

PARETO BANK

Financial Results – Third Quarter 2026

Highlights

Financials

Business Area Update & Outlook

THIRD QUARTER 2026

Highlights

- Profit after tax NOK 27.7m (NOK 176.8m in Q3-25).
- Return on equity after tax 1.2% (13.0%).
- Total impairments and losses of NOK 195.8m (NOK 15.1m). Individual impairments NOK 130.2m (NOK 16.6m) mainly within residential property development. Write downs of NOK 134.3m.
- Lending at the end of the quarter stood at NOK 17,934m (NOK 18,983m). Average lending was down 3.4% q/q.



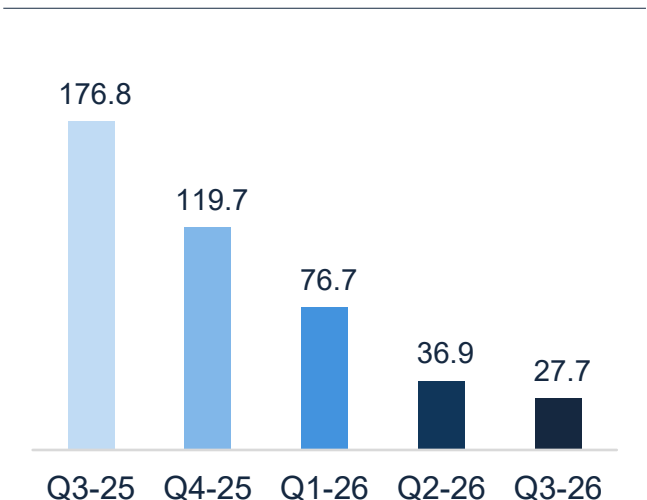
Highlights

Financials

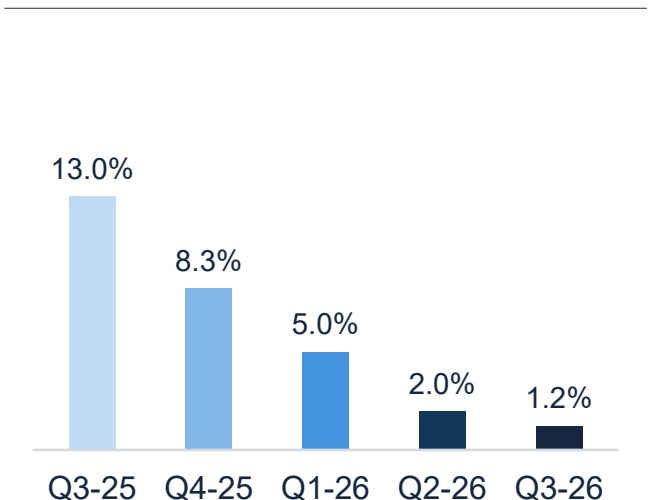
Business Area Update & Outlook

KEY FIGURES

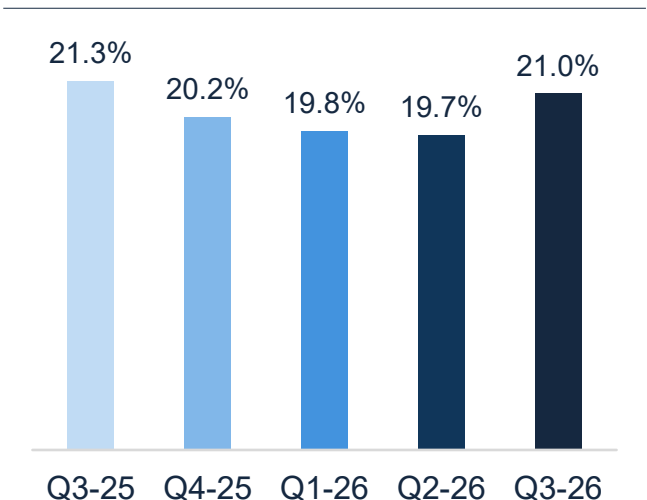
Profit after tax (NOKm)



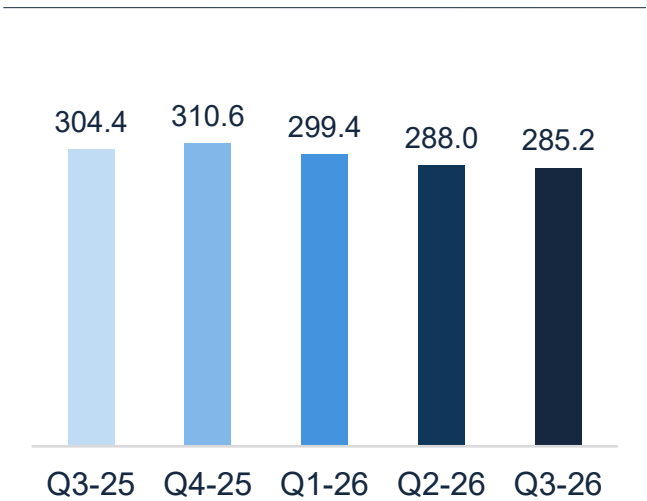
Return on Equity *



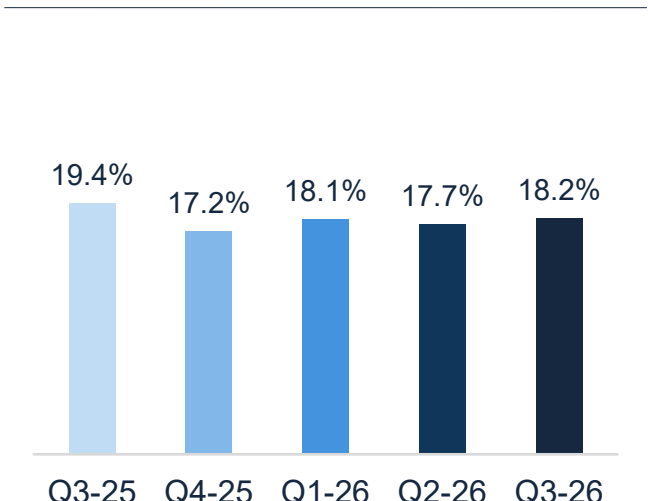
CET1 ratio



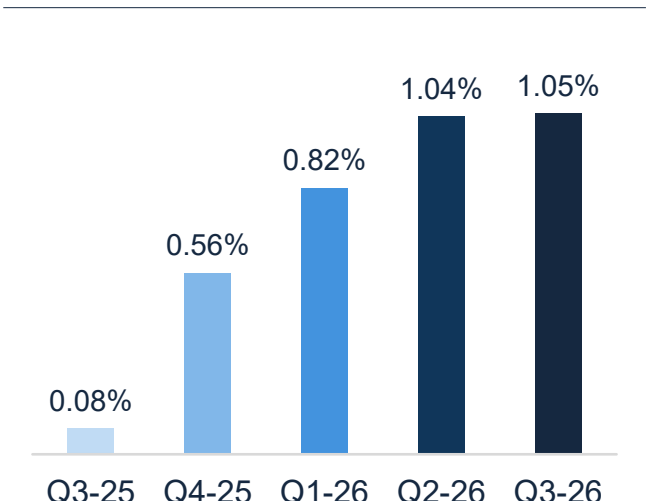
Net interest income (NOKm)



Cost/Income ratio



Loss ratio **



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

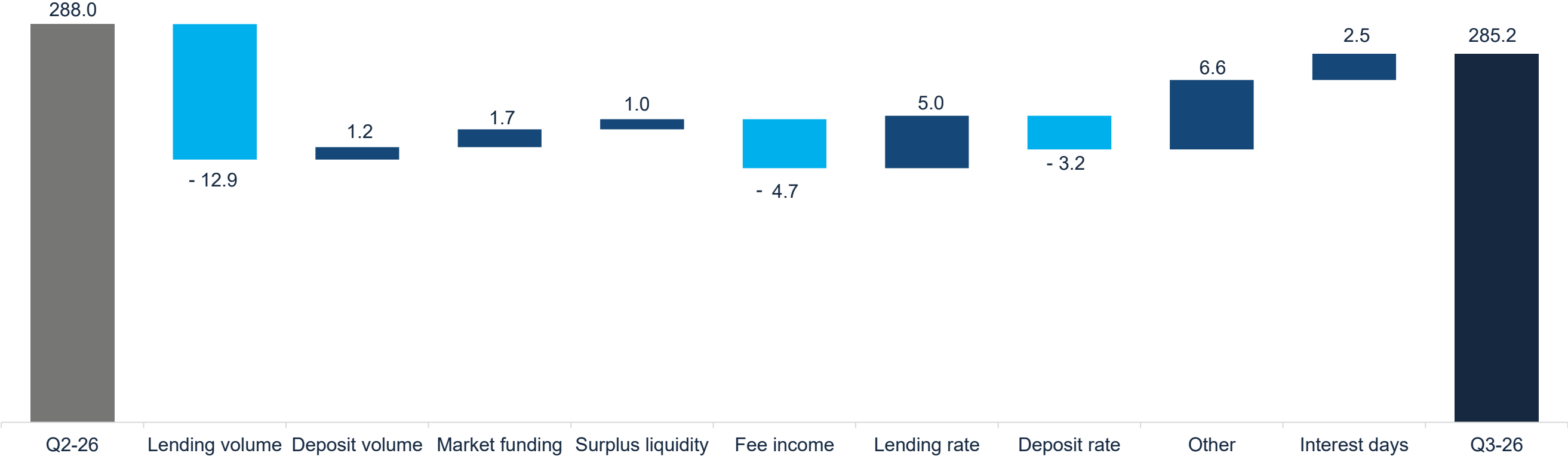
INCOME STATEMENT

P&L (NOKm)

	Q3-26	Q3-25	YTD-26	YTD-25
Net interest income	285.2	304.4	872.6	969.3
Net other operating income	-6.2	1.2	15.6	11.8
Total net income	279.0	305.6	888.2	981.1
Total operating expenses	50.7	59.2	159.9	183.5
Operating profit before impairments and losses	228.3	246.4	728.3	797.6
Impairments and losses on loans and guarantees	195.8	15.1	552.7	69.3
Pre-tax operating profit	32.5	231.3	175.6	728.2
Tax expense	4.8	54.6	34.4	172.3
Interest hybrid capital	13.2	13.0	38.1	39.0
Profit to shareholders	14.5	163.7	103.1	516.9
Earnings per share (NOK)	0.19	2.13	1.34	6.73
Cost/income ratio (%)	18.2 %	19.4 %	18.0 %	18.7 %

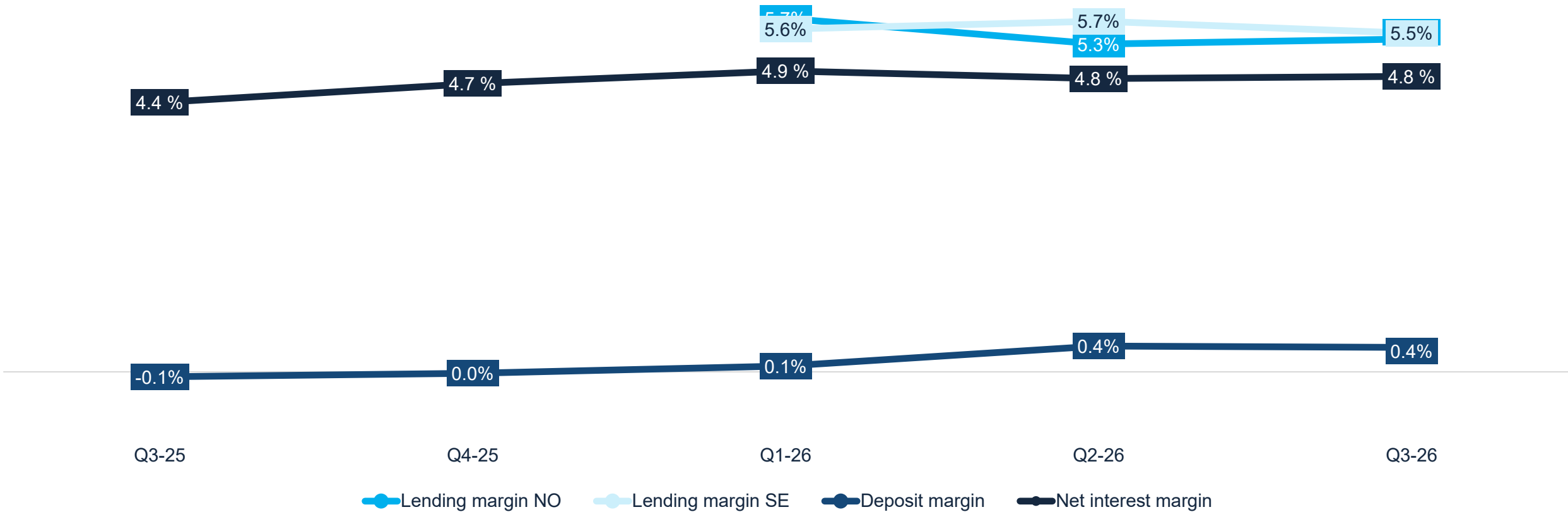
- Interest income down with lower lending volumes and activity driven fees.
- Fair value losses higher than last year, with losses on both bond holdings and issued fixed rate debt.
- Continued strong operational efficiency, with a cost/income ratio of 18.2% (19.4%). Third consecutive quarter with no bonus allocation.
- Continued high level of impairments.

