PARETO BANK

Financial Results – Second Quarter 2026

Pareto bank

Highlights

Financials

Business Area Update & Outlook

SECOND QUARTER 2026

Highlights

- Profit after tax NOK 36.9m (NOK 200.7m in Q2-25).
- Return on equity after tax 2.0% (15.1%).
- Total impairments and losses of NOK 201.0m (NOK 17.1m). Individual impairments NOK 129.6m (NOK 31.3m) mainly within residential property development. Write downs of NOK 28.4m.
- Lending at the end of the quarter stood at NOK 19,406m (NOK 19,249m). Average lending was down 0.3% q/q.

Highlights

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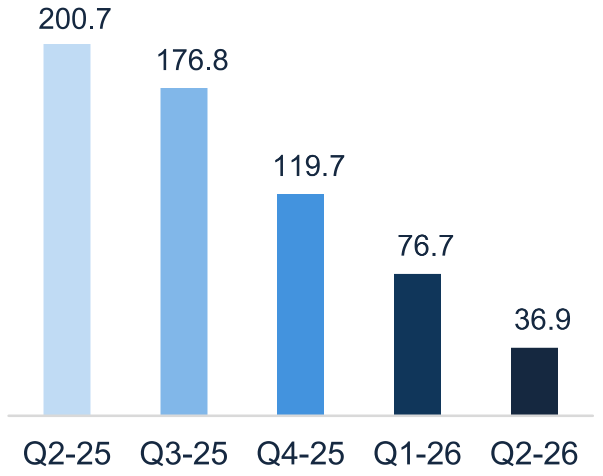
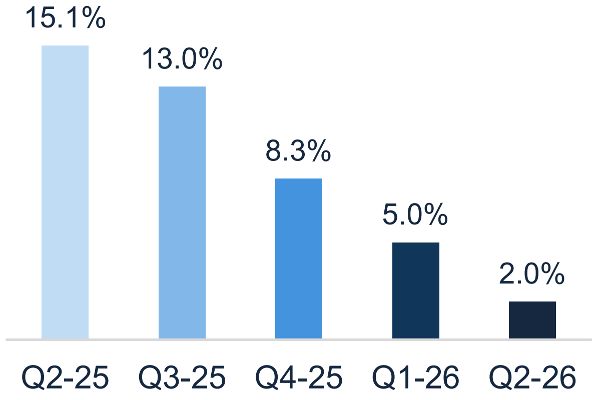
KEY FIGURES

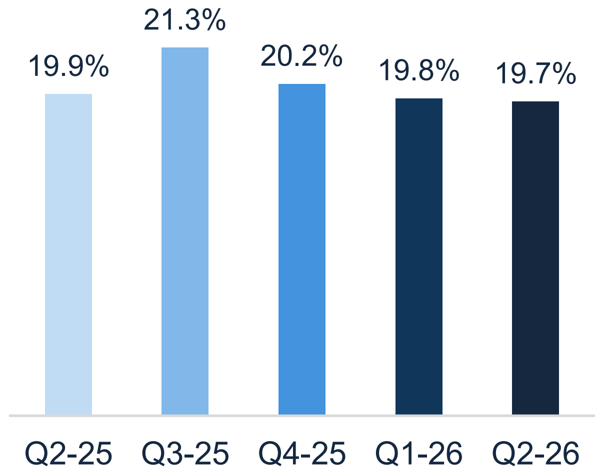
Profit after tax (NOKm)



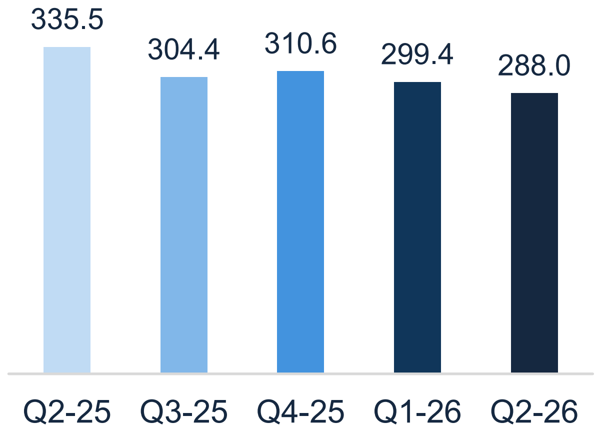
Return on Equity *



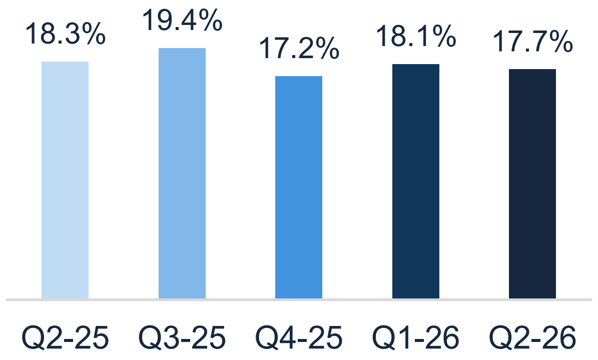
CET1 ratio



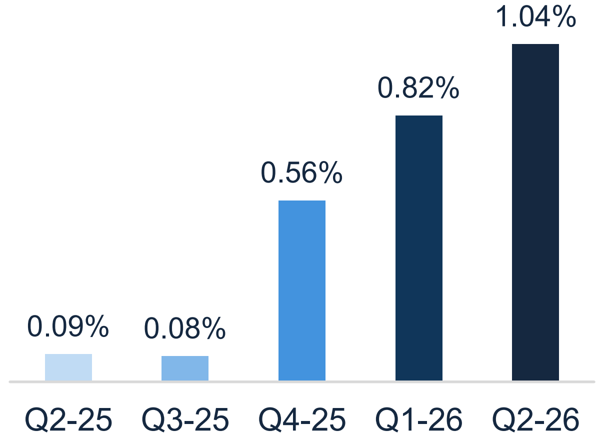
Net interest income (NOKm)



Cost/Income ratio



Loss ratio **



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

INCOME STATEMENT
P&L (NOKm)

	Q2-26	Q2-25	H1-26	H1-25
Net interest income	288.0	335.5	587.4	664.9
Net other operating income	10.8	7.8	21.8	10.6
Total net income	**298.8**	**343.2**	**609.2**	**675.5**
Total operating expenses	52.9	62.9	109.2	124.4
Operating profit before impairments and losses	**245.9**	**280.4**	**500.0**	**551.1**
Impairments and losses on loans and guarantees	201.0	17.1	356.9	54.2
Pre-tax operating profit	**44.9**	**263.3**	**143.1**	**496.9**
Tax expense	8.1	62.6	29.5	117.7
Interest hybrid capital	12.6	13.0	24.9	25.9
Profit to shareholders	**24.2**	**187.7**	**88.6**	**353.2**
Earnings per share (NOK)	0.32	2.44	1.15	4.60
Cost/income ratio (%)	17.7 %	18.3 %	17.9 %	18.4 %

- Interest income down with lower margins and activity driven fees.
- Fair value gains up from last year, other fees in line with Q2-25.
- Continued strong operational efficiency, with a cost/income ratio of 17.7% (18.3%). Second quarter with no bonus allocation.
- Highest impairments history-to-date.

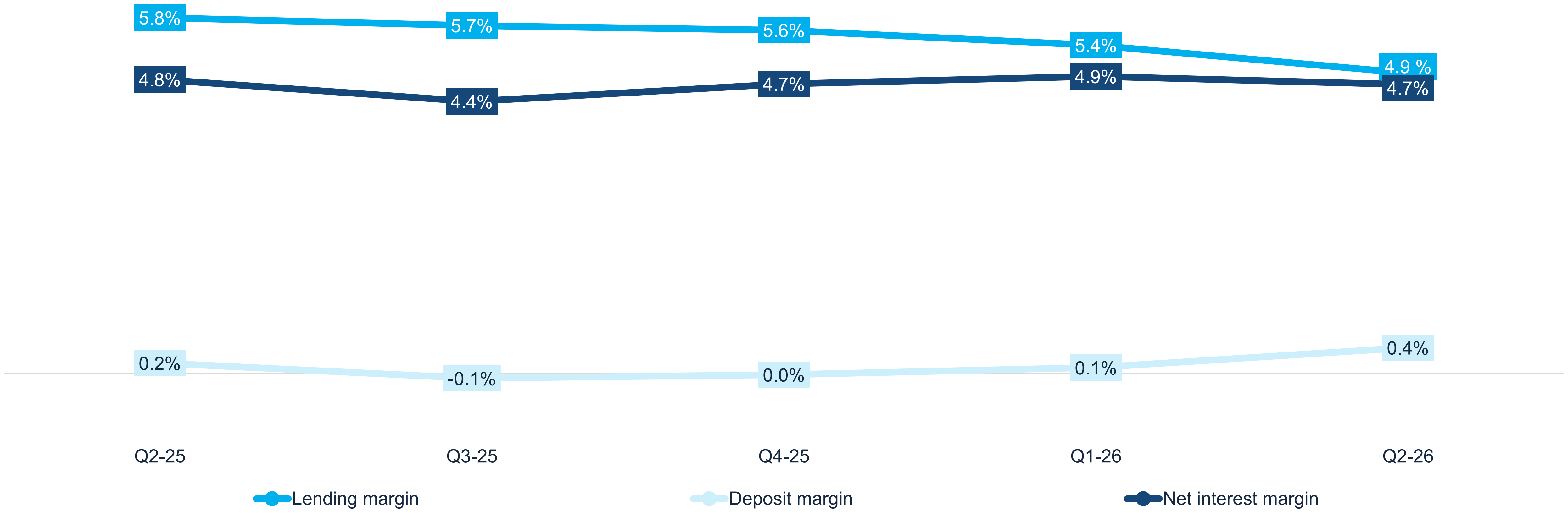
Pareto bank

CHANGE IN QUARTERLY NET INTEREST INCOME
(NOKm)

Pareto bank

INTEREST MARGINS

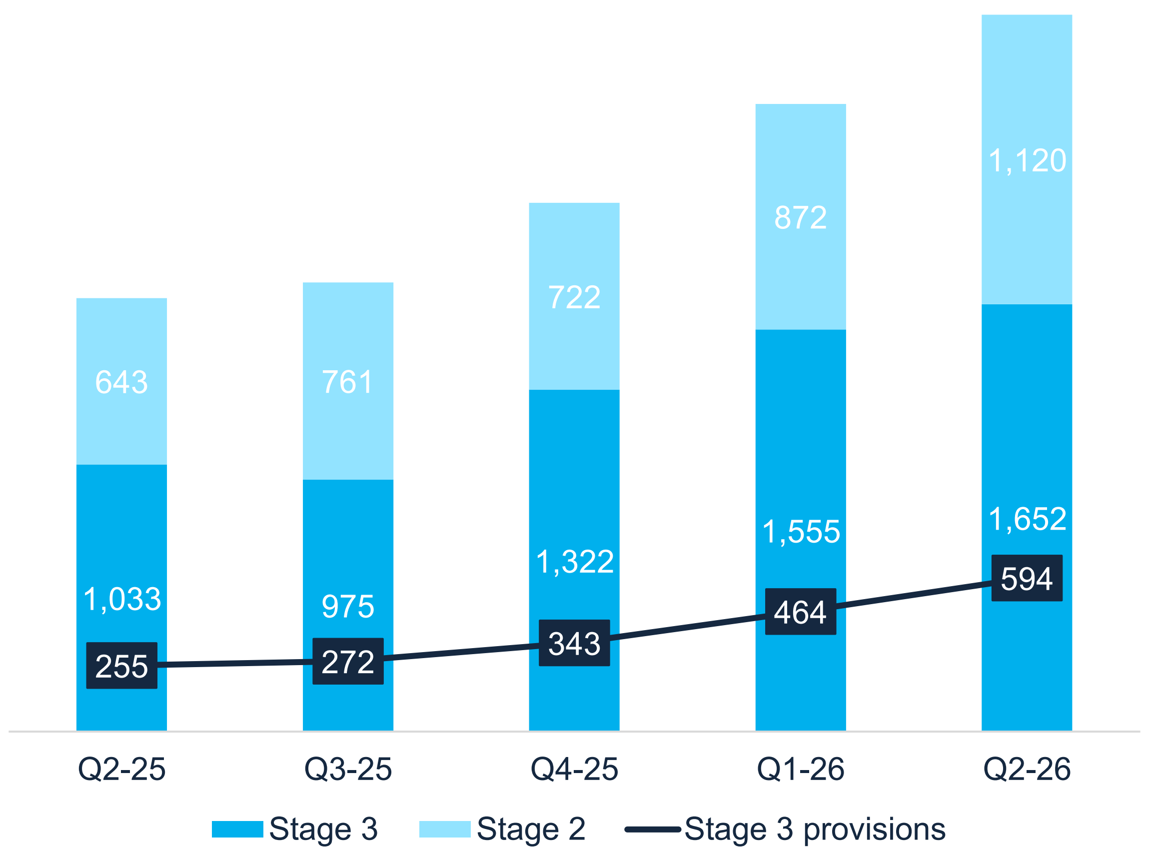
Lending and deposit margin



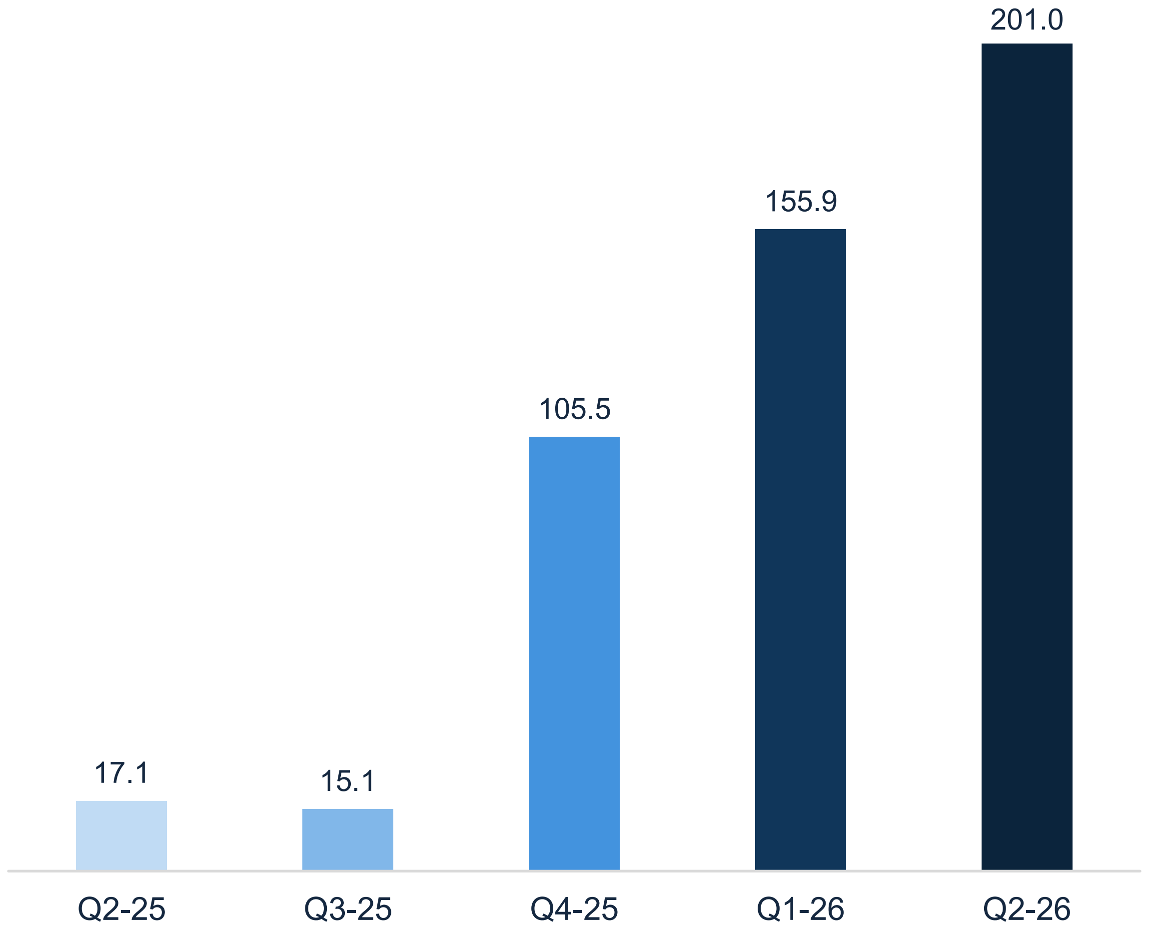
Note: Lending and deposit margins relative to average 3M NIBOR. Net interest margin is total net interest income on average assets.

