

# PILLAR 3 Q4

Capital Adequacy and Liquidity



DNB CARNEGIE INVESTMENT BANK AB

Capital Adequacy and Liquidity

2025-12-31

Anders Antas, CFO

# CAPITAL ADEQUACY AND LIQUIDITY

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This report describes the Capital Adequacy and Liquidity situation per 31 December 2025 for DNB Carnegie Investment Bank AB (publ) (516406-0138). Throughout the report the terms "DNB Carnegie" and "the Bank" will be used for DNB Carnegie Investment Bank AB. The report includes information about DNB Carnegie Investment Bank AB capital base, capital adequacy, remuneration policy and liquidity in accordance with part 8 of the Capital Requirement.

Regulation – Regulation EU 575/2013 (CRR), EU 2019/876 (CRR II) and EU 2024/1623 (CRR III). The information is published in accordance with Finansinspektionen regulations; FFFS 2010:7 and FFFS 2014:12.

All amounts in the report are reported in million SEK or %. Regulation – Regulation EU 575/2013 (CRR), EU 2019/876 (CRR II) and EU 2024/1623 (CRR III). The information is published in accordance with Finansinspektionen regulations; FFFS 2010:7 and FFFS 2014:12.

All amounts in the report are reported in million SEK or %.

The report is reconciled in accordance with DNB Carnegie's internal process for disclosure. All figures are controlled against the financial statement and regulatory reporting for the Bank. In accordance with the Bank's instruction the CFO office is responsible for the disclosure.

Anders Antas, CFO

Template EU KM1 - Key metrics template

		2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4
<b>Available own funds (amounts), SEKm</b>						
1	Common Equity Tier 1 (CET1) capital	1 466	1 488	1 678	2 703	2 438
2	Tier 1 capital	1 466	1 488	1 678	2 703	2 438
3	Total capital	1 466	1 488	1 678	2 703	2 438
<b>Risk-weighted exposure amounts, SEKm</b>						
4	Total risk-weighted exposure amount	7 712	7 239	7 842	6 847	8 418
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>						
5	Common Equity Tier 1 ratio (%)	19,0%	20,6%	21,4%	39,5%	29,0%
6	Tier 1 ratio (%)	19,0%	20,6%	21,4%	39,5%	29,0%
7	Total capital ratio (%)	19,0%	20,6%	21,4%	39,5%	29,0%
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>						
EU 7a	Additional CET1 SREP requirements (%)	1,50%	1,50%	1,50%	1,50%	1,50%
EU 7b	Additional AT1 SREP requirements (%)					
EU 7c	Additional T2 SREP requirements (%)					
EU 7d	Total SREP own funds requirements (%)	9,50%	9,50%	9,50%	9,50%	9,50%
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>						
8	Capital conservation buffer (%)	2,5%	2,5%	2,5%	2,5%	2,5%
EU 8a	Conservation buffer due to macro-prudential or systemic risk					
9	Institution specific countercyclical capital buffer (%)	1,9%	1,9%	1,9%	1,9%	2,0%
EU 9a	Systemic risk buffer (%)					
10	Global Systemically Important Institution buffer (%)					
EU 10a	Other Systemically Important Institution buffer					
11	Combined buffer requirement (%)	4,4%	4,4%	4,4%	4,4%	4,5%
EU 11a	Overall capital requirements (%)	13,8%	13,7%	13,8%	13,8%	13,8%
12	CET1 available after meeting the total SREP own funds requirements	14,5%	16,1%	16,9%	35,0%	24,5%
<b>Leverage ratio, SEKm</b>						
13	Leverage ratio total exposure measure	18 411	27 826	23 744	18 631	19 050
14	Leverage ratio	8,7%	5,7%	7,5%	14,8%	13,0%
<b>Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)</b>						
EU 14a	Additional CET1 leverage ratio requirements (%)	0,15%	0,15%	0,15%	0,15%	0,15%
EU 14b	Additional AT1 leverage ratio requirements (%)					
EU 14c	Additional T2 leverage ratio requirements (%)					
EU 14d	Total SREP leverage ratio requirements (%)	3,15%	3,15%	3,15%	3,15%	3,15%
EU 14e	Applicable leverage buffer					
EU 14f	Overall leverage ratio requirements (%)	3,15%	3,15%	3,15%	3,15%	3,15%
<b>Liquidity Coverage Ratio, SEKm</b>						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	5 311	6 230	6 527	7 061	6 881
EU 16a	Cash outflows - Total weighted value	6 184	6 127	5 298	4 944	4 781
EU 16b	Cash inflows - Total weighted value	5 345	4 419	3 248	1 976	2 010
16	Total net cash outflows (adjusted value)	2 475	2 861	2 729	2 968	2 771
17	Liquidity coverage ratio (%) (Average)	244%	242%	246%	242%	252%
<b>Net Stable Funding Ratio (SEKm)</b>						
18	Total available stable funding	12 132	16 999	15 260	12 590	12 302
19	Total required stable funding	6 231	5 980	6 423	4 311	4 463
20	NSFR ratio (%)	195%	284%	238%	292%	276%

The capital base shall ensure capital coverage of the capital requirements for Credit risk, Market risk and Operational risk. Within the Capital Requirement Regulation banks have the opportunity to use different methods to calculate the capital requirement needed to meet any losses resulting from exposures to Credit risk, Market risk and Operational risks.

