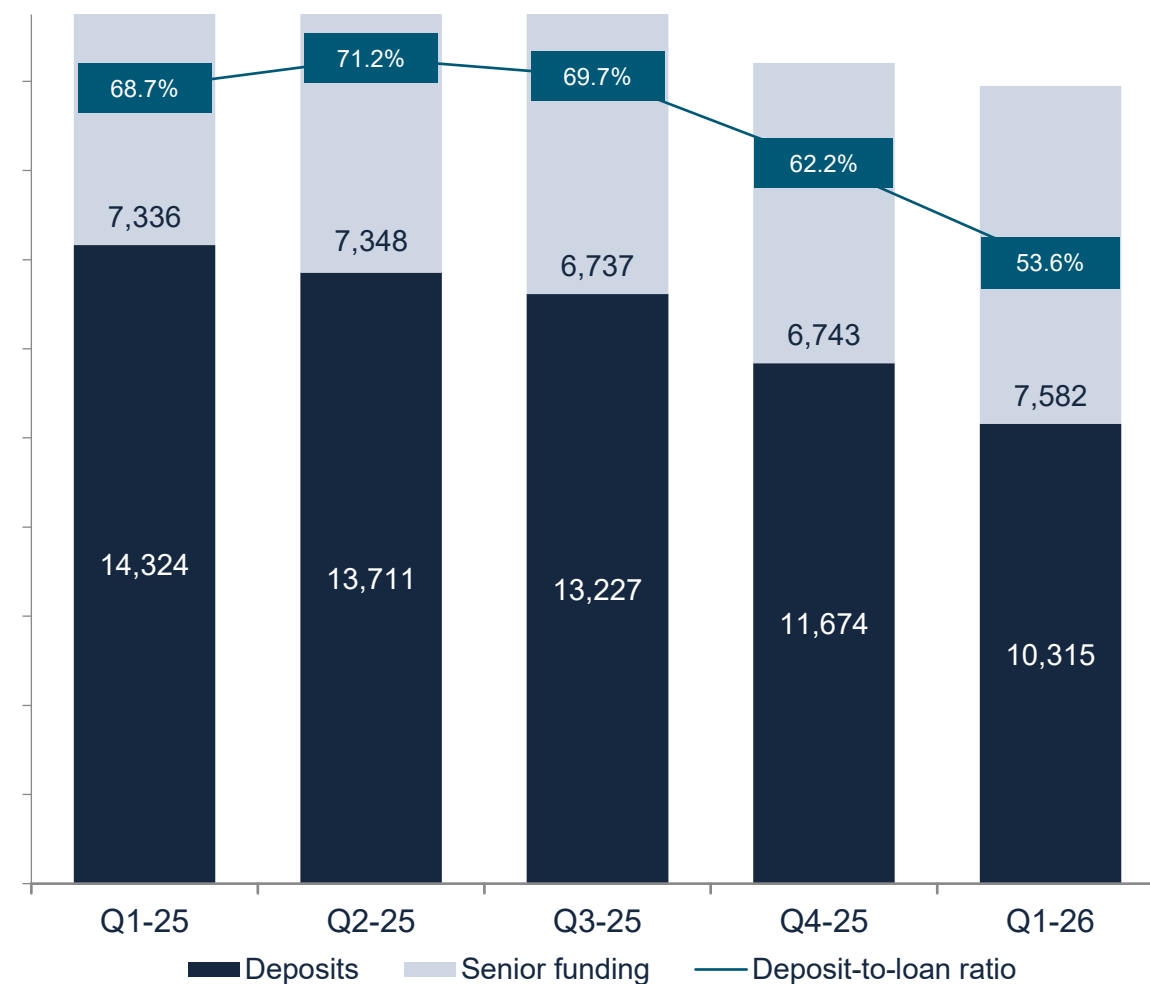


## Key funding and liquidity ratios

- Deposits with liquidity restrictions 80 %
- Corporate deposits 47 %
- Deposit-to-loan ratio 54 %
- Liquidity Coverage Ratio 332 %
- Net Stable Funding Ratio 152 %