QUARTERLY CHANGE IN STAGE 2, 3 AND IMPAIRMENTS

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

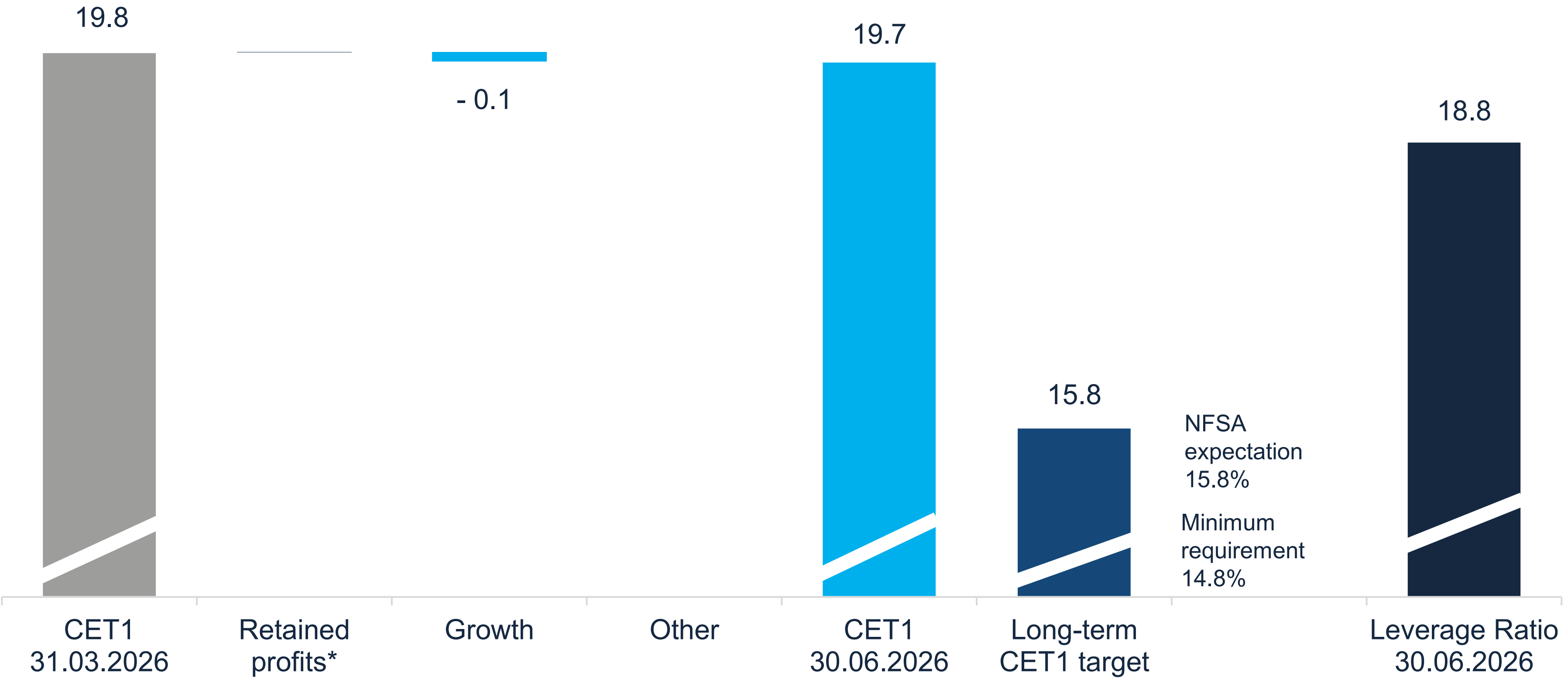


Impairments and losses on loans and guarantees (NOKm)



SOLIDITY AND CAPITAL REQUIREMENTS

Per cent



- Long-term CET1 target of 15.8%, 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.
- Limited increase in capital requirements and limited other effects in the quarter.

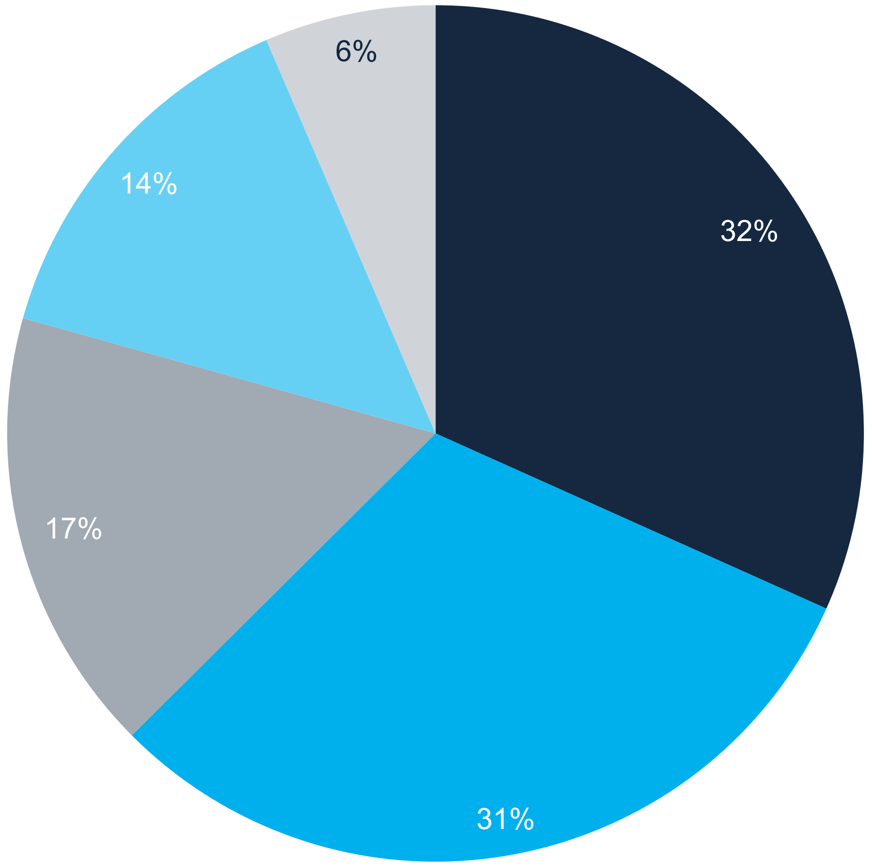
* Only 1,6 % of year-to-date profits to be included in Q1-Q3'26 due to DPS'25. No impact on Q4'26 capital position.

Highlights

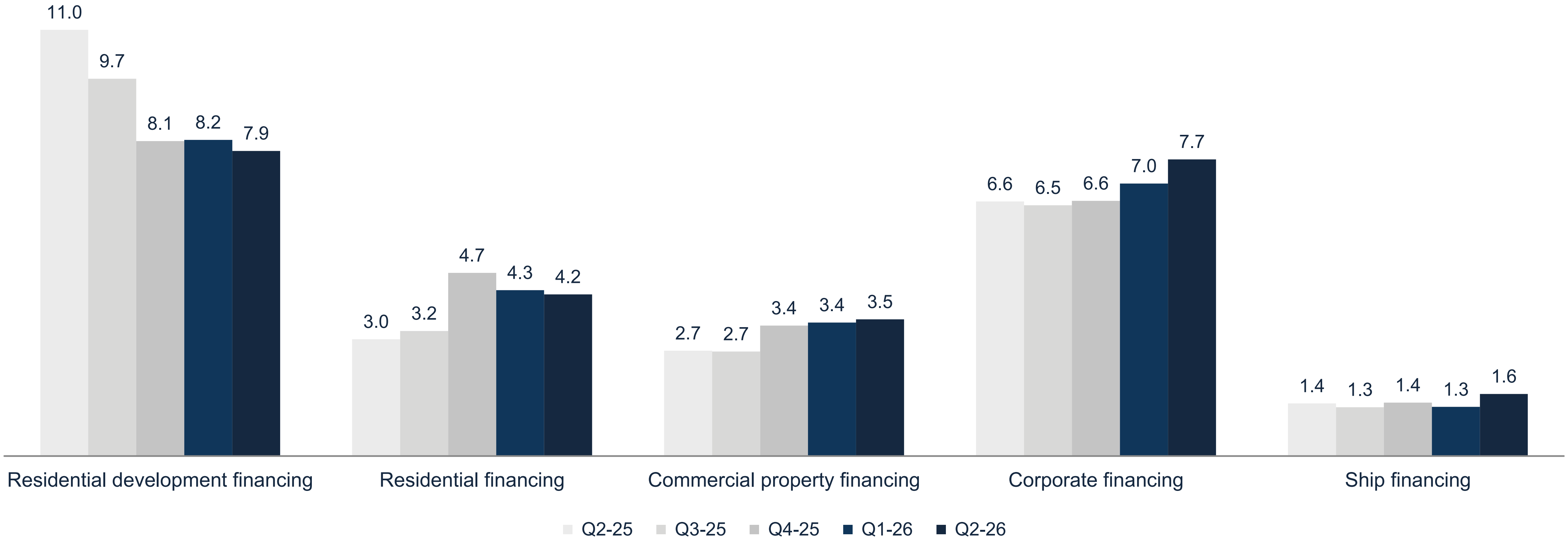
Financials

Business Area Update & Outlook

A NICHE PLAYER FINANCING MEDIUM-SIZED ENTERPRISES
Exposure (NOKm)



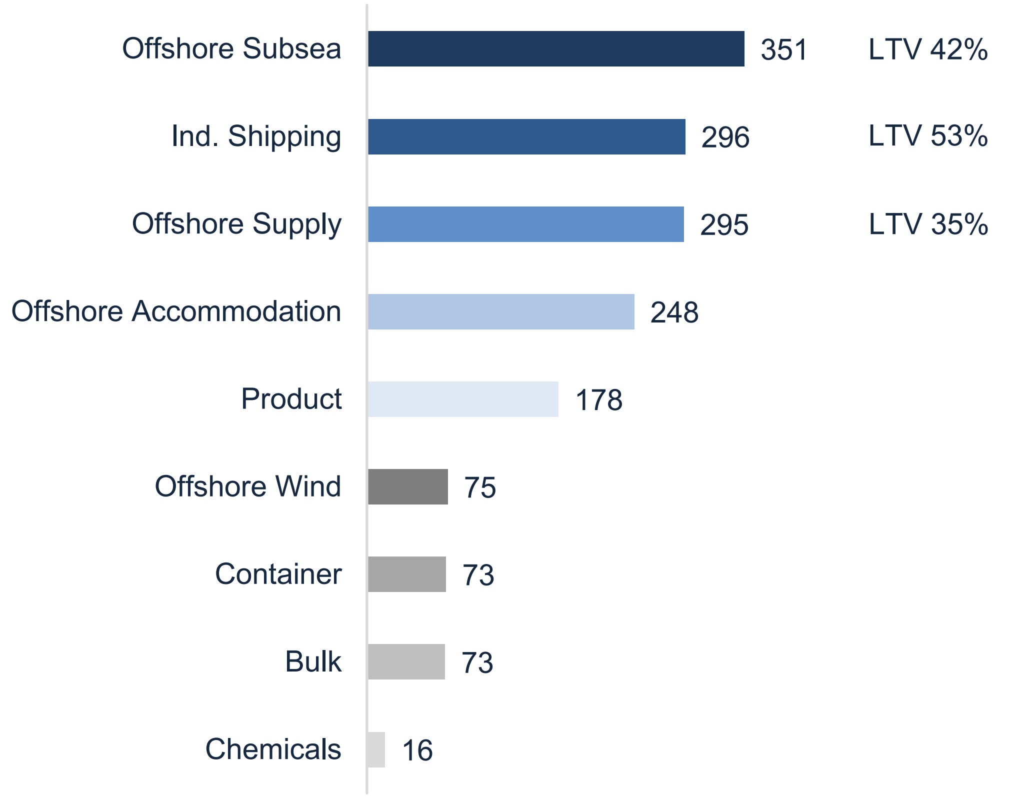
QUARTERLY EXPOSURE PER BUSINESS AREA
(NOKbn)



Note: Credit portfolio was recategorized in Q3-25, which makes comparison between Q1- to Q2-25 challenging.

SHIP FINANCING

Exposure (NOKm) Total NOK 1,605m (Q1-26: NOK 1,268m)



INCREASED EXPOSURE EXPECTED FOR Q3-26.

- Good activity YTD and growth materialized as expected in Q2-26.
- Activity to continue in Q3-26, but loan redemptions may have effect on net lending growth.
- Uncertainty prevails as the ceasefire that intended to open the Strait of Hormuz possibly may be over. Normalization of vessel traffic in and out of the Arabian Gulf currently on-hold.
- 2026 looks promising for most shipping segments due to ineffective trade patterns, slow steaming and congestion. Fleet growth in 2027 might change the market dynamics negatively. Orderbooks in certain segments are now at high levels.
- Oil market fairly in balance short term due to the recent supply disruptions but might turn back to being oversupplied. UAE's exit from OPEC will reduce the cartel's ability to balance the market which might lead to increased volatility in oil prices going forward.
- Offshore vessel fleet has in general low or moderate orderbooks. Fleet utilization expected to stay at healthy levels going forward.