CHANGE IN QUARTERLY NET INTEREST INCOME (NOKm)



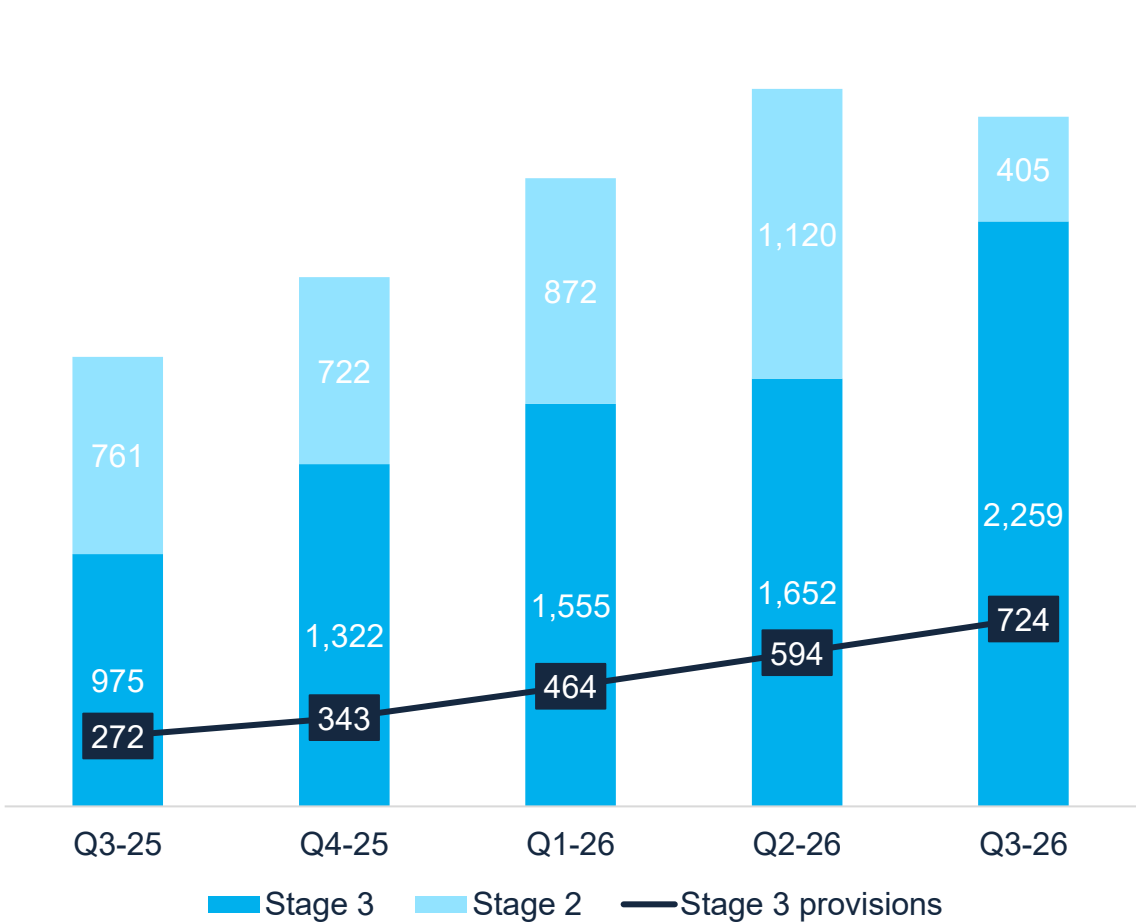
INTEREST MARGINS

Lending and deposit margins

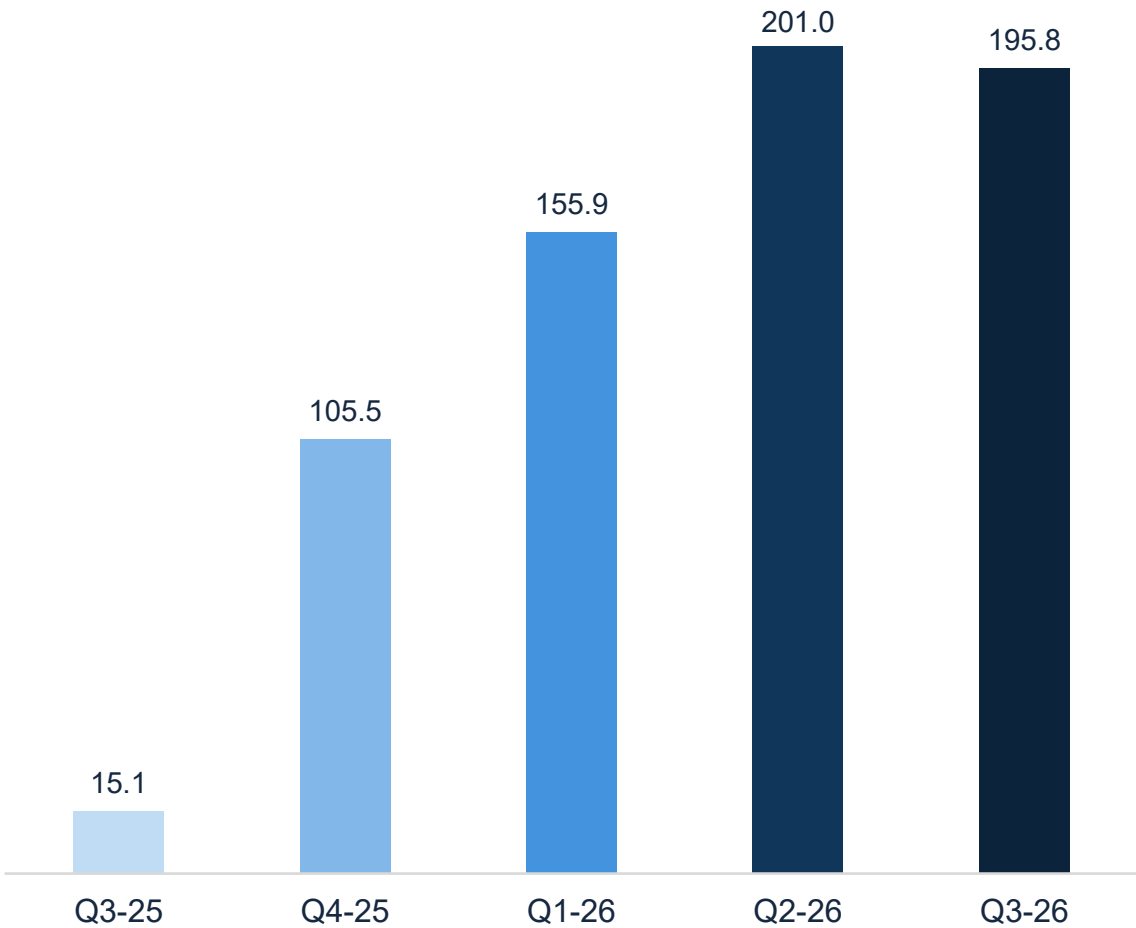


QUARTERLY CHANGE IN STAGE 2, 3 AND IMPAIRMENTS

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

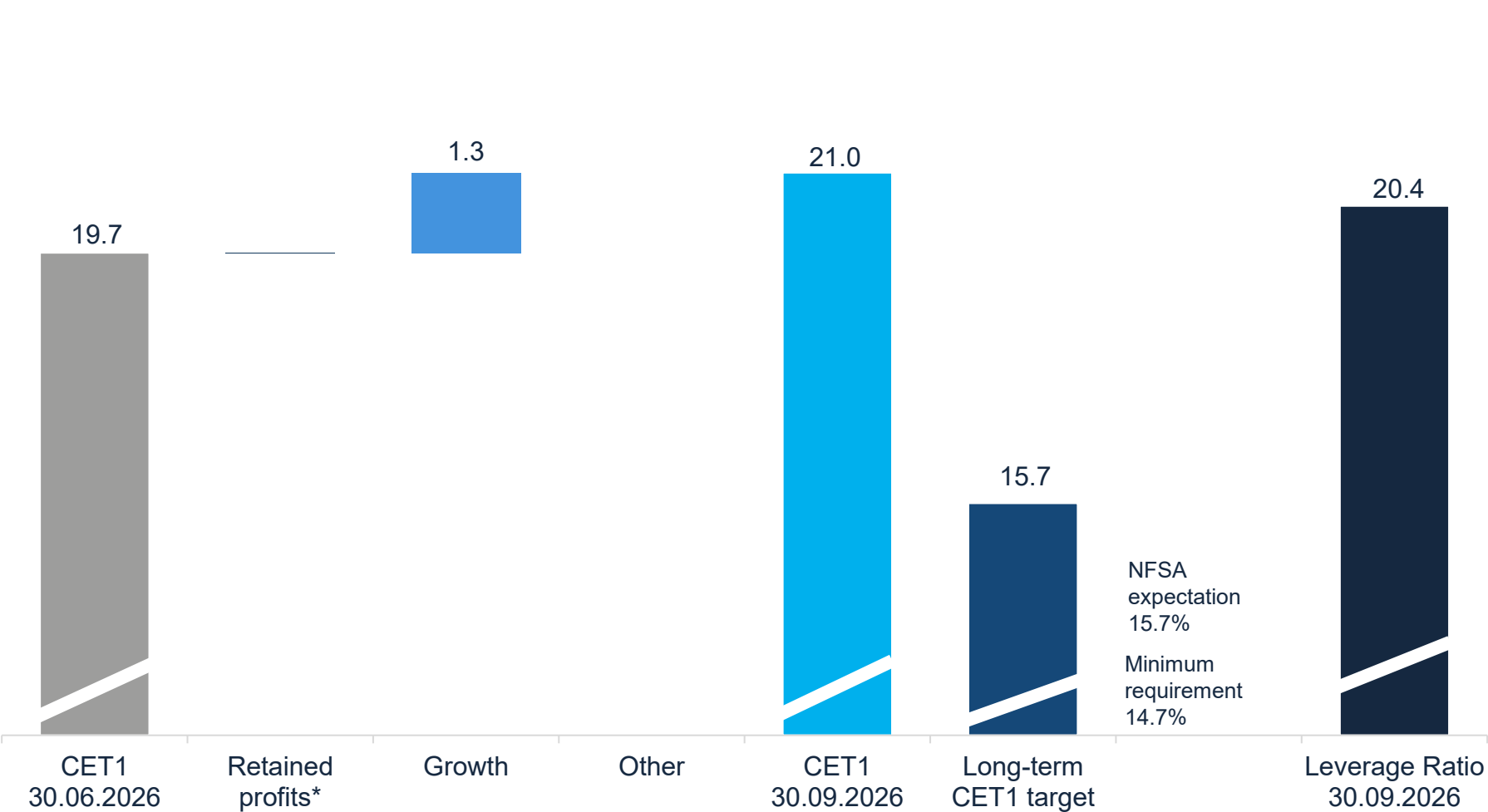


Impairments and losses on loans and guarantees (NOKm)



SOLIDITY AND CAPITAL REQUIREMENTS

Per cent



- Long-term CET1 target of 15.7%, 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.
- Reduction in capital requirements with negative growth and limited other effects in the quarter.

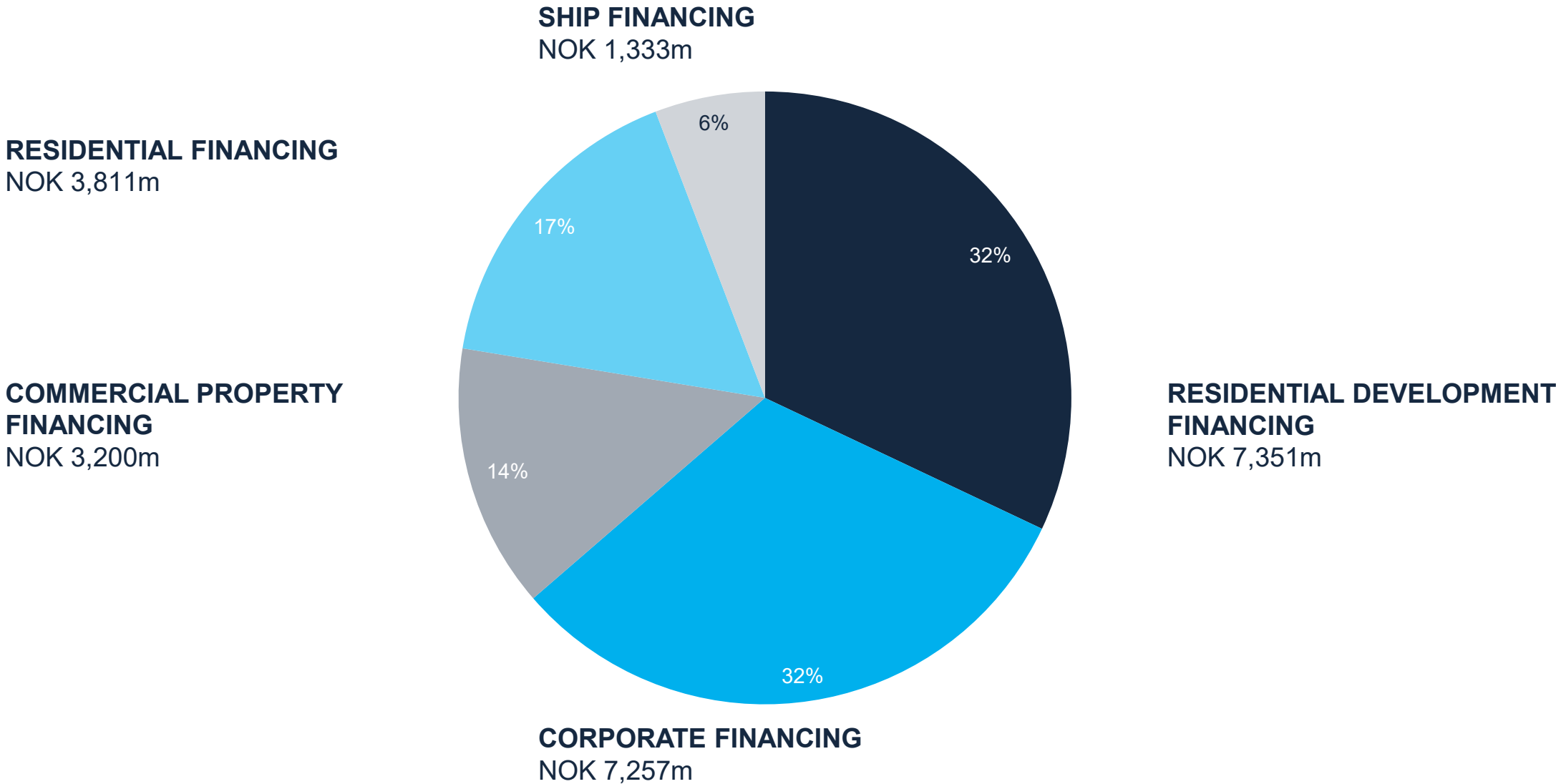
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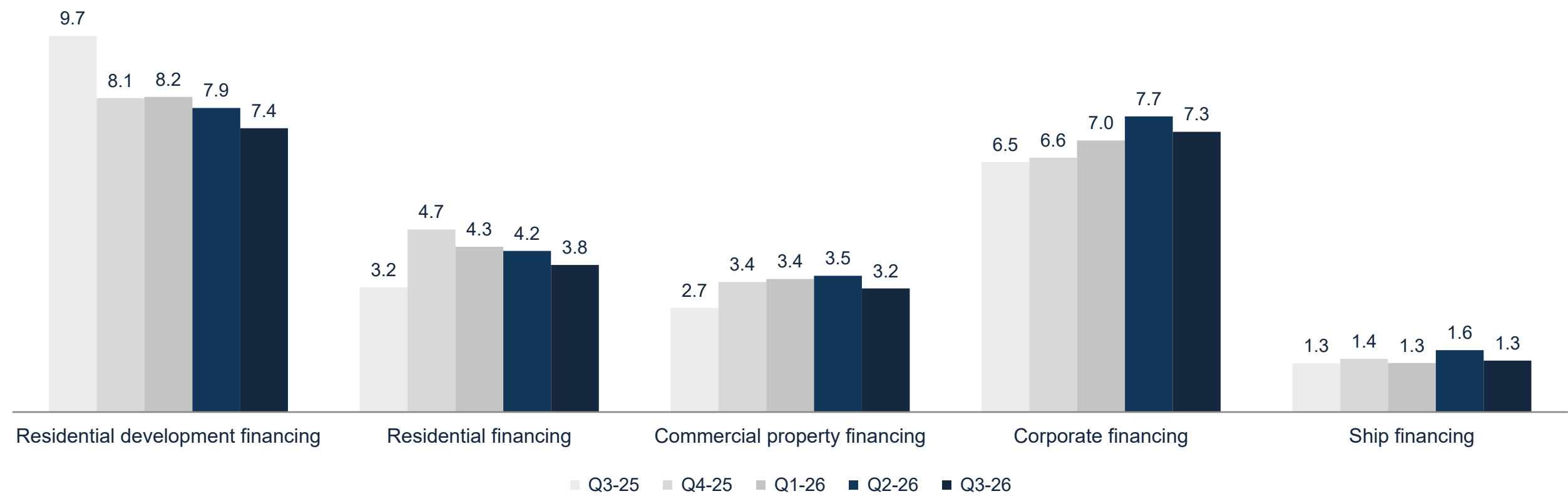
A NICHE PLAYER FINANCING MEDIUM-SIZED ENTERPRISES

Exposure (NOKm)



QUARTERLY EXPOSURE PER BUSINESS AREA

(NOKbn)



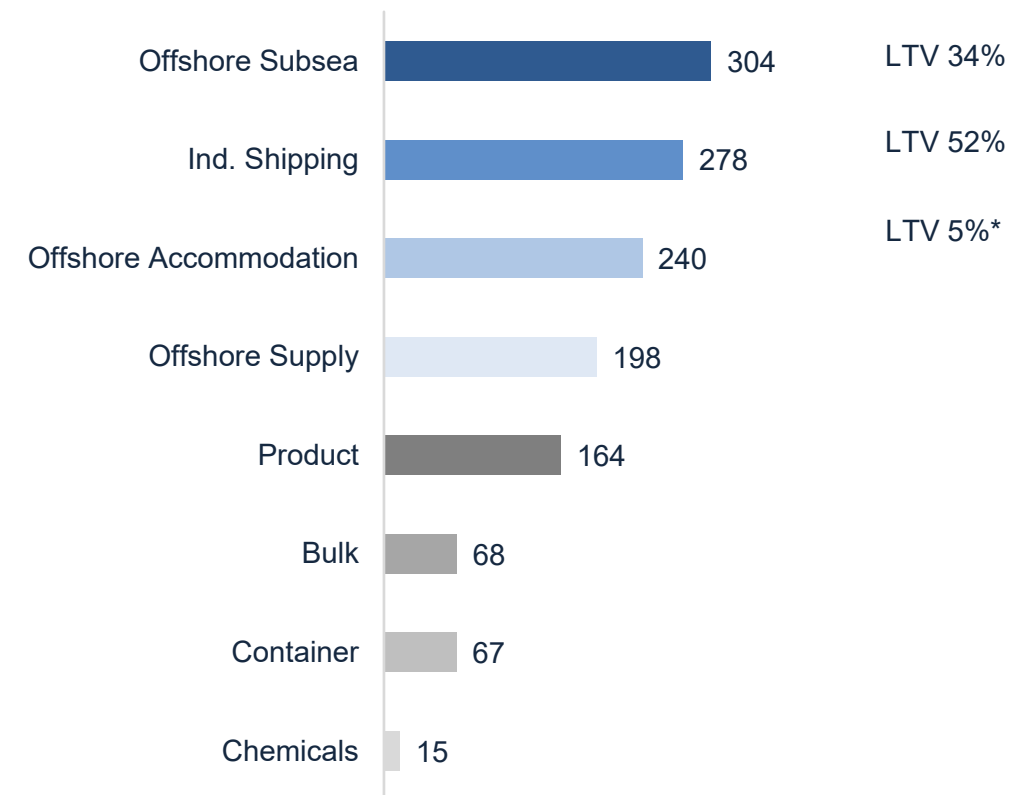
SHIP FINANCING

FLAT TO DECREASING EXPOSURE EXPECTED FOR Q4-26.

