

PARETO BANK

Financial Results – Fourth Quarter 2025

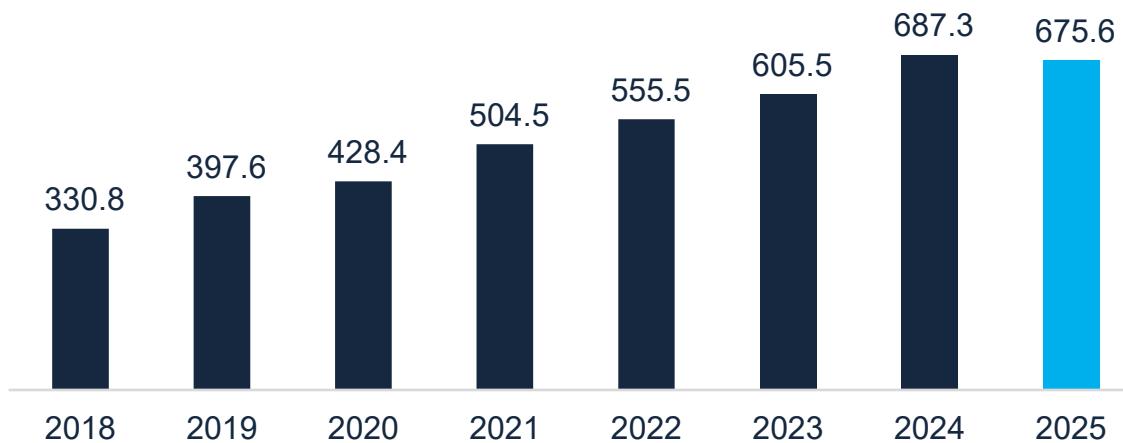
# Highlights

## Financials

## Business Area Update & Outlook

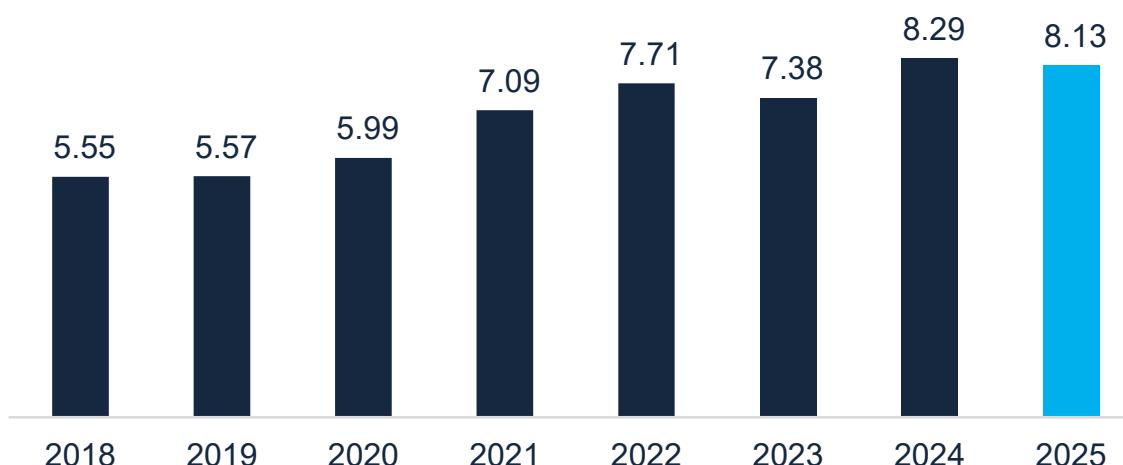
# NEGATIVE GROWTH AND IMPAIRMENTS WEIGH ON 2025

Profit after tax (NOKm) \*



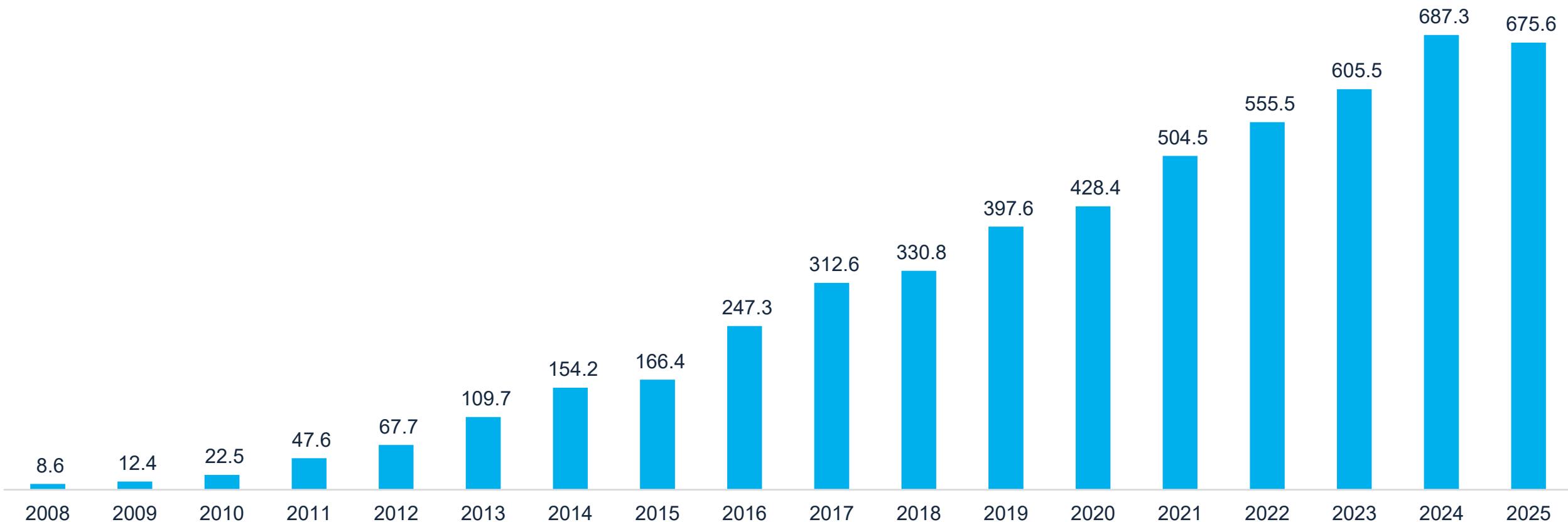
- Profit after tax of NOK 676m (NOK 687m), down 2% y/y, driven by negative lending growth of 9% y/y and high impairments.
- Return on equity after tax (ROE) 12.4 % (13.6 %), impacted by higher than normal impairments and strong capitalisation.
- Impairments at 0.89 % (0.65 %) of net lending, after an increase in Q4-25. Individual impairments related to several commitments, primarily within residential property financing.
- Excellent operational efficiency with cost/income ratio of 18.3 % (18.0 %), despite investments in the Swedish branch.

Earnings per share (NOK) \*\*



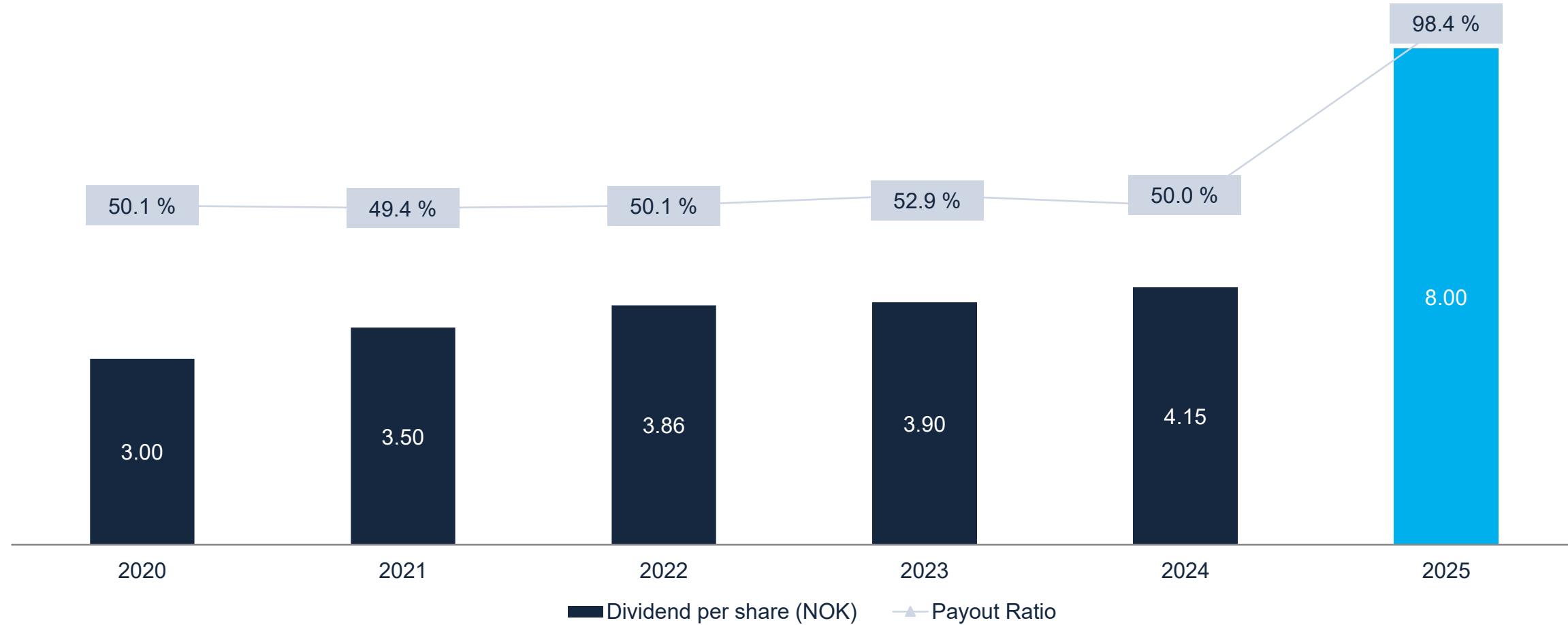
# ANNUAL PROFITS

## Profit after tax (NOKm) \*



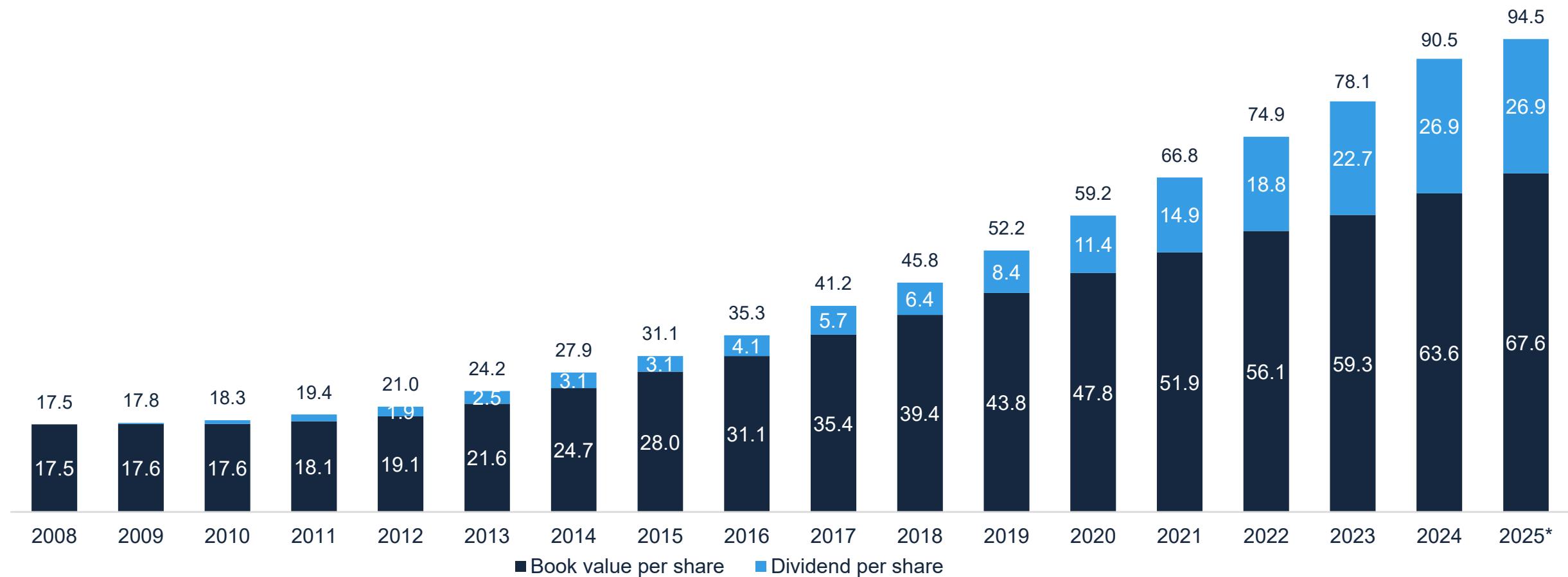
# DIVIDEND FOR 2025

Proposed dividend of NOK 8.0 per share



# BOOK VALUE AND DIVIDEND PER SHARE

## Cumulative since 2008 (NOK)



# FOURTH QUARTER 2025

## Highlights

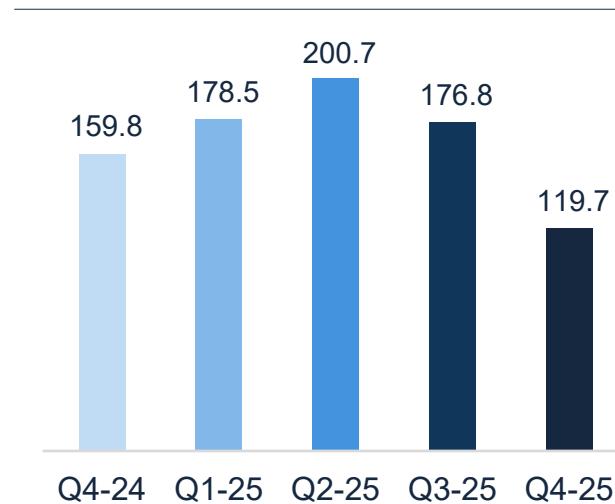
- Profit after tax NOK 119.7m (NOK 159.8m in Q4-24).
- Return on equity after tax 8.3% (12.1%).
- Net interest income down to NOK 293.0m (NOK 311.4m).
- Lending at the end of the quarter stood at NOK 18,774m (NOK 20,713m). Average lending was up 0.4% q/q.
- Total impairments and losses of NOK 105.5m (NOK 55.3m). Individual impairments NOK 70.9m (NOK 31.1m), primarily within residential property development, and write downs of NOK 30.4m.



