

# PARETO BANK

## Financial Results – Third Quarter 2025



**Highlights**

Financials

Business Area Update & Outlook

# THIRD QUARTER 2025

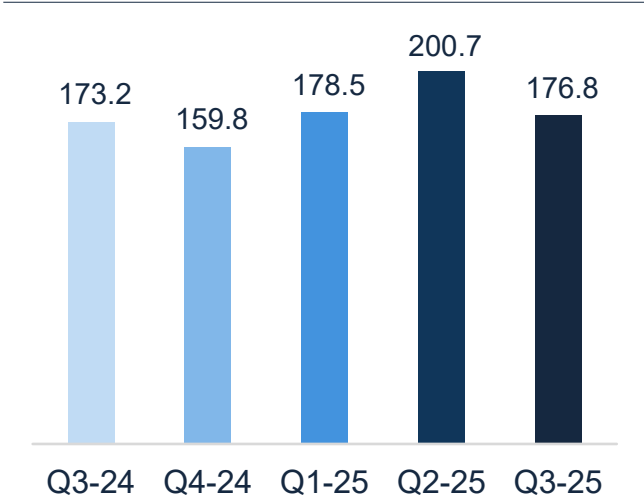
## Highlights

- Profit after tax NOK 176.8m (NOK 173.2m in Q3-24).
- Return on equity after tax 13.0% (13.6%).
- Net interest income down to NOK 287.2m (NOK 313.1m).
- Lending at the end of the quarter stood at NOK 18,983m (NOK 19,419m). Average lending was down 7% q/q with lower credit demand.
- Total impairments and losses of NOK 15.1m (NOK 30.9m). Individual impairments NOK 16.6m (NOK 28.2m), primarily within residential property development, in addition to write downs of NOK 8.5m.

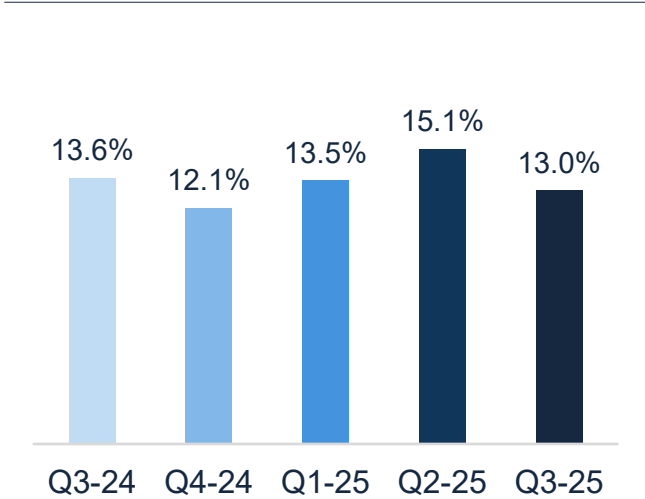


# KEY FIGURES

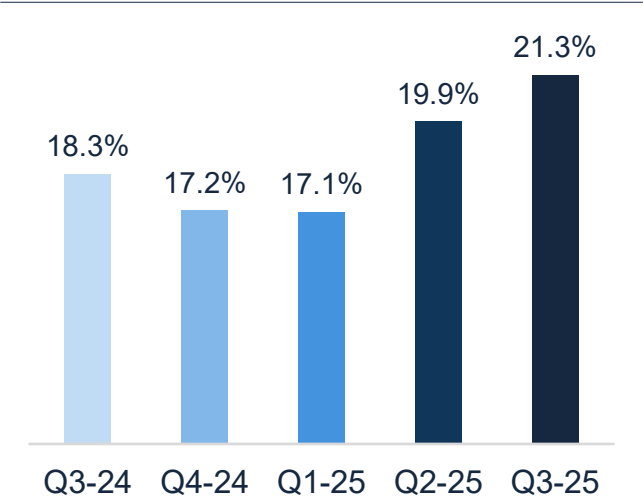
Profit after tax (NOKm)



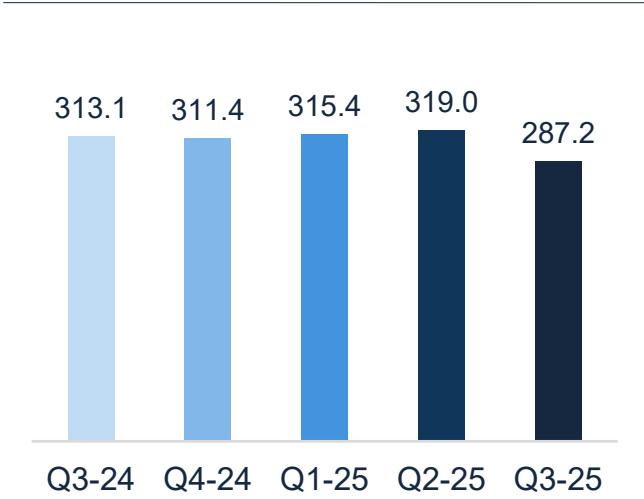
Return on Equity \*



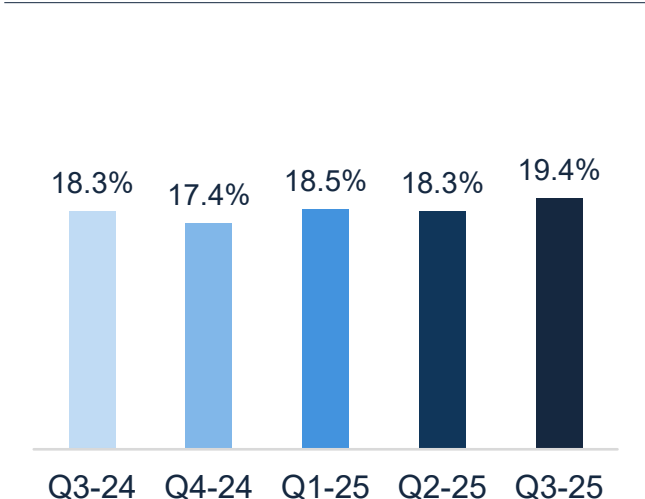
CET1 ratio



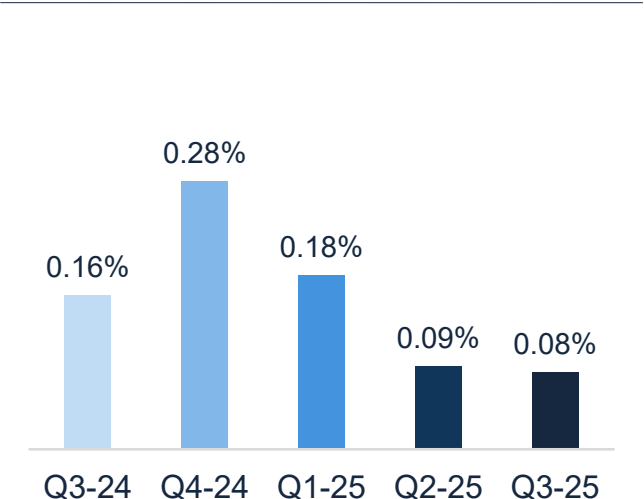
Net interest income (NOKm)



Cost/Income ratio



Loss ratio \*\*



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



Highlights

**Financials**

Business Area Update & Outlook

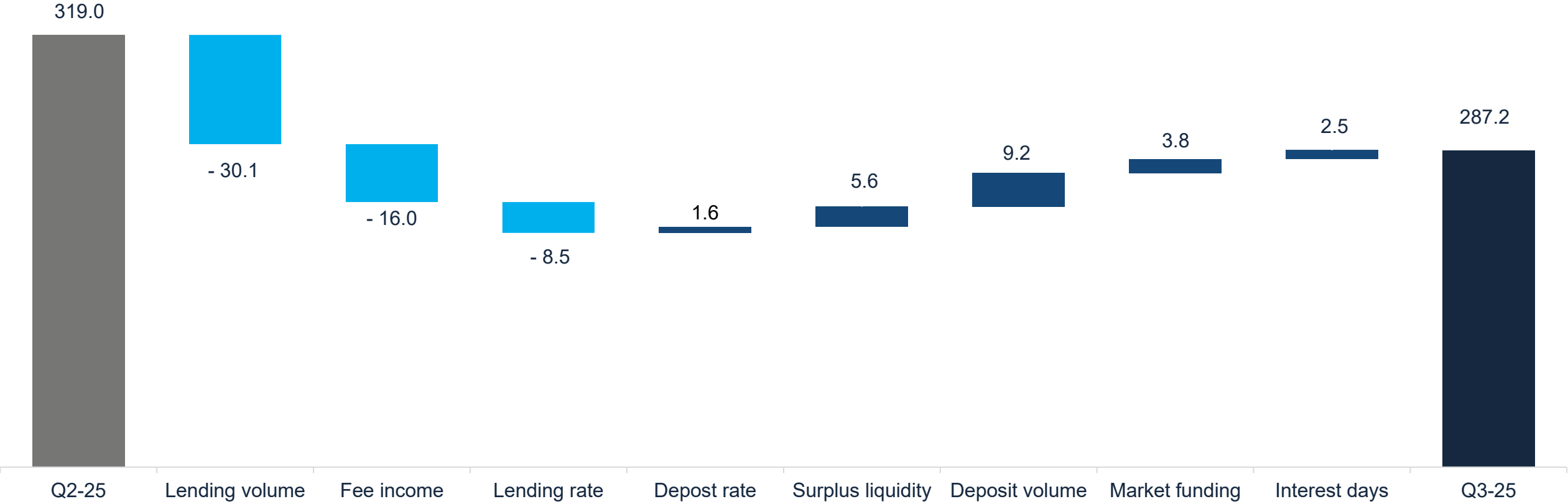
# INCOME STATEMENT

## P&L (NOKm)

|                                                       | Q3-25        | Q3-24        | YTD-25       | YTD-24       |
|-------------------------------------------------------|--------------|--------------|--------------|--------------|
| Net interest income                                   | 287.2        | 313.1        | 921.5        | 915.8        |
| Net other operating income                            | 18.4         | 2.1          | 59.6         | 17.0         |
| <b>Total net income</b>                               | <b>305.6</b> | <b>315.1</b> | <b>981.1</b> | <b>932.8</b> |
| Total operating expenses                              | 59.2         | 57.7         | 183.5        | 169.6        |
| <b>Operating profit before impairments and losses</b> | <b>246.4</b> | <b>257.4</b> | <b>797.6</b> | <b>763.2</b> |
| Impairments and losses on loans and guarantees        | 15.1         | 30.9         | 69.3         | 72.2         |
| <b>Pre-tax operating profit</b>                       | <b>231.3</b> | <b>226.5</b> | <b>728.2</b> | <b>691.0</b> |
| Tax expense                                           | 54.6         | 53.3         | 172.3        | 163.5        |
| Interest hybrid capital                               | 13.0         | 13.4         | 39.0         | 37.0         |
| <b>Profit to shareholders</b>                         | <b>163.7</b> | <b>159.8</b> | <b>516.9</b> | <b>490.5</b> |
| Earnings per share (NOK)                              | 2.13         | 2.08         | 6.73         | 6.39         |

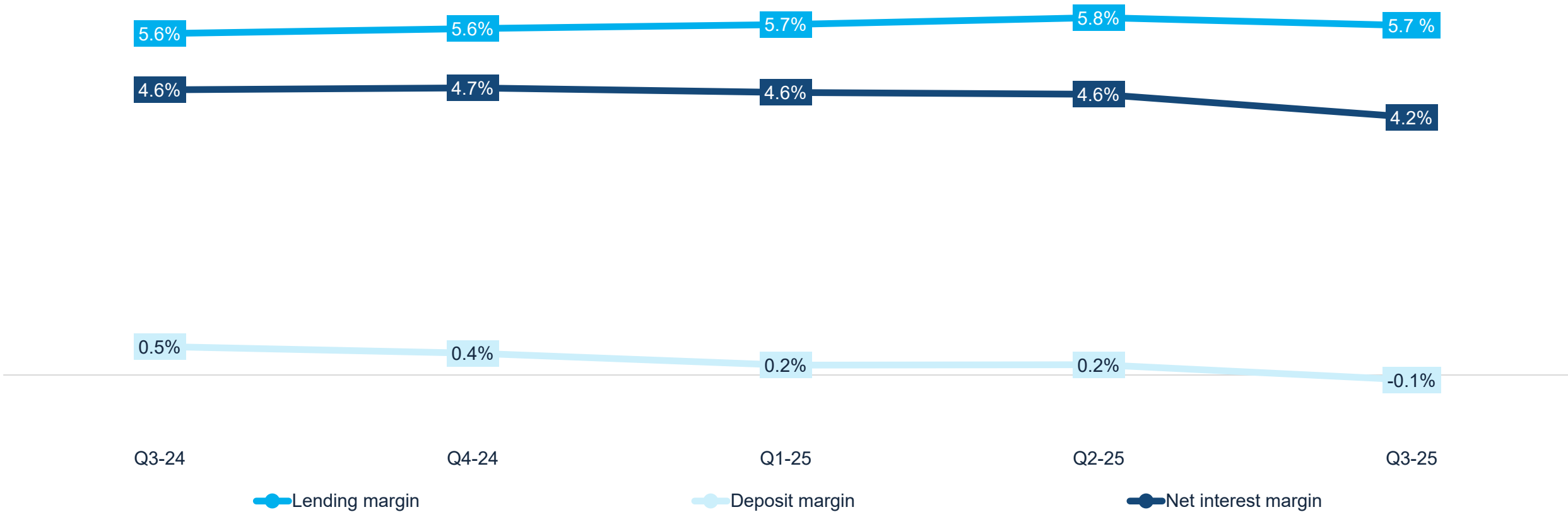
- Interest income down with average lending volumes down 7% y/y.
- Net interest margins weakened by lower fees and pressure on deposit rates.
- Deposit volume decreased with NOK 0.5bn and outstanding bonds with NOK 0.6bn in Q3-25.
- NOK 6.5m of fair value losses (loss of NOK 5.0m), mainly explained by lower rates on fixed rate deposits.
- Continued strong operational efficiency, albeit an increase in the cost/income ratio to 19.4% (18.3%).
- Impairments down from last year and more in line with the recent quarter.