The following methods are used by Carnegie:

- Credit risk – Standardised approach for credit risk and full method for financial collateral
- Counterparty credit risk – Simplified standardised approach for counterparty credit risk
- Market risk – Standardised approach
- Operational risk – Standardised Measurement Approach (SMA), whereby the capital requirement is determined based on the institution’s Business Indicator (BI), calculated from relevant income and expense components as defined in CRR3.

		Risk weighted exposure		Total own funds requirements
		2025 Q4	2025 Q3	2025 Q4
Template EU OV1 – Overview of risk weighted exposure amounts				
1	<b>Credit risk (excluding CCR) (SEKm)</b>			
2	Of which the standardised approach	2 092	1 802	167
3	Of which the foundation IRB (FIRB) approach			
4	Of which slotting approach			
EU 4a	Of which equities under the simple riskweighted approach			
5	Of which the advanced IRB (AIRB) approach			
6	<b>Counterparty credit risk - CCR (SEKm)</b>	538	470	43
7	Of which the standardised approach	532	465	43
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP	0	0	0
EU 8b	Of which credit valuation adjustment - CVA	7	5	1
9	Of which other CCR			
15	<b>Settlement risk (SEKm)</b>	0	0	0
16	<b>Securitisation exposures in the non-trading book (after the cap) (SEKm)</b>			
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)			
19	Of which SEC-SA approach			
EU 19a	Of which 1250%/ deduction			
20	<b>Position, foreign exchange and commodities risks (Market risk) (SEKm)</b>	442	292	35
21	Of which the standardised approach	442	292	35
22	Of which IMA			
EU 22a	<b>Large exposures (SEKm)</b>			
24	<b>Operational risk (SEKm)</b>	4 639	4 675	371
EU 24a	Of which business indicator approach	4 639	4 675	371
EU 24b	Of which standardised approach			
EU 24c	Of which advanced measurement approach			
29	<b>Amounts below the thresholds for deduction (subject to 250% risk weight) (For information) (SEKm)</b>	215	220	17
	<b>Total</b>	7 712	7 239	617

## ICAAP Information (Table EU OVC)

DNB Carnegie has processes and methods that enable continuous assessment and maintenance of capital that is adequate in terms of amount, type and allocation to cover the nature and level of the Bank's current and prospective risk exposures. As part of the ICAAP, an extensive risk analysis is performed, encompassing all potential risks that may arise within DNB Carnegie. The Board and management participate throughout the process by contributing to identifying and analysing risks, defining scenarios and stress test methods, and approving the final capital requirement.

The result of DNB Carnegies internal capital adequacy assessment process for 2025 is 1,5% and 174m.

## Risk management policies and objectives

### Institution risk management approach (Table EU OVA)

*Point (f) of Article 435(1) CRR: Disclosure of concise risk statement approved by the management body.*

The Bank's core business is to provide professional advice which generates fee-based income. While fee-based services remain central, the Bank is expanding its revenue model to include interest income, primarily through credit-related activities within securities finance, such as securities lending. These activities are intended to complement the Bank's advisory services and will be developed in line with the Bank's strategic ambitions and risk appetite.

On an overall level, the Bank shall adhere to a conservative approach to risk-taking, ensuring that all new initiatives are subject to appropriate governance and risk controls. The Bank's general risk-taking strategy is to only take controlled risks that supports the strategic goals. While the Bank continues to prioritise advisory services, it is expanding into credit-related activities involving credit position risks. Such risks shall be assumed in support of the Bank's primary business objectives and within the boundaries of its conservative risk appetite. With regards to inherent risks – both financial and non-financial – the Bank shall strive to optimise such exposures with the view to balance costs versus benefits.

The Board determines risk appetite statements for the Bank's principal risk types defined in the Bank's Risk Policy on an annual basis to limit the Bank's risk-taking and ensure that minimum capital and liquidity levels are kept. The risk appetites are expressed in qualitatively and/or quantitative terms as appropriate according to the risk type. The risk appetites are subsequently implemented by the CEO through internal rules and a risk limit framework that consist of limits and escalation procedures.

*Point (a) of Article 435(1) CRR: Strategies and processes to manage risk.*

DNB Carnegie employs an array of strategies and processes to manage risk effectively. Core risk management strategies and processes include:

- Risk identification – DNB Carnegie has established a risk taxonomy identifying the principal risks to which the Bank is exposed. For the more qualitative risk categories, including operational risk, the overall risk taxonomy framework is complemented by annual risk identification and assessment procedures which identifies risks on a more granular level for each significant process.
- Risk measurement and assessment – For each risk category in the risk taxonomy DNB Carnegie has established procedures for measuring and assessing the level of exposure to these risks. This involves quantitative methods, such as limit monitoring for market risk, credit scoring models for credit risk, and scenario analysis for operational risk.
- Risk limits and thresholds – DNB Carnegie has established risk limits and thresholds to control the level of exposure to various risks. These limits are aligned with the Bank's risk appetite, which is defined by the Board and reflects the maximum level of risk the Bank is willing to accept in pursuit of its business objectives.