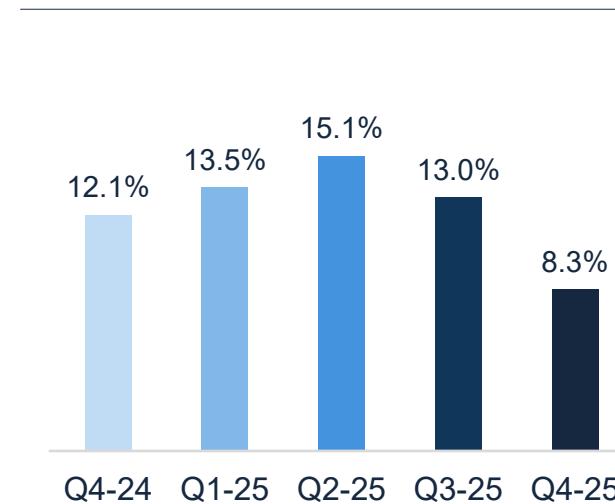
# Highlights Financials Business Area Update & Outlook

# KEY FIGURES

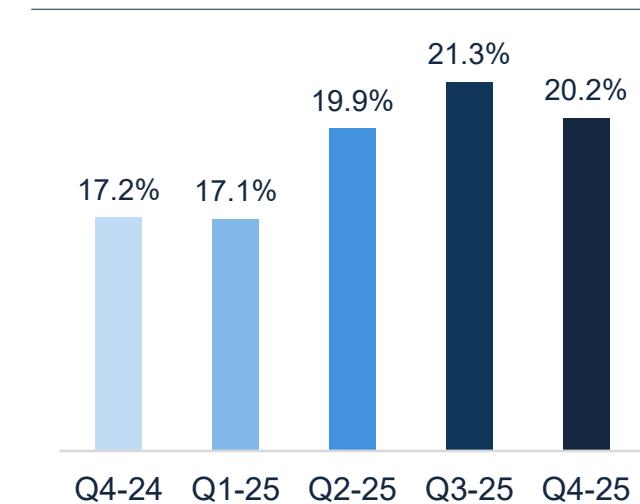
Profit after tax (NOKm)



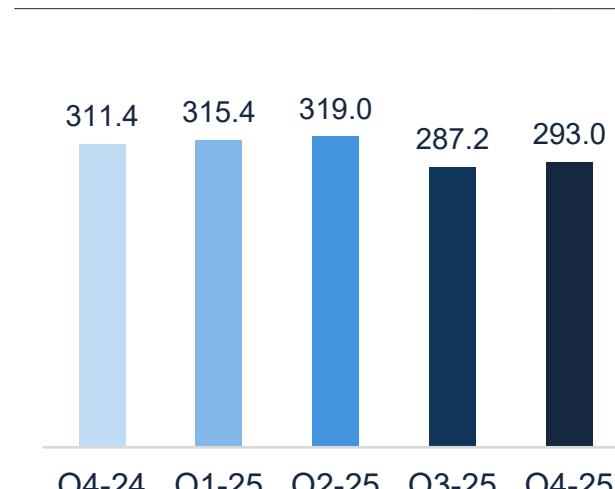
Return on Equity \*



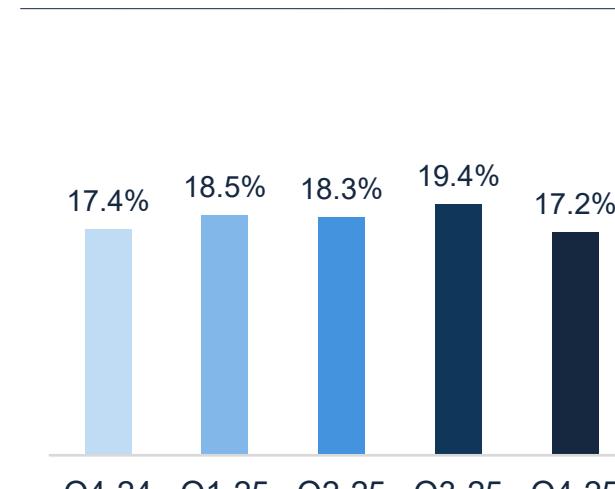
CET1 ratio



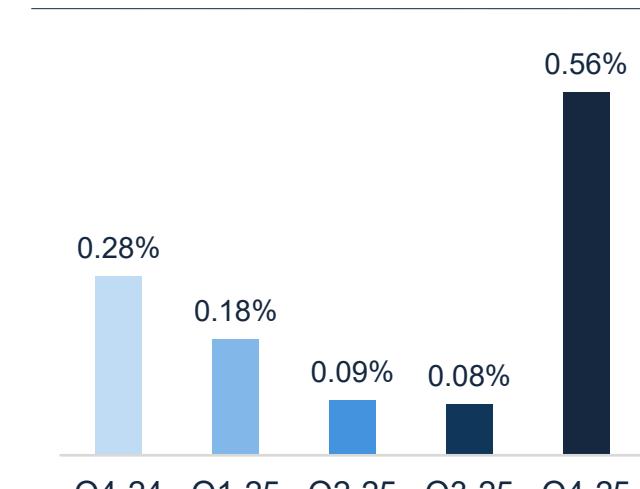
Net interest income (NOKm)



Cost/Income ratio



Loss ratio \*\*



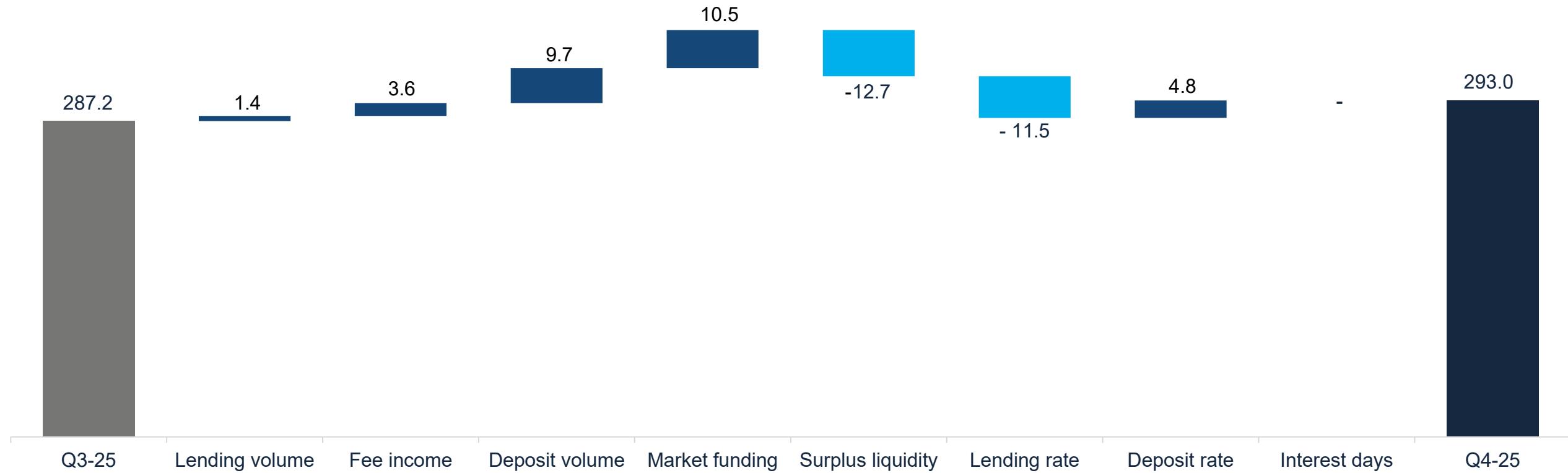
# INCOME STATEMENT

## P&L (NOKm)

	Q4-25	Q4-24	2025	2024
Net interest income	293.0	311.4	1,214.5	1,227.3
Net other operating income	21.4	8.9	80.9	25.9
<b>Total net income</b>	<b>314.3</b>	<b>320.4</b>	<b>1,295.4</b>	<b>1,253.2</b>
 Total operating expenses	 54.0	 55.7	 237.6	 225.4
<b>Operating profit before impairments and losses</b>	<b>260.3</b>	<b>264.6</b>	<b>1,057.9</b>	<b>1,027.8</b>
 Impairments and losses on loans and guarantees	 105.5	 55.3	 174.8	 127.5
<b>Pre-tax operating profit</b>	<b>154.8</b>	<b>209.4</b>	<b>883.0</b>	<b>900.4</b>
Tax expense	35.1	49.6	207.4	213.1
Interest hybrid capital	12.7	13.4	51.7	50.4
<b>Profit to shareholders</b>	<b>107.0</b>	<b>146.3</b>	<b>623.9</b>	<b>636.8</b>
 Earnings per share (NOK)	 1.39	 1.91	 8.13	 8.29
Cost/income ratio (%)	17.2	17.4	18.3	18.0

- Interest income in the quarter down with average lending volumes down 4% y/y.
- Net interest margin weakened by pressure on deposit rates.
- Deposit volume decreased with NOK 1.6bn (12%) in Q4-25.
- NOK 1.9m of fair value losses (loss of NOK 5.4m), mainly explained by own issued fixed rate debt.
- Continued strong operational efficiency, with a cost/income ratio of 17.2% (17.4%).
- Significant increase in impairments weighs on both quarterly and yearly result.