# CHANGE IN QUARTERLY NET INTEREST INCOME (NOKm)



# INTEREST MARGINS

Lending and deposit margin

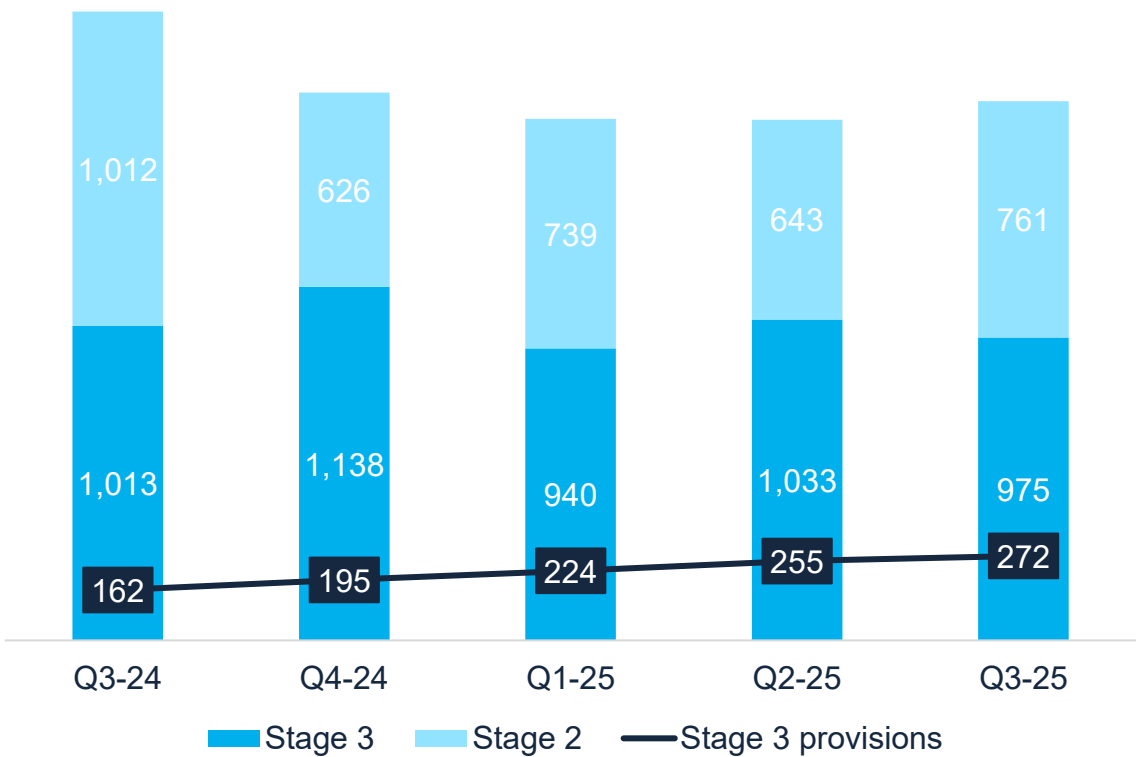


Note: Lending and deposit margins relative to average 3M NIBOR. Net interest margin is total net interest income on average assets.  
\* Lending margin and net interest margin for Q3-24 updated with correct periodisation of interest income.

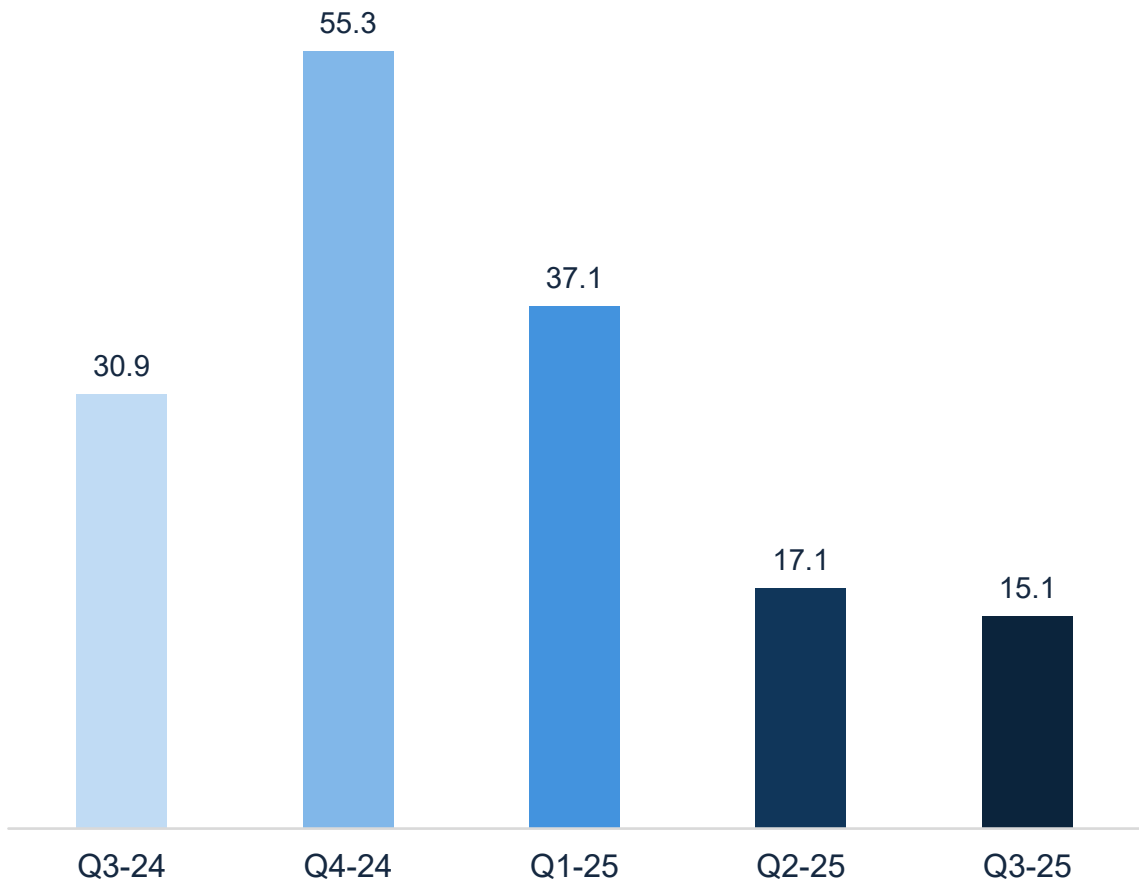


# QUARTERLY CHANGE IN STAGE 2, 3 AND IMPAIRMENTS

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

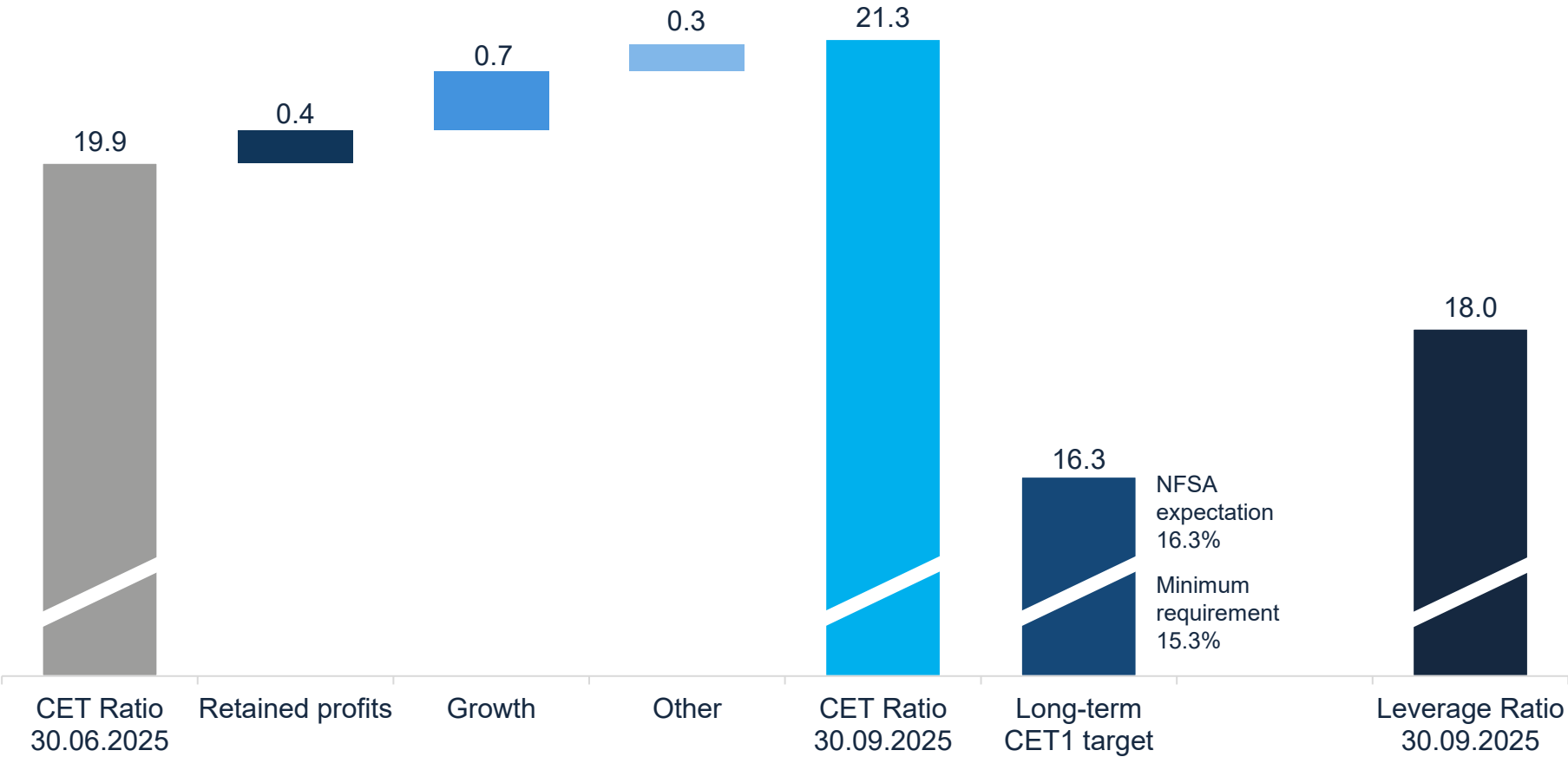


Impairments and losses on loans and guarantees (NOKm)



# SOLIDITY AND CAPITAL REQUIREMENTS

Per cent



- Long-term CET1 target of 16.3%, in line with the NFSA expectation.
- Pareto Bank holds a buffer above this target.
- Continued reduction in lending and exposure adds to capital position.
- Other effects include positive risk migration and lower liquidity portfolio.

Highlights

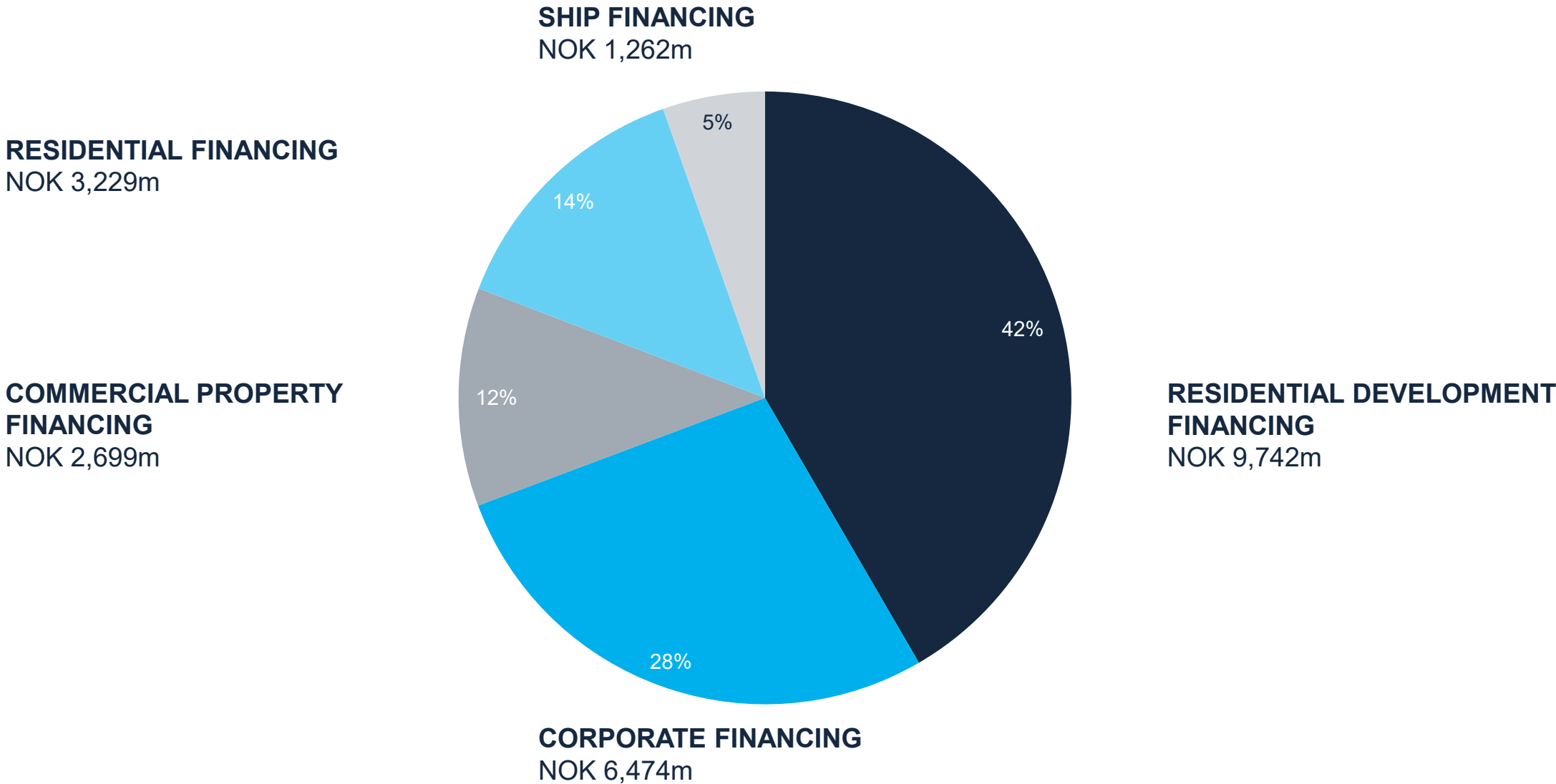
Financials

**Business Area Update & Outlook**



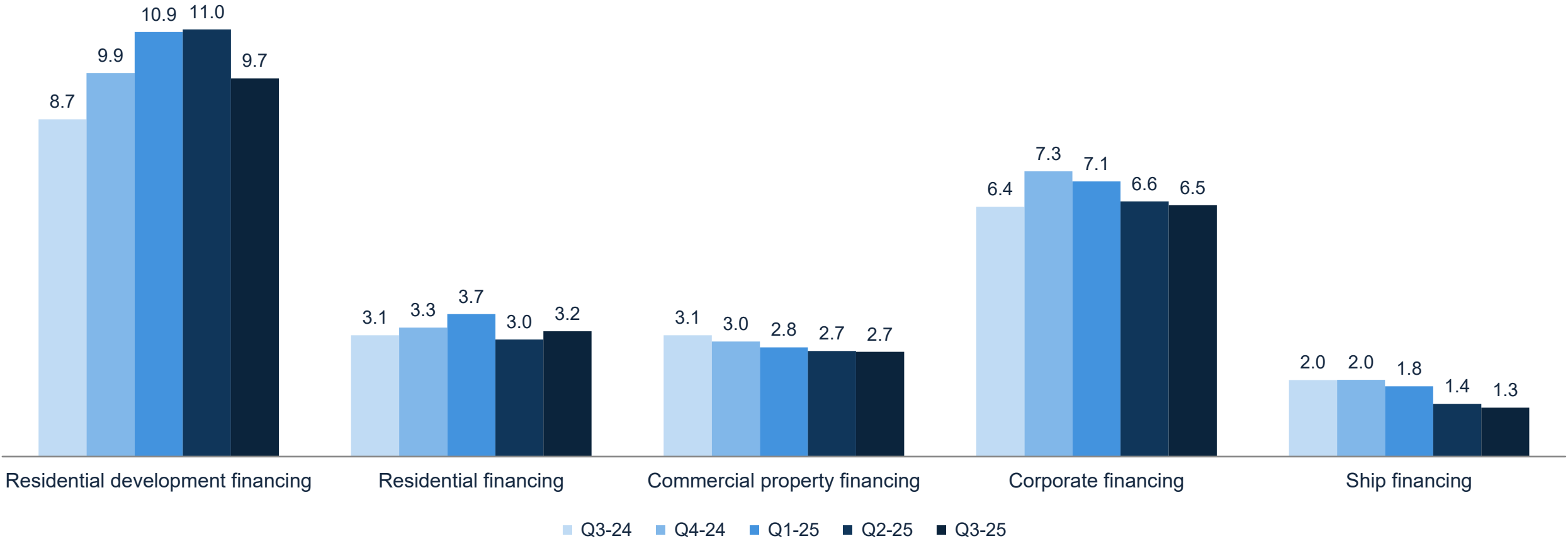
# A NICHE PLAYER FINANCING MEDIUM-SIZED ENTERPRISES