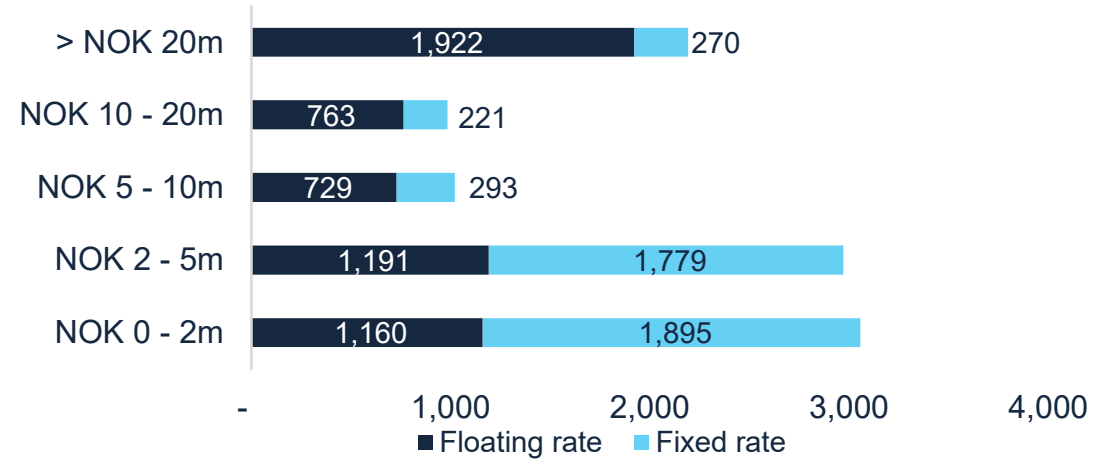
## Deposits & senior debt

NOKm,  
Percent customer deposits of net lending to customers

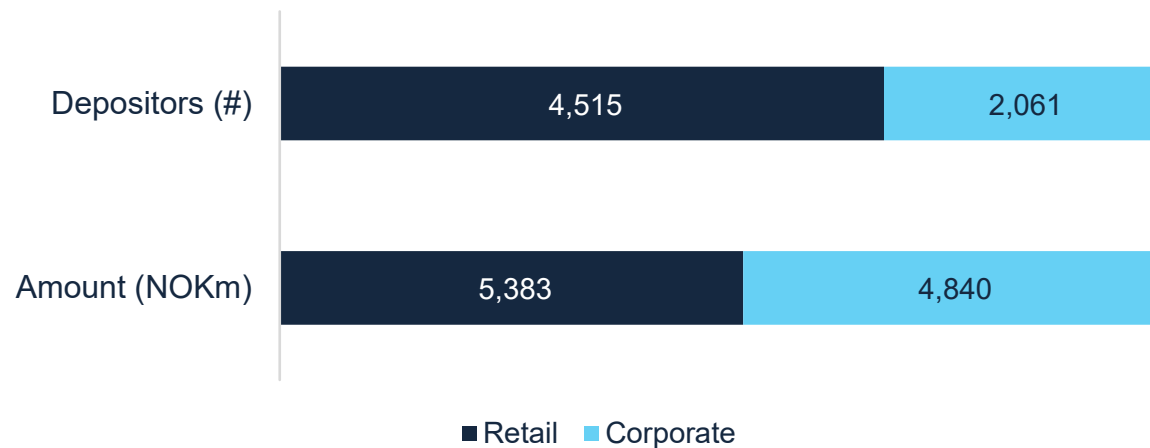


# CUSTOMER DEPOSITS

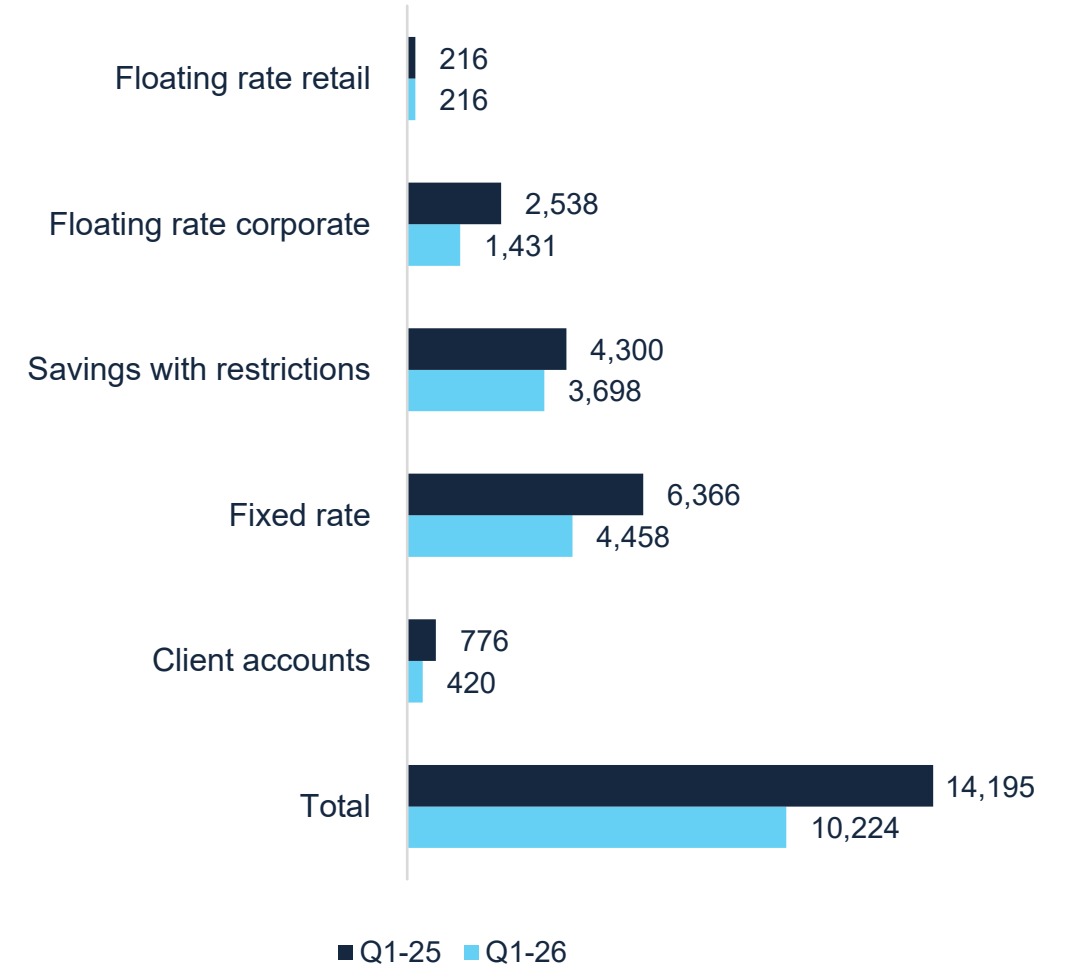
## Deposits by size (NOKm)