- **Stress testing** – Stress testing is used to evaluate the potential impact of adverse scenarios on our financial condition. DNB Carnegie conducts scenario analysis for all principal risk categories by different methods according to the nature of the risk. For the quantitative risk categories, the portfolios subject to scenario analysis are the margin lending portfolio, the client facilitation and market making portfolios as well as the Bank's liquidity positions. For operational and compliance risk the Bank applies qualitative scenario analysis to explore the effects of low probability, high impact events reflecting DNB Carnegie's firm-specific vulnerabilities and risk exposures. Scenarios are designed to be severe but plausible and cover a range of adverse conditions, including economic downturns, market crashes and stressed liquidity conditions.
- **Monitoring and reporting** – DNB Carnegie continuously monitor risk exposures using key risk indicators and software, alongside regular and ad-hoc risk reporting to management and the Board to ensure compliance and informed decision-making. These procedures are supported by clear communication channels and escalation processes for rapid response to risk limit breaches or significant events, with periodic reviews to refine risk management practices.

The specific strategies and procedures applied varies across risk categories according to their nature as described in this report.

## **Risk Management**

Risk management at DNB Carnegie is based on the principle of three lines of defence. The model distinguishes between functions that own risk and compliance (first line), functions that control risk and compliance (second line) and functions for independent audit (third line).

The model rests on the fundamental principle that responsibility for risk management and control always resides where the risk arises. This means that every employee is responsible for managing risks in their own area of responsibility. As such, risk management encompasses all employees, from the CEO and other senior executives to staff in front and back office and support functions.

Beyond the control and monitoring performed by the business units, DNB Carnegie has three control functions that are independent from business operations: Risk, Compliance and Internal Audit. Risk and Compliance supervise risk management and regulatory compliance within the business areas. The third control function, Internal Audit, is responsible for verifying that the business areas and the other control functions perform their tasks as required.

### *Risk management in the business units*

The first line of defence comprises the business areas and support functions under the guidance of line managers. As the first line of defence, each operational unit bears full responsibility for the risks associated with their operations. Members of operational staff know their clients best and it is they who take day-to-day business decisions. They are therefore in the best position to assess risks and react swiftly if an issue should arise. To maintain sound risk control, the business areas, assisted by the support functions within the first line of defence, perform risk management and control activities as an integrated part of their daily work. These activities include credit risk decisions, payment authorisations, verification, reconciliation and effective division of responsibility and tasks in processes and procedures.

### *Risk and Compliance*

The control functions in the second line of defence are responsible for establishing processes and procedures to ensure that risks are managed in a systematic way. Risk management rules and procedures as well as regulatory compliance are described in policies and instructions that are adopted by the CEO and the Board.

The risk function is responsible for monitoring risk management by the business units and ensuring that the level of risk is in line with the risk appetite and tolerance as determined by the Board. The risk function is headed by the Chief Risk Officer (CRO) who reports directly to the CEO and the Board. The risk function develops processes and methods for risk management and monitors their application. The

risk function is also responsible for independently identifying, measuring and monitoring the development of the Bank's risks over time and reporting risk on an aggregate level to the Board and Group management. This includes the scenario analysis and stress tests performed within the framework of the annual internal capital and liquidity adequacy assessment (ICLAAP) process.

The compliance function's responsibility includes verifying operational compliance with laws, regulations and internal rules. The tasks of the compliance function include interpreting applicable rules, informing relevant functions about regulatory changes, assisting the business operations with drafting internal rules and supporting business operations and management with advice and support related to compliance.

DNB Carnegie's compliance function is headed by the Group Compliance Officer (GCO), who reports directly to the CEO and the Board. The compliance function also comprises compliance officers at each subsidiary and branch. The local functions report to the GCO as well as local management and boards.

#### *Internal Audit*

Internal Audit represents the third line of defence. Its responsibility is to systematically assess and verify the adequacy and effectiveness of internal control and risk management from a regulatory perspective and risk-based approach. Their responsibility includes verifying that both the operations in the first line of defence and independent control functions within the second line of defence are functioning satisfactorily. Internal Audit is independent of the business operations and reports directly to the Board. The principles that govern the work of the Internal Audit function are reviewed and approved annually by the Board Audit Committee and adopted by the Board.

*Point (e) of Article 435(1) CRR: Declaration approved by the management body on the adequacy of the risk management arrangements*

DNB Carnegie has adequate risk management arrangements which are aligned with the Bank's business goals, the risk tolerance and risk strategy set by the Board.

#### **Operational risk**

##### Qualitative information on operational risk (Table EU ORA)

*Point (a) of Article 435(1) CRR: Disclosure of the risk management objectives and policies.*

Operational risk is the risk of direct or indirect losses resulting from an inappropriate organisation, the human factor, inadequate or failed internal processes or systems or from external events. The definition includes legal risk.

DNB Carnegie's operational risk strategy is to optimise operational risk-taking. This means that the objective of operational risk management is not to eliminate operational risks, which is not feasible. Instead, operational risks may be assumed to support revenue-generating activities as long as the costs and benefits are fully understood. Unwanted operational risks, on the other hand, shall be continuously reduced to an acceptable level.