# CHANGE IN QUARTERLY NET INTEREST INCOME (NOKm)

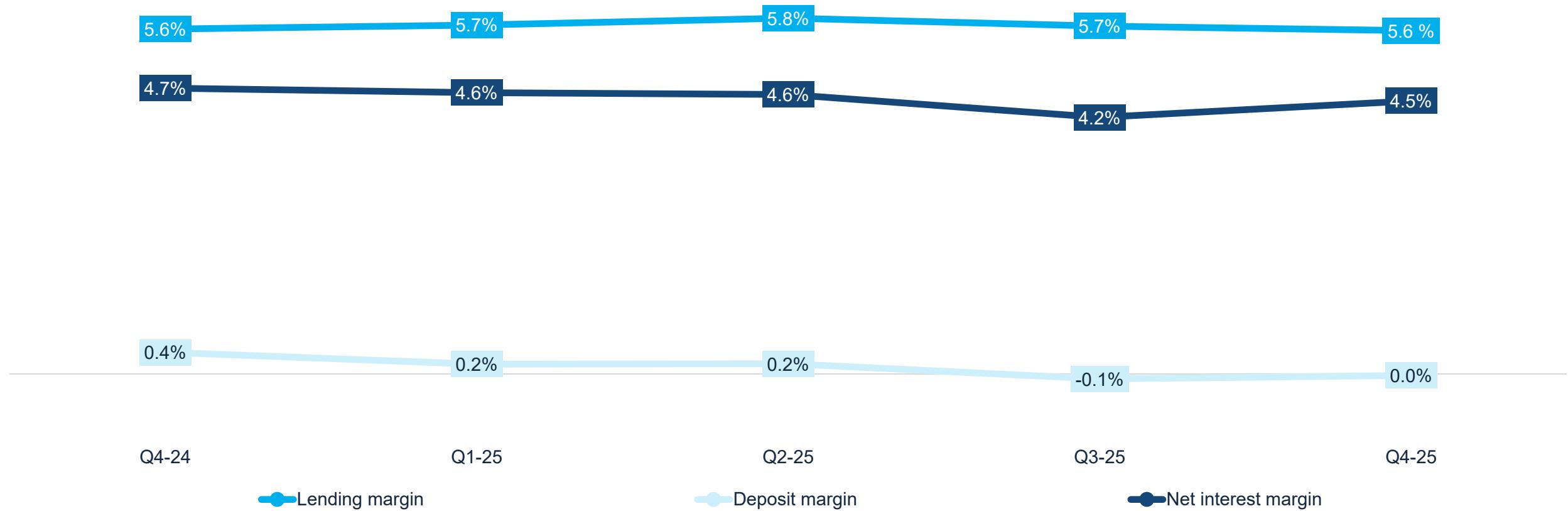


# CHANGE IN ANNUAL NET INTEREST INCOME (NOKm)



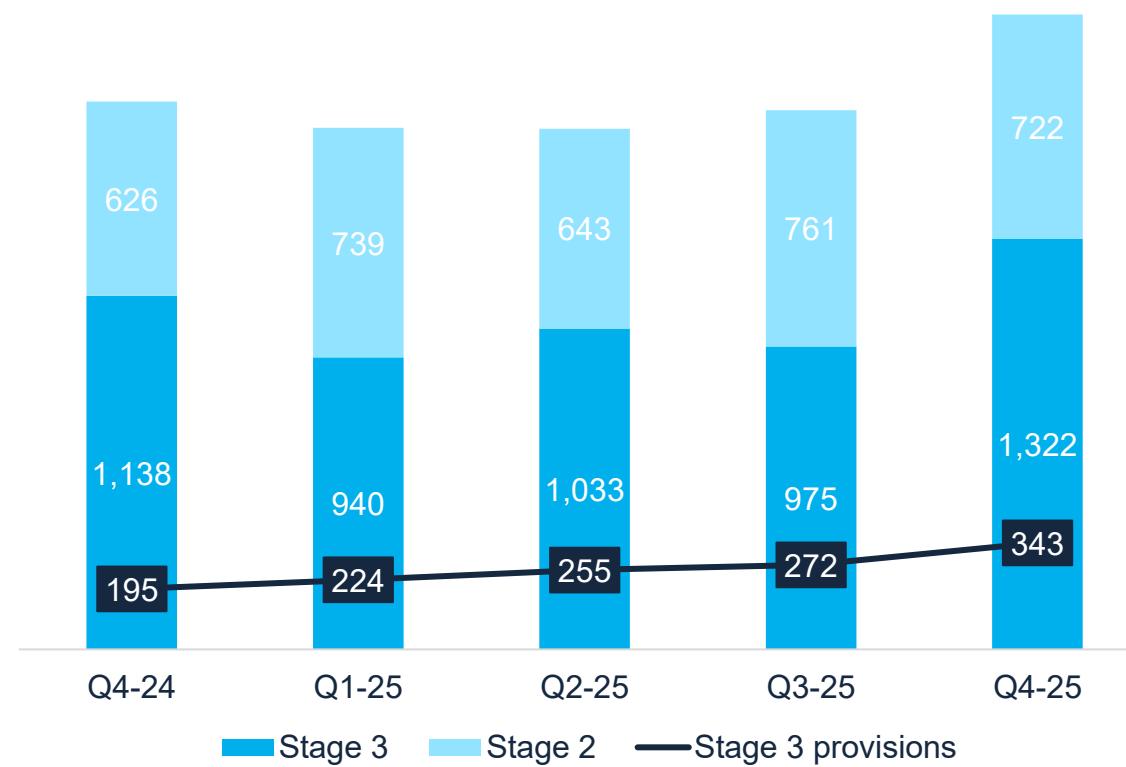
# INTEREST MARGINS

## Lending and deposit margin

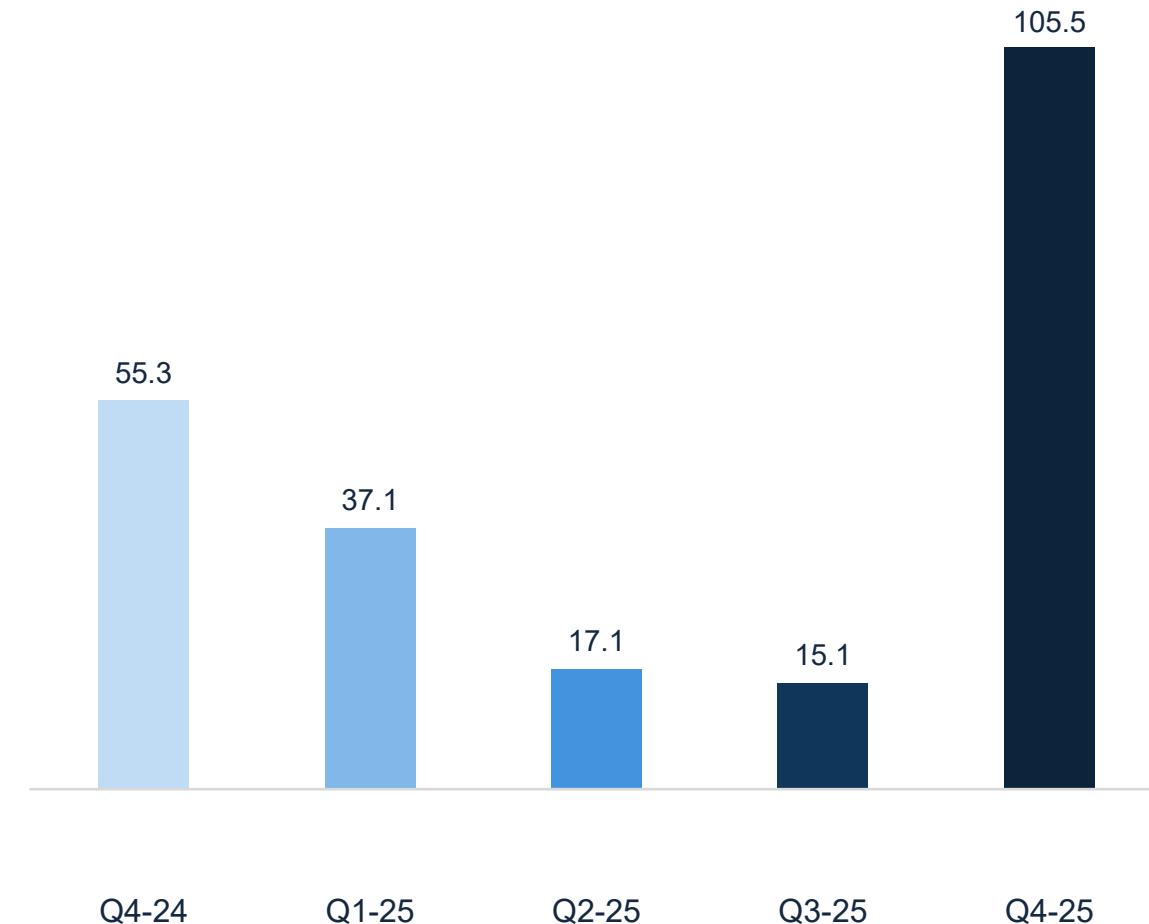


# QUARTERLY CHANGE IN STAGE 2, 3 AND IMPAIRMENTS

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

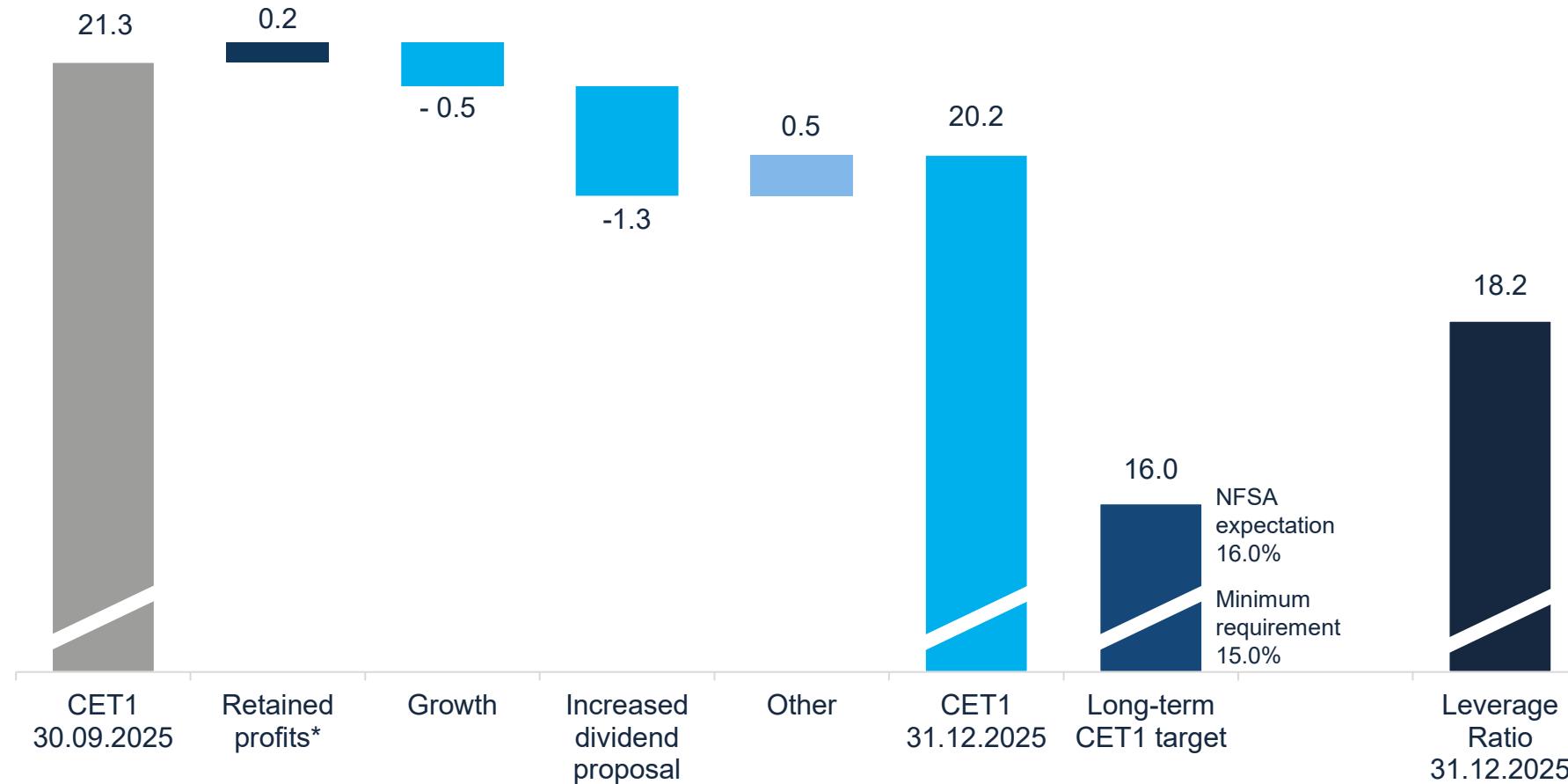


Impairments and losses on loans and guarantees (NOKm)



# SOLIDITY AND CAPITAL REQUIREMENTS

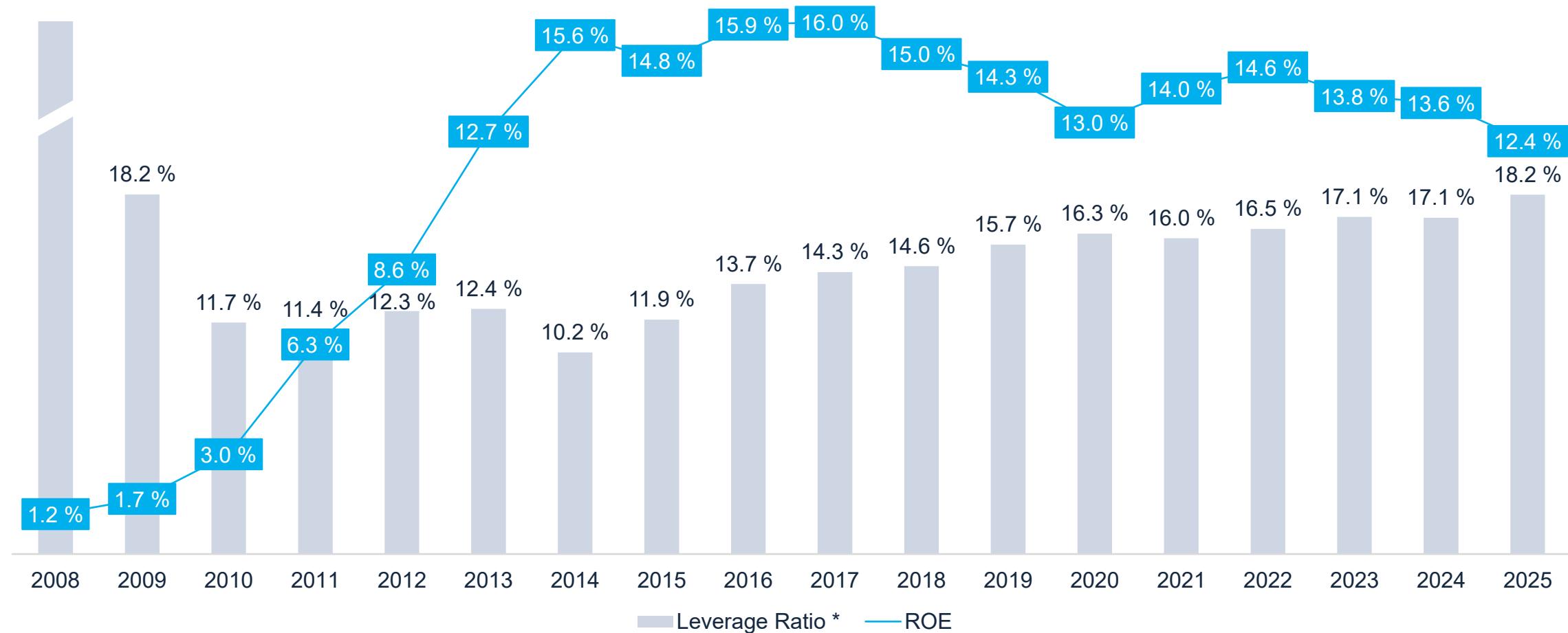
Per cent



- Long-term CET1 target of 16.0%, in line with the NFSA expectation.
- Pareto Bank holds a buffer above this target.
- Even in Q4 retained profits add 24 bps to CET1.
- Exposure growth increases capital requirement although lending is down.
- Increased dividend proposal reduces CET1 ratio with 132 bps.
- Other effects are mainly lower risk weights for loan commitments.

