



2025

Annual Report

Länsförsäkringar Bank



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Introduction

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Sweden's fifth largest retail bank

Länsförsäkringar Bank is a customer-owned retail bank and its strategy is to offer attractive banking services to the customers of Länsförsäkringar.

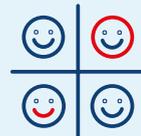
Close customer relationships are created at personal meetings at the 117 branches of the regional insurance companies throughout Sweden and via digital services and telephone. The aim is to have the most satisfied customers, maintain healthy growth in volumes and profitability at low risk, and to increase the share of customers who have both banking and insurance with Länsförsäkringar. According to the 2025 Swedish Quality Index (SQI) customer satisfaction survey, Länsförsäkringar Bank continues to have the highest customer satisfaction and also the highest placing in SQI's sustainability ranking among the major market players for retail customers. Länsförsäkringar Bank is Sweden's fifth largest retail bank and a full-service bank offering everything from deposit and payment services, mortgages and other loan services and various savings products, to being one of Sweden's largest fund managers that offers a broad range of funds all of which promote sustainability and sustainable development.



LÄNSFÖRSÄKRINGAR IN BRIEF

Länsförsäkringar, or LF, is a federation of 23 local, customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB and its subsidiaries. Customers are provided with a complete offering of banking, insurance, pension and real-estate brokerage services through the regional insurance companies. The regional insurance companies are owned by the insurance customers. There are no external shareholders, and meeting customer needs and requirements is always the primary task. The Länsförsäkringar Alliance has 4.5 million customers and 10,200 employees.

4.5
MILLION
CUSTOMERS



23
LOCAL REGIONAL
INSURANCE COMPANIES



LÄNSFÖRSÄKRINGAR AB



LÄNSFÖRSÄKRINGAR
BANK AB



LÄNSFÖRSÄKRINGAR HYPOTEK AB

Household mortgages.

LÄNSFÖRSÄKRINGAR FINANS AB

(formerly Wasa Kredit AB)
Leasing, hire purchase and unsecured loans.

LÄNSFÖRSÄKRINGAR FOND Förvaltning AB

Mutual funds.

SAVR AB

Digital fund and share trading platform.

2025 in figures

Earnings 2025, LF Bank Group (figures in parentheses pertain to 2024)

- Operating profit declined 8% to SEK 2,107 M (2,290) and the return on equity was 7.2% (8.1).
- Net interest income declined 12% to SEK 5,810 M (6,632).
- Net commission income, excluding remuneration to the regional insurance companies, increased 6% to SEK 1,827 M (1,723).
- Operating income increased 8% to SEK 6,105 M (5,653).
- Operating expenses increased 23% to SEK 3,414 M (2,784), largely due to non-recurring items such as impairment of SEK 89 M in 2025 and recovered VAT of SEK 176 M in LF Finans in 2024. Excluding non-recurring items, expenses increased 12%.
- Credit losses amounted to SEK 143 M (181), net, corresponding to a credit loss level of 0.03% (0.04), most of which derived from LF Finans.
- Operating profit was impacted by fees levied of SEK 442 M (398) during the period, of which risk tax comprised SEK 274 M (258).
- Business volumes increased 5% to SEK 1,082 billion (1,034), due to higher mortgage, deposit and fund volumes.
- Lending increased 5% to SEK 424 billion (403)¹⁾.
- Deposits increased 5% to SEK 163 billion (155).
- Fund volumes increased 4% to SEK 495 billion (475) due to a favourable trend in market values.
- SAVR AB, a digital savings and trading platform for funds and shares, was acquired.
- According to the 2025 Swedish Quality Index (SQI) customer satisfaction survey, Länsförsäkringar Bank continues to have the highest customer satisfaction and the highest placing in SQI's sustainability ranking among the major market players for retail customers.
- In 2025, Standard & Poor's (S&P) credit rating for Länsförsäkringar Bank was raised to A+ (stable outlook) from A (positive outlook).
- At year-end, a Group contribution of SEK 910 M gross (SEK 723 M after tax) was paid by Länsförsäkringar Bank AB to Länsförsäkringar AB. The Board of Länsförsäkringar Bank proposes a dividend for 2025 of SEK 577 M.
- The Common Equity Tier 1 capital ratio for the consolidated situation amounted to 14.6% (15.3) on 31 December 2025.

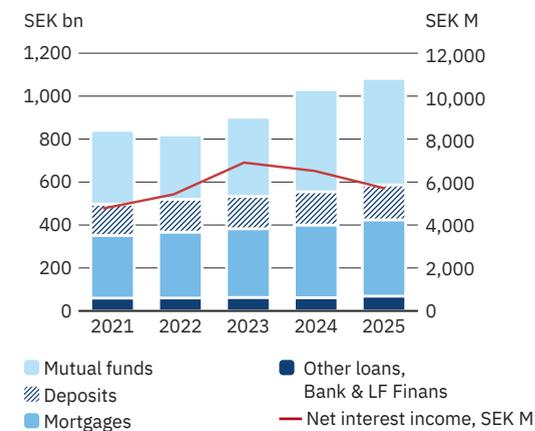


¹⁾ Loans to the public excluding deposits with the Swedish National Debt Office and similar items.

Key figures

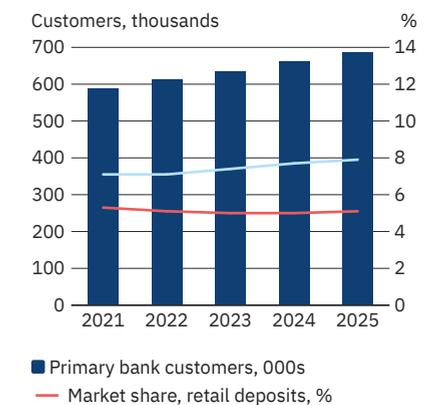
	2025	2024	2023	2022	2021
Return on equity, %	7.2	8.1	8.1	8.2	9.8
Return on total assets, %	0.33	0.36	0.35	0.36	0.42
Investment margin, %	1.13	1.34	1.47	1.19	1.09
Cost/income ratio before credit losses	0.56	0.49	0.52	0.50	0.56
Cost/income ratio before credit losses, excluding items affecting comparability	0.54	0.52	0.49	0.50	0.49
Common Equity Tier 1 capital ratio, consolidated situation, %	14.6	15.3	15.1	15.4	15.3
Tier 1 ratio, consolidated situation, %	16.7	17.2	16.8	17.2	17.2
Total capital ratio, consolidated situation, %	19.6	19.5	19.2	18.5	19.4
Share of credit-impaired loan receivables gross (stage 3), %	0.23	0.27	0.29	0.25	0.30
Reserve ratio for loan receivables stage 1, %	0.02	0.01	0.01	0.02	0.02
Reserve ratio for loan receivables stage 2, %	1.57	1.62	1.74	1.41	1.32
Reserve ratio for loan receivables stage 3, %	28.1	29.0	28.0	40.9	33.6
Reserve ratio for loan receivables stage 3, incl. withheld remuneration to regional insurance companies, %	35.9	37.3	34.1	45.1	38.6
Credit losses in relation to loans, %	0.03	0.04	0.03	0.03	-0.09

Business volumes and net interest income



Total business volumes have increased an average of 8% over the past five years. Net interest income has risen an average of 4%.

Primary bank customers and market shares



The number of customers has risen an average of 4% over the past five years. The market position was continuously strengthened.

2025 in brief



Top-rate customer satisfaction continues – closeness to customers extra important in difficult times

Länsförsäkringar Bank focuses on low risks, diverse business and a strong, local profile close to customers with roots in non-life insurance. We could continue to stand strong in what was often a tough year for our customers and direct our full attention to supporting our customers with financial services and advice in order to create sustainable financial security and opportunities.

Länsförsäkringar Bank again topped the Swedish Quality Index's SQI Bank customer satisfaction survey and the SQI sustainability index rating, winning first place in consumer loans, and high rankings in both mortgages and savings for retail customers. This can be seen as confirmation that customers appreciate our customer-centric profile and our local focus.



Continued focus on sustainability

Länsförsäkringar offers green mortgages and energy efficiency loans to its mortgage borrowers. The process of implementing sustainability throughout the banking operations is continuing. This applies to both various products and services and the direction of customer advice meetings.

In fund management, Länsförsäkringar now has two funds that are classified as dark green funds (Article 9) under the SFDR, and all other funds are also green funds (Article 8). These two funds are managed according to an index that is optimised to benefit companies that clearly contribute to the UN's 17 SDGs, while keeping the carbon intensity at a low level.

[Read more on page 25 and the Sustainability Report on page 29.](#)



Investments and focus on digitalisation

An important area for enhancing efficiency and improving the customer experience is digitalisation. Digitalising the loan process continued in 2025, concentrating on mortgage processes, for which fully digital document flows were launched to further enhance value for our customers.

Digitalisation means a lower impact on the environment by reducing paper consumption, postal services and the need for customers to travel.

The percentage of digitally distributed customer documents continued to be high in 2025.



The bank with the second highest net growth in 2025

Länsförsäkringar had the second largest share of new lending in the mortgage market in 2025, and its market share increased to 7.9% (7.7) during the year.

Sixth largest fund company in the Swedish market

Länsförsäkringar's funds are the sixth largest fund company in the Swedish fund market with SEK 441 billion under management. Net inflow in 2025 amounted to SEK 0.7 billion, the net inflow rate in the second half of the year was about 3%.

Solid volume growth and stable earnings in 2025

STATEMENT BY THE PRESIDENT

It is with great pride and gratitude that we publish Länsförsäkringar Bank's 2025 Annual Report. We have successfully continued our efforts to create security and opportunities for Länsförsäkringar's customers.

We can summarise what was without a doubt an eventful 2025, marked by great uncertainty in the world, fickle US trade policy and geopolitical tension. Nonetheless, equity markets performed well. In Sweden, the Riksbank cut interest rates a number of times, and even though the labour market is weak, there are now certain signs of optimism. Despite the uncertain global backdrop, Länsförsäkringar Bank remained successful and captured market shares in the mortgage market while also delivering stable earnings and reporting a successful performance. Hopefully, lower interest rates and expansionary fiscal policy will have a positive effect on the economy and the economic climate in the next few years. With our strong financial position and local presence, we have many opportunities to continue to provide security and serve as an enabler for our customers.

High customer satisfaction and broad local presence

For a bank that is ultimately mutually owned via the regional insurance companies, customer opinions are of



”

It was particularly gratifying that LF Bank was once again had top-rated customer satisfaction in the Swedish Quality Index's surveys.

Martin Rydin

Acting President of Länsförsäkringar Bank

paramount importance. Accordingly, it was particularly gratifying that we could maintain a high level of customer satisfaction according to Swedish Quality Index surveys, including a second place for both retail customers and mortgages. This was almost certainly due to our strong local presence and the work done locally at the regional insurance companies. High customer satisfaction is one of the reasons why we have been able to successfully retain existing customers and continue growing our banking operations.

Even stronger position in mortgage market

Despite a continued relatively low level of activity in the mortgage market and fierce competition, we were successful in our mortgage business and strengthened our market position. We are proud that we managed to capture the second largest percentage of market growth again this year, which also leads to increased market shares. This demonstrates our ability to grow even when times are challenging and is proof of the strength of Länsförsäkringar's business model. Our factor for success is that we are available throughout Sweden and are very active locally, respond quickly to customers and have a productive partnership with our own real-estate brokerage and their 190 branches.

Digitalising our mortgage processes

We are continuing to invest heavily in our IT development and are proud that we fully launched our new mortgage application platform in the fourth quarter of 2025. This represents an important step for digitalising and enhancing

the efficiency of our mortgage flows and offers an improved customer experience. We are continuing to pursue the important work of developing different platforms and services to improve our offering and the customer experience. We are advancing our position in savings.

Savings are an important prerequisite for our customers' security and thus form a central part of Länsförsäkringar's customer offering. Savings is therefore an area where we intend to continue to grow and meet customer needs. A key milestone for the year was the acquisition of SAVR that was completed in the third quarter. SAVR has a cutting-edge digital savings platform and this acquisition presents many opportunities for developing our savings offering and the customer experience in the future. Developing savings is important for customers and for continuing to diversify the banking operations. We are taking an important step in the savings offering with the acquisition of SAVR, which together with successful management on the fund side and continued significant underlying net inflows in our funds is continuing to strengthen our market position in savings.

First sustainability report for LF Bank

Sustainability is central to us, as part of Länsförsäkringar and thus a customer-owned company. As a large financial player, we are striving to contribute to the long-term sustainable development of society through responsible lending and sustainable investments in our funds. Our target is to become climate neutral by 2045, and during the year we have further developed our capacity to measure financed emissions.

Our sustainable offering has been performing positively, with rising volumes of green mortgages. All funds in our fund offering are green, two of which are also dark green funds. For the first time, we are also publishing the Sustainability Report for the Bank Group this year, which is part of the Annual Report.

We contribute to a safer society

The uncertain geopolitical situation has led to increased security and cyber risks for society as a whole, and not least for the financial system, including banks. We are actively working on cybersecurity and ensuring stability and availability, thus contributing to a safer society.

Financial crime remains a large problem for society. We have expanded our efforts to protect customers and are actively involved in both industry-wide cooperation and cooperation with authorities. We can see some signs of a reduction in fraud through the measures we have put in place and increased customer information. We continued to participate in and support the bank-wide campaign called "Scamware!", which provides an important function for protecting customers, and have worked on a number of local activities to increase security for customers. It is of great importance for us to protect and safeguard our customers, and contribute to a better and safer society.

Stable earnings, strong financial position and higher credit rating

We can report stable earnings, continue to command a strong financial position and are well equipped to continue developing Länsförsäkringar's banking business. Our strong local presence and deep commitment, together with our digital capabilities, give us many opportunities to help our customers and continue our growth. It was also positive that Standard & Poor's upgraded the bank's credit rating to A+ in the fourth quarter, which is clear proof of our strong position and strategic part of Länsförsäkringar.

Final words

Finally, I would like to extend my sincere thanks to all employees, both locally and at the bank, for their hard work during the year. Together, we will continue to create security and opportunities for Länsförsäkringar's customers.

We look forward to continuing to develop Länsförsäkringar's banking business and our journey of creating security and opportunities for our customers.

Stockholm, March 2026

Martin Rydin

Acting President of Länsförsäkringar Bank



We can report stable earnings, continue to command a strong financial position and are well equipped to continue developing Länsförsäkringar's banking business.

Martin Rydin
Acting President of Länsförsäkringar Bank



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The local and digital bank

STRATEGY AND FINANCIAL POSITION

Länsförsäkringar Bank is a customer-owned bank with a strong local presence across Sweden and the one with the highest customer satisfaction among the major players in the retail market. Close customer relationships through personal meetings combined with modern and well-designed digital services make Länsförsäkringar Bank one of Sweden's leading retail banks.

Länsförsäkringar Bank was founded in 1996 and is now the fifth largest retail bank in Sweden with a business volume of SEK 1,082 billion. The banking operations are conducted only in Sweden and the market position is continuing to steadily strengthen.

Strategy and goals

The strategy is to offer banking services to the Länsförsäkringar's customers and leverage Länsförsäkringar's strong brand and local presence. The banking operations have a large potential customer base with Länsförsäkringar's 4.5 million customers.

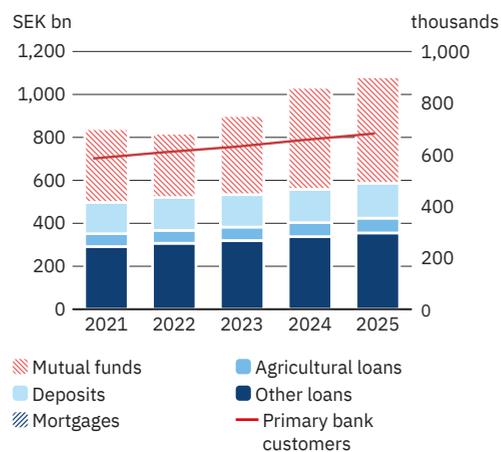
One target group is the 3.3 million retail customers, of whom 2.2 million are home-insurance customers. Another target group is agricultural customers and small businesses. The aim is, based on low risk, to maintain healthy growth in volumes and profitability, have the most satisfied customers and more customers who have both banking and insurance with Länsförsäkringar. According to the 2025 Swedish Quality Index customer satisfaction survey, Länsförsäkringar Bank continues to have the highest customer

satisfaction among the major market players for retail customers, a position that Länsförsäkringar Bank has held 18 times over the past 20 years. Länsförsäkringar Bank also has the second highest sustainability ranking among retail customers. The high customer satisfaction is confirmation of Länsförsäkringar's clear customer focus and high quality. With Länsförsäkringar's comprehensive banking and insurance offering, customers receive a complete solution that creates security and added value.

Customer ownership

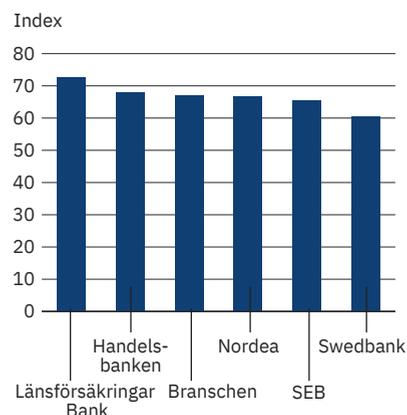
Länsförsäkringar, or LF, is a federation of 23 local, customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB, which is the bank's Parent Company. The insurance customers own the regional insurance companies, which means that the principles of customer ownership also apply to the banking operations. Long-term respect for customers' security is fundamental to Länsförsäkringar, since customers are both the principal and owner.

Business volumes and primary bank customers



The bank reported healthy growth in both volumes and customers.

Customer satisfaction, bank, retail customers



According to the Swedish Quality Index (SQI 2025), Länsförsäkringar Bank continues to have the highest customer satisfaction among the major market players for retail customers.

Source: Swedish Quality Index



Leading digital services and strong local presence throughout Sweden

Digital services are a central part of Länsförsäkringar's offering and comprise an important supplement to local customer meetings. The digital services in the mobile app and Internet bank make it convenient and easy for customers to do all their banking. Länsförsäkringar Bank's ambition is to always be at the forefront of digital developments to meet rising customer needs and expectations for a digital and modern range of services. Länsförsäkringar Bank is continuing to invest in the digital area with the ambition of strengthening its presence and enabling further growth through digital channels. In 2025, a full developed digital mortgage application process was launched to further enhance customer service.

The regional insurance companies are responsible for the local business operations and customer relationships. Business decisions are made locally and the regional insurance companies' commitment and network provide broad in-depth customer and market knowledge. Banking services are offered at the 117 branches of the regional insurance companies throughout Sweden. Trust, security and long-term relationships are created through personal customer meetings, all of which are high priority at Länsförsäkringar.



A strong brand

Länsförsäkringar Bank's successful growth and position in the market is based on the principles of customer ownership as well as Länsförsäkringar's strong brand in banking, insurance and real-estate brokerage.



Länsförsäkringar Bank continues to have the highest customer satisfaction for retail customers

According to the 2025 Swedish Quality Index customer satisfaction survey, Länsförsäkringar Bank continues to have the highest customer satisfaction among the major market players for retail customers – confirmation of Länsförsäkringar's clear customer focus and high quality – and also the second highest sustainability ranking among retail customers in the SQI survey.

A complete offering focusing on customers

Länsförsäkringar Bank's offering helps customers create financial security and balance in their private finances, based on their individual needs. The personal meeting combined with a strong digital offering jointly present a full-service customer offering in both banking and insurance.

Loans

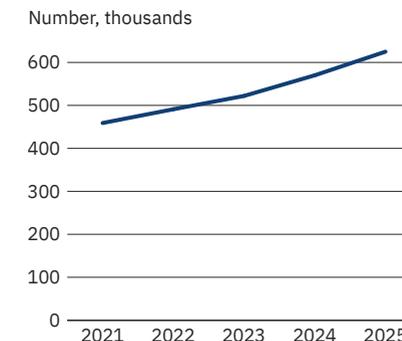
The bank's lending is continuing to grow stably and maintains low risk. Lending rose 5% to SEK 424 billion in 2025. The largest product is household mortgages, which comprises 84% of the loan portfolio. Household mortgages are mainly granted by Länsförsäkringar Hypotek, which offers mortgages up to 85% of the market value. Loans to tenant-owners' associations and to multi-family housing are offered in addition to mortgages. The market share for household mortgages increased again during the year to 7.9% (7.7).

Länsförsäkringar Bank is one of the largest players in agricultural lending in Sweden and primarily targets family-owned agricultural operations that are insurance customers with Länsförsäkringar. The average agricultural loan commitment is small and the percentage of first-lien mortgages is 98%.

Länsförsäkringar Finans (LF Finans, formerly named Wasa Kredit) offers leasing, hire purchase and unsecured loans and the development of the operations for the year was favourable. The lending volume was largely unchanged at SEK 26 billion.



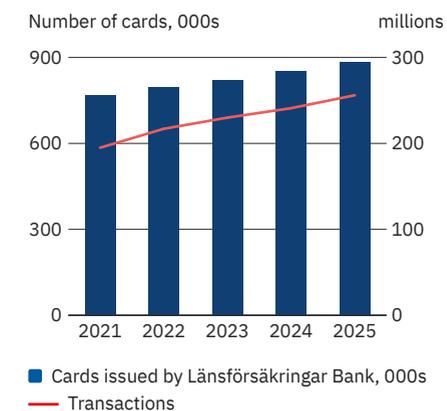
Investment Savings Account (ISK)



— Number of ISK accounts

The number of ISKs performed well in 2025 increasing 10%.

Bank cards



■ Cards issued by Länsförsäkringar Bank, 000s
— Transactions

The number of bank cards issued by Länsförsäkringar Bank and card-payment transactions have risen steadily over the past five years.

Savings

Länsförsäkringar focuses on giving customers secure savings. Customers are offered savings through various types of deposit accounts and also through such products as mutual fund savings, Investment Savings Accounts (ISK) and equities savings. Customer meetings strive to ensure that customers have secure private finances in which savings and mortgage repayments are key elements. By making mortgage repayments, customers' private finances can become more balanced over time.

Deposits

More than 80% of deposits from the public comprise deposits from retail customers and this rate remained stable in 2025. Total deposits from the public rose 5% in 2025 to SEK 163 billion. The market share for household deposits increased 5.1% and the number of deposit accounts rose 5%. The Investment Savings Account (ISK) displayed healthy growth during the year and the number of ISKs at year-end was 625,000, up 10%.

Funds and securities

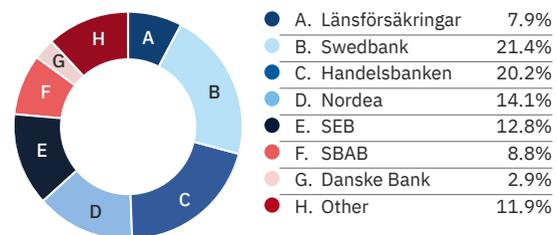
Länsförsäkringar Fondförvaltning had a net inflow of SEK 0.7 billion in 2025, impacted by outflow in the PPM system, the market share measured in fund assets increased to 5.0% and it is now the sixth largest in the Swedish fund market. The net inflow rate in the second half of the year was 3%.

The fund volume increased 4% to SEK 495 billion due to a healthy market performance, of which managed funds under own brands amounted to SEK 443 billion. 68% of Länsförsäkringar's funds managed under own brand performed better than their benchmark index over the past three years.

Länsförsäkringar's fund offering includes 39 mutual funds under Länsförsäkringar's own brand with various investment orientations and a fund market with external funds. All of the funds were "Article 8 funds" that promote sustainability, and in two cases funds that are "Article 9 funds", meaning funds that have sustainable investment as their objective.

Household mortgages

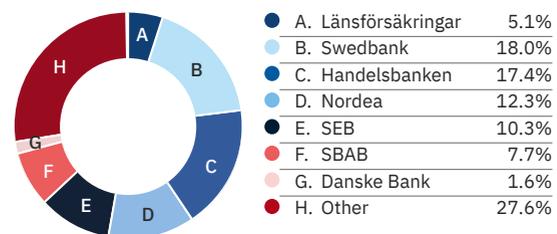
Source: Statistics Sweden



The market position in mortgages amounted to 7.9%.

Retail deposits

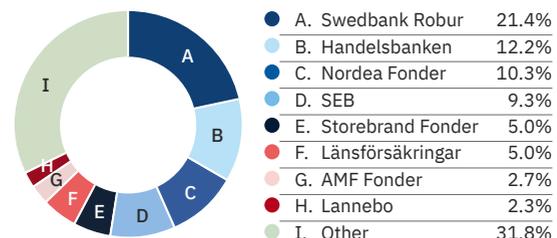
Source: Statistics Sweden



The market position in retail deposits amounted to 5.1%.

Volume of managed funds under Länsförsäkringar's own brand

Source: Moneymate



Länsförsäkringar holds a 5.0% market share of Swedish fund volumes and is the sixth largest fund company.

68%
of Länsförsäkringar's funds managed under own brand performed better than their benchmark index over the past three years.



Clear focus on sustainability
Länsförsäkringar's funds have a clear sustainability focus. All funds promote sustainability and are "Article 8" or "Article 9" funds.

Corporate segment
In the corporate segment, deposits and lending continued to grow, particularly for existing customers in Länsförsäkringar who operate in our priority segments – knowledge and development, green businesses and construction and transportation. Growth in payment services included in the corporate offering was also healthy during the year.

100%
of Länsförsäkringar's own-brand funds are green – light green or in two cases dark green, meaning that they promote environmental or social characteristics, or have sustainable investment as their objective.



Payments and bank cards
Bank cards are continuously developed to offer customers security and a high level of service in their payment services. The number of bank cards issued by Länsförsäkringar Bank increased 4% to 883,000 and the number of card-payment transactions amounted to 240 million. The Swish payment service performed well during the year. Länsförsäkringar Bank, which is one of the drivers of the Swish partnership, owns 10% of the company that manages and develops the service.

Financial market turmoil with a highly resilient global economy

ECONOMIC ENVIRONMENT AND MARKET

2025 began with significant turmoil in financial markets after the US President announced new tariffs on Liberation Day. However, the global economy showed its resilience, and growth forecasts for several large economies were revised upwards during the year. Stock markets rose despite heightened concerns about the US labour market and fears related to the high valuations of the tech sector.

In the eurozone, interest rates rose on the back of high issuance activity as more and more countries invested their spending on defence.

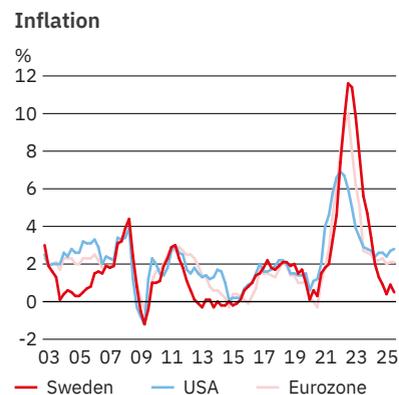
The macroeconomic outlook in the US was dominated by trade policy and a more tangible slowdown in the labour market later in the year. The economy initially showed resilience and inflation remained stable, yet still slightly

above the target of about 3%. Later in the year, statistics showed a drop in employment growth, which was the most important factor underpinning changes in monetary policy expectations. Uncertainty was further enhanced by the lack of official statistics due to the shutdown of the federal government, which made it difficult to assess both the inflation rate and labour market conditions. In light of

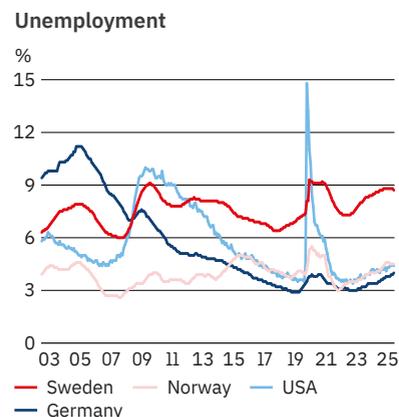


GDP growth recovered slightly in 2025. A slight increase in GDP is expected in Sweden and other countries for the year ahead.

Source: Macrobond



Inflation has fallen to favourable levels in Sweden, as well as in the eurozone, while in the US it remains higher.



Unemployment in Sweden increased slightly in 2025 but largely remained at normal levels for Sweden.



this, the Federal Reserve chose to resume its rate cuts and concentrate on the risks of a weaker labour market rather than continued high inflation.

The stock market also dominated the news headlines, amid growing concerns about how a sharp slump in the tech sector could affect broader market sentiment and ultimately the global economy. In summary, the US economy can be described as entering a phase of weaker growth, although fears of a deeper recession eased towards the end of the year. S&P 500 was up about 17.4% in 2025. The MSCI AC World and Stockholm Stock Exchange reported upturns of 19.9% and 12.7%, respectively, in the same period.

Overall growth in the eurozone 2025 presented a positive surprise, although this was mainly due to an unexpectedly strong performance in the first quarter of the year. The rate pace of growth gradually slowed over the remainder of the year, with a particularly weak performance at the end of the year. There are distinct differences between the Member States. Germany is continuing to grow weakly and is close to a recession, burdened by a protracted downturn in industry. Spain, however, continued its relatively strong economic performance, underpinned by a robust services sector. Inflation in the eurozone stabilised close to the inflation target of 2%. In light of this, the ECB signalled that it was comfortable with the current level of interest rates at 2% and sees no clear need for adjustments to its monetary policy in the near future.

The Swedish economy started the year with lower optimism and weak growth. This sluggishness, combined with inflation still at about 3%, led the Riksbank to resume its interest rate cuts even though the inflation target had not yet been met. Uncertainty was also attributable to a weak international economic environment and concerns about global trade policy.

However, there was a clear change in the second half of the year. The global economy proved more resilient than expected to US tariffs, while the effects of a more expansionary monetary policy gradually could start to be seen in the economy. Growth was surprisingly strong and inflation approached the target level. A more stable global environment, combined with lower interest rates and the continuation of highly expansionary fiscal policies, led to a marked increase in optimism among households and businesses.