The Board has defined the overall aim and principles for managing operational risk in the Bank Risk Policy, which translates into a set of operational risk management standards stipulating specific operational risk management and control practices which shall be in place in all levels across the Bank. Such practices and procedures include:

- Risk and control self-assessment (RCSA) is a process whereby the business itself identifies and evaluates the operational risks and the associated controls in their areas of responsibility and defines actions for improvement if required. RCSAs are performed for each significant process.
- Incident management – DNB Carnegie has established procedures and system support for reporting and following up on incidents. The risk function supports the business in reporting

and analysing incidents to ensure that underlying causes are fully understood and that appropriate actions are taken.

- New Product Approval (NPA) – DNB Carnegie has a standardised process for approving new products and services as well as major changes to existing ones. The procedure involves a review of risks and controls related to new products in which all the concerned functions are involved and give their approval before the product is introduced. The purpose of the process is to ensure that potential risks are identified and addressed prior to product launch.
- Business Continuity Planning (BCP) – The principles for continuity and crisis management are defined in a group-level framework. Continuity plans are in place for all critical processes and for the IT-systems supporting these processes.

Managing operational risk is an integral part of managerial responsibility at all levels across the Bank. The risk function is responsible for developing the operational risk management framework, including policies, tools and practices, as well as monitoring that operational risks are properly managed. Measuring, monitoring and control tools and procedures includes:

- Limit monitoring – The Board has established operational risk limits which are monitored by the risk function.
- Incident monitoring – The risk function analyses incidents which are reported to a central database, paying special attention to recurring incidents that may indicate underlying structural issues needing resolution.
- Control testing – The Bank has established an internal control framework in which operational risk controls are identified, documented and assessed in the RCSA process. Key controls are subject to regular testing by the risk function to verify their effectiveness.

The risk function reports on operational risks to the Board on a quarterly basis. Risk reports includes information about, inter alia, any significant risks identified, limit breaches, follow-up on earlier findings and ongoing actions to mitigate these as well as material incidents.

## Market risk

### Qualitative disclosure requirements related to market risk (Table EU MRA)

*Point (a) of Article 435 (1) CRR: Description of the institution's strategies and processes to manage market risk.*

Market risk is the risk of loss to value, earnings or capital due to adverse movements in the underlying market factors. Market risk consists of equity risk, currency risk and interest rate risk.

The majority of DNB Carnegie's market risk is structural or strategic in nature and arises in the form of currency risk from long-term strategic holdings in branches overseas. Market risk also arises in the trading book from client driven trading activities when acting as market maker and providing client facilitation services.

For both market making and client facilitation, the strategic objective is not to generate net profits through trading activities, but rather to produce income from market making and commission fees. Consequently, market risk at DNB Carnegie is very low.

DNB Carnegie has established a market risk framework to ensure proper oversight of all types of market risks, including market risk in both the trading book and the banking book. The Board defines the level of acceptable market risk by setting overall market risk limits and general instructions. Exposures and limits are monitored by the risk function to ensure that risks are within the set appetites and limits. Market risk is also measured through stress tests that estimate potential losses in various

extreme scenarios. Risk exposures and limit usage are reported on a regular basis to the CEO and the Board.

## Credit risk

### General qualitative information about credit risk (Table EU CRA)

*Point (f) of Article 435 (1) CRR: Description of how the business model translates into the components of the institution's credit risk profile.*

Credit risk is the risk of loss due to failure of an obligor to fulfil its contractual obligations to the Bank.

The majority of DNB Carnegie's credit risk exposure is structural in nature and arises in the form of counterparty risk towards major banks, primarily towards the largest Nordic universal banks in connection with liquidity management in treasury operations. Credit risk also arises from margin lending, which is DNB Carnegie's main credit product which provides liquidity and leveraging opportunities by allowing clients to borrow against pledging their investment portfolios. In addition, DNB Carnegie has a residential mortgage lending portfolio which primarily serves as a value-added service to Private Banking clients. Credit risk also arises in the form of settlement risk which is a consequential risk from the Bank's brokerage services.

*Point (a) of Article 435 (1) CRR: Strategies and processes to manage credit risk, including the criteria and approach used for defining the credit risk management policy and for setting credit risk limits.*

The Credit Policy, approved by the Board, sets the strategies and processes managing credit risk, including:

- Counterparty assessment – Credit decisions shall be based on careful assessment of the credit risk. This includes assessment of the counterparty's financial position, prospective repayment capacity and the quality of pledged collateral.
- Collateral management – Collateral for exposures shall consist mainly of cash deposits, liquid financial instruments, residential property, or bank guarantees. When collateral value is determined, DNB Carnegie shall have first priority on pledge and thereby not be subordinated to other creditors.
- Diversification – The credit portfolio shall be diversified with regards to individual counterparties, industrial sectors, regions and with regards to pledged collateral. This applies at the individual counterparty level, the aggregate limit level and up to the level for the various legal entities within the Bank.
- Sound principles – Credit approvals shall be based on sound banking principles and high ethical standards. Legal principles and generally accepted methods shall not be jeopardised in any way.