Exposure (NOKm)



# QUARTERLY EXPOSURE PER BUSINESS AREA

(NOKbn)



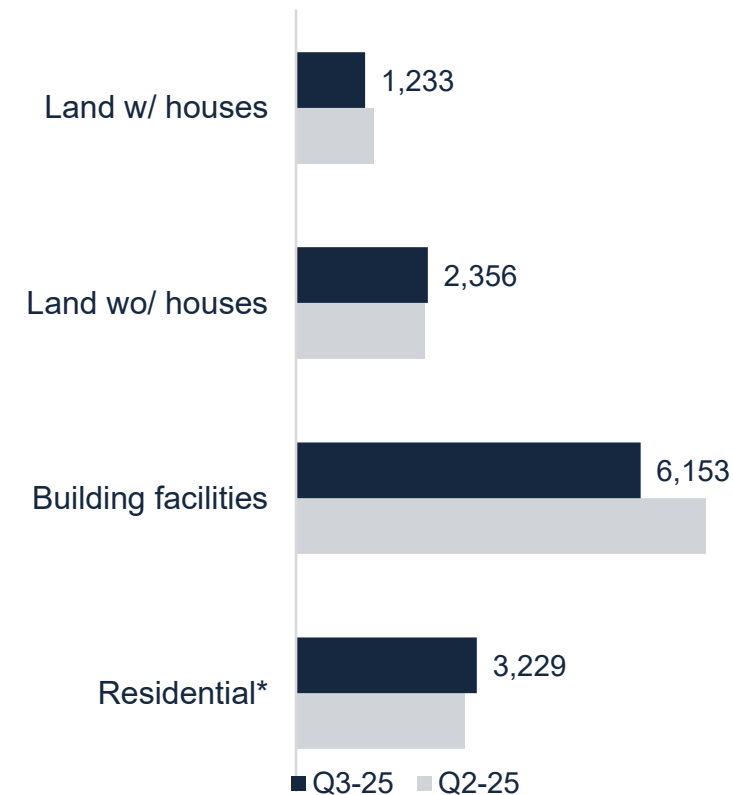
# RESIDENTIAL PROPERTY FINANCING

## LOWER LENDING VOLUME AND UNCERTAIN FORECAST ON EXPOSURE IN Q4-25.

- Lower than expected exposure growth in Q3-25 due to delayed opening of several large building facilities, earlier completion of a large residential project and generally low financing demand.
- Time of project completions and corresponding loan redemptions difficult to predict accurately.
- A persistently weak new-build market with few start-ups and low financing demand.
- More time needed to meet pre-sale requirements slowing down lending growth.
- Policy rate cuts will likely be positive for activity but with limited effect in Q4-25.

### Residential property exposure (NOKm)

Total NOK 12,971m





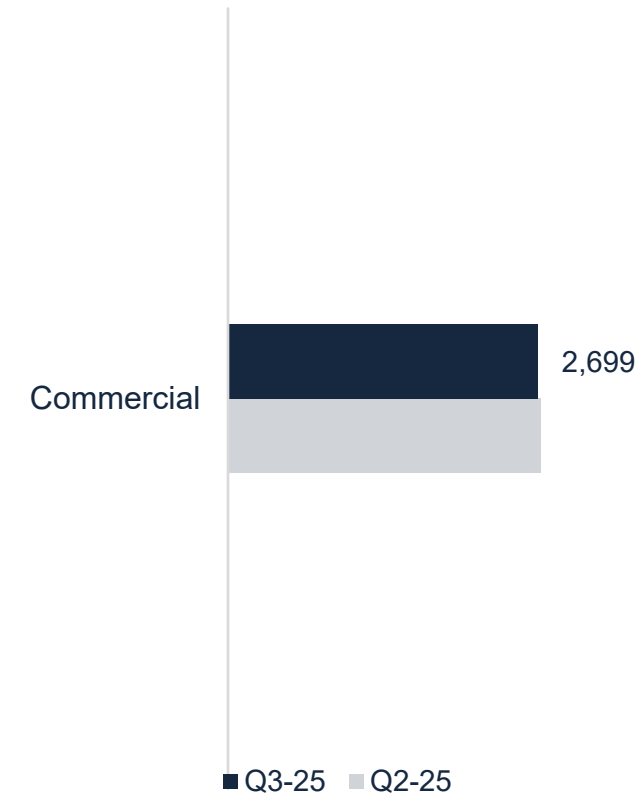
# COMMERCIAL PROPERTY FINANCING

Commercial property exposure (NOKm)

Total NOK 2,699m

FLAT VOLUME TO CONTINUE IN Q4-25.

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

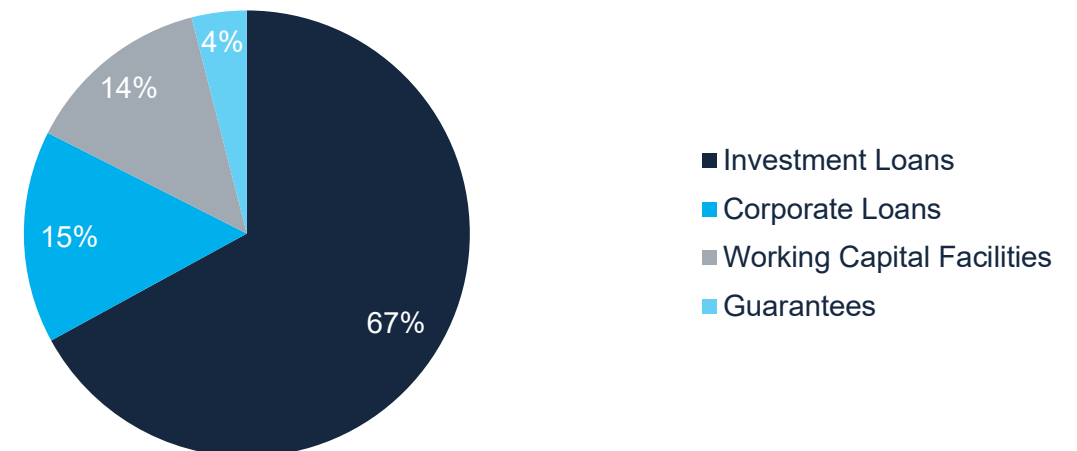
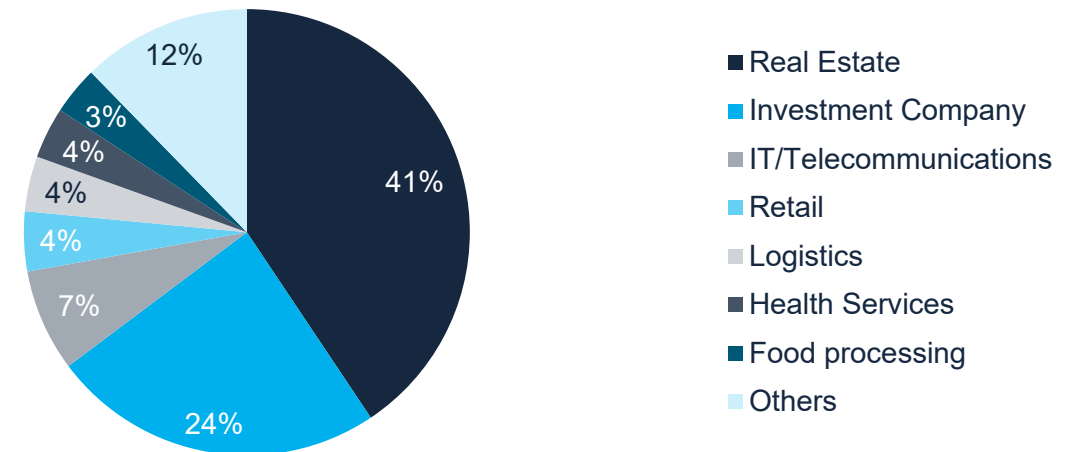


# CORPORATE FINANCING

## SOME EXPOSURE GROWTH EXPECTED FOR Q4-25.

- Relatively flat volume in Q3-25 as loan redemptions materialized as expected.
- Steady deal flow and loan redemptions in Q4-25.
- Pareto Bank is an attractive partner for medium-sized businesses and sees good long-term growth prospects.

Corporate exposure (NOKm)      Total NOK 6,474m (Q2-25: NOK 6,571m)



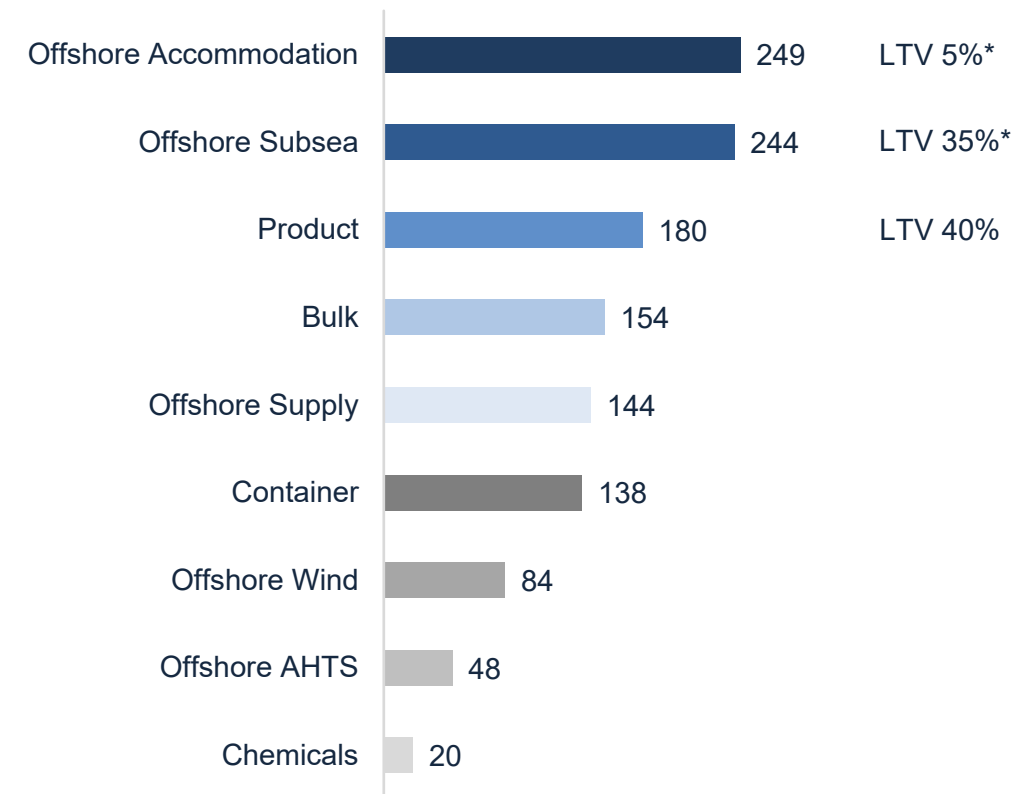
# SHIP FINANCING

## SOME VOLUME GROWTH EXPECTED FOR Q4-25.

- Low financing demand in shipping and competition among offshore lenders led to an expected minor volume reduction in Q3-25.
- Investor interest and deal flow have improved somewhat.
- Demand for offshore activity remains resilient and supply growth is still at comfortable levels. However, oil prices have been trending lower, and renewed weakness could weigh on new offshore investments and vessel utilization.
- On the shipping side, demand could be affected by possible disruptions to global trade flows from tariffs and geopolitical tensions, while supply growth in some segments might put additional pressure on utilization going forward.