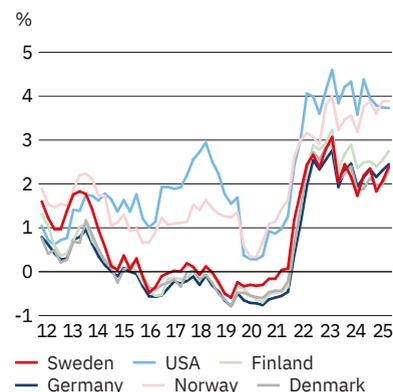


The growth outlook for 2026 is deemed to be very good, with Sweden expected to be among the fastest growing developed economies. Against this background, the Riksbank has communicated that the intention is for the current interest rate level of 1.75% to remain unchanged for a longer period to come.

Fixed-income markets fluctuated. Rates fell in the US due to the cuts in the key interest rate by the central bank and greater concern about a weaker labour market. However, interest rates rose in Europe driven by high issuance volumes as more and more countries increased the spending on defence. The ten-year government bond rate in Sweden rose 32 basis points to 2.7% at the end of the year. The spread between five-year mortgage bonds and government bonds of similar maturity narrowed and amounted to 46 basis points, down from 79 basis points at the end of 2024.

The housing market followed the general economic trend, with a decline in the first half of the year and a recovery in the second half. Demand, however, remained subdued and the HOX Price Index reported a total increase of 0.3% for the year. Lower mortgage rates, a very expansionary fiscal policy and easing of mortgage rules are expected to contribute to a stronger housing market in 2026.

Government bond rates (five-year)



Due to rapid and substantial rises in key interest rates by central banks to curb inflation, market interest rates rose and remained high in 2025, although a downturn has started to be seen.

Source: Macrobond

Housing construction



Housing construction remained low during the year, partly as a result of the trend in house prices. However, the shortage of housing in the large cities remains significant due to high population growth and many years of low new housing development.

Housing-price trend



House prices were generally unchanged in 2025. The turnover rate in the market is low and uncertainty about the trend in house price is continuing.

Lending with high credit quality

LOANS AND CREDIT QUALITY

Länsförsäkringar Bank's lending primarily comprises mortgages to private individuals. The risk profile is conservative and the loan portfolio maintains very high credit quality. Lending is well diversified geographically and conducted solely in Sweden and in SEK based on a standardised centrally established credit framework.

Lending

Länsförsäkringar Bank's loans are granted in Sweden and in SEK. Lending to both retail and corporate customers is well distributed geographically, with low average loan commitments per customer. Lending is primarily directed towards household mortgages for private individuals, small-scale family-owned agricultural operations with a low risk level and finance-company products. Loans are based on a standardised credit framework and most credit decisions are made locally. In the business model between Länsförsäkringar Bank and the regional insurance companies, there is a strong incentive to maintain high credit quality. The high credit quality of the loan portfolio is the result of the low risk profile, credit regulations combined with the credit evaluation process and local customer and market knowledge. The credit framework impose strict

requirements on customers' repayment capacity and the quality of collateral. The repayment capacity of borrowers is tested as part of the credit process using "left to live on" calculations. These calculations apply a higher interest rate than the actual rate.

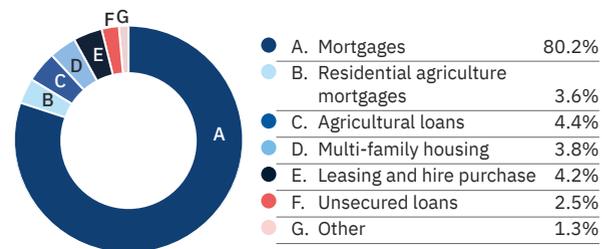
LF Finans manages the vast majority of its credit decisions through its own credit process without the involvement of the regional insurance companies.

Mortgages for private individuals

Loans to the public (excluding deposits with the Swedish National Debt Office and similar items) rose 5% to SEK 424 billion in 2025. Household mortgages for private individuals' housing comprise about 84% of the loan portfolio. Household mortgages of up to 85% of market value are offered to customers via Länsförsäkringar Hypotek.

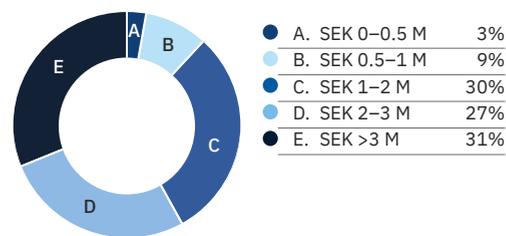


Loans by product



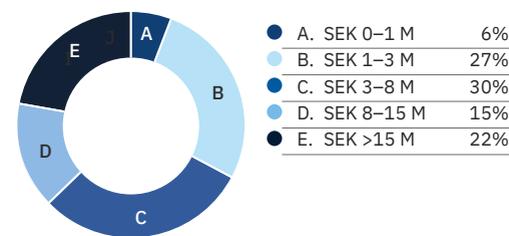
The loan portfolio primarily comprises mortgages.

Household mortgages by commitment amount



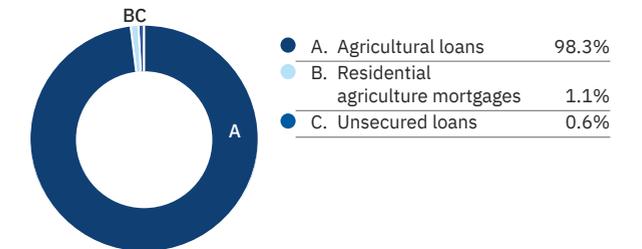
The average mortgage commitment amounted to SEK 1.6 M and 42% of mortgages have a commitment up to SEK 2 M.

Agricultural loans by commitment amount



The average agricultural commitment is SEK 2.6 M per counterparty.

Agricultural loans by product



98% of agricultural loans are first-lien mortgages.

A total of 73% of the collateral for household mortgages comprises single-family homes. The average loan commitment is low at SEK 1.6 M per borrower. 44% of mortgages have a commitment of less than SEK 2 M. The geographic spread of lending is diverse, thus resulting in low concentration risk.

The weighted average loan-to-value ratio for mortgage lending amounted to 62% (63). Market-value analyses of the collateral in household mortgages are performed continuously and a market-value update is performed every six months during the year.

It is essential for Länsförsäkringar Bank to continue to maintain high credit quality. Mortgage repayments are a key tool in ensuring that households have stable and secure finances. The number of exemptions from the mortgage repayment requirements increased during the year due to the higher costs for Swedish households.

Agricultural loans

Agricultural lending amounted to SEK 34 billion, corresponding to 8% of the total loan portfolio, and 98% comprises first-lien mortgages. The remaining lending comprises second-lien mortgages and operating credits. The

average commitment is low at SEK 2.6 M per borrower and almost all agricultural lending is for family-owned agricultural operations. Agricultural lending grew at a lower rate than mortgages during the year.

Leasing, hire purchase and unsecured loans

Länsförsäkringar Finans (LF Finans, formerly named Wasa Kredit) is the Bank Group's finance company that offers lease and hire purchase financing through both partners in such areas as vehicles, computer/office and machinery, and directly to corporate customers. LF Finans also offers loans and credit card loans to private individuals. LF Finans's lending volume amounts to SEK 26 billion, corresponding to about 7% of total lending. The leasing and hire purchase products jointly represent just over 4% of the Group's lending. In addition, unsecured loans make up a further just over 2% of lending.

Credit quality and credit losses

The high credit quality of the loan portfolio is a result of lending being based on a low risk tolerance. A condition for full compensation of the regional insurance companies' distribution remuneration by the Bank Group (excluding

LF Finans) is that the loans generated by each company for the Bank Group are of high quality. If this is not the case, up to 80% of any credit losses is off-set against the accrued remuneration to the regional insurance companies. This settlement account is kept separate and is taken into consideration when the provisions are established.

The credit quality of the loan portfolio remained very high and credit losses in the Bank Group are low. Customers demonstrated high resilience to increased interest rates and higher costs. The share of customers making late payments remains very low.

Credit losses for the full-year 2025 amounted to SEK 143 M (181), corresponding to a credit loss level of 0.03% (0.04).

Credit-impaired loan receivables (stage 3) before provisions amounted to SEK 989 M (1,166), corresponding to a share of credit-impaired loan receivables of 0.23% (0.27) gross before provisions. The loss allowance for credit-impaired loan receivables was SEK 278 M (339). The reserve ratio for credit-impaired loan receivables amounted to 28.1%. In addition, SEK 77 M of the remuneration to the regional insurance companies for credit-impaired loan receivables was withheld in accordance with the settle-

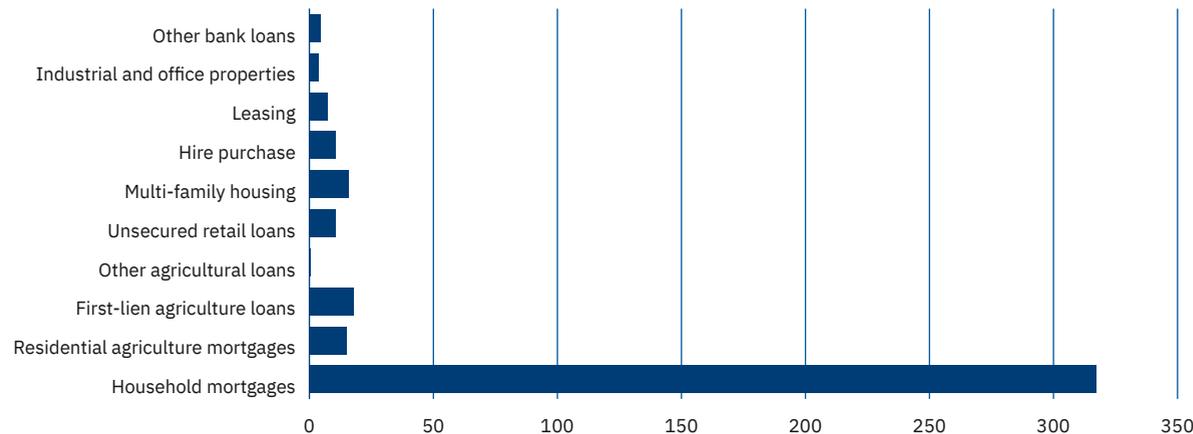
ment model for credit losses related to the regional insurance companies' commitments for generated business. Including the withheld remuneration to the regional insurance companies, the loss allowance for credit-impaired loan receivables totalled SEK 355 M (435). The reserve ratio for credit-impaired loan receivables, including withheld remuneration to the regional insurance companies, amounted to 35.9%. The total recognised loss allowance was SEK 611 M (676), of which SEK 128 M (149) pertained to withheld remuneration to the regional insurance companies in accordance with the settlement model for credit losses related to the regional insurance companies' commitments for generated business.

For more information concerning credit risks and credit quality, see the section on Credit losses in the Board of Directors' Report on page 24 and note 3 Risks and capital adequacy.

Risks and capital adequacy. For more information on lending, information on the effect of IFRS 9 as well as credit losses and credit-impaired loan receivables, refer to note 12 Credit losses.

Loans by product

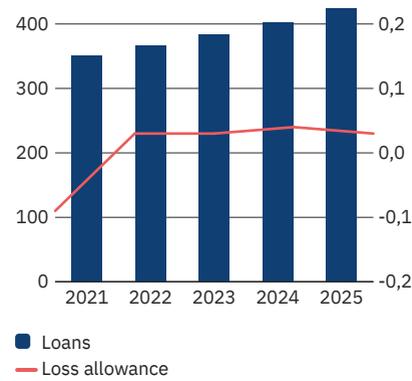
SEK bn



Loans and credit losses

SEK bn

%



The bank's loan portfolio has high credit quality and credit losses remained very low.

Strong financing and liquidity position

FUNDING AND LIQUIDITY

Länsförsäkringar Bank's main financing sources are deposits and funding through covered bonds in Länsförsäkringar Hypotek. These covered bonds have the highest possible credit rating, Aaa from Moody's and AAA/Stable from Standard & Poor's (S&P Global Ratings).

Targets

The aim of the funding operations is to ensure that the Group has a sufficiently strong liquidity reserve to manage turbulent periods in capital markets, when funding opportunities are limited or prevailing circumstances render funding impossible. The Group's liquidity risk is controlled on the basis of a survival horizon, meaning how long all known cash flows can be met without access to financing in the capital market.

Financing sources

The composition of financing is a result of the bank being a retail bank with large mortgage lending operations. Accordingly, the main financing sources are deposits in Länsförsäkringar Bank and funding based on the covered

bonds issued by Länsförsäkringar Hypotek. These covered bonds have the highest credit ratings, Aaa from Moody's and AAA/Stable from Standard & Poor's (S&P Global Ratings).

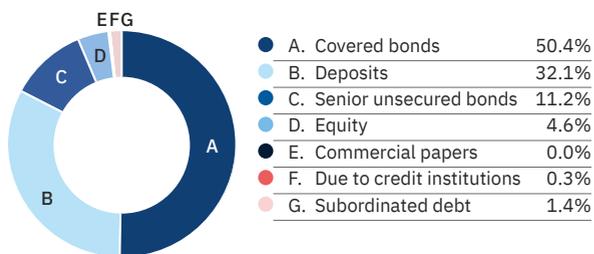
Länsförsäkringar Bank's credit rating from Standard & Poor's was raised to A+ (Stable outlook) in connection with the Parent Company Länsförsäkringar AB also receiving a higher credit rating.

Länsförsäkringar Bank's long-term credit rating is thus A1/Stable from Moody's and A+/Stable from Standard & Poor's.

Long-term senior funding and short-term funding takes place in Länsförsäkringar Bank. The Group endeavours to maintain a sound balance of covered and senior unsecured funding and all capital market funding is conducted under a

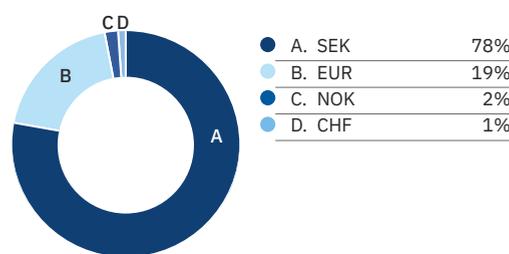


Financing sources



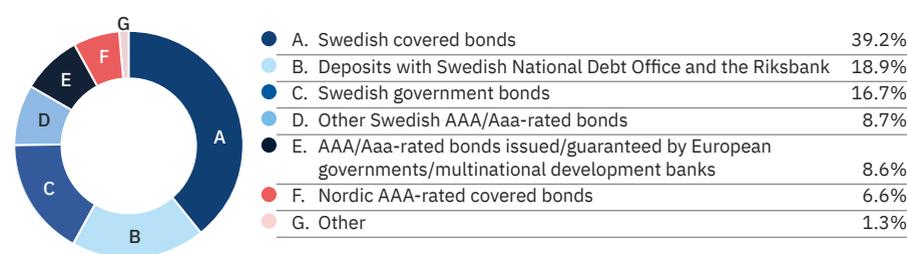
The largest source of financing in the Group is covered bonds, representing about 50%.

Funding by currency



Wholesale funding primarily takes place in the Swedish market and in SEK.

Liquidity reserve



The liquidity reserve is invested in securities with high credit quality.

number of funding programmes. The single most important source of financing is the Swedish covered bond market, where Länsförsäkringar Hypotek has a number of outstanding liquid benchmark bonds. At year-end, Länsförsäkringar Hypotek had seven outstanding benchmark loans with maturities until 2032. The Swedish covered bond market is one of Europe's largest and most liquid, which secures good access to long-term financing.

Diversification

Since all lending is in SEK, the Group has no structural need for financing in foreign currency. However, the bank has chosen to conduct a certain portion of its capital market funding in international markets in an effort to diversify and broaden the investor base. Funding has continuously taken place through issuance of Euro benchmark covered bonds. Länsförsäkringar Bank has issued seven senior unsecured euro benchmark bonds since September 2017, which is another step in increasing funding diversification and strengthening the brand in both the Swedish and European capital markets. This move establishes Länsförsäkringar Bank as a regular issuer also on the market for senior debt in EUR. In addition, diversification takes place through issuances of bonds, primarily in the currencies of NOK and

CHF and, to a certain extent, in GBP and USD. The international markets were primarily used for long maturities.

Refinancing and liquidity risk management

The Bank Group works pro-actively with its outstanding liabilities by repurchasing bonds with short remaining terms against issuance of long-term liabilities as a means of managing and minimising the liquidity and refinancing risk. The market risks that arise in the lending and funding operations are managed through derivative instruments.

Deposits

The share of deposits in the Group's total financing amounted to 32% on 31 December 2025. The trend in deposits was stable during the year, up 5%.

Funding operations

Funding activities functioned well during the year and demand from investors was high.

During the year, Länsförsäkringar Bank issued a five-year and a three-year green Euro benchmark bond, each amounting to EUR 500 M, and Länsförsäkringar Hypotek issued a five-year Euro benchmark covered bond for a nominal EUR 500 M and a new Swedish covered bond

(LFH525) that matures in September 2032. A total of SEK 6.6 billion in senior non-preferred bonds was issued during the year.

The average remaining term for the long-term financing is 2.1 years for senior unsecured bonds and 3.2 years for covered bonds.

Liquidity

Long-term planning and low risk tolerance are the hallmarks of the bank's liquidity and funding management. A satisfactory liquidity reserve is in place to ensure that sufficient liquidity is always available. The management and investment of the liquidity reserve are conservative.

The liquidity reserve amounted to SEK 79 billion (74) on 31 December 2025.

The liquidity reserve is invested in securities with very high credit quality and that are eligible for transactions with the Riksbank and, where appropriate, with the ECB. A total of 39% of the liquidity reserve comprises Swedish covered bonds, 19% deposits with the Swedish National Debt Office and Riksbank, 17% Swedish government bonds, 9% bonds issued or guaranteed by European governments and multinational development banks, 9% other Swedish bonds with an AAA/Aaa credit rating, 7% Nordic

AAA/Aaa-rated covered bonds and 1% other liquid assets. SEK 7.0 billion of the liquidity reserve comprises green bonds. By utilising the liquidity reserve, contractual undertakings can be met for about two years without needing to secure new funding in the capital market.

The Liquidity Coverage Ratio (LCR) for the consolidated situation on 31 December 2025 amounted to 231%. The Net Stable Funding Ratio (NSFR) for the Consolidated situation on 31 December 2025 was 127%.

Rating

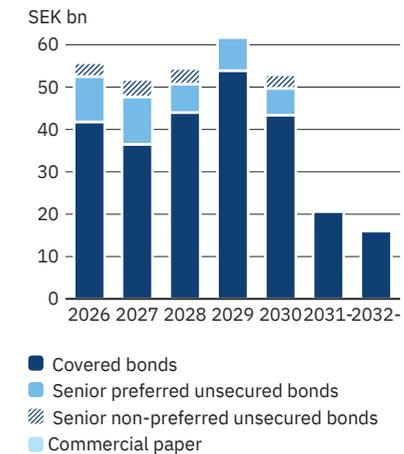
Länsförsäkringar Bank's credit rating from Standard & Poor's was raised to A+ (Stable outlook) in connection with the Parent Company Länsförsäkringar AB also receiving a higher credit rating.

Länsförsäkringar Bank's long-term credit rating is thus A1/Stable from Moody's and A+/Stable from Standard & Poor's. The short-term credit ratings are P-1 from Moody's and A-1 from Standard & Poor's. Länsförsäkringar Hypotek's covered bonds maintained the highest credit rating of Aaa from Moody's, and AAA/Stable from Standard & Poor's. Länsförsäkringar Hypotek is thus one of three issuers in the Swedish market for covered bonds with the highest rating from both Standard & Poor's and Moody's.

Funding programmes – Bank Group

Programme	Limit, Nominal, bn	Issued 2025, SEK bn	Issued 2024, SEK bn	Outstanding, 31 Dec 2025, SEK bn	Outstanding, 31 Dec 2024, SEK bn	Remaining average term, 31 Dec 2025, years
Benchmark (Hypotek)	Unlimited	44.3	32.6	202.9	188.1	3.3
MTCN (Hypotek)	SEK 30	4.6	3.3	15.8	12.3	3.1
EMTCN (Hypotek)	EUR 6	5.5	5.8	36.5	37.2	2.8
Total covered bonds		54.4	41.6	255.3	237.7	3.2
MTN (Bank)	SEK 40	6.2	4.4	19.0	18.3	1.9
EMTN (Bank)	EUR 4	12.7	7.8	38.0	34.6	2.2
Total senior unsecured bonds		18.9	12.2	57.0	52.9	2.1
DCP (Bank)	SEK 15	0.1	0.2	0.1	0.0	0.9
ECP (Bank)	EUR 1.5	0.2	1.6	0.0	1.0	0.4
Total commercial papers		0.3	1.8	0.1	1.0	0.8
Total Group		73.6	55.5	312.3	291.6	3.0

Maturity profile



Regulatory development Länsförsäkringar Bank

REGULATORY DEVELOPMENT

The development of new financial regulations is expected to continue at a rapid pace and will have a major impact on banks moving forward.

Capital adequacy rules

The EU's Banking Package 2021, which was published in the Official Journal of the EU in June 2024, means that the final elements of Basel III have now been introduced in the EU. The Package includes changes to the Capital Requirements Regulation and the Capital Requirements Directive, with the aim of strengthening banks' resilience to future economic shocks while supporting the climate transition. The proposal includes restrictions on the use of internal models, changes to the Standardised Approach for both credit and operational risk as well as the introduction of a capital floor of 72.5%. The capital floor entails that the risk-weighted assets for a bank that applied internal models may not, in total, be lower than 72.5% of the risk-weighted amount calculated according to the revised Standardised Approaches. The majority of the changes to the Capital Requirements Regulation will come into effect on 1 January 2025 with a phase-in period of five years.

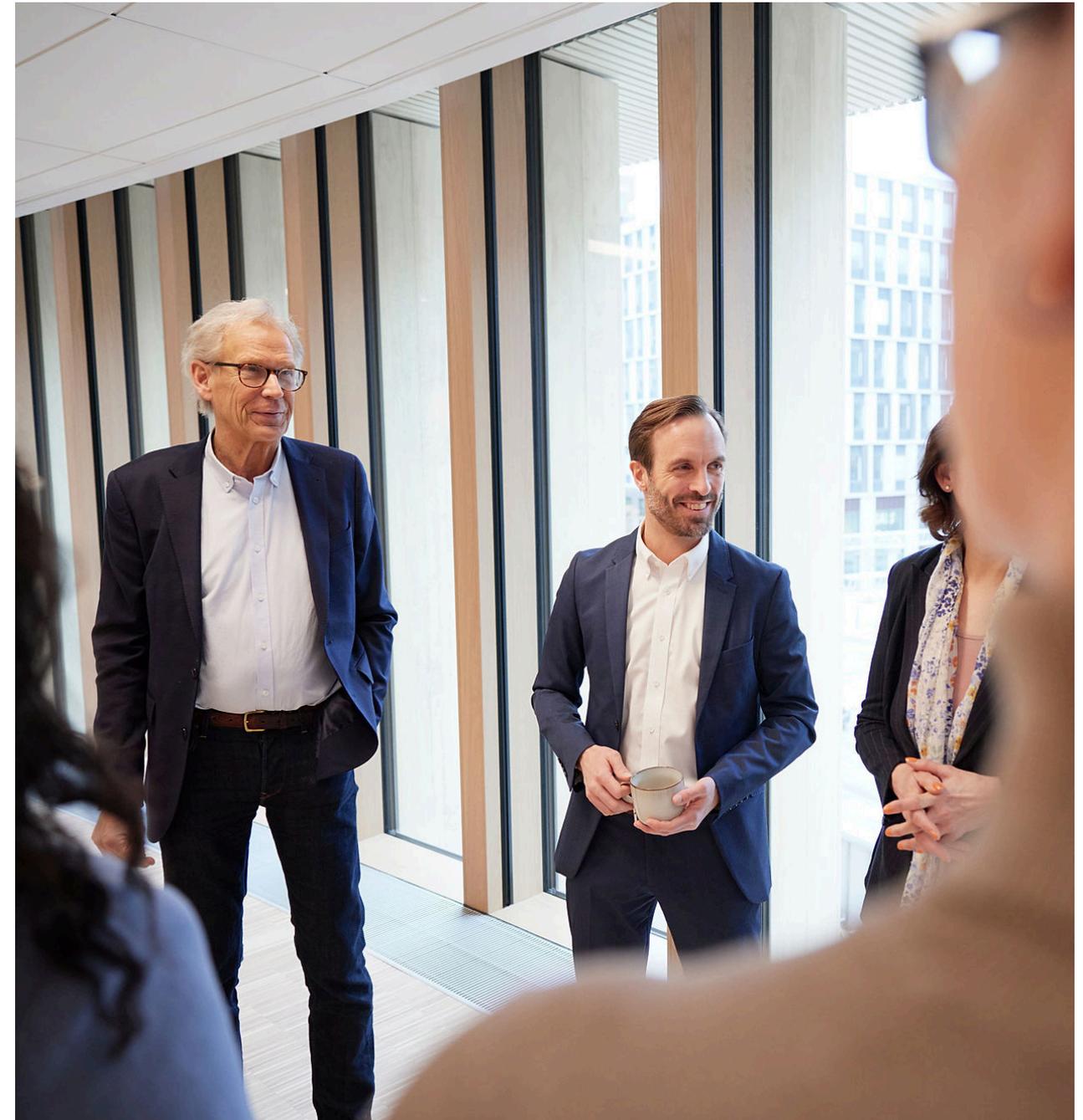
On 17 September 2025, the FSA decided to extend the current risk weight floor for Swedish mortgages by two years from 31 December 2025 until 30 December 2027. In December 2025, the FSA announced its decision to leave the countercyclical capital buffer rate unchanged. The buffer rate of 2% which started to apply on 22 June 2023, will continue to apply.

The European Banking Authority (EBA) has prepared new guidelines on banks' internal ratings-based approaches. Swedish banks need to adapt to these new regulatory changes, which will result in significant changes to models. The bank is in the process of updating the internal ratings-based (IRB) models.

MREL

In December 2025, the Swedish National Debt Office established its annual decisions on resolution plans and minimum requirement for own funds and eligible liabilities (MREL) for the institutions that the Debt Office deems to be systemically important, which includes Länsförsäkringar Bank. MREL is based on the implementation of the Resolution Act and includes both a risk-based and a non-risk-based MREL. The Debt Office also decided on individual minimum requirements for Länsförsäkringar Bank's subsidiaries, Länsförsäkringar Hypotek and Länsförsäkringar Finans. Länsförsäkringar Bank meets the MREL by a healthy margin.

Länsförsäkringar Bank is following regulatory developments and is highly prepared and well capitalised for impending changes, even if it is unclear at this stage what the effects of a capital requirement will be.



Anti-money laundering and financial crime

Money laundering is important for criminals and criminal profit is the driving factor behind this form of organised crime. The criminal economy is systemic in that it threatens the welfare system and confidence in democracy while distorting competition. The financing of terrorism is a palpable threat and includes handling money with the aim of financing terrorism, providing financial support to persons or organisations committing terrorist offences, or financing a trip abroad for someone who intends to become involved in a terrorist organisation.

Länsförsäkringar Bank's Policy on Anti-Money Laundering and Financing of Terrorism is the basis, setting out the requirements for proactive measures that the bank must take to manage the risk of being used for money laundering and the financing of terrorism. This policy is adopted by Länsförsäkringar Bank's Board.

In addition to the policy that governs efforts against money laundering and the financing of terrorism, there are regulations that provide additional specific details of how the work should be performed. Länsförsäkringar Bank regularly reviews the content of the policy and continuously develops the bank's guidelines and instructions to reduce the risk of the operations being used for money laundering and the financing of terrorism.

By actively monitoring transactions and activities, systematic work is conducted to maintain good knowledge of customers and their businesses, and to reduce the risk of the bank being used for money laundering and the financing of terrorism. The bank has a central function manager who supervises and checks compliance with the bank's procedures and guidelines. Länsförsäkringar Bank has a system for reporting discrepancies, which aims to detect discrepancies that may indicate suspected money laundering or the financing of

terrorism. To archive the bank's objectives, a project has been established at Länsförsäkringar Bank that aims to ensure regulatory compliance and adequate management to address the company's risks in this area, after which continuous improvements are made.

An annual risk assessment is prepared each year in which the bank performs an analysis of their businesses to assess the risk of being used for money laundering or the financing of terrorism. This assessment is then used as a basis for the daily work to prevent money laundering and the financing of terrorism. The general risk assessment is also updated and reviewed when new products, services or distribution channels are introduced.

The customer's risk profile is assessed based on customer due diligence data. To detect deviating activities at an early stage, ongoing business relationships and transactions are monitored. If money laundering or the financing of terrorism is suspected, an investigation is conducted. If suspicions remain following the investigation, the matter is promptly reported to the Financial Intelligence Unit of the Police and a decision is made on risk-mitigation action or whether or not to terminate the business relationship. To elevate its ability to counter money laundering and the financing of terrorism, the bank is active in various forms of industry collaboration. Examples include Finance Sweden and the Swedish Anti-Money Laundering Institute (SIMPT).

Fraud

Fraud remains a widespread and growing problem in society with strong links to organised crime, resulting in many victims every year.

Länsförsäkringar Bank has developed processes for how preventative fraud alerts are to be handled and

communicated to the affected stakeholders. An instruction and procedure is in place resolved on by the Head of Financial Crime Prevention and the Head of Fraud, which aims to ensure that cases of fraud are managed efficiently and appropriately. The procedure describes how the fraud group's tasks are to be carried out based on the areas of responsibility within the unit, while the instruction states the requirements for proactive measures that Länsförsäkringar Bank is to take to protect the bank and its customers from fraudulent activities.