The Board also sets risk limits to monitor the risk exposure and minimise credit losses. The approach used for setting credit risk limits is based on analyses of the factors that are the most significant to the Bank's specific credit risk profile, i.e. the factors which have the largest potential to affect the DNB Carnegie's exposure to potential losses. For DNB Carnegie, the primary risk factors include the quality of collateral as well as concentrations in the collateral portfolio.

## Settlement risk

Settlement risk is the risk that the Bank will fulfil its obligations in a contractual exchange of financial assets but fail to receive the corresponding settlement in return. Settlement risk is driven primarily by trading in securities on behalf of clients.

Settlement risk within the Bank is managed primarily via central clearing partners, where transactions are settled according to the delivery versus payment system. In certain cases, deals are settled outside

the system of central clearing partners after the counterparty risk has been assessed by a competent authority. Settlement risk is therefore limited to the potential cost of replacing counterparties in the transaction and is affected by movements in the market price of the underlying instrument.

### **Liquidity risk (Table EU LIQA)**

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations or be able to do so only at substantially higher cost.

DNB Carnegie maintains a liquidity reserve to ensure that it can meet its payment obligations in a stressed scenario. The reserve exceeds the expected maximum net cash flow over a 30-day period of severe stress. The stress tests are designed to evaluate the potential effects of a series of extreme but possible events. DNB Carnegie's treasury departments monitors and reports on liquidity on a daily basis.

Further information about liquidity management can be found under section "Liquidity management".

### **Compliance risk**

Compliance risk is the risk of regulatory sanctions, financial losses or damaged reputation due to non-compliance with rules and regulations.

DNB Carnegie's business is subject to extensive legislation and regulations intended to provide strong consumer protection and secure the stability of the financial system. DNB Carnegie monitors these on an ongoing basis to ensure compliance.

Maintaining the trust of our clients and supervisory authorities is imperative for DNB Carnegie's operations. Inadequate regulatory compliance may have far-reaching consequences in the form of both legal sanctions and damaged reputation. Management of compliance risk is thus a key component of overall risk management at the Bank. Within DNB Carnegie, this work involves, among else, the following:

- The compliance function responsible for ensuring regulatory compliance.
- Monitoring of regulatory changes, in particular through membership in various industry organisations, such as the Swedish Securities Markets Association and SwedSec.
- Proactive measures to prevent market abuse, money laundering and terrorist financing.
- Regularly identifying conflicts of interests and making every effort to ensure that action is taken to manage these in a way that is not detrimental to the interests of clients.
- Drafting and adopting policies, instructions and procedures that are applied throughout the Bank.

### **Reputational risk**

Reputational risk is the risk of loss of income from the Bank's potential and existing clients if they lose trust in DNB Carnegie due to negative publicity or rumours about the Bank or about the financial services industry in general.

Reputational risk is primarily a consequential risk triggered by internal or external events that have negative impact on confidence in the bank among clients, regulators, and counterparties. Reputational risk is one of the most difficult risks to assess and guard against. At the same time, the consequences can potentially be substantial if confidence in a bank is damaged.

At DNB Carnegie, reputational risk is managed primarily through open and frequent dialogue with stakeholders in the Bank. DNB Carnegie has a wide range of communications channels towards clients and other counterparties in the market that make it possible to pick up any negative signals. In addition, DNB Carnegie strives to maintain frequent and transparent public disclosure of information.

### **Business risk and strategic risk**

Business risk is the current or prospective risk to earnings arising from changes in the business environment. Strategic risk is the current or prospective risk to earnings and capital arising from adverse business decisions, improper implementation of decisions, lack of responsiveness to changes in the business environment or inadequate strategic planning.

Business risk and strategic risk are closely related. Business risk involves external changes, such as trends in global stock markets and the general business climate. Strategic risk is related to the ability to adapt to these changes.

DNB Carnegie continuously reviews its strategic position and engages in business intelligence to be prepared for changes in market conditions and the competitive landscape. For example, DNB Carnegie performs regular scenario analyses to assess the impact of changed market conditions. The purpose of these analyses is to create the best possible basis for strategic decisions.

### **Governance Arrangements (Table EU OVB)**

For further information about DNB Carnegie's governance arrangements, please see the Annual Report – Corporate Governance. This section and the Annual Report also provide information on the number of directorships held by Board members, the recruitment and diversity policies for the selection of Board members, as well as more information on the work of the Audit, Compliance, Capital and Risk Committee.