### Exposure (NOKm)

Total NOK 1,262m (Q2-25: NOK 1,358m)



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

# TOTAL RETURN

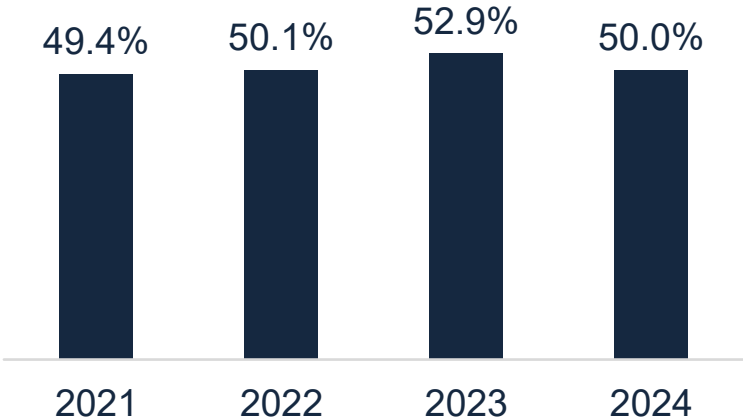
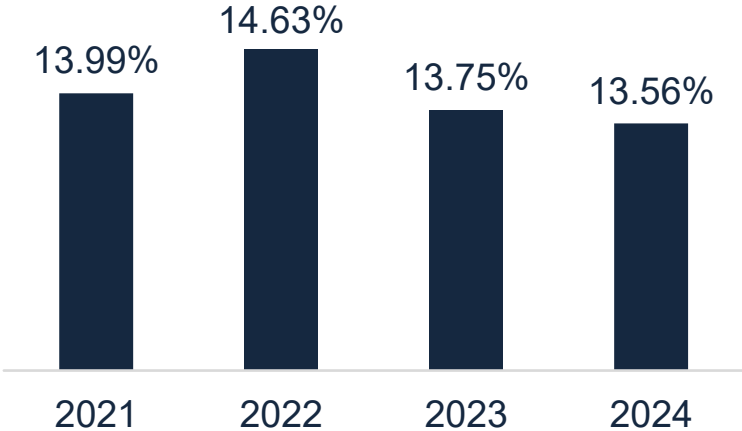
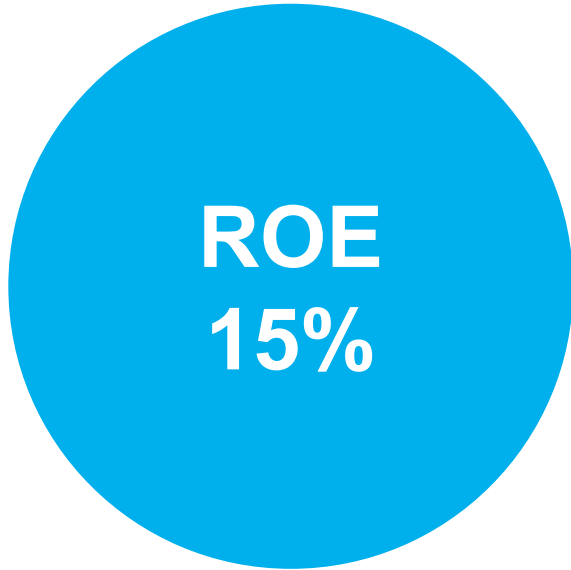
| Equity      | Price Change | Total Return | Annual Return |
|-------------|--------------|--------------|---------------|
| Pareto Bank | 179 %        | 330 %        | 16 %          |
| OSEBX Index | 143 %        | 143 %        | 9 %           |





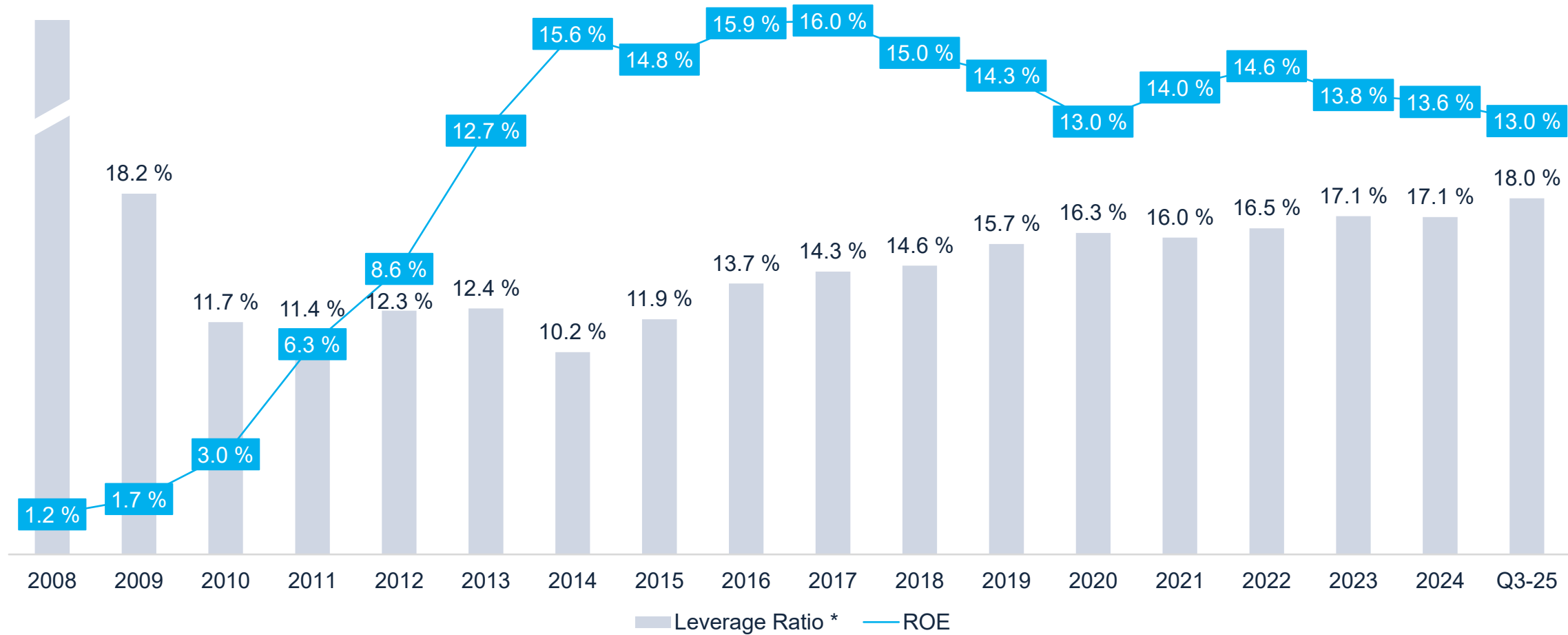
# APPENDIX

# LONG-TERM AMBITIONS



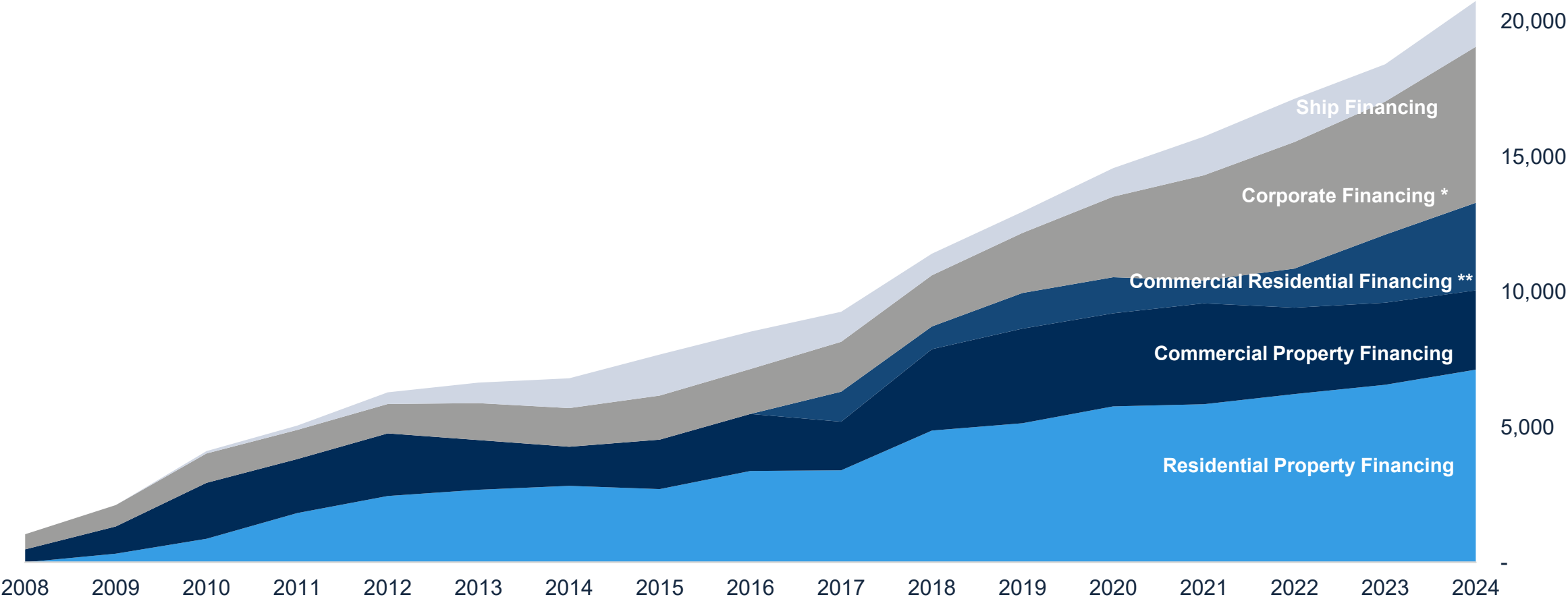
# ROE AND LEVERAGE RATIO

Profitability with increasing solidity



# LENDING GROWTH

Per business area (NOKm)



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

# LARGEST SHAREHOLDERS

30 September 2025

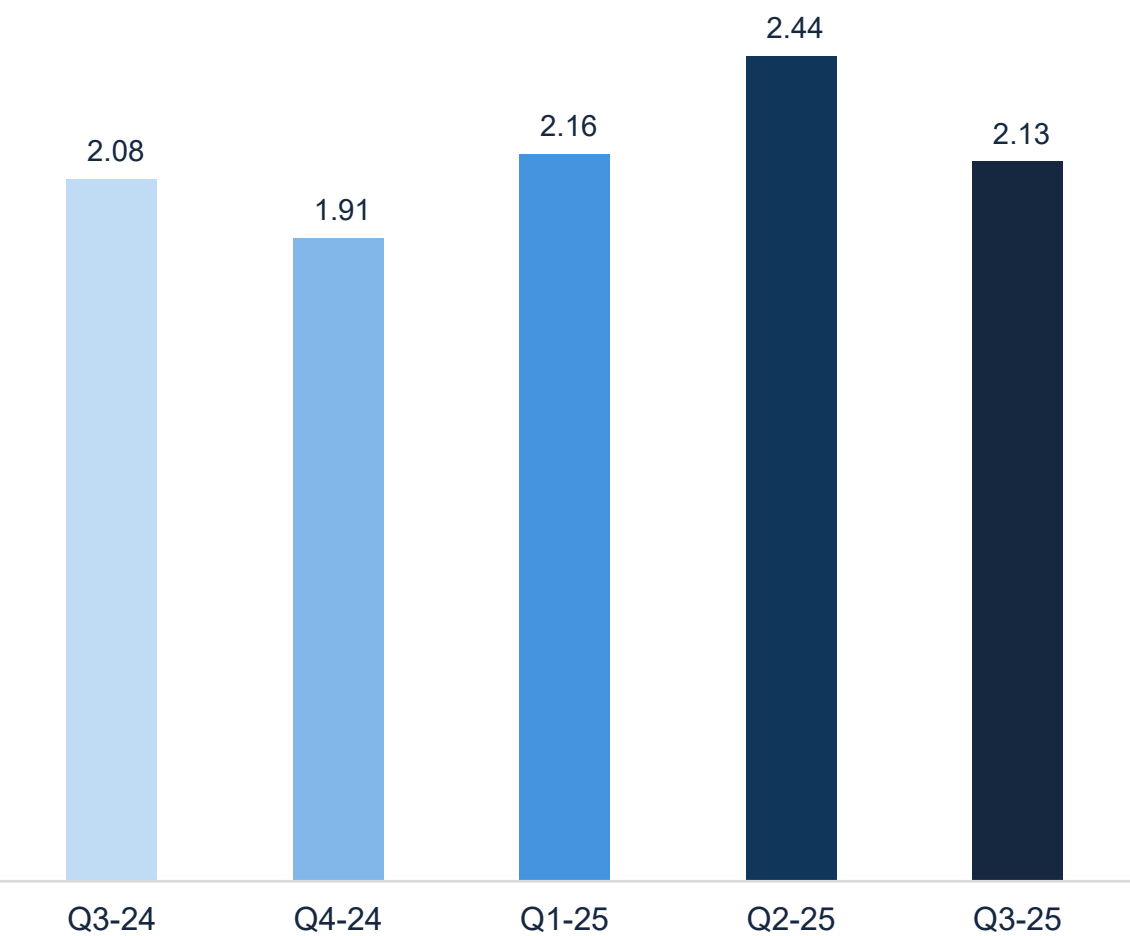
|                           | Name                               | Shares            | % Total         |
|---------------------------|------------------------------------|-------------------|-----------------|
| 1                         | Pareto AS                          | 15,356,484        | 20.00 %         |
| 2                         | Société Générale                   | 6,456,149         | 8.41 %          |
| 3                         | AWC AS                             | 5,212,451         | 6.79 %          |
| 4                         | Hjellegjerde Invest AS             | 3,803,301         | 4.95 %          |
| 5                         | Salt value AS                      | 2,389,484         | 3.11 %          |
| 6                         | Verdipapirfondet Holberg Norge     | 2,377,309         | 3.10 %          |
| 7                         | Kolberg Motors AS                  | 2,100,000         | 2.74 %          |
| 8                         | RB Investor AS                     | 2,076,377         | 2.70 %          |
| 9                         | Landkreditt 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                        | AS Audley                          | 929,252           | 1.21 %          |
| 15                        | Lombard Int Assurance S.A.         | 900,820           | 1.17 %          |
| 16                        | Verdipapirfondet Heimdal Utbytte   | 850,000           | 1.11 %          |
| 17                        | VPF Eika Egenkapitalbevis          | 805,000           | 1.05 %          |
| 18                        | Dragesund Invest AS                | 650,000           | 0.85 %          |
| 19                        | Elgar Kapital AS                   | 638,402           | 0.83 %          |
| 20                        | Rikter-Svendsen AS                 | 549,366           | 0.72 %          |
| <b>Sum TOP 20</b>         |                                    | <b>52,556,128</b> | <b>68.45 %</b>  |
| <b>Other shareholders</b> |                                    | <b>24,226,295</b> | <b>31.55 %</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 4,273 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.