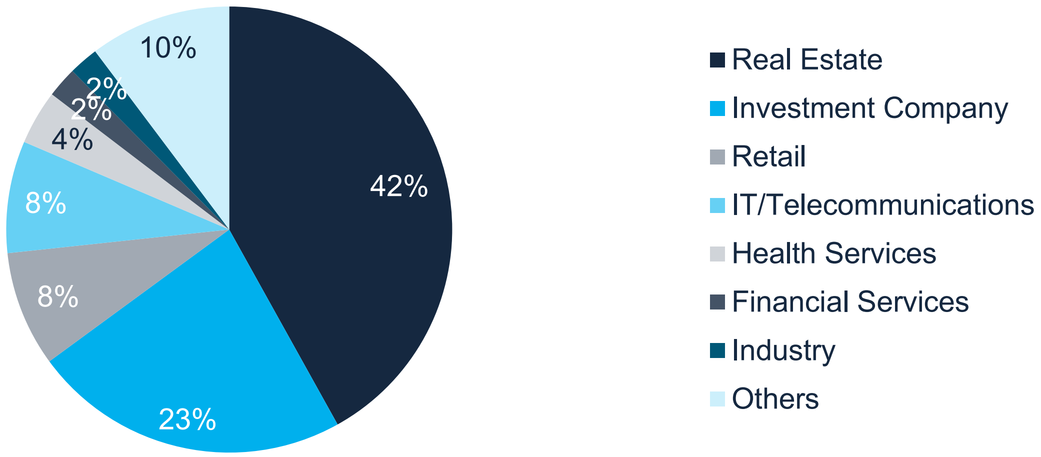
*) Offshore Accommodation credit exposure : Super Senior Revolving credit facility.

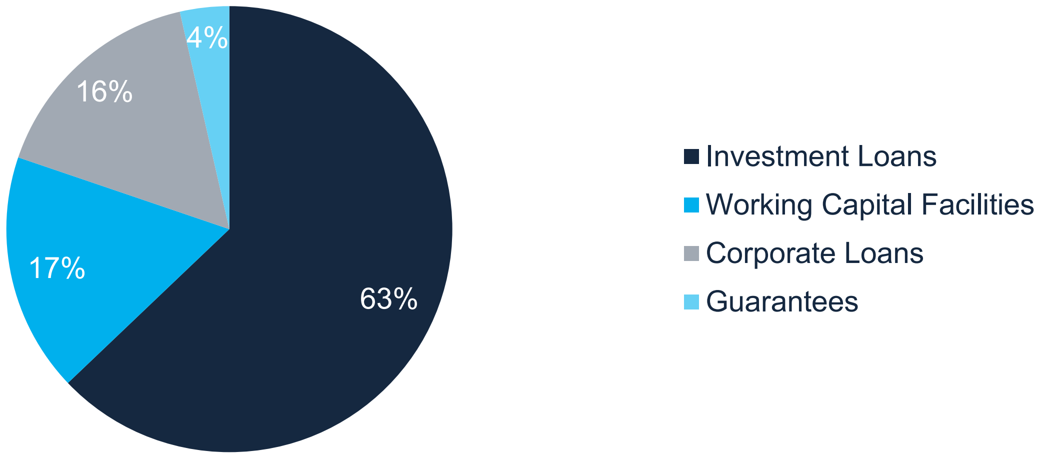
CORPORATE FINANCING

GROWTH EXPECTED TO CONTINUE IN Q3-26

- Higher than expected growth in Q2-26 due to strong deal flow and few loan redemptions.
- Growth to continue in Q3-26 as on-going processes are expected to materialize and demand remains good. Increased efforts in Sweden are also gradually contributing.
- 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 7,660m (Q1-26: NOK 7,037m)





RESIDENTIAL PROPERTY FINANCING

FLAT VOLUME EXPECTED IN Q3-26

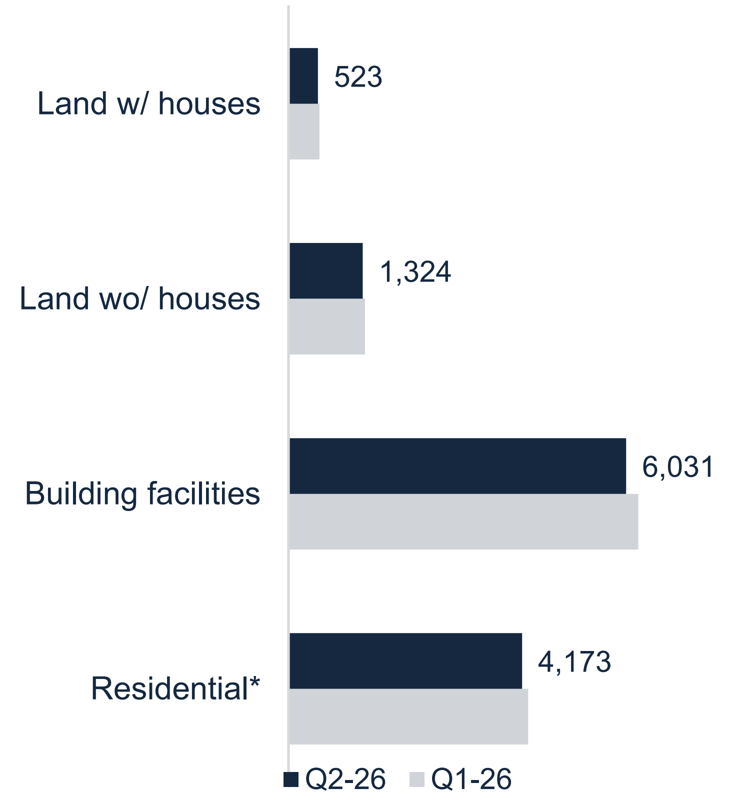
NORWAY

- Rising interest rates, labor costs and material costs lead to a historically low new-build activity. Growth in material costs to continue.
- Projects are postponed as the large price difference between new and second-hand housing persists.
- A strict credit practice is applied.

SWEDEN

- Increasing number of building starts and financing needs. Stable construction costs. Improving new-build sales volumes and prices due to low interest rates and easing of mortgage amortization requirements.
- Good investor interest for rental properties, leading to higher demand for building facilities and long-term financing.
- A potential rate increase may soften activity, demand and risk appetite.

Residential property exposure (NOKm) Total NOK 12,051m



* Residential includes financing of residential units for sale or rental and unsold units in newbuild projects.

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COMMERCIAL PROPERTY FINANCING

FLAT TO SLIGHTLY FALLING EXPOSURE IN Q3-26

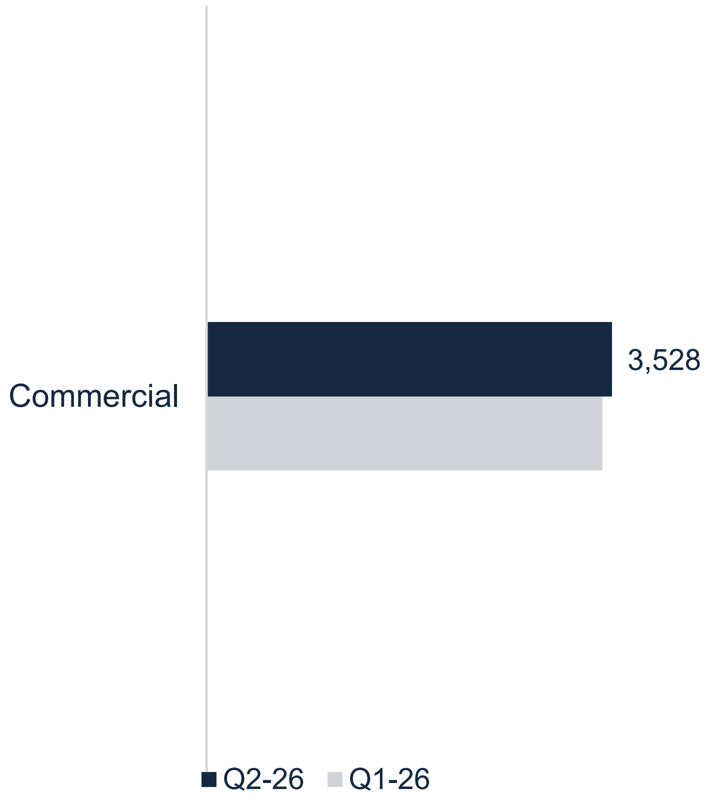
NORWAY

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

SWEDEN

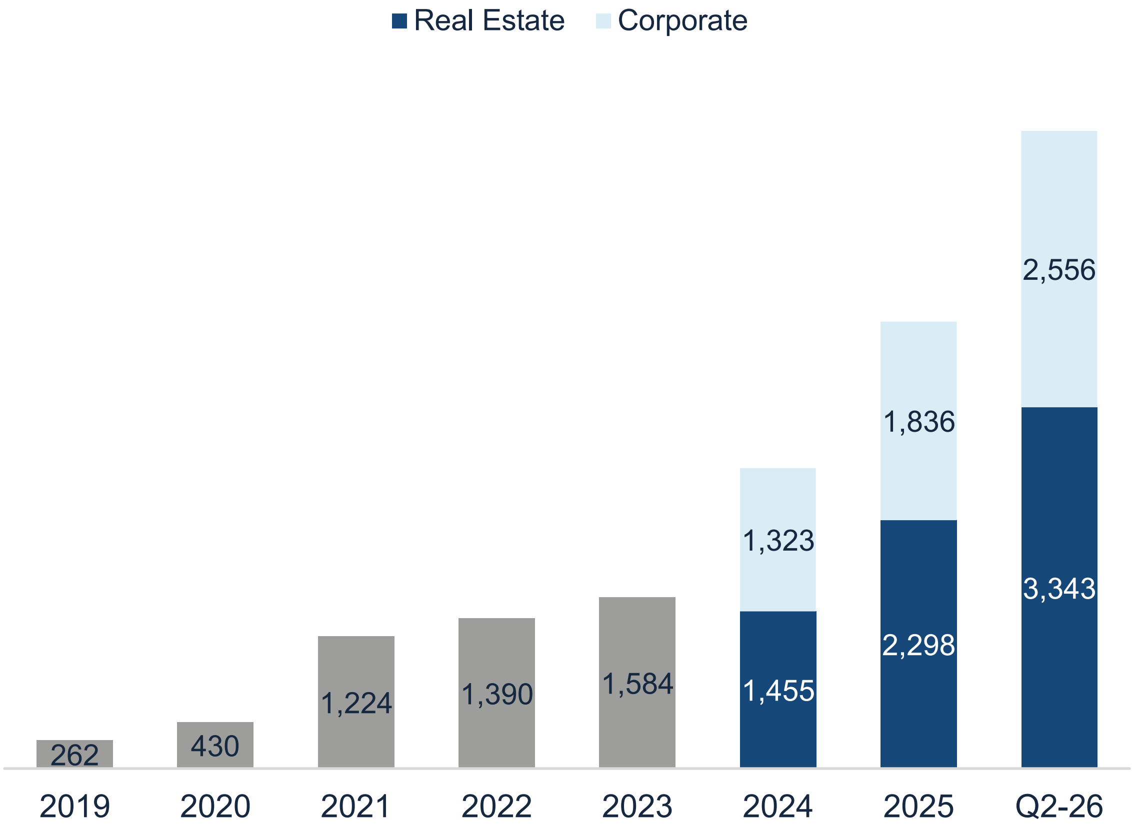
- High transaction activity and good financing demand for both new-builds and standing assets.
- Good appetite for light-industrial, warehouse and logistics. Low appetite for offices due to high vacancy. Continued high focus on vacancy risk and tenant quality.
- A potential rate increase may soften activity, demand and risk appetite.

Commercial property exposure (NOKm) Total NOK 3,528m



SWEDEN

Exposure Sweden branch (NOKm) Total NOK 5,899m



CONTINUED GROWTH AND STEADY DEAL FLOW

- Solid growth materialised in Q2-26. Good deal flow and loan commitments opened as planned within both Real Estate and Corporate Lending.
- Stable exposure projected in Q3-26 due to some loan redemptions.
- Further growth expected towards year-end, due to multiple ongoing loan discussions.
- Tailored marketing initiatives showing increased brand awareness.
- Continued high focus on expanding network and customer base.
- Professional clients, good credit quality, and lower capital requirements in Sweden ensures an attractive risk/reward.

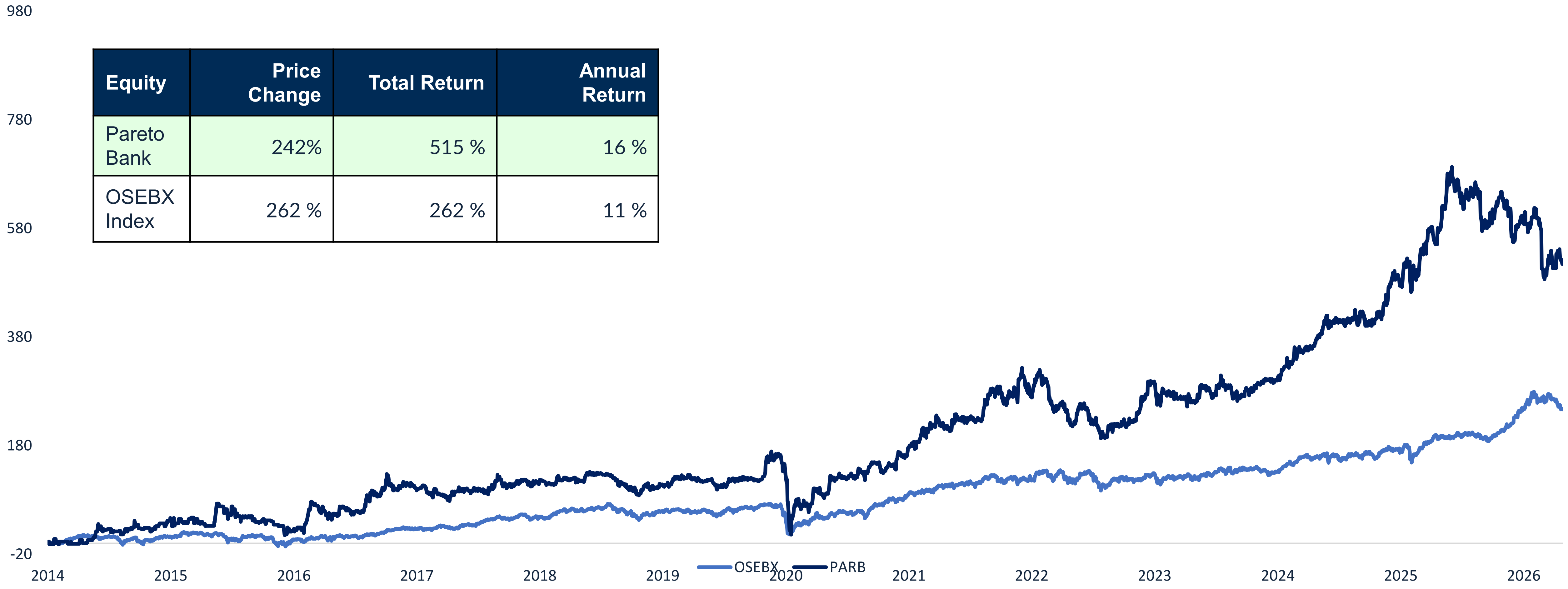
LONG-TERM GOAL

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

Note: From 2024 onwards, exposure is split between real estate financing and corporate financing. Approx. 38% of corporate financing in Q2-26 has underlying real estate exposure.