## Template EU CC1 - Composition of regulatory own funds

	Amount (SEKm)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation	
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>			
1	Capital instruments and the related share premium accounts	200	EU CC2 25, 26
	of which: Instrument type 1	200	
	of which: Instrument type 2		
	of which: Instrument type 3		
2	Retained earnings	2 786	EU CC2 29
3	Accumulated other comprehensive income (and other reserves)	0	EU CC2 30
EU-3a	Funds for general banking risk		
4	Amount of qualifying items referred to in Article 484 (3) CRR and the		
5	Minority interests (amount allowed in consolidated CET1)		
EU-5a	Independently reviewed interim profits net of any	0	EU CC2 27,28
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	2 986	EU CC2 33
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
7	Additional value adjustments (negative amount)	0	
8	Intangible assets excluding minority share (net of related tax liability) (negative amount)	-1 520	EU CC2 8
9	Empty set in the EU		
10	Deferred tax assets that rely on future profitability excluding those arising	0	EU CC2 11
11	Fair value reserves related to gains or losses on cash flow hedges of		
12	Negative amounts resulting from the calculation of expected loss amounts		
13	Any increase in equity that results from securitised assets (negative amount)		
14	Gains or losses on liabilities valued at fair value resulting		
15	Defined-benefit pension fund assets (negative amount)		
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative		
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities		
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial		
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial	-5	
20	Empty set in the EU		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the		
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)		
EU-20c	of which: securitisation positions (negative amount)		
EU-20d	of which: free deliveries (negative amount)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of	0	
22	Amount exceeding the 17,65% threshold (negative amount)	0	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments	0	
24	Empty set in the EU		
25	of which: deferred tax assets arising from temporary differences		
EU-25a	Losses for the current financial year (negative amount)	0	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts		
26	Empty set in the EU		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments		
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-1 520	
29	Common Equity Tier 1 (CET1) capital	1 466	
<b>Additional Tier 1 (AT1) capital: instruments</b>			
30	Capital instruments and the related share premium accounts	0	
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium		

EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests	
35	of which: instruments issued by subsidiaries subject to phase out	
36	Additional Tier 1 (AT1) capital before regulatory adjustments	0
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>		
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial	
41	Empty set in the EU	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	
42a	Other regulatory adjustments to AT1 capital	
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	0
44	Additional Tier 1 (AT1) capital	0
45	Tier 1 capital (T1 = CET1 + AT1)	1 466
<b>Tier 2 (T2) capital: instruments</b>		
46	Capital instruments and the related share premium accounts	0
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium	
EU-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	
EU-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority	
49	of which: instruments issued by subsidiaries subject to phase out	
50	Credit risk adjustments	
51	Tier 2 (T2) capital before regulatory adjustments	0
<b>Tier 2 (T2) capital: regulatory adjustments</b>		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	
54a	Empty set in the EU	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	
56	Empty set in the EU	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	
EU-56b	Other regulatory adjustments to T2 capital	
57	Total regulatory adjustments to Tier 2 (T2) capital	0
58	Tier 2 (T2) capital	0
59	Total capital (TC = T1 + T2)	1 466
60	Total Risk exposure amount	7 712

### Capital ratios and buffers

61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	19,0%
62	Tier 1 (as a percentage of total risk exposure amount)	19,0%
63	Total capital (as a percentage of total risk exposure amount)	19,0%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	8,9%
65	of which: capital conservation buffer requirement	2,5%
66	of which: countercyclical buffer requirement	1,9%

67	of which: systemic risk buffer requirement		
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)		
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below		
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below	0	
74	Empty set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	86	EU CC2 11
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)</b>			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

**Template EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements**

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	<b>SEKm</b>			
	<b>Assets</b>	<b>2025 Q4</b>	<b>2025 Q4</b>	
1	Cash and bank deposits with central banks	1 629	1 629	
2	Negotiable government securities	1 996	1 996	
3	Loans to credit institutions	4 932	4 932	
4	Loans to the general public	6 122	6 122	
5	Bonds and other interest-bearing securities	12	12	
6	Shares and participations	135	135	
7	Derivative instruments	2	2	
8	Intangible assets	1 520	1 520	EU CC1 8
9	Tangible fixed assets	59	59	
10	Current tax assets	51	51	
11	Deferred tax assets	86	86	EU CC1
12	Other assets	880	880	
13	Prepaid expenses and accrued income	244	244	
14	<b>Total assets</b>	<b>17 668</b>	<b>17 668</b>	
	<b>Liabilities and Equity</b>			
	<b>Liabilities</b>			
15	Liabilities to credit institutions	11 634	11 634	
16	Deposits and borrowing from the general public	0	0	
17	Short positions, shares	0	0	
18	Derivative instruments	0	0	
19	Current tax liabilities	0	0	
20	Deferred tax liabilities	906	906	
21	Other liabilities	1 088	1 088	
22	Accrued expenses and prepaid income	20	20	
23	Other provisions	0	0	
24	<b>Total liabilities</b>	<b>13 648</b>	<b>13 648</b>	
	<b>Equity</b>			
25	Share capital	200	200	EU CC1 1
26	Other capital contributions	0	0	EU CC1 1
27	Net result	1 034	1 034	EU-5a
28	<i>of which non eligible</i>	<i>N/A</i>	<i>N/A</i>	<i>EU-5a</i>
29	Retained earnings	2 786	2 786	EU CC1 2
30	Reserves	0	0	EU CC1 3
31	Minority share of equity	0	0	
32	<b>Total equity</b>	<b>4 021</b>	<b>4 021</b>	
33	<i>Total equity excl non eligible retained earnings and minority</i>	<i>N/A</i>	<i>4 021</i>	<i>EU CC1 6</i>
34	<b>Total liabilities and equity</b>	<b>17 668</b>	<b>17 668</b>	

## Liquidity Management

DNB Carnegie's funding is mainly conducted by equity and deposits from the public. DNB Carnegie's risk appetite is set to ensure sufficient funds within daily operations, as well as during periods of market stress. The liquidity buffer shall at all times exceed the expected outflow during periods of market stress and consist of either bank balances or assets refundable through Riksbanken.