## Deposits by type (NOKm)

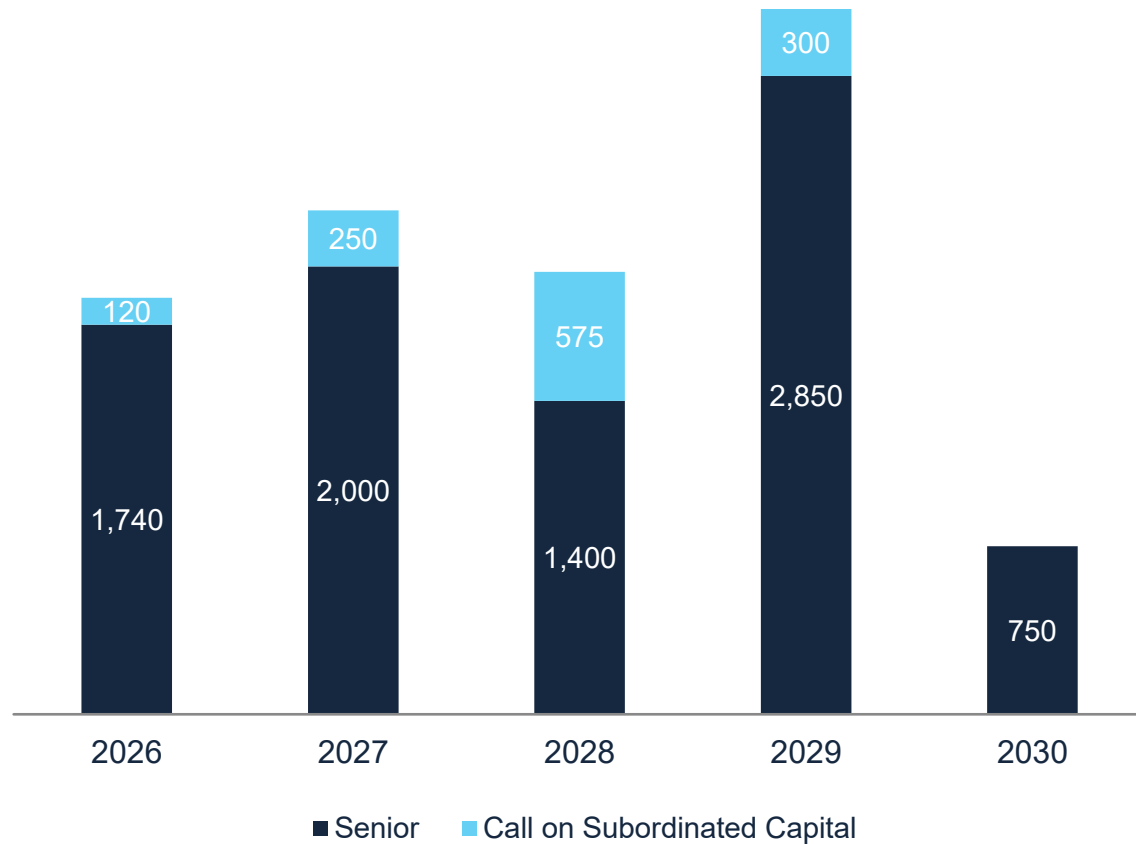


## Deposits by product (NOKm)

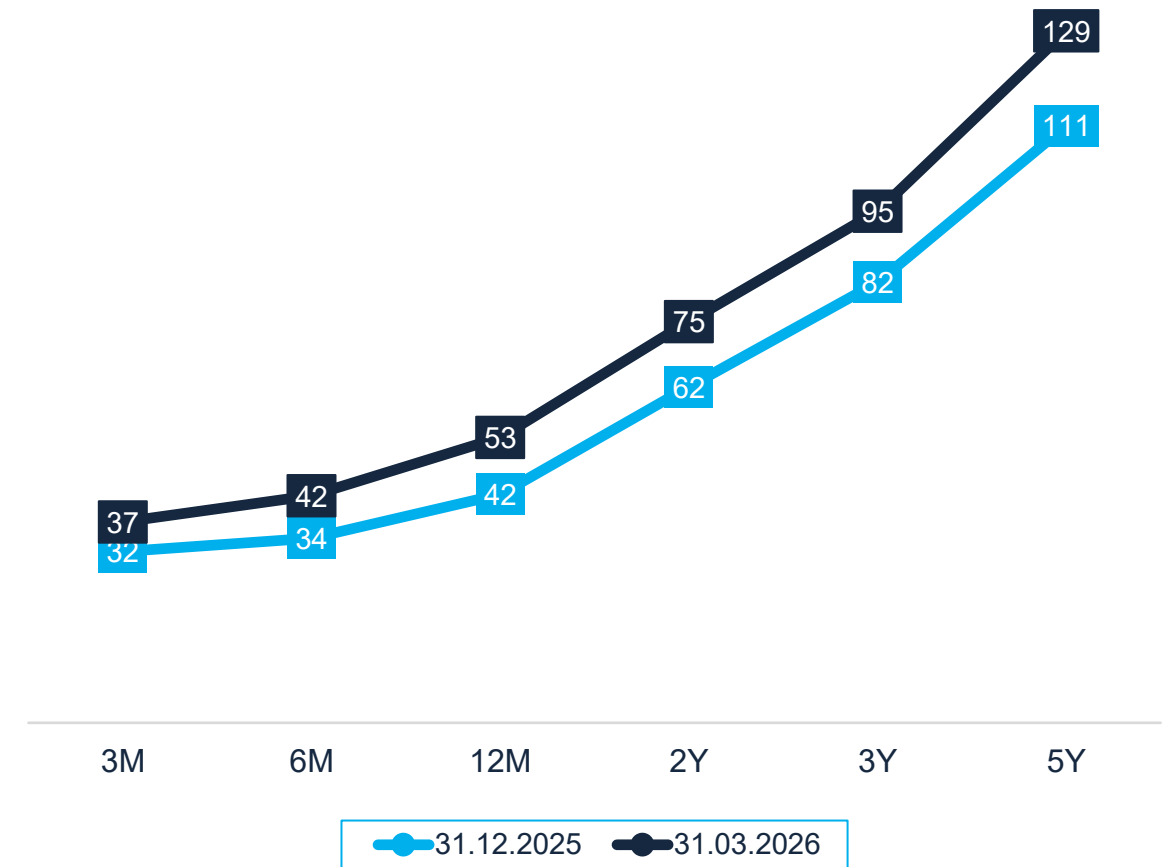