Länsförsäkringar Bank is working to reduce the risk of the bank and its customers being exposed to fraud. Länsförsäkringar Bank also participates in the bank-wide initiative "Scameaware!", which is a collaboration between Sweden's banks and Finance Sweden to counteract fraud. The aim is to raise awareness and spread knowledge about fraud and common methods. In addition, the bank has entered into collaboration with the Police, the Swedish Theft Prevention Association and the Swedish Internet Foundation to form a neutral private-public partnership. The purpose of this partnership is to gather information about ongoing digital crimes and attempted crimes to quickly alert the public and small businesses via warnings on sakerhetskollen.se and the media, and to facilitate collaboration on appropriate crime prevention initiatives.

Länsförsäkringar Bank has introduced several preventive measures to reduce the risks and negative consequences of fraud. General blocks for foreign payments and lower limits for money transfers were some of the measures implemented. Information material, such as leaflets on romance and investment scams, was also produced during the year to support advisers when meeting customers.

The measures taken, together with enhanced capacities in monitoring and other relevant functions, have had a positive impact. The customer loss per case of completed fraud has decreased compared with prior years. At the same time, the number of reported frauds has increased, but the number of cases of completed fraud where customers have actually lost money has declined.



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Board of Directors' Report

The Board of Directors and President of Länsförsäkringar Bank AB (publ) hereby submit the Annual Report for 2025.

Ownership and Group structure

Länsförsäkringar Bank AB (publ) is part of the Länsförsäkringar AB Group, with Länsförsäkringar AB (publ) as the Parent Company, which is owned by 23 independent and customer-owned regional insurance companies and 14 local insurance companies. All customer contact takes place at the regional insurance companies. Länsförsäkringar AB (publ) is responsible for conducting joint business activities, strategic development activities and providing service. The aim is to establish the conditions for the regional insurance companies to continue to grow and be successful in their respective markets. Länsförsäkringar Bank AB (publ) (Corp. Reg. No. 516401-9878) is 100% owned by Länsförsäkringar AB (publ) (Corp. Reg. No. 502010-9681). The Bank Group comprises the Parent Company Länsförsäkringar Bank AB (publ) and the wholly owned subsidiaries Länsförsäkringar Hypotek AB (publ) (Corp. Reg. No. 556244-1781), Länsförsäkringar Fondförvaltning AB (publ) (Corp. Reg. No. 556364-2783), Länsförsäkringar Finans AB (formerly named Wasa Kredit AB) (Corp. Reg. No. 556311-9204) and SAVR AB (Corp. Reg. No. 559084-1093). All companies have their registered offices in Stockholm and the abbreviated forms of these company names are used in the remainder of the Board of Directors' Report.

Focus of operations

The operations offer banking services to private individuals, agricultural customers and small businesses. The lending products of leasing, hire purchase and unsecured loans are offered to private individuals and companies through the wholly owned subsidiary Länsförsäkringar Finans AB (previously Wasa Kredit). Sales and customer services are carried out through the 117 branches of the 23 regional insurance companies and via digital services and tele-

phone. The regional insurance companies are reimbursed for sales, administration and customer care through a reimbursement system. Another part of the full-service offering is the 190 branches of Länsförsäkringar Fastighetsförmedling throughout Sweden.

Intangible key resources

Länsförsäkringar Bank's business model is highly dependent on intangible key resources such as employee expertise, commitment and experience. The Group's code of culture – focusing on the customer, courage and performance – is a feature of the entire business and drives the development of products, services and processes. Employees' ability to understand customer needs and their willingness to continuously improve the operations are crucial for creating value and long-term customer relationships. Investing in skills development and leadership ensures that competitiveness and adaptability are maintained. These intangible resources thus serve as a central foundation for the Group's value creation.

2025 compared with 2024, Group Business volumes

Business volumes increased 5% from year-end 2024 to SEK 1,082 billion (1,034), driven by higher mortgage, deposit and fund volumes.

Total lending improved 5% or SEK 21 billion to SEK 424 billion (403) with continued high credit quality. Lending excludes deposits with the Swedish National Debt Office and similar items of SEK 5 billion (22). Lending in Länsförsäkringar Hypotek increased 6%, or SEK 21 billion, to SEK 357 billion (336). Lending in LF Finans was largely unchanged at SEK 26.1 billion (26.0).

Deposits rose 5%, or just under SEK 8 billion, to SEK 163 billion (155).

Länsförsäkringar Bank – part of the Länsförsäkringar Alliance

4.5 million customers

23 local regional insurance companies

Länsförsäkringar AB

Länsförsäkringar Bank AB

Länsförsäkringar Hypotek AB
Household mortgages

Länsförsäkringar Finans AB
(LF Finans, formerly Wasa Kredit AB)
Leasing, hire purchase and unsecured loans

Länsförsäkringar Fondförvaltning AB
Mutual funds

SAVR AB
Digital fund and share trading platform

Fund volumes increased 4% or SEK 20 billion to SEK 495 billion (475) due to a favourable trend in market values.

Customers

The number of customers with Länsförsäkringar as their primary bank rose 4% to 686,000 (661,000). Some 90% of those customers who have the bank as their primary bank are also existing Länsförsäkringar insurance customers. The number of bank cards issued by Länsförsäkringar Bank rose 4% to 883,000 (852,000).

Earnings and profitability

Operating profit fell 8% to SEK 2,107 M (2,290). Profit before credit losses and fees levied declined 6% to SEK 2,691 M (2,869). The investment margin amounted to 1.13% (1.34). Return on equity was 7.2% (8.1).

Income

Net interest income declined 12% to SEK 5,810 M (6,632). The underlying net commission income, excluding remuneration paid to the regional insurance companies, increased 6% to SEK 1,827 M (1,723). The recognised net commission income including remuneration to the regional

insurance companies amounted to SEK 151 M (-1,095). Net gains from financial items amounted to SEK 11 M (28).

Total operating income increased 8% to SEK 6,105 M (5,653), driven by improved net commission income.

Expenses

Operating expenses increased 23% to SEK 3,414 M (2,784). The increase in expenses was due to non-recurring items in the form of impairment of intangible assets of SEK 89 M in 2025, and recovered VAT of SEK 176 M in 2024.

Excluding these non-recurring items, the increase in expenses was 12%, largely driven by the incorporation of telephone banking and the acquisition of the SAVR savings platform, which aims to improve the offering and the customer experience of the savings business. Together, this increased the number of employees by about 200.

The underlying increase in expenses continued to be impacted by a high rate of IT development. Inflation also impacted expenses.

Furthermore, underlying depreciation increased during the year for reasons including higher volumes of operating leases in LF Finans.

The cost/income ratio before credit losses and fees levied amounted to 0.56 (0.49). Excluding non-recurring

items, the cost/income ratio was 0.54 (0.52). The cost/income ratio after credit losses and fees levied amounted to 0.65 (0.59).

Credit losses

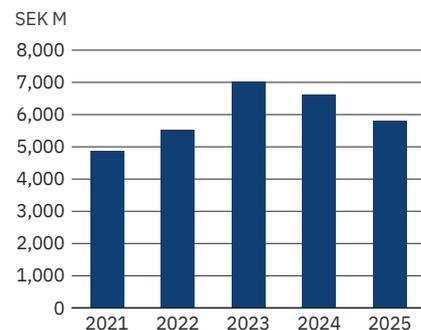
The credit quality of the loan portfolio remained very high and credit losses in the Bank Group are low. Customers demonstrated high resilience to increased interest rates and higher costs. The share of customers making late payments remains very low.

Credit losses for 2025 amounted to SEK 143 M (181), of which SEK 140 M (177) derived from LF Finans. This corresponded to a credit loss level of 0.03% (0.04).

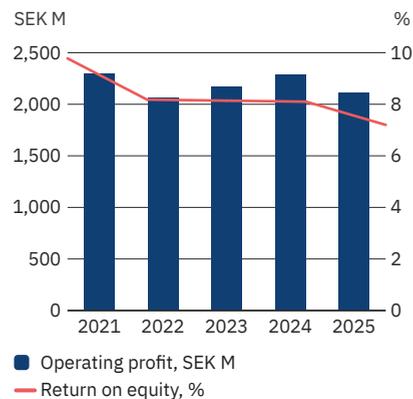
The impact of the macroeconomic trend on credit quality and the loss allowance has been limited to date. In total, the loss allowance declined SEK 45 M during the year.

Credit-impaired loan receivables (stage 3) before provisions amounted to SEK 989 M (1,166), corresponding to a share of credit-impaired loan receivables of 0.23% (0.27) gross. The loss allowance for credit-impaired loan receivables was SEK 278 M (339). The reserve ratio for credit-impaired loan receivables amounted to 28.1%. In addition, SEK 77 M of the remuneration to the regional insurance companies regarding credit-impaired loan receivables*

Net interest income



Operating profit and return on equity



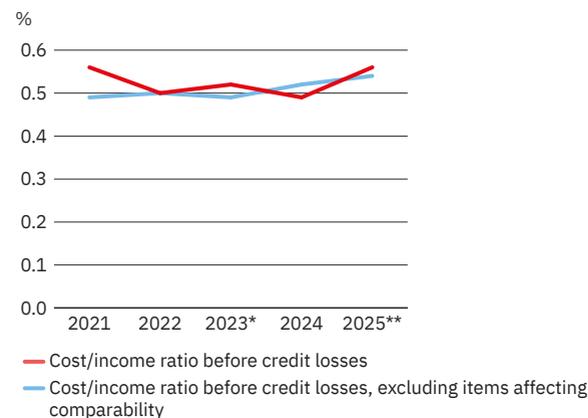
is withheld. Including the withheld remuneration to the regional insurance companies, the loss allowance for credit-impaired loan receivables totalled SEK 355 M (435). The reserve ratio for credit-impaired loan receivables, including withheld remuneration to the regional insurance companies, amounted to 35.9%.

Loan receivables (stage 2) before provisions amounted to SEK 8,317 M (7,931). The share of loan receivables (stage 2) remained at a low level. The increase in loan receivables (stage 2) was due to a small underlying decline in credit quality, which resulted in a slight shift between stages. The loss allowance for loan receivables (stage 2) was SEK 131 M (129) excluding and SEK 161 M (165) including withheld remuneration to the regional insurance companies.

The total recognised loss allowance was SEK 611 M (676), of which SEK 128 M (149) pertained to withheld remuneration to the regional insurance companies*.

*) In accordance with the settlement model for the regional insurance companies' credit-risk commitments for generated business.

Cost/income ratio before credit losses



Loss allowance, stage 3 and 2

SEK M	31 Dec 2025	31 Dec 2024
Loans to the public	428,558	425,038
Credit-impaired loan receivables (stage 3)	989	1,166
Total loss allowance for credit-impaired loan receivables (stage 3), incl. withheld remuneration to the regional insurance companies	355.2	435.1
of which loss allowance for credit-impaired loan receivables (stage 3)	278.4	338.5
of which withheld remuneration to regional insurance companies for credit-impaired loan receivables (stage 3)	76.9	96.5
Share of credit-impaired loan receivables gross (stage 3), %	0.23	0.27
Reserve ratio for loan receivables stage 3, incl. withheld remuneration to regional insurance companies, %	35.9	37.3
Reserve ratio for loan receivables stage 3, %	28.1	29.0
Loan receivables with higher credit risk (stage 2)	8,317	7,931
Total loss allowance for loan receivables with higher credit risk (stage 2), incl. withheld remuneration to regional insurance companies	160.9	164.6
of which loss allowance for loan receivables with higher credit risk (stage 2)	130.6	128.7
of which withheld remuneration to regional insurance companies for loan receivables with higher credit risk (stage 2)	30.3	35.9
Share of loans with higher credit risk (stage 2), %	1.90	1.83
Reserve ratio for loan receivables with higher credit risk (stage 2), incl. withheld remuneration to regional insurance companies, %	2.4	2.1
Reserve ratio for loan receivables stage 2, %	2.0	1.6

For further information on credit losses and credit-impaired loan receivables, refer to notes 2, 3 and 11.

Deposits and savings

Deposits from the public rose 5%, or just under SEK 8 billion, to SEK 163 billion (155). Deposits from corporates amounted to SEK 15.6 billion (14.4). The total number of deposit accounts increased 5%. The market share of household deposits had increased to 5.1% (5.0) on 31 December 2025, according to Statistics Sweden. The fund volume rose 4%, or SEK 20 billion, to SEK 495 billion (475), due to a healthy market performance.

Loans

All loans are granted in Sweden, in SEK and have a well-diversified geographic distribution. Loans to the public rose 5% or SEK 21 billion to SEK 424 billion (403) and maintained a high level of credit quality. Lending excludes deposits with the Swedish National Debt Office and similar lending of SEK 5 billion (22).

Lending in Länsförsäkringar Hypotek increased 6%, or SEK 21 billion, to SEK 357 billion (336). The percentage of household mortgages in relation to the total loan portfolio was at 83.8%, including residential agriculture mortgages of 3.6 percentage points. The weighted average loan-to-value ratio (LTV) of the mortgage portfolio amounted to 62% (63). As of 31 December 2025, the market share of household mortgages had increased to 7.9% (7.7) according to Statistics Sweden.

Agricultural lending declined 1% to SEK 33.7 billion (34.0). Agricultural lending primarily comprises first-lien mortgages to family-owned agricultural operations, and the average commitment was low at SEK 2.6 M (2.5). First-lien mortgages for agricultural properties fell slightly to SEK 33.1 billion (33.3), corresponding to 98% (98) of agricultural lending. Lending in LF Finans was largely unchanged at SEK 26.1 billion (26.0).

Loan portfolio	31 Dec 2025	31 Dec 2024
Lending segment, %		
Household mortgages	80.2	79.7
Residential agriculture mortgages	3.6	4.2
Agriculture	4.4	4.2
Multi-family housing	3.8	3.6
Leasing and hire purchase	4.2	4.4
Unsecured loans	2.5	2.5
Other	1.3	1.4
TOTAL	100.0	100.0

Volume of household mortgages in Bank Group by loan-to-value ratio**

Capital receivable	Total	
Loan-to-value ratio	Volume, SEK M	%
0–50%	270,188	79.5%
51–60%	31,771	9.3%
61–70%	21,949	6.5%
71–75%	7,328	2.2%
76–80%	5,261	1.5%
80%–	3,504	1.0%
TOTAL	340,001	100.0%

** Refers to loans with single-family homes, tenant-owned apartments or vacation homes as collateral on 31 December 2024.

Funding

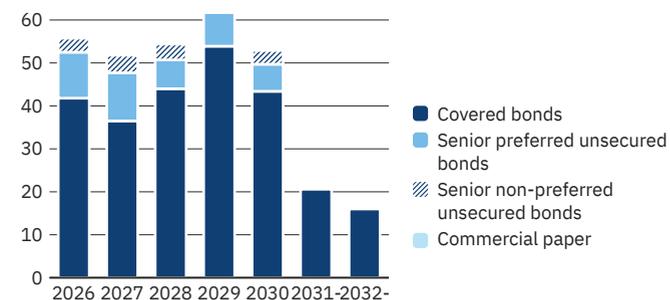
The Group has a low refinancing risk and the maturity profile is well diversified. The volume of debt securities in issue outstanding increased 7% or SEK 20 billion to a nominal SEK 312 billion (292), of which covered bonds amounted to SEK 255 billion (238), senior long-term funding to SEK 57 billion (54) and short-term funding to SEK 0.1 billion (1.0). The average remaining term for long-term funding was 3.0 years (3.0) on 31 December 2025.

Covered bonds were issued in 2025 at a volume of a nominal SEK 54.4 billion (41.6). Repurchases of covered bonds amounted to a nominal SEK 18.2 billion (14.8) and matured covered bonds to a nominal SEK 20.6 billion (23.3). Länsförsäkringar Bank issued senior unsecured bonds of a nominal SEK 19.2 billion (12.2) during the period, while maturities amounted to a nominal SEK 12.7

billion (7.9). The total volume of senior non-preferred bonds outstanding, which also qualify as MREL, amounted to SEK 11.0 billion (10.9) on 31 December 2025.

In 2025, Länsförsäkringar issued a new covered seven-year benchmark bond in SEK and a covered five-year Euro benchmark bond of EUR 500 M in Länsförsäkringar Hypotek.

Maturity profile



Liquidity

On 31 December 2025, the liquidity reserve totalled SEK 79 billion (74). About 19% of the liquidity reserve is invested in short-term deposits with the Riksbank and the Swedish National Debt Office, and the remainder is invested in securities with very high credit quality that are eligible for transactions with the Riksbank and, where appropriate, with the ECB. By utilising the liquidity reserve, contractual undertakings can be met for just under two years without needing to secure new funding in the capital market. The Liquidity Coverage Ratio (LCR) for the consolidated situation on 31 December 2025 amounted to 231% (299). The Net Stable Funding Ratio (NSFR) for the consolidated situation on 31 December 2025 was 127% (123).

Interest-rate risk

On 31 December 2025, an increase in market interest rates of 1 percentage point would have changed the value of interest-bearing assets and liabilities, including derivatives, by SEK –370 M (–278).

Rating

Länsförsäkringar Bank's credit rating is A+/Stable from Standard & Poor's and A1/Stable from Moody's. Läns-

försäkringar Hypotek's covered bonds have the highest credit rating of Aaa from Moody's and AAA/Stable from Standard & Poor's.

Capital adequacy

Länsförsäkringar Bank AB's consolidated situation encompasses Länsförsäkringar Bank AB and its subsidiaries, that is to say the Bank Group.

On 31 December 2025, the Common Equity Tier 1 capital amounted to SEK 20,581 M (20,503), up SEK 78 M mainly due to generated profit. At year-end, the Parent Company Länsförsäkringar AB paid a Group contribution of SEK 910 M to Länsförsäkringar Bank AB (SEK 723 M net after tax). In addition, a deduction of SEK 577 M for the expected, proposed dividend from the Parent Company Länsförsäkringar Bank AB was made from Common Equity Tier 1 capital at year-end.

Total Risk Exposure Amount (REA) in the consolidated situation on 31 December 2025 amounted to SEK 140,616 M (134,063). The increase in REA was mainly attributable to volume increases. The credit quality of lending remained favourable.

The Common Equity Tier 1 capital ratio for Länsförsäkringar Bank's consolidated situation was 14.6% (15.3). Total own funds amounted to SEK 27,617 M (26,143) on 31 December 2025. An Additional Tier 1 instrument (AT1 bond) with a volume of SEK 1,500 M was issued during the year, and early redemption of an Additional Tier 1 instrument (AT1 bond) of SEK 1,200 M, with the first possible call date in November 2025, took place. The total capital ratio was 19.6% (19.5).

For more information on capital adequacy, see note 3.

* Comparative figures refer to the Bank Group on 31 December 2024

Employees

In 2025, the Bank Group had an average of 950 employees (832), of whom women numbered 481 (418) and men 469 (414). In addition to the employees of the Bank Group, the 23 regional insurance companies have bank advisors.

Länsförsäkringar Bank's high ambition is to be a responsible and attractive employer, both internally and externally. Commitment, trust, openness and professionalism are the

foundation of our corporate culture. Skilled employees who drive and develop the operations are vital to achieving our business objectives. Attracting new and retaining existing employees is of the greatest importance. A focus on diversity, inclusion, skills development, health and a good work environment are key factors in ensuring this.

Sustainability

The Länsförsäkringar AB Group's sustainability work is based on the vision of "Together we create security and opportunities" and the long-term objective is to be climate neutral by 2045. Länsförsäkringar Bank can reduce its sustainability risks, increase customer value, contribute to the positive development of society and create business value by taking economic, social and environmental aspects into consideration in its business development and business decisions. Länsförsäkringar is a signatory to the principles of the UN Global Compact and works to contribute to the UN Sustainable Development Goals (SDGs). Länsförsäkringar Bank's statutory sustainability report is included on page 29 of this Annual Report. Länsförsäkringar Bank AB (publ), with its registered office in Stockholm, applies the European Sustainability Reporting Standards (ESRS) in accordance with the Swedish Annual Accounts Act. The Sustainability Report has been reviewed by Deloitte, and the review report can be found on page 167.

Taxonomy disclosures for Länsförsäkringar Bank can be found on pages 50.

Risks and uncertainties

The operations are characterised by a low risk profile. The Bank Group is exposed to a number of risks, primarily comprising credit risks, refinancing risks, market risks and cyber risks as well as risks related to the bank's work on anti-money laundering and measures to counter the financing of terrorism. The macroeconomic situation in Sweden is critical for credit risk since all loans are granted in Sweden. Credit losses remain low and the refinancing of business activities was highly satisfactory during the period. However, it can be stated that the macroeconomic trend is unusually uncertain due to fiscal austerity, for example, which could have further negative effects for households and companies. In addition, it cannot be ruled

out that future declines in house prices could lead to negative effects for households and for the value of collateral in the bank's mortgage lending.

Furthermore, fraud has become an increasing problem in society, which presents risks related to this area.

The currently high geopolitical risks, which have further risen with recent developments in the Middle East, could also result in further macroeconomic consequences and increased cyber and other security risks. For more information about macroeconomic developments, refer to pages 12–13.

Credit risk comprises the risk of borrowers being unable to meet their financial commitments and that any collateral provided does not cover the receivable. Credit risk also includes counterparty risk and concentration risk. Credit losses remained very low and the refinancing of business activities was highly satisfactory during the year.

Market risks, meaning the risk of a decrease in the company's earnings and equity due to changes in market factors, predominately comprise interest-rate risks and are managed by matching terms and by making use of derivative instruments. The bank has highly diversified funding and a liquidity reserve comprising securities with high liquidity and creditworthiness, which means that the reserve can be rapidly converted into cash and cash equivalents. In addition to these, there are unutilised funding programmes that, in combination, provide opportunities for managing the risk inherent in the difference between the contractual cash flows of assets and liabilities.

Liquidity risk is the risk that the Group is unable to refinance existing assets or is unable to meet increased liquidity demands within a defined period of time. This also includes the risk of being forced to raise loans at unfavourable interest rates or being forced to divest assets at a loss to fulfil its payment commitments. To reduce this risk, the bank has secured a highly diversified range of financiers, financing sources and financing periods, and a sound balance of terms in its financing in relation to maturities in its lending. The financial instruments used to achieve this diversification include interest-rate swaps, bonds and repurchase agreements.

Resources for the bank's work on anti-money laundering and measures to counter the financing of terrorism

and other financial crime were further expanded in 2025. Länsförsäkringar Bank is continuing to regularly invest in improving processes and expertise related to these areas, by enhancing the efficiency of and improving work procedures and by strengthening the organisation with additional resources and personnel. A new transaction monitoring system support is currently being implemented.

For further information about the risks in the operations, risk and capital management and the principles for risk governance, see note 3 Risks and capital adequacy.

Expectations regarding future development

The banking operations intend to follow the strategic direction of the Group, which involves profitable growth with high credit quality, by further refining existing products. Growth in lending will take place in line with the market strategy primarily via existing customers in the regional insurance companies by paying close attention to changes in the business environment, the financial situation and the prevailing circumstances in the capital market. A healthy liquidity situation and strong capitalisation will continue to be maintained going forward. The year ahead is expected to continue to be dominated by the weaker economy, geopolitical and macroeconomic issues and, to a certain extent, interest rates, which could affect customers and could impact growth, while slightly higher credit losses cannot be ruled out. The bank's strong financial position creates excellent conditions for continuing to grow and support customers.

Takeover of telephone banking and acquisition of SAVR AB

During the year, an agreement was reached that from 1 June 2025 Länsförsäkringar Bank took over the telephone banking operations that had been operated by LF Dalarnas. The takeover has an impact on the organisation, but does not have any material financial impact.

During the year, Wasa Kredit AB changed its name to Länsförsäkringar Finans AB (LF Finans).

SAVR AB, a digital savings and trading platform for funds and shares, was acquired during the year. This will strengthen the offering and customer satisfaction in the area of savings and funds.

Appointment of new President of Länsförsäkringar Bank

Sara Davidgård was appointed the new President of Länsförsäkringar Bank after Sven Eggefalk took up a position on the group management of another large bank during the year. Sara Davidgård most recently worked as the Head of Business Area Private at SBAB and will take office on 31 March 2026. Martin Rydin, CFO of Länsförsäkringar Bank, served as Acting President during the year and is currently serving in this role.

PARENT COMPANY

All the Group's deposits take place in the Parent Company. Most of the Group's lending and funding operations are conducted through the subsidiary Länsförsäkringar Hypotek. Loans to the public, including deposits with the Swedish National Debt Office, declined to SEK 46 billion (64). Debt securities in issue amounted to a nominal SEK 57 billion (54).

Earnings

Operating profit amounted to SEK 1,032 M (347). Net interest income declined to SEK 2,640 M (2,864). Commission income rose to SEK 1,372 M (1,213). Commission expense declined to SEK 1,917 M (2,357), due to lower remuneration to the regional insurance companies, driven by lower net interest income. Total operating income increased 43% to SEK 3,650 M (2,559). Dividends increased to SEK 1,361.0 M (650.7), due to higher Group contributions from subsidiaries. Operating expenses increased 19% to SEK 2,458 (2,074).

Credit losses amounted to SEK 2 M (0), net, corresponding to a credit loss level of 0.00% (0.00).

Proposed appropriation of profit and statement by the Board

The Parent Company's non-restricted equity	SEK
Other reserves	15,885,488
Retained earnings	3,140,607,501
Net profit for the year	760,630,597
Total	3,917,123,585
The Board of Directors proposes that SEK 60.45 per share (30.20) of the unappropriated earnings in the Parent Company be paid to the owners:	577,219,399
To be carried forward	3,339,904,187
Total	3,917,123,585

The dividend is calculated on 9,548,708 shares.

The dividend proposal was made taking into consideration the regulations on buffers, restricting risk and transparency in accordance with the Swedish Banking and Financing Business Act and the prudence rule of Chapter 17, Section 3 of the Swedish Companies Act.

The applicable rules on capital adequacy and large exposures entail that at any point in time a company is to have own funds that as a minimum correspond to the total capital requirements for credit risks, market risks and operational risks and capital buffers and also the calculation capital requirement for additionally identified risks in the operations in accordance with the company's internal capital adequacy assessment process. The Parent Company's own funds after the proposed appropriation of profits amount to SEK 13,522 M (12,718), and the overall capital requirement for credit risks, operational risks and buffer amount to SEK 5,474 M (5,010). For the consolidated situation, own funds after the proposed dividend amount

SUBSIDIARIES

Länsförsäkringar Hypotek AB

Lending in Länsförsäkringar Hypotek increased 6%, or SEK 21 billion, to SEK 357 billion (336). Household mortgages can be granted up to 85% of the market value of the collateral on the granting date in Länsförsäkringar Hypotek. Operating profit rose 5% to SEK 1,778 M (1,707). Net interest income fell 25% to SEK 2,290 M (2,858) due to lower investment margins. Operating expenses amounted to SEK 152 M (150). Credit losses amounted to SEK 3 M (2), net, corresponding to a credit loss level of 0.00% (0.00). The total number of customers was 325,000.

Länsförsäkringar Hypotek AB

SEK M	31 Dec 2025	31 Dec 2024
Total assets	372,673	351,945
Lending volume	356,814	335,727
Net interest income	2,290	2,858
Credit losses	3	2
Operating profit	1,778	1,707

to SEK 27,617 M (26,143), and the overall capital requirement for credit risks, operational risks and buffer amount to SEK 20,333 M (19,573).

The Board's assessment is that the proposed dividend will not prevent the company and other companies included in the Group from fulfilling their short or long-term commitments. The proposed dividend is also not deemed to restrict the company's planned investments or expected liquidity requirements. Accordingly, the Board's overall assessment is that the proposed dividend is justified taking into consideration the demands on the amount of equity in the company and the Group imposed by the nature, scope and risks associated with the operations, and the compa-

Länsförsäkringar Finans AB (formerly Wasa Kredit AB)

LF Finans's lending volume was largely unchanged at SEK 26.1 billion (26.0). Operating profit amounted to SEK 251 M (432). The change was mainly due to recovered VAT that reduced operating expenses by SEK 176 M last year. Net interest income amounted to SEK 834 M (858). Operating expenses rose to SEK 699 M (456) primarily due to recovered VAT last year. Credit losses amounted to SEK 140 M (177), net. The reserve ratio for credit-impaired loan receivables amounted to 66.3%, while the total reserve ratio was 1.7%.

Länsförsäkringar Finans AB

SEK M	31 Dec 2025	31 Dec 2024
Total assets	26,890	26,806
Lending volume	26,130	26,039
Net interest income	834	858
Credit losses	140	172
Operating profit	251	432

ny's and the Group's capital requirements, liquidity and financial position.

Of total equity, SEK -638 M (859) of the bank's Parent Company and SEK -449 M (2,869) of the Bank Group are attributable to assets and liabilities being measured at fair value according to Chapter 4, Section 14a of the Swedish Annual Accounts Act (1995:1554).

For more information on the company's earnings and financial position, refer the following income statement and balance sheet with accompanying notes to the accounts.

Länsförsäkringar Fondförvaltning AB

The fund volume under Länsförsäkringar's own brand rose 3%, or SEK 11 billion from last year, to SEK 443 billion (432), due to a healthy trend in market values. Net inflow amounted to SEK 0.7 billion for 2025. Operating profit fell 3% to SEK 441 M (456). Total income fell 1% to SEK 715 M (724).

The fund offering includes 39 mutual funds under Länsförsäkringar's own brand with various investment orientations and a fund market with external funds. All of the funds were "Article 8 funds" that promote sustainability, and in two cases funds that are "Article 9 funds", meaning that have sustainable investment as their objective.