- Volume decline in Q3-26 with some projects that did not materialize as expected.
- Stable activity in Q4-26 with continued tough competition.
- Risk and uncertainty persist in the Strait of Hormuz. While Arabian Gulf traffic has improved, trade flows remain inefficient, supporting demand across several shipping segments.
- The remainder of 2026 looks promising for most shipping segments, driven by strong ton-mile demand, slow steaming and congestion. Accelerating fleet growth could soften market conditions in 2027.
- Oil prices remain volatile and are largely driven by geopolitical developments. Extensive supply disruptions have pushed prices higher, and the rebalancing of oil markets is expected to take time. Oil prices are expected to remain at elevated levels also in 2027.
- Offshore vessel markets remain robust, supported by increasing E&P activity, limited fleet growth and generally low orderbooks. Fleet utilization is expected to remain at healthy levels.

Exposure (NOKm)

Total NOK 1,333m (Q2-26: NOK 1,605m)

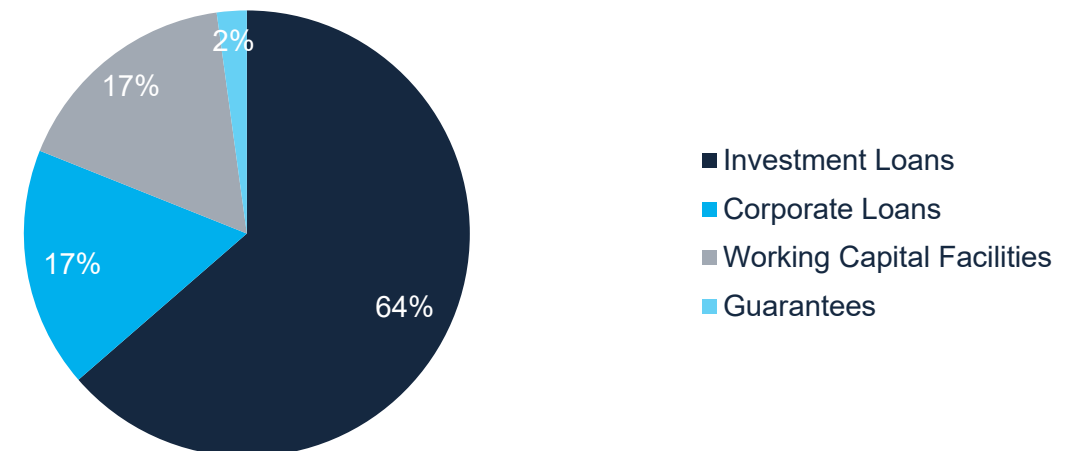
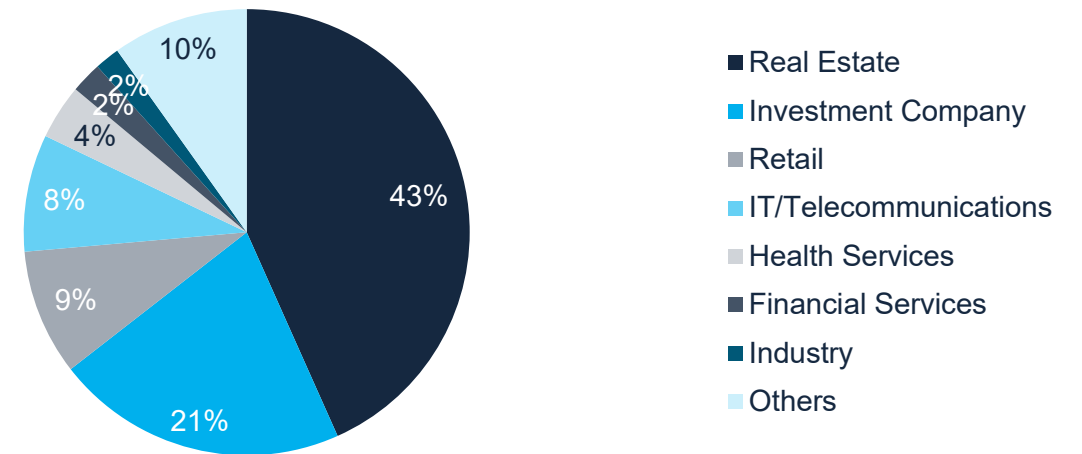


CORPORATE FINANCING

FLAT EXPOSURE EXPECTED FOR Q4-26.

- Volume down in Q3-26 as some processes did not materialize as expected.
- Good activity, but high competition and flat volume expected for Q4-26. Increased risk appetite among banks and both price and structures are being challenged.
- Increased efforts in Sweden will contribute to long-term growth.

Corporate exposure (NOKm) Total NOK 7,257m (Q2-26: NOK 7,660m)



COMMERCIAL PROPERTY FINANCING

Commercial property exposure (NOKm)

Total NOK 3,200m

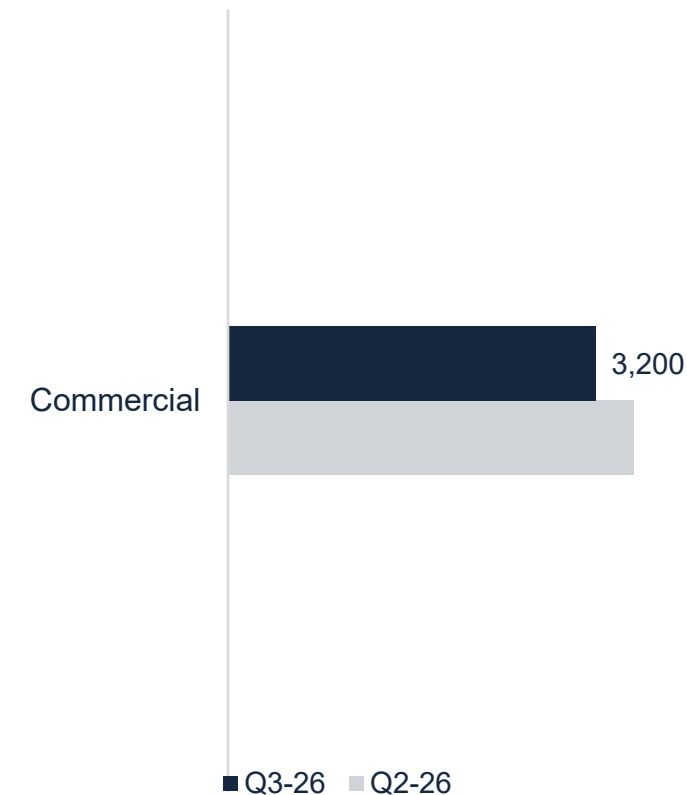
FLAT TO SLIGHTLY FALLING EXPOSURE IN Q4-26.

NORWAY

- Risk appetite remains low and demand limited.
- Transaction volumes are primarily driven by unleveraged buyers as long-term interest rates have risen.

SWEDEN

- Strong transaction activity and good financing demand for new-builds and existing assets.
- Strong lender competition from both banks and more specialized lenders.
- Good appetite for light industrial, warehouses and logistics. High vacancy limits office appetite. Vacancy risk and tenant quality remain key priorities.
- Volatile long-term rates may slow transactions, demand and investor risk appetite.



RESIDENTIAL PROPERTY FINANCING

Residential property exposure (NOKm)

Total NOK 11,162m

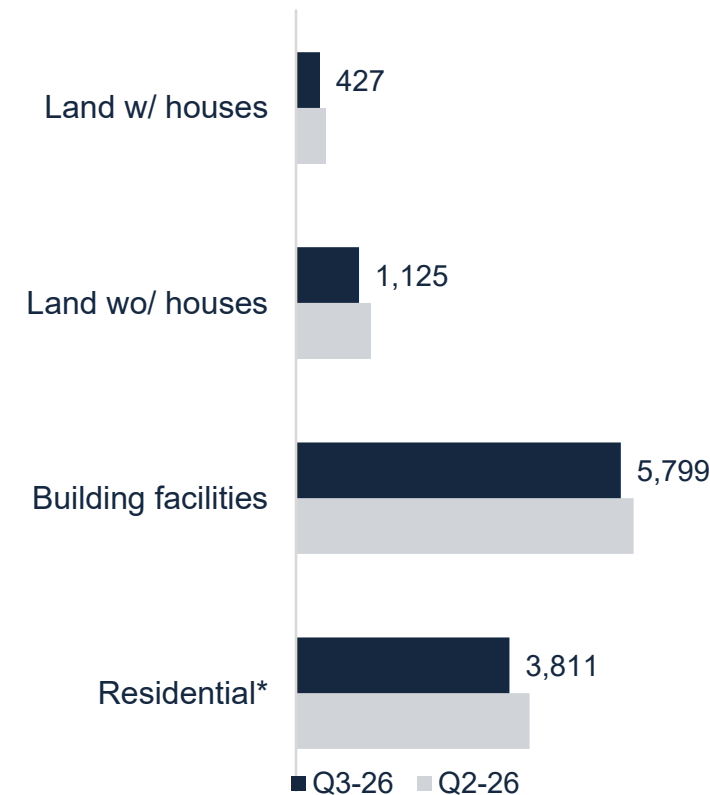
DECREASE IN VOLUME EXPECTED TO CONTINUE IN Q4-26.

NORWAY

- Volume is expected to decline as projects are completed and pipeline of new projects as well as risk appetite are low.
- A continued weak newbuild market with very few project starts as the large price difference between new and second-hand housing persists.
- Increased risk in the sales market and a build-up of completed unsold units.
- A strict credit practice is continued.

SWEDEN

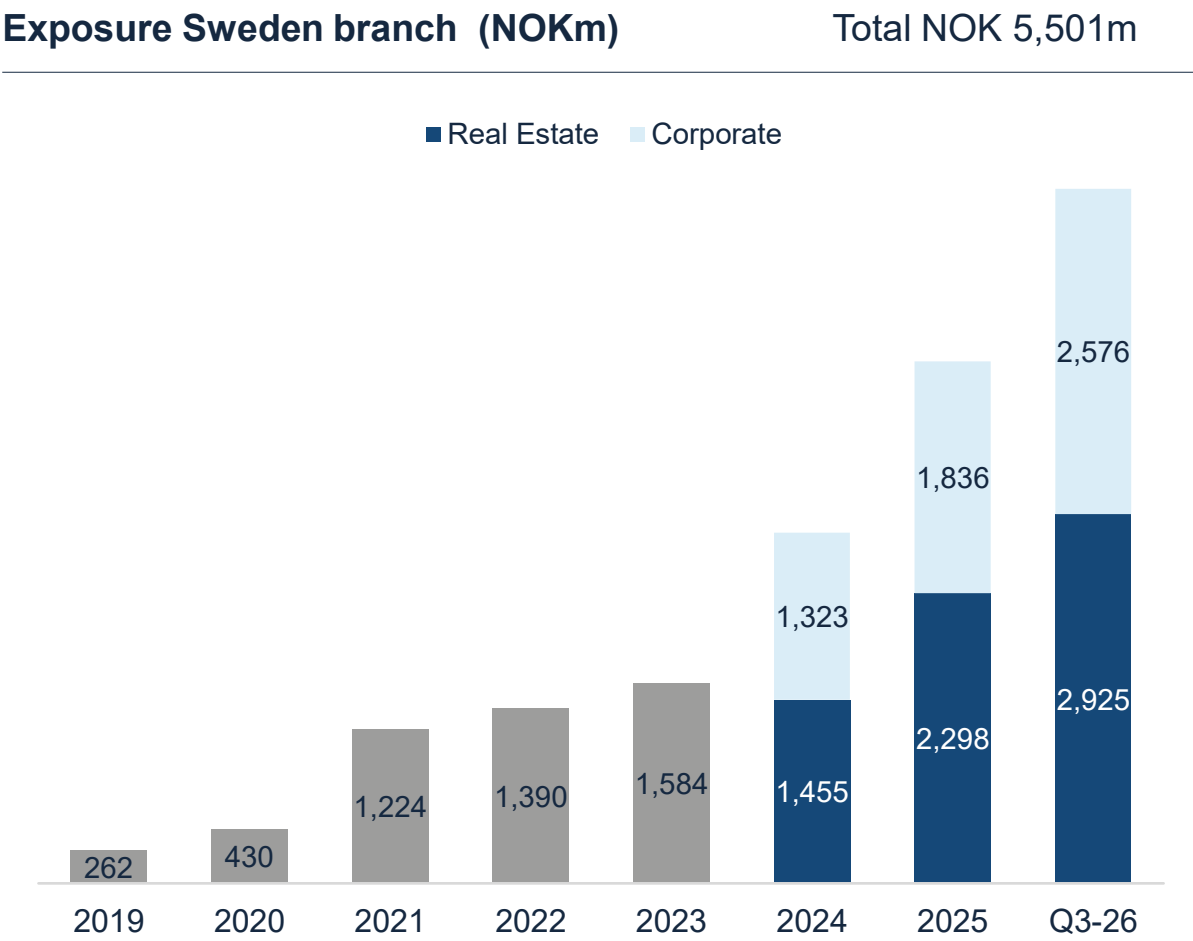
- Rising building starts and financing needs. Low rates and easing mortgage amortization requirements lift new-build sales volumes and prices.
- Strong lender competition from both banks and more specialized lenders.
- Volatile long-term rates may slow transactions, demand and investor risk appetite.