# MARKET FUNDING

Market funding maturities (NOKm) \*



Cost of new market funding \*\*

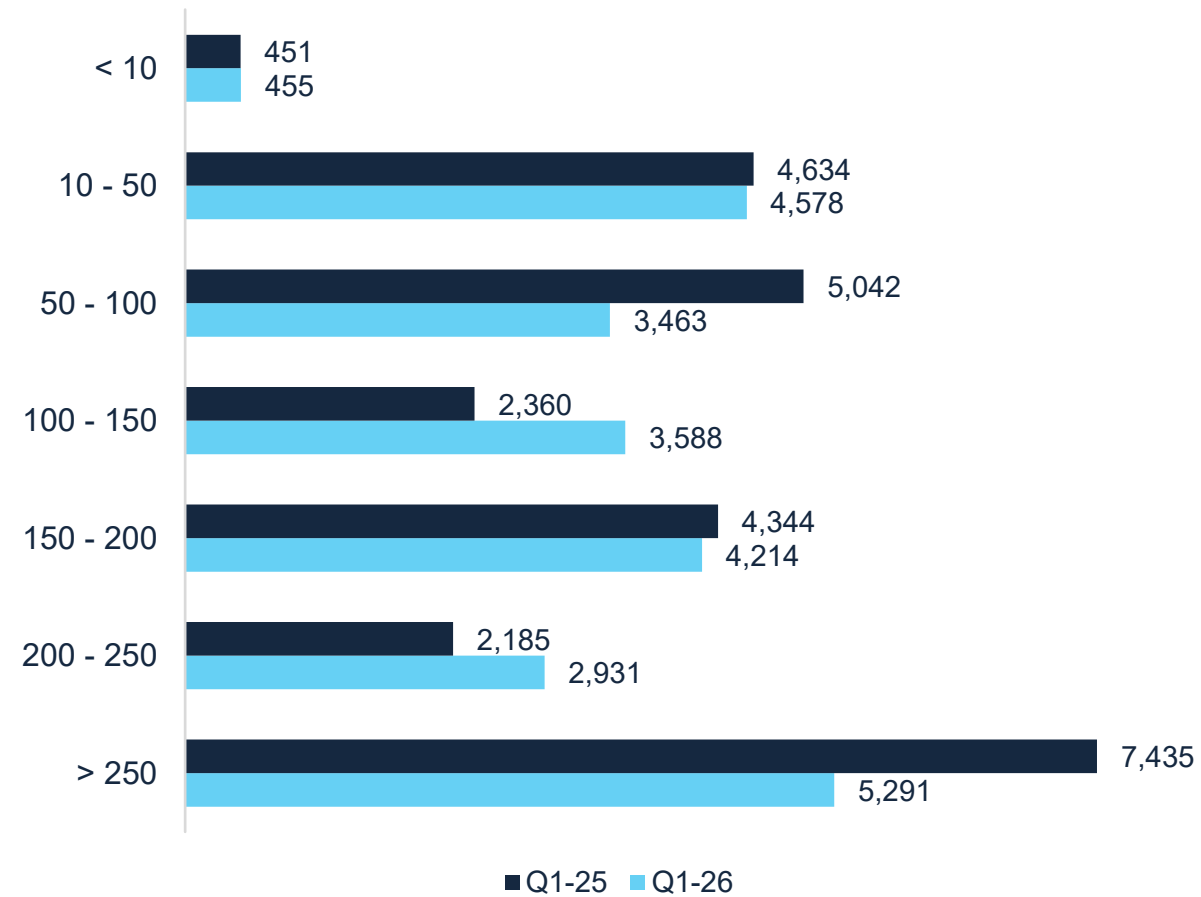


\*) Net of own holdings as of 31.03.2026.