Länsförsäkringar Fondförvaltning AB

SEK M	31 Dec 2025	31 Dec 2024
Total assets	2,680	2,312
Fund volume under Länsförsäkringar's own brand	442,801	432,108
Net flow	655	33,856
Total income	715	724
Operating profit	441	456

Five-year summary

SEK M	2025	2024	2023	2022	2021
INCOME STATEMENT					
Net interest income	5,810.2	6,632.4	7,023.2	5,527.9	4,863.1 ¹⁾
Dividends received	1.0	0.7	0.6	0.6	0.5
Net commission income	150.6	-1,094.8	-1,511.2	-507.8	-330.7
Net gains/losses from financial items	11.4	27.7	0.8	0.5	53.6
Other operating income	132.3	86.8	28.4	11.7	23.8
Total operating income	6,105.5	5,652.8	5,541.9	5,032.9	4,610.3¹⁾
Staff costs	-1,161.0	-1,012.1	-887.9	-771.1	-712.9
Other administration expenses	-1,826.6	-1,512.7	-1,630.7	-1,512.7	-1,258.3
Depreciation/amortisation and impairment of property and equipment and intangible assets	-426.4	-259.2	-350.0	-226.6	-551.5
Total operating expenses	-3,414.1	-2,784.0	-2,868.7	-2,510.3	-2,522.6
Profit before credit losses and fees levied	2,691.4	2,868.7	2,673.2	2,522.6	2,087.7¹⁾
Credit losses, net	-143.4	-181.2	-114.2	-122.8	331.0
Share of profit/loss of participating interests	1.3	0.7	-0.4	-	-
Fees levied	-441.8	-397.9	-390.6	-333.3	-122.5 ¹⁾
Profit before tax	2,107.4	2,290.3	2,168.1	2,066.5	2,296.2
Tax	-384.6	-519.5	-446.6	-403.3	-445.4
Net profit for the year	1,722.8	1,770.8	1,721.5	1,663.2	1,850.8
BALANCE SHEET					
Cash and balances with central banks	9,929.5	35.2	5,786.5	4,947.0	14,361.4
Treasury bills and other eligible bills	13,941.1	11,562.8	11,183.2	10,856.8	15,526.1
Loans to credit institutions	2,943.8	1,424.1	878.0	1,253.4	1,480.1
Loans to the public	428,557.9	425,038.4	395,116.5	384,103.3	361,991.4
Bonds and other interest-bearing securities	53,965.1	49,907.6	51,522.6	49,969.4	50,424.8
Shares and participations	193.2	200.6	106.4	93.6	88.8
Shares and participations in joint ventures	7.1	5.8	5.1	3.2	-
Derivatives	1,923.0	4,685.8	4,963.9	8,138.3	4,105.7
Fair value changes of interest-rate-risk hedged items in portfolio hedge	67.7	-200.2	-1,553.2	-4,846.5	735.3
Intangible assets	1,723.2	1,507.3	1,351.2	1,317.5	1,170.3
Other assets	1,404.6	1,466.5	878.0	824.3	761.0
Prepaid expenses and accrued income	625.5	633.3	568.9	573.6	545.0
Total assets	515,281.5	496,267.1	470,807.1	457,234.8	451,189.9

SEK M	2025	2024	2023	2022	2021
Due to credit institutions	1,597.2	10,803.0	5,895.4	8,992.0	7,892.0
Deposits and funding from the public	163,035.3	155,381.0	150,506.6	153,340.8	146,264.8
Debt securities in issue	310,800.6	292,943.3	280,195.4	265,667.5	266,867.6
Derivatives	2,416.4	2,537.0	4,114.1	10,422.0	946.6
Fair value changes of interest-rate-risk hedged items in portfolio hedge	-636.8	-2,023.2	-4,196.7	-12,010.5	375.7
Deferred tax liabilities	723.5	682.1	612.7	570.8	563.2
Other liabilities	2,127.0	2,186.3	1,681.0	1,623.8	992.5
Accrued expenses and deferred income	5,041.4	5,676.3	5,117.1	3,446.2	2,943.8
Subordinated liabilities	4,194.0	3,095.3	3,093.3	2,596.7	2,594.7
Equity	25,982.9	24,986.1	23,788.3	22,585.5	21,749.0
Total liabilities and equity	515,281.5	496,267.1	470,807.1	457,234.8	451,189.9

KEY FIGURES

Return on equity, %	7.2	8.1	8.1	8.2	9.8
Return on total assets, %	0.33	0.36	0.35	0.36	0.42
Investment margin, %	1.13	1.34	1.47	1.19	1.12 ¹⁾
Cost/income ratio before credit losses and fees levied	0.56	0.49	0.52	0.50	0.55 ¹⁾
Common Equity Tier 1 capital ratio, consolidated situation ²⁾ , %	14.6	15.3	15.1	15.4	15.3
Tier 1 ratio, consolidated situation, % ²⁾ , %	16.7	17.2	16.8	17.2	17.2
Total capital ratio, consolidated situation ²⁾ , %	19.6	19.5	19.2	18.5	19.4
Share of credit-impaired loan receivables gross (stage 3), %	0.23	0.27	0.29	0.25	0.30
Reserve ratio for loan receivables stage 1, %	0.02	0.01	0.01	0.02	0.02
Reserve ratio for loan receivables stage 2, %	1.57	1.62	1.74	1.41	1.32
Reserve ratio for loan receivables stage 3, %	28.1	29.0	28.0	40.9	33.6
Reserve ratio for loan receivables stage 3, incl. with-held remuneration to regional insurance companies, %	35.9	37.3	34.1	45.1	38.6
Credit losses in relation to loans, %	0.03	0.04	0.03	0.03	-0.09

¹⁾ Comparative figures have been adjusted since the Resolution fee has been reclassified from Interest expense to Fees levied.

²⁾ As of 30 June 2021, the consolidated situation comprises Länsförsäkringar Bank and its subsidiaries (the Bank Group).

Sustainability Report

Sustainability is an integral part of the Länsförsäkringar Bank Group's governance, strategy, business plan and operations. The Group works according to Länsförsäkringar's Joint approach to sustainability.

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Environmental information

E1 Climate change
Taxonomy disclosures

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General information

The Sustainability Report describes how the Länsförsäkringar Bank Group works with the most material sustainability topics and the impact of the operations on society, people and the environment as well as work on sustainability risks and how sustainability is integrated into the business model.

ESRS 2 General disclosures

Policy	Responsible party
Corporate Governance Policy	President
Policy and Guidelines on Periodic Financial Reporting	Chief Financial Officer
Sustainability Policy	Chief Financial Officer

The above are examples of governance documents that are particularly relevant to governance of sustainability at the Bank Group. This is not a complete overview.

BASIS FOR PREPARATION

BP-1 General basis for preparation of sustainability report

The Sustainability Report describes the Länsförsäkringar Bank Group's material sustainability topics and subtopics based on the completed strategic materiality assessment and how the operations work with these matters. The Report provides a detailed description of how the Group works with sustainability-related impacts, risks and opportunities, how sustainability is integrated into own operations and the business model, and how the Group contributes to the transition and adaptation of society. The Sustainability Report is the Länsförsäkringar Bank Group's statutory sustainability report in accordance with the Swedish Annual Accounts Act. The Länsförsäkringar Bank Group has prepared its Sustainability Report in accordance with the European Sustainability Reporting Standards (ESRS) and the Taxonomy Regulation.

The Sustainability Report is prepared on a consolidated basis. Besides the Parent Company Länsförsäkringar Bank, the Länsförsäkringar Bank Group's Sustainability Report includes the subsidiaries Länsförsäkringar Finans, Länsförsäkringar Hypotek, Länsförsäkringar Fondförvaltning and SAVR. The "Bank Group" is used in the Sustainability Report as a collective term for the companies included in the Bank Group. SAVR was acquired at the end of the year and has not yet been included in the Bank Group's sustainability governance.

The Sustainability Report encompasses the Bank Group's value chain. For further information, see section SBM-1 and SBM-3. No confidential or sensitive information, information on know-how or intellectual property rights relating to material sustainability topics has been omitted.

The Bank Group is part of the Länsförsäkringar AB Group and is a subsidiary of Länsförsäkringar AB. Some parts of the sustainability activities are conducted jointly under the scope of the Länsförsäkringar AB Group, such as

overall governance, frameworks, methods and reporting processes. The Bank Group also forms part of the Länsförsäkringar AB Group's sustainability reporting. When the Länsförsäkringar AB Group is mentioned in this Report, it is because reference is made to the entire Group, including the Bank Group.

BP-2 Disclosures in relation to specific circumstances

There are no deviation from the stated time horizons in the regulations in this year's reporting. Short term is defined as up to one year, medium term up to five years and long term over five years. Value chain information has been assessed based on both direct and indirect sources. These are described in more detail in the following sections on each sustainability matter and in connection with the presented key performance indicators. Where quantitative metrics are subject to a high level of measurement uncertainty, this is stated for each datapoint. This primarily applies to indirect (Scope 3) emission calculations, see pages 47-49. This also applies to forward-looking information, which generally contains some uncertainty due to differences in outcomes compared with scenarios, economic fluctuations, policies and the geopolitical security situation. The Bank Group's fund management, which is conducted by Länsförsäkringar Fondförvaltning, has made publicly available the statement on principal adverse impacts of investment decisions on sustainability factors, in accordance with the Sustainable Finance Disclosure Regulation (SFDR). This information relates to the impact on sustainability factors of investment decisions and thus does not represent the Bank Group as a whole.

The EU Competitiveness Compass is a strategic initiative aimed at strengthening the Union's long-term competitiveness and sustainable growth, and forms a key part of the EU's work towards becoming climate neutral by 2050 under the Green Deal. Simplifying the regulatory framework and reducing the regulatory burden on European

companies is an important prerequisite for achieving these targets. Accordingly, the EU has initiated a review of existing regulations, including introducing relief through the Omnibus legislation. A number of Omnibus packages were presented during the year, with the first package including proposals to simplify the rules on sustainability reporting.

These new proposals mean that fewer companies will be subject to the rules, and a review of ESRS is being carried out to reduce the administrative burden further. The simplified rules are expected to come into effect from the 2027 fiscal year. The ESRS transition rules have been extended until the new regulations apply so as to avoid companies having to scale up their reporting before the new simplified rules take effect. The Bank Group is monitoring developments closely and working actively to ensure continued compliance and transparency of its sustainability.

GOVERNANCE

GOV-1 The role of the Board

Group governance of sustainability

Based on the Corporate Governance Policy adopted by the Board and the Länsförsäkringar AB's CEO's Guidelines for operating organisation, sustainability is a so-called Group governance area. The purpose of Group governance is for the Parent Company of the Länsförsäkringar AB Group to enhance governance, control, reporting as well as risk and resource management. Making sustainability a Group governance area means that all subsidiaries are to adopt corresponding governance documents, with the necessary adjustments to their specific operations. Furthermore, sustainability is part of the overarching principles that form the basis of corporate governance and the inherent components of the corporate governance system. The aim of this is to make sustainability an integral part of each component, such as internal control, business governance, asset management and risk management. The business

governance component includes the governance, direction and monitoring of sustainability activities. It also sets out the responsibilities of the Sustainability Manager.

Governance documents

Due to the design of the corporate governance system, sustainability is integrated into many different governance documents within the Bank Group. The policies that primarily govern sustainability are the Sustainability Policy and the Risk Policy. The Policy on Responsible Investments and Corporate Governance and the Credit Policy largely regulate the sustainability elements in relation to the Group's various offerings.

- **The Sustainability Policy** sets out general regulations on how sustainability activities are to be conducted in terms of governance, responsibility and monitoring. The policy also stipulates that sustainability work is to be based on a Group-wide strategic materiality assessment and that it must ultimately contribute to futureproof societies. Furthermore, the policy sets the direction of the sustainability agenda based on the established components of responsible business conduct, responsible and sustainability-focused offering and transition and social responsibility.
- **The Risk Policy** is the fundamental governance document for the risk-management system and stipulates the risk categories relevant to the Bank Group's operations, including sustainability-related risks. Negative impacts from a sustainability-related risk materialise as, for example, market risk, credit risk, reputation risk or operational risks and are all to be equally integrated into risk management. The assessment of negative impacts is based on the Risk Policy.
- **The Policy on Responsible Investments and Corporate Governance** provides a general outline of the way in which responsible investments and corporate governance are to be conducted in relation to, for example, the Group's investing activities and savings offering. The policy also sets out expectations for the investee's work on sustainable and responsible business conduct.

- **The Credit Policy** ensures an appropriate composition of the loan portfolio, taking into account capital strength and other risks.

The Bank Group's sustainability work, including the various codes of conduct, is essentially to be guided by principle-based UN initiatives. The Bank Group's has signed the UN Principles for Responsible Investment (PRI) and Responsible Banking (PRB).

Direction of sustainability activities set by the Board

Sustainability is to be an integral part of the Bank Group's governance, strategy, business plan and operations. Based on the Sustainability Policy adopted by the Board, the Bank Group is to help ensure more sustainable and futureproof societies for customers, founded on the following.

- **Responsible business conduct:** Refers to the Group's conduct in own operations and in relation to counterparties in the value chain related to the environment, human rights, labour and business conduct.

- **Responsible and sustainability-focused offering:** Refers to the Group's complete offering in savings offering, investments, lending and payments.
- **Transition and social responsibility:** Refers to the Group's role in contributing to the transition and adapting societies in selected sustainability areas through investment, financing, engagement and collaboration with various stakeholders.

Structure for sustainability governance

The Bank Group has the following structures and roles to govern and monitor its sustainability efforts:

- **Board of Länsförsäkringar Bank:** Decides on material sustainability topics, sustainability-related targets and advances in the business plan, as well as the policies that underpin this work. Through regular reporting, the Board, and the relevant committees of the Board, monitor progress towards sustainability targets and advances.

- **Bank management of Länsförsäkringar Bank:** Bank management and the Sustainability Manager of Länsförsäkringar Bank are responsible for recommending material sustainability topics, progress and targets in the business plan to the Board of Länsförsäkringar Bank for a decision. Furthermore, bank management is to regularly determine the activities in the Group-wide transition plan that is included in and managed by Länsförsäkringar AB. The Sustainability Manager of Länsförsäkringar Bank is responsible for regularly monitoring the Bank Group's sustainability activities and reporting to bank management and to the Chief Sustainability Officer (CSO) of Länsförsäkringar AB.
- **CSO of Länsförsäkringar AB:** Is responsible for the governance, strategy and development of the Länsförsäkringar AB Group's framework for sustainable and responsible business conduct and the framework for responsible investments. This responsibility includes designing the strategic materiality assessment and supporting the Länsförsäkringar AB Group in managing material topics. The CSO leads the Sustainability Department of Länsförsäkringar AB and is a member of Länsförsäkringar's steering group for the Joint sustainability approach.
- **Sustainability department of Länsförsäkringar AB:** Provides expertise in different areas of sustainability and is involved in business development and planning, regulatory management, business intelligence, communication and engagement with key stakeholders in the value chain. The department also coordinates and monitors the Länsförsäkringar AB Group's sustainability activities, supported by the Sustainability Committee, and various sustainability forums. Development projects are set up as necessary.
- **Sustainability Managers at Länsförsäkringar Bank:** The Sustainability Managers are to lead the sustainability activities, in line with the Bank Group's governance, framework and targets, and participate in the Länsförsäkringar AB Group's sustainability work that affects the Bank Group. The Sustainability Manager of Länsförsäkringar Bank is a member of and represents the Bank Group in Länsförsäkringar AB's Sustainability Committee and is Chairman of the Sustainability Forum Bank.

Focus of our sustainability work



<p>RESPONSIBLE BUSINESS CONDUCT</p> <p>Own operations – Business conduct – Responsible and attractive employer – Environmental impact</p> <p>Counterparties in the value chain</p>	<p>RESPONSIBLE AND SUSTAINABILITY-FOCUSED OFFERING</p> <p>Savings offering and investments Lending offering</p>	<p>TRANSITION AND SOCIAL RESPONSIBILITY</p> <p>Transition and adaptation of society Research Principles for social commitment and partners</p>
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- **Sustainability Committee:** Prepares and addresses sustainability topics of a Group-wide and strategic nature, including the results of the materiality assessment and follow-up of material topics. The CSO is the Chairman of the Committee and its members are appointed by the CEO.
- **Sustainability Forum Bank:** Ensures operational progress towards the objectives of the business plan and transformation areas, and promote consistent handling of material sustainability topics within the Bank Group. Information from the forums is used by the Sustainability Manager of Länsförsäkringar Bank for reporting to bank management, the Board of Länsförsäkringar Bank and the CSO of Länsförsäkringar AB.
- **Project:** The sustainability department of Länsförsäkringar AB can, based on identified needs for progress in specific sustainability topics, establish temporary projects with cross-functional representation from different units.

The Chief Financial Officer (CFO) of Länsförsäkringar Bank is responsible for preparing the Sustainability Report, interpreting sustainability reporting regulations and ensuring that the principles of the Sustainability Report comply with relevant regulations. The Economy and Finance unit at Länsförsäkringar AB is responsible for the management of the sustainability information reporting system and prepares and reports the results of the internal control over sustainability reporting to Länsförsäkringar Bank. The CFO of Länsförsäkringar Bank is also responsible for approving the Annual Report in its entirety and authorising it prior to review by the Audit Committee and assurance by the Board of Länsförsäkringar Bank.

The Chief Risk Officer (CRO) of Länsförsäkringar Bank unit are responsible for the risk-management system and its design, including sustainability-related risks.

The Head of People & Culture at Länsförsäkringar AB is responsible for managing employee-related matters in accordance with policies and the Länsförsäkringar AB Group's code of culture. This responsibility applies to Länsförsäkringar's own workforce and covers all operations and geographical areas where the Group operates.

The Head of Internal Audit at Länsförsäkringar AB is responsible for managing whistleblowing cases within the Group.

Overview of the Group's sustainability governance



The Head of Legal Affairs of Länsförsäkringar AB has the overall responsibility for anti-corruption.

Composition of the Board

The Board of Länsförsäkringar Bank currently comprises ten regular members and two deputies. Eight of the members were elected by the General Meeting. Two members and two deputies were appointed by the trade unions. Four of the ten regular members are women (40%) and six are men (60%). More information on the composition and diversity of the Board, as well as its roles and responsibilities, is available in the Corporate Governance Report on pages 92–100.

Responsibilities and expertise of the Board

The Board is responsible for the organisation and administration of Länsförsäkringar Bank and decisions on issues of

material significance and of an overall nature. This includes the direction and targets for sustainability work as well as material sustainability topics. The Board establishes governance documents for the company and the Group at least once a year. Many of these governance documents are prepared by Länsförsäkringar Bank's Audit Committee, Risk and Capital Committee or Remuneration Committee prior to approval by the Board.

The Nomination Committee, which submits proposals on among other things Board members of Länsförsäkringar Bank, is to assess whether the Board is appropriately composed, with respect to the company's operations, stage of development and other circumstances. This is to ensure that the overall competencies and experience necessary for the company are in place, characterised by diversity in terms of, for example, age, gender and ethnic origin, and educational and professional background that promotes independent opinions and critical questioning within the Board.

Individual Board members are subject to a fit and proper assessment on the basis of, inter alia, material received from the person to whom the fit and proper assessment pertains and excerpts from government registers. This assessment also considers the person's training and experience, professional experience in senior positions and knowledge of conducting responsible business.

The Board members of Länsförsäkringar Bank underwent several training courses during the year. One of these focused on forthcoming guidelines from the European Banking Authority (EBA) on the management of ESG risks within the Bank Group. Members were also given an in-depth look at the topic through an exercise on evaluating how sustainability-related risks can create financial risks for the Bank Group. The Board members of the bank possess relevant expertise in the field of sustainability. In addition, the Board has access to sustainability expertise through the Sustainability Manager of Länsförsäkringar Bank.

More information on the background and skills of Board members is provided in the presentation of the Board on pages 97–98.

¹⁾ The market plan is Länsförsäkringar's joint ambition and direction for the business over the next five years and applies to the entire federation – insurance, banking, pensions and real-estate brokerage.

GOV-2 Sustainability matters addressed by the Board

Sustainability-related targets, KPIs and priority advances in/for the operations are discussed between bank management and the Sustainability Manager of Länsförsäkringar Bank in connection with the annual business planning. This process is based on materiality assessments and business intelligence, as well as the joint Market Plan¹⁾ and the regional insurance companies' owner directives to the Länsförsäkringar AB Group. The Sustainability Committee and the Sustainability Forum Bank regularly follow up on the materiality assessment and work towards the sustainability targets of the business plan. The Sustainability Manager of Länsförsäkringar Bank regularly reports on the progress to the bank management and the Board of Länsförsäkringar Bank and to the CSO of Länsförsäkringar AB.

In 2025, dialogue between the Sustainability Manager of Länsförsäkringar Bank and bank management and the Board primarily addresses the following issues:

- Follow-up of sustainability progress, targets and metrics in the current business plan.
- Sustainability advances in the business plan for 2026 and beyond.
- Evaluation of external frameworks and initiatives to develop existing climate ambition.
- Results and observations from the 2025 strategic materiality assessment.
- Based on the global backdrop, focus on the EU Omnibus package on sustainability regulations and the EBA Guidelines on the management of ESG risks.

GOV-3 Integration of sustainability-related performance in incentive schemes

The Bank Group does not apply any incentive programmes for Board members. They have a fixed fee and climate-related factors are not taken into account with regard to remuneration. The remuneration policy provides an overall description of the Group's remuneration model.

GOV-4 Statement on due diligence

Due diligence refers to a process through which a company can actively identify, prevent, mitigate and account for its



actual and potential adverse impacts on human rights, labour, bribery and corruption or the environment, both in its own operations and in the value chain.

The Bank Group has undertaken to comply with international conventions and standards for responsible business conduct. These include the Ten Principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

The Bank Group has three Codes of Conduct: one for employees, one for suppliers and one for other business partners (Read more). The Code of Conduct for Employees encompasses all employees, consultants and Board members in the Bank Group, and contains business conduct guidelines and applicable principles for corporate culture at the Bank Group. The Group also has governance documents that regulate expectations and demands on companies relating to investments, lending, purchasing and partnerships. The aim of this is to protect workers in the

value chain from exposure to violations in the abovementioned areas. The internal governance documents describe how material impacts, risks and opportunities related to workers in the value chain are to be managed. For investments, a Policy on Responsible Investments and Corporate Governance has been adopted (Read more). A Credit Policy has been adopted for lending.

Additional information about how the Bank Group works with due diligence is presented in the following parts of the Sustainability Report:

Embedding due diligence in governance, strategy and business model	GOV-2, GOV-3, SBM-3
Engaging with affected stakeholders in all key steps of the due diligence	GOV-2, SBM-2, IRO-1
Identifying and assessing adverse impacts	SBM-1, G1-1, S2-1, S2-2, E1-1
Taking actions to address those adverse impacts	SBM-1, G1-1, S2-2, S2-3, E1-1
Tracking the effectiveness of these efforts and communicating	S2-4, S2-5

GOV-5 Risk management and internal controls over sustainability reporting

The Sustainability Report has been prepared in accordance with the Policy on Periodic Financial Reporting with the associated guideline, instructions and methodology documents. Process documentation and working instructions are in place that define the responsibilities for the different parts of the report.

Internal controls ensure that sustainability data is correct and reliable. Controls can also show the coverage rate and the proportion of primary data. Risks that could lead to material misstatements in the report are identified by applying the internal control over financial reporting (ICFR) methodology, refer to page 96. Monitored controls have been established and implemented for such risks.

Embedding with the Board, Audit Committee and management

The results of risk assessments, internal controls and audits are regularly reported to Länsförsäkringar Bank's

Board, Audit Committee and bank management using a structured and integrated reporting process. Training and communication on sustainability matters are continuously carried out to keep all relevant parties informed and engaged. Furthermore, sustainability information is compiled and presented to ensure that sustainability aspects are considered in strategic decisions.

Internal and external audits

The Bank Group complies with international standards and regulations to ensure a high level of transparency in its Sustainability Report, which is also subject to a limited assurance review by Länsförsäkringar Bank's external auditors. The sustainability reporting process is examined by both internal checks and audits. Through these controls and audits, the Bank Group ensures that its sustainability activities are efficient and transparent, and that the results are regularly reported to all relevant internal and external bodies.

Three elements of responsible offering

Responsible insurance offering

Includes claims prevention, online health care appointments, sustainable repairs and reuse, reinsurance and climate risk management.

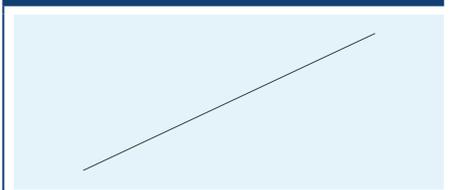
Responsible savings offering and investments

Includes sustainable investments and savings products, engagement with investees, selection and ongoing evaluation of the sustainability activities of external asset managers.

Responsible lending offering

Includes transition and sustainability-focused lending to companies and private individuals, including green mortgages and energy loans, and related advisory services.

BANK



The fund range offered by Länsförsäkringar Fondförvaltning is part of the responsible savings offering.

Länsförsäkringar Bank's, Länsförsäkringar Hypotek's and Länsförsäkringar Finans's **lending** contributes to the **responsible lending offering**.

RESPONSIBLE SAVINGS OFFERING AND INVESTMENTS

The overview below presents sustainability-related targets linked to the responsible savings offering and investments for 2025, including outcomes and commentary on the outcomes.

Targets 2025	2025	2024
Länsförsäkringar Fondförvaltning		
Increase the share (market value) in Länsförsäkringar Fondförvaltning's funds with verified science-based targets.	61.3%	53.9%

STRATEGY

SBM-1 Strategy, business model and value chain

The Bank Group conducts operations in savings, lending and payments. Customers comprise both private individuals and companies. The Bank Group has employees only in Sweden.

TABLE 1

Number of employees ¹⁾	2025
Gender	
Male	563
Female	610
Total employees	1,173

¹⁾ Head count

Sustainability an integral part of our strategy and offering

The Bank Group intends to help bring about sustainable and futureproof societies, while creating business value for its customers and owners. Sustainability and social commitment are the strategic positions in the long-term strategic objectives for all of Länsförsäkringar. These objectives are integrated into strategic documents such as the strategic platform, Marketing and IT Strategy²⁾ and the Market Plan, which form the basis for efforts including initiatives aimed at priority arenas and customer groups. These longer-term strategic documents serve as one of the starting points for the work on the annual business plans. Sustainability was one of the transformation areas stated in the 2025 business plan. These key areas of transforma-

²⁾ The strategy provides a solid foundation for joint development and market communications and guides all long-term planning at the federation.

tion are the main focus of the business plan and are to help ensure major progress and deliveries.

The Bank Group's offerings and services are to be relevant to customer needs and guide customers in making sustainable choices, which thus needs to be reflected in its strategy, product development and advice. The Bank Group has a responsible and sustainability-focused offering that is continuously being developed in:

- **Responsible savings offering and investments** – focus on responsible and sustainable investments in the management of funds.
- **Responsible lending offering** – focus on green mortgages, energy efficiency loans and transition finance for customers.

Targeted efforts generate focus

Sustainability is a prerequisite for a long-term profitable business, although the Bank Group cannot contribute to sustainability without a profitable business. Accordingly, the Bank Group endeavours to set sustainable business targets for material sustainability topics, which has been requested by the regional insurance companies, Länsförsäkringar AB and the Board of Länsförsäkringar Bank. The targets for the topic must be an integral part of the Bank Group's business strategies, offering, risk activities and regulatory management in order to create value for their owners, customers and society as a whole. Measurable progress will be identified in the sustainability topic, which also includes business value and impact on customer satisfaction.

The Bank Group has had sustainability targets related to the offering in responsible savings and loans for several

EXCLUSION CRITERIA ON 31 DECEMBER 2025

- Companies involved in prospecting and conventional extraction of oil and gas with sales exceeding 5%¹⁾.
- Companies involved in unconventional prospecting and extraction of oil and gas (such as oil sand, fracking and extracting gas from coal) with sales exceeding 5%.
- Mining companies deriving more than 5% of their sales from thermal coal.
- Power companies that have more than 5% of their sales from thermal coal.¹⁾
- Manufacturers of tobacco products with sales exceeding 5%.
- Commercial online gambling companies with sales exceeding 5%.
- Commercial gambling companies with land-based casinos or equivalent with sales exceeding 5%.
- Companies generating turnover from the production of pornographic material.
- Companies generating turnover from controversial weapons (investments are permitted in conventional weapons and defence materiel).
- Companies domiciled outside an EU and/or NATO country with nuclear weapons-related activities. Companies domiciled in an EU and/or NATO country with more than 5% of sales from nuclear weapons-related activities.
- Companies with serious violations of international agreements on responsible business conduct and where dialogue does not have the desired results.
- Government bonds issued by countries that overall are not considered to meet fundamental criteria on human rights, democracy and anti-corruption.
- Government bonds issued by countries that are deemed to be non-cooperative jurisdictions and that do not follow basic standards regarding tax.
- State-controlled listed Russian companies and companies controlled by Russian oligarchs.

¹⁾ Selected companies that can demonstrate that they are transitioning from fossil to renewable energy or have set emissions targets in line with the Paris Agreement can be kept in the investment universe.

years. The aim of these targets is to further develop the offerings and services that help customers in their transition and adaptation. The target formulations and outcomes compared with the 2025 targets are presented in the overview below.

Continued efforts for a sustainable transition

The aim of responsible investments is to create value for customers and promote the transition to a more sustainable society, which includes funds in the savings offering. The Bank Group's Policy on Responsible Investments and Corporate Governance defines the direction, general objectives and application of various responsible investment strategies. Sustainability-related risks and opportunities are to be integrated into management. A combination of the investment strategies of include, exclude and engage is used to take sustainability factors into consideration and integrate them into the management of own funds and

TRANSITION CRITERIA

Transition criteria are applied to selected power and energy companies. The purpose of the transition criteria is to identify and support companies who have made climate commitments and are in the process of transitioning. An up-to-date list of transition companies is available on [LF.se](https://www.lf.se).

investment portfolios. A sustainability screening forms the basis of applying these three investment strategies.