TOTAL RETURN

Equity	Price Change	Total Return	Annual Return
Pareto Bank	242%	515 %	16 %
OSEBX Index	262 %	262 %	11 %

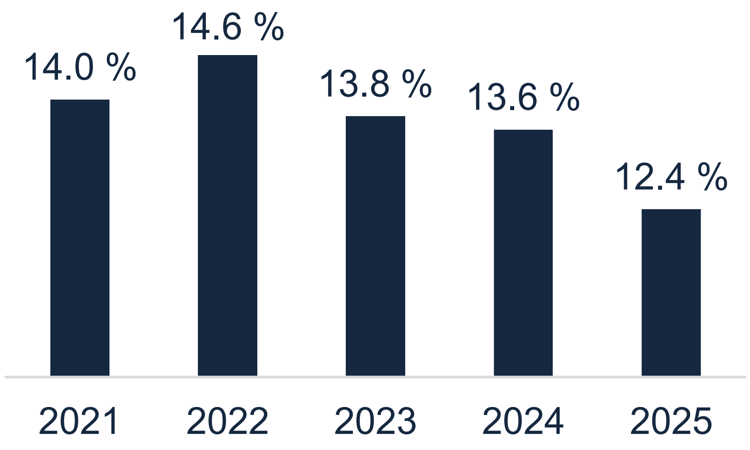


Bloomberg as of 01.07.2026.

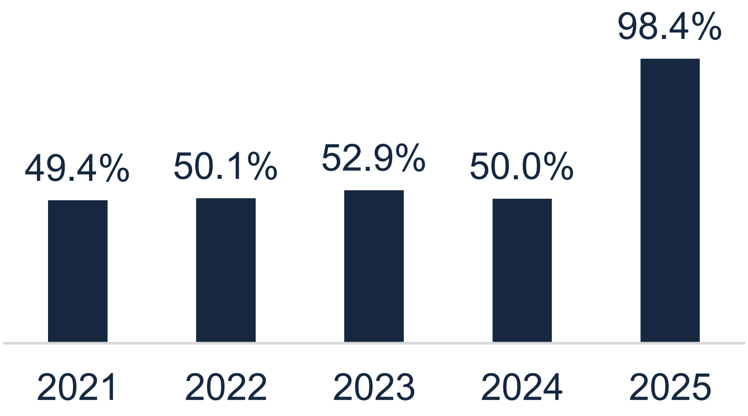
APPENDIX

LONG-TERM AMBITIONS

ROE 15%

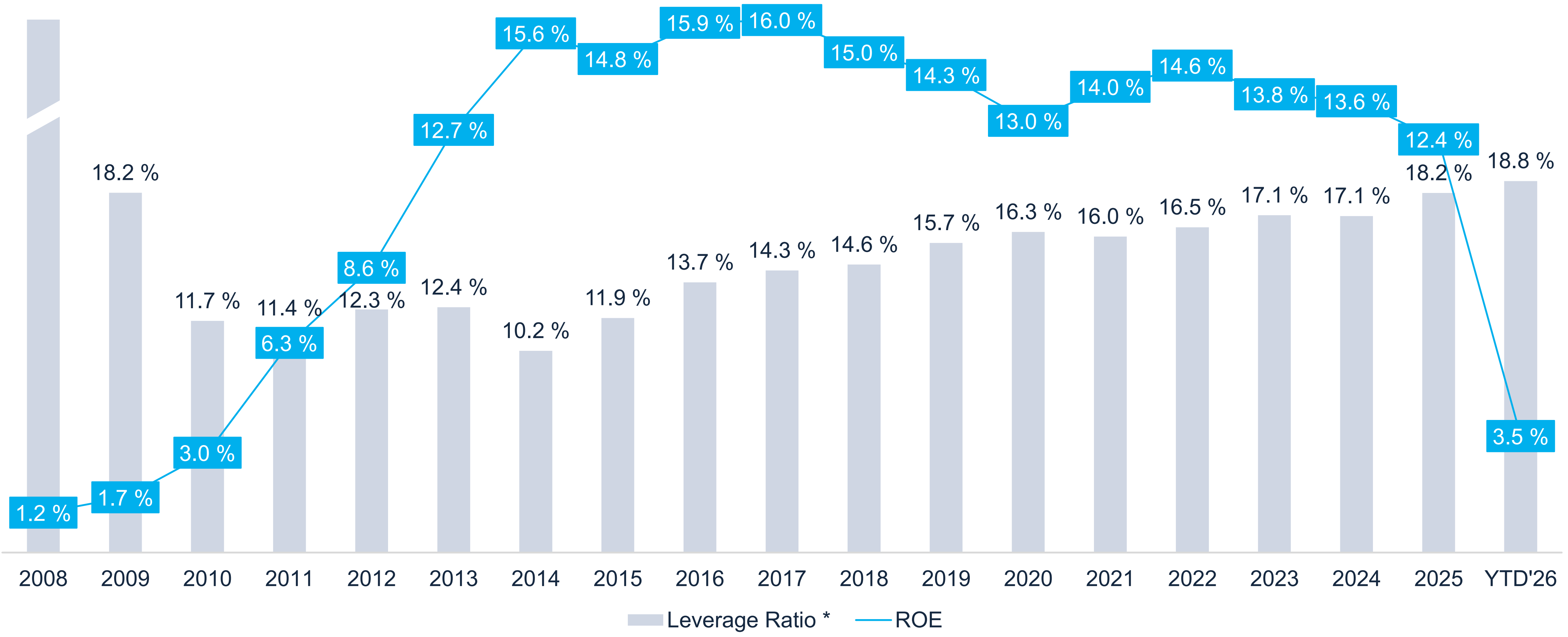


Dividend min. 50%



ROE AND LEVERAGE RATIO

Profitability with increasing solidity



*) Leverage Ratio between 2008-2015 is estimated as core capital divided by total assets. After 2015 Leverage Ratio is defined according to CRR / CRR2.

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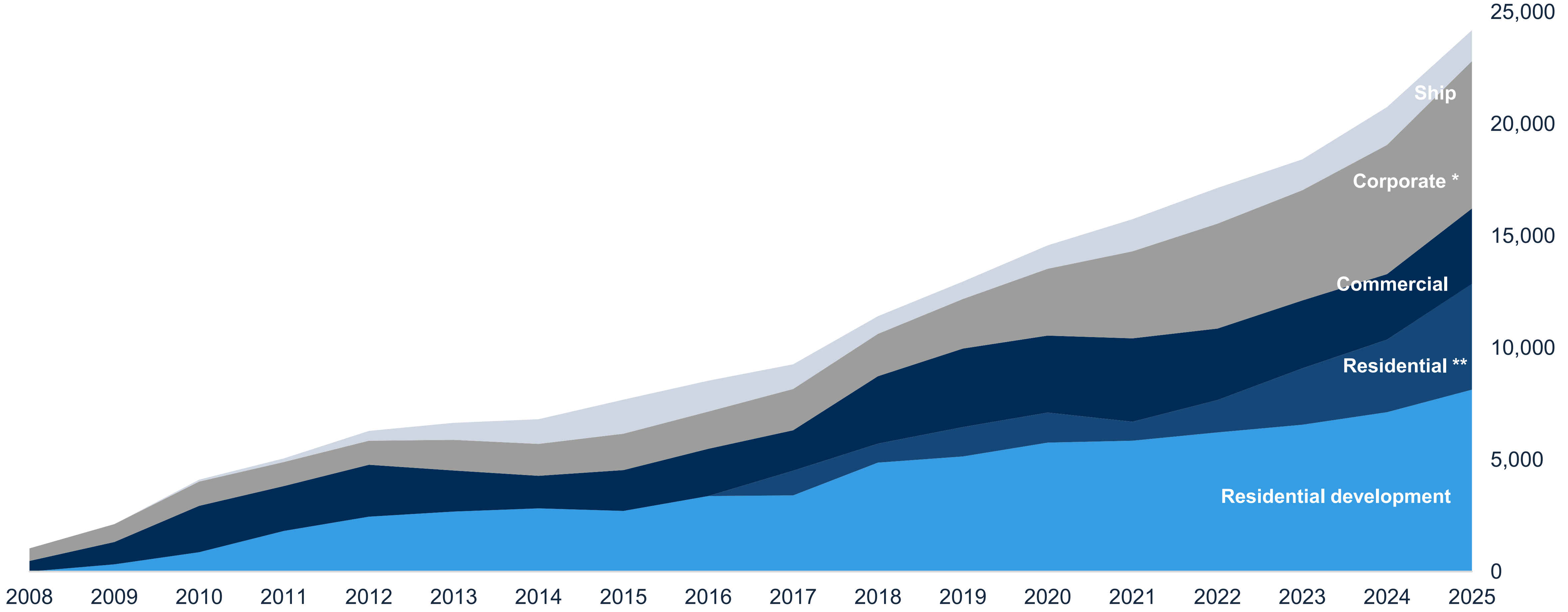
LENDING GROWTH
Per business area (NOKm)



*) Including securities financing
**) Residential financing reported from 2017

Pareto bank

LARGEST SHAREHOLDERS

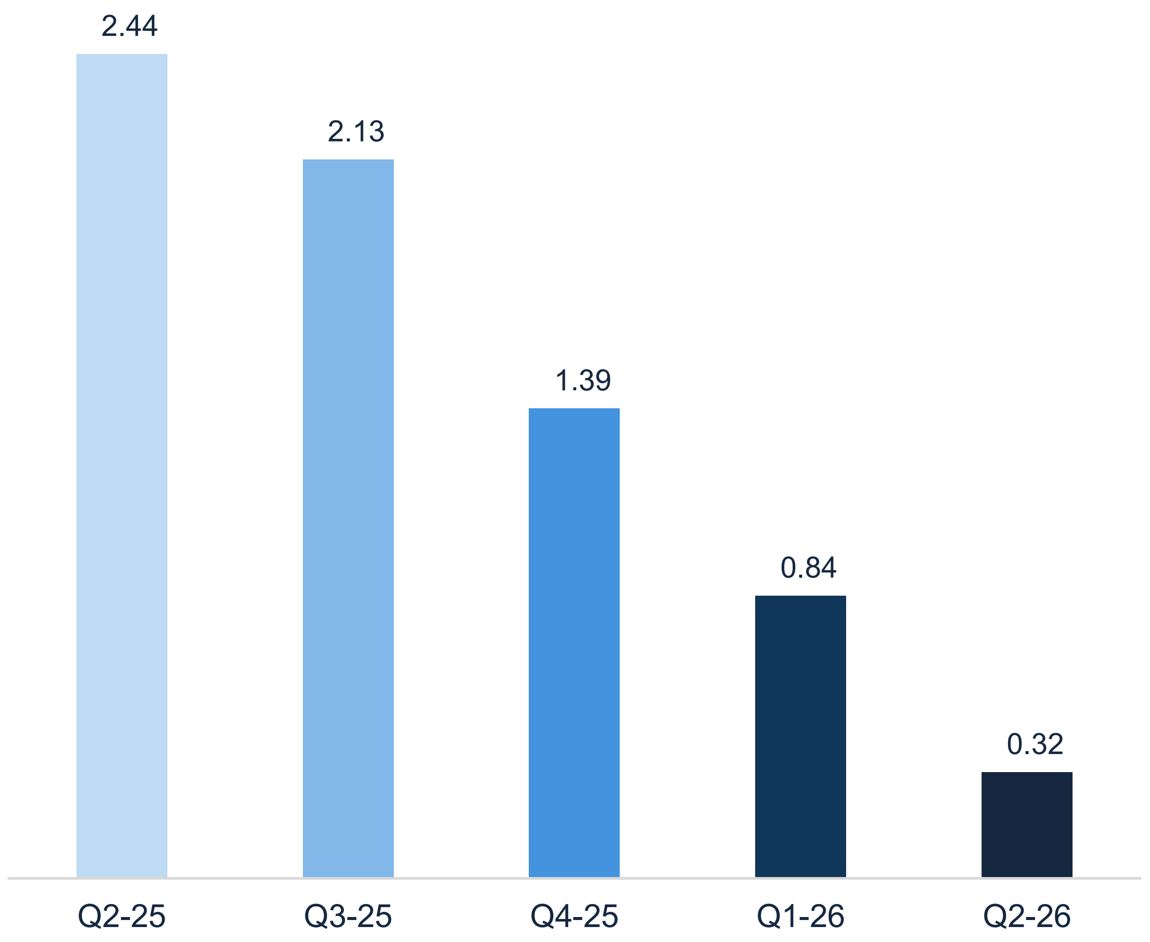
30 June 2026

	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	3,860,508	5.03 %
5	Salt value AS	2,531,157	3.30 %
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	1,372,004	1.79 %
11	OM Holding AS	1,261,512	1.64 %
12	Verdipapirfondet Fondsfinans Norge	1,106,000	1.44 %
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	Folketrygdfondet	756,271	0.98 %
18	VPF Eika Egenkapitalbevis	720,433	0.94 %
19	Varde Norge AS	670,000	0.87 %
20	Elgar Kapital AS	668,480	0.87 %
	Sum TOP 20	**51,992,598**	**67.71 %**
	Other shareholders	**24,789,825**	**32.29 %**
	Total	**76,782,423**	**100.00 %**