# ROE AND LEVERAGE RATIO

## Profitability with increasing solidity



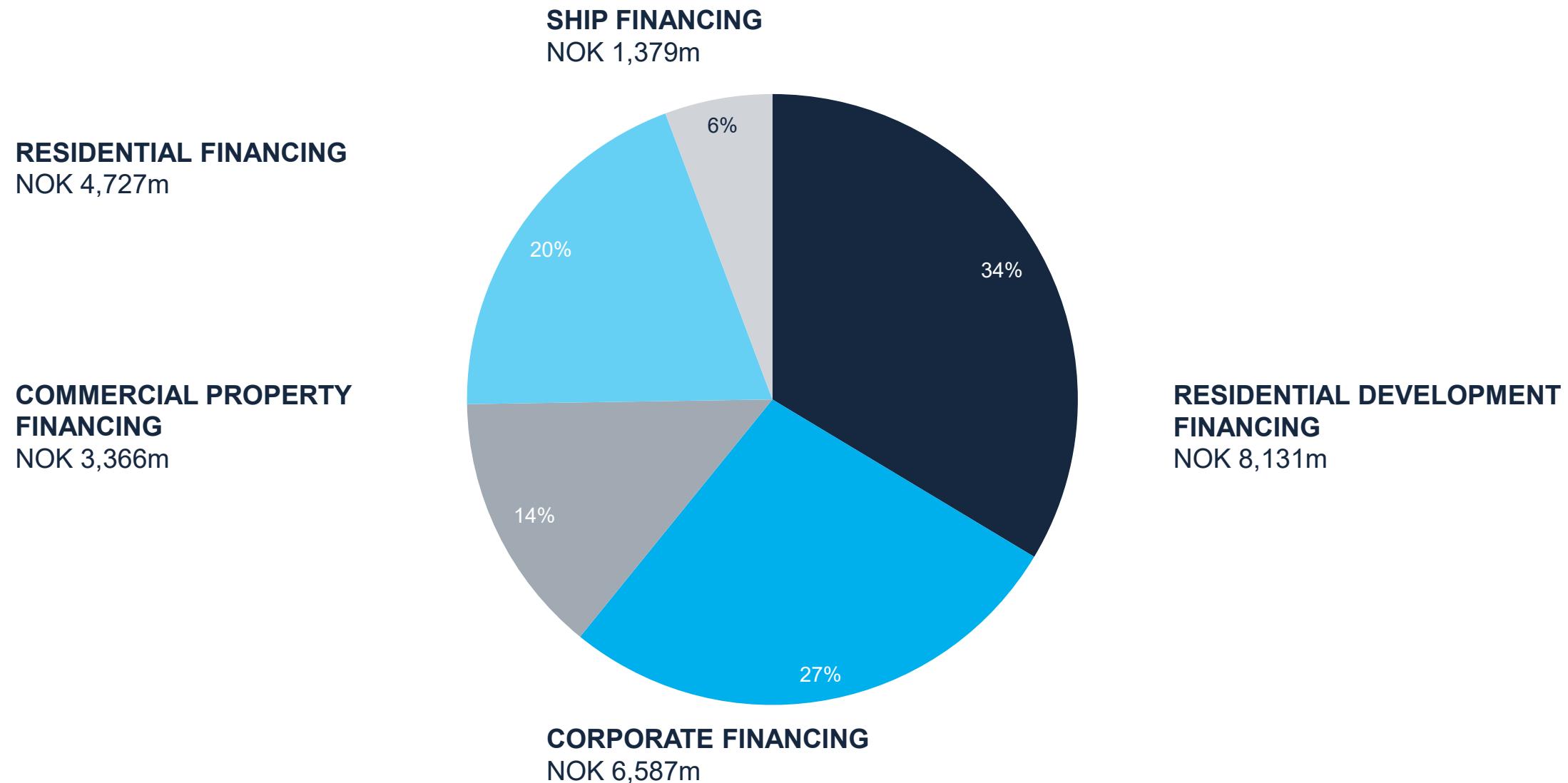
Highlights

Financials

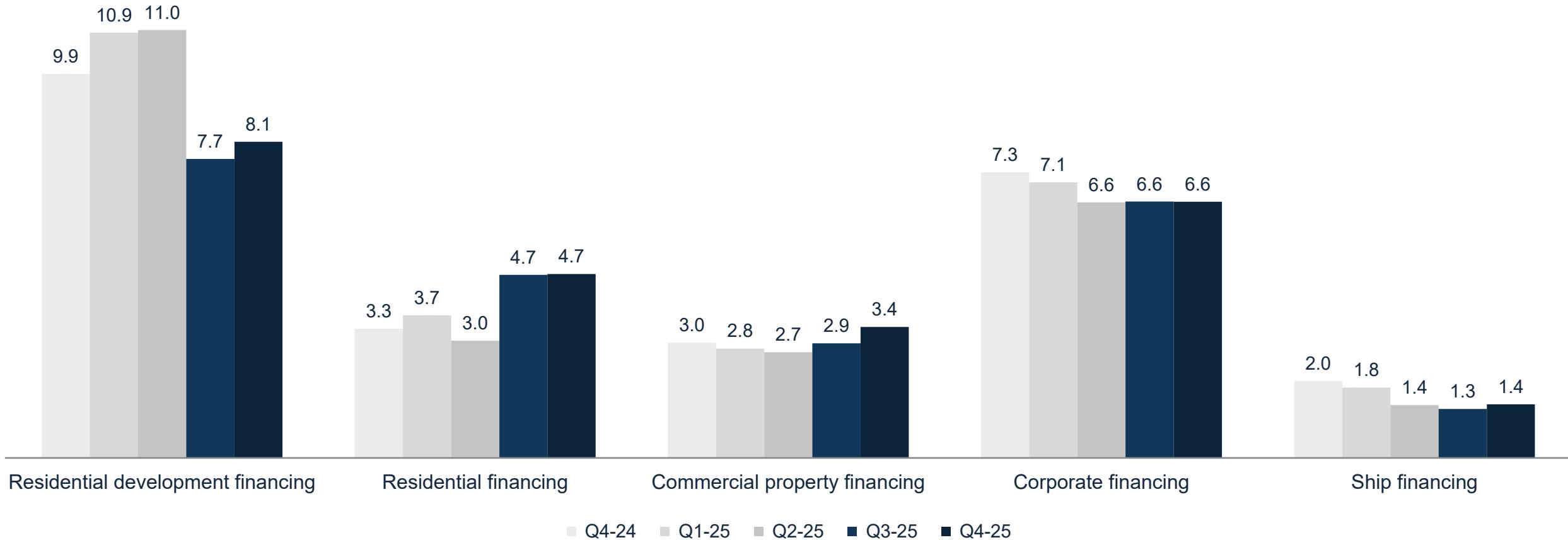
**Business Area Update & Outlook**

# A NICHE PLAYER FINANCING MEDIUM-SIZED ENTERPRISES

## Exposure (NOKm)



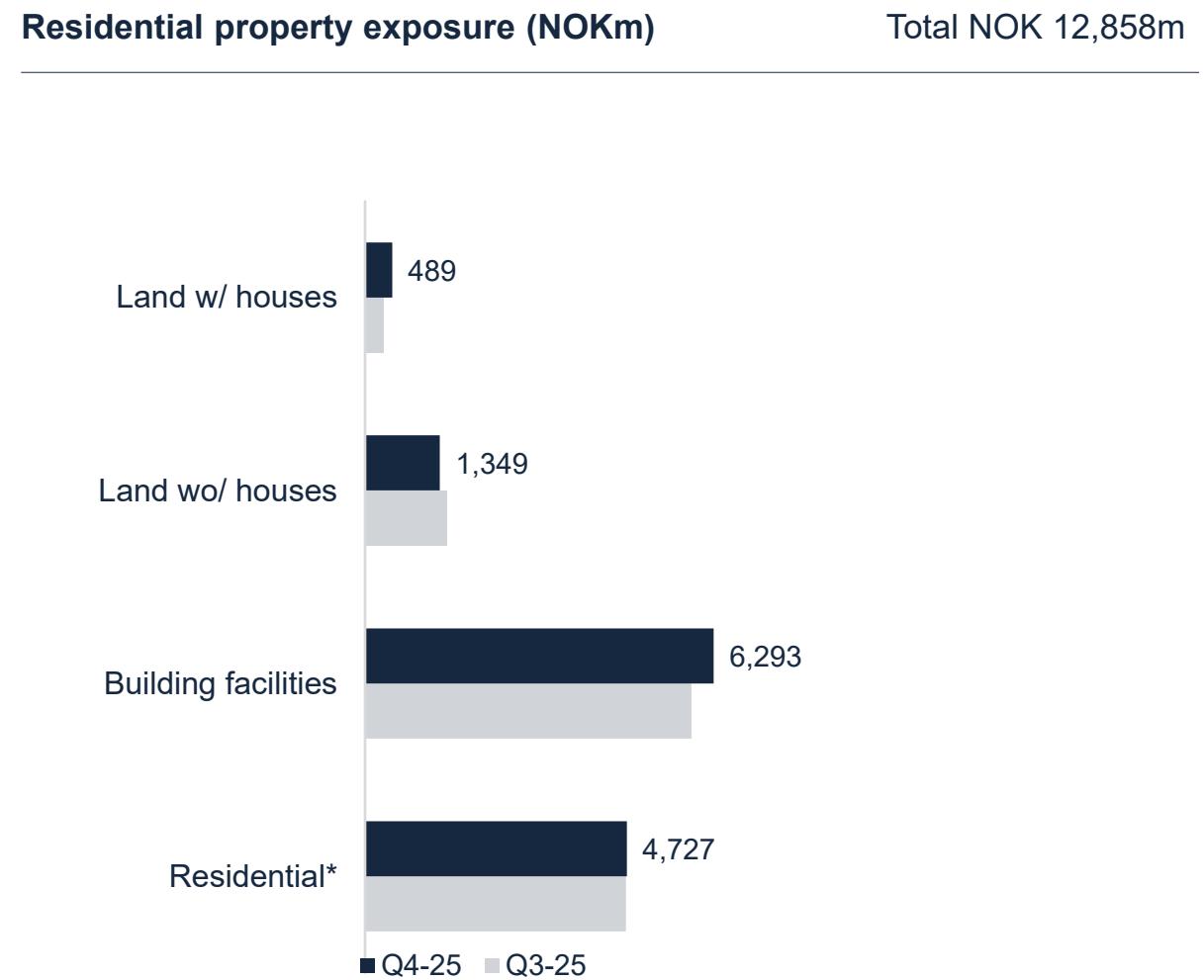
# QUARTERLY EXPOSURE PER BUSINESS AREA (NOKbn)



# RESIDENTIAL PROPERTY FINANCING

## LOW LENDING GROWTH EXPECTED IN Q1-26.

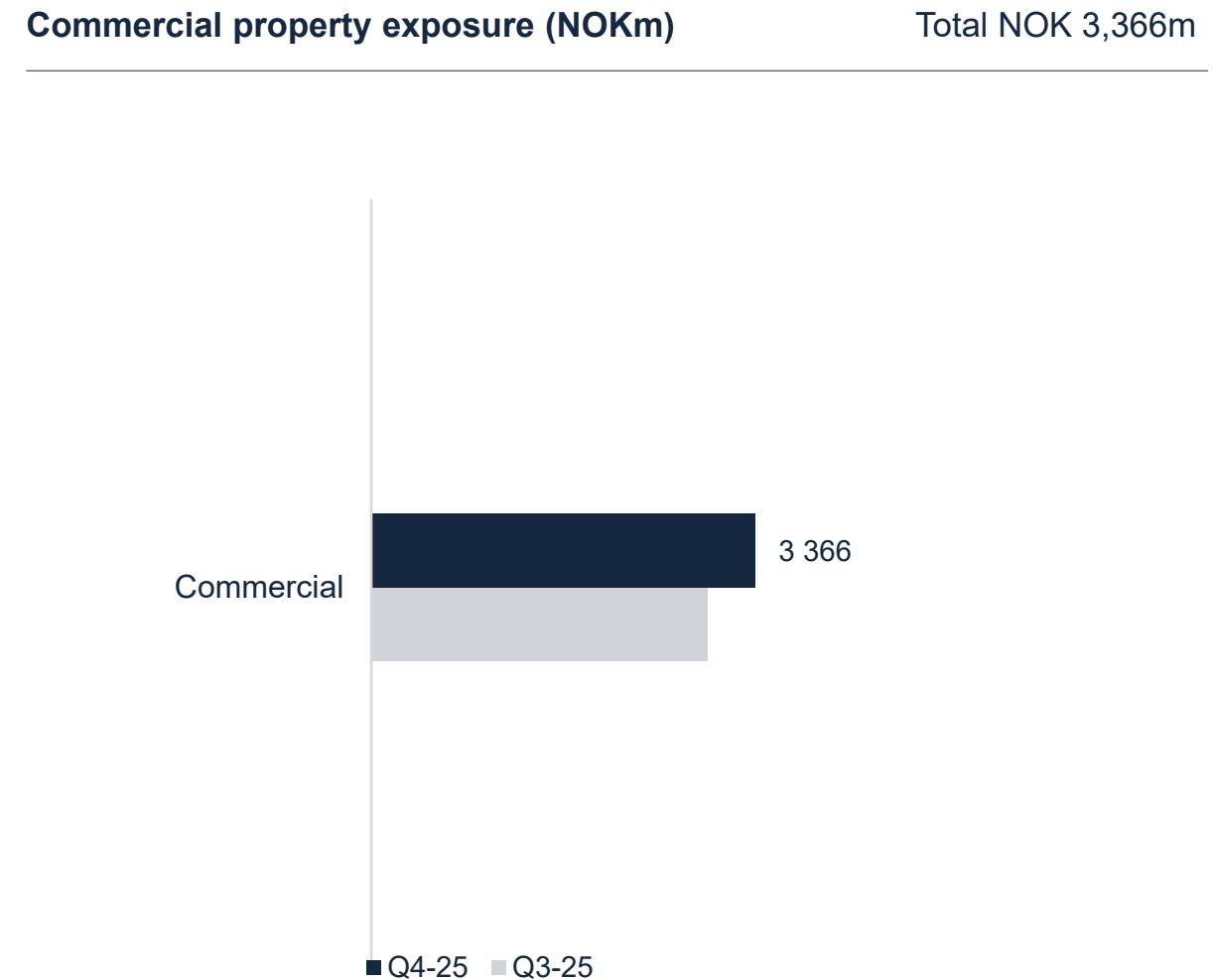
- Difficult to predict volume development.
- The new-build market is expected to remain soft.
- Market signals are mixed. The Oslo market for small houses (småhusmarkedet) is weak, while the apartment market (leilighetsmarkedet) is more nuanced.
- Recently granted a modest volume of building facilities. Uncertain when lending growth will materialize as a slow sales market means more time is needed to fulfill sale requirements.
- The price difference between new and second-hand housing is hindering recovery in the new-build market.



# COMMERCIAL PROPERTY FINANCING

FLAT TO DECREASING VOLUME IN Q1-26.

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

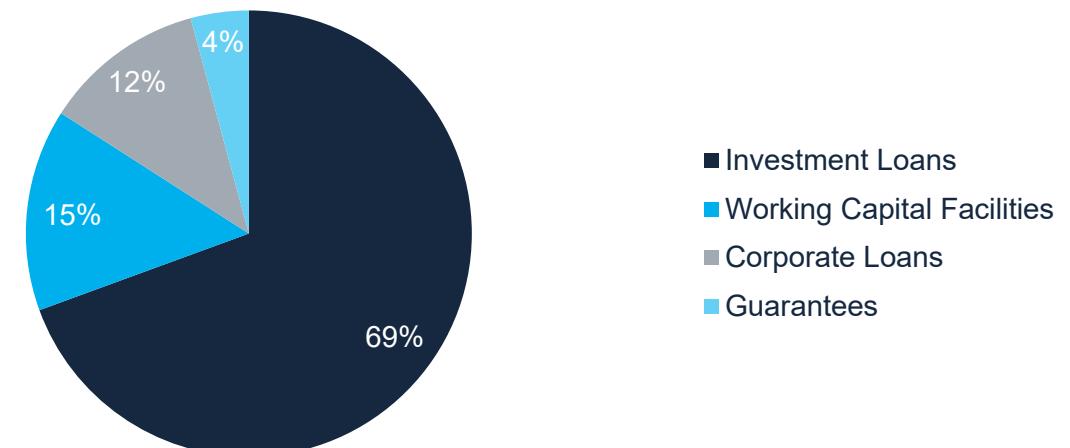
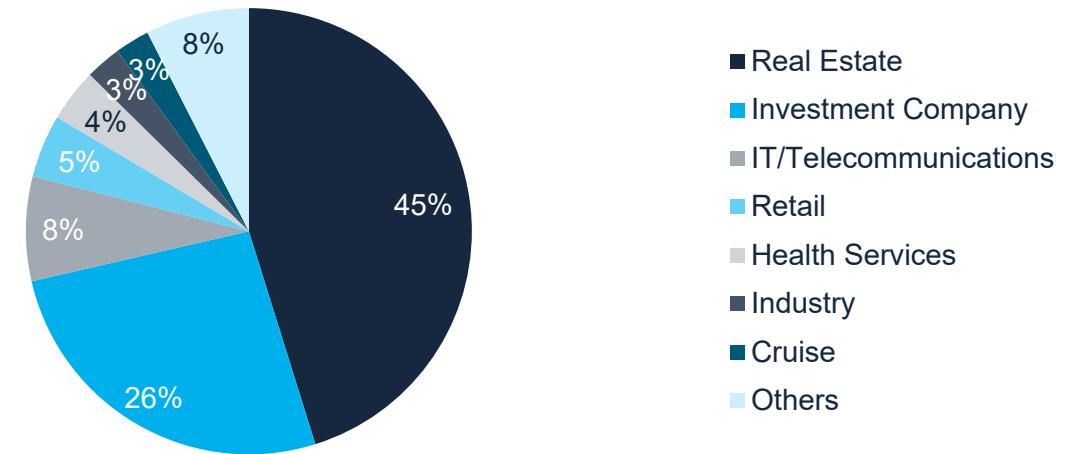


# CORPORATE FINANCING

FLAT VOLUME EXPECTED FOR Q1-26.

- Loan redemptions higher than expected in Q4-25 primarily due acquisitions of some customers.
- Steady deal flow expected in Q1-26.
- Pareto Bank is well positioned as an attractive financing partner within the SME lending market and see continued opportunities for long-term growth even though the competition remains strong.

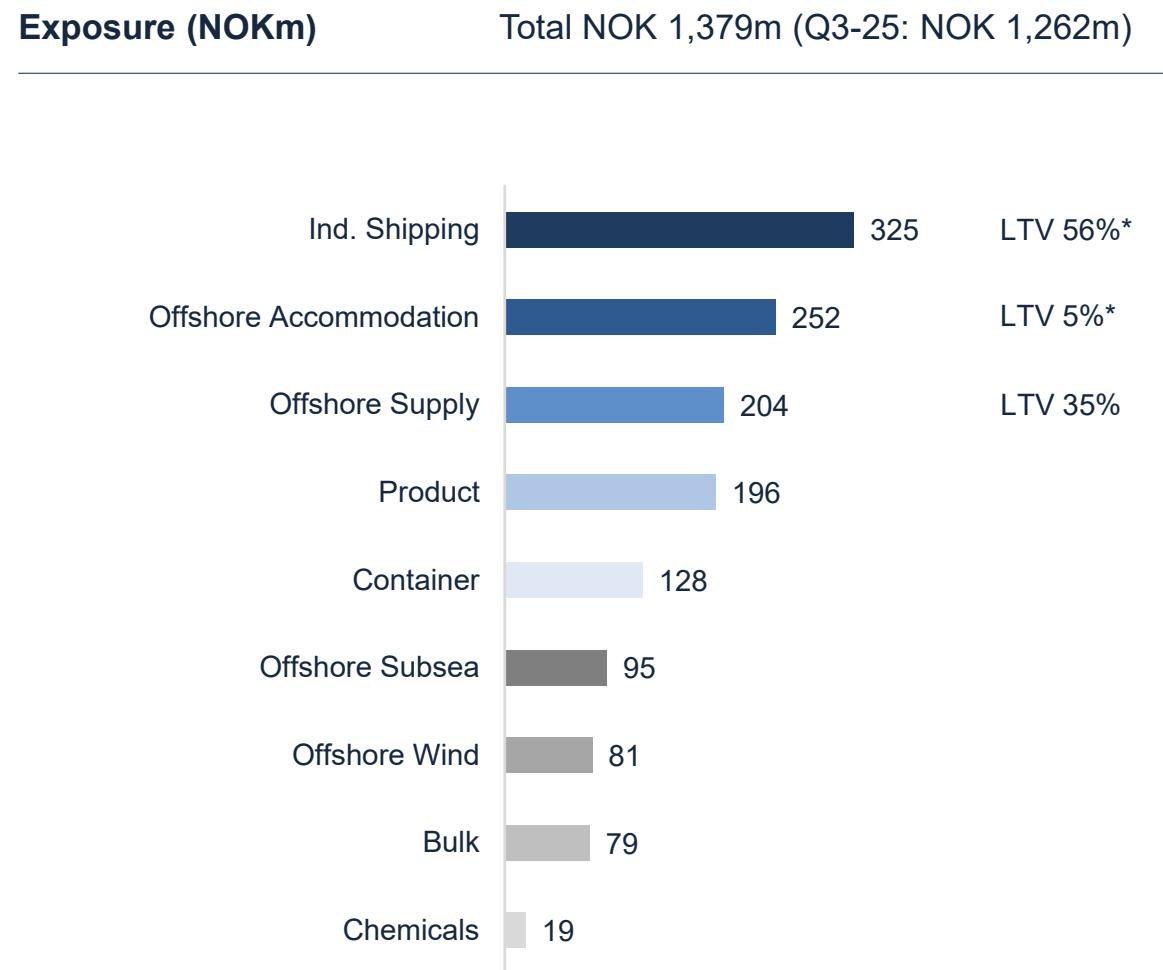
Corporate exposure (NOKm) Total NOK 6,587m (Q3-25: NOK 6,591m)