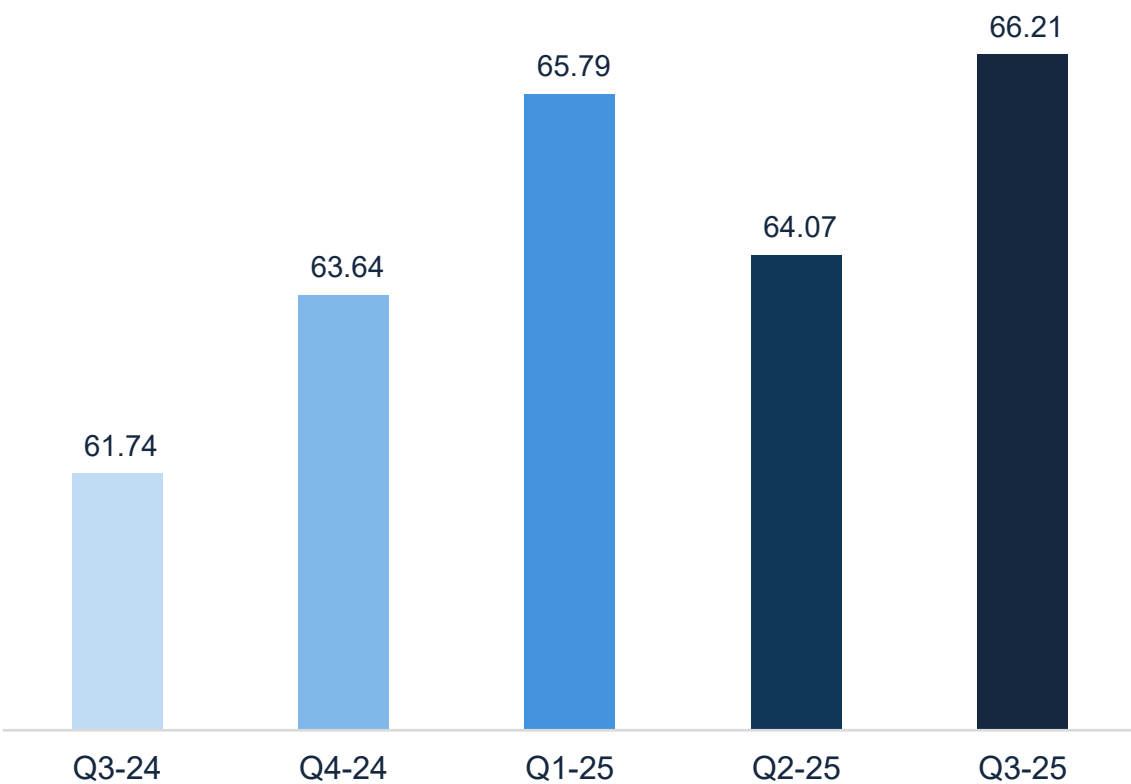


# THE SHARE

Earnings per share (NOK)



Book value per share (NOK)



# QUARTERLY INCOME STATEMENT

## P&L (NOKm)

|                                                       | Q3-25        | Q2-25        | Q1-25        | Q4-24        | Q3-24        |
|-------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Net interest income                                   | 287.2        | 319.0        | 315.4        | 311.4        | 313.1        |
| Net other operating income                            | 18.4         | 24.3         | 16.9         | 8.9          | 2.1          |
| <b>Total net income</b>                               | <b>305.6</b> | <b>343.2</b> | <b>332.3</b> | <b>320.4</b> | <b>315.1</b> |
| Total operating expenses                              | 59.2         | 62.9         | 61.5         | 55.7         | 57.7         |
| <b>Operating profit before impairments and losses</b> | <b>246.4</b> | <b>280.4</b> | <b>270.8</b> | <b>264.6</b> | <b>257.4</b> |
| Impairments and losses on loans and guarantees        | 15.1         | 17.1         | 37.1         | 55.3         | 30.9         |
| <b>Pre-tax operating profit</b>                       | <b>231.3</b> | <b>263.3</b> | <b>233.6</b> | <b>209.4</b> | <b>226.5</b> |
| Tax expense                                           | 54.6         | 62.6         | 55.2         | 49.6         | 53.3         |
| Interest hybrid capital                               | 13.0         | 13.0         | 13.0         | 13.4         | 13.4         |
| <b>Profit for the period</b>                          | <b>176.8</b> | <b>200.7</b> | <b>178.5</b> | <b>159.8</b> | <b>173.2</b> |
| Earnings per share (NOK)                              | 2.13         | 2.44         | 2.16         | 1.91         | 2.08         |
| Return on equity                                      | 13.0 %       | 15.1 %       | 13.5 %       | 12.1 %       | 13.6%        |
| Cost/income ratio                                     | 19.4 %       | 18.3 %       | 18.5 %       | 17.4 %       | 18.3%        |

# QUARTERLY BALANCE SHEET

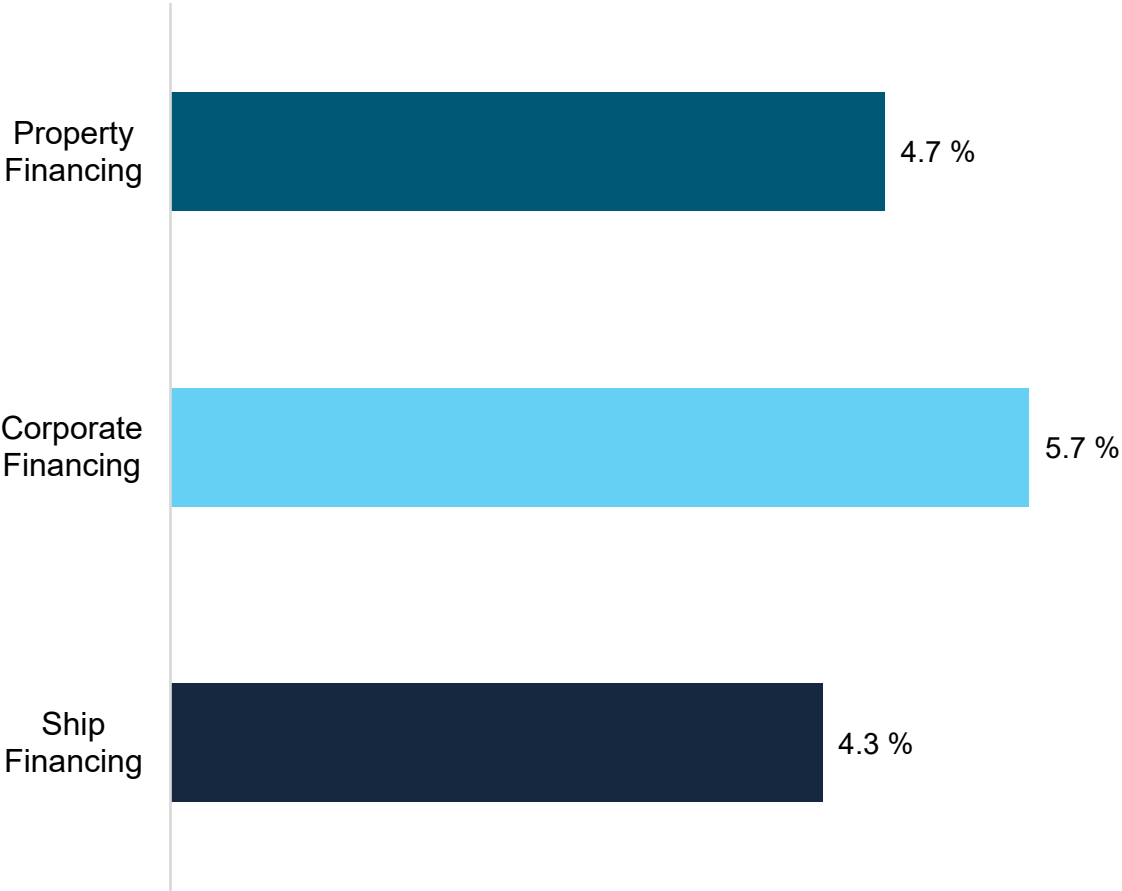
(NOKm)

|                                          | Q3-25         | Q2-25         | Q1-25         | Q4-24         | Q3-24         |
|------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Loans to credit institutions             | 1,841         | 3,214         | 2,144         | 2,640         | 1,930         |
| Loans to customers                       | 18,983        | 19,249        | 20,864        | 20,713        | 19,419        |
| Bonds and other securities               | 5,692         | 4,897         | 5,158         | 3,659         | 4,240         |
| Shareholdings in associated companies    | 34            | 34            | 34            | 34            | 22            |
| Other assets                             | 210           | 212           | 218           | 191           | 217           |
| <b>Total assets</b>                      | <b>26,761</b> | <b>27,606</b> | <b>28,418</b> | <b>27,237</b> | <b>25,829</b> |
| Deposits from customers and institutions | 13,297        | 13,772        | 14,367        | 13,304        | 12,116        |
| Senior securities issued                 | 6,737         | 7,348         | 7,336         | 7,347         | 7,284         |
| Other liabilities                        | 394           | 316           | 414           | 450           | 438           |
| Tier 2 subordinated securities issued    | 700           | 700           | 700           | 700           | 700           |
| Additional tier 1 capital                | 550           | 550           | 550           | 550           | 550           |
| Other equity                             | 5,084         | 4,919         | 5,052         | 4,887         | 4,740         |
| <b>Total liabilities and equity</b>      | <b>26,761</b> | <b>27,606</b> | <b>28,418</b> | <b>27,237</b> | <b>25,829</b> |

# MARGINS AND INTEREST CONTRIBUTION

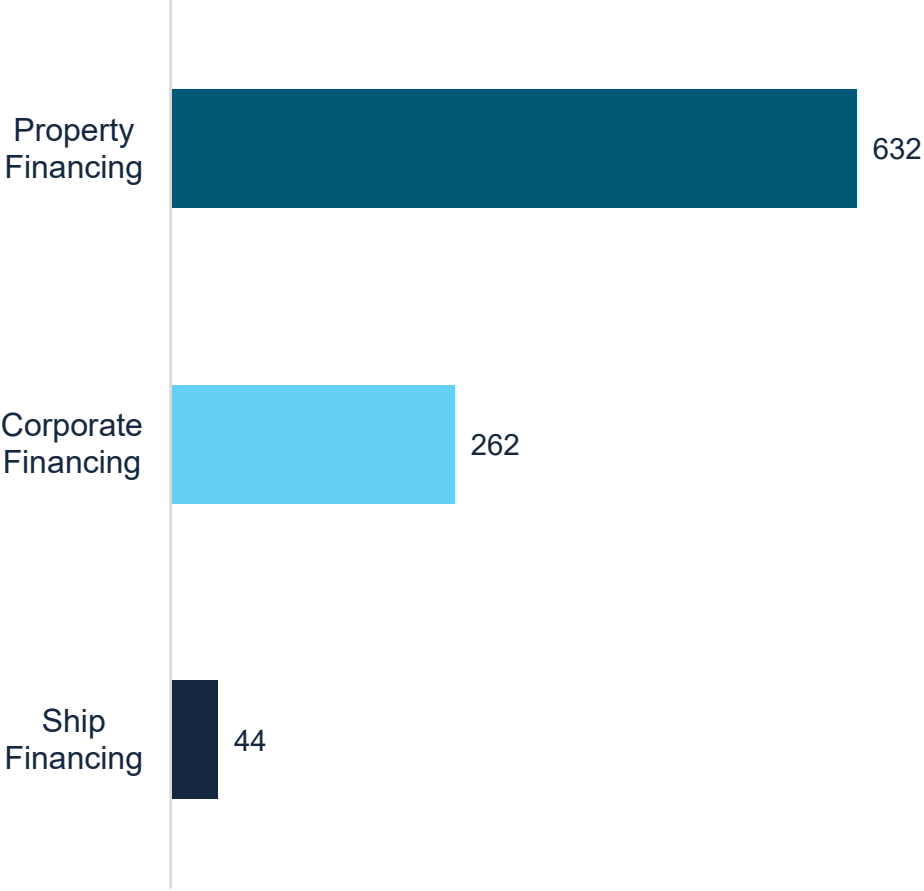
## Margins per business area

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.



Segment margins are estimated on the basis of terms of existing loans and will therefore differ from reported total lending margins. 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 30.09.2025. Fixing in arrears for SOFR rates are estimated.

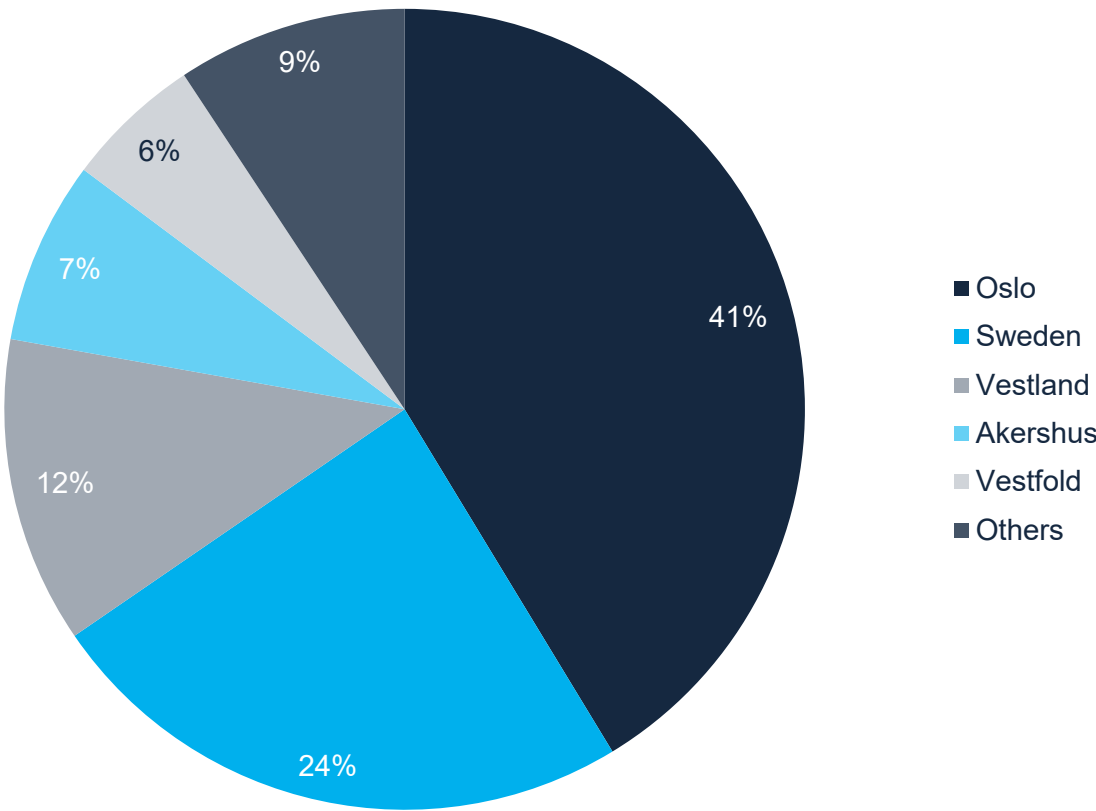
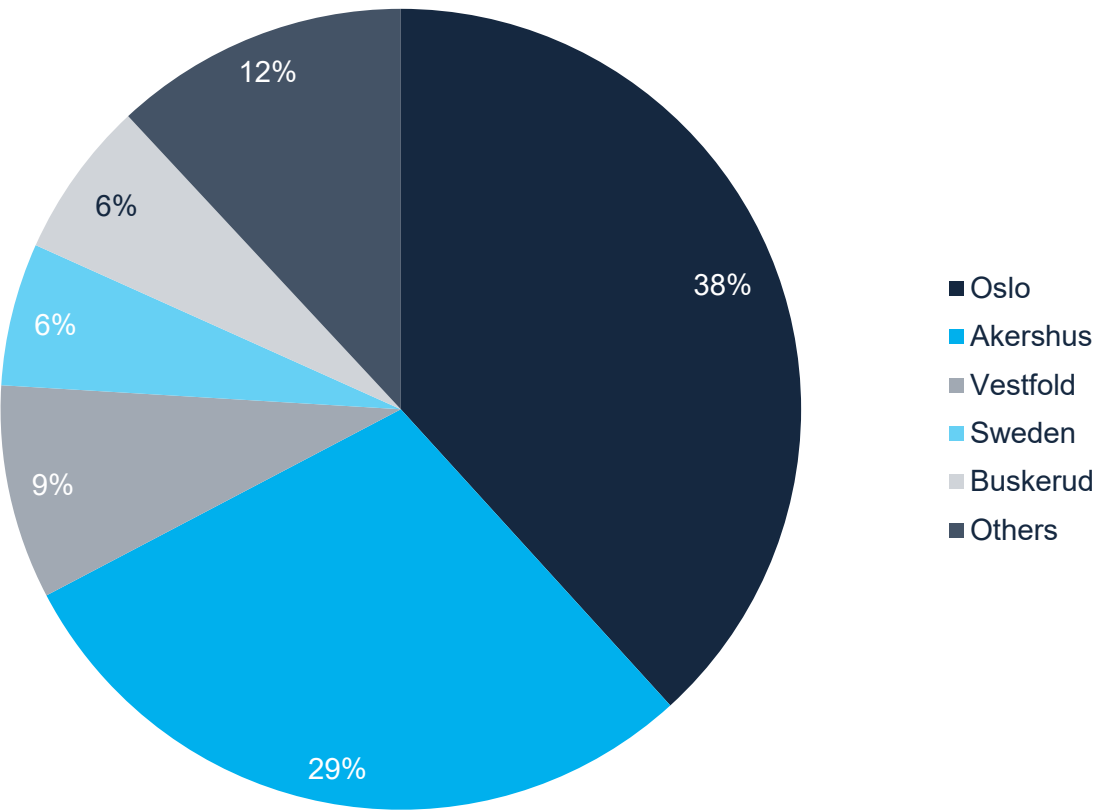
# REAL ESTATE FINANCING EXPOSURE