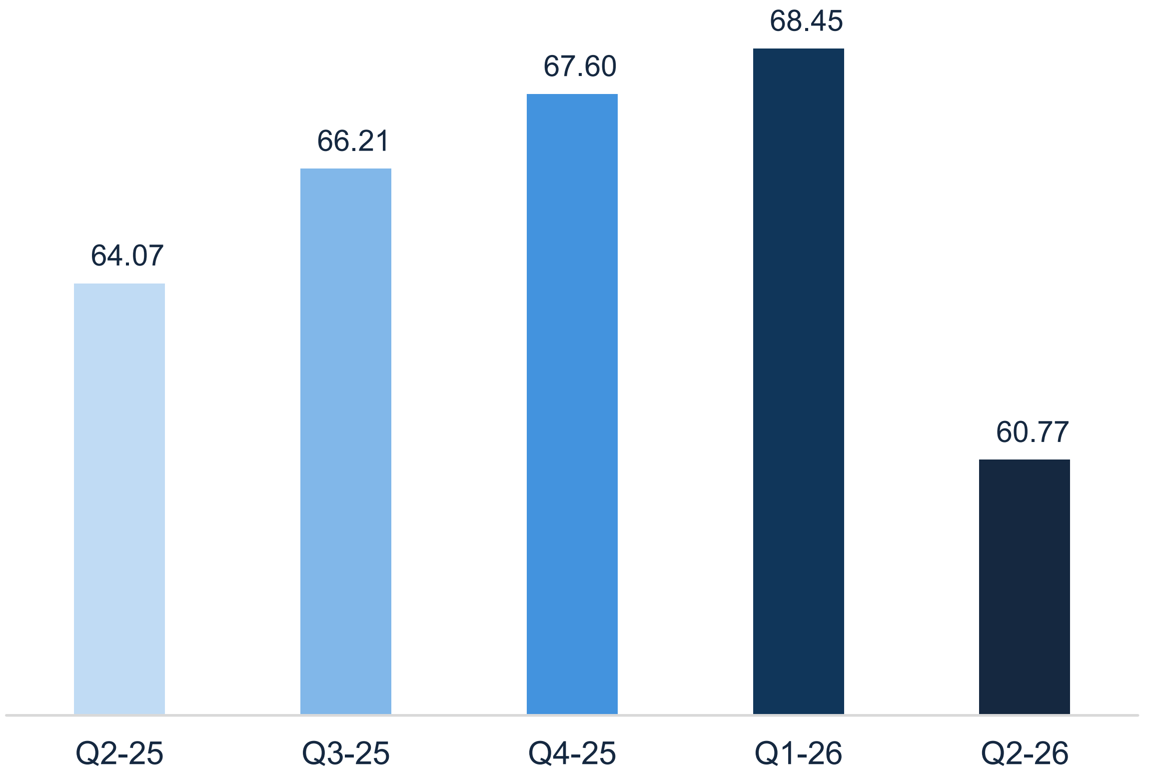
- The Company has 76,782,423 shares outstanding. One class of shares where each share carries one voting right.
- Diversified investor base with 6,376 shareholders.
- The Top 10 and 20 investors hold 56% and 68% of the shares respectively.
- Employees in Pareto Bank own 1.7%.
- All employees are covered by an annual bonus compensation scheme settled 50% in Pareto Bank shares.

THE SHARE

Earnings per share (NOK)



Book value per share (NOK)



Pareto bank

QUARTERLY INCOME STATEMENT

P&L (NOKm)

	Q2-26	Q1-26	Q4-25	Q3-25	Q2-25
Net interest income	288.0	299.4	310.6	304.4	335.5
Net other operating income	10.8	10.9	3.7	1.2	7.8
Total net income	**298.8**	**310.3**	**314.3**	**305.6**	**343.2**
Total operating expenses	52.9	56.3	54.0	59.2	62.9
Operating profit before impairments and losses	**245.9**	**254.1**	**260.3**	**246.4**	**280.4**
Impairments and losses on loans and guarantees	201.0	155.9	105.5	15.1	17.1
Pre-tax operating profit	**44.9**	**98.2**	**154.8**	**231.3**	**263.3**
Tax expense	8.1	21.5	35.1	54.6	62.6
Interest hybrid capital	12.6	12.3	12.7	13.0	13.0
Profit for the period	**36.9**	**76.7**	**119.7**	**176.8**	**200.7**
Earnings per share (NOK)	0.32	0.84	1.39	2.13	2.44
Return on equity	2.0 %	5.0 %	8.3 %	13.0 %	15.1 %
Cost/income ratio	17.7 %	18.1 %	17.2 %	19.4 %	18.3 %

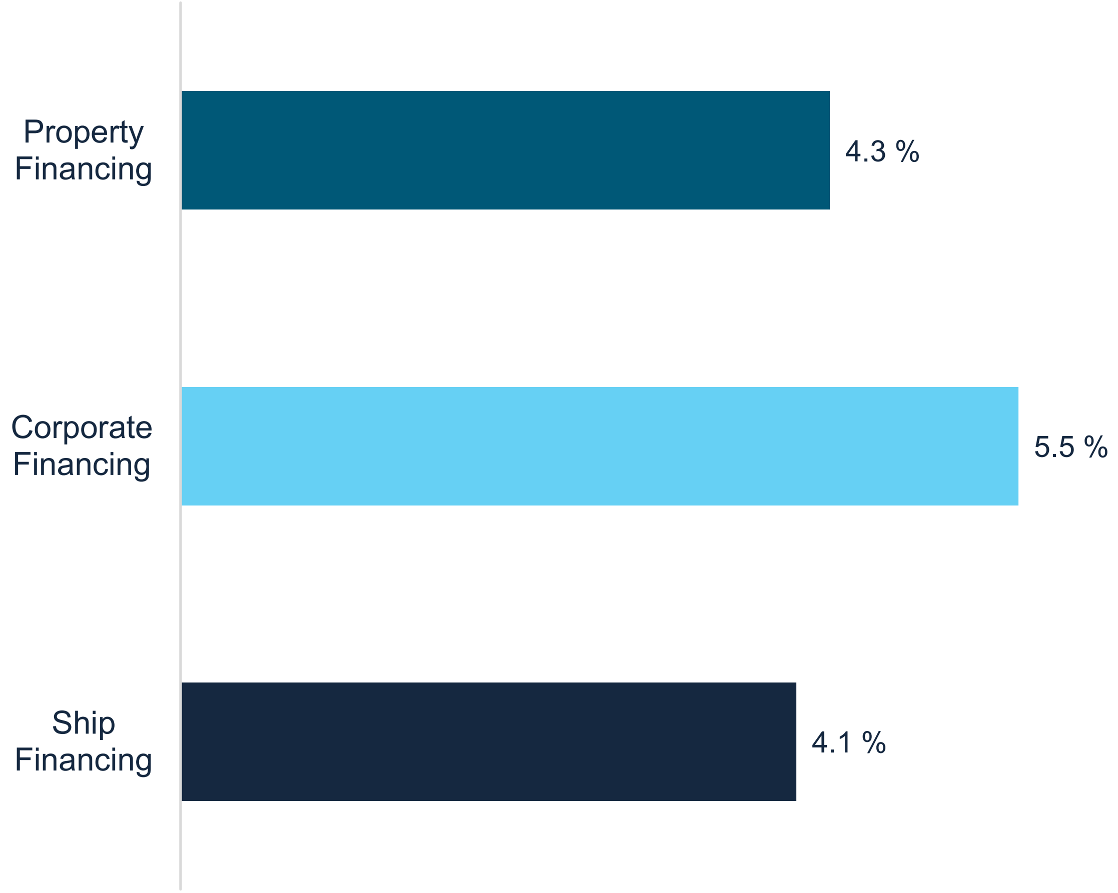
QUARTERLY BALANCE SHEET
(NOKm)

	Q2-26	Q1-26	Q4-25	Q3-25	Q2-25
Loans to credit institutions	1,677	2,213	1,589	1,841	3,214
Loans to customers	19,406	19,249	18,774	18,983	19,249
Bonds and other securities	2,862	2,861	4,668	5,692	4,897
Shareholdings in associated companies	33	33	33	34	34
Other assets	279	324	273	210	212
Total assets	**24,257**	**24,680**	**25,337**	**26,761**	**27,606**
Deposits from customers and institutions	10,881	10,351	11,758	13,297	13,772
Senior securities issued	7,250	7,582	6,743	6,737	7,348
Other liabilities	209	241	395	394	316
Tier 2 subordinated securities issued	701	700	700	700	700
Additional tier 1 capital	550	550	550	550	550
Other equity	4,666	5,256	5,191	5,084	4,919
Total liabilities and equity	**24,257**	**24,680**	**25,337**	**26,761**	**27,606**

MARGINS AND INTEREST CONTRIBUTION

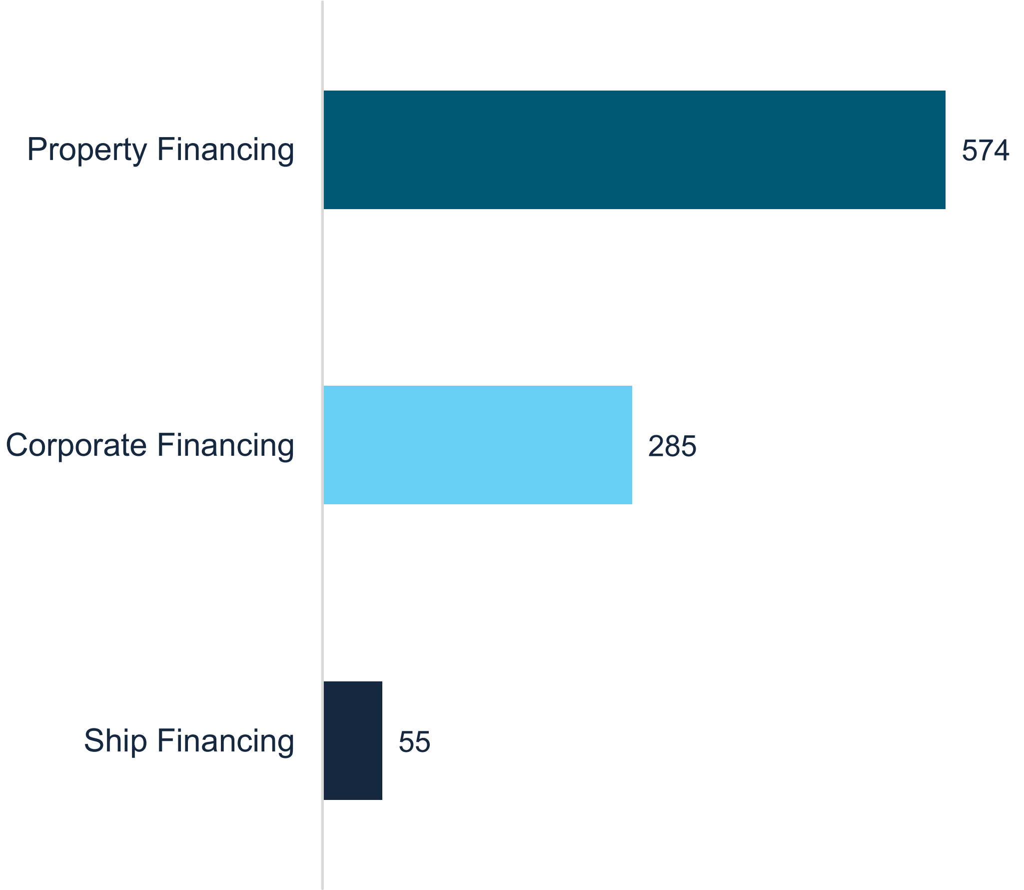
Margins per business area

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



Interest contribution per business area

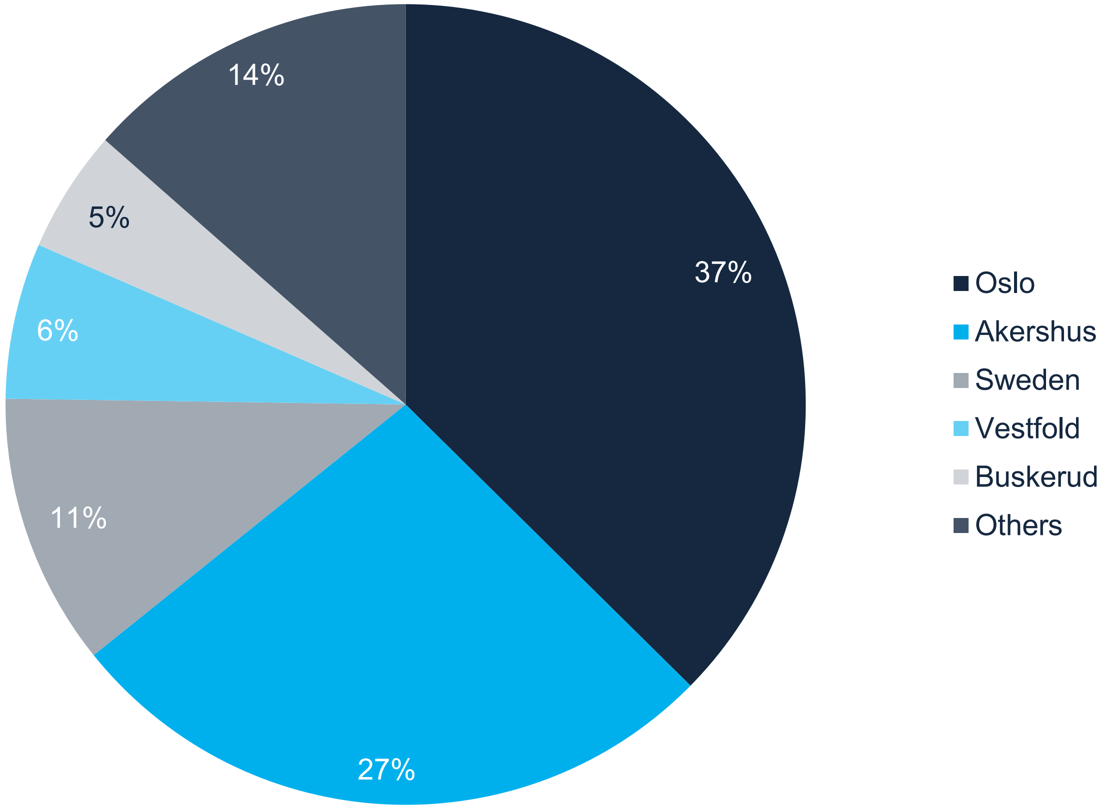
NOKm, estimated interest contribution including commissions, excluding front and back-end fees over 3M Nibor or similar rate.