Sustainability analysis of investments

Sustainability factors are integrated both in the analysis ahead of an investment decision and when following up existing investments. Funds and investment portfolios

are regularly screened against a variety of sustainability factors, including:

- The Länsförsäkringar AB Group's current sustainability-related exclusion and transition criteria for companies and governments
- Violation of the UN Global Compact's principles for responsible business conduct and the OECD Guidelines for Multinational Enterprises
- GHG emissions
- Science-based targets
- Indicators of principal adverse impacts (PAIs) for sustainability factors

Inclusion

Sustainability indicators, particularly in the area of the climate, are integrated into the investment process for actively managed funds and in the index construction for passively managed funds. The long-term target is for investments to be climate neutral by 2045. The aim for the total capital of the funds is, over time, to increase the share of market value invested in companies with validated science-based targets. Two of Länsförsäkringar Fondförvaltning's funds have sustainability as an objective and are thus reported as Article 9 (dark green). The remaining 37 funds promote environmental and social characteristics and are thus reported as Article 8 (light green).

Exclusion

Criteria are applied to exclude companies and countries (government bonds and state-controlled companies) for various sustainability reasons, such as climate risk. Exceptions can be made if the company adapts its operations based on established transition criteria. Exclusion criteria are used when other responsible investment strategies have been tested or when engagement with the company in question do not lead to the expected results. To reduce the negative impact of the funds' investments, the Länsförsäkringar Fondförvaltning excludes companies either on the basis that sales from certain types of operations or products exceed 5% or that no sales from such operations are permitted at all. Länsförsäkringar Fondförvaltning also

excludes investments in companies with serious violations of international responsible business conduct agreements, as well as government bonds and state-controlled companies from countries that do not meet fundamental human rights, democracy and anti-corruption criteria. A full list of the applicable exclusion criteria can be found at [LF.se](https://www.lf.se). To ensure compliance with these criteria, all direct investments in all of Länsförsäkringar's own funds are screened every day in relation to the applicable exclusion list.

Engagement

The engagement strategy includes voting at general meetings, participating in nomination committees, dialogues with the management and boards of the investees as well as reactive and proactive engagement regarding various sustainability factors. Engagement is conducted internally, together with other investors or through investor initiatives and providers of engagement services. The aim of reactive engagement is to guide the company away from violating international conventions and standards related to responsible business conduct, and towards taking preventative measures. Proactive engagement is intended to encourage companies and sectors to work preventively on key sustainability risks and opportunities.

Länsförsäkringar Fondförvaltning is involved in engagement with individual companies through investor-led initiatives. Engagement is also conducted by Länsförsäkringar itself. Länsförsäkringar Fondförvaltning participated in the following engagement activities carried out via various investor-led initiatives during the year:

- Investor Initiative on Hazardous Chemicals (IIHC)
- Nature Action 100
- PRI Spring
- FAIRR
- Access to medicine

Investor-led initiatives related to topics associated with material standards are described in more detail in E1-1, G1-1 and S2-4. Voting and participation on nomination committees are presented in G1-1.

TABLE 2

Engagement investees¹⁾

Metric/activity	2025	2024	Comment
Preventive engagement			
Number of investees ²⁾ subject to investor-led initiatives supported by the Länsförsäkringar AB Group.	471	358	Refers to companies under the initiatives supported by the Länsförsäkringar AB Group where active engagement is pursued. Companies under more than one initiative have only been included once.
Number of investees subject to preventive engagement with the Länsförsäkringar AB Group's participation.	38	38	
Reactive engagement			
Number of investees subject to reactive engagement via partners retained by the Länsförsäkringar AB Group to pursue engagement.	6	9	
Number of investee subject to reactive engagement with the Länsförsäkringar AB Group's participation.	5	9	

¹⁾ The outcome applies to the entire Länsförsäkringar AB Group.

²⁾ Investees are companies and issuers.

RESPONSIBLE LENDING OFFERING

The overview below presents sustainability-related targets linked to the responsible lending offering for 2025, including outcomes and commentary on the outcomes.

Metric/activity	2025	2024	Comment
Länsförsäkringar Bank³⁾			
Increase the volume of the green asset register as a basis for green bonds.	Volume of the green asset register increased in 2025 and amounted to SEK 36 billion (19) at year-end.	Volume of the green asset register increased to SEK 19 billion (15).	In 2025, the Bank introduced a new selection methodology for identifying Taxonomy-aligned loans for right-of-use assets. This is one of the main reasons for the significant increase compared with last year.
Increase the volume of green mortgages.	The volume of green mortgages increased in 2025 to SEK 7.5 billion at year-end.	The volume of green mortgages more than doubled in 2024 to SEK 4.9 billion at year-end.	
Länsförsäkringar Finans			
Increase the volume of transition finance ⁴⁾ to SMEs that are transitioning their business towards the 2030 Agenda.	5.8% of new business was transition finance.	5.4% of new business was transition finance.	The number of transition finance transactions has increased slightly. Data gaps remain, which limit the ability to fully identify and classify all loans that constitute transition finance.

³⁾ The target for measuring financed emissions has been achieved and was therefore removed this year. Other targets were partly reformulated compared with 2024.

⁴⁾ Leasing and hire purchase financing for companies including electric mopeds/motorcycles, electric trucks with WLTP of 0–49 grams of CO₂/km.

Responsible lending and green financing

Most of Länsförsäkringar Bank's and Länsförsäkringar Hypotek's lending is secured by collateral on residential properties. Länsförsäkringar Bank also finances small businesses and agricultural operations, which may involve some environmental and social risks. Climate-related risks are managed by assessing customers' repayment capacity and potential climate impact in connection with lending. Long-term respect for customers' security and finances is fundamental, and local knowledge of customers contributes to low credit risks.

Lending to companies is mainly targeted to small businesses with limited environmental and social risks. Neither Länsförsäkringar Bank, Länsförsäkringar Hypotek nor Länsförsäkringar Finans have any customers in energy or emissions-intensive sectors, such as large-scale industry, mining or fossil fuel production.

The volumes of green loans in Länsförsäkringar Bank and transition loans in Länsförsäkringar Finans that support companies' transition towards the 2030 Agenda increased during the year, as did the asset base of Länsförsäkringar Bank's and Länsförsäkringar Hypotek's green bond framework.

Länsförsäkringar Bank's and Länsförsäkringar Hypotek's financing primarily takes place through deposits and covered bonds. The green bond framework steers capital to projects with low climate impacts and contributes to a sustainable society. Green bonds have been continually issued since the framework was launched in 2022, thus strengthening the link between financing and sustainability targets. The framework has been designed in line with the ICMA Green Bond Principles, which are internationally accepted guidelines for transparency, governance and reporting of green bonds.

With the 23 regional insurance companies, the Bank Group's customers have access to branches across Sweden as well as telephone and digital banking services. Digitalisation is an important step for streamlining this work, which leads to, for example, a lower environmental impact by reducing paper consumption, postal services and the need for customers to travel.

Länsförsäkringar Finans offers leasing and hire purchase solutions as well as transition finance for investments in, for instance, solar panels, battery storage and heat pumps.

Länsförsäkringar Bank does not offer loans or financing to the following sectors:

- Extraction and prospecting of fossil fuels (oil, coal and gas).
- Energy production from thermal coal.
- Production of tobacco products.
- Gambling for money (commercial online gambling and gambling companies with land-based casinos).
- Manufacturing of controversial weapons.
- Production of pornographic material.

Setting requirements for suppliers and business partners

The Bank Group works together with several thousands of suppliers and other business partners. A risk assessment of material suppliers and business partners is conducted annually to reduce the risk of partnerships with irresponsible counterparties. These risk assessments are carried out to analyse the counterparties' conduct in accordance with the requirements stipulated in the Code of Conduct for Suppliers and the Code of Conduct for Other Business Partners. Whenever a risk is identified, a

questionnaire is sent to the counterparty with questions about the counterparty's work on responsible and sustainable business conduct. The responses received are then assessed to determine whether further action is needed.

TABLE 3
Engagement of suppliers and business partners¹⁾

Metric/activity	2025	2024	Comment
Number of material ²⁾ suppliers and business partners that were screened.	439	555	The decrease was due to fewer suppliers with high contract volumes and updated definitions of material business partners in 2025.
Number of material suppliers and business partners with elevated risk based on screening results.	102	128	
Of which, share of respondents to LF's questionnaire on business conduct	64%	67%	

¹⁾ The outcome applies to the entire Länsförsäkringar AB Group.

²⁾ Suppliers are classified as material based on contract volume. A business partner is considered material if it has been identified as strategically important to the responsible entity within the Group.

THE VALUE CHAIN, A HOLISTIC APPROACH TO SUSTAINABILITY

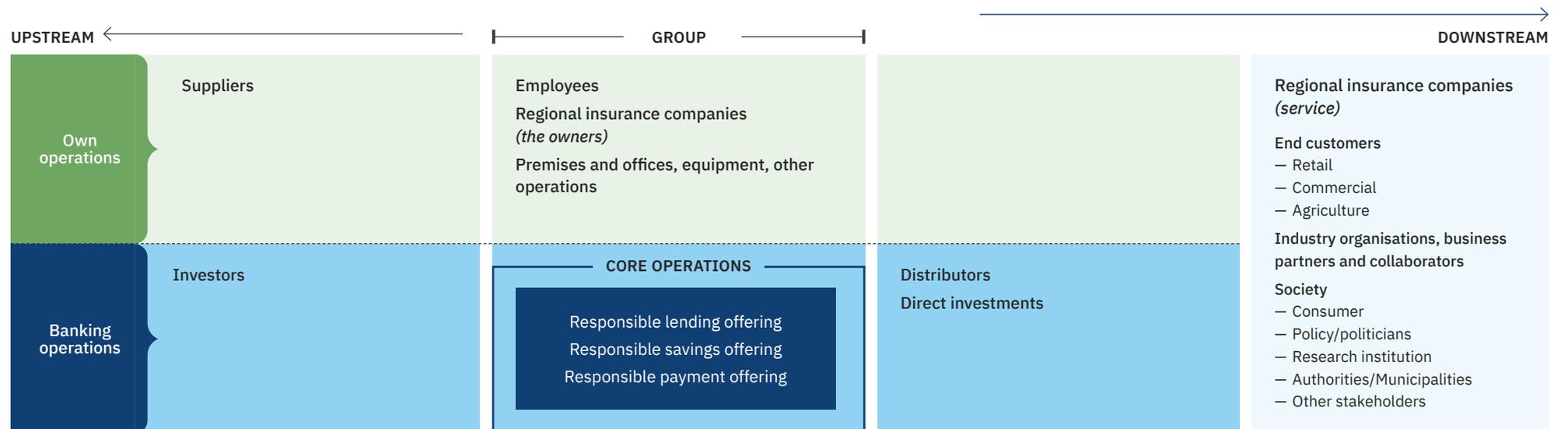
The Bank Group conducts active sustainability work with the goal of minimising both the negative upstream and downstream impact in the value chain and own operations. At the same time, the Group strives to proactively contribute to sustainable development for various stakeholders. Impacts extend far beyond the boundaries of own operations, which is why the Group works actively to ensure that suppliers, business partners and investments share the same ambition of futureproofing society.

Upstream

Suppliers of specific products and services

The Bank Group's supply chain primarily includes service providers of information and data to perform credit assessments and investment analyses. Suppliers also comprise external fund and asset managers, IT and telecom service providers as well as suppliers of products and consultancy services required for conducting the operations. Agreements vary from one-off purchases to one- or multi-year contracts.

Overview of the Bank Group's value chain



Investors and rating agencies

Länsförsäkringar Bank and Länsförsäkringar Hypotek issues bonds that are handled by institutional investors. At the end of 2025, hundreds of institutional investors had invested in these bonds, which account for about 65% (70) of the banking operations' financing. Rating agencies assess the Bank Group's credit rating, including its sustainability performance.

Own operations

Bank Group

Jointly developing bank products and related services generates economies of scale and raises efficiency for the owner companies. The Bank Group also offers loans, leases and hire purchase financing to retail and corporate customers. The Bank Group's approximately 1,200 employees play a key role in the value chain and help to enhance competitiveness and reduce costs for joint development within the Group.

Regional insurance companies

The 23 regional insurance companies jointly own Länsförsäkringar AB and they have the primary contact with customers. They offer banking, non-life and pension insurance products to private individuals and companies. Customer meetings take place both digitally and in person, and there are 117 branches throughout Sweden.

Downstream

Customers

Customers comprise both private individuals and companies. The Bank Group sells certain products and services directly to customers, while others are sold via business partners. Customers set requirements for the sustainability performance and are increasingly demanding sustainability-focused funds and green loans.

Industry organisations, business partners and collaborators

The Bank Group is able to offer its know-how, insights, commitment and data to both support and learn from the

initiatives of other players. This takes place through collaboration with industry organisations such as Finance Sweden, authorities such as the Swedish Financial Supervisory Authority, and various business and cooperation partners, such as sponsors and other strategically important players.

Community

There is a local presence through the regional insurance companies, which means that contributions can be made to the local community.

SBM-2 Interests and views of stakeholders

The Bank Group affects millions of people through its operations. With more than 4.5 million customers, 10,200 employees of the federation³⁾ and 3,500 suppliers in the Länsförsäkringar AB Group, there are many different expectations. Examples of stakeholders are customers, employees, society and the regional insurance companies (owners).

³⁾Länsförsäkringar, or LF, is a federation of 23 local and customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB with related subsidiaries, including Länsförsäkringar Bank and its subsidiaries.

Customers expect availability, service and quality, environmental and social responsibility integrated into the customer offering, transparency and tools to select sustainable products.

Employees expect an attractive work environment, good health, continuous skills development, career opportunities, gender equality and an inclusive culture that values diversity.

Society expects participation and active involvement in social challenges and sustainability risks such as climate change and responsible offering of products and services.

The regional insurance companies (the owners) expect development of operational assignments, product development, a sustainability-focused offering and digitalisation. The form of dialogue is tailored to each stakeholder group and situation and includes meetings, workshops, collaborations, employee surveys, training, customer surveys and audits. Continuously analysing stakeholders' expectations and views ensures that the offerings remain relevant and effective in promoting sustainable development.

Expectations have been raised in stakeholder dialogues specifically for banking operations that climate and sustainability-related risks are integrated into lending and portfolio management, and that the Bank Group ensures transparency on financed emissions and sustainable products. There are also clear requirements to combine digitalisation and availability with strong customer protection, information security and responsible product governance. These views have shaped the Bank's strategic priorities, materiality assessment and the design of the transition plan, as well as the integration of sustainability risks and sustainability targets in governance and risk frameworks.

The stakeholder dialogue is coordinated by Länsförsäkringar AB and is to include the stakeholders that are material to all of the operations of the Group's companies. Bank management and the Board of Länsförsäkringar Bank are informed, when necessary, about the element of stakeholder dialogues that are relevant to the Bank Group's operations. This takes place, among other things,

Stakeholder dialogue – Collaboration and priority issues

Priority stakeholders	Communication channels	Priority areas
Owner	Reporting, training, Board meetings, various forums, consulting bodies and general meetings of shareholders.	Mission of operations, product development, policies, guidelines, risks, training and long-term objectives.
Customers	Customer surveys, customer meetings, seminars, customer communication, website, podcasts and films.	Availability, service and quality, responsible product offering for banking, transition and social responsibility, transparency and tools to select sustainable products. Digitalisation. Fraud prevention.
Employees	Employee surveys, employee appraisals, meetings with trade union representatives and training courses.	Work environment and health, career opportunities, performance and skills development, diversity, inclusion and gender equality.
Suppliers	Procurement, audits and meetings.	Business conducts, sustainability risks in the supply chain and enhanced supplier monitoring.
Society (business and collaborative partners, trade organisations and civil society organisations, and research)	Partnerships, meetings, questionnaires and exchanging know-how.	Industry-wide challenges in transition and social responsibility, responsible product offering, transparency and climate change.
Authorities	Reporting and meetings.	Responsible product offering, transparency and climate risks.
Investors	Reporting, meetings and responses to questionnaires.	Responsible product offering, common social challenges and risks, and increased transparency.

in connection with the implementation of the Bank Group's materiality assessment, which includes results from stakeholder dialogues that affect the Bank Group and form the basis for assessments, priorities and further development of the operations.

Results of this year's stakeholder dialogues

In 2025, the Länsförsäkringar AB Group conducted a more extensive and in-depth stakeholder dialogue than in previous years. Alongside ongoing dialogues with owners, customers, employees and investors, in-depth interviews were conducted with key stakeholder groups such as employees, suppliers, insurance brokers, directly owned companies and issuers. The process was supplemented with questions distributed to the assembly of representatives for the regional insurance companies, which provided a relevant and important basis for the double strategic materiality assessment and also identified end-customer perspectives on sustainability at the Länsförsäkringar AB Group.

The Joint approach to sustainability, adopted by the Presidents' council in 2024, has been established and gained greater traction during the year. Owners emphasized the need for stronger sustainability governance, particularly in the areas of business conduct, human rights, supplier monitoring and transparency.

The employee dialogues revealed that skills development in sustainability, clearer internal governance and more structured communication efforts are important internal sustainability matters. Employees also highlighted the importance of strong whistleblowing procedures and a safe work environment. The dialogues with suppliers raised the importance of the work on climate mitigation, climate adaptation, social responsibility and business conduct, and expectations for better defined requirements, monitoring and guidance from the Group have become more clearly communicated.

Investment-related stakeholders stated that climate impact, biodiversity and responsible supply chain were the most important areas, along with a clear expectation that the Group will continue to pursue a long-term approach and assume a proactive sustainability role. Customers also continued to express strong climate awareness, combined

with a greater need for concrete guidance and know-how.

In summary, this year's stakeholder dialogues showed that the Länsförsäkringar AB Group's sustainability work is perceived to be ambitious and that there are expectations that sustainability will remain a high priority. Sustainability activities can be broadened and deepened, particularly in governance, business conduct, due diligence in the value chain and internal skills development. Several distinct changes were apparent compared with previous years: more stakeholders are highlighting the importance of social and governance issues, and a tangible increase in expectations that the Länsförsäkringar AB Group will take a more visible and standard-setting role in sustainability. Customers and employees are seeking greater know-how and clearer communication, marking a shift from the previous main focus on the climate and work environment. Overall, stakeholders are now making broader, more far-reaching and integrated demands on the Group's sustainability work than previously.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The Bank Group carried out a more in-depth strategic materiality assessment in 2025 to further enhance knowledge of sustainability topics that are of high importance. These topics, subtopics and their underlying factors could have a material impact on people and the environment, generate financial risks and/or present operational opportunities.

Material sustainability topics

The double strategic materiality assessment identified four material sustainability topics for the Bank Group: climate change, own workforce, workers in the value chain and business conduct. These sustainability topics are an integral part of the work on responsible business conduct, responsible and sustainability-focused offering, transition activities and social responsibility.

The 2025 assessment reflects a global environment featuring regulatory changes and a rapidly evolving risk landscape, affected by climate and natural crises as well as geopolitical and financial challenges. This places increased

demands on the ability of the operations to monitor and understand developments in the world and to reprioritise and take the necessary action to continue to provide relevant support to customers and local communities.

Impact on climate change

The Bank Group's products, services and investments entail both direct and indirect GHG emissions that contribute to climate change and increased risks for people, the environment and society. The largest impact, and also the one that has increased the most over the past few years, arises in the value chain mainly via investments and financed assets. However, it is not necessarily the emissions from the assets themselves that have increased, but rather the scope of emissions reported compared with prior years, some of which are attributed to the Group. For more information, see E1-1 Transition plan and E1-6 GHG emissions on pages 45–49.

Meanwhile, the Bank Group has the opportunity to make a positive contribution to the climate transition. With sustainable products, tailored financing and advice, customers are supported in reducing their emissions, adapting to climate change, and contributing to the transition of society. Engagement and collaboration with industry organisations and players can also help accelerate climate transition, adaptation and reduce systemic risks, which leads to long-term value creation for both the Group and society.

Impact on own workforce

An inadequate overview of the workforce could lead to incorrect staffing, an unequal distribution of work and increased workload, which could reduce commitment, create the risk of ill health and result in uncertainty about roles and responsibilities. A lack of knowledge of employee competencies and development needs limits the organisation's ability to meet business new needs. This affects productivity and efficiency, which in turn is reflected in the performance and competitiveness of the company.

Attractive working conditions and social benefits increase motivation and promote well-being and loyalty. Clear career paths and continuous skills development enhance engagement and innovation, enabling the organisation to better deliver on business objectives and adapt to

changes in the business environment. A lack of transparency and unequal pay could cause dissatisfaction, polarisation and the risk of discrimination, which could affect both the work climate and the ability of the company to retain and attract key talent.

Impact on workers in the value chain

The products, services and investments of the operations could negatively impact workers in the value chain if labour laws and international standards are not respected. Non-compliance with ILO Core Conventions or the UN Universal Declaration of Human Rights by suppliers and business partners could result in exploitation, discrimination and inadequate working conditions. This affects both the well-being of workers and trust in the Bank Group, as well as long-term relationships with customers and business partners.

Inadequate procedures for monitoring and setting requirements in procurement processes, purchasing and investments could increase the risk of the Bank Group indirectly supporting companies with poor social responsibility. Despite application of a code of conduct and quarterly monitoring of strategic suppliers, insight further downstream in the supply chain is limited, particularly for smaller suppliers that often have less robust processes for labour, human rights and good working conditions. Suppliers are therefore screened based on their inherent sustainability risks given their sector and country.

Impact on responsible business conduct

The Bank Group's operations and conduct play an important role in relation to society's trust in the financial system, the functioning of the rule of law and the integrity of individuals. The governance of the Group, the business relationships that are entered into and the application of control and monitoring mechanisms affect the extent to which financial crime can be prevented or may materialise, and thus have consequences for both society and the market.

There is the risk that by financing and collaborating with companies who have inadequate corporate governance or unethical business conduct, the Bank Group becomes indirectly involved in corruption, unsound business practices

Impacts, risks and opportunities in our value chain

Subtopic	Opportunity ¹⁾ , risk, impact	Time horizon	Value chain	Assessment
E1 CLIMATE CHANGE				
Climate change adaptation	Opportunity, Risk, Positive impact, Negative impact	Short, Medium, Long term	  	Increased physical climate risks contribute to vulnerability in society and could increase claims costs, overloading the claims organisation and reducing customer satisfaction.
Climate change mitigation	Opportunity, Risk, Positive impact, Negative impact	Short, Medium, Long term	  	An inadequate climate transition by customers and in portfolios results in residual emissions and poses transition risks such as a decline in value and stranded assets.
S1 OWN WORKFORCE				
Working conditions	Opportunity, Risk, Positive impact, Negative impact	Short, Medium, Long term		Lack of overview of workload and skills leads to stress and ill health, and the risk of reduced productivity and increased recruitment costs.
Equal treatment and opportunities for all	Negative impact	Short, Medium, Long term		Unequal conditions and a lack of transparency contribute to discrimination and an unhealthy work environment, as well as the risk of reduced commitment and loss of skills.
S2 WORKERS IN THE VALUE CHAIN				
Working conditions	Risk, Negative impact	Short, Medium term	 	Non-compliance with labour laws in the value chain contributes to a decline in working conditions and risks supply disruptions, impacts on the business and reputational damage. A lack of insight into our supply chains results in a higher risk of discrimination that can affect trust and long-term business relationships.
Equal treatment and opportunities for all	Risk, Negative impact	Short, Medium term	 	
Other work-related rights	Risk, Negative impact	Short, Medium term	 	
G1 BUSINESS CONDUCT				
Political engagement and lobbying activities	Positive impact	Short, Medium, Long term	 	Engagement makes a positive contribution to influencing the conditions for the resilience of society and improves society's ability to handle extreme weather events.
Corruption and bribery	Negative impact	Short, Medium, Long term	  	Inadequate control in business relationships contributes to the risk of corruption (negative impacts) and could lead to legal, financial and reputational consequences.
Corporate culture	Risk, Negative impact	Short, Medium, Long term	 	Failure to integrate climate, sustainability and data-driven information into business decisions, combined with poorly defined mandates and coordination, results in inefficient decisions. Risk of misleading sustainability information (green washing).
Management of relationships with suppliers	Risk, Negative impact	Short, Medium term		Inadequate procurement and monitoring procedures increase the risk of corruption, bribery, unethical business conduct and enabling irregularities, which impact such factors as reputation and delivery.
COMPANY-SPECIFIC TOPICS				
Financial crime				
Money laundering	Risk, Negative impact	Short, Medium, Long term	 	Inadequate control mechanisms to prevent money laundering contribute to financial crime and risk sanctions, stricter regulatory requirements and loss of confidence.
Fraud	Negative impact	Short, Medium, Long term	 	Inadequate control mechanisms to prevent fraud contribute to financial harm to customers and risk causing financial losses and reducing trust.
Privacy				
Cybersecurity	Risk, Negative impact	Short, Medium, Long term	  	A lack of protection of IT systems contributes to information and business disruption, and the risk of data breaches, interruptions and reputational damage.
Privacy	Negative impact	Short, Medium, Long term	 	Shortcomings in the processing of personal data lead to breaches of privacy and risk legal consequences and a long-term loss of confidence.

Location in value chain:

 Upstream

 Own operations

 Downstream

¹⁾ For opportunities to be material, there is a higher requirement that they must demonstrate financial business benefit. At the current time, quantitative information cannot adequately substantiate such business benefit. These opportunities serve as a strategic priority and mean that only general ESRS 2 descriptions are provided in the Sustainability Report, meaning that they are not presented as individual disclosure requirements.

and distorted competition. This could undermine trust in the business world and put serious companies at a disadvantage. In addition, insufficient action to prevent money laundering, fraud and other financial crime could lead to the financial resources being channelled to criminal activities, which could have a negative impact on society as a whole and the stability of the financial system.

The Bank Group's processing of customer and personal data and other business-critical information impacts individuals, business partners and confidence in financial services. How information is collected, used, shared and protected affects the privacy of individuals, the quality of financial advice and the reliability of the company's risk assessments and decisions. Failures in information management or information security could have consequences throughout the value chain, including in the procurement and use of external suppliers and IT services. Such failures could result in incorrect or unavailable information, negative impacts on customers' financial situation and a long-term loss of confidence in the Bank Group and the financial sector in general.

Risks related to climate change

Due to ongoing climate change, the Bank Group's operations are increasingly exposed to climate-related risks that could affect customers, portfolio values, financial results and the Group's reputation. This year's strategic materiality assessment identified a need to increase the knowledge of indirect risk impacts and how they can spread across the value chain.

The materiality assessment showed that the operations face both physical and transition risks. Physical risks caused by, for example, a higher incidence and more intense extreme weather events, are deemed to impact financed and invested assets both directly, through a decline in value, and indirectly, through supply chain disruptions. In the longer term, an increase in extreme weather and climate-related events could result in changes in financing conditions in vulnerable areas, making reconstruction more difficult and reducing the long-term resilience of society.

Transition risks arise from changes in technology, market conditions and regulations related to the climate transition. A rapid or disorderly transition could cause some assets in the bank's lending and investment portfolio to

lose value or become economically unusable, increasing the risk of credit losses and impairments.

Risks related to own workforce

The primary risk identified in relation to own workforce is linked to strategic skills supply. Inadequate development of employee skills, including key business expertise and sustainability-related expertise or systems understanding could lead to lower innovation capacity, lost business opportunities and lower long-term value creation. An inadequate overview of the workforce is deemed to increase the risk of incorrect staffing and decisions that do not support the needs of the business, which can impact efficiency, delivery quality and results.

Risks related to workers in the value chain

Insufficient monitoring and requirements for suppliers and business partners could lead to a decline in working conditions, poor health and safety, as well as social conflicts and loss of trust among customers and stakeholders. Shortcomings in procedures, system support and digital management increase the risk of social risks becoming incorporated into the value chain and impacting the Bank Group's delivery capacity, return on investments and the long-term stability of the business.

Fragmented governance and limited insight into the complexity of the supply chain make it more difficult to identify and manage social risks, particularly among smaller suppliers and business partners. There is still some uncertainty further downstream in the chain despite quarterly monitoring of strategic suppliers. Accordingly, effective and standardised supplier management is vital for ensuring compliance with social requirements, minimising risks and also supporting the Bank Group's business objectives and strategic positioning.

Risks related to business conduct

The Bank Group's operations are exposed to risks related to corporate governance, business ethics, regulatory compliance and information protection, which could have significant impacts on financial results, customer relationships and confidence. An increasingly interconnected, fast-moving and uncertain world requires new approaches

and a greater need for data and analytical tools in order to adequately manage current and future risks. A corporate culture of openness, learning and co-creation is increasingly important for building strategic resilience.

Complex value chains, far-reaching business relationships and the handling of large amounts of sensitive information present a risk that shortcomings in governance or control will lead to financial crime, violations of regulations or breaches of privacy with an impact both within and outside LF's own operations. Risks related to information security and data protection are paramount to digital and data-driven business. Failure to protect customer and personal data could lead to data breaches, loss or misuse of data, which could entail financial harm to individuals, legal claims, penalties and serious reputational risks for the Group.

Inadequate processes to prevent and detect money laundering, fraud and other financial crime could result in the Bank Group being used for illegal activities. This could lead to significant sanctions, legal consequences, increased supervisory requirements and long-term loss of customer, regulatory and market confidence. Shortcomings in business ethics or failure to manage conflicts of interest could further damage the company's reputation and reduce trust in Länsförsäkringar as a responsible company.

Non-compliance with regulations, poorly defined targets and inadequate or misleading communication on sustainability could entail stricter regulatory risks, legal and financial risks. Failure to implement new regulatory, new know-how and ethical commitments in practice could result in sanctions, legal proceedings, higher future costs, lower competitiveness and lower access to capital.