# SHIP FINANCING

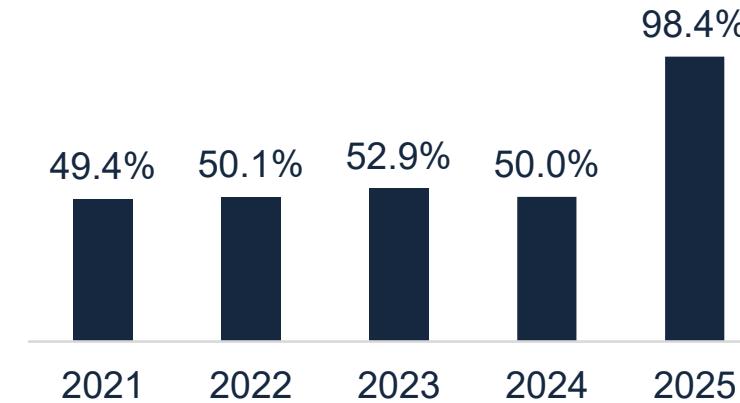
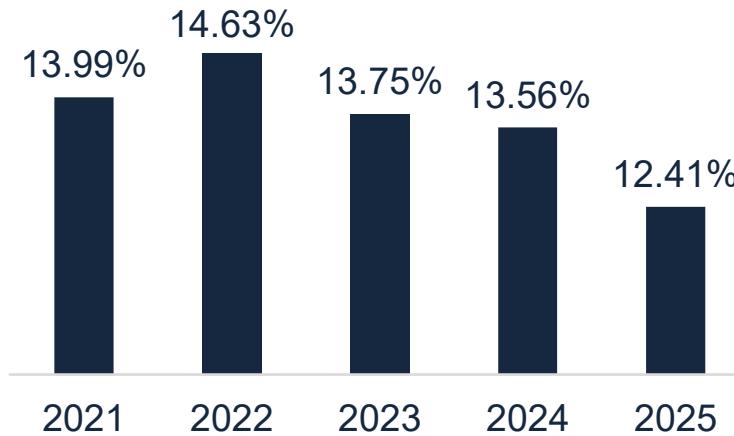
## FLAT VOLUME EXPECTED FOR Q1-26.

- Deal flow and activity have picked up in recent months, but competition between banks persists.
- Utilization is healthy in most shipping segments. Geopolitical tensions, tariff-driven trade shifts, and a potential return of traffic through the Suez Canal could alter global trade flows and impact vessel utilization. On the supply side, continued fleet expansion in some segments is likely to outpace demand growth, which might reduce utilization and freight rates.
- Demand growth for offshore vessels has softened in some regions. Oil prices have been under continued downward pressure, and further weakness could weigh on E&P investments. However, supply growth is expected to stay at comfortable levels which is likely to mitigate reduction in vessel utilization over the coming years.



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

# LONG-TERM AMBITIONS



# TOTAL RETURN

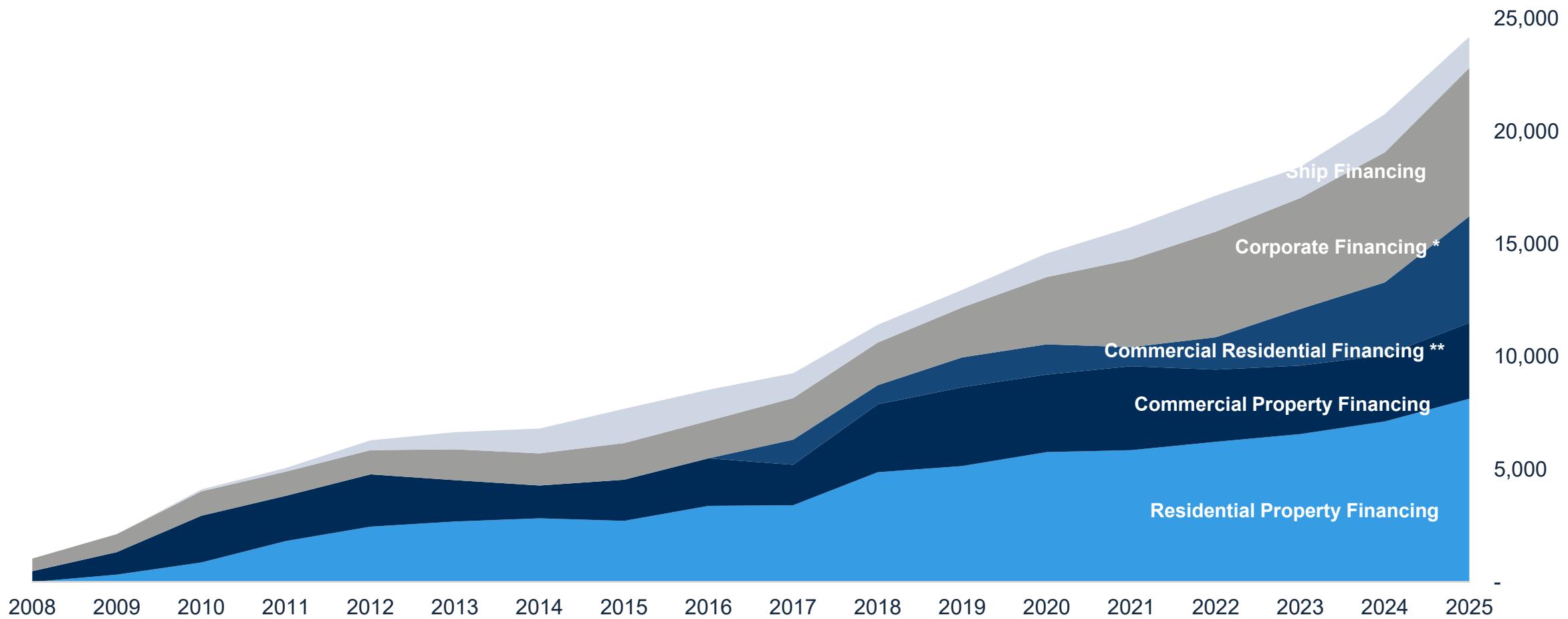
Equity	Price Change	Total Return	Annual Return
Pareto Bank	353 %	640 %	18 %
OSEBX Index	217 %	217 %	10 %



# APPENDIX

# LENDING GROWTH

## Per business area (NOKm)



# LARGEST SHAREHOLDERS

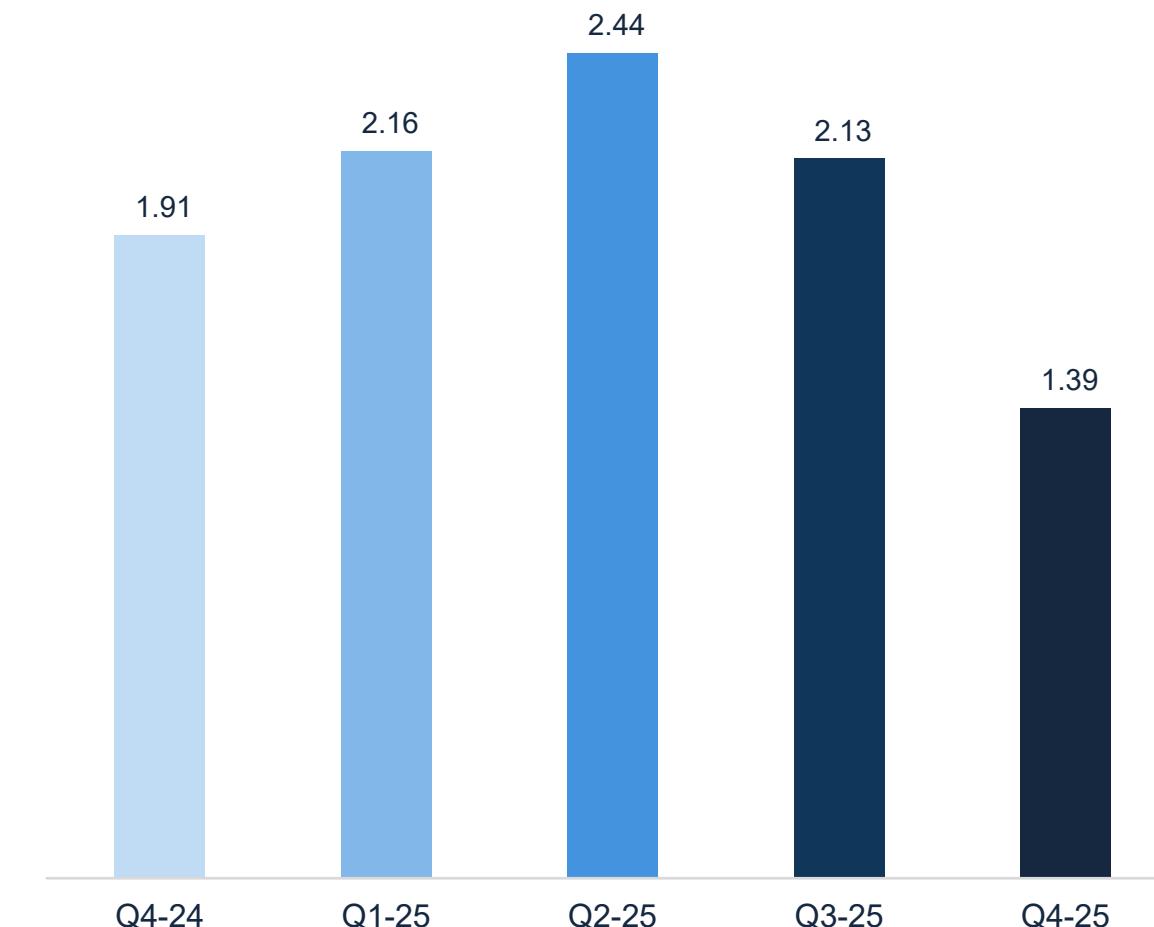
## 31 Desember 2025

	Name	Shares	% Total
1	Pareto AS	15.356.484	20,00 %
2	Société Générale	6.156.149	8,02 %
3	AWC AS	5.212.451	6,79 %
4	Hjellegjerde Invest AS	3.803.301	4,95 %
5	Verdipapirfondet Holberg Norge	2.420.856	3,15 %
6	Salt value AS	2.344.238	3,05 %
7	Kolberg Motors AS	2.100.000	2,74 %
8	RB Investor AS	2.051.790	2,67 %
9	Landkredit Utbytte	2.041.801	2,66 %
10	Stenshagen Invest AS	1.923.470	2,51 %
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	VPF Eika Egenkapitalbevis	991.856	1,29 %
15	AS Straen	929.252	1,21 %
16	Skandinaviska Enskilda Banken AB	900.820	1,17 %
17	Verdipapirfondet Heimdal Utbytte	900.000	1,17 %
18	Elgar Kapital AS	659.000	0,86 %
19	Verdipapirfondet DNB SMB	653.371	0,85 %
20	Folketrygdfondet	641.751	0,84 %
<b>Sum TOP 20</b>		<b>52.583.052</b>	<b>68,48 %</b>
<b>Other shareholders</b>		<b>24.199.371</b>	<b>31,52 %</b>
<b>Total</b>		<b>76.782.423</b>	<b>100.00 %</b>

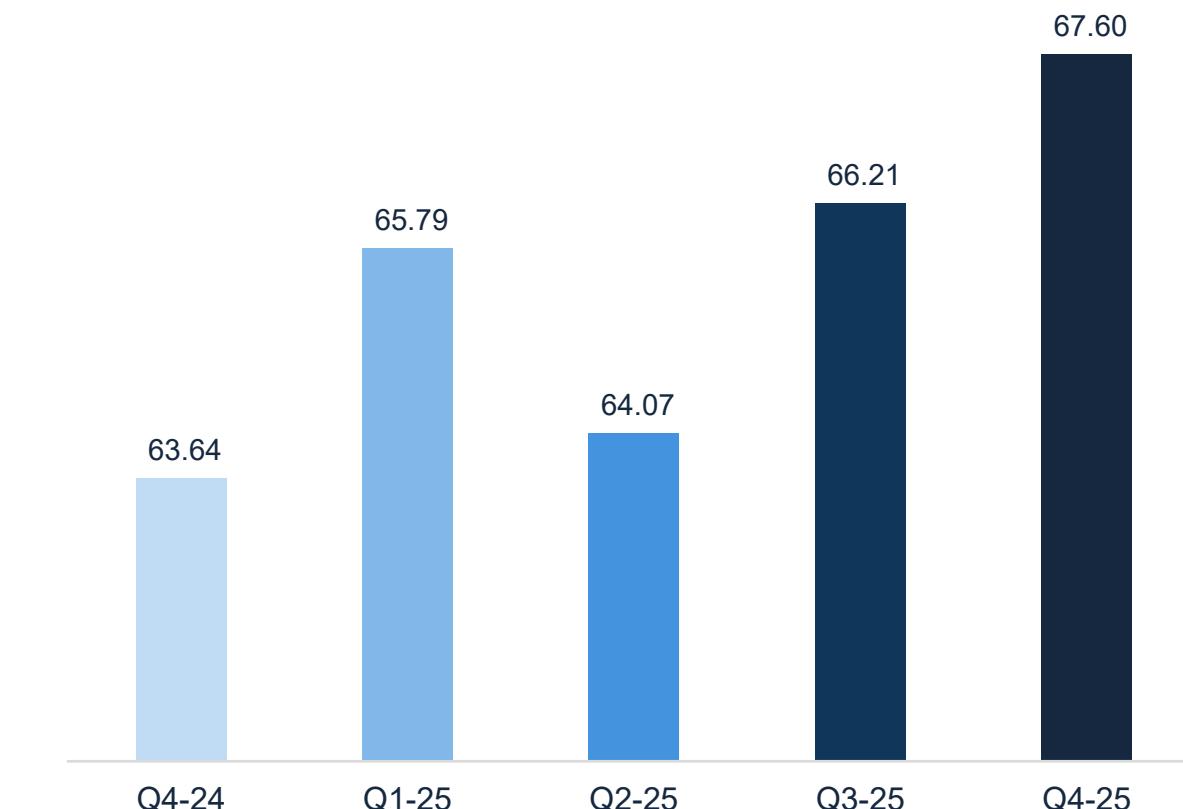
- The Company has 76,782,423 shares outstanding. One class of shares where each share carries one voting right.
- Diversified investor base with 4,333 shareholders.
- The Top 10 and 20 investors hold 57% and 68% of the shares respectively.
- Employees in Pareto Bank own 1.6%.
- All employees are covered 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)