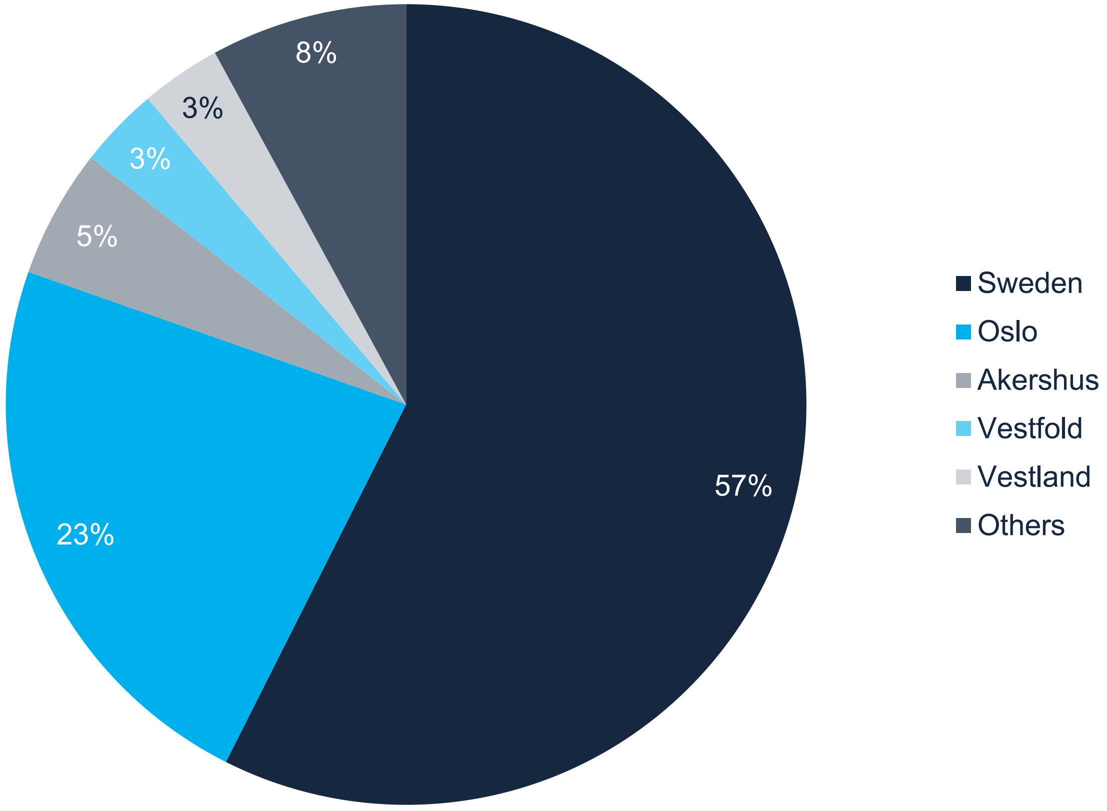
Margins are not adjusted for lack of contribution for stage 3 loans. Segment margins are estimated on the basis of terms of existing loans at quarter end and will therefore differ from reported total lending margins due to differences in rent date. Loans granted under the state guaranteed SMB loan program, retail mortgages and employee mortgages are excluded from this analysis. Based on terms and 3M NIBOR as of 30.06.2026. Fixing in arrears for SOFR rates are estimated.

REAL ESTATE FINANCING EXPOSURE

Geographical residential property exposure Total NOK 12,051m*



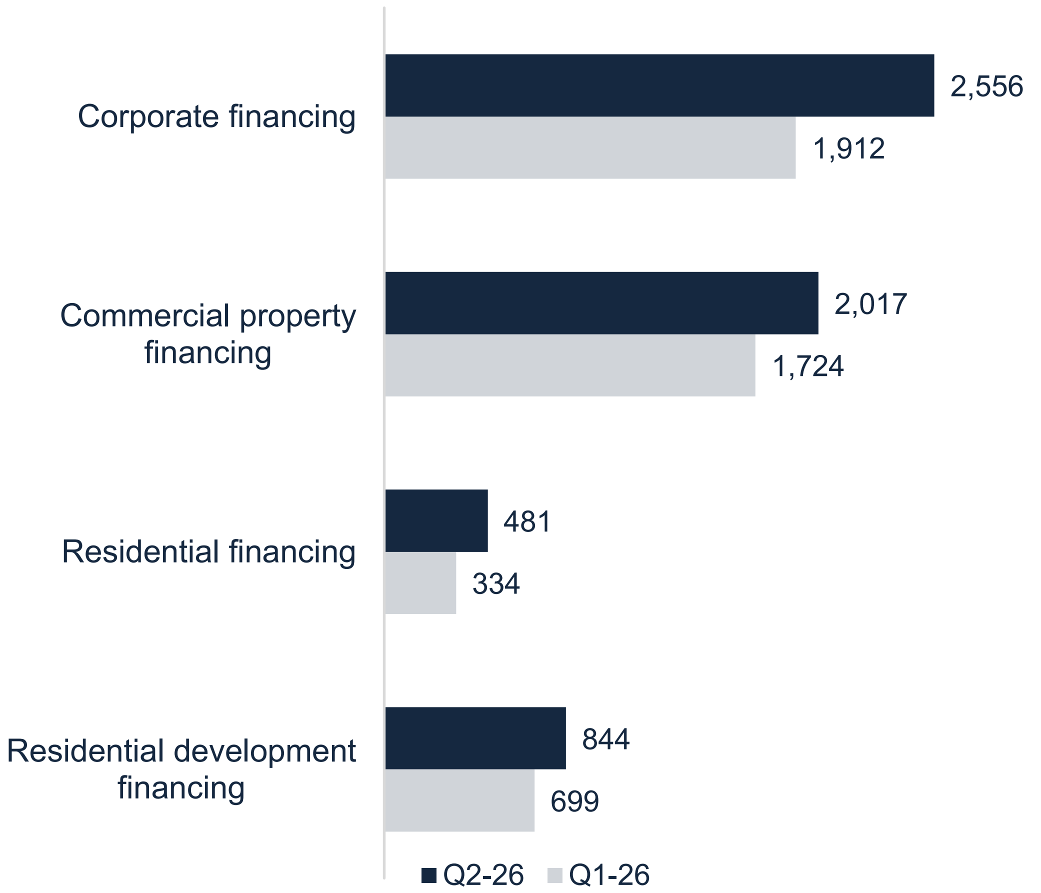
Geographical commercial property exposure Total NOK 3,528m*



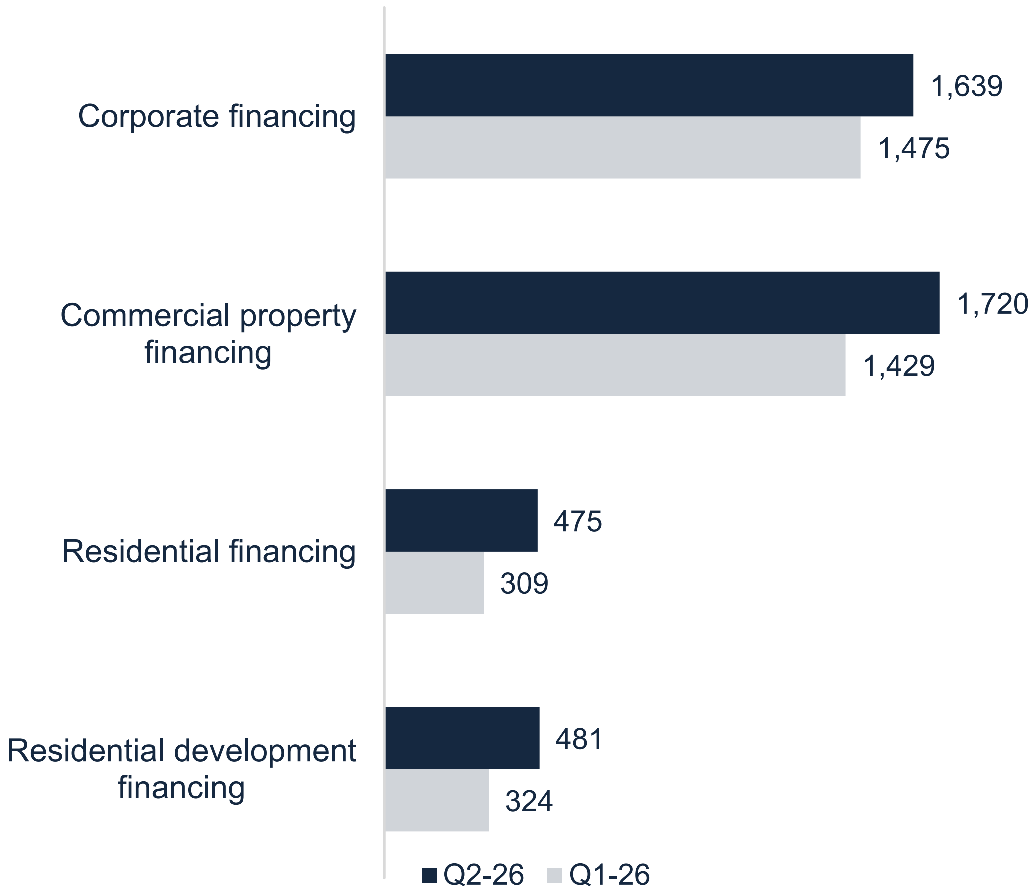
*) Residential property includes land, building facilities and residential real estate. Commercial property includes only commercial real estate.

SWEDEN

Exposure Sweden branch (NOKm) Total NOK 5,899m

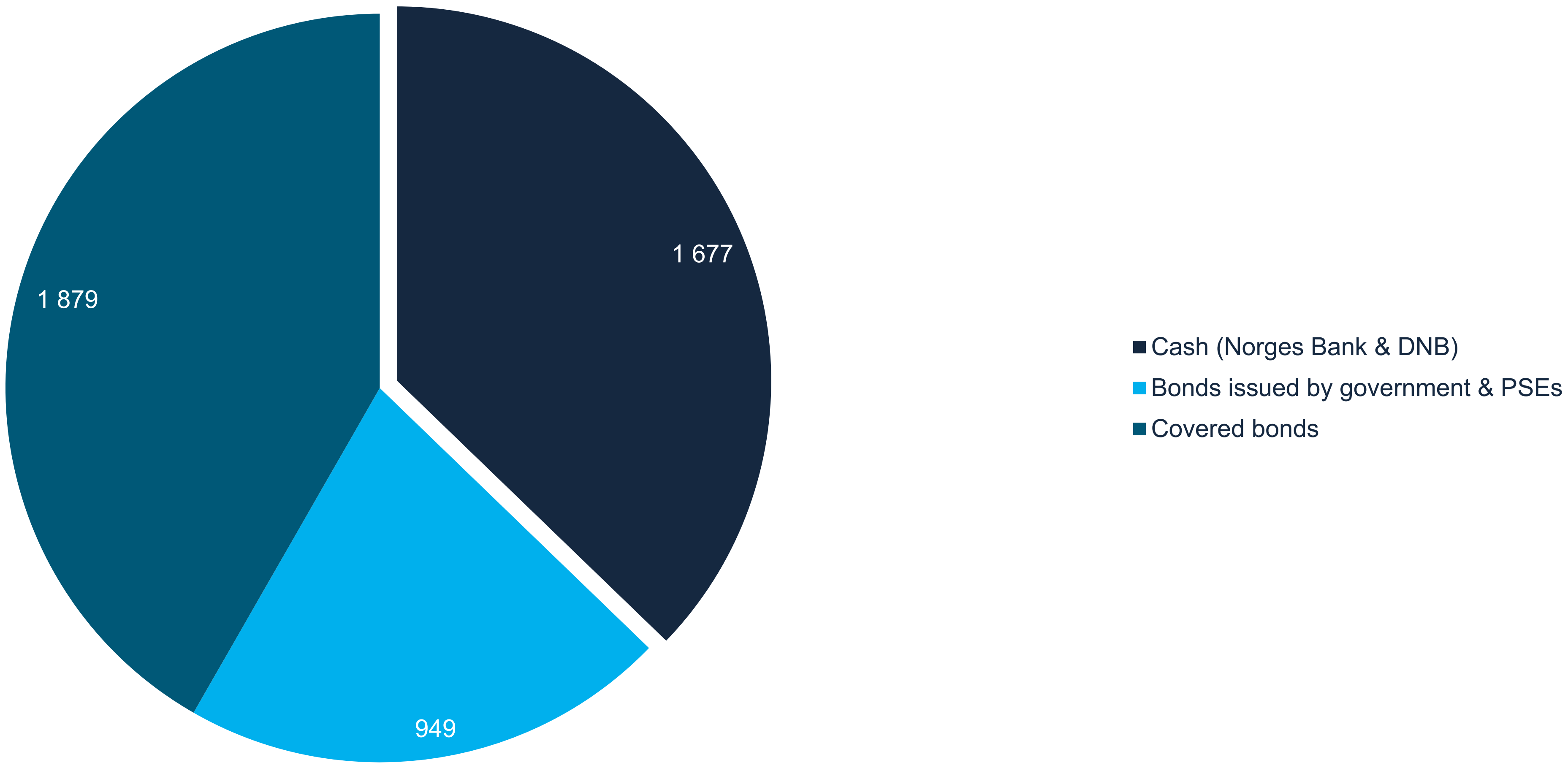


Lending Sweden branch (NOKm) Total NOK 4,314m



LIQUIDITY BUFFER

Low credit and market risk (NOKm)

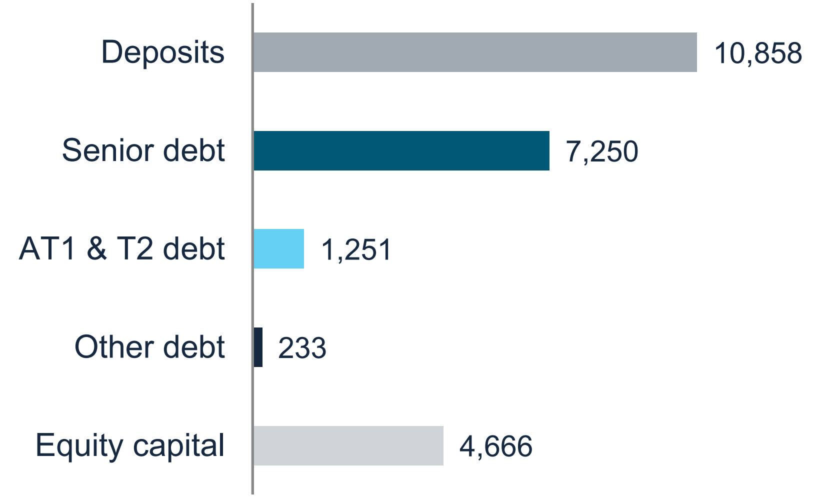


Comments

- 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)