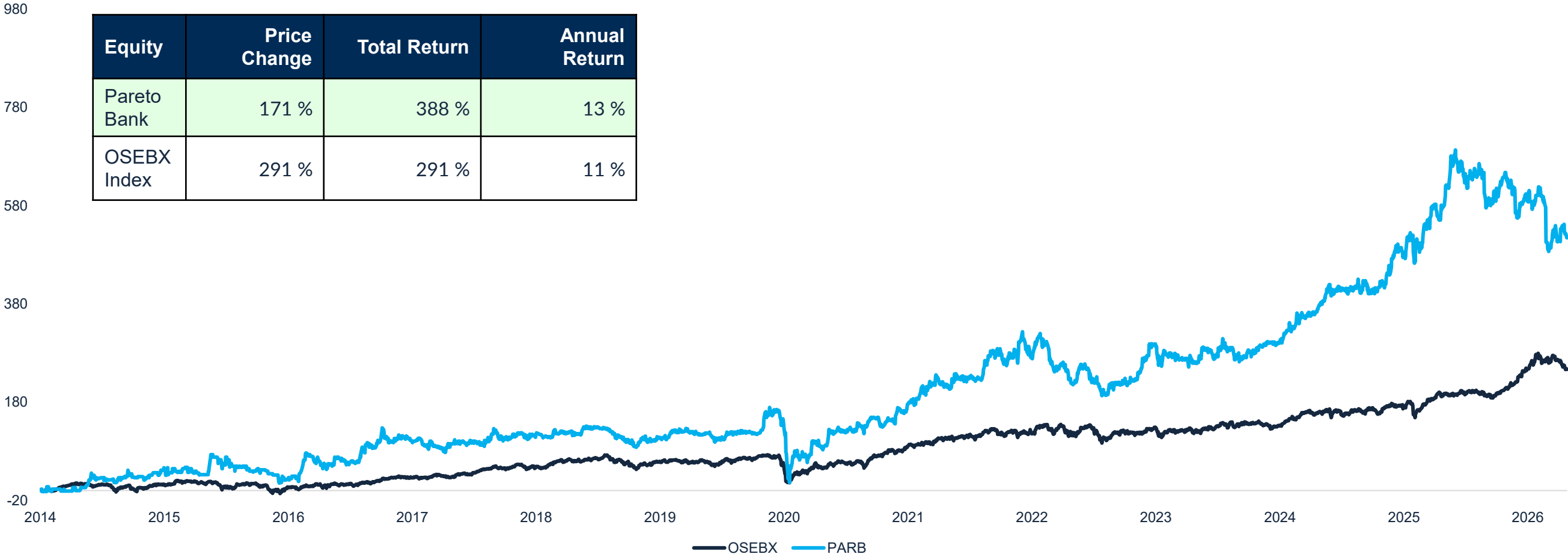
SWEDEN

MODERATE GROWTH AND STEADY DEAL FLOW IN Q4-26.

- Stable exposure in Q3-26, as expected.
- Approved commitments and solid pipeline of ongoing processes support continued growth through year-end and into 2027.
- Network and customer base growth remain high priorities.
- Team strengthened with first local hire.
- Professional clients, strong credit quality and lower capital requirements in Sweden support an attractive risk-return profile.
- ROE target above long-term ambition of 15%.

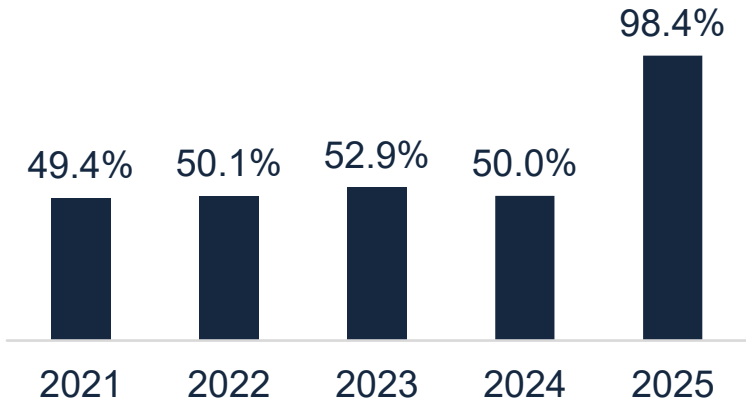
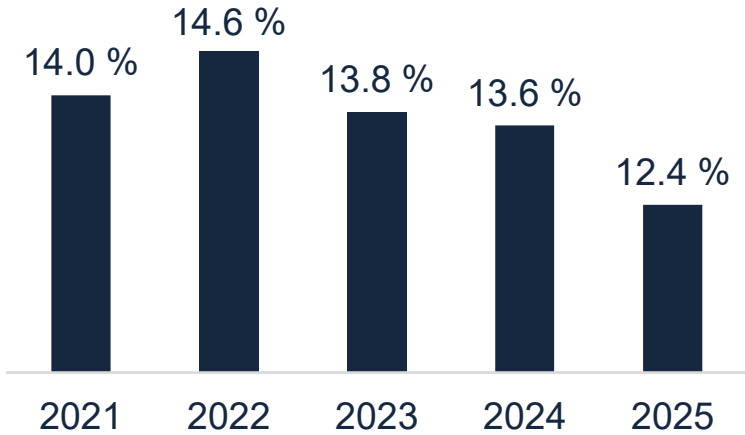
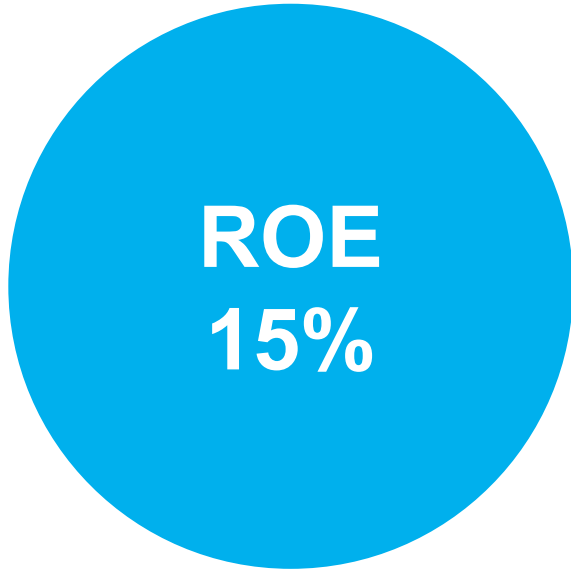


TOTAL RETURN



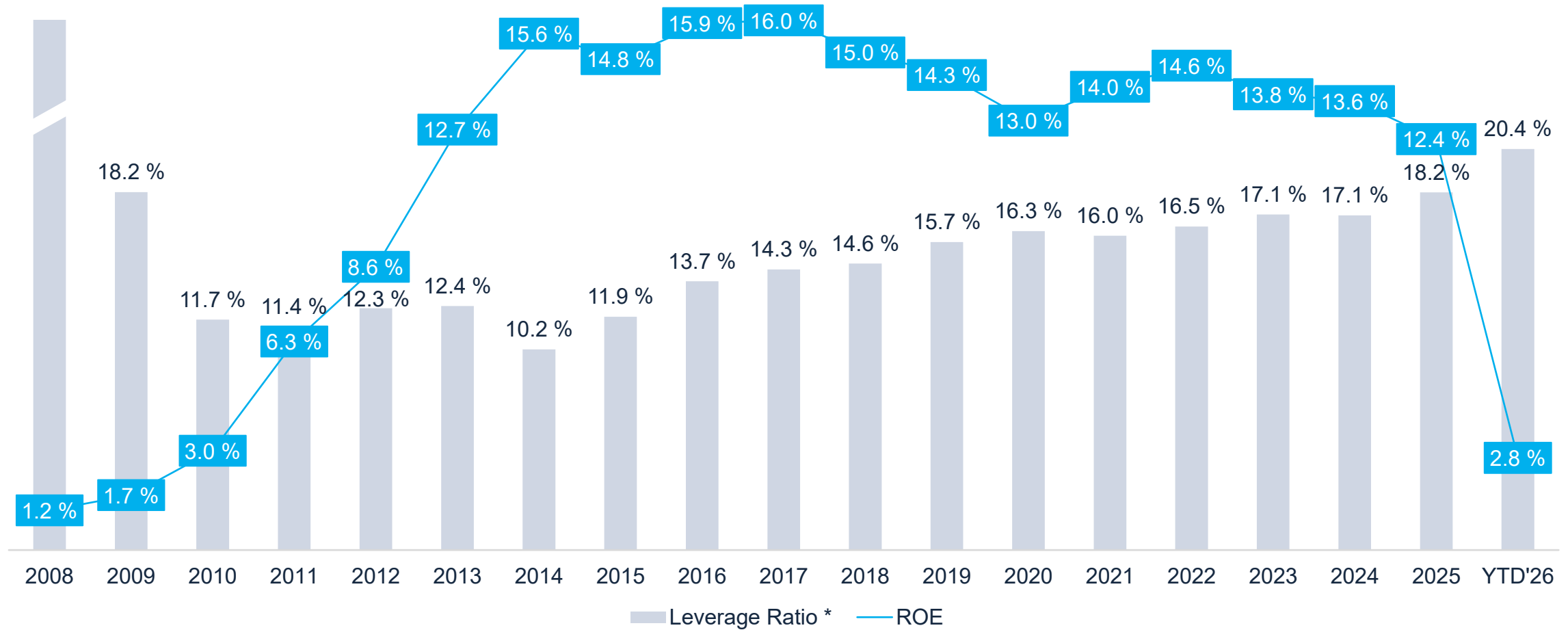
APPENDIX

LONG-TERM AMBITIONS



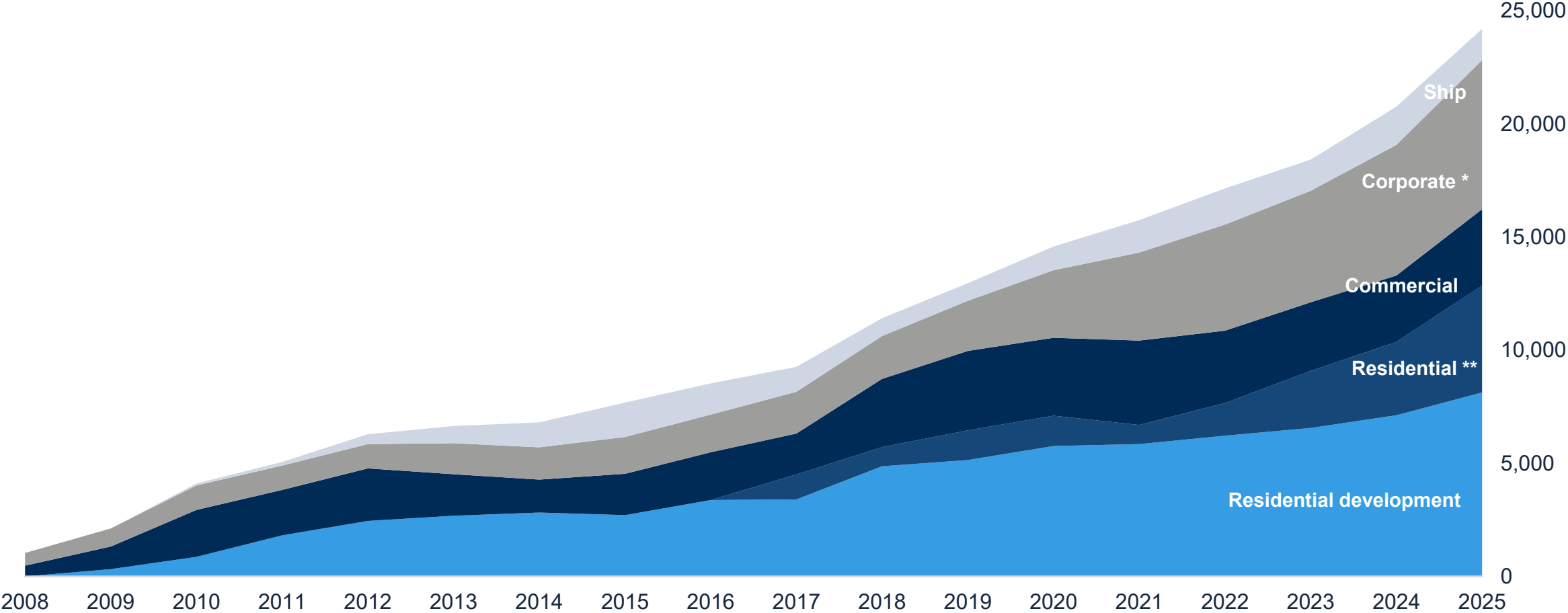
ROE AND LEVERAGE RATIO

Profitability with increasing solidity



LENDING GROWTH

Per business area (NOKm)



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

LARGEST SHAREHOLDERS

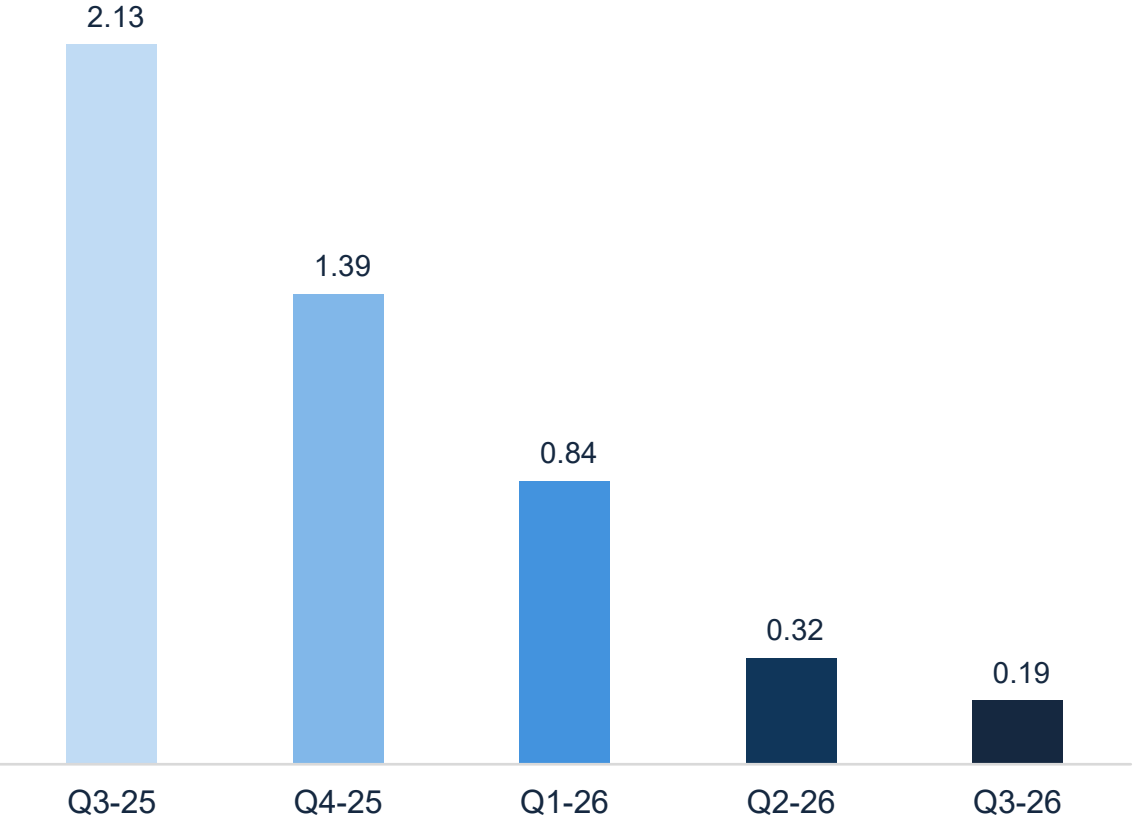
30 September 2026

	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	4,276,921	5.57 %
5	Verdipapirfondet Holberg Norge	2,420,856	3.15 %
6	Kolberg Motors AS	2,350,000	3.06 %
7	Salt value AS	2,070,080	2.70 %
8	Stenshagen Invest AS	2,059,730	2.68 %
9	Landkreditt Utbytte	2,041,801	2.66 %
10	OM Holding AS	1,261,512	1.64 %
11	RB Investor AS	1,243,802	1.62 %
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	DnB Bank ASA	857,539	1.12 %
18	Varde Norge AS	770,000	1.00 %
19	Elgar Kapital AS	600,000	0.78 %
20	Rikter-Svendsen AS	595,000	0.77 %
Sum TOP 20		52,213,347	68.00 %
Other shareholders		24,569,076	32.00 %
Total		76,782,423	100.00 %