	Q4-25	Q3-25	Q2-25	Q1-25	Q4-24
Net interest income	293.0	287.2	319.0	315.4	311.4
Net other operating income	21.4	18.4	24.3	16.9	8.9
<b>Total net income</b>	<b>314.3</b>	<b>305.6</b>	<b>343.2</b>	<b>332.3</b>	<b>320.4</b>
Total operating expenses	54.0	59.2	62.9	61.5	55.7
<b>Operating profit before impairments and losses</b>	<b>260.3</b>	<b>246.4</b>	<b>280.4</b>	<b>270.8</b>	<b>264.6</b>
Impairments and losses on loans and guarantees	105.5	15.1	17.1	37.1	55.3
<b>Pre-tax operating profit</b>	<b>154.8</b>	<b>231.3</b>	<b>263.3</b>	<b>233.6</b>	<b>209.4</b>
Tax expense	35.1	54.6	62.6	55.2	49.6
Interest hybrid capital	12.7	13.0	13.0	13.0	13.4
<b>Profit for the period</b>	<b>119.7</b>	<b>176.8</b>	<b>200.7</b>	<b>178.5</b>	<b>159.8</b>
Earnings per share (NOK)	1.39	2.13	2.44	2.16	1.91
Return on equity	8.3 %	13.0 %	15.1 %	13.5 %	12.1 %
Cost/income ratio	17.2 %	19.4 %	18.3 %	18.5 %	17.4 %

# QUARTERLY BALANCE SHEET

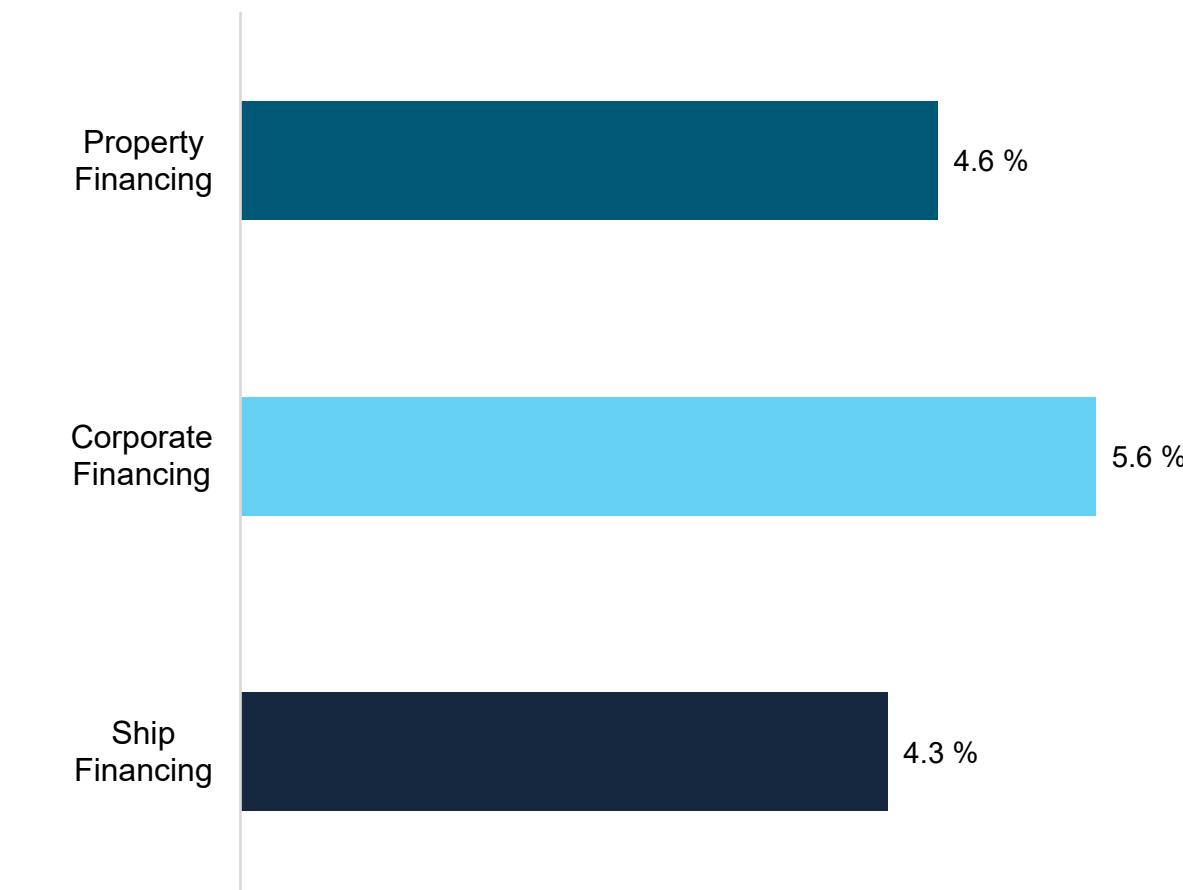
## (NOKm)

	Q4-25	Q3-25	Q2-25	Q1-25	Q4-24
Loans to credit institutions	1,589	1,841	3,214	2,144	2,640
Loans to customers	18,774	18,983	19,249	20,864	20,713
Bonds and other securities	4,668	5,692	4,897	5,158	3,659
Shareholdings in associated companies	33	34	34	34	34
Other assets	273	210	212	218	191
<b>Total assets</b>	<b>25,337</b>	<b>26,761</b>	<b>27,606</b>	<b>28,418</b>	<b>27,237</b>
Deposits from customers and institutions	11,758	13,297	13,772	14,367	13,304
Senior securities issued	6,743	6,737	7,348	7,336	7,347
Other liabilities	395	394	316	414	450
Tier 2 subordinated securities issued	700	700	700	700	700
Additional tier 1 capital	550	550	550	550	550
Other equity	5,191	5,084	4,919	5,052	4,887
<b>Total liabilities and equity</b>	<b>25,337</b>	<b>26,761</b>	<b>27,606</b>	<b>28,418</b>	<b>27,237</b>

# MARGINS AND INTEREST CONTRIBUTION

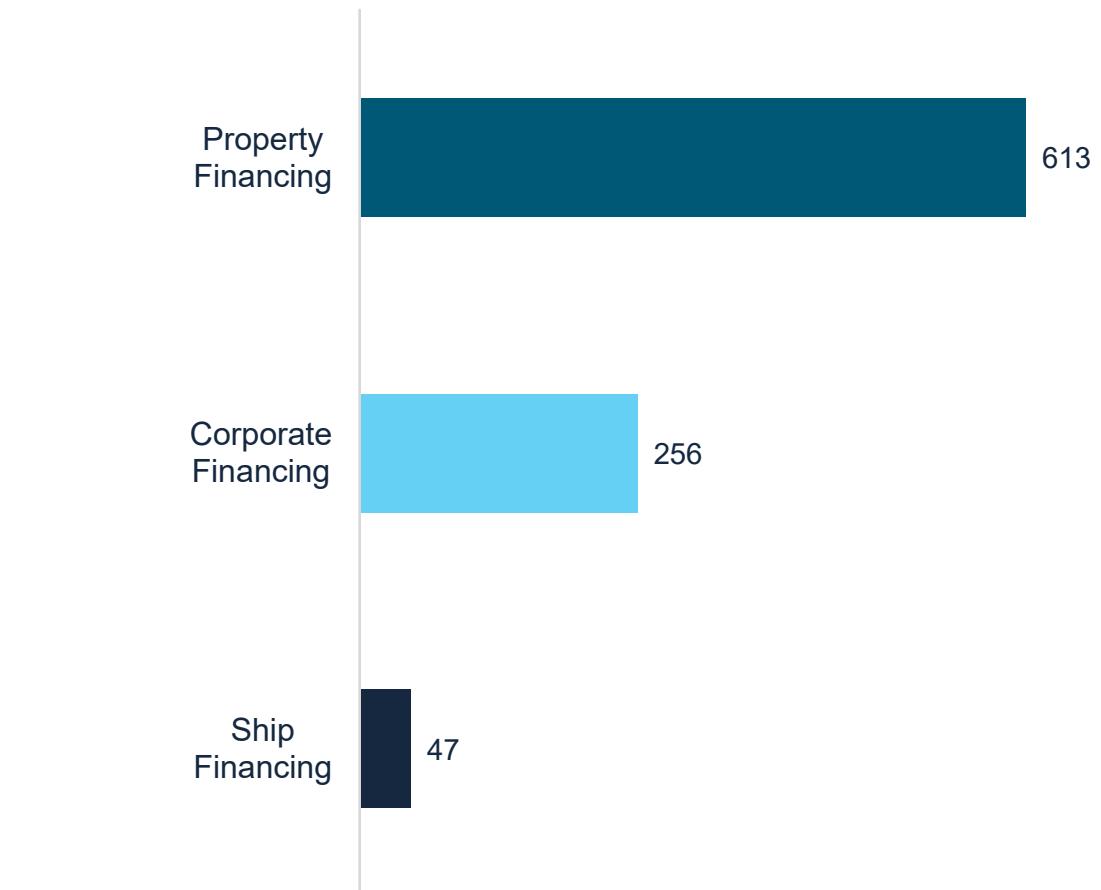
## Margins per business area

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



## Interest contribution per business area

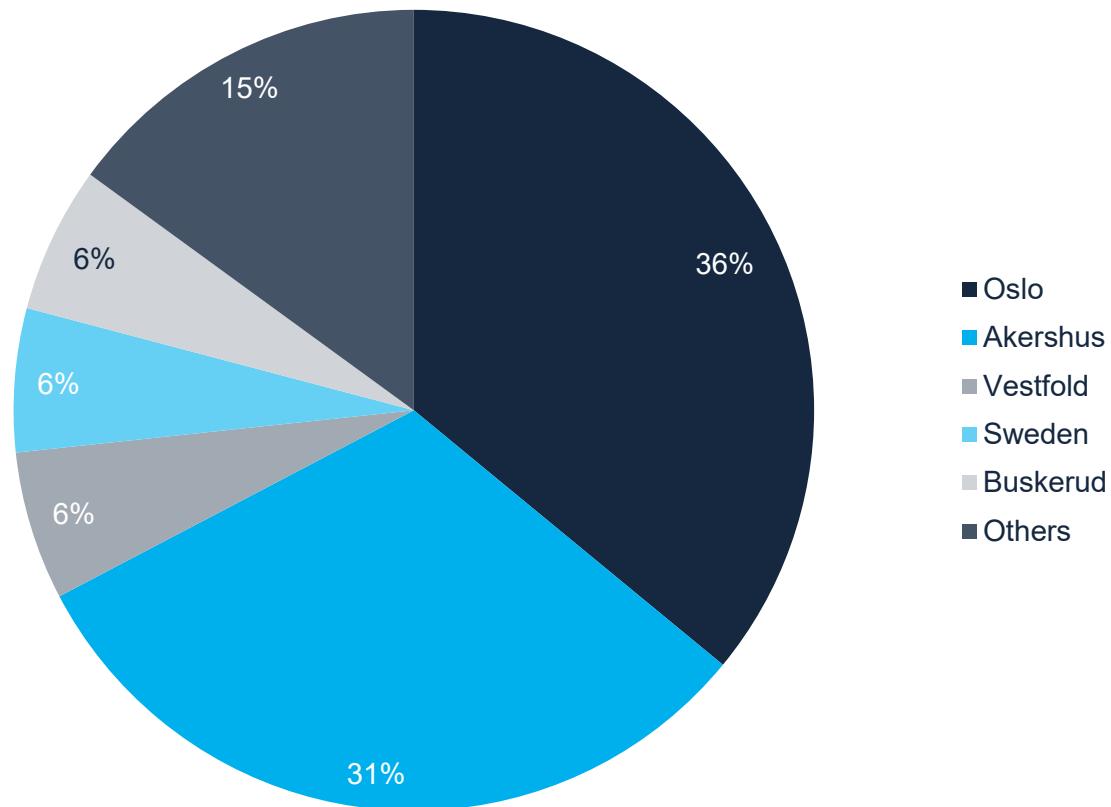
NOKm, estimated interest contribution including commissions, excluding front and back-end fees over 3M Nibor or similar rate.



# REAL ESTATE FINANCING EXPOSURE

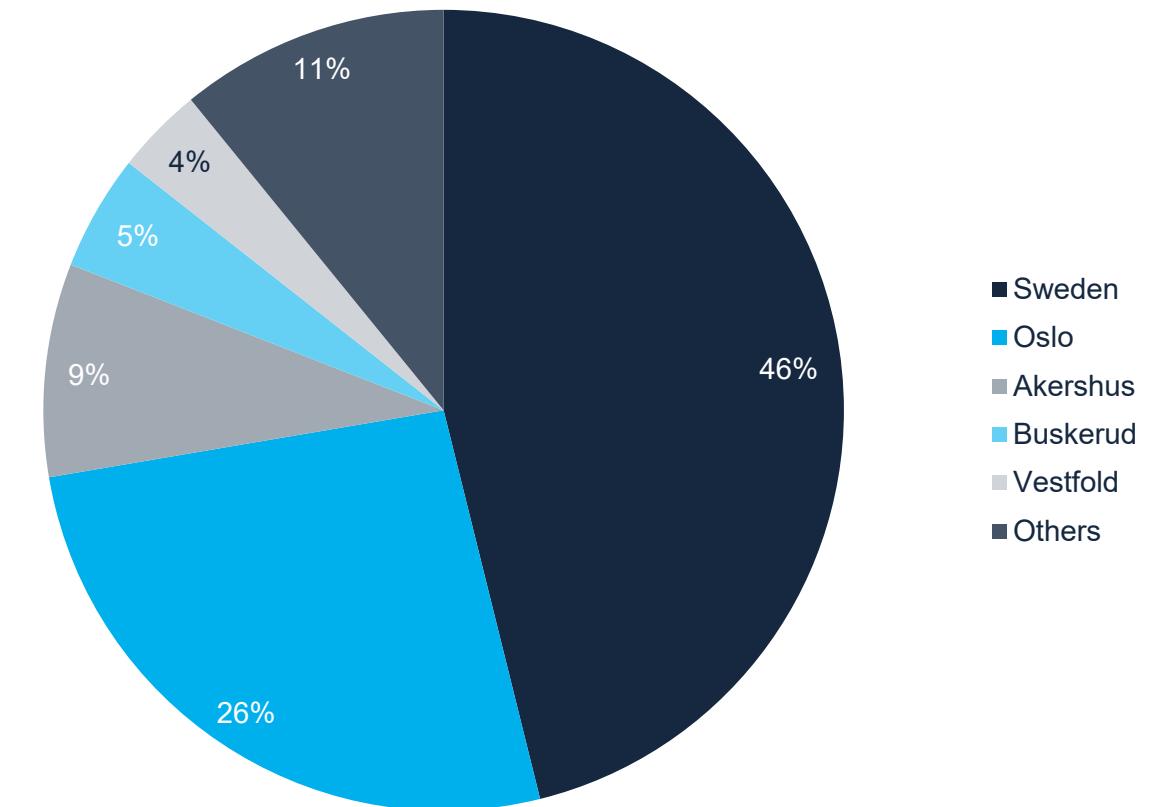
Geographical residential property exposure