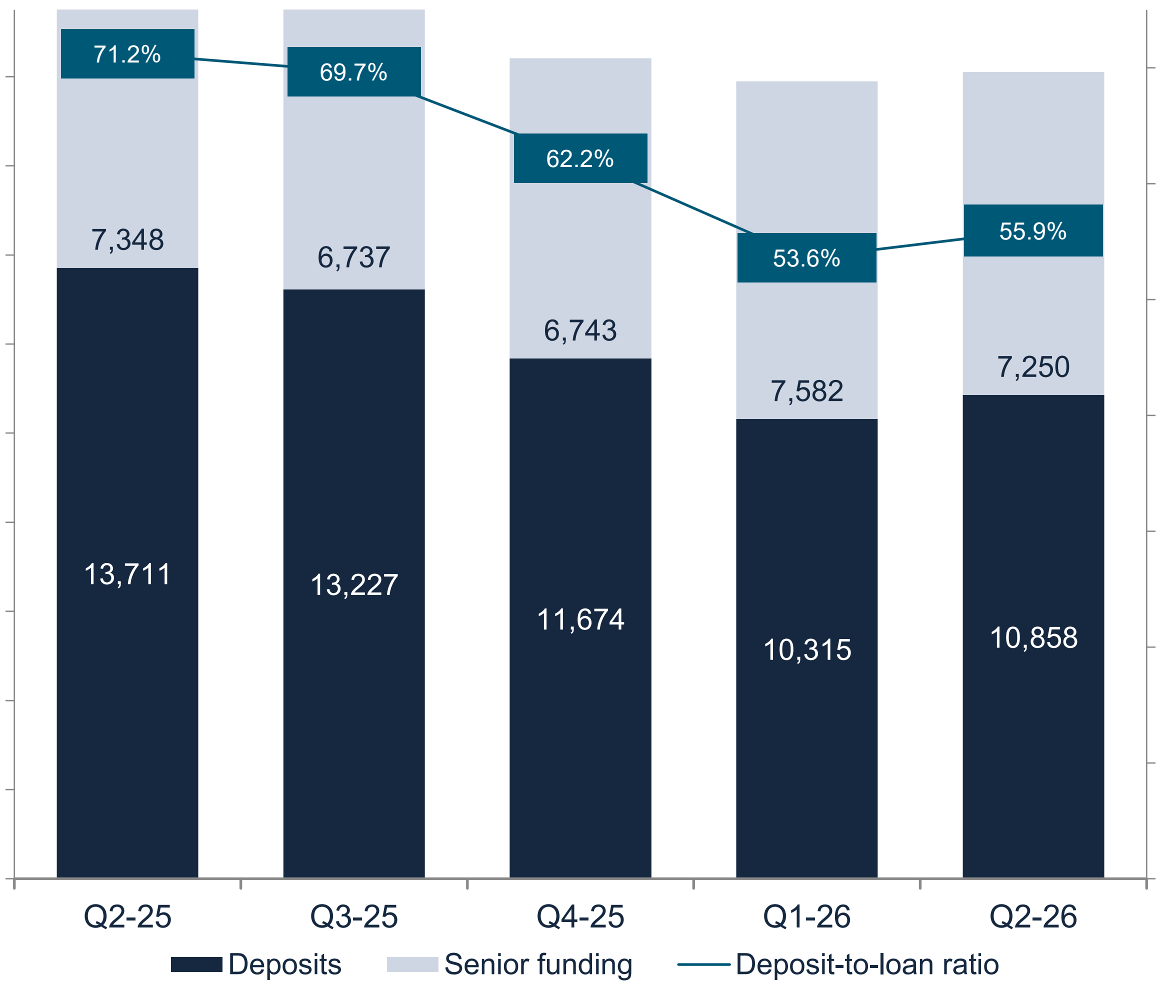


Key funding and liquidity ratios

• Deposits with liquidity restrictions	78 %
• Corporate deposits	49 %
• Deposit-to-loan ratio	56 %
• Liquidity Coverage Ratio	543 %
• Net Stable Funding Ratio	146 %

Deposits & senior debt

NOKm,
Percent customer deposits of net lending to customers



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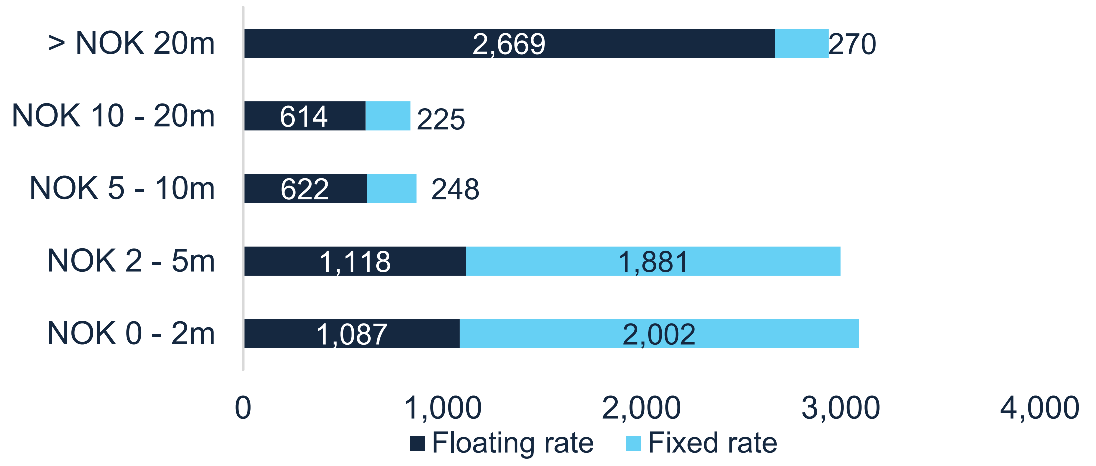
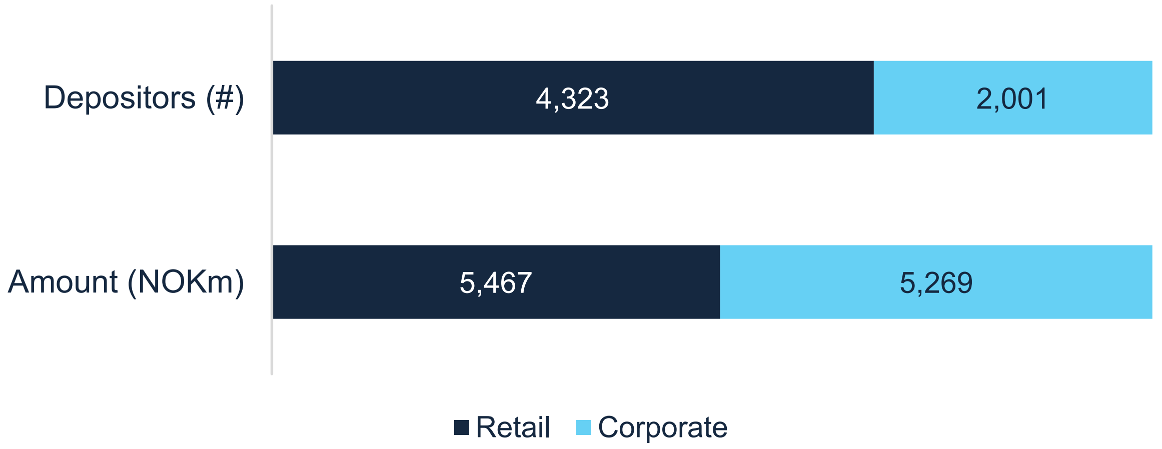
CUSTOMER DEPOSITS

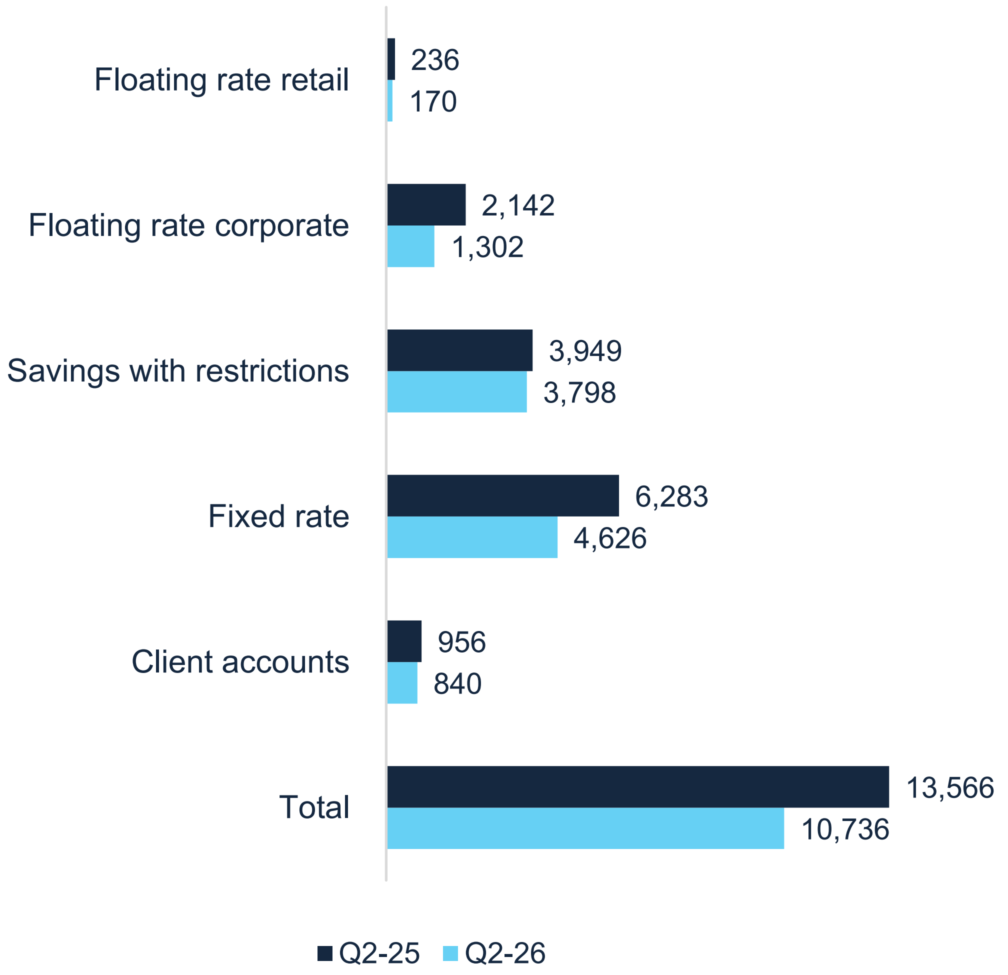
Deposits by size (NOKm)



Deposits by type (NOKm)



Deposits by product (NOKm)



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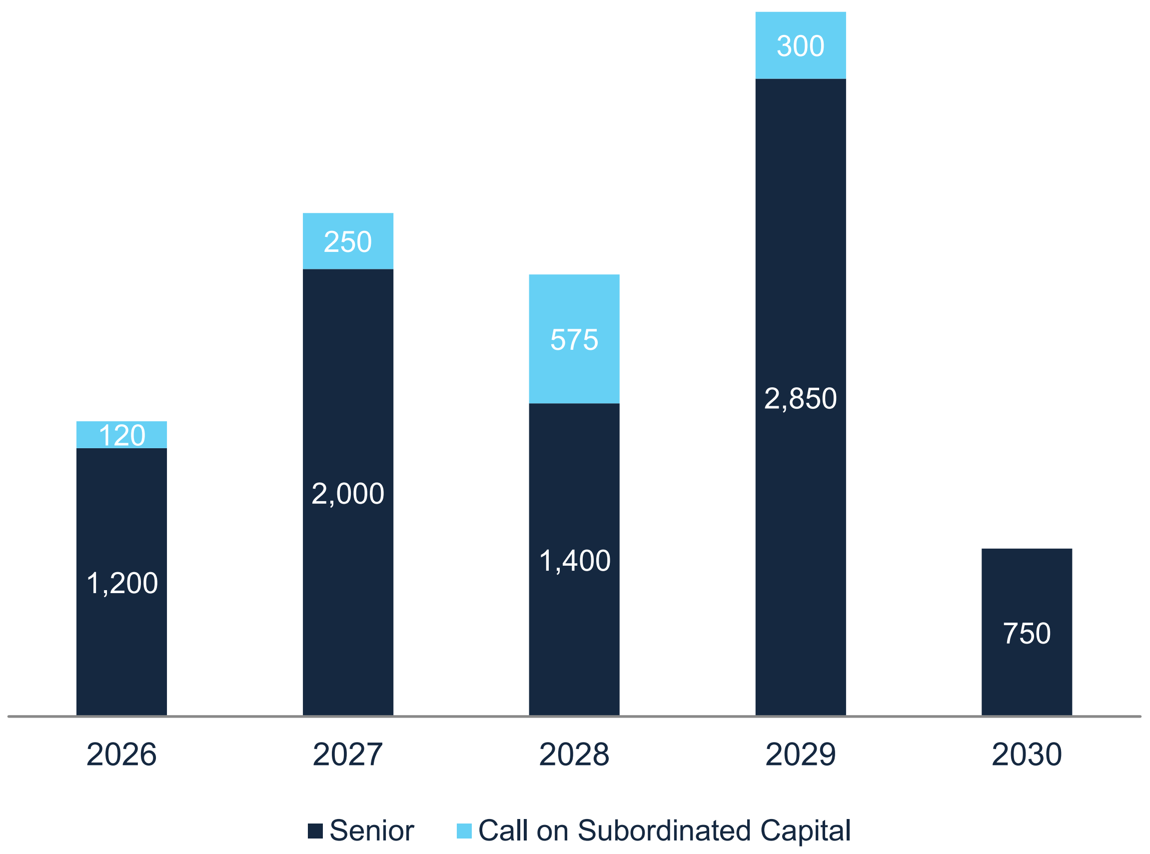
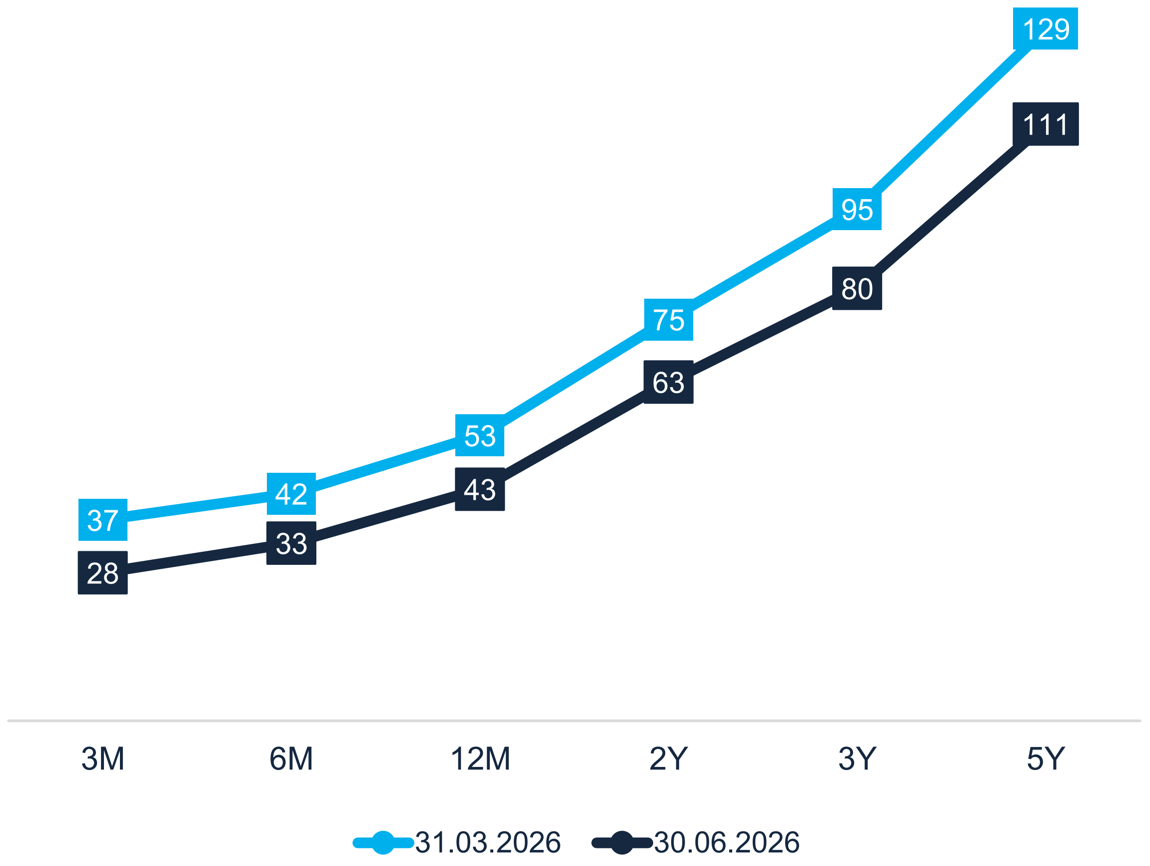
MARKET FUNDING