Furthermore, inadequate governance and management of sustainability in operations could delay emission reductions and other transition measures, which could amplify both financial and operations-related risks. Accurate, comparable and reliable reporting is, in a context of increased regulation and transparency requirements, vital for maintaining the trust of investors, customers and other stakeholders, and for mitigating reputational risks and elevated stakeholder-related risks.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

The Bank Group regularly conducts either a complete or a partial strategic materiality assessment to identify the sustainability topics and subtopics that are most importance to the operations, for customers and for society. The assessments are carried out without taking into account existing prevention measures. Last year's materiality assessment was expanded in 2025. This year's process had a clearer focus on ensuring that the assessment can be used to achieve strategic advances and business development.

The assessment for sustainability topics encompassing governance-related matters or impacts on Länsförsäkringar AB's Group-wide business processes was carried out by central, Länsförsäkringar AB Group-wide service units.

The process for the materiality assessment is described below. More detailed information on how climate scenario analyses, risk indicators and climate forecasts are used in the materiality assessment for the climate is presented in E1 SBM-3 on pages 44-45.

1. Scope and direction

The process commenced with a review of the purpose and scope of the assessment to ensure that it reflected current changes in the operations, external environment and regulations. Data from internal and external sources, including business plans, financial reports, risk analyses, industry and research reports, and business intelligence, were used as input material. These formed the basis for initially identifying potential sustainability impacts, risks and opportunities, and for defining the boundaries of the assessment. The aggregated outcome provided the basis for deciding on the focus of the assessment and the subsequent assessment of double materiality.

2. Stakeholders

In 2025, an expanded stakeholder dialogue was conducted to deepen the understanding of stakeholders' expectations

and viewpoints on key sustainability matters as well as actual and potential impacts, risks and opportunities in the value chain. Stakeholders were identified according to the primary operations of the business, business relationships and value chains, focusing specifically on customers. The dialogue was conducted through interviews involving both internal and external stakeholders. The relevant aspects of the dialogues were used as a basis for the assessment process, and in identifying and analysing sustainability matters for the Bank Group.

3. Future scenarios and long-term analysis

As a basis for this year's materiality assessment, a scenario analysis of potential future societal developments was carried out to illustrate long-term trends, their consequences, uncertainties and systemic changes. The scenario analysis was initially used as a qualitative basis in the analysis process. However, the process of fully operationalising and integrating it into the final outcome of the materiality assessment remains to be performed. This was because methodologies for integrating long-term societal changes into materiality assessments are still being developed.

Various scenarios did result in a better understanding of potential long-term risks, dependencies and strategic issues. A slight discrepancy is currently deemed to exist between the long-term perspective illustrated in the scenarios and the matters prioritised in the materiality assessment, meaning that this is a future area for development so that long-term societal risks and needs can be reflected.

4. Assessment and consolidation of sustainability matters

The identified sustainability topics are specified by formulating matters in terms of their impacts, risks and opportunities. The matters were evaluated based on expert opinion, factual evidence, previous materiality assessments and scenario analysis.

The assessments were carried out in accordance with the EFRAG Materiality Assessment Implementation Guidance. Impact materiality was assessed on the basis of severity and likelihood, while financial materiality was assessed on the basis of likelihood and potential financial impact. The assessments encompassed the entire value chain and different time horizons as defined in BP-2. In line

with international guidelines, the assessment of human rights prioritised severity over likelihood.

Matters that exceeded the established threshold for materiality, as well as matters of particular strategic importance, were consolidated at the Länsförsäkringar AB Group level. The Bank Group participated in the consolidation process through dialogue in the Sustainability Forum Bank and with bank management.

The Bank Group's material topics were confirmed with selected stakeholders, after which recommendations for decisions on material sustainability topics and subtopics were made by bank management. These were adopted by the Board of Länsförsäkringar Bank in December 2025.

5. Management, reporting and future development

The adopted materiality assessment serves as the basis for setting priorities and developing sustainability activities further, including reporting, and integration into risk management and transition plans. Risks and opportunities are continuously monitored and analysed and gradually integrated into business processes, particularly in the work on the various arenas of the Market Plan, based on in-depth analyses of potential business and sustainability-related impacts.

The methodology and outcome of the materiality assessment are regularly evaluated and updated to ensure continued relevance and support strategic governance.

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability report

See pages 85-89 for the table of contents with page numbering of the disclosure requirements, based on the materiality assessment, in the Sustainability Report and datapoints from other EU legislation.

A brief description of the sustainability topics that were not deemed material but that comprise important areas for the Bank Group to monitor going forward is presented below. The development areas require the continual build-up of expertise and in-depth analyses are prioritised from 2026 in order to facilitate more active and strategic efforts.

S3 Affected communities

Länsförsäkringar has a great social responsibility aimed at contributing to security in society and strong confidence in the future. With their local social commitment, the regional insurance companies and the Bank Group can help to reduce social sustainability risks in society. This commitment includes measures to improve the mental health of children and young people, prevent social exclusion, offer homework help, support sports activities and take preventive action to reduce road accidents, fires, natural catastrophes and water damage. Social commitment is primarily pursued by the regional insurance companies rather than the Bank Group, which is why this area was considered to be important but not material.

S4 Customers and end-users

The Group's role in developing offerings and products for the owners has the potential to help customers achieve greater financial security. If the Bank Group does not adjust or develop its range of products in a more sustainable direction, then it risks losing customers and business opportunities over time. The Bank Group's companies can offer preventive measures and provide tips and advice on how to protect against sustainability risks. The sustainability factors of corporate and agricultural customers are indirectly impacted by enabling their operations. Focused efforts were initiated in 2025 to raise the level of know-how and conduct in-depth analyses to enhance analytical

capacity. The purpose of this is to facilitate strategic and operational activities in the area in the future.

E3 Biodiversity

Biodiversity is considered to be important for the Bank Group's operations, but it is also challenging given limited practice and a lack of indicators, access to data and know-how, which makes it difficult to fully assess impacts, risks and opportunities. Work was initiated in 2025 to develop and gain more know-how and conduct in-depth analyses to enhance analytical capacity in this area. Dialogue and developments are also monitored in collaboration with stakeholders and the industry.

E5 Circular economy

The materiality assessment and stakeholder dialogues revealed that the circular economy remains an important area for the Bank Group to monitor. A process was initiated in 2025 to increase know-how and analytical capacity in the circular economy and facilitate preparedness for more active work on these matters in the future. The aim of this work is to ensure that the Group has the right conditions to meet future demands and opportunities related to circular business models and the sustainable use of resources. A previous review of ESRS E5 Circular economy concluded that the Group's primary material impact today is linked to climate change. However, the circular economy is an area that is developing rapidly and interest among stakeholders is rising.



Environmental information

General information

ESRS 2 General disclosures

E

Environmental information

E1 Climate change
Taxonomy disclosures

S

Social information

S1 Own workforce
S2 Workers in the value chain

G

Responsible business conduct

G1 Business conduct

Appendix

Contents
Datapoints derived from other
EU legislation

Environmental information

Climate change is a material sustainability topic for the Länsförsäkringar Bank Group because its operations have an impact and climate change represents both a risk and an opportunity for the Group.

E1 Climate change

Subtopic	Opportunity ¹⁾ , risk, impact	Time horizon	Value chain
E1 CLIMATE CHANGE			
Climate change adaptation	Opportunity, Risk, Positive impact, Negative impact	Short, Medium, Long term	
Climate change mitigation	Opportunity, Risk, Positive impact, Negative impact	Short, Medium, Long term	

¹⁾ see footnote on page 40.

Location in value chain: Upstream Own operations Downstream

Policy	Responsible party
Sustainability Policy	Chief Financial Officer
Policy on Responsible Investments and Corporate Governance	Chief Financial Officer
Credit policy	Head of Credit
Risk Policy for the Bank Group	Chief Risk Officer
Policy on Risk Appetite and Risk Limits	Chief Risk Officer

The above are examples of governance documents that are particularly relevant to climate change. This is not a complete overview.

STRATEGY

SBM-3 Climate change materiality – impacts, risks and opportunities

With the planet's complex climate system, an increase in the global average temperature could lead to changes that in turn have serious consequences for both nature and society. Climate change is a material sustainability topic

for the Bank Group since its operations have an impact and climate change represents both a risk and an opportunity for the Bank Group.

Länsförsäkringar Bank's Board of Directors has identified climate change as a priority sustainability topic from several perspectives: limiting the impact of the operations, supporting the transition and adaptation of society and reducing the operations' exposure to financial impacts

IDENTIFIED CLIMATE IMPACTS AND CLIMATE RISKS IN THE BANK GROUP

Transition risks

– Changes in technology, regulations and market demand related to the climate transition could lead to a decline in value, stranded assets²⁾ and credit losses, as well as higher risk exposure and claims costs.

Physical risks

– Climate change, such as increased frequency of extreme weather events, could lead to impacts on customers and financial losses such as higher claims costs and declines in the value of assets.

– Inadequate procedures for considering climate and environmental aspects in procurement processes, purchasing and supplier monitoring could increase exposure to indirect climate risks in the supply chain, affecting delivery, returns and confidence.

²⁾ Stranded assets are assets that suddenly or unexpectedly lose their economic value due to changes in markets, technology, legislation or environmental requirements.

Positive impact

– The products, services and investments of the operations can support transition and adaptation and strengthen the resilience of customers and society.

– With its advice and engagement activities, both by itself and in collaboration with others, the Group can support the transition, adaptation and increase the resilience of customers and society.

Negative impact

– The products, services and investments of the operations give rise to direct and indirect GHG emissions that contribute to climate change and increased climate and nature risks.

– Failure to consider climate and environmental aspects in procurement, purchasing and monitoring could entail that support is given to operations with a large climate and environmental footprint.

– Climate change could result in changes in insurance and financing conditions in climate-vulnerable areas, making reconstruction following climate-related events more difficult and reducing the long-term resilience of society.

from climate risks. Climate risk refers to the risks that the consequences of climate change may have on the Group's business activities. Climate risks can materialise through physical risks, such as more cases of extreme weather and gradually rising sea levels. Climate risks can also materialise through transition risks, such as regulatory, political and market changes related to the transition to a low-carbon society. Climate risk is a systematic risk that, due to its nature and widespread impact on society, is deemed to potentially impact the Bank Group's offerings.

The Bank Group has both a positive and negative climate impact. Products, services, investments and lending give rise to direct and indirect GHG emissions that contribute to

ongoing climate change and thus increased risks for people and the environment. The largest impact, and the one that has increased the most over the past few years, arises in the value chain via financed assets. The change is deemed to be mainly due to higher transparency in the scope of reported emissions from investees (holdings).

Conversely, opportunities exist in the form of investing in and lending to companies and solutions that help mitigate and adapt society to climate change. Engagement and collaboration with industry organisations and players can also help accelerate climate transition, adaptation and reduce systemic risks, which leads to long-term value creation for both the company and society.

Climate scenario analysis

The Bank Group conducts in-depth climate scenario analyses, based on the results of the materiality assessment to provide an important basis for assessing financial resilience to climate-related risks. The analyses include portfolio analyses of exposure to both physical climate risk and transition risk in lending operations, and they have also been integrated into the 2025 ICAAP.

The results revealed that climate-related risks are expected to give rise to credit risks that will primarily be material for the Bank Group in the long term. This underlines the need for continued systematic monitoring and gradually developing the management of climate-related risks, including greater risk diversification in the loan portfolio.

Indicators for climate risks

The Bank Group monitors exposure to physical climate risks in the credit portfolio by using risk indicators such as exposure to properties in areas with elevated flood risk and exposure to properties with low energy performance. Länsförsäkringar Bank has an established risk appetite for physical climate risks for lending to residential and commercial properties. Monitoring takes place on an ongoing basis under the framework of the Bank's risk management and governance.

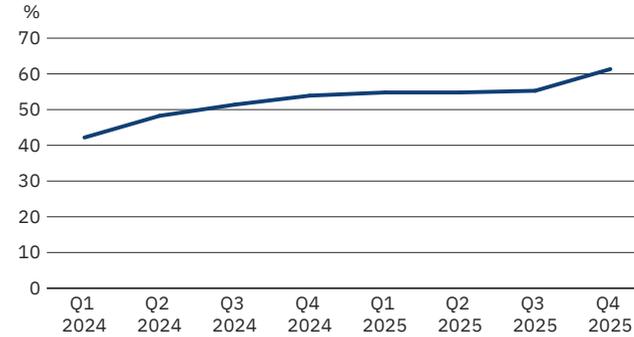
Carbon footprint of investees

The Bank Group monitors exposure to physical climate risks in the credit portfolio by using risk indicators such as exposure to properties in areas with elevated flood risk and exposure to properties with low energy performance.

Länsförsäkringar Bank has an established risk appetite for physical climate risks for lending to residential and commercial properties. Monitoring takes place on an ongoing basis under the framework of the Bank's risk management and governance.

In addition to these risk indicators, the Bank Group has indicators for investment operations that measure the carbon footprint of the investment portfolio.

FIGURE 1
Trend in share of SBT %



As part of the Länsförsäkringar AB Group's ambition to be climate neutral by 2045, the focus is on investing in companies that work actively to reduce their emissions. The Bank Group continuously monitors the share of capital in its own funds that is invested in companies with science-based targets. The long-term target is to invest only in companies with science-based targets by 2040.

Climate forecasts for investees

Measures the total GHG footprint of the Bank Group's loan and investment portfolios. The indicator tracks the CO₂eq and aims to provide a basis for governing the impact of the operations and assessing transition risks. The intensity value is formulated as tCO₂eq per SEK M of income. For this year's outcome, see table 3 on page 48.

E1-1 Transition plan

Transition plan and work in offering and own operations

The Länsförsäkringar AB Group has the aim of being climate neutral by 2045, which means reducing the operations' total GHG intensity by at least 90% by then. The target is reported in the form of an intensity value: tCO₂eq per SEK M of income (see E1-6, table 4). Transition plan version 2.0 was adopted by Länsförsäkringar AB's corporate management in February 2026. The plan contains ongoing and planned activities for all business areas in the Länsförsäkringar AB Group, which includes the Bank Group, that over time intend to contribute to meeting the Länsförsäkringar AB Group's climate ambition. The cover-

age in version 2.0 in terms of the share of the Länsförsäkringar AB Group's identified GHG emissions varies, both in the Group's own operations in the form of, for example, purchases and business travel, and in the Länsförsäkringar AB Group's various business offerings.

Transition activities have been carried out for differing lengths of time and to varying degrees within the Länsförsäkringar AB Group. At the same time, it is important to highlight the fact that the scope of emissions and climate transition and adaptation measures in the plan are significant but not yet sufficient for realising the long-term aim. The scope of emissions in the inventory and actions will be gradually expanded.

Transition activities in savings offering and investments

As an investor, the Bank Group works with climate-related risks and opportunities as an integral part of its asset management. The starting point is that the various responsible investment strategies are applied to asset management in accordance with the policy. Climate risks are to be limited over time through proactive efforts to reduce exposure both to transition risks and to physical climate risks. In practice, this means the following:

- Support companies that have started to transition their operations.
- Promote exposure to companies and issuers that, with their products, services and projects, support the transition to a more sustainable society.
- Engage with companies to set science-based targets and follow up emissions outcomes.
- Engage with companies concerning significant climate-related risks and emissions.
- Reduce exposure to companies showing an unwillingness to transition and those who risk having stranded assets. This can be achieved by applying specific exclusion and transition criteria for companies that conduct fossil-fuel and other carbon-intensive operations in the savings and investment offerings.

Engagement connected to savings offering and investments

Länsförsäkringar Fondförvaltning endeavours to ensure that funds and investment portfolios work systematically

to reduce climate risks, contribute to climate adaptation and promote the transition to a more sustainable society. The carbon footprint and the share of companies with science-based targets are monitored and followed up on a regular basis in the investment portfolios and own funds. The three investment strategies of inclusion, exclusion and engagement are combined to take sustainability factors into consideration and integrate them into asset management.

Under the framework of the engagement strategy, the Länsförsäkringar Fondförvaltning monitors and engages in ongoing dialogue with companies, via its own specialists and a stewardship service provider, to guide them in a more responsible and sustainable direction. This engagement includes climate-related issues and takes place both reactively and proactively. Serious violations or risk of violations of the UN Global Compact and the OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises, which also address climate issues, are identified through semi-annual screening of all investees (holdings). Engagement is initiated if a violation is identified. Länsförsäkringar Fondförvaltning also monitors and analyses the emissions of the funds and strives to ensure that the companies that account for the largest emissions are subject to engagement by the Group, through either a stewardship service provider or an external climate initiative.

Länsförsäkringar Fondförvaltning is engaged in a number of investor-led climate initiatives that address climate-related issues, including:

- Climate Action 100 – focus on climate emissions
- Sustainable Value Creation – focus on the climate in Swedish forests
- Mining 2030 – focus on the environment in the mining sector

TABLE 1
Engagement investees

Metric/activity	2025
Number of investees subject to engagement regarding climate	224

Transition activities in lending offering

The Bank Group's loan portfolio includes mortgages, lending to forestry and agriculture, commercial properties, hire purchase, leasing and unsecured loans. Transition activities include Green mortgages and Energy Loans to support energy efficiency. Länsförsäkringar Finans offers transition loans for business financing. All green loan products continued to grow during the year. For lending to commercial properties, the bank has introduced requirements for properties to have a valid energy performance certificate and for those with the lowest energy class to prepare and report transition plans in line with the forthcoming MEPS requirements in the EPBD. Länsförsäkringar Bank is participating in RISE's national development project for a Climate Resilience Certificate, which will allow for standardised assessments of building vulnerability. The base year for the Bank Group's lending operations is 2024, which means that the outcome of this transition work will be reported from 2025.

Levers, challenges and dependencies

The primary decarbonisation levers are regulations and standards, stewardship and market demand. The interplay between these levers creates the incentives needed for an energy supply transition as well as energy efficiency improvements in the economy in line with the goals of the Paris Agreement. The Bank Group works actively to ensure that clear and long-term climate regulations are in place, as a responsible owner and financier for transition and climate adaptation, and by setting climate-related requirements in its own operations, for example, for procurement and purchasing.

The Länsförsäkringar AB Group participates in about 40 organisations and initiatives, of which the Bank Group participates in seven, in Sweden and internationally, to enhance collaboration, regulations and industry standards that shape the conditions for the market and society as a whole to transition and adapt to climate change.

Investments and lending represent the vast majority of CO₂eq emissions, based on an inventory of the entire Länsförsäkringar AB Group. A general driver for reducing the climate impact of the Bank Group's investments and lending is that funds are invested in and loaned to companies

and investees that are in the process of transitioning and reducing their emissions. The ability of investees to reduce their emissions is, in turn, driven by clear and robust policies and actions from governments around the world that set frameworks and incentives for companies to plan their operations and investments. For example, the EU Energy Performance of Buildings Directive (EPBD) and its implementation are key drivers in Länsförsäkringar Bank's ability to finance customers' transition of their properties.

A challenge in efforts to reduce emissions from the Länsförsäkringar AB Group's investment operations from Länsförsäkringar Fondförvaltning is that customers' choice of investment has a major impact. If customers choose to invest in funds with higher emissions, such as in markets where emissions are generally higher, the total emissions in the Group's portfolios will increase. Länsförsäkringar Fondförvaltning can influence these emissions to some extent through the range of funds offered.

Climate change and the associated risks are a reality. The need to adapt to these changes is becoming increasingly clear. The consequences of floods, droughts, fires and erosion can already be seen today, and the frequency, extent and cost of climate-related damage is on the rise. The consequences for individual households, municipalities and businesses affected can be very severe, and impact security for people and competitiveness for businesses. Society is affected by rising costs for reconstruction and crisis management. This makes climate adaptation a matter that needs to be tackled with a higher level of ambition, faster pace and with a clearer division of responsibilities. For Länsförsäkringar as a player in insurance, banking and pensions, with 23 customer-owned companies in every region of the country, the consequences of climate change are tangible.

Based on the Bank Group's operations, no information has been received to suggest that the Bank Group has been excluded from the Paris Aligned Benchmarks (PAB). The PAB criteria have exclusions for involvement in controversial weapons, serious norm violations and fossil fuels which do not reflect the Group's operations. There is also no knowledge of the Group being excluded from the EU Paris-aligned Benchmarks.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

E1-2 Policies related to climate change

Given that the climate is a material sustainability topic and that the Bank Group intends to contribute to both climate change mitigation and adapting society to climate change, in line with the Paris Agreement, the Bank Group has adopted a long-term ambition of climate neutrality by 2045 ("2045 climate ambition"). The climate ambition is part of the Group's Sustainability Policy.

For all material topics, including the climate, the policy stipulates that the Group is to specify targets, interim targets and activities that must be carried out to mitigate negative impacts and capitalise on opportunities to support the transition and adaptation to a more sustainable society.

The Sustainability Policy stipulates that a transition plan is to be adopted and to include active measures to manage climate risks and opportunities in and outside the Group's value chain. The transition plan describes how the Group works to identify, manage and monitor its material impacts on climate change and strives to support transition and climate change adaptation due to the changing climate. The Bank Group will take into account evidence and collaborate with selected climate initiatives to realise its climate ambition and implement the transition plan. The Sustainability Policy also describes the focus of the sustainability work, with the climate mentioned in all components:

- **Responsible business conduct** – related to the climate in terms of requirements imposed on suppliers and other business partners. Suppliers and business partners with science-based targets or equivalent are to be rewarded in procurement processes. Those without such targets are encouraged to adopt targets and transition. Furthermore, the Group is to take action in the most material topics to reduce the direct environmental impact of its operations.
- **Responsible and sustainability-focused offering** – relates to the savings offering, investments and lending offering. Based on the inventory of the Bank Group's GHG emissions, significant emissions arise in the various offerings.
- **Transition and social responsibility** – relates to the climate in terms of promoting the transition through

investment, financing, engagement and collaboration – both within and outside the value chain. The Länsförsäkringar AB Group also supports a variety of research projects related to the climate, for example, under the framework of the LF Research Foundation.

The Sustainability Policy addresses climate risk management with reference to the Risk Policy. The Policy on Responsible Investments and Corporate Governance manages climate change in relation to the Bank Group's investment operations, including investment portfolios and own funds. The four responsible investment strategies are: screening and integration, inclusion, engagement and exclusion, and these form the basis of the work under the policy.

E1-3 Actions and resources in relation to climate change policies

Planned actions

Efforts are being made to broaden and expand actions for fulfilling the Länsförsäkringar AB Group's ambition of climate neutrality by 2045, which includes the Bank Group. The coverage rate for the share of emissions in the inventory is gradually increasing, meaning that the rising volume of emissions is identified and can be subject to transition action. Preparations are being made to formulate measurable targets for transition and adaptation, prioritisation of key actions and impact assessments for own operations and offering. Collaborations with decision-makers and civil society organisations are being developed to ensure that regulations and incentives create long-term conditions for both climate adaptation and emission reductions.

SBM-1, starting on page 35, describes the outcome of some of the actions presented in this section.

In the banking operations, the management of climate and energy data in processes is continuously strengthened, sustainable loan products will be developed and tools to help customers make more sustainable decisions will be investigated. In the savings offering, there are plans to supplement the range and packaging of sustainable offerings and services that support the green transition during

the year. Fund companies in the range are engaged to set climate targets and are expected to act more responsibly as regards the climate in relation to holdings in individual funds.

For Länsförsäkringar Fondförvaltning's funds, current and forward-looking climate indicators will continue to be integrated into investment decisions and index constructions. Furthermore, engagement is continuing with the companies with the highest emissions to encourage them to adopt science-based targets and reduce their GHG emissions.

To reduce GHG emissions from the Länsförsäkringar AB Group's own operations, expanded climate requirements will be imposed on suppliers, based on a mapping of purchasing-related CO₂ emissions. An initial emissions inventory (Scope 3 category 1) of the Länsförsäkringar AB Group's purchased goods and services, which are dominated by IT and consulting services, was conducted at the end of 2024, and this will form the basis for evaluation and engagement dialogue with the largest suppliers from 2025. About 80% of the purchase value for the year is included in the emissions inventory.

To reduce climate emissions from own business travel, the Länsförsäkringar AB Group signed an agreement with SAS during the year to increase the use of Sustainable Aviation Fuel (SAF) for air travel, which includes biofuel as a type of SAF. The aim of the agreement is to gradually reduce the company's emissions and to meet the commitment of reducing Scope 3 emissions.

TARGETS AND METRICS

E1-4 Targets for climate activities

The Länsförsäkringar AB Group has adopted a climate ambition for Scope 1 and 2 and material Scope 3 emissions. The Länsförsäkringar AB Group-wide ambition is currently related to the KPI of GHG intensity (tCO₂eq/revenue in SEK M), which includes the Bank Group's loan and investment portfolios. A balance between both material direct and indirect CO₂eq emissions and the reduction and/or absorption of CO₂eq emissions (net emissions) will be considered in the follow-up (see E1.6). Climate neutrality (net zero emissions) has become a well established concept in the market, although definitions and measurement

methodologies are still being developed. The Länsförsäkringar AB Group is closely monitoring developments with a particular focus on new frameworks and standards for the financial sector, such as the Science Based Target initiative.

The climate neutrality ambitions mean that the Länsförsäkringar AB Group's GHG intensity from the base year 2024 is to reduce by 90% by 2045. The remaining 10% will be neutralised by contributions from investments and financing. Funds are allocated to investees, assets and projects that reduce more emissions than they produce, known as negative emissions. For its interim targets, the Group intends to endeavour to reduce its GHG intensity (Scopes 1, 2 and 3) by 2030, compared with the base year of 2024, by an average of 7.5% per year.

At the current time, the Länsförsäkringar AB Group has not set absolute targets for the reduction of its Scope 1, 2 and 3 GHG emissions.

The Bank Group had the following climate targets related to the savings offering and investments in its 2025 business plan. Increase the share (market value) of listed shareholdings with verified science-based targets (SBT)

Read more about the sustainability targets, including climate targets related to savings offering and investments, and the 2025 outcome on page 35.

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Data to calculate Scope 1, 2 and 3 GHG emissions is collected for own internal operations and reported in accordance with the GHG Protocol. Reporting includes emissions of the following GHG emissions: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulphur hexafluoride (SF₆), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and nitrogen trifluoride (NF₃). The climate impact of GHG emissions is calculated and reported in terms of amount of carbon dioxide equivalents (CO₂eq) using Global Warming Potential (GWP) values according to the IPCC Sixth Assessment Report. The boundaries of Scope 3 reporting were based on the emissions inventory conducted during the year and an assessment of relevance of each category to the Bank Group. Those categories not deemed material or relevant to the Group's operations were not included in the reporting.

All Scope 3 emissions in the inventory are included in this year's reporting. Scope 3 emissions will be calculated

TABLE 2
Scope 1, 2 and 3 GHG emissions inventory

	2024		2025		Milestone year and target year	Annual % target / Base year
	Base year	Comparative	N	Change %		
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions (tCO ₂ eq)		-	12	-		
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)		-	-	-		
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)		-	110	-		
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)		-	49	-		
Significant Scope 3 GHG emissions						
Total gross indirect (Scope 3) GHG emissions (tCO ₂ eq)		-	20,703,359	-		
1 Purchased goods and services		-	8,606	-		
2 Capital goods		-	-	-		
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)		-	32	-		
4 Upstream transportation and distribution		-	-	-		
5 Waste generated in operations		-	1	-		
6 Business travel		-	172	-		
7 Employee commuting		-	333	-		
8 Upstream leased assets		-	-	-		
9 Downstream transportation		-	-	-		
10 Processing of sold products		-	-	-		
11 Use of sold products		-	-	-		
12 End-of-life treatment of sold products		-	-	-		
13 Downstream leased assets		-	-	-		
14 Franchises		-	-	-		
15 Investments ^{1) 2)}		-	20,694,216	-		
Total GHG emissions (location-based) (tCO ₂ eq)		-	20,703,482	-		
Total GHG emissions (market-based) (tCO ₂ eq)		-	20,703,421	-		

¹⁾ Scope 3, Category 15 includes emissions related to investments, lending and insured emissions.

²⁾ Reported emissions for investments in Scope 3, Category 15 include Scope 1, 2 and 3.

and updated annually. Scope 1, 2 and 3 emissions in the inventory are presented in table 2. Scope 3 emissions, Category 15 represent 99% of total reported gross GHG emissions. Table 4 provides disclosures on how reported Scope 3 emissions, Category 15 are distributed between investments and lending as well as the share of primary data used in the calculations. The table also presents the distribution of Scope 1, 2 and 3 emissions.

Generally speaking, there are data gaps in the emissions inventory due to a lack of reliable methods and available Scope 1, 2 and 3 data of sufficiently high quality. A more detailed description of the uncertainties identified and assumptions applied can be found under each reporting principle. The Bank Group has applied the Partnership for Carbon Accounting Financials (PCAF) methodology for calculating financed emissions and assessing data quality.

TABLE 3
Distribution of emissions, Scope 3 Category 15

	Scope 1 + 2 (tCO ₂ eq)	Scope 3 (tCO ₂ eq)	Total (tCO ₂ eq)	% primary data
Investments	1,230,991	18,962,164	20,193,045	90
Loans	310,294	190,844	501,171	0
Total			20,694,216	



Reporting principles

Scope 1

Emissions from leased company cars are calculated based on number of km and type of fuel. Emissions from stationary combustion are calculated based on the amount of diesel consumed, and have been allocated proportionally between the Bank Group and other parts of the Länsförsäkringar AB Group based on the number of employees. Emission factors from the Swedish Transport Administration and DESNZ were used for the 2025 calculation.