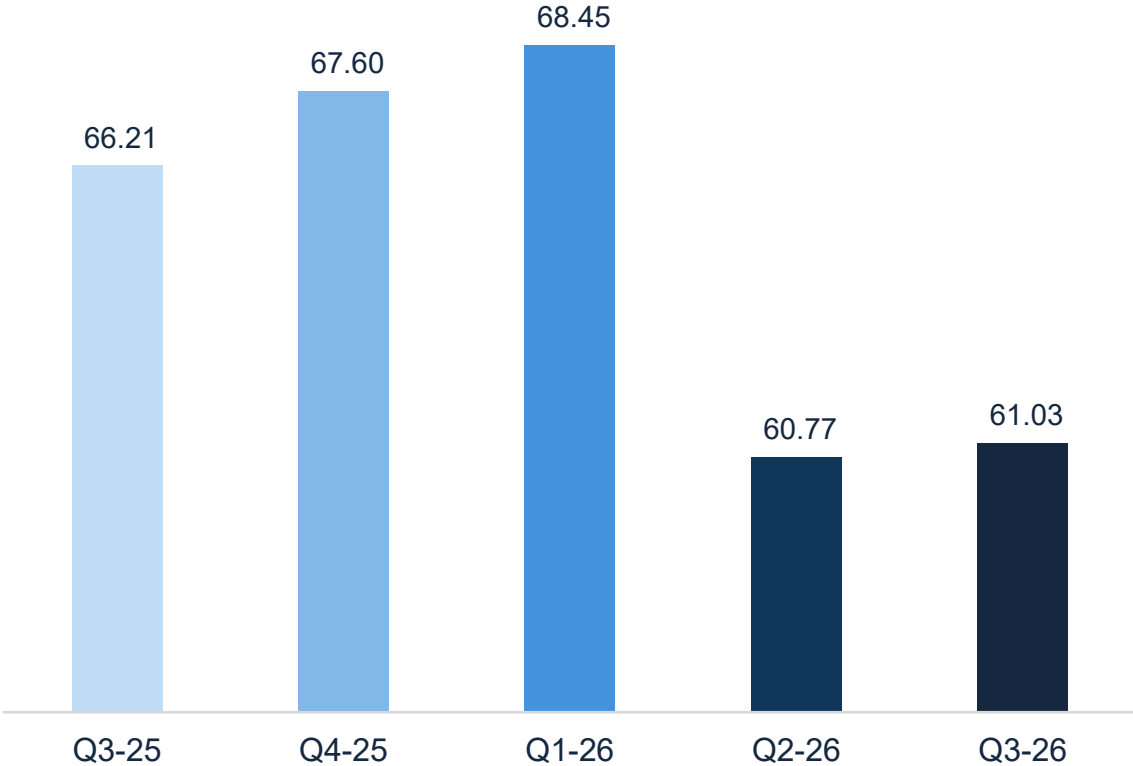
- The Company has 76,782,423 shares outstanding. One class of shares where each share carries one voting right.
- Diversified investor base with 6,088 shareholders.
- The Top 10 and 20 investors hold 56% and 68% of the shares respectively.
- Employees in Pareto Bank own 1.6%.
- All employees are covered 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)

	Q3-26	Q2-26	Q1-26	Q4-25	Q3-25
Net interest income	285.2	288.0	299.4	310.6	304.4
Net other operating income	-6.2	10.8	10.9	3.7	1.2
Total net income	279.0	298.8	314.3	314.3	305.6
Total operating expenses	50.7	52.9	56.3	54.0	59.2
Operating profit before impairments and losses	228.3	245.9	254.1	260.3	246.4
Impairments and losses on loans and guarantees	195.8	201.0	155.9	105.5	15.1
Pre-tax operating profit	32.5	44.9	98.2	154.8	231.3
Tax expense	4.8	8.1	21.5	35.1	54.6
Interest hybrid capital	13.2	12.6	12.3	12.7	13.0
Profit for the period	27.7	36.9	76.7	119.7	176.8
Earnings per share (NOK)	0.19	0.32	0.84	1.39	2.13
Return on equity	1.2 %	2.0 %	5.0 %	8.3 %	13.0 %
Cost/income ratio	18.2 %	17.7 %	18.1 %	17.2 %	19.4 %

QUARTERLY BALANCE SHEET

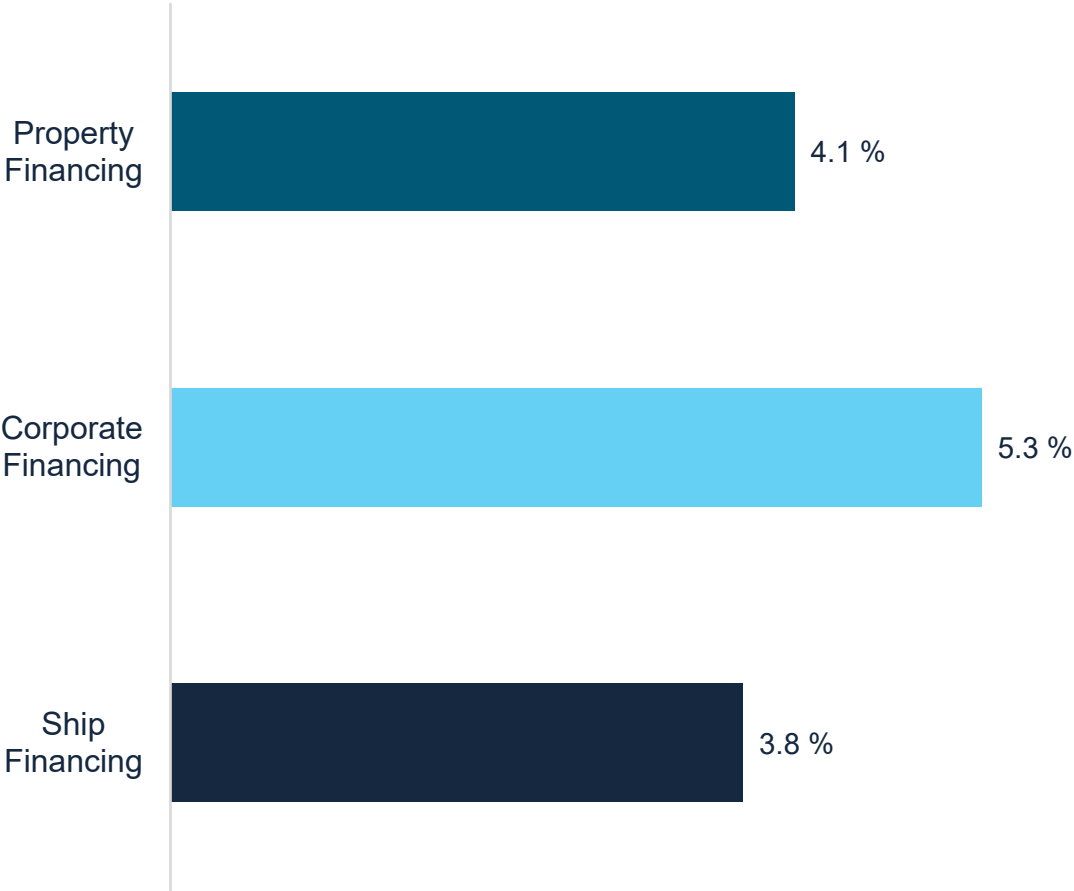
(NOKm)

	Q3-26	Q2-26	Q1-26	Q4-25	Q3-25
Loans to credit institutions	1,636	1,677	2,213	1,589	1,841
Loans to customers	17,934	19,406	19,249	18,774	18,983
Bonds and other securities	2,861	2,862	2,861	4,668	5,692
Shareholdings in associated companies	33	33	33	33	34
Other assets	319	279	324	273	210
Total assets	22,783	24,257	24,680	25,337	26,761
Deposits from customers and institutions	10,280	10,881	10,351	11,758	13,297
Senior securities issued	6,535	7,250	7,582	6,743	6,737
Other liabilities	152	209	241	395	394
Tier 2 subordinated securities issued	579	701	700	700	700
Additional tier 1 capital	550	550	550	550	550
Other equity	4,686	4,666	5,256	5,191	5,084
Total liabilities and equity	22,783	24,257	24,680	25,337	26,761

MARGINS AND INTEREST CONTRIBUTION

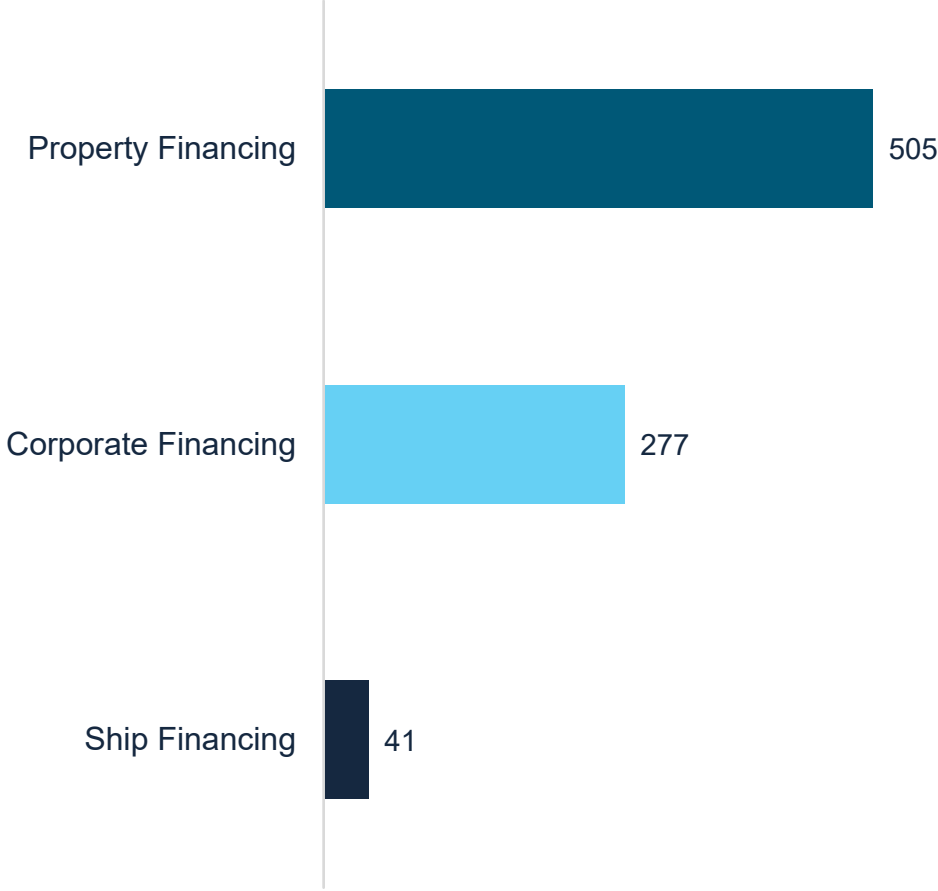
Margins per business area

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 30.09.2026. Fixing in arrears for SOFR rates are estimated.

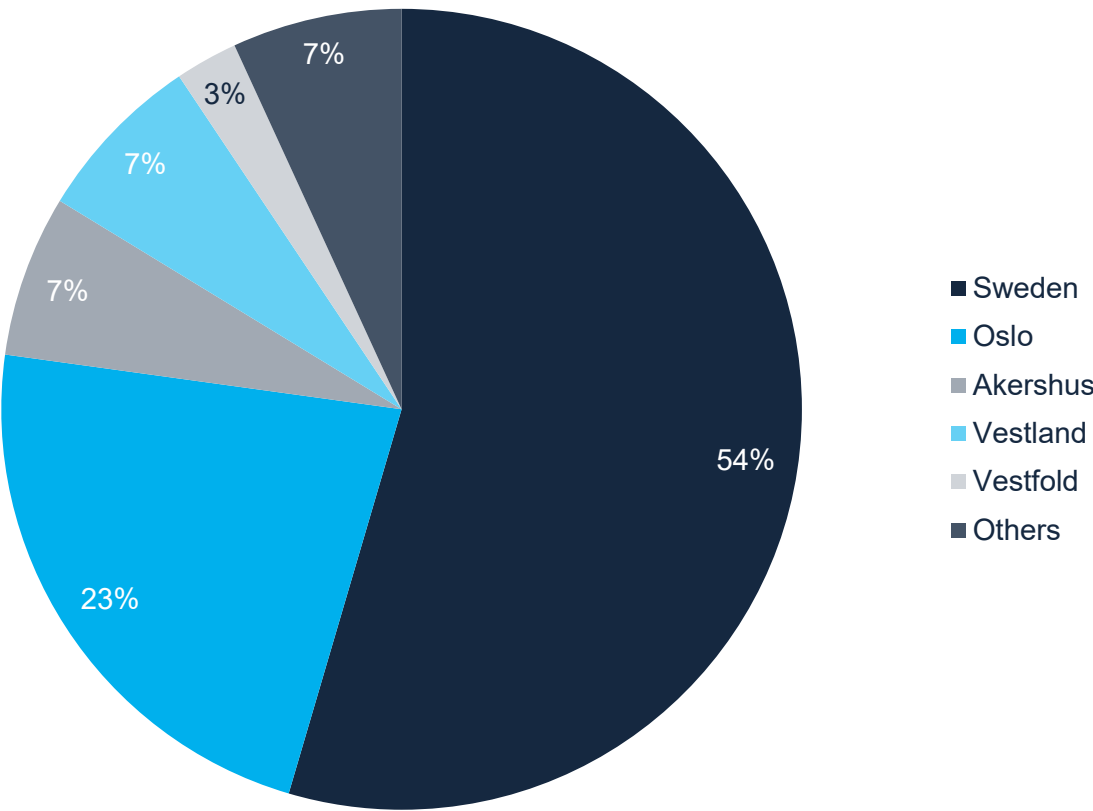
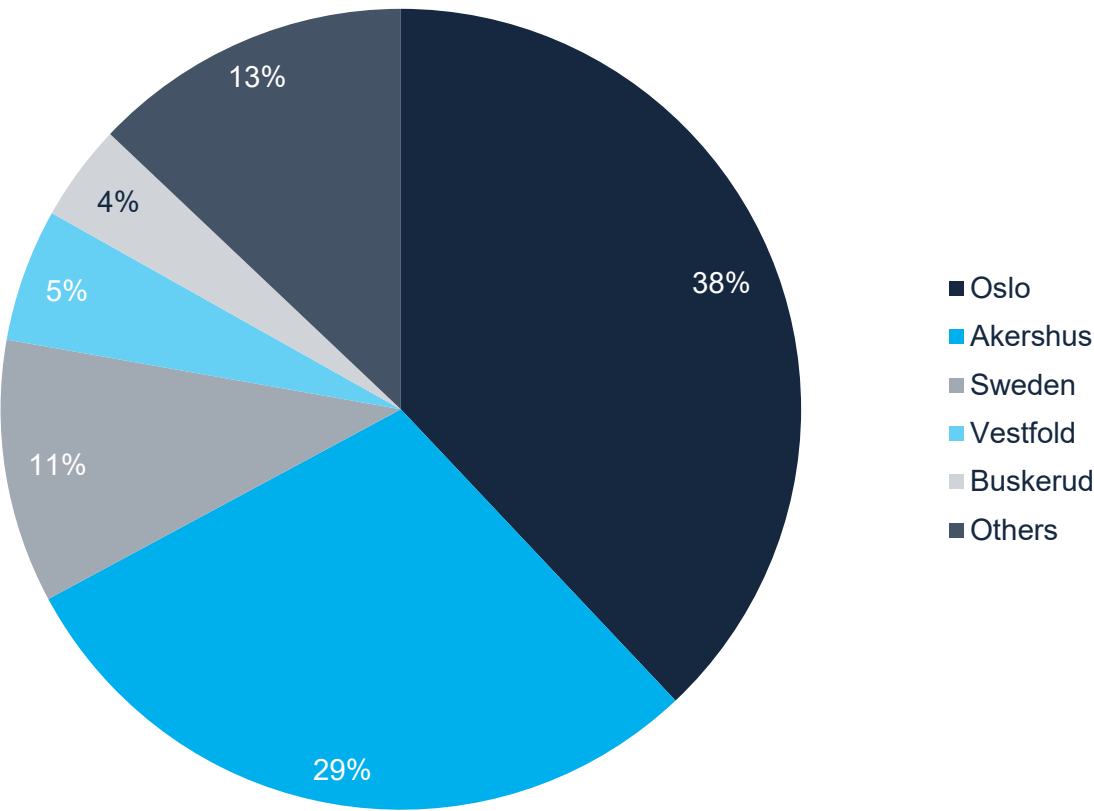
REAL ESTATE FINANCING EXPOSURE