<b>Liquidity (SEKm)</b>	<b>Bank</b>
Central bank balances	1 629
Bank balances	4 806
Bonds issued by Central bank or Government	1 450
Covered Bond	0
Securities issued by non-financial Institutions	20
<b>Liquidity buffer</b>	<b>7 905</b>

  

<b>Funding (SEKm)</b>	
Own Funds	4 021
Tier II Capital	0
Bonds	0
Deposits from the Public	11 627
Other Liabilities	2 021
Total Assets	17 668

  

<b>Key Figures</b>	
Own Funds and Bonds/Assets	23%
Deposits from the Public/Assets	66%
Liquidity Buffer/Assets	45%
LCR	252%

## Remuneration Policy (Table EU REMA)

### DNB Carnegie Regulatory Compensation Disclosure

This Compensation Disclosure (the "Disclosure") sets out the principles relating to compensation within the DNB Carnegie as of 31 December 2025. The policies, practices and procedures outlined in the Disclosure apply across all entities within the Bank.

The Disclosure has been established in line with the Capital Requirements Directive, the Capital Requirements Regulation, and associated regulations and guidance.

### Remuneration objectives and strategy

DNB Carnegie is committed to responsible and effective remuneration practices that are aligned with shareholder interest and Bank strategy, are motivating, competitive, and reflect current best practices in corporate governance, risk management and regulatory principles.

The Bank's Remuneration Policy provides a framework for remuneration programs and remuneration processes. It is designed with a view towards balancing the following key objectives:

- Support DNB Carnegie's values and culture
- Align with interests of shareholders, investors and other stakeholders
- Attract and retain talent needed to deliver Carnegie's strategy
- Discourage excessive or concentrated risk taking
- Be fair and transparent
- Reflect performance
- Be awarded in a robust process

### Governance

It is the Board of Directors of DNB Carnegie Investment Bank AB, that sets the Remuneration Policy and oversees the development, implementation and effectiveness of the Bank's remuneration practices. The responsibilities of the Board include review and approval of the Bank's variable remuneration structure, the amount available for variable remuneration and on the allocation thereof to business segments, legal entities and branches, executive remuneration (incl. remuneration to heads of the Bank's internal control functions) and the CRO's annual assessment of identification of risk takers ("ID-staff").

The Board is free to, where required, use an independent remuneration consultant that is appropriately qualified and that provides services solely to the Board and not to the operating parts of the Bank. For 2025, no external consultant was retained by the Board.

### Identified staff

ID-staff are employees who qualify as having a material impact on the Bank's or any relevant Bank entity's risk profile. This group of staff is identified in an annual process led by the Chief Risk Officer. The assessment is based on pre-defined qualitative and quantitative criteria that align with the applicable external regulation.

The group of ID-staff identified based on the qualitative criteria, includes members of the management body, senior management, heads of business units, officers carrying out managerial responsibilities in legal affairs, accounting and finance, prevention of money laundering and terrorist financing, HR and remuneration policy matters, IT and IT-security, and control functions as well as staff who are authorised to take credit and market risk, approve new products and manage critical outsourcing arrangements.

For staff identified solely under the quantitative criteria of a total compensation equal to or greater than EUR 500,000 (or the corresponding amount in the relevant currency) there is a process for making exemptions in cases where it is determined that the relevant staff member, despite meeting the

quantitative criteria, does not exert material influence over the risk profile. All exceptions are approved by the Board.

## **Pay and performance**

Annual remuneration for employees generally comprises fixed remuneration (including base salary) and variable remuneration. Remuneration is based on the employee's professional experience, role and level of organisational responsibility. It is aligned with corporate performance as well as individual performance and current terms generally offered on the relevant part of the labour market. The structure of remuneration is designed to achieve a sound balance between fixed remuneration, variable remuneration and other remuneration components, i.a. to ensure that an allocation or reduction of variable remuneration down to zero is possible. Pension benefits are offered in accordance with local law, regulation and market practice. Pension schemes are defined contribution pension schemes.

All employees may be considered for variable remuneration.

The variable remuneration programme is flexible to allow the Bank to respond to changes in market conditions and to maintain its pay-for-performance approach. The Bank's remuneration practices provide for variable remuneration determinations to be made on a discretionary basis in a pre-defined and robust process under the oversight of senior management and, ultimately, the Board.

Performance is a key factor in determining variable remuneration and the Bank is committed to aligning variable remuneration with performance at all relevant levels. In order to do so, the performance of the Bank, the relevant business segment, business unit, department and the individual over the past year, as well as over prior years, as applicable, are taken into account, as are business and market conditions. The principle that the size of variable remuneration for a certain year should not form basis for expectations of any future variable remuneration is communicated to employees across the Bank.