Scope 2

Data on the energy consumption of electricity, heating and cooling, as well as information on any green electricity contracts, is obtained from property owners, landlords or via the People & Culture unit. The data is collected for the office on Tegelluddsvägen in Stockholm and the three other largest offices in the Länsförsäkringar AB Group in Helsingborg, Linköping and Borlänge. The emissions from these offices are then extrapolated to other offices in the country in order to obtain a more accurate and representative outcome. Emissions are allocated proportionally based on the number of employees between the Bank Group and other parts of the Länsförsäkringar AB Group. Emissions from energy consumption are reported using both location-based and market-based methods. The location-based approach is based on the national electricity generation mix. The market-based approach is based on an average emission factor for renewable electricity in Sweden (hydro, wind and solar). Emissions from district heating are calculated using emission factors specific to each supplier. For cooling, emissions were calculated but are deemed to be negligible and thus are reported as zero in energy-related emissions. Emissions from leased electric company cars are calculated based on the number of km driven. Emission factors from the Swedish Transport Administration, IVL Swedish Environmental Research Institute, Swedish Energy Markets Inspectorate, Vattenfall, Grexel and local environmental values for district heating were applied to the calculation of Scope 2 emissions in 2025.

Scope 3, Category 1

Emissions for purchased goods and services are based on spend-based data for the 100 largest suppliers of the Länsförsäkringar AB Group, which together represent about 80% of the purchase volume. Emissions have been allocated proportionally between the Bank Group and other parts of the Länsförsäkringar AB Group based on the number of employees. Emission factors from Exiobase were applied to emission calculations in 2025. The share of emissions calculated using primary data was 0%.

Scope 3, Category 3

Emissions from fuel and energy-related operations are life cycle emissions and are calculated using emission factors for each energy type. The share of emissions calculated using primary data was 0%.

Scope 3, Category 5

Emissions from waste are based on waste fraction and weight. Emissions have been allocated proportionally based on the number of employees between the Bank Group and other parts of the Länsförsäkringar AB Group. Emission factors from DESNZ were used for the 2025 calculation. The share of emissions calculated using primary data was 0%.

Scope 3, Category 6

Emissions from business travel are based on data from the travel agency and the People & Culture unit. Emissions from hotel nights have been allocated proportionally based on the number of employees between the Bank Group and other parts of the Länsförsäkringar AB Group. The 2025 calculation was carried out using emission factors from DESNZ, SJ, Swedish Environmental Protection Agency, Swedish Transport Administration, Swedish Transport Agency and Greenview Hotel Footprinting Tool. The share of emissions calculated using primary data was 0%.

Scope 3, Category 7

Emissions from commuting refer to employees travelling between home and work, as well as working from home. Emissions are calculated based on a questionnaire to all employees in the Länsförsäkringar AB Group in autumn

2025 (response rate of 15%) and was indexed for results in 2025, which entails some measurement uncertainty. Emissions have been allocated proportionally based on the number of employees between the Bank Group and other parts of the Länsförsäkringar AB Group. The emission factors used for 2025 derive from Swedish Transport Administration, DESNZ, Transportation Research, IVL Swedish Environmental Research Institute, AIB, and SJ. The share of emissions calculated using primary data was 0%.

Scope 3, Category 15

Investments

The emission calculations for listed companies and bonds are performed using data collected via a third-party data provider. For listed companies and bonds without any reported data, the data provider’s calculation models were used to estimate emissions. Emissions for government bonds were calculated according to the PCAF methodology. For calculating the emissions of mortgage bonds, the data provider uses the emissions of the parent companies because mortgage institutions do not usually report their own emission figures. The Bank Group will develop methodologies in 2026 to improve the data basis for mortgage bonds. Emission calculations are based on holdings data on 30 November 2025. There is measurement uncertainty due to the fact that the calculations are based on a large volume of data and are performed by an external supplier. Emission data is unavailable for some holdings, which are thus not included in the calculations.

Data collection for GHG emissions of investees takes place with a certain delay and calculations are performed using the most recently available reported data. This means that the data is not always from the 2025 reporting year. The share of emissions calculated using primary data is presented in table 3.

Emissions from investments increased sharply in 2025 compared with last year. This was primarily due to Länsförsäkringar Fondförvaltning’s higher exposure to Swedish industrial companies and more complete reporting of GHG emissions from investees. At the same time, the share of holdings with verified science-based targets increased.

Loans

The Bank Group’s lending-related emissions were calculated, wherever possible, in accordance with established methodologies from the PCAF. These methodologies are applied to quantify financed emissions for relevant asset classes. The calculations follow PCAF standards for the choice of methodology, emission factors and data quality. The share of emissions calculated using primary data was 0%.

GHG intensity and reconciliation with the financial statements

The KPI for GHG intensity is calculated by comparing the Bank Group’s gross Scope 1-3 GHG emissions expressed as tCO₂eq with the net revenue (SEK M) reported in the financial statements. The results are presented in table 4. The disclosures are provided at the Bank Group level. Based on the insights of the sharp increase in emissions for investments between 2024 and 2025, which was largely due to increased emissions reporting, the KPI for the base year 2024 is intended to be recalculated in 2026. Gaps and boundaries in the emission calculations are described in the principles for calculating GHG emissions. Net revenue includes the items covered by the definition of net sales based on the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL) (1995:1559) and revenue from support and service operations. The data was collected from the Bank Group’s income statement, and notes 4, 6, 14, 15, 16 and 17. See table 5 for a reconciliation of net revenue against the financial statements.

TABLE 4
GHG intensity per net revenue

	2025
tCO₂eq/SEK M	
Total GHG emissions (location-based) per net revenue	996
Total GHG emissions (market-based) per net revenue	996

TABLE 5
Reconciliation with the financial statements

SEK M	2025
Net revenue used to calculate GHG intensity	20,782

Taxonomy disclosures

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Reporting according to the EU Taxonomy Regulation

The Taxonomy Regulation and its delegated acts (the “Taxonomy”) is part of the EU’s action plan to achieve the target of a climate neutral Europe by 2050. The Taxonomy expresses six environmental objectives and contains classification criteria to assess whether an economic activity substantially contributes to these objectives and can thus be considered environmentally sustainable. The regulations also require certain large companies to provide specific Taxonomy-related disclosures.

The reporting requirements mean that companies must provide information on how and to what extent their economic activities are eligible under the Taxonomy’s technical screening criteria and to what extent the activities qualify as environmentally sustainable (“Taxonomy-aligned”). To meet the criteria, the activity must substantially contribute to at least one of the EU’s six environmental objectives while doing no significant harm to any of the other five environmental objectives. The criteria for when an activity can be considered Taxonomy-aligned are described in detail in the Taxonomy’s technical screening criteria. The undertakings must also meet certain minimum requirements on social sustainability, known as minimum safeguards, in order for the activities to be reported as environmentally sustainable under the Taxonomy.

Financial undertakings must also disclose the proportion of their investments and financing that are chan-

nelled towards Taxonomy-eligible and Taxonomy-aligned activities. These disclosures are based on the Taxonomy disclosures of the counterparty, which results in a reporting delay of one year.

EU omnibus legislation

As a result of the EU’s first Omnibus package, financial undertakings will have three options for Taxonomy reporting for this year and next year. Financial undertakings can choose to apply new simplified templates and rules, continue to use the templates and rules that were in place for last year’s reporting, or not report at all. The Länsförsäkringar Bank Group has decided to apply the new simplified templates and rules. Among other things, the simplification package means that only assets where the counterparty is subject to reporting obligations are included in the denominator when calculating KPIs for green assets. This change

means that the scope of the assets in the balance sheet included in the calculation is reduced, which in turn means that the KPIs for financial undertakings’ Taxonomy-aligned green assets will be higher than in previous years. More information about the calculations is provided under the heading “Taxonomy-eligible and Taxonomy-aligned banking operations.”

The banking operations are to provide disclosures about green assets in the balance sheet

The Länsförsäkringar Bank Group’s Taxonomy-aligned assets, based on turnover, amounted to SEK 37.4 billion and consisted primarily of mortgages collateralised by residential property. In 2025, the Bank introduced a new selection methodology for identifying Taxonomy-aligned loans for right-of-use assets. This is one of the main reasons for the significant increase in Taxonomy-aligned

assets compared with last year. Of the total of SEK 58.6 billion in new mortgages granted, approximately SEK 8.17 billion – corresponding to 9.9% of the growth – is estimated to be Taxonomy-aligned with the Taxonomy’s criteria under environmental objective 1 climate change mitigation. These loans are for financing existing residential properties with a high energy performance, in line with the Taxonomy’s technical screening criterion 7.7 for energy-efficient buildings.

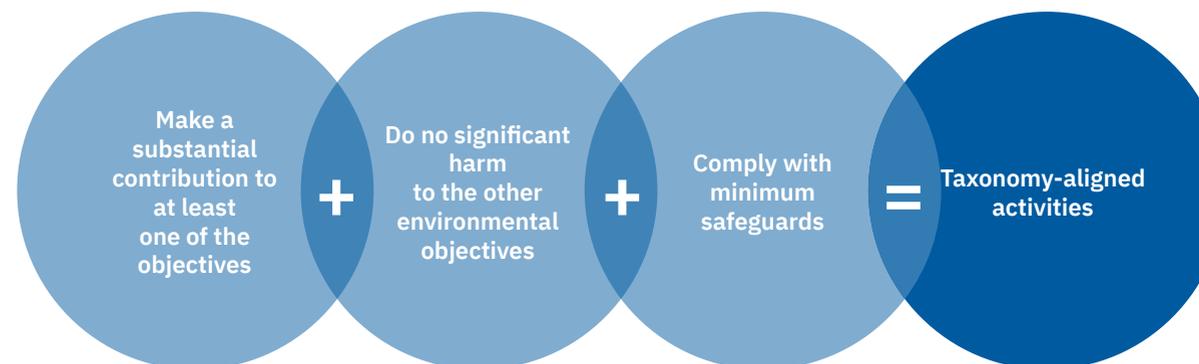
Taxonomy-eligible and Taxonomy-aligned banking operations

Banks are to report the proportion of their lending and investments that is Taxonomy-eligible and the proportion that is Taxonomy-aligned. The Länsförsäkringar Bank Group’s disclosures are based on the Taxonomy disclosures of the counterparties. Most of the tables are presented in two versions, one turnover based and one CapEx based, since this is how non-financial counterparties present their Taxonomy alignment disclosures. The proportions and amounts in the tables are to be calculated based on the Taxonomy disclosures that the counterparties have provided in officially published disclosures, often annual reports. This means that Taxonomy disclosures are based on counterparty disclosures from the previous year.

The reporting requirements do not apply to small and medium-sized enterprises or undertakings outside the EU. Since the majority of the Länsförsäkringar Bank Group’s non-household customers are agricultural and small business customers, only a limited part of the Länsförsäkringar Bank Group’s activities beyond household mortgages and car loans is Taxonomy-eligible.

THE TAXONOMY’S 6 ENVIRONMENTAL OBJECTIVES

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems



The Länsförsäkringar Bank Group also has off-balance sheet assets. These are attributable to economic activities that are deemed to be insignificant in respect of the Taxonomy, since income from the activities is less than 10% of the total net turnover of both the Länsförsäkringar AB Group and the Länsförsäkringar Bank Group. Accordingly, the activities are not considered to have a material impact on the Group's Taxonomy KPIs.

Mortgages collateralised by residential immovable property

Taxonomy alignment for loans to households collateralised by residential immovable property has been assessed according to the technical screening criterion 7.7 for properties built before 31 December 2020. Loans to house-

holds collateralised by residential immovable property are deemed to comply with the Taxonomy's technical screening criteria if the building's energy performance corresponds to energy class A or is among the top 15% in Sweden in terms of energy performance and the building is not deemed to be exposed to physical risk caused by climate change.

The Länsförsäkringar Bank Group identifies these properties based on valid energy declarations registered with the Swedish National Board of Housing, Building and Planning, normalised to the most recent building regulations. The threshold for the top 15% most energy efficient buildings is based on a report produced by CIT Energy Management on behalf of the Swedish Property Federation (14 December 2022). Buildings deemed to be exposed to

physical climate risks are identified according to an internal climate risk model. Properties at risk from climate change are excluded from Taxonomy alignment.

Loans to households for the renovation of existing buildings, such as the Energy Loan, have been assessed under the Taxonomy's technical screening criterion 7.2. These exposures are Taxonomy-eligible but are not deemed to be Taxonomy-aligned, since it was not possible to assess whether the activities do significant harm to the other environmental objectives due to the lack of underlying data.

Motor vehicle loans

Motor vehicle loans, which include both hire purchase loans and finance leasing, have been assessed under the Taxonomy's technical screening criterion 6.5 for the man-

ufacture and use of energy-efficient modes of transport. These motor vehicle loans are also not considered Taxonomy-aligned due to the lack of underlying data to assess the criteria for whether they do significant harm to the other environmental objectives.

Corporate loans and investments

For corporate loans and investments, data from Clarity AI is used, based on the counterparties' reported Taxonomy disclosures. If counterparties do not report Taxonomy alignment based on CapEx, turnover disclosures are used instead. Since many of the Länsförsäkringar Bank Group's corporate customers are agricultural customers or small businesses, the share of operations carrying out a taxonomy assessment is limited.

Table 1.
Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total exposure to Taxonomy-aligned activities (SEK M)		KPI ¹ (%)		% coverage (over total assets) ³ (%)	non assessed exposures (% of covered assets) (%)	non assessed exposures (% of covered assets) (%)
		Turnover based	Capex based	Turnover based	Capex based			
Main KPI	Green asset ratio (GAR) stock	37,452	37,512	8.6%	8.6%	84.3%	-	-
Additional KPIs	GAR (flow)	8,647	8,665	10.5%	10.5%	76.4%	-	-
	Trading book	-	-	-	-	-	-	-
	Financial guarantees	-	-	-	-	-	-	-
	Assets under management	8,450	13,001	7.1%	10.9%	100.0%	-	-
	Fee and commission income ⁴	-	-	-	-	-	-	-

¹Based on the Turnover KPI of the counterparty

²Based on the CapEx KPI of the counterparty

³% of assets covered by the KPI over banks' total assets

⁴Fees and commissions income from services other than lending and AuM

Table 2a.
Assets for the calculation of GAR - Turnover stock

Turnover Assets for the calculation of GAR-stock SEK M	Breakdown per environmental objective												Non-assessed exposures	Of which financing non material activities of counterparties (4)	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution (5)		
	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling						
GAR - Covered assets in both numerator and denominator																		
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	434,854	354,082	37,452	37,452	0	0	0	0	0	0	-	1	0	-	-	-	-	
Financial undertakings	40,514	13,018	1,490	1,490	0	0	0	0	0	0	-	1	0	-	-	-	-	
Loans and advances	1,093	318	32	32	0	0	0	0	0	0	-	0	0	-	-	-	-	
Debt securities, including UoP	39,421	12,700	1,458	1,458	0	0	0	0	0	0	-	1	0	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-financial undertakings	22	10	1	1	0	0	0	0	0	0	-	0	0	-	-	-	-	
Loans and advances	22	10	1	1	0	0	0	0	0	0	-	0	0	-	-	-	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Households	394,318	341,054	35,961	35,961	-	-	-	-	-	-	-	-	0	-	-	-	-	
of which loans collateralised by residential immovable property	337,400	313,314	35,961	35,961	-	-	-	-	-	-	-	-	0	-	-	-	-	
of which building renovation loans	24,106	24,106	0	-	-	-	-	-	-	-	-	-	0	-	-	-	-	
of which motor vehicle loans	4,346	3,634	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Exposures included on a voluntary basis (6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total GAR assets	434,854																	
Assets not covered for GAR calculation	80,968																	
Central governments and Supranational issuers	15,139																	
Central banks exposure	18,253																	
Trading book	-																	
Undertakings and entities not subject to CSRD	41,792																	

Table 2a. (cont.)
Assets for the calculation of GAR - Turnover stock

Turnover Assets for the calculation of GAR-stock SEK M	Total [gross] carrying amount	Breakdown per environmental objective											Non-assessed exposures	Of which financing non material activities of counterparties (4)	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution (5)		
		Of which Taxonomy-eligible	Of which Taxonomy-aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling						
SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	39,219																	
Loans and advances	30,060																	
of which loans collateralised by commercial immovable property	5,311																	
of which building renovation loans	64																	
Debt securities	8,959																	
Equity instruments	200																	
Non-EU country counterparties not subject to CSRD disclosure obligations	2,573																	
Loans and advances	0																	
Debt securities	2,573																	
Equity instruments	-																	
Derivatives	1,991																	
On demand interbank loans	526																	
Cash and cash-related assets	-																	
Other categories of assets (e.g. Goodwill, commodities etc.)	3,267																	
Total assets	515,822																	
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																		
Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets under management	119,265	49,724	8,450	8,153	71	-	-	-	-	-	-	599	2,317	-	-	-	-	-
Of which debt securities	19,473	7,523	1,789	1,784	2	-	-	-	-	-	-	33	52	-	-	-	-	-
Of which equity instruments	99,792	42,200	6,661	6,369	69	-	-	-	-	-	-	566	2,265	-	-	-	-	-

Table 2b.
Assets for the calculation of GAR - Capex stock

Capex Assets for the calculation of GAR-stock SEK M	Breakdown per environmental objective													Non-assessed exposures	Of which financing non material activities of counterparties (4)	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution (5)	
	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling						
GAR - Covered assets in both numerator and denominator																		
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	434,854	354,155	37,512	37,512	0	0	0	0	0	0	-	1	2	-	-	-	-	
Financial undertakings	40,514	13,088	1,550	1,550	0	0	0	0	0	0	-	1	1	-	-	-	-	
Loans and advances	1,093	323	35	35	0	0	0	0	0	0	-	0	0	-	-	-	-	
Debt securities, including UoP	39,421	12,765	1,515	1,515	0	0	0	0	0	0	-	1	1	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-financial undertakings	22	13	1	1	0	0	0	0	0	0	-	0	1	-	-	-	-	
Loans and advances	22	13	1	1	0	0	0	0	0	0	-	0	1	-	-	-	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Households	394,318	341,054	35,961	35,961	-	-	-	-	-	-	-	-	0	-	-	-	-	
of which loans collateralised by residential immovable property	337,400	313,314	35,961	35,961	-	-	-	-	-	-	-	-	0	-	-	-	-	
of which building renovation loans	24,106	24,106	0	-	-	-	-	-	-	-	-	-	0	-	-	-	-	
of which motor vehicle loans	4,346	3,634	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Exposures included on a voluntary basis (6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total GAR assets	434,854																	
Assets not covered for GAR calculation	80,968																	
Central governments and Supranational issuers	15,139																	
Central banks exposure	18,253																	
Trading book	-																	
Undertakings and entities not subject to CSRD	41,792																	

Table 2b. (cont.)
Assets for the calculation of GAR - Capex stock

Capex Assets for the calculation of GAR-stock SEK M	Total [gross] carrying amount	Breakdown per environmental objective															
		Of which Taxonomy-eligible	Of which Taxonomy-aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	Of which financing non material activities of counterparties (4)	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution (5)	
SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	39,219																
Loans and advances	30,060																
of which loans collateralised by commercial immovable property	5,311																
of which building renovation loans	64																
Debt securities	8,959																
Equity instruments	200																
Non-EU country counterparties not subject to CSRD disclosure obligations	2,573																
Loans and advances	0																
Debt securities	2,573																
Equity instruments	-																
Derivatives	1,991																
On demand interbank loans	526																
Cash and cash-related assets	-																
Other categories of assets (e.g. Goodwill, commodities etc.)	3,267																
Total assets	515,822																
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets under management	119,265	53,737	13,001	12,854	5	-	-	-	-	-	-	575	2,625	-	-	-	-
Of which debt securities	19,473	7,795	1,903	1,898	0	-	-	-	-	-	-	29	72	-	-	-	-
Of which equity instruments	99,792	45,942	11,098	10,956	4	-	-	-	-	-	-	547	2,554	-	-	-	-

Table 2c.
Assets for the calculation of GAR - Turnover flows

Turnover Assets for the calculation of GAR-flows SEK M	Breakdown per environmental objective												Non-assessed exposures	Of which financing non material activities of counterparties (4)	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution (5)		
	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling						
GAR - Covered assets in both numerator and denominator																		
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	82,442	62,785	8,647	8,647	0	0	0	0	0	0	-	0	0	-	-	-	-	
Financial undertakings	12,512	4,158	474	474	0	0	0	0	0	0	-	0	0	-	-	-	-	
Loans and advances	0	0	0	0	0	0	0	0	0	0	-	-	0	-	-	-	-	
Debt securities, including UoP	12,512	4,158	474	474	0	0	0	0	0	0	-	0	0	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-financial undertakings	8	6	1	1	0	0	0	0	0	0	-	0	0	-	-	-	-	
Loans and advances	8	6	1	1	0	0	0	0	0	0	-	0	0	-	-	-	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Households	69,922	58,621	8,172	8,172	-	-	-	-	-	-	-	-	0	-	-	-	-	
of which loans collateralised by residential immovable property	58,571	57,262	8,172	8,172	-	-	-	-	-	-	-	-	0	-	-	-	-	
of which building renovation loans	4,392	4,392	0	-	-	-	-	-	-	-	-	-	0	-	-	-	-	
of which motor vehicle loans	1,657	1,309	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Exposures included on a voluntary basis (6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total GAR assets	82,442																	
Assets not covered for GAR calculation	25,463																	
Central governments and Supranational issuers	7,307																	
Central banks exposure	6,998																	
Trading book	-																	
Undertakings and entities not subject to CSRD	11,045																	

**Table 2c. (cont.)
Assets for the calculation of GAR - Turnover flows**

Turnover Assets for the calculation of GAR-flows SEK M	Total [gross] carry- ing amount	Of which Taxo- nomy-eligible	Of which Taxo- nomy-aligned	Breakdown per environmental objective										Non-assessed exposures	Of which financing non material activi- ties of counterpar- ties (4)	Of which exposures financing counter- parties reporting in accordance with Article 7(9)	Of which not asses- sed considered non-material by the credit institution (5)	
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transi- tional	Of which enabling						
SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	10,411																	
Loans and advances	7,627																	
of which loans collateralised by commercial immova- ble property	1,209																	
of which building renovation loans	23																	
Debt securities	2,784																	
Equity instruments	-																	
Non-EU country counterparties not subject to CSRD disclosure obligations	634																	
Loans and advances	-																	
Debt securities	634																	
Equity instruments	-																	
Derivatives	113																	
On demand interbank loans	-																	
Cash and cash-related assets	-																	
Other categories of assets (e.g. Goodwill, commodities etc.)	-																	
Total assets	107,905																	
Off-balance sheet exposures (flow) to Undertakings subject to CSRD disclosure obligations and local governments																		
Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets under management	18,514	6,435	1,131	1,092	8	0	29	1	-	-	128	390	-	-	-	-	-	-
Of which debt securities	709	245	65	64	0	0	0	0	-	-	1	2	-	-	-	-	-	-
Of which equity instruments	17,805	6,190	1,066	1,028	8	0	29	1	-	-	126	389	-	-	-	-	-	-

Table 2d.
Assets for the calculation of GAR - Capex flows

Capex Assets for the calculation of GAR-flows SEK M	Breakdown per environmental objective												Non-assessed exposures	Of which financing non material activities of counterparties (4)	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution (5)		
	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling						
GAR - Covered assets in both numerator and denominator																		
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	82,442	62,807	8,665	8,665	0	0	0	0	0	0	-	0	0	-	-	-	-	
Financial undertakings	12,512	4,179	492	492	0	0	0	0	0	0	-	0	0	-	-	-	-	
Loans and advances	0	0	0	0	0	0	0	0	0	0	-	-	0	-	-	-	-	
Debt securities, including UoP	12,512	4,179	492	492	0	0	0	0	0	0	-	0	0	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-financial undertakings	8	7	1	1	0	0	0	0	0	0	-	0	0	-	-	-	-	
Loans and advances	8	7	1	1	0	0	0	0	0	0	-	0	0	-	-	-	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Households	69,922	58,621	8,172	8,172	-	-	-	-	-	-	-	-	0	-	-	-	-	
of which loans collateralised by residential immovable property	58,571	57,262	8,172	8,172	-	-	-	-	-	-	-	-	0	-	-	-	-	
of which building renovation loans	4,392	4,392	0	-	-	-	-	-	-	-	-	-	0	-	-	-	-	
of which motor vehicle loans	1,657	1,309	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Exposures included on a voluntary basis (6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total GAR assets	82,442																	
Assets not covered for GAR calculation	25,463																	
Central governments and Supranational issuers	7,307																	
Central banks exposure	6,998																	
Trading book	-																	
Undertakings and entities not subject to CSRD	11,045																	

**Table 2d. (cont.)
Assets for the calculation of GAR - Capex flows**

Capex Assets for the calculation of GAR-flows SEK M	Breakdown per environmental objective																
	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	Of which financing non-material activities of counterparties (4)	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution (5)	
SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	10,411																
Loans and advances	7,627																
of which loans collateralised by commercial immovable property	1,209																
of which building renovation loans	23																
Debt securities	2,784																
Equity instruments	-																
Non-EU country counterparties not subject to CSRD disclosure obligations	634																
Loans and advances	-																
Debt securities	634																
Equity instruments	-																
Derivatives	113																
On demand interbank loans	-																
Cash and cash-related assets	-																
Other categories of assets (e.g. Goodwill, commodities etc.)	-																
Total assets	107,905																
Off-balance sheet exposures (flow) to Undertakings subject to CSRD disclosure obligations and local governments																	
Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets under management	18,514	7,213	1,804	1,780	1	0	20	1	-	-	94	524	-	-	-	-	-
Of which debt securities	709	256	66	66	0	0	0	0	-	-	1	2	-	-	-	-	-
Of which equity instruments	17,805	6,958	1,738	1,714	1	0	20	1	-	-	93	522	-	-	-	-	-

Green asset ratio – Sector information

The table below shows the green asset ratio for non-financial counterparties that are subject to the disclosure requirements of the Taxonomy, broken down by the counterparty's main economic activity (NACE).