Geographical residential property exposure

Total NOK 11,162m*

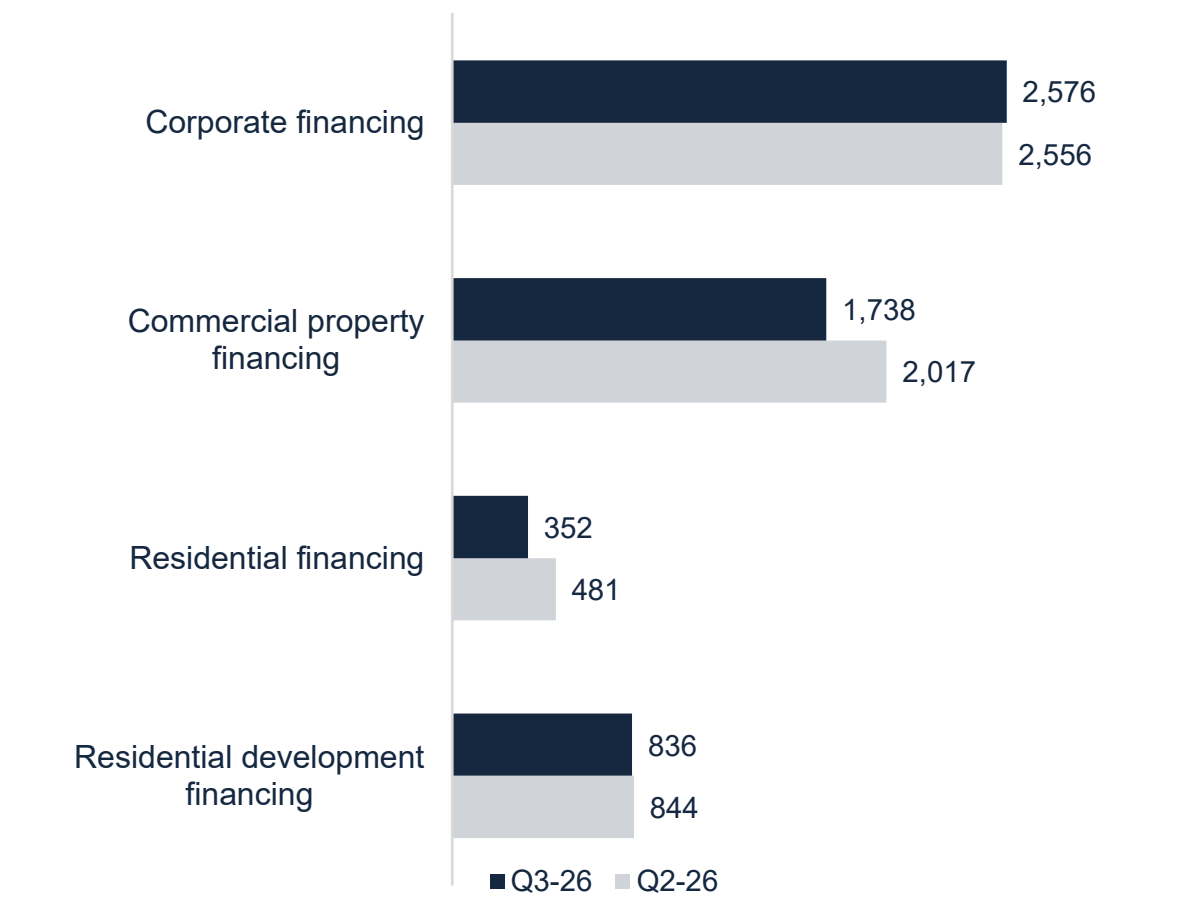
Geographical commercial property exposure

Total NOK 3,200m*

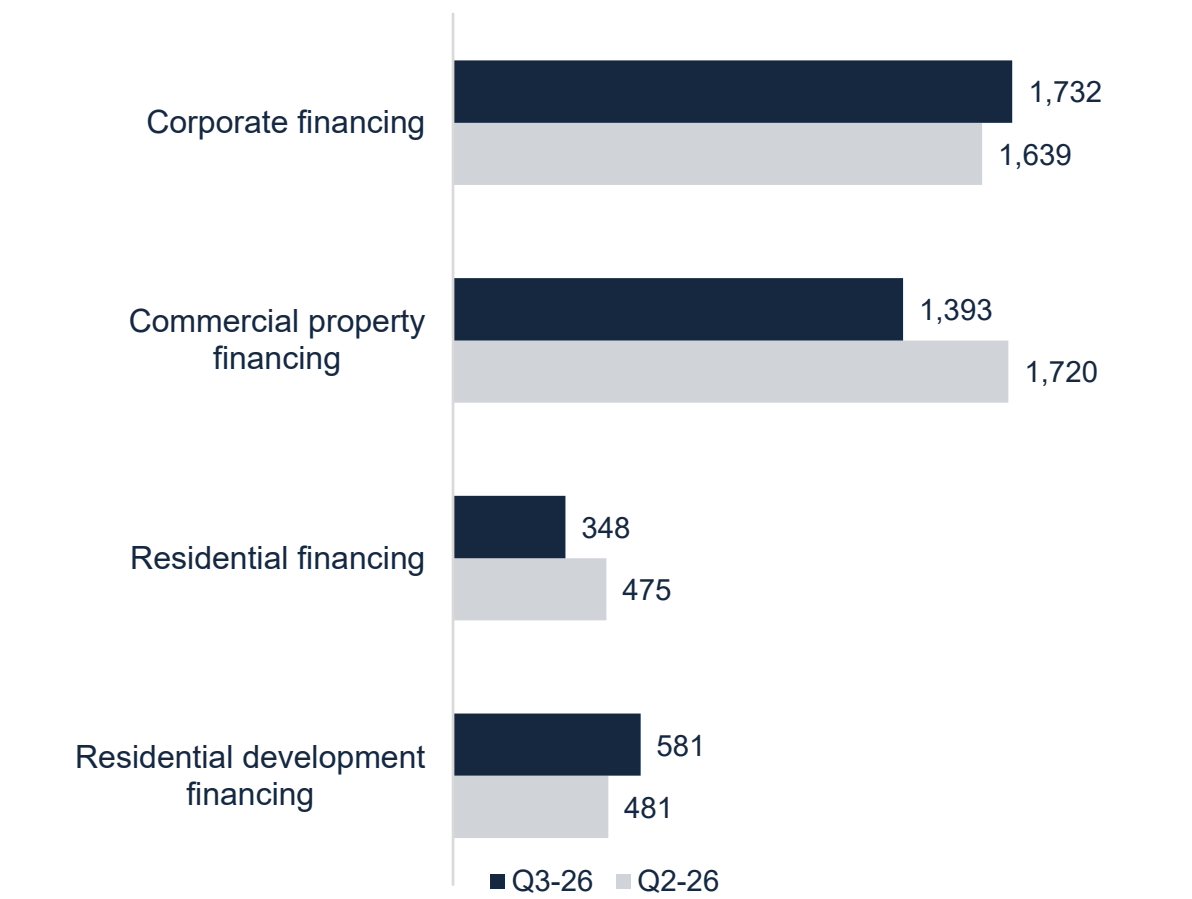


SWEDEN

Exposure Sweden branch (NOKm) Total NOK 5,501m

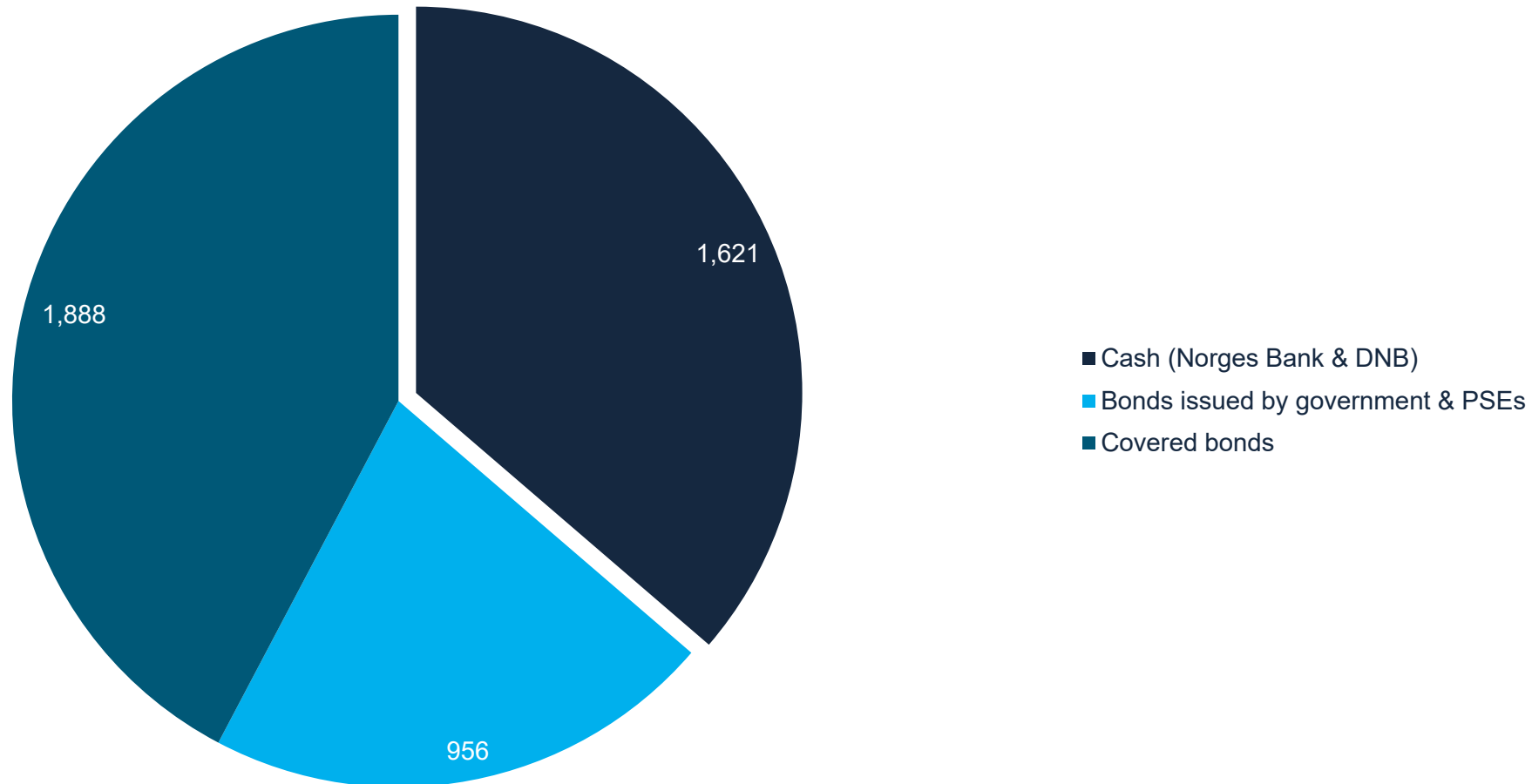


Lending Sweden branch (NOKm) Total NOK 4,055m



LIQUIDITY BUFFER

Low credit and market risk (NOKm)

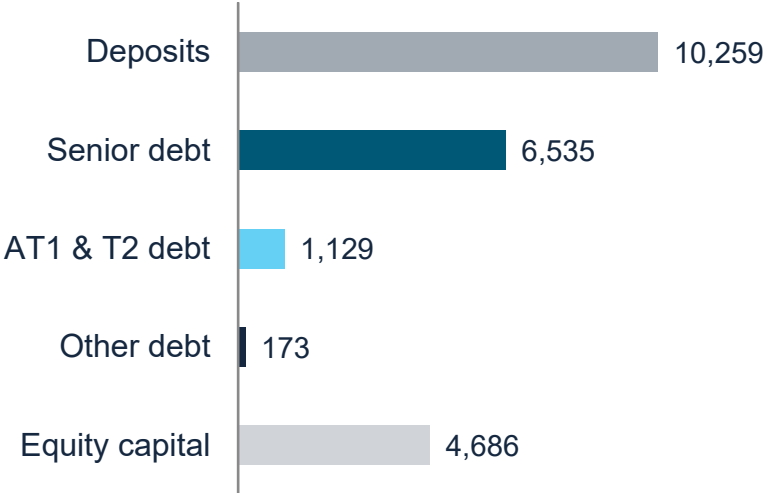


Comments

- 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)