Geographical residential property exposure

Total NOK 12,971m\*

Geographical commercial property exposure

Total NOK 2,699m\*



# SWEDEN

## Stable Exposure

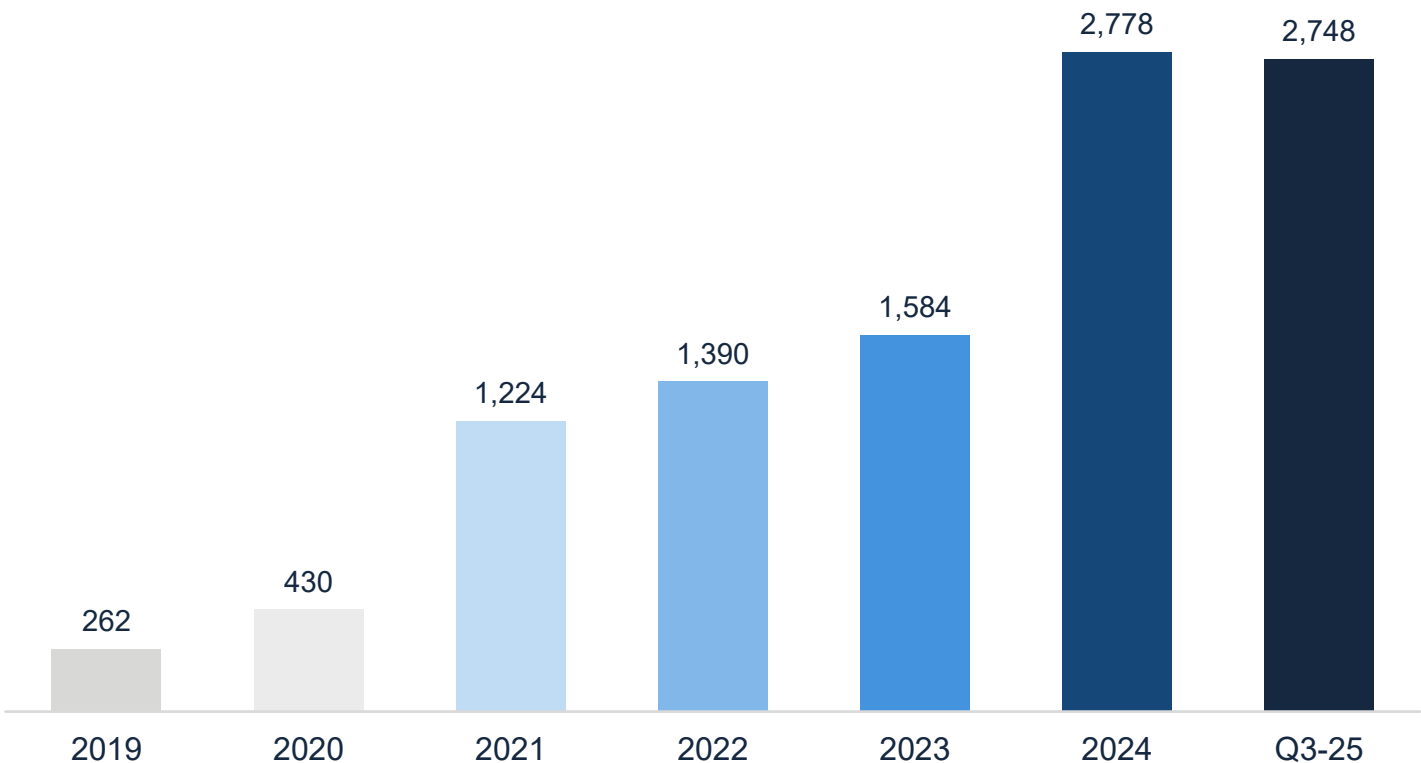
- High deal flow throughout 2024 ensured strong volume growth towards year-end.
- Stable exposure YTD. Volume growth expected in Q4-25.
- High focus on expanding network and customer base.
- Good credit quality ensures an attractive risk/reward.
- Lower capital requirements in Sweden ensures capacity for increased loan exposure.

## Long-term goal

- To build a diversified, robust and profitable loan portfolio in Sweden.
- ROE target above long-term ambition of 15%.

## Exposure in Sweden (NOKm)

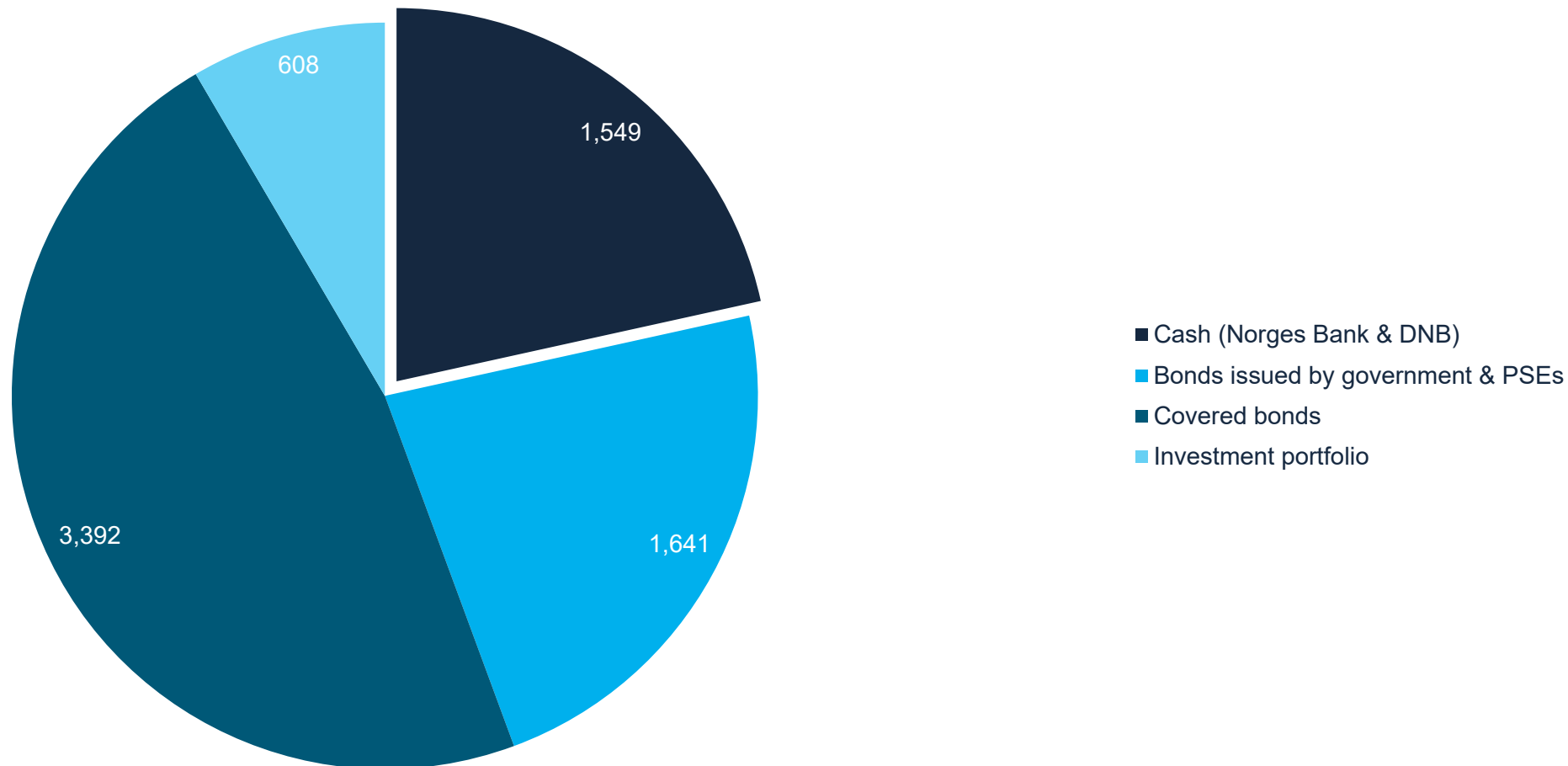
Total NOK 2,748m





# LIQUIDITY BUFFER

Low credit and market risk (NOKm)

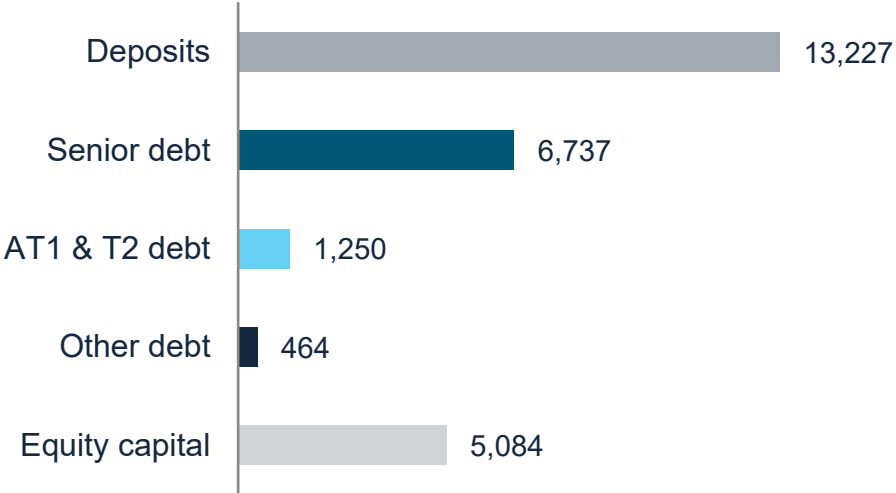


## Comments

- 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)

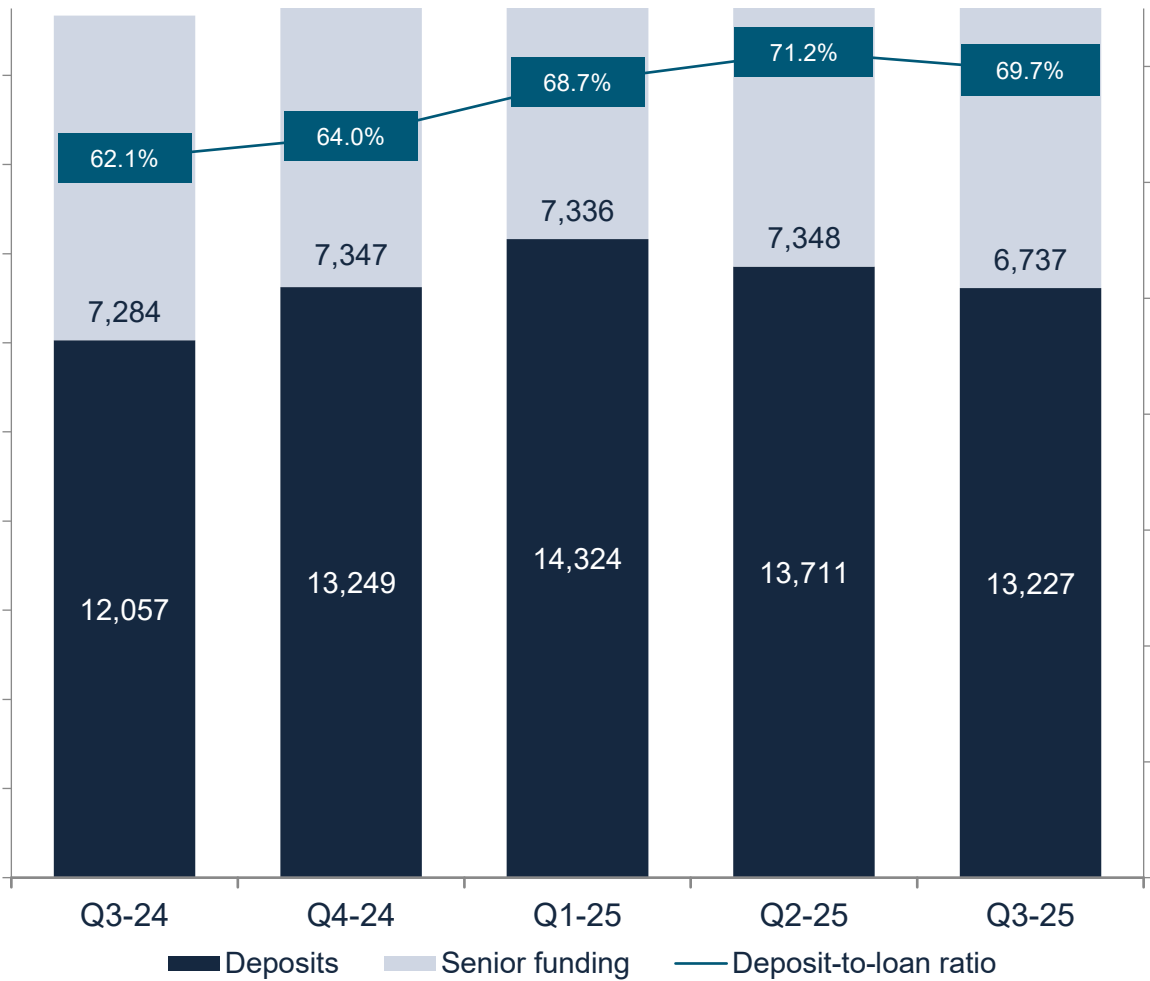


## Key funding and liquidity ratios

- Deposits with liquidity restrictions 77 %
- Corporate deposits 49 %
- Deposit-to-loan ratio 70 %
- Liquidity Coverage Ratio 732 %
- Net Stable Funding Ratio 171 %