Table 3a.
Turnover GAR sector information

Breakdown by sector - NACE 4 digits level	Total [Gross] carrying amount	Of which Taxonomy eligible	Of which Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
16.23 Manufacture of other builders' carpentry and joinery	1	1	0	0	-	-	-	-	-
19.20 Manufacture of refined petroleum products (in NACE Rev. 2.0) Manufacture of refined petroleum products and fossil fuel products (in NACE Rev. 2.1)	3	-	-	-	-	-	-	-	-
28.24 Manufacture of power-driven hand tools	0	0	0	0	-	-	0	-	-
29.10 Manufacture of motor vehicles	2	2	0	0	-	-	-	-	-
30.32 Manufacture of military air and spacecraft and related machinery (new in NACE Rev. 2.1)	1	0	0	0	-	-	-	-	-
35.13 Distribution of electricity	0	0	0	0	-	-	-	-	-
46.21 Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	1	0	0	0	-	-	-	-	-
52.23 Service activities incidental to air transportation	1	0	0	0	-	-	-	-	-
58.29 Other software publishing	1	-	-	-	-	-	-	-	-
64.19 Other monetary intermediation	40,513	13,018	1,490	1,490	0	0	0	0	0
66.19 Other activities auxiliary to financial services, except insurance and pension funding	1	-	-	-	-	-	-	-	-
68.10 Buying and selling of own real estate (outdated with NACE Rev. 2.1)	9	7	1	1	0	0	0	0	0
70.10 Activities of head offices	3	0	0	0	-	-	-	-	-
70.20 Business and other management consultancy activities (new in NACE Rev. 2.1, former 70.22)	1	0	-	-	-	-	-	-	-
Nuclear activities	-	-	-	-	-	-	-	-	-
Fossil gas activities	-	-	-	-	-	-	-	-	-
Of which non-assessed exposures	-	-	-	-	-	-	-	-	-

Table 3b.
Capex GAR sector information

Breakdown by sector - NACE 4 digits level	Total [Gross] carrying amount	Of which Taxonomy eligible	Of which Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
16.23 Manufacture of other builders' carpentry and joinery	1	1	0	0	-	-	-	-	-
19.20 Manufacture of refined petroleum products (in NACE Rev. 2.0) Manufacture of refined petroleum products and fossil fuel products (in NACE Rev. 2.1)	3	-	-	-	-	-	-	-	-
28.24 Manufacture of power-driven hand tools	0	0	0	0	-	-	0	-	-
29.10 Manufacture of motor vehicles	2	2	0	0	-	-	-	-	-
30.32 Manufacture of military air and spacecraft and related machinery (new in NACE Rev. 2.1)	1	0	0	0	-	-	-	-	-
35.13 Distribution of electricity	0	0	0	0	-	-	-	-	-
46.21 Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	1	0	0	0	-	-	-	-	-
52.23 Service activities incidental to air transportation	1	0	0	0	-	-	-	-	-
58.29 Other software publishing	1	0	-	-	-	-	-	-	-
64.19 Other monetary intermediation	40,513	13,088	1,549	1,549	0	0	0	0	0
66.19 Other activities auxiliary to financial services, except insurance and pension funding	1	1	-	-	-	-	-	-	-
68.10 Buying and selling of own real estate (outdated with NACE Rev. 2.1)	9	7	0	0	0	0	0	0	0
70.10 Activities of head offices	3	2	0	0	-	-	-	-	-
70.20 Business and other management consultancy activities (new in NACE Rev. 2.1, former 70.22)	1	0	-	-	-	-	-	-	-
Nuclear activities	-	-	-	-	-	-	-	-	-
Fossil gas activities	-	-	-	-	-	-	-	-	-
Of which non-assessed exposures	-	-	-	-	-	-	-	-	-

Table 4a.
Capex GAR KPI stock

	Breakdown per environmental objective												Non assessed exposures
	Taxonomy-eligible	Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	
% (compared to corresponding total covered assets in the denominator)													
GAR - Covered assets in both numerator and denominator													
Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	81.4%	8.6%	8.6%	0%	0%	0%	0%	0%	-	0%	0%	10.6%	-
Financial undertakings	3.0%	0.3%	0.3%	0%	0%	0%	0%	0%	-	0%	0%	11.4%	-
Loans and advances	0.1%	0%	0%	0%	0%	0%	0%	0%	-	0%	0%	10.1%	-
Debt securities, including UoP	2.9%	0.3%	0.3%	0%	0%	0%	0%	0%	-	0%	0%	11.5%	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial undertakings	0%	0%	0%	0%	0%	0%	0%	0%	-	0%	0%	10.0%	-
Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	-	0%	0%	10.0%	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	78.4%	8.3%	8.3%	-	-	-	-	-	-	-	0%	10.5%	-
of which loans collateralised by residential immovable property	72.1%	8.3%	8.3%	-	-	-	-	-	-	-	0%	11.5%	-
of which building renovation loans	5.5%	0%	-	-	-	-	-	-	-	-	0%	0%	-
of which motor vehicle loans	0.8%	0%	0%	-	-	-	-	-	-	-	-	0%	-
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures included on a voluntary basis	-	-	-	-	-	-	-	-	-	-	-	-	-
GAR - Total GAR assets	81.4%	8.6%	8.6%	0%	0%	0%	0%	0%	-	0%	0%	10.6%	-

Table 4b.
Turnover GAR KPI stock

	Breakdown per environmental objective											Proportion of Taxonomy aligned in Taxonomy eligible	Non assessed exposures
	Taxonomy-eligible	Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling		
% (compared to corresponding total covered assets in the denominator)													
GAR - Covered assets in both numerator and denominator													
Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	81.4%	8.6%	8.6%	0%	0%	0%	0%	0%	-	0%	0%	10.6%	-
Financial undertakings	3.0%	0.4%	0.4%	0%	0%	0%	0%	0%	-	0%	0%	11.8%	-
Loans and advances	0.1%	0%	0%	0%	0%	0%	0%	0%	-	0%	0%	10.8%	-
Debt securities, including UoP	2.9%	0.3%	0.3%	0%	0%	0%	0%	0%	-	0%	0%	11.9%	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial undertakings	0%	0%	0%	0%	0%	0%	0%	0%	-	0%	0%	7.7%	-
Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	-	0%	0%	7.7%	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	78.4%	8.3%	8.3%	-	-	-	-	-	-	-	0%	10.5%	-
of which loans collateralised by residential immovable property	72.1%	8.3%	8.3%	-	-	-	-	-	-	-	0%	11.5%	-
of which building renovation loans	5.5%	0%	-	-	-	-	-	-	-	-	0%	0%	-
of which motor vehicle loans	0.8%	0%	0%	-	-	-	-	-	-	-	-	0%	-
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures included on a voluntary basis	-	-	-	-	-	-	-	-	-	-	-	-	-
GAR - Total GAR assets	81.4%	8.6%	8.6%	0%	0%	0%	0%	0%	-	0%	0%	10.6%	-

Table 5a.
Turnover GAR KPI flow

	Breakdown per environmental objective											Proportion of Taxonomy aligned in Taxonomy eligible	Non assessed exposures	
	Taxonomy-eligible	Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling			
% (compared to corresponding total covered assets in the denominator)														
GAR - Covered assets in both numerator and denominator														
Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	76.2%	10.5%	10.5%	0%	0%	0%	0%	0%	-	0%	0%	13.8%	-	
Financial undertakings	5.0%	0.6%	0.6%	0%	0%	0%	0%	0%	-	0%	0%	11.4%	-	
Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	-	-	0%	6.8%	-	
Debt securities, including UoP	5.0%	0.6%	0.6%	0%	0%	0%	0%	0%	-	0%	0%	11.4%	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-financial undertakings	0%	0%	0%	0%	0%	0%	0%	0%	-	0%	0%	11.2%	-	
Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	-	0%	0%	11.2%	-	
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	
Households	71.1%	9.9%	9.9%	-	-	-	-	-	-	-	0%	13.9%	-	
of which loans collateralised by residential immovable property	69.5%	9.9%	9.9%	-	-	-	-	-	-	-	0%	14.3%	-	
of which building renovation loans	5.3%	0%	-	-	-	-	-	-	-	-	0%	0%	-	
of which motor vehicle loans	1.6%	0%	0%	-	-	-	-	-	-	-	-	0%	-	
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	
Exposures included on a voluntary basis	-	-	-	-	-	-	-	-	-	-	-	-	-	
GAR - Total GAR assets	76.2%	10.5%	10.5%	0%	0%	0%	0%	0%	-	0%	0%	13.8%	-	

Table 5b.
Capex GAR KPI flow

	Breakdown per environmental objective											Proportion of Taxonomy aligned in Taxonomy eligible	Non assessed exposures
	Taxonomy-eligible	Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling		
% (compared to corresponding total covered assets in the denominator)													
GAR - Covered assets in both numerator and denominator													
Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	76.2%	10.5%	10.5%	0%	0%	0%	0%	0%	-	0%	0%	13.8%	-
Financial undertakings	5.1%	0.6%	0.6%	0%	0%	0%	0%	0%	-	0%	0%	11.8%	-
Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	-	-	0%	0.2%	-
Debt securities, including UoP	5.1%	0.6%	0.6%	0%	0%	0%	0%	0%	-	0%	0%	11.8%	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial undertakings	0%	0%	0%	0%	0%	0%	0%	0%	-	0%	0%	10.0%	-
Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	-	0%	0%	10.0%	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	71.1%	9.9%	9.9%	-	-	-	-	-	-	-	0%	13.9%	-
of which loans collateralised by residential immovable property	69.5%	9.9%	9.9%	-	-	-	-	-	-	-	0%	14.3%	-
of which building renovation loans	5.3%	0%	-	-	-	-	-	-	-	-	0%	0%	-
of which motor vehicle loans	1.6%	0%	0%	-	-	-	-	-	-	-	-	0%	-
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures included on a voluntary basis	-	-	-	-	-	-	-	-	-	-	-	-	-
GAR - Total GAR assets	76.2%	10.5%	10.5%	0%	0%	0%	0%	0%	-	0%	0%	13.8%	-

Social information

General information

ESRS 2 General disclosures

(E)

Environmental information

E1 Climate change
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Social information

S1 Own workforce
S2 Workers in the value chain

(G)

Responsible business conduct

G1 Business conduct

Appendix

Contents
Datapoints derived from other
EU legislation

Social information

The Bank Group's operations affect both employees and those working on behalf of the Group. As an employer, the Group strives to create the conditions to ensure the well-being of employees in both their professional and private lives. The conditions for workers in the value chain are also relevant and regularly monitored.

S1 Own workforce

Subtopic	Opportunity ¹⁾ , risk, impact	Time horizon	Value chain
S1 OWN WORKFORCE			
Working conditions	Opportunity, Risk, Positive impact, Negative impact	Short, Medium, Long term	
Equal treatment and opportunities for all	Negative impact	Short, Medium, Long term	

¹⁾ see footnote on page 40.

Location in value chain: Upstream Own operations Downstream

Policy	Responsible party
Code of Conduct for Employees	Head of President's staff
Remuneration Policy	Head of President's staff
Personnel Policy	Head of President's staff
Diversity and Equality Plan	Head of People & Culture Länsförsäkringar AB

The above are examples of governance documents that are particularly relevant to own employees. This is not a complete overview. The Bank Group defines own workforce as its own employees and consultants.

STRATEGY

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The double materiality assessment shows that the Bank Group's broad commitment and extensive customer base has an impact on society, with potential negative impacts mainly relating to work environment, inclusion and discrimination. Risks primarily concern the area of skills supply.

However, there is great potential to strengthen the operations by increasing diversity, employee commitment and well-being, and skills development. To manage these risks and impacts and to capitalise on opportunities, the Group has established a number of processes and tools.

The work environment and employee well-being are promoted by continuously monitoring the workload, conducting regular employee appraisals and employee surveys and analysing sick leave statistics. Efforts to prevent stress and mental health problems are supplemented with other activ-

ities. Health promotion initiatives, such as gyms, an hour of fitness activities and support for associations strengthen the employer brand and promote employee health.

Actively promoting diversity and inclusion broadens perspectives and enhances innovation, decision-making and business opportunities.

To ensure the right skills and reduce the risk of losing key employees, the Group works strategically on skills supply, internal mobility and continuous skills development through its training programmes, digital learning platforms and career development reviews.

Effective resource planning and analysis of the composition of the workforce ensure diversity, inclusion and the right skills in the right place.

The main instrument for regulating employee conduct is the Code of Conduct, which is supplemented with mandatory training and targeted initiatives as necessary. Processes are in place to identify shortcomings and areas for improvement in the work environment and culture, such as employee surveys, health and safety representatives, business risk analyses, structured performance dialogues, policy work, and continuous adjustments to strategies and business models based on identified impacts, risks and opportunities.

Activities on the work environment are managed by the Work Environment Committee, whose members include both employees and trade union representatives so as to continuously evaluate and prevent work environment risks.

Companies in the Bank Group ensure that business practices do not cause or contribute to material negative impacts on its own workforce by following policies, procedures and working methods in accordance with collective agreements and co-determination agreements, and through close dialogue with employees. The Code of Conduct regulates ethics and the work environment in all business processes, and business planning takes place in collaboration with employees and trade union representatives.

The Bank Group can see a strong link between the results of the operations and the well-being of its work-

force. A high degree of employee influence in business planning and formulating targets creates commitment, understanding and ownership throughout the organisation. Employee surveys, trade union collaboration and a well-established Diversity and Equality Plan enable constructive dialogue and proactive work to promote a high level of well-being within the organisation.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

S1-1 Policies related to own workforce

The Bank Group has integrated the principles of the UN Global Compact into the Sustainability Policy, Personnel Policy and Code of Conduct. These governance documents aim to ensure an inclusive and fair work environment, promote diversity and gender equality, prevent corruption and bribery, and prevent discrimination and harassment.

Implementation and governance

The policies apply to the entire workforce and all operations and geographical areas where the Group operates. Decisions on policies are made by the Board. Governance and implementation is then further delegated through Länsförsäkringar Bank's President.

The policies are available to all employees and stakeholders via the intranet, governance documents and [LF.se](#). Annual compulsory training courses in such subjects as the Code of Conduct, sustainability and safety, as well as information on the intranet, ensure that all employees are informed about the content and its application.

Respect for human rights

The Bank Group strives to create an inclusive and fair work environment in which the implementation of policies plays a vital role. The Group has zero tolerance of human trafficking, forced labour, child labour and all forms of discrimination, including harassment and sexual harassment. The Personnel Policy and the Code of Conduct clarify the

Group's position on diversity and anti-discrimination. The workplace is to be inclusive and open to differences, and the governance documents cover all grounds of discrimination as required by law.

The Group promotes cooperation and commitment. The employer brand and code of culture are important for creating an inclusive corporate culture, which in turn strengthens the Group's ability to achieve its business objectives.

The management and remediation of any negative impacts on employees' human rights take place through structured processes that include regular follow-ups of occupational health and safety and well-being. Training courses on inclusive recruitment and interview techniques ensure a fair recruitment process.

Diversity and equality

The Diversity and Equality Plan, prepared for the Länsförsäkringar AB Group, which includes the Bank Group, is regulated by the Code of Conduct and includes active measures to promote inclusion, and to prevent and remedy discrimination. Specific actions are taken to include persons in vulnerable situations, such as positive treatment in recruitment and adapting the workplace for people with disabilities. Managers have a particular responsibility to lead in these matters, although all employees are expected to contribute to an inclusive workplace characterised by tolerance and respect.

Health and safety management system

The Group's health and safety management system is based on the Sustainability Policy, Personnel Policy, Code of Conduct and Diversity and Equality Plan, with the aim of creating a safe, inclusive and fair work environment.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

The Head of People & Culture of Länsförsäkringar AB Group has the ultimate responsibility for regular dialogue with the employees of the Länsförsäkringar AB Group and for having procedures and processes in place to ensure that information that affects employees and their work or work situation is communicated consistently throughout the organisation. This takes place, for example, through

training courses, collaboration with trade unions under the framework of the co-determination rights that the Länsförsäkringar AB Group has committed to through collective agreements.

Established processes are in place at several levels to consider employee views and identify areas for improvement. Employees can contact People & Culture in the Länsförsäkringar AB Group with their opinions and suggestions, even outside their own reporting line.

In addition, unionised employees have access to union representatives who can address such matters collectively.

Regular employee surveys, Work Environment Committee meetings and monthly manager-employee meetings provide additional opportunities for dialogue. The Group also has an active culture program whereby outcomes are reported back to management to highlight employees' perspectives and enable action. Furthermore, a dialogue is maintained with union representatives and other employee representatives on issues of occupational health and safety, diversity and gender equality. The results are used to continuously improve the work environment and to ensure that employees' perspectives are effectively taken into account and to integrate relevant policies and plans, including the Diversity and Equality Plan.

Employees can also report irregularities anonymously via the Länsförsäkringar AB Group's whistleblowing channel.

S1-3 Processes for grievance mechanisms and whistleblowing channels

The Länsförsäkringar AB Group has established procedures for handling irregularities and grievances within the operations. Actions are taken to counteract and remediate negative impacts on the employees, in accordance with the Code of Conduct, collective agreements and trade union agreements.

All employees have access to a digital whistleblowing system and internal reporting channels that handle cases confidentially and professionally. There is also a structure of leadership forums, training and practical tools to ensure that leaders in the operations have the support they need to present the reports they receive about incidents to their immediate manager.

These channels, developed by the Länsförsäkringar AB Group, ensure that all reported cases are handled confidentially and professionally. The Group's complaints management covers the entire workforce. To ensure access to and understanding for these channels, all employees are informed via the intranet and through annual, mandatory training courses.

Reported cases are followed up, categorised and documented to identify and address any structural problems. Preventive measures are taken in the case of recurring risks. This takes place in collaboration with trade union representatives and other stakeholders to ensure that the processes are effective.

For information on protecting whistleblowers from retaliation, refer to S2-3 on page 75.

S1-4 Taking action and approaches related to own workforce

The Länsförsäkringar AB Group has established internal controls, key controls and a risk model for identifying and managing potential irregularities. Employees can report incidents via a digital whistleblowing system, internal reporting system or directly to their immediate manager, who in turn is supported by the People Business Partner. All reporting channels lead to a shared management process whereby cases are investigated by Security, People & Culture or Internal Audit. Mandatory training in business conduct, corruption and work environment ensures awareness and compliance.

Risk and impact assessments are always conducted in the event of major changes, such as acquisitions or termination of business relationships, to identify and manage risks of negative impacts on the workforce and to determine mitigation measures. To safeguard the relevance of the Diversity and Equality Plan, include employee perspectives, and create targeted activities, regular investigations are conducted to identify risks of discrimination, irregularities or other obstacles to equal rights and opportunities.

This includes analyses of employee surveys, employee representatives, health and safety representatives, representative groupings of employees, staff statistics and reported incidents.

After identifying risks and impacts, the causes are analysed, including procedures and processes to ensure that

they are non-discriminatory and that additional proactive measures can be taken. Managers' knowledge about and awareness of discrimination risks are also assessed. Based on the analysis, specific actions are defined and implemented to minimise risks with clearly defined resources and targets. The actions are carried out in collaboration between employers and workers in relation to the set targets to ensure the desired outcome.

Ongoing and planned actions

People & Culture is responsible for preparing actions and staffing the operations through the divisions of Talent Acquisition (TA), Learning & Performance (L&P) and People Business Partners (PBP), with support as needed from other relevant units. Monitoring and evaluation are performed on a yearly basis to ensure that the targets are being achieved and that the actions are effective.

The assessment of some sustainability matters was changed in the in-depth materiality assessment carried out in 2025 from risks to impacts and a number of sustainability matters were added. For further information, see SBM-3 page 68.

A description of the Länsförsäkringar AB Group's primary actions related to the material sustainability matters is provided below. All actions are planned to be completed over the next three years. Resources have been allocated at activity level through either internal priorities or external resources.

Impact on work environment and employee well-being

A sustainable work environment and a balanced workload are highly important to the health of employees and the long-term success of the company. The Länsförsäkringar AB Group's work to promote well-being and prevent ill health involves continuous monitoring and analysis of the workload within the organisation. Continuous employee appraisals and regular employee surveys make it possible to detect any imbalances and support needs at an early stage. Sick leave statistics are continuously analysed to identify patterns and, if necessary, assign extra resources, such as training and manager support.

Regular surveys and analyses of the work environment are carried out to improve efforts on preventing stress and

mental illness. These are supplemented with regular activities under the Diversity and Equality Plan, which focuses on promoting mental health. All employees receive mandatory training in counteracting victimisation and harassment. There are defined procedures and reporting channels in place for incidents related to the work environment.

The Group also offers broad support for employee mental and physical health, such as access to occupational health care services, counselling and routine medical check-ups. The Group works actively to create a work environment characterised by openness and respect, where every employee is able to grow and develop based on their own circumstances.

Economic benefits such as health care insurance, subsidised group medical insurance and discounted insurance products reduce financial stress and make it possible for employees to focus on their recovery. Physical fitness benefits and flexible working further support employee health, efficiency and long-term sustainability.

Impact of diversity and inclusion in the operations

Active work on diversity and inclusion helps to broaden perspectives at the Länsförsäkringar AB Group, which creates the conditions for enhancing innovation, better decision-making and new business opportunities. The work environment and the Group's competitiveness are strengthened by ensuring an equal staffing plan and balanced teams within the operations. Following up statistics allow for any imbalances to be quickly identified and addressed, for example, by applying balanced selection criteria when recruiting.

The Group's Diversity and Equality Plan for 2025–2027 includes specific measures and action plans, which are monitored annually to ensure that the targets are met. The Group participated in the EU Diversity Month in 2025 to increase awareness of diversity and inclusion, as well as to spur engagement and participation among employees. Training courses on inclusive recruitment and interview techniques were arranged to ensure a fair and equitable recruitment process.

Accessibility and inclusion are promoted by initiatives to make workplaces more accessible and by encouraging open and inclusive dialogue, both internally and externally.

Guidelines for religious ceremonies, support for LGBTQIA+ initiatives, and development of SFI offerings or similar courses, are examples of how equitable conditions are created for all employees. All mandatory training courses are offered in English. The onboarding process is continuously developed to ensure gender equality.

Systematic work is being carried out to counteract victimisation and harassment by developing training courses and procedures. Where deviations are identified, action is taken to ensure a safe and inclusive work environment for all employees. The Diversity and Equality Plan is usually implemented by existing personnel, but more resources are allocated if necessary to ensure that actions and projects are conducted effectively.

These efforts create a workplace where differences are embraced and where all employees are given the opportunity to bring their unique experiences and perspectives, which strengthens both sustainability at the organisation and business development.

Risk of being unable to retain and recruit people with key skills and impacts of continuous skills development and strategic skills supply

The Länsförsäkringar AB Group works actively following a long-term approach to ensure that the organisation has the right skills, both now and in the future. To reduce the risk of being unable to retain or recruit people with key skills, a good employer brand is maintained through external communication in various channels and internal initiatives that improve the Group's visibility as an attractive employer. The purpose of these activities is to ensure the supply of skills over time and provide a basis for continuity, quality and high productivity in the operations.

Strategic skills supply entails the preparation of action plans to identify and cover any skill gaps, which gives all employees an opportunity to grow together with the Group. Both individual and collective skills are enhanced by promoting internal mobility, offering training programmes, career development reviews and individual development goals, as well as providing access to digital learning platforms and a wide range of training courses. A learning calendar of webinars in priority areas also adds to continuous skills development. This raises employee motivation and

engagement, while making the Group a more attractive employer and reducing employee turnover.

It is important to offer a safe and attractive work environment in order to attract and retain employees with key skills. Benefits that increase financial security in the event of illness and parental leave help ensure a good work-life balance, greater gender equality and a stronger employer brand. The Länsförsäkringar AB Group applies collective agreements that provide financial security in the event of illness and parental leave. Moreover, a supplement is offered to the parental benefit from the Swedish Social Insurance Agency, up to 90% of salary, which makes it easier for employees to balance work and family life and contributes to a better gender equality in the workplace.

Health promotion initiatives are arranged to further strengthen the employer brand and create a healthy workforce and promote physical and mental health, for example, access to gyms, an hour of fitness activities, health lectures and support for associations. Effective resource planning, greater diversity and inclusion and the right skills in the right place are ensured by continuously developing processes and systems for monitoring and analysing the composition of the workforce.

Evaluation of actions

The Länsförsäkringar AB Group applies an established procedure for assessing suitable actions. This process involves regular investigations to identify risks of discrimination, irregularities or other obstacles to equal rights and opportunities. Once identified, the causes of the risks detected are analysed. The analysis focuses on determining whether procedures are applied correctly, whether they are designed to be non-discriminatory, and whether further proactive measures are required. Based on the investigation and analysis, specific actions are defined to minimise risks from an efficiency perspective, including the determination of resources and targets for the actions.

The actions are implemented in collaboration between employers and workers and then evaluated in relation to the set objective to ensure the outcome. Initiatives with active measures are monitored and evaluated on a regular basis, at least once yearly. Monitoring comprises a review of all activities in the action plan, taking action where dis-

crepancies occur and comparisons against KPIs such as gender distribution, absence due to sickness, employee turnover and the results of employee surveys.

TARGETS AND METRICS

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Compliance with policies is ensured through an integrated method, with staff-related actions and procedures as a natural part of the Group's business, target and cultural initiatives. Regular employee surveys, feedback sessions and dialogue with trade union representatives, safety officers and work environment committees help ensure continuous monitoring and development. Incidents and violations are managed through an internal reporting system and assigned work environment responsibility with leadership that detects and manages irregularities.

The Bank Group's business planning process includes targets for both business and sustainability, with sustainability targets for 2025–2028, both at Group and unit level. These targets are set annually and monitored regularly to ensure clarity, structure and a high level of ambition.

The strategic sustainability targets for 2025 included introducing digital rehabilitation training by 2027, the share of equal working groups (37% by 2027) and implementing mandatory training courses. The share of equal working groups in 2025 was 35% for the Bank Group. Work is ongoing to achieve the targets for equal working groups over time.

The Bank Group ensures knowledge of the most relevant governance documents by arranging through annual mandatory training. The target is for 95% of all employees to have completed the training courses every year. For more information, see table 2 in G1, page 83.

The Bank Group also monitors the results of the index in the annual employee survey. Due to a change of system, the leadership index was excluded in 2025 since this information was not available. This target will be revised and adjusted to the new system. The table shows the outcome for the Länsförsäkringar AB Group since the Bank Group cannot be reported separately.

TABLE 1
Outcome employee survey

	2025	2024	Targets
Commitment	86	85	89
Leadership ¹⁾	–	86	89
eNPS ²⁾	39	43	53

¹⁾ The metric will be removed in 2025 due to the index no longer being available from the employee survey provider.

²⁾ eNPS – Employee Net Promoter Score, whether employees would recommend Länsförsäkringar AB as an employer to a friend or acquaintance.

S1-6 Characteristics of the undertaking's employees

The number of employees in the Bank Group at year-end is reported in this section. The details in the personnel note in the financial reporting are based on full-time equivalents (FTEs) calculated on the basis of actual hours worked during the year. The details in S1 are based on the number of physical persons on 31 December. This is because it is not possible to calculate all quantitative requirements on the basis of an average over the financial year.

The Länsförsäkringar AB Group has about 2,000 individuals who have double employment at Länsförsäkringar Bank and the regional insurance companies. Their employment relationship, such as work environment and labour law conditions, are fully regulated by each regional insurance company. These employees are not included in the disclosures in this Report.

The employee status reported in all tables in section S1 is based on data as per 31 December 2025. The metrics are affected by any changes in the workforce during the year, such as new recruitments, retirement or terminations. If an employee has changed their form of employment during the year, they are classified according to the employment type that the employee had on 31 December 2025. The total number of employees may vary slightly due to changes in employment types and geographical circumstances during the year. The newly acquired company SAVR AB does not currently have complete information, which is why the company is not included in the following KPIs: S1-5 Attractive employer, S1-6 50 c) Employee turnover and S1-13 83 b) Number of training sessions. The

data was collated via internal processes and has not been validated by an external body. Also, the metric of “number of employees” does not include consultants. The tables do not show any genders other than those recognised by Swedish law.

TABLE 2
Number of employees Bank Group

Gender	2025
Male	563
Female	610
Other	–
Not reported	–
Total employees	1,173

Table 2 shows the total number of employees in the Bank Group. This metric is used to provide insight into the Group's size and workforce resources, which is a material aspect of sustainability reporting in relation to working conditions and social responsibility. The metric is based on the total workforce employed by the company, regardless of the type of employment.

TABLE 3
Number of employees in the Bank Group, by Sweden and other countries

Country	2025
Sweden	1,173
Other countries ³⁾	–
Total employees	1,173

³⁾ For data on the number of employees per country, refer to SBM-1 Strategy, business model and value chain on page 35.

Table 3 shows the total number of employees in the Bank Group. This metric is used to provide a better understanding of the Group's geographical workforce structure. For Sweden, it includes all employees stationed in Sweden. The number of employees was determined by the internal personnel register and geographical classification.

TABLE 4
Number of employees in the Bank Group, by form of employment 2025

	Male	Female	Other	Not reported	Total
Number of employees	563	610	–	–	1,173
Number of permanent employees	520	554	–	–	1,074
Number of temporary employees	10	18	–	–	28
Number of non-guaranteed hours employees	33	38	–	–	71

Table 4 shows the total number of employees in the Bank Group by type of employment. This metric is used to provide a detailed overview of the Group's workforce structure and provides insight into how types of employment are distributed within the organisation, which may be of significance for sustainability work related to working conditions and social responsibility. The metric is presented by type of employment and is based on internal personnel register and covers all employees during the current reporting period. The type of employment as based on each individual's contract, with permanent, temporary and non-guaranteed hours employees defined according to internal guidelines.

TABLE 5
Employee mobility – number of employees leaving the company and turnover

	Sweden and other countries
	2025
Total number of employees who have left the Group during the reporting period	125
Rate of employee turnover % in the reporting period	10.7

Table 5 shows the total number of employees who left the Bank Group during the reported period, with reasons such as own request, retirement, internal transfer to a regional insurance company, trial employment ending, separate agreement and deceased. The table also includes the employee turnover rate as a percentage.

This metric is used to provide an overview of the Group's workforce dynamics and to illustrate the frequency at which employees leave companies within the Group, which in turn can provide valuable information on work climate, commitment and human resources management.

Employee turnover is calculated by dividing the total number of people whose employment ended by the average number of employees on 1 January and 31 December 2025. The metric does not include consultants, non-guaranteed hours employees or temporary employees.

S1-7 Characteristics of non-employees

The definition of non-employees who are considered to be own workforce is based on whether they are managed by the Länsförsäkringar AB Group and hold line positions in the operations. Other procured services are covered by S2 Workers in the value chain.

TABLE 6
Non-employees

	2025
Resource consultants	48
Specialist consultants	73
Total number of consultants⁴⁾	121

⁴⁾ Länsförsäkringar Bank has three consultant categories: resource consultant, specialist consultant and consultants procured for a specific function. The categories included in own workforce and thus in S1 are resource and specialist consultants, while consultants procured for a specific function are defined as purchased services and are therefore included in S2.

Table 6 shows the total number of non-employees who work in the Bank Group, by resource consultants and specialist consultants. This specification provides an overview of the Group's use of external resources and contributes to insights into the external workforce structure. In order to provide an accurate specification, all consultants procured by function were excluded from the data, meaning that consultants engaged to provide specific services under long-term framework contracts were not included in this table. The metric is based on consultants who had an active contract on 31 December 2025, regardless of whether they have worked on short or long-term assignments.

S1-8 Collective bargaining coverage and social dialogue

The Bank Group complies with the laws, agreements and regulations that govern how the companies act under the Employment Protection Act, Discrimination Act, Work Environment Act and collective and co-determination agreements. These apply to all employees, including Group management teams, in Sweden. Just under 100% of all permanent employees in Sweden are covered by the national insurance scheme and collective agreements on remuneration for sick leave, termination of employment, work accidents, parental leave and pensions.

TABLE 7
Collective bargaining coverage

Coverage rate	Employees – EEA (for countries with >50 empl. representing >10% total empl.)
0–19%	
20–39%	
40–59%	
60–79%	
80–100%	Sweden

Table 7 shows the percentage of employees covered by the Länsförsäkringar AB Group’s collective bargaining agreements, which apply for employees who have been employed for more than six months. This metric provides an overview of the extent of collective bargaining coverage and reflects the Group’s commitment to ensuring that employees receive the benefits and rights offered by the collective bargaining agreement. In order to meet the definition of collective bargaining “coverage”, the length of service and the rules of the collective bargaining agreement were taken into account to identify who is eligible for contractual benefits. The period counted for employment is the time that the individual has been employed at the company. It does not include short-term temporary or casual employment that does not reach the six-month limit.

S1-9 Diversity metrics

TABLE 8
Gender distribution at top management (head count and %)

	2025	
	Female	Male
Number	2	5
Share in %	29	71

Table 8 shows the gender distribution among the Bank Group’s corporate management. This metric is used to provide insight into the Group’s work on gender equality and diversity at the highest level of the organisation and to show the gender representation in the decision-making bodies. The metric was calculated by counting the number of people in bank management, which is defined as the President and other corporate management, by gender.

TABLE 9
Distribution of employees by age group

	2025
Under 30 years old	307
aged 30–50	563
Over 50 years old	303

Table 9 shows the distribution among the Bank Group’s employees in various age groups. The metric is used to monitor and assess the diversity of the workforce and identify any age-related risks or opportunities. This metric is relevant to ensure a balanced age structure and to promote an inclusive work environment. The calculated data is based on reported age on 31 December 2025. The age groups are defined according to the Group’s own categories and may differ from industry-specific standards.

S1-11 Social protection

The Bank Group complies with the laws, agreements and regulations that govern the Group’s actions. All employees of the Bank Group are covered by the social insurance systems that are applicable in the respective countries, including protection during absence due to illness, termination,

workplace accidents, parental leave and pension