Total NOK 12,858m\*



Geographical commercial property exposure

Total NOK 3,366m\*



# SWEDEN

## STRONG DEAL FLOW AND EXPOSURE GROWTH

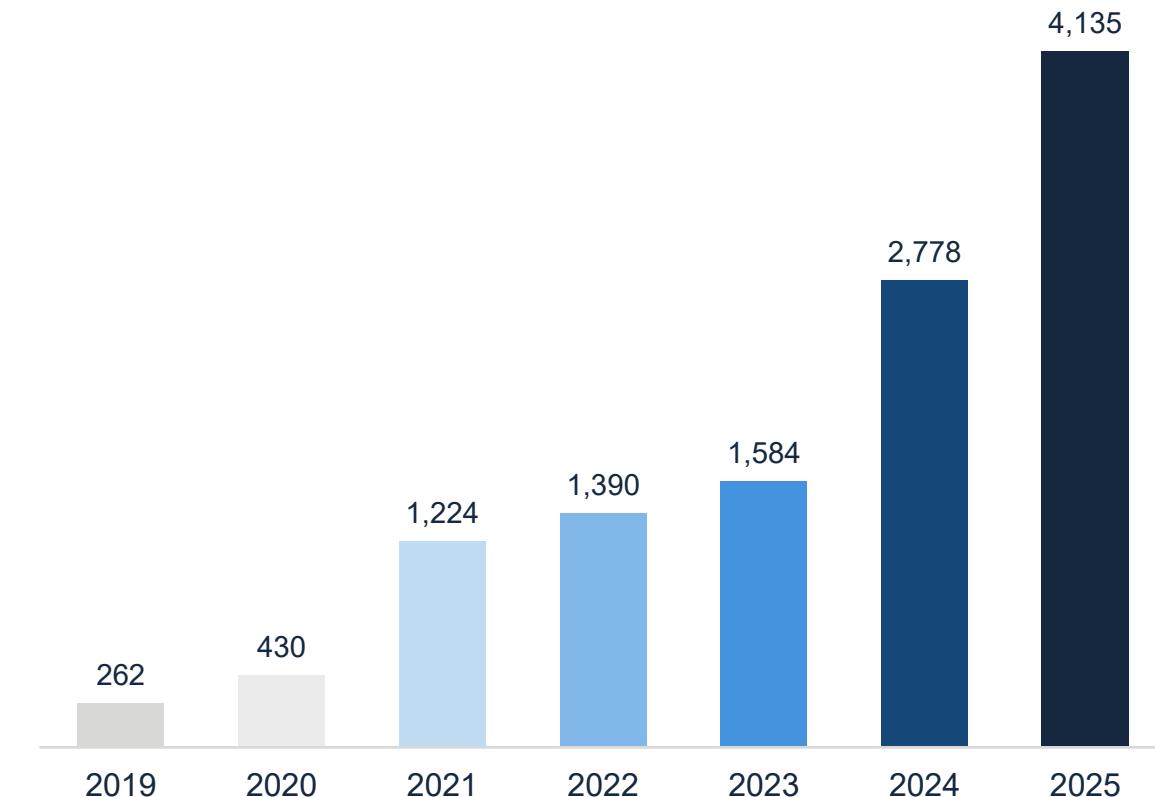
- High focus on expanding our network and customer base throughout 2025.
- Especially strong deal flow in the second half of 2025, resulting in solid exposure growth in Q4-25.
- Further exposure growth expected in Q1-26 due to steady deal flow and loan commitments scheduled to open.
- Good credit quality 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%.

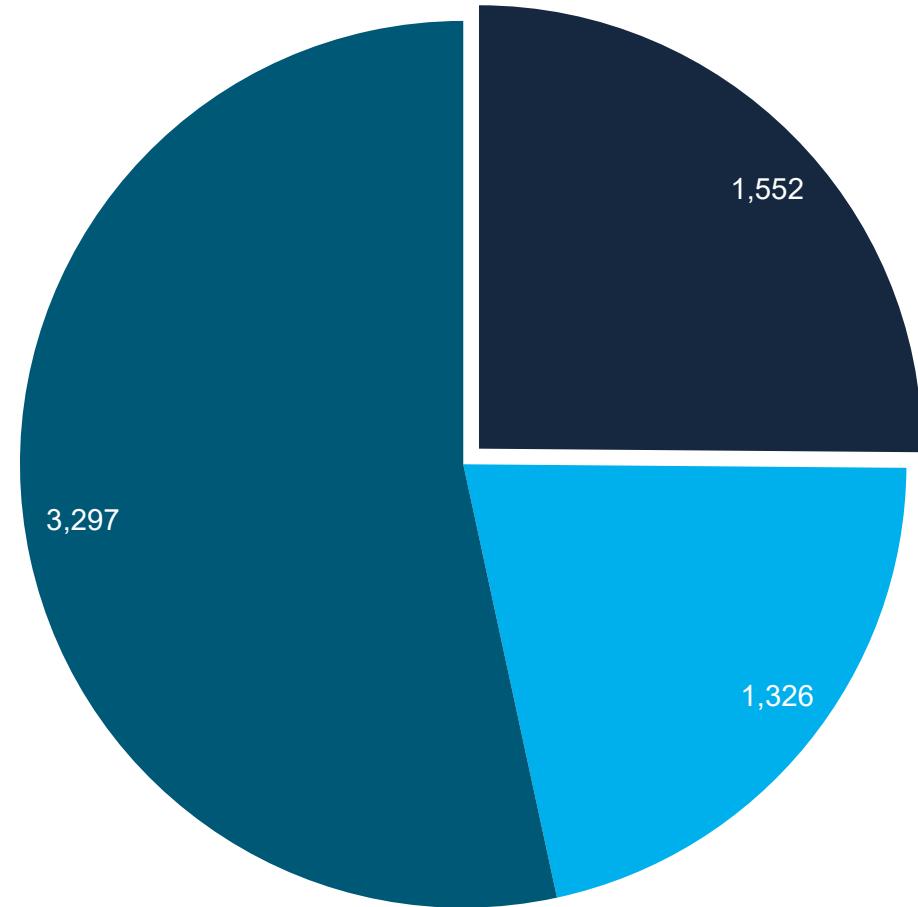
Exposure in Sweden (NOKm)

Total NOK 4,135m



# LIQUIDITY BUFFER

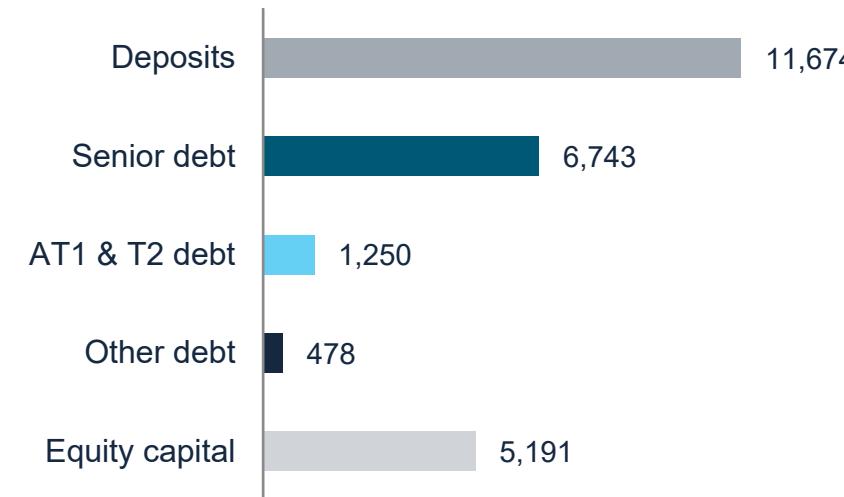
## Low credit and market risk (NOKm)



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)

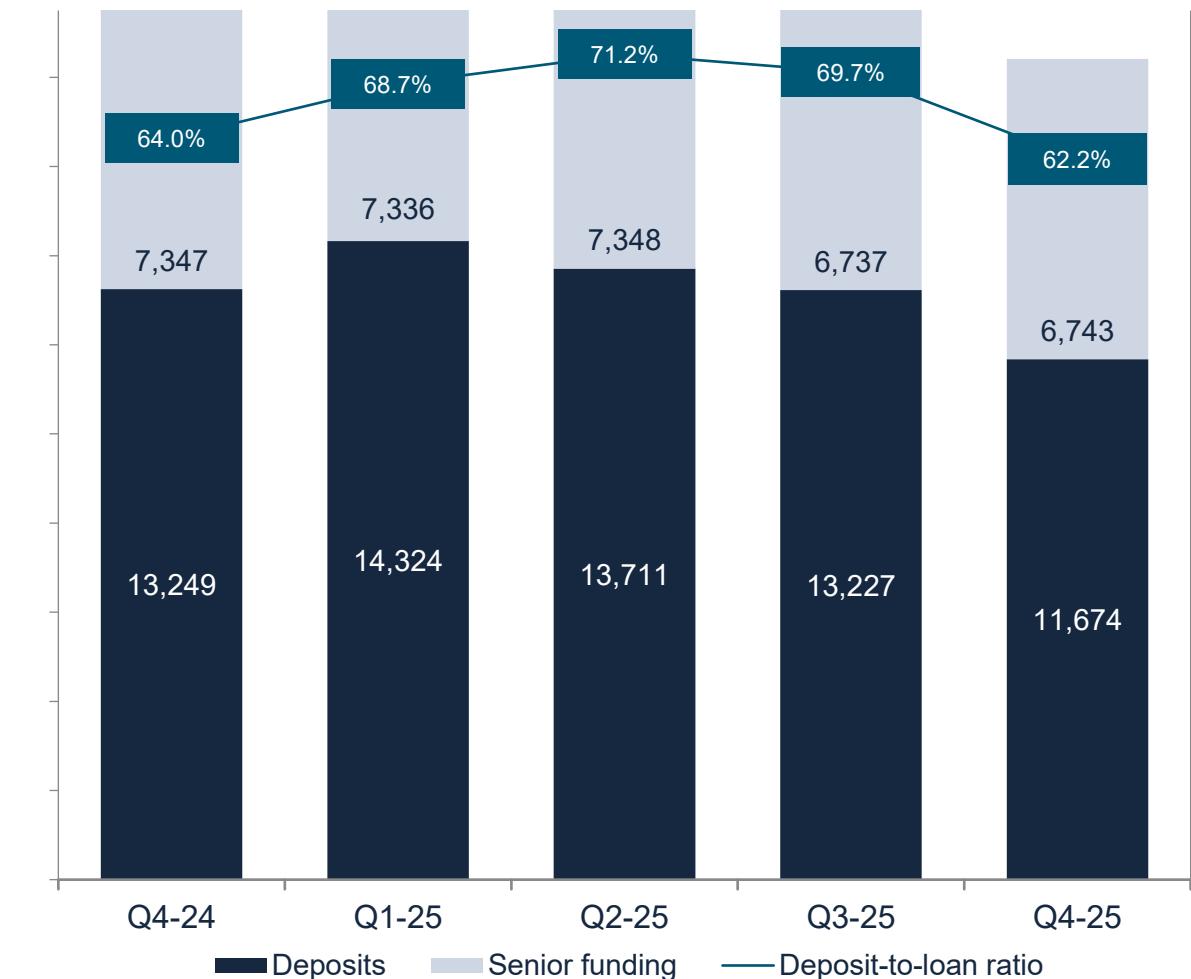


## Key funding and liquidity ratios

- Deposits with liquidity restrictions 80 %
- Corporate deposits 47 %
- Deposit-to-loan ratio 62 %
- Liquidity Coverage Ratio 512 %
- Net Stable Funding Ratio 162 %