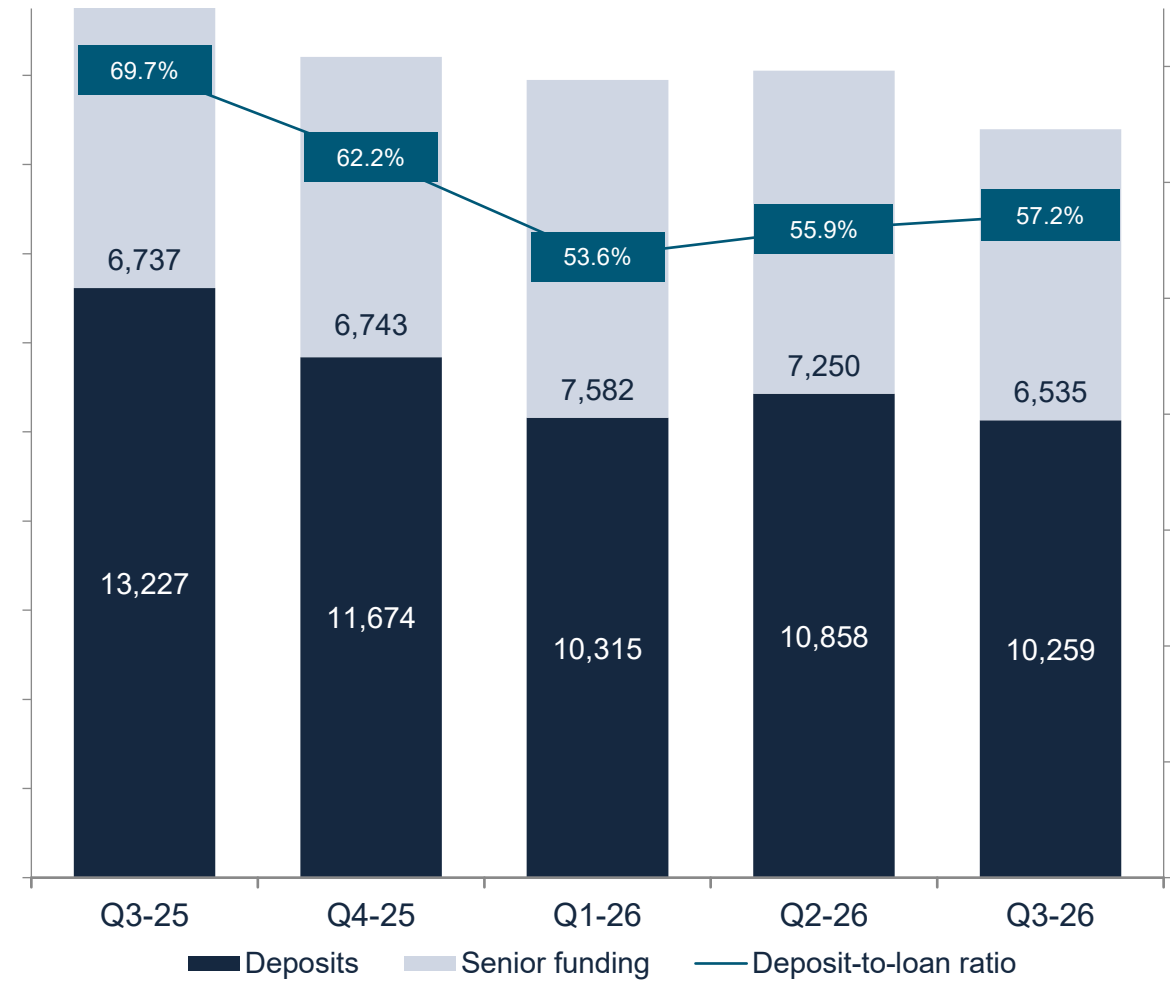


Key funding and liquidity ratios

- Deposits with liquidity restrictions 80 %
- Corporate deposits 46 %
- Deposit-to-loan ratio 57 %
- Liquidity Coverage Ratio 502 %
- Net Stable Funding Ratio 150 %

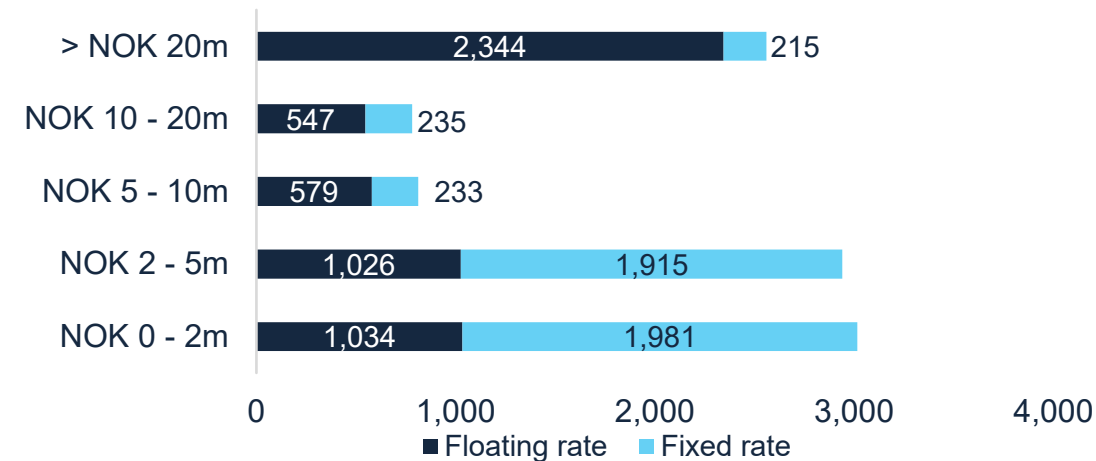
Deposits & senior debt

NOKm,
Percent customer deposits of net lending to customers

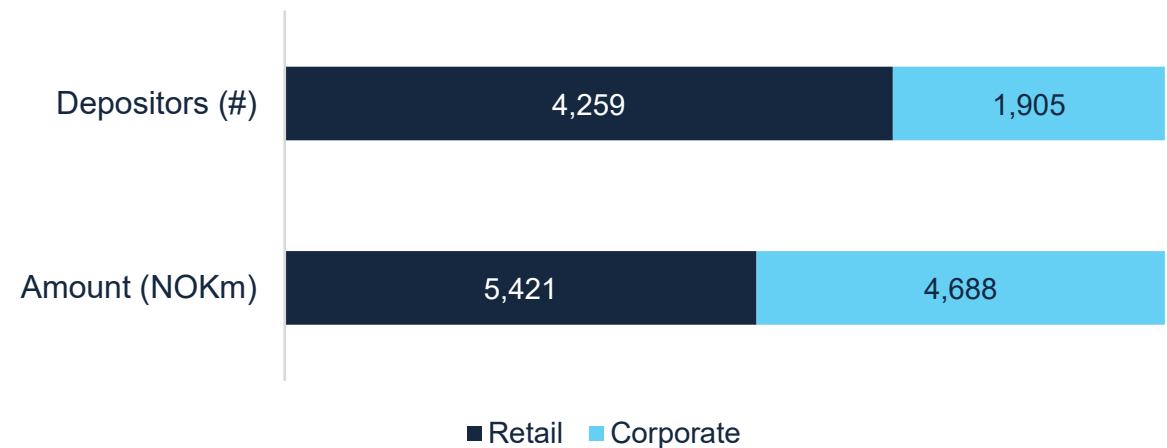


CUSTOMER DEPOSITS

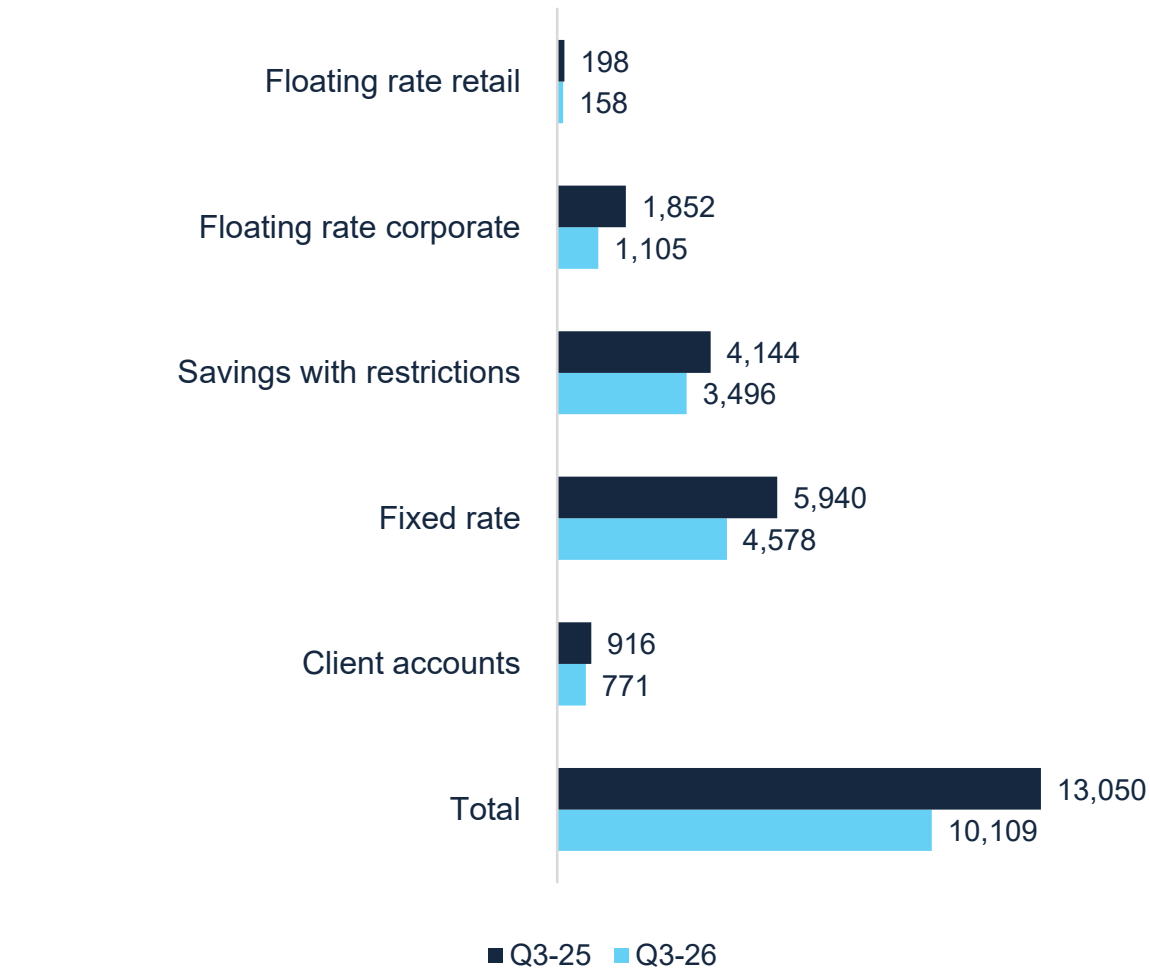
Deposits by size (NOKm)



Deposits by type (NOKm)

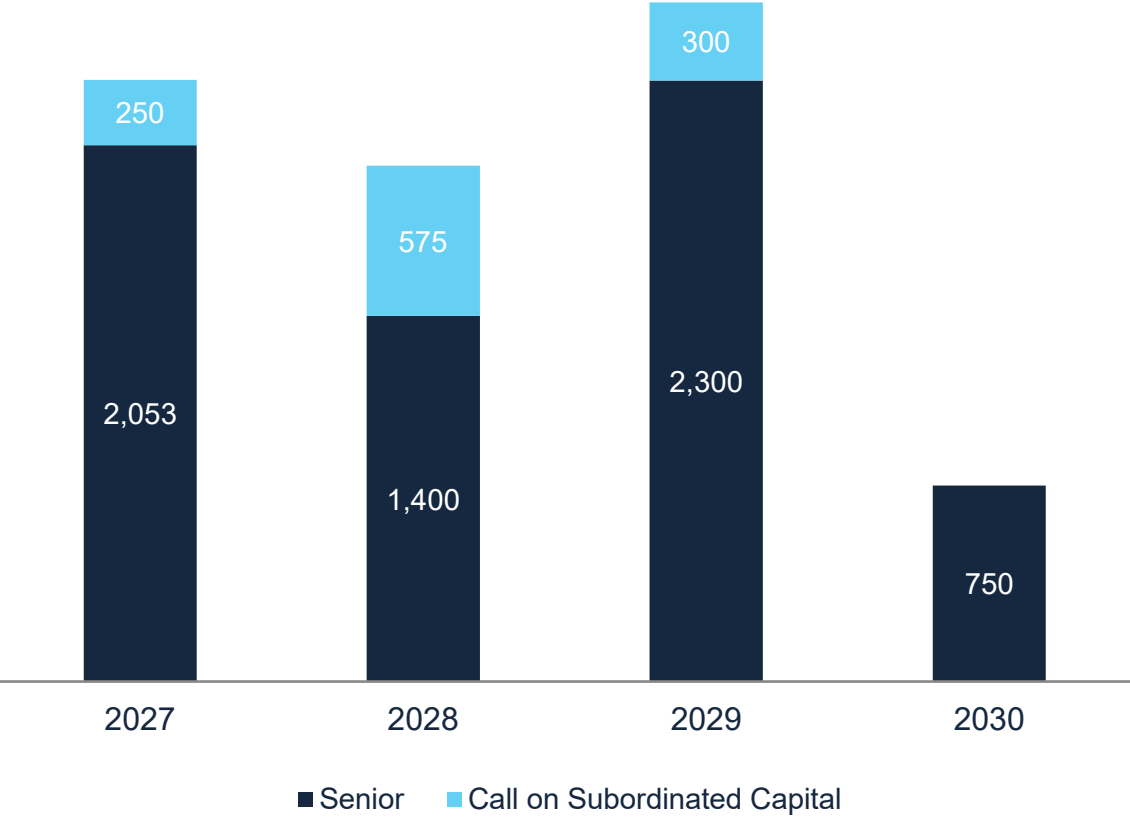


Deposits by product (NOKm)