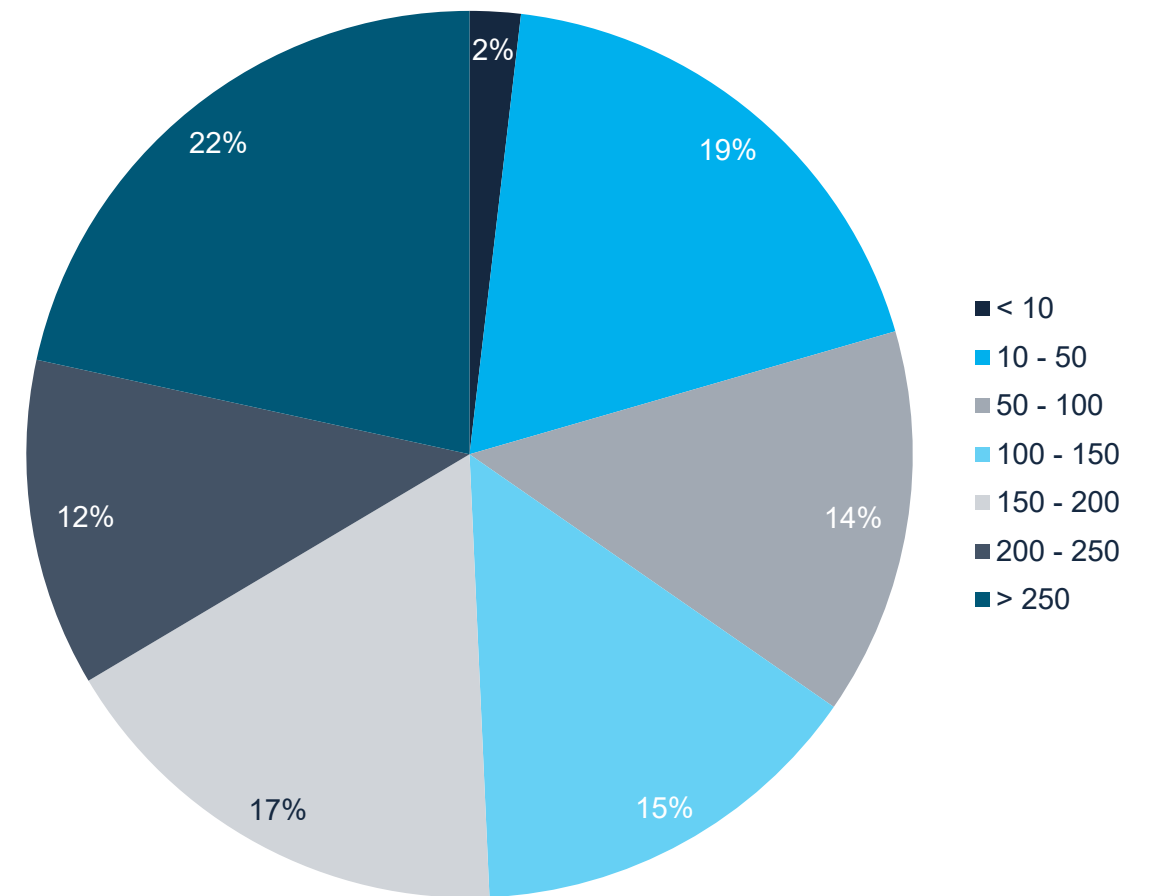
\*\*\*) Floating rate coupon for new bond issue per maturity (basis points over 3M Nibor).

# COMMITMENTS BY SIZE

Commitment size per customer (NOKm)