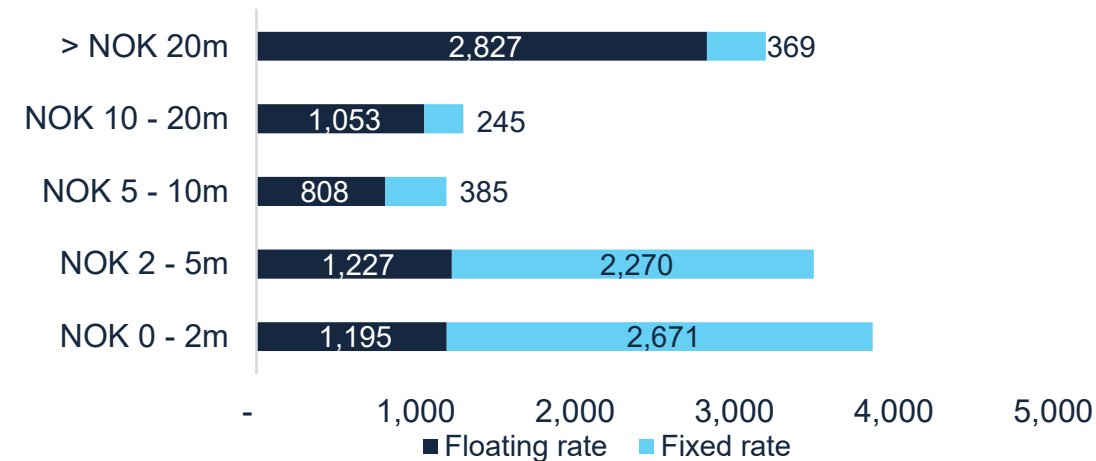
## Deposits & senior debt

NOKm,  
Percent customer deposits of net lending to customers

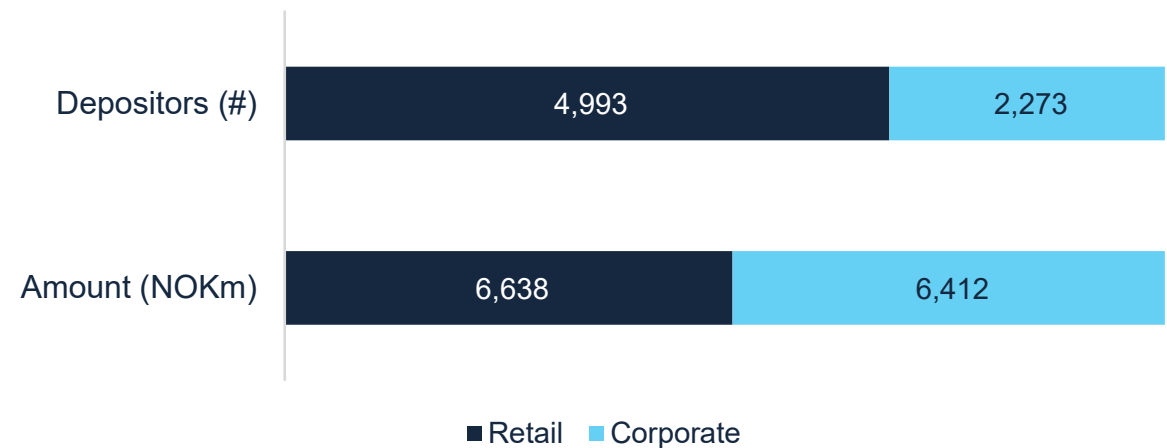


# CUSTOMER DEPOSITS

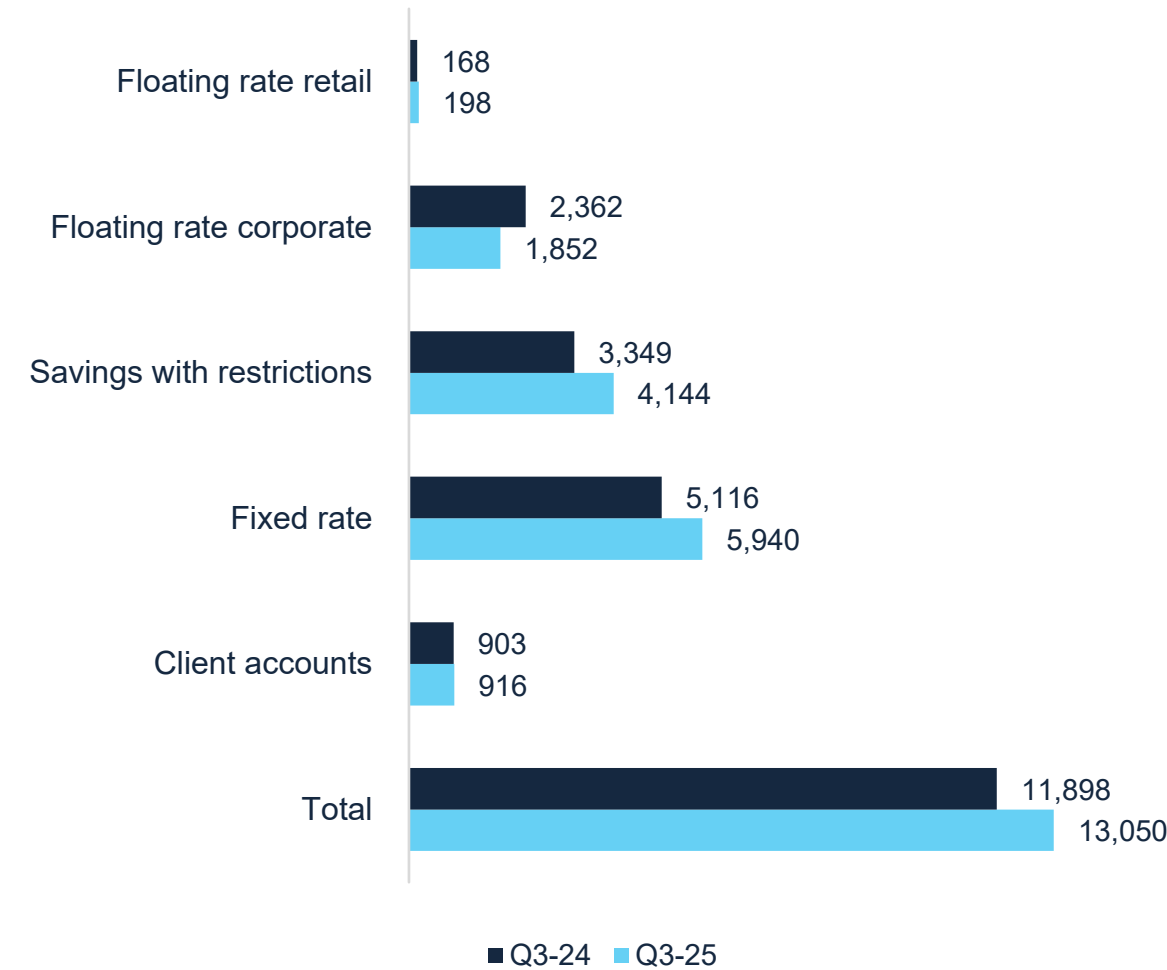
Deposits by size (NOKm)



Deposits by type (NOKm)

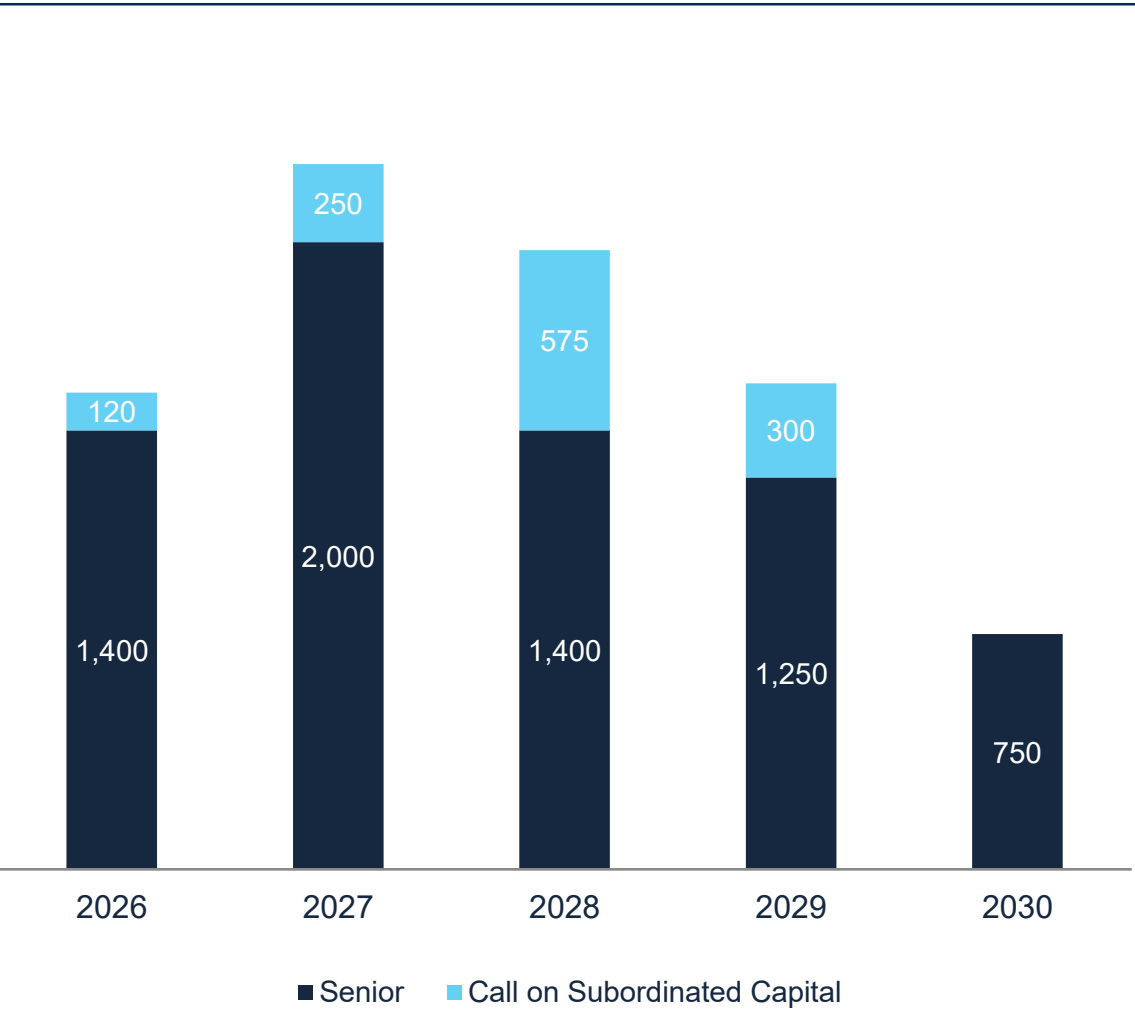


Deposits by product (NOKm)