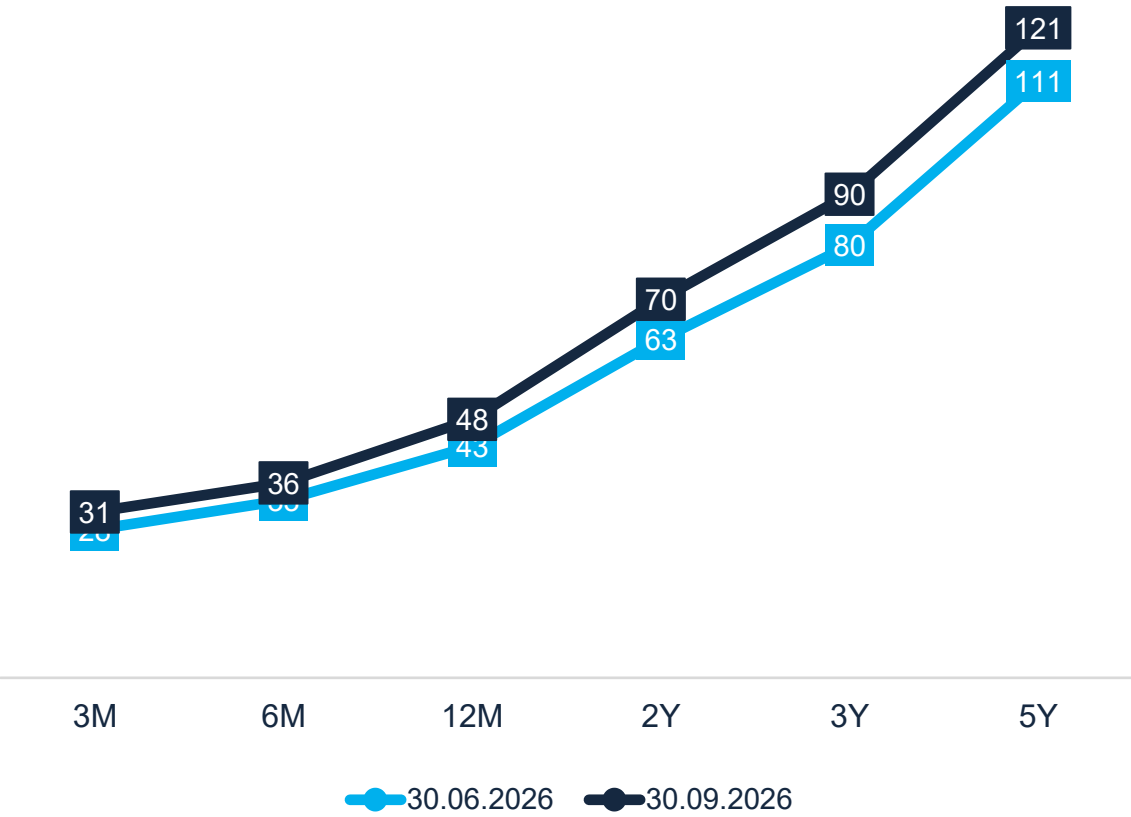


MARKET FUNDING

Market funding maturities (NOKm) *



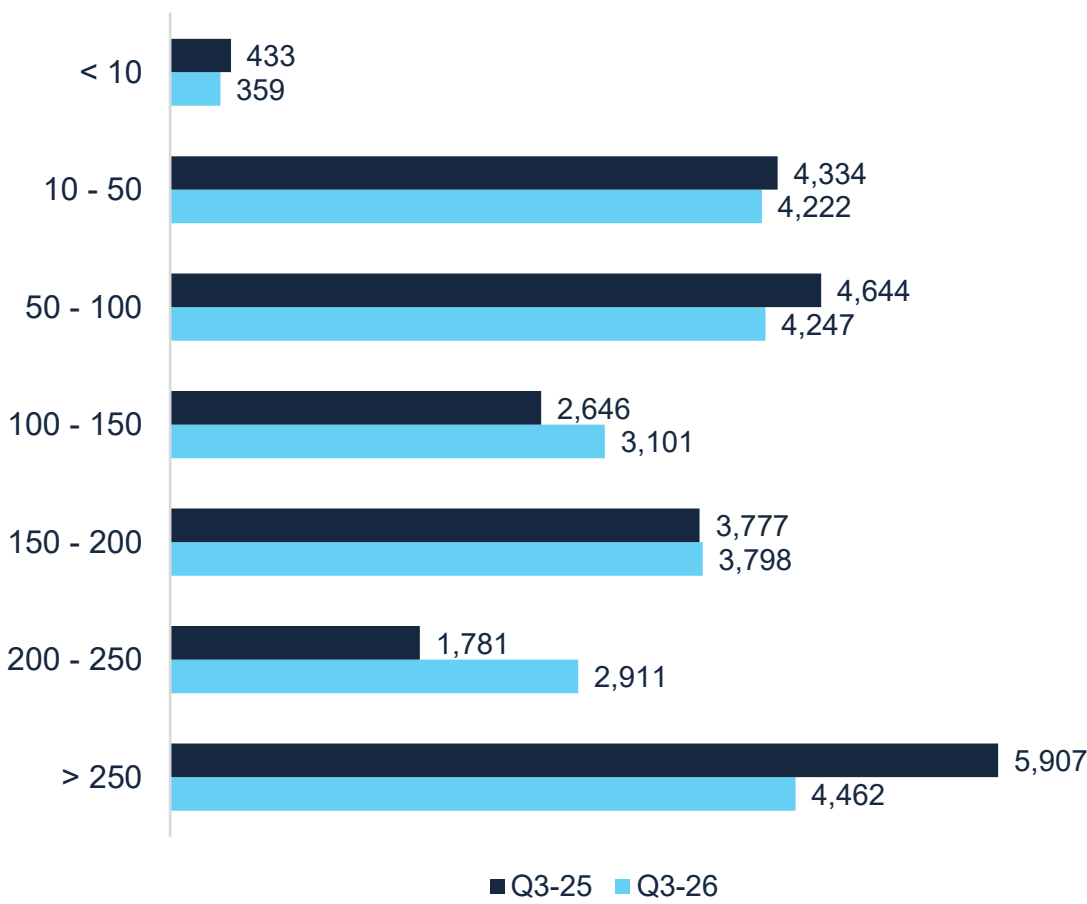
Cost of new market funding **



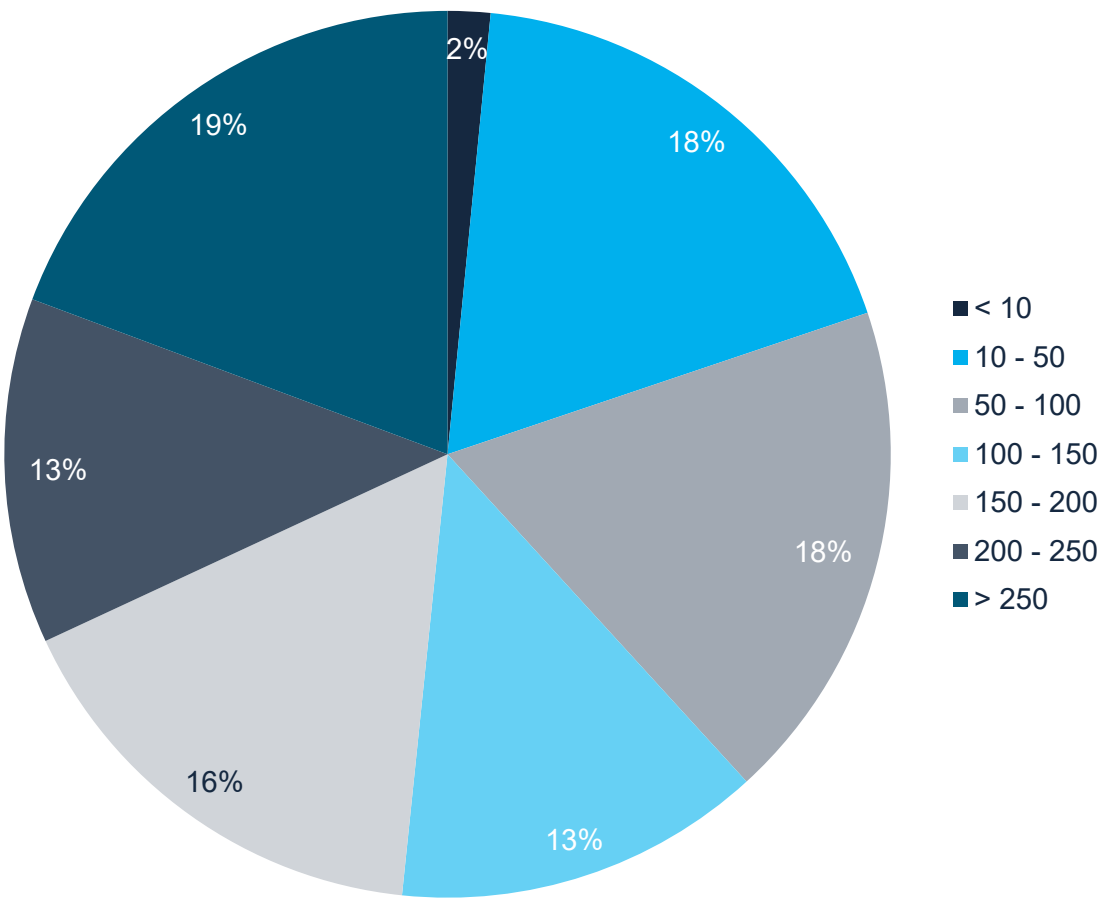
*) Net of own holdings as of 30.09.2026.
**) Floating rate coupon for new bond issue per maturity (basis points over 3M Nibor).

COMMITMENTS BY SIZE

Commitment size per customer (NOKm)

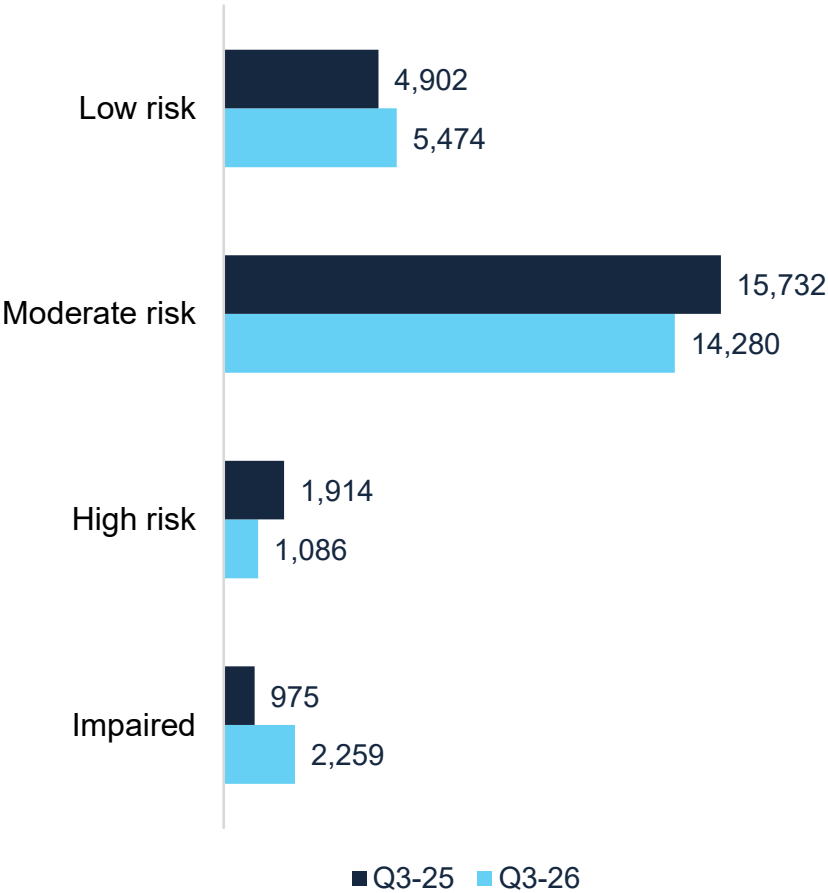


Distribution of commitments by size (NOKm)

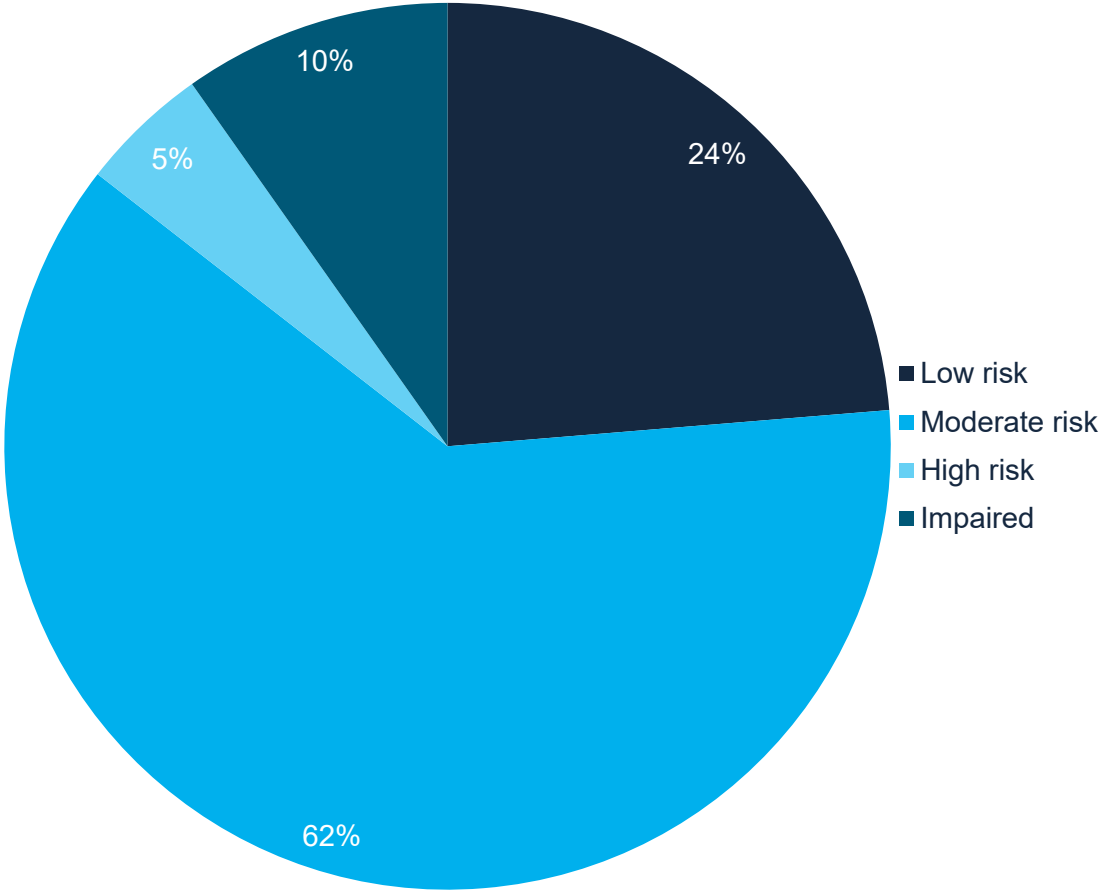


COMMITMENTS BY RISK CLASSIFICATION

Risk classification (NOKm) *

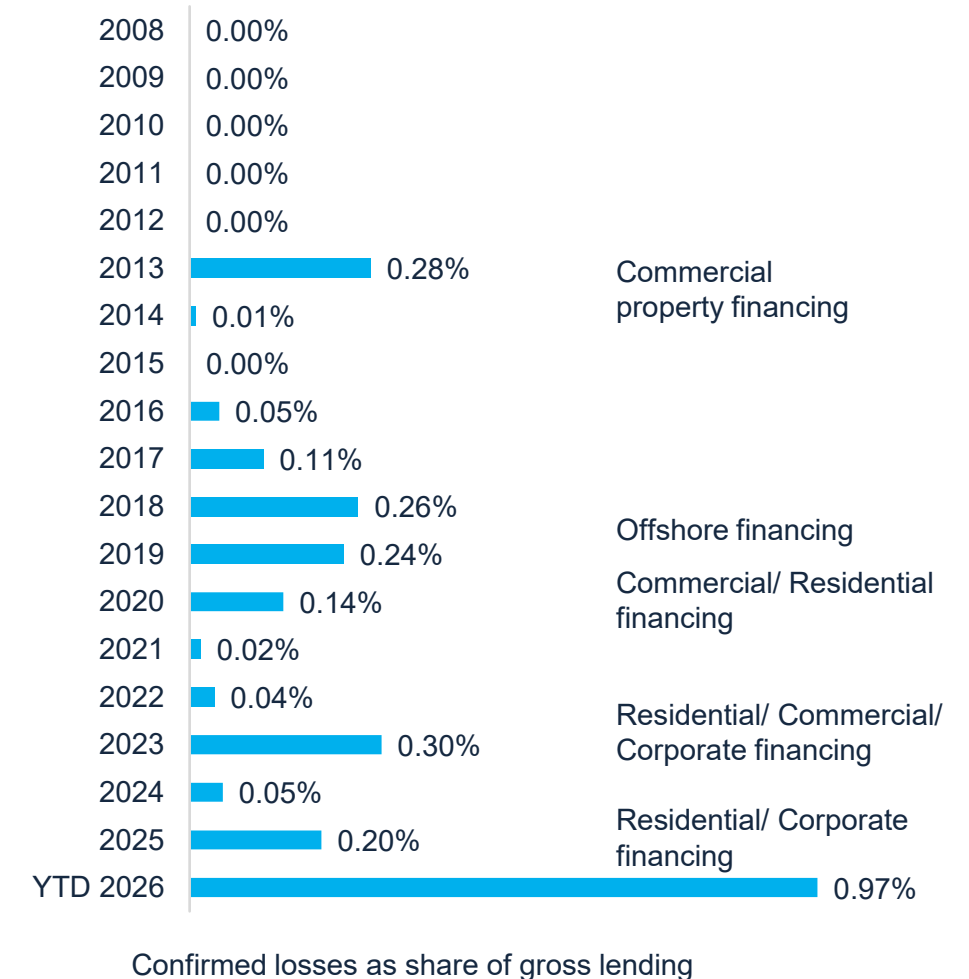


Risk classification



HISTORIC TRACK RECORD OF CREDIT QUALITY

- No losses from 2008 to 2012.
- Total confirmed losses limited to NOK 415m during 19 years of operation.
- Accumulated lending amounted to approx. NOK 211 billion during the past 19 years. Total confirmed losses make up about 0.20 % of accumulated lending.
- Average ratio of annual confirmed losses to gross lending is 0.14 % per year.



 Pareto bank