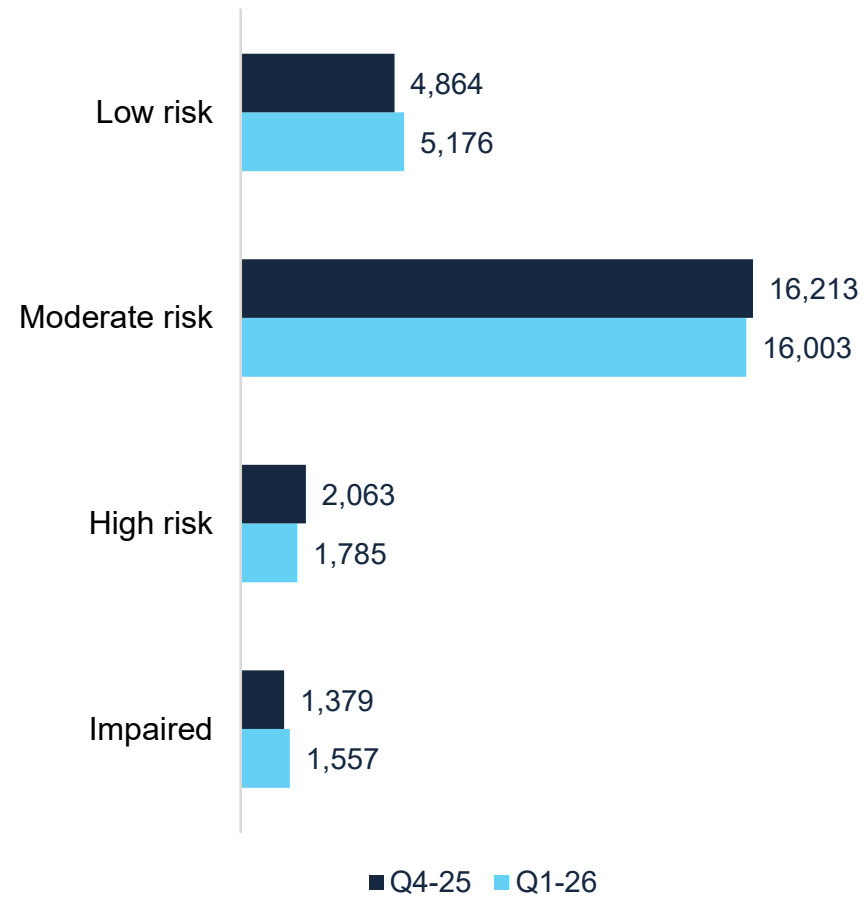


Distribution of commitments by size (NOKm)