Variable remuneration shall not exceed a ratio of 1:3 of fixed remuneration to variable remuneration for each relevant year. Where so required, any lower ratio set out in applicable mandatory law or regulation is applied, for example, for employees of the Swedish bank subsidiary who are qualified as ID-staff, a ratio of 1:1 applies as provided for by Swedish mandatory law.

To avoid misaligning compensation and performance, guaranteed variable remuneration may only be used in exceptional circumstances, for example, for new hires and only be granted in the first year of employment. The award of guaranteed variable compensation is subject to an approval process which includes receiving approval from the Chair of the Board. Severance payments are only made in line with mandatory law and generally applicable industry standards in relevant jurisdictions. Discretionary pension benefits are not allowed.

## **Performance measurement and risk adjustment**

The Bank's variable remuneration model is a profit-sharing model where a pre-defined portion of net profit is allocated to staff. Hence, the annual pool for variable pay is directly linked to the Bank's institution-wide performance.

Performance measurement for each employee is subject to an annual process which considers, amongst other factors, group-wide, business segment and individual performance. The process takes financial as well as non-financial performance criteria into account. For example, the individual performance evaluations include assessments of performance in line with the Bank's values, for example by displaying team spirit and support colleagues as well as risk management and compliance behavior. All staff are required to certify compliance with the Bank's internal regulatory framework on an annual basis. Where required, adjustments are made at individual level for any risk incidents or conduct breaches.

The criteria for variable remuneration for employees in control functions are designed to safeguard the integrity and independence of these employees and based on targets independent of the performance of the business units they oversee. Pay to the heads of control functions are decided by the board of

directors of the relevant subsidiary. The Board decides on pay to each of the heads of the Bank's control functions.

Risk, measured as cost of capital, is taken into account when calculating the Bank's net profit, and - consequently - the incentive pool as a portion thereof. Further, the Board takes discretionary decisions when sizing and allocating incentive pools at any relevant corporate level to adjust for any other current or future risks, such as operational risk arising from risk incidents or conduct breaches. Risk adjustments can also be made by the Board where the Bank's risk profile so warrants, e.g. within the areas of market risk, credit risk, liquidity risk, operational risk, compliance risk, sustainability risk, reputational risk, business risk and strategic risk.

### **Deferral practices and malus**

Under the regulatory regime in Sweden applicable to an institution of DNB Carnegie's size, the Bank does not defer variable remuneration beyond the year in which it is granted. The remuneration policy provides that it lies within the discretion of the Bank to claw back paid variable remuneration, where legally enforceable, in cases where payment is based on mis-stated results or the recipient's bad faith.

**Template EU REM1 - Remuneration awarded for the financial year (SEKm)**

		MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Number of identified staff			10	11
2	Total fixed remuneration			2	58
3	Of which: cash-based			2	58
4	(Not applicable in the EU)				
EU-4a	Fixed remuneration				
5	Of which: shares or Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x	Of which: other instruments				
6	(Not applicable in the EU)				
7	Of which: other forms			0	0
8	(Not applicable in the EU)				
9	Number of identified staff				
10	Total variable remuneration				44
11	Of which: cash-based				44
12	Of which: deferred				0
EU-13a	Of which: shares or				
EU-14a	Of which: deferred				
EU-13b	Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b	Of which: deferred				
EU-14x	Of which: other instruments				0
EU-14y	Of which: deferred				0
15	Of which: other forms				
16	Of which: deferred				
17	Total remuneration (2 + 10)			2	103

**Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff) (SEKm)**

		MB Supervisory	MB Management	Other senior management	Other identified
1	Guaranteed variable remuneration awards				
2	Guaranteed variable remuneration awards - Number of identified staff				
3	Guaranteed variable remuneration awards -Total amount				
	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
4	Severance payments awarded in previous periods,				
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff				2
	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount				
6	Severance payments awarded during the financial year				4
7	Severance payments awarded during the financial year - Number of identified staff				3
8	Severance payments awarded during the financial year - Total amount				2
9	Of which paid during the financial year				0
10	Of which deferred				2

11	Of which severance payments paid during the financial year, Of which highest payment that has been awarded to a single person	1	1
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**Template EU REM3 - Remuneration awarded for the financial year (SEKm)**

	a	b	c	d	e	f	EU - g	EU - h
Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to explicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function							
2	Cash-based							
3								
4	Share-linked instruments or							
5	Other instruments							
6	Other forms							
7	MB Management function							
8	Cash-based							
9								
10	Share-linked instruments or							
11	Other instruments							
12	Other forms							
13	Other senior management							
14	Cash-based							
15								
16	Share-linked instruments or							
17	Other instruments							
18	Other forms							
19	Other identified staff							
20	Cash-based							
21								
22	Share-linked instruments or							
23	Other instruments							
24	Other forms							
25	<b>Total amount</b>							

**Template EU REM4 - Remuneration of 1 million EUR or more per year**

	a	
EUR	Identified staff that are high earners as set out in Article 450(i) CRR	
1	1 000 000 to below 1 500 000	9
2	1 500 000 to below 2 000 000	2
3	2 000 000 to below 2 500 000	1