Market funding maturities (NOKm) *



Cost of new market funding **

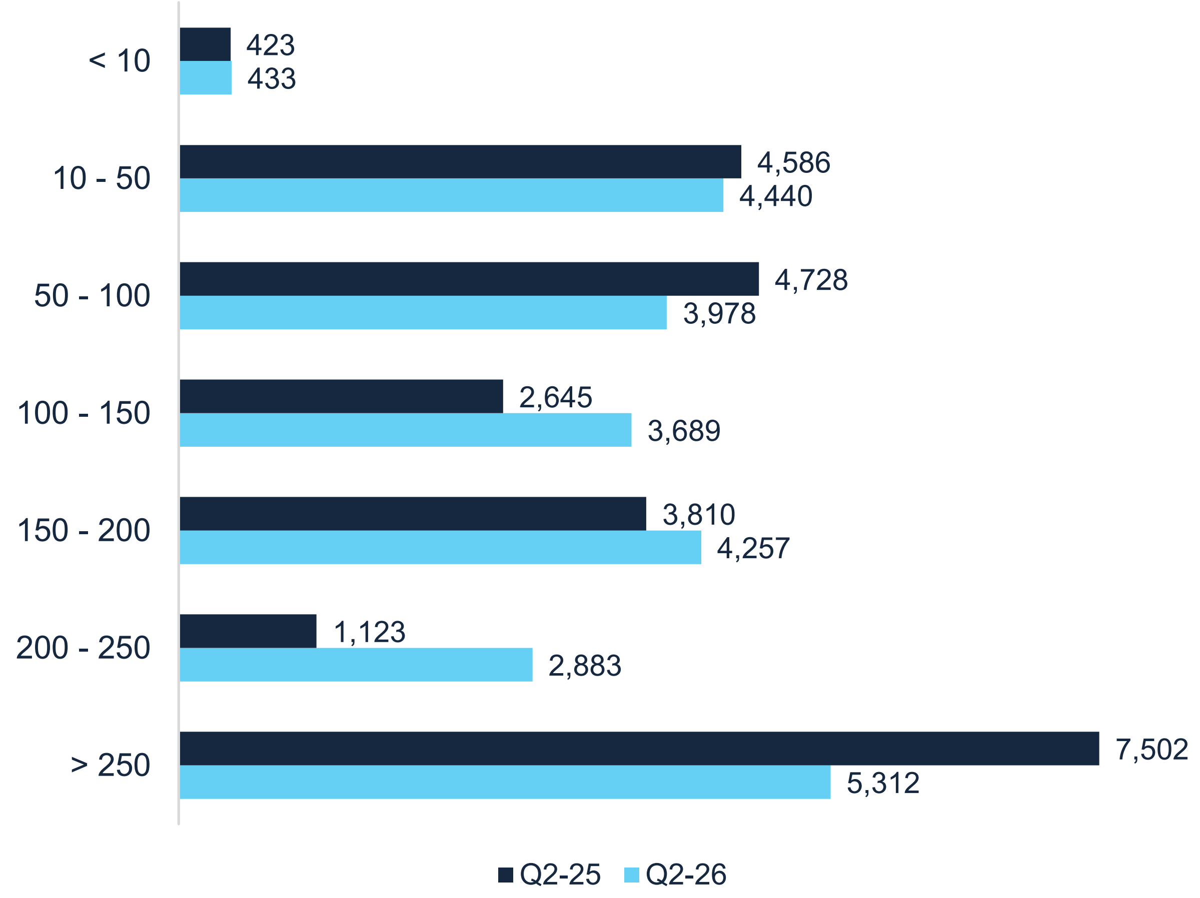


*) Net of own holdings as of 30.06.2026.
**) Floating rate coupon for new bond issue per maturity (basis points over 3M Nibor).

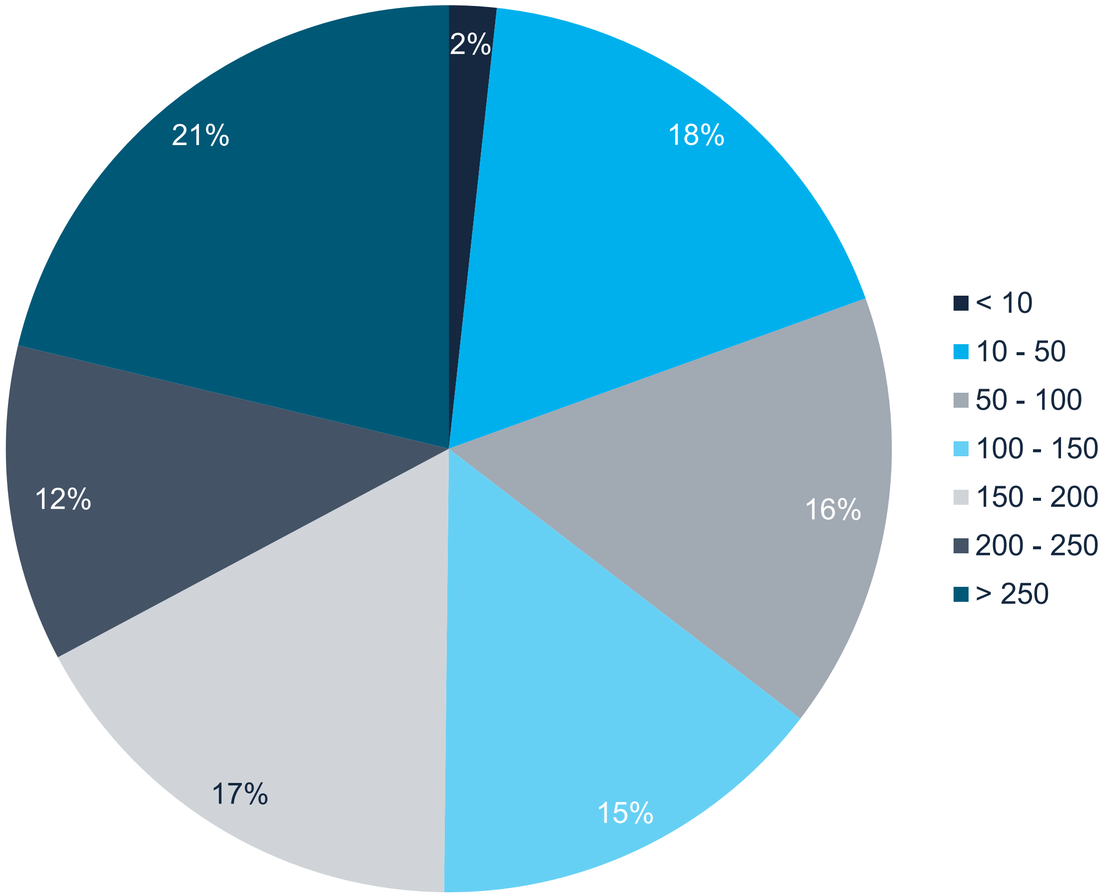
Pareto bank

COMMITMENTS BY SIZE

Commitment size per customer (NOKm)



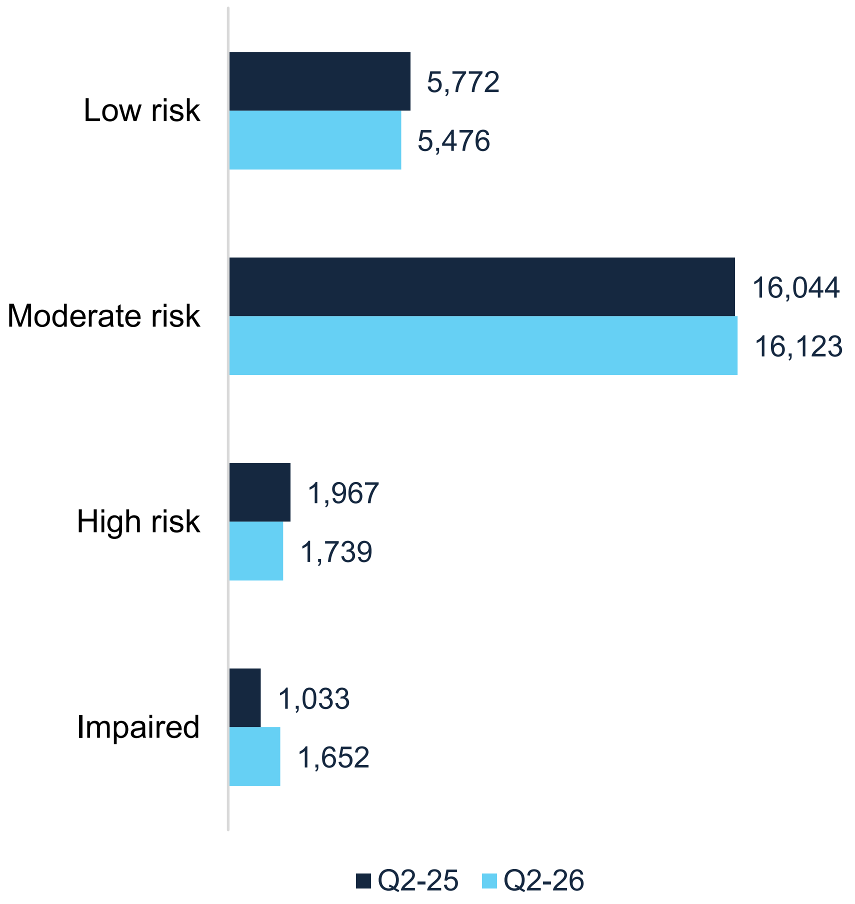
Distribution of commitments by size (NOKm)



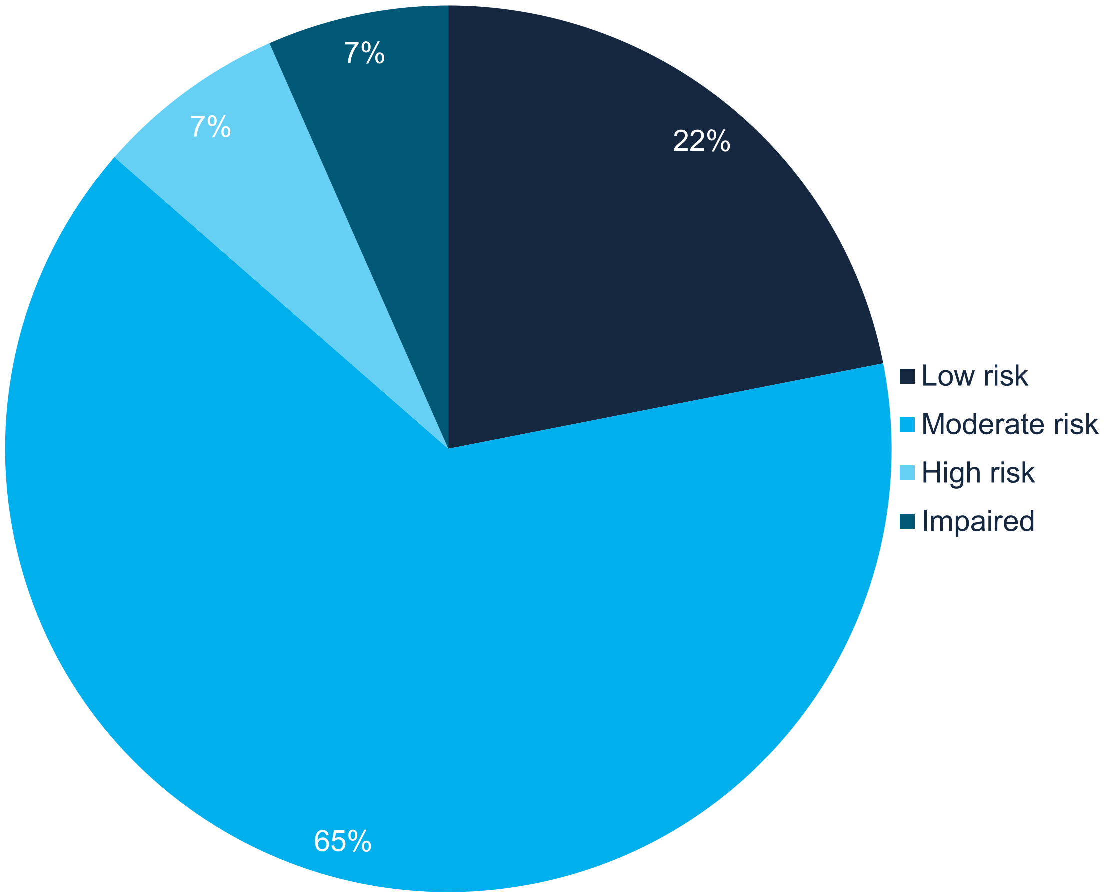
Maximum size for a single customer is NOK 400m.
Maximum size for a group / on a consolidated basis is NOK 500m.

COMMITMENTS BY RISK CLASSIFICATION

Risk classification (NOKm) *



Risk classification



*) Risk classification of credit exposure according to PD (probability of default) model.

Pareto bank

PROVEN TRACK RECORD FOR CREDIT QUALITY

- No losses from 2008 to 2012.
- Total confirmed losses limited to NOK 280m during 19 years of operation.
- Accumulated lending amounted to approx. NOK 213 billion during the past 19 years. Total confirmed losses make up about 0.13 % of accumulated lending.
- Average ratio of annual confirmed losses to gross lending is 0.10 % per year.

Confirmed losses as share of gross lending

Pareto bank