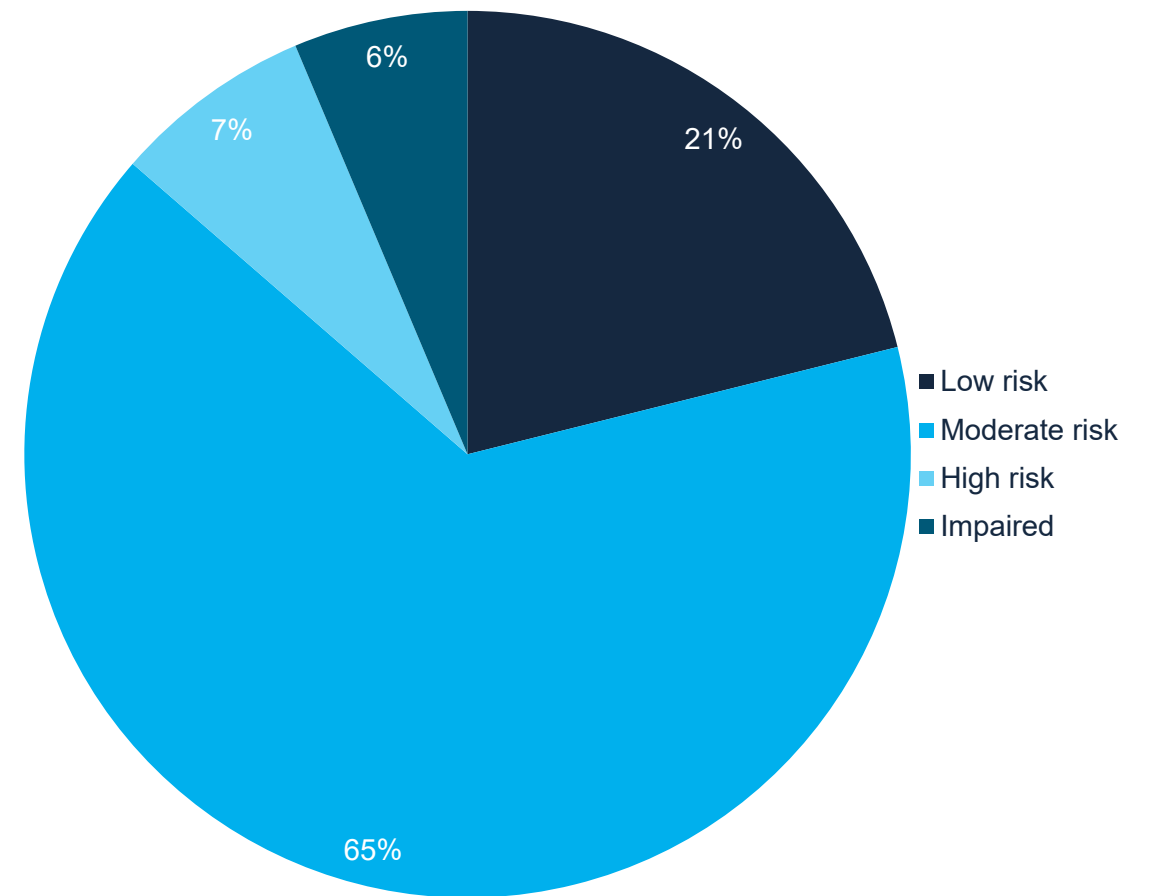


# COMMITMENTS BY RISK CLASSIFICATION

Risk classification (NOKm) \*

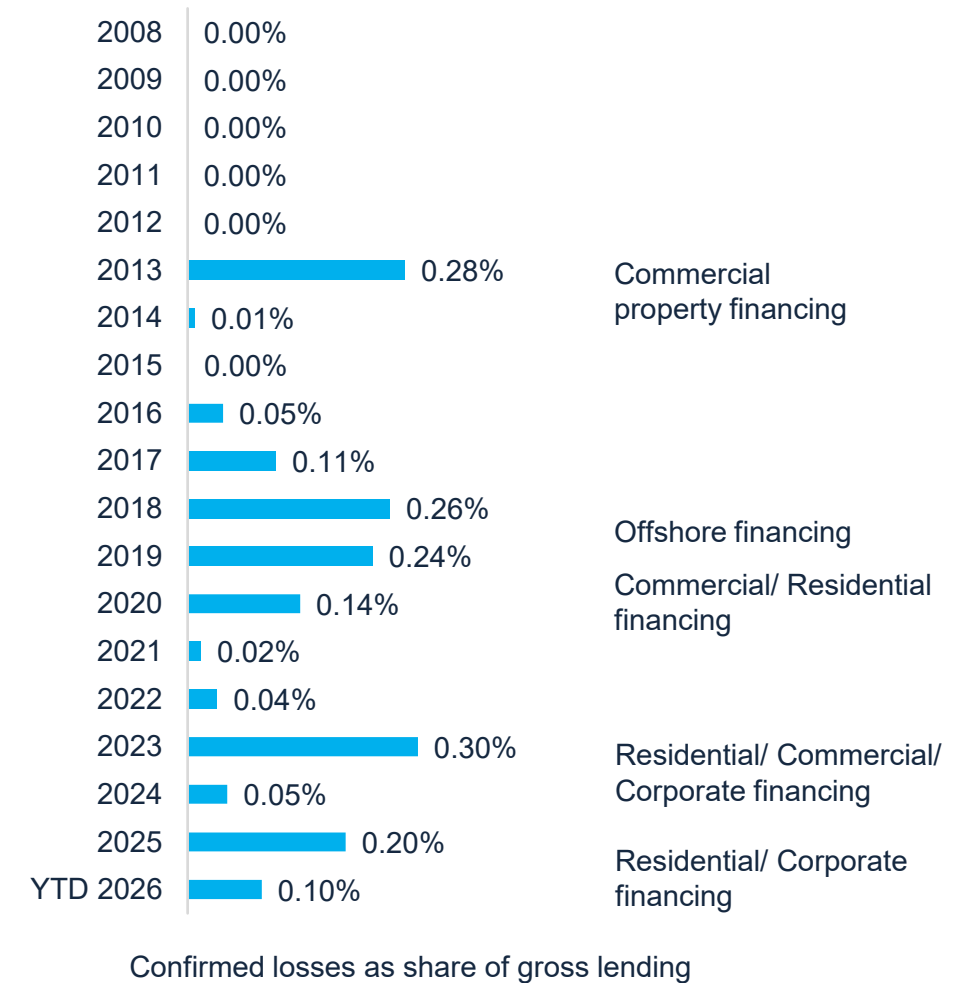


Risk classification



# PROVEN TRACK RECORD FOR CREDIT QUALITY

- No losses from 2008 to 2012.
- Total confirmed losses limited to NOK 252m during 19 years of operation.
- Accumulated lending amounted to approx. NOK 212 billion during the past 19 years. Total confirmed losses make up about 0.12 % of accumulated lending.
- Average ratio of annual confirmed losses to gross lending is 0.09 % per year.



 Pareto bank