## Deposits & senior debt

NOKm,  
Percent customer deposits of net lending to customers



# CUSTOMER DEPOSITS

## Deposits by size (NOKm)



## Deposits by type (NOKm)

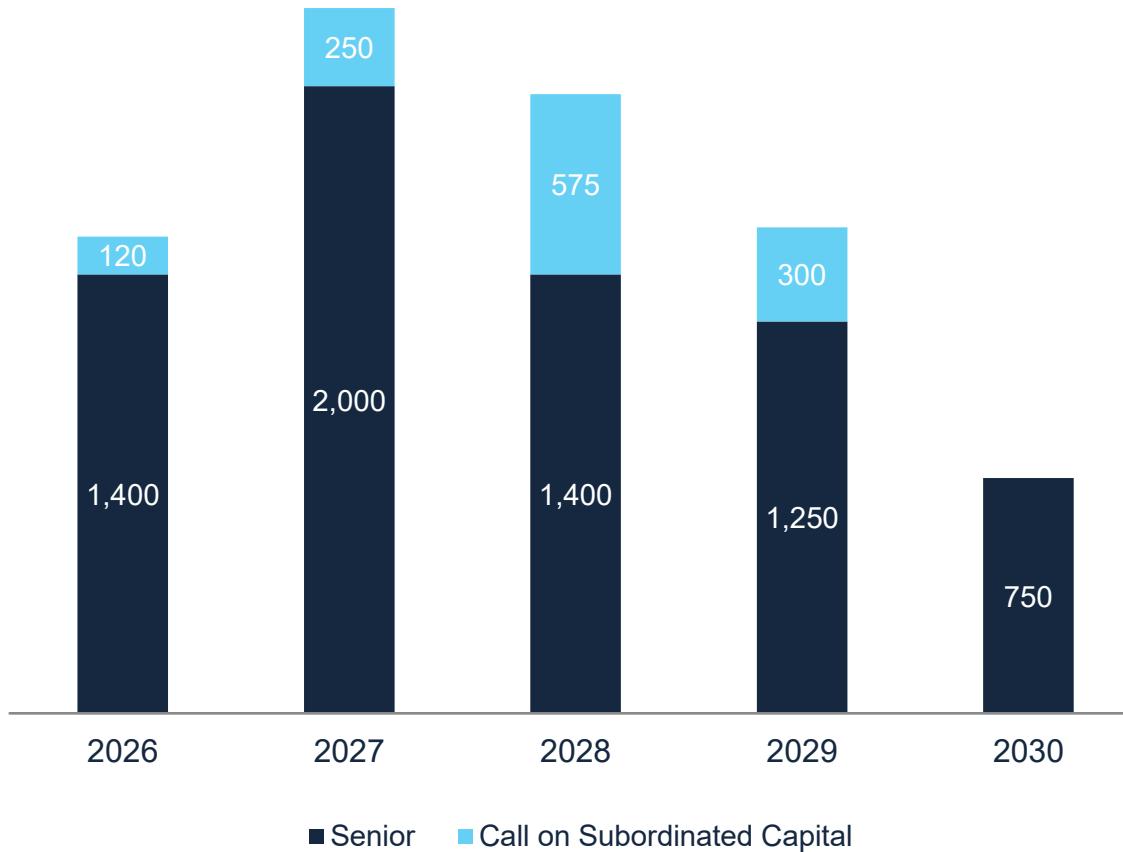


## Deposits by product (NOKm)

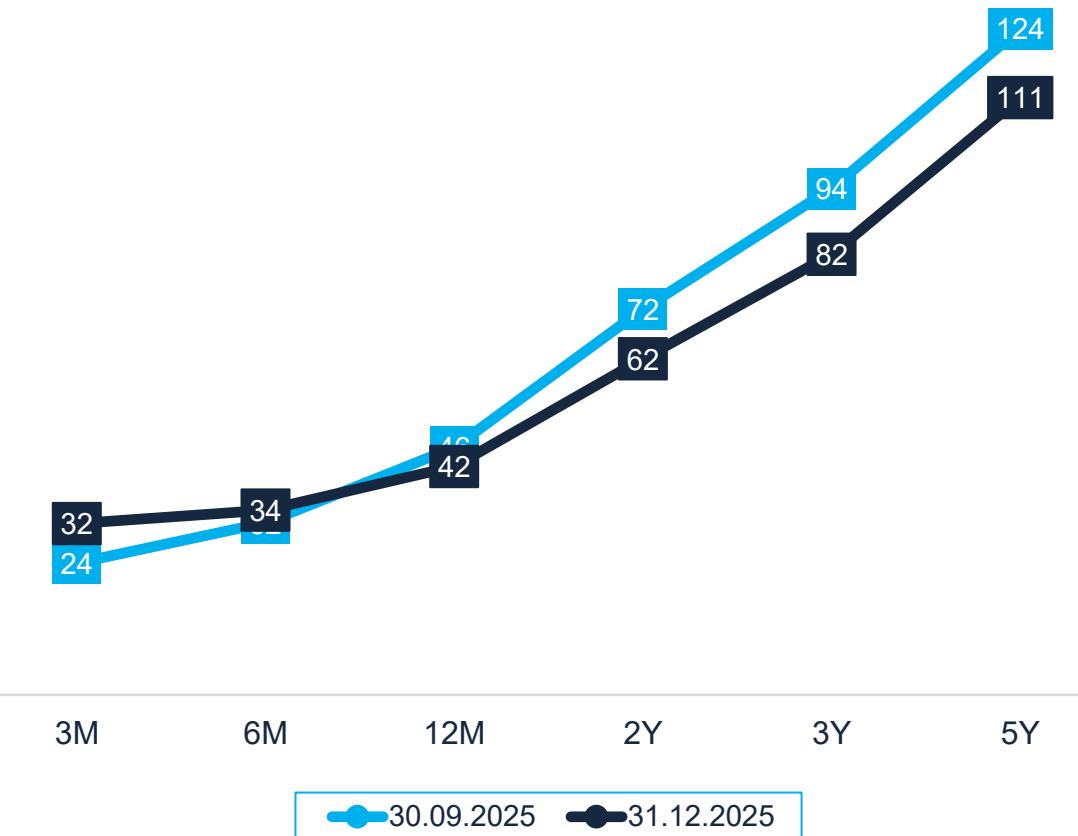


# MARKET FUNDING

Market funding maturities (NOKm) \*

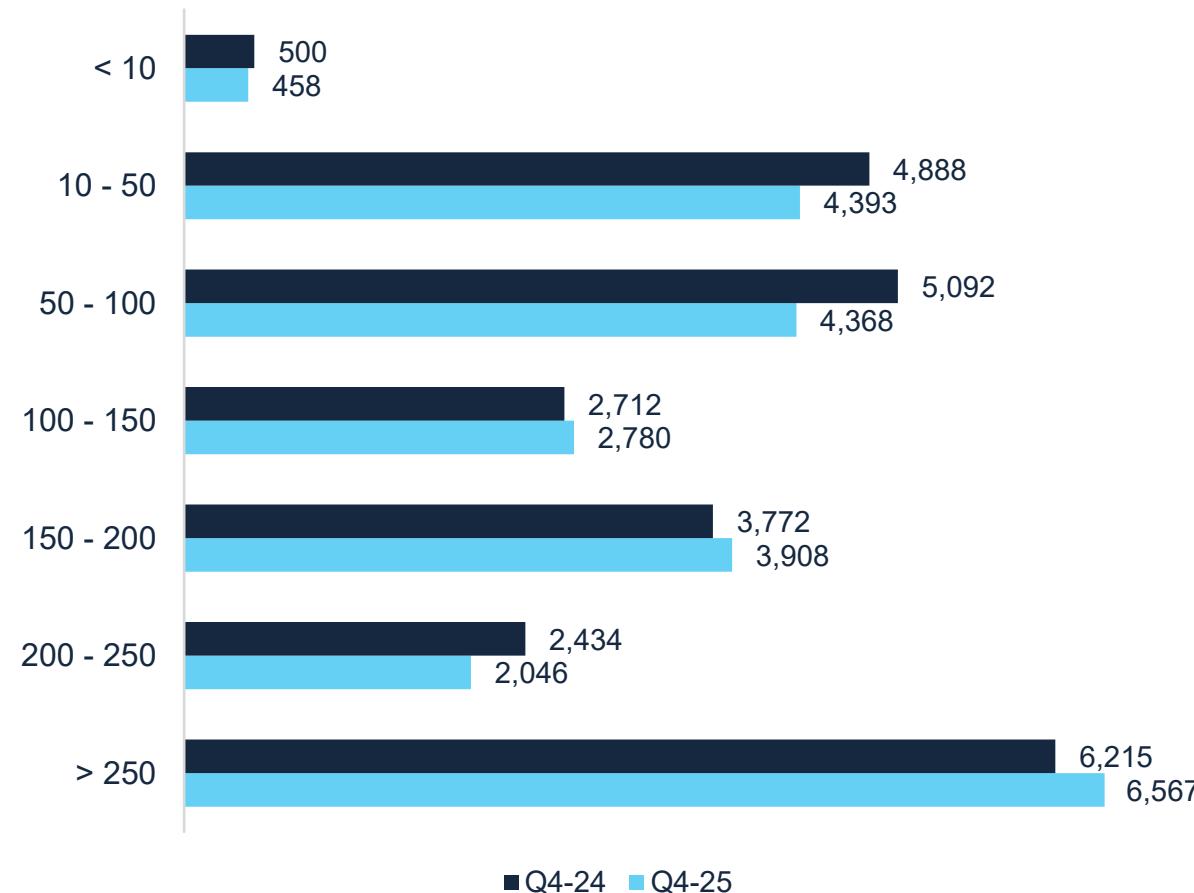


Cost of new market funding \*\*

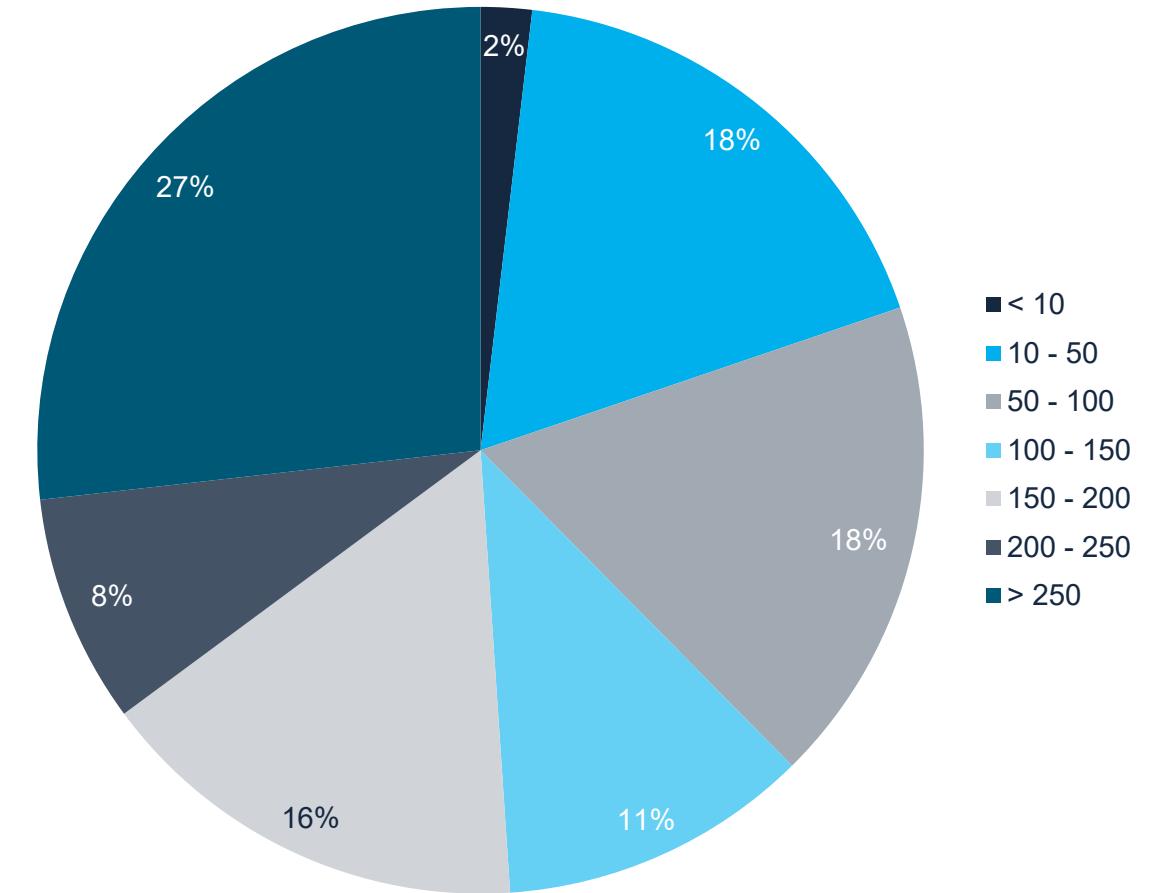


# COMMITMENTS BY SIZE

Commitment size per customer (NOKm)

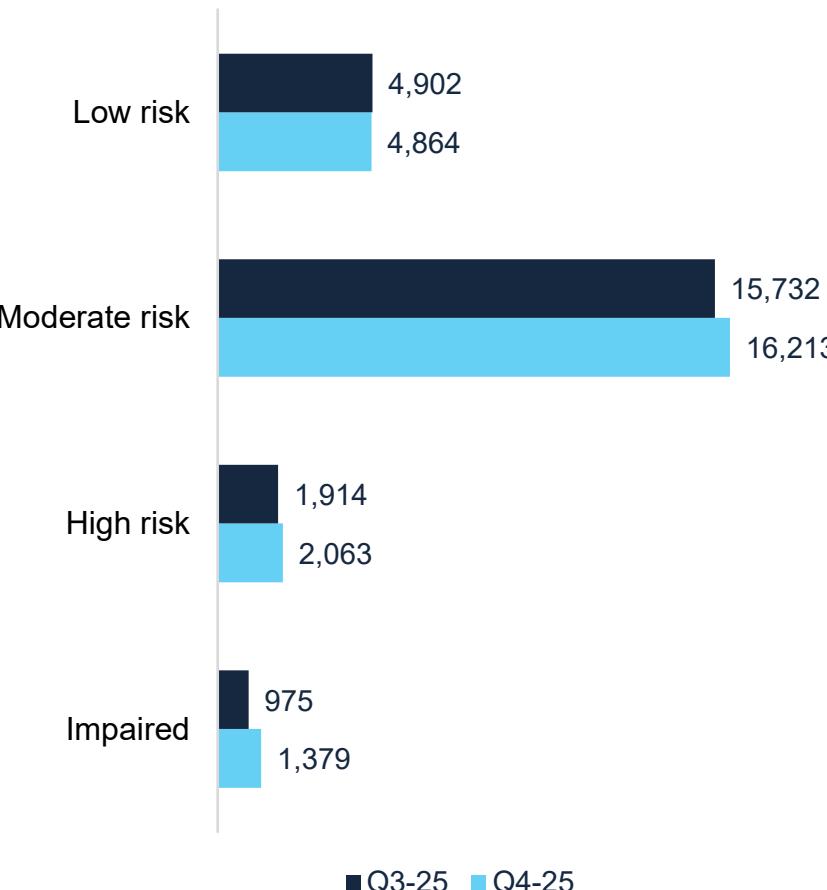


Distribution of commitments by size (NOKm)

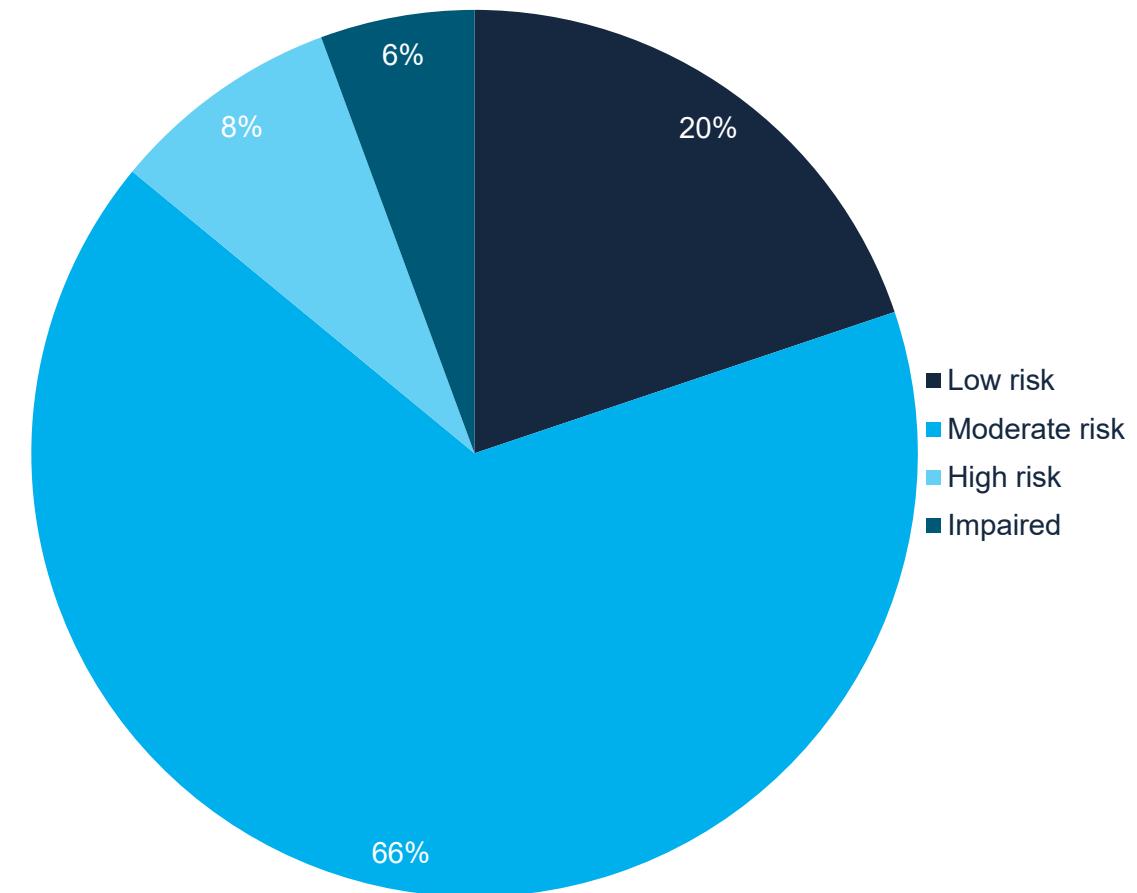


# COMMITMENTS BY RISK CLASSIFICATION

Risk classification (NOKm) \*



Risk classification



# PROVEN TRACK RECORD FOR CREDIT QUALITY

- No losses from 2008 to 2012.
- Total confirmed losses limited to NOK 233m during 18 years of operation.
- Accumulated lending amounted to approx. NOK 193 billion during the past 18 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