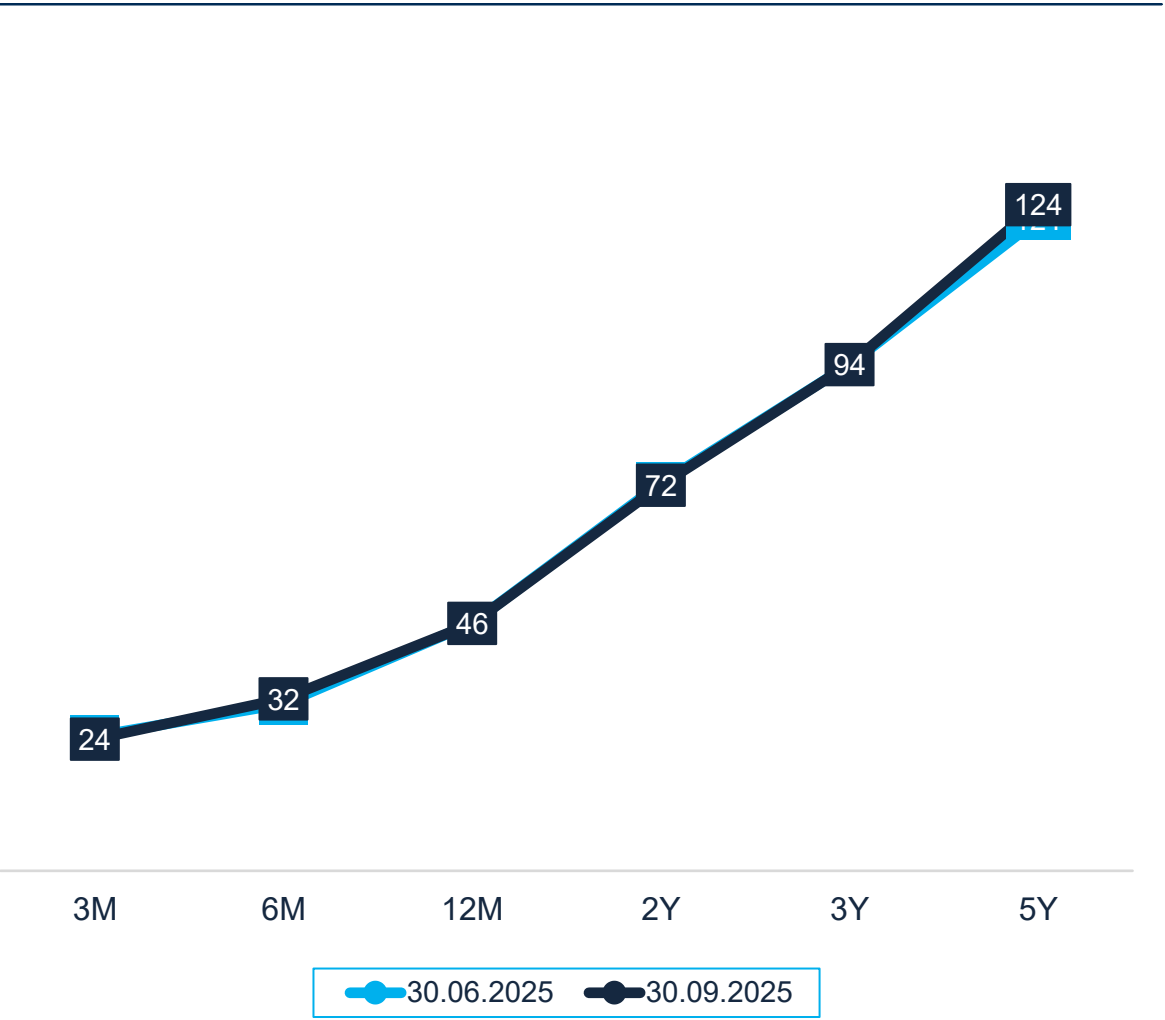


# MARKET FUNDING

Market funding maturities (NOKm) \*



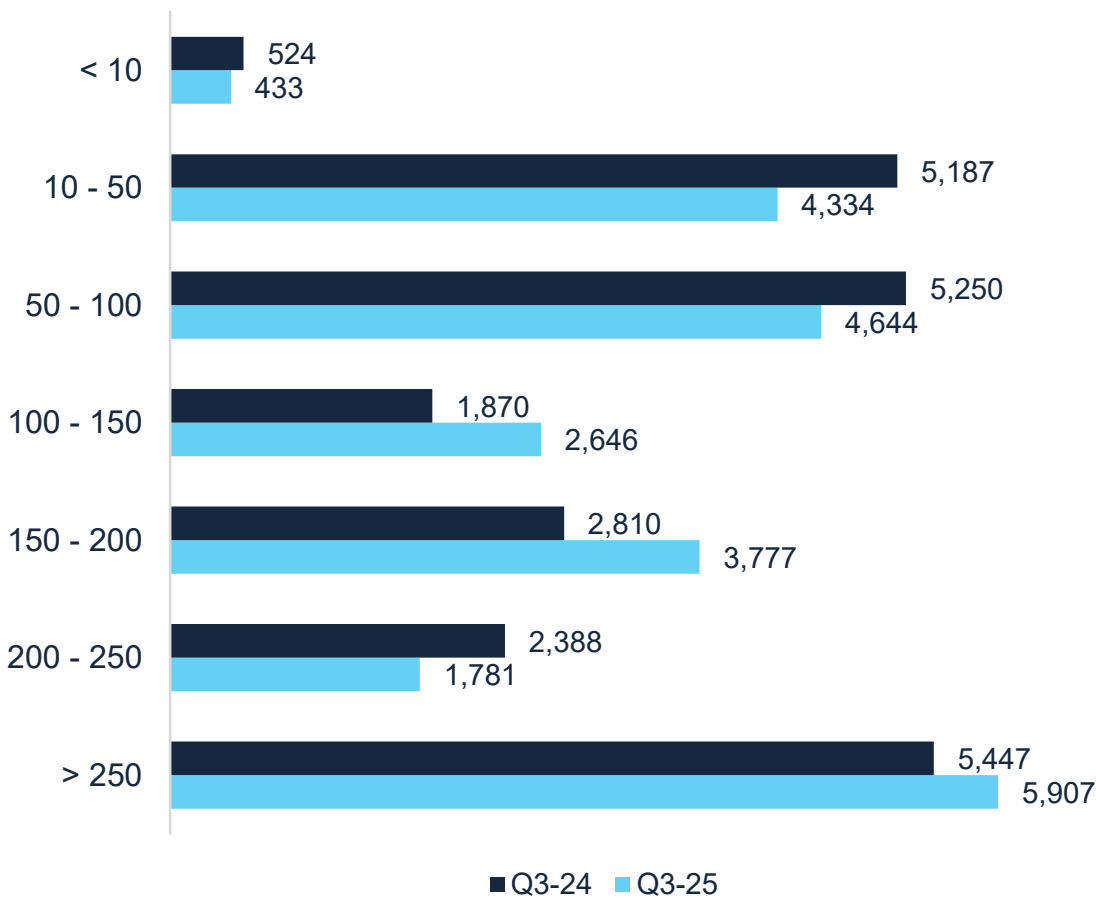
Cost of new market funding \*\*



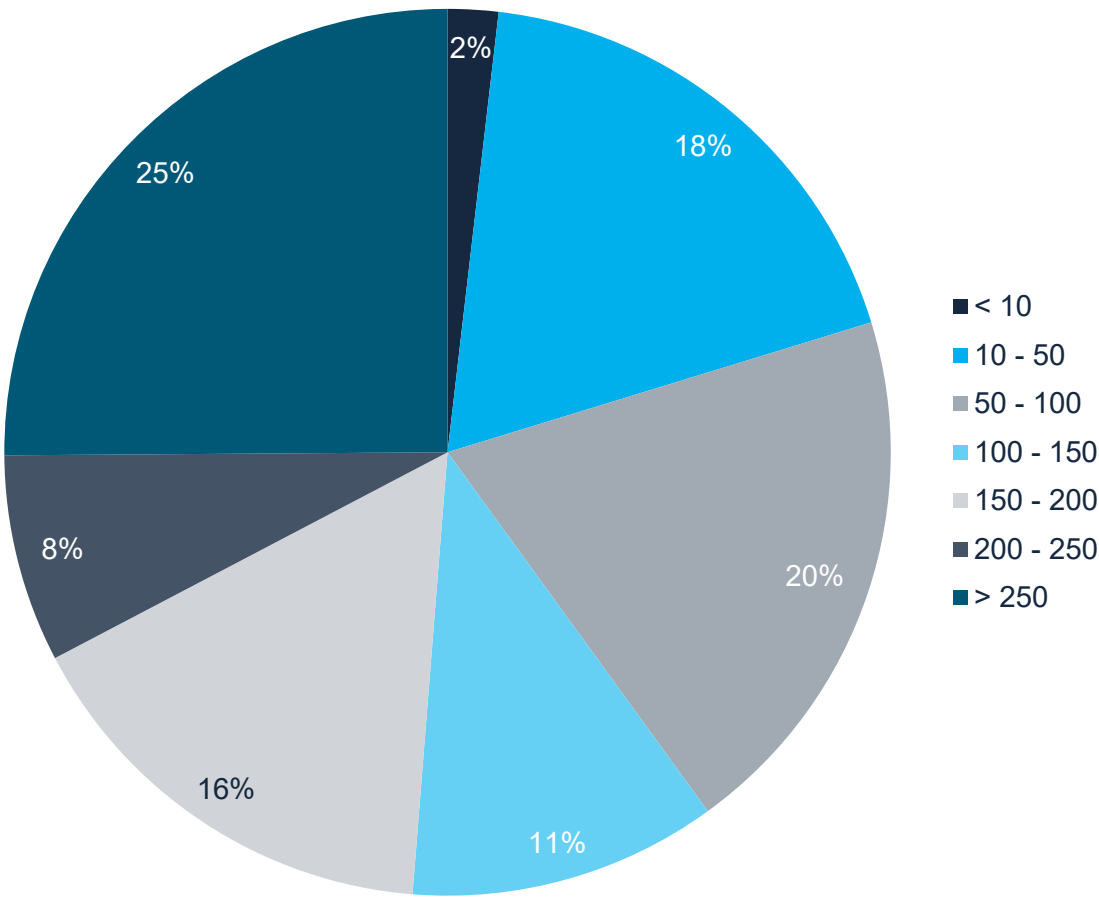
\*) Net of own holdings as of 30.09.2025.  
\*\*) Floating rate coupon for new bond issue per maturity (basis points over 3M Nibor).

# COMMITMENTS BY SIZE

Commitment size per customer (NOKm)

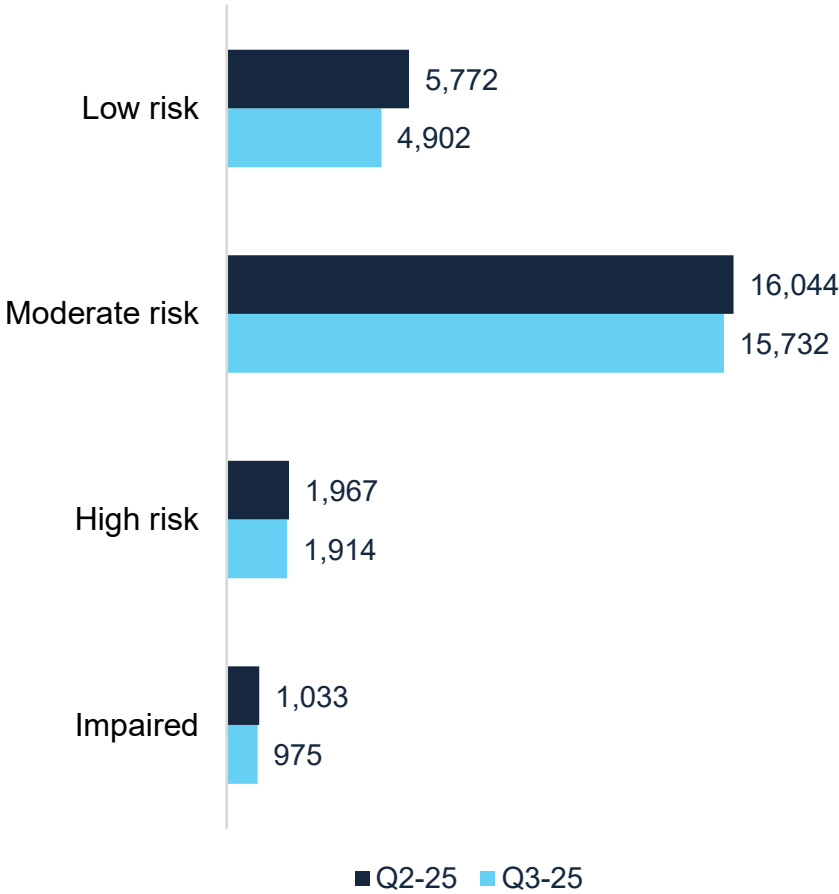


Distribution of commitments by size (NOKm)

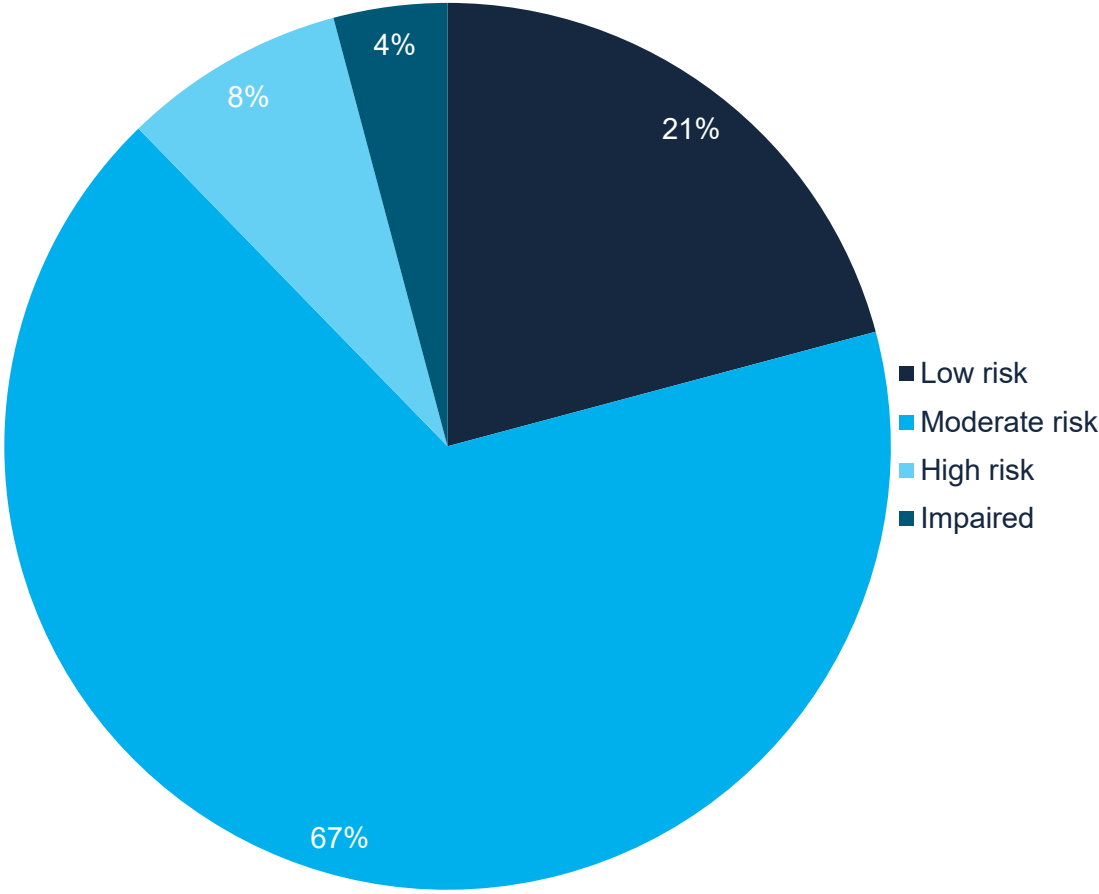


# COMMITMENTS BY RISK CLASSIFICATION

Risk classification (NOKm) \*

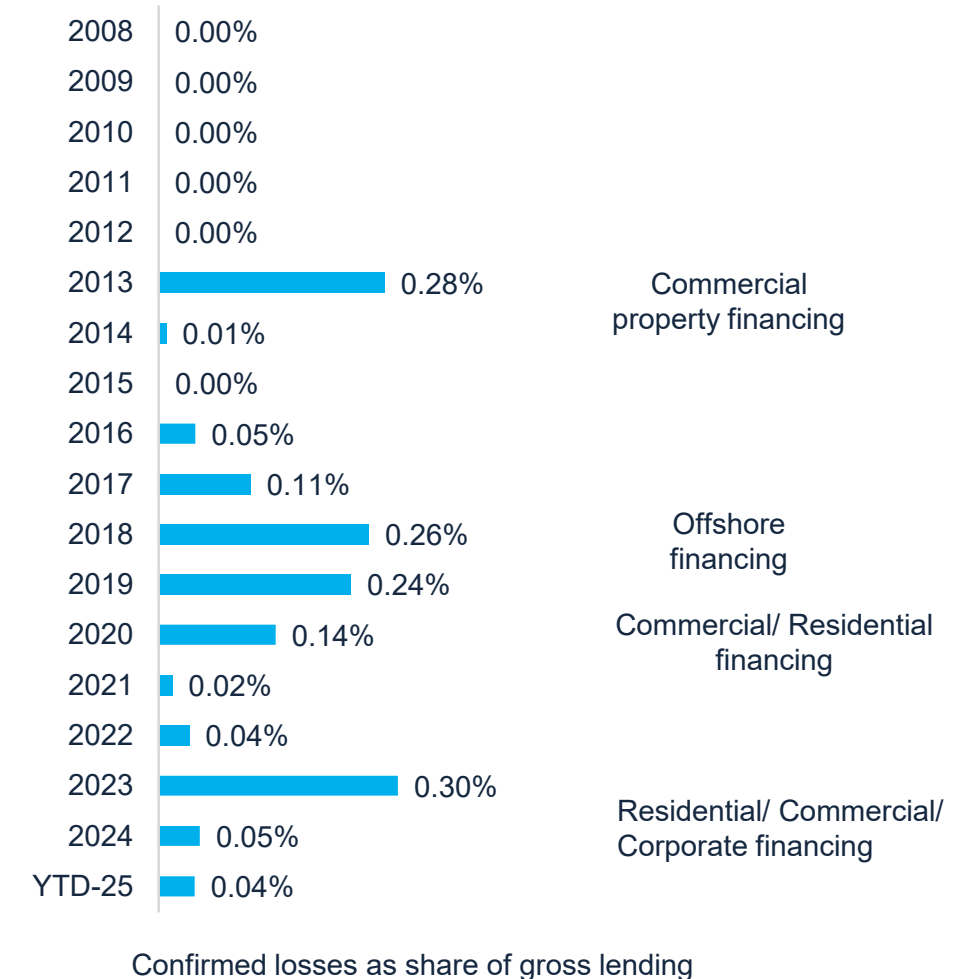


Risk classification



# PROVEN TRACK RECORD FOR CREDIT QUALITY

- No losses from 2008 to 2012.
- Total confirmed losses limited to NOK 203m during 18 years of operation.
- Accumulated lending amounted to approx. NOK 193 billion during the past 18 years. Total confirmed losses make up about 0.11 % of accumulated lending.
- Average ratio of annual confirmed losses to gross lending is 0.09 % per year.





 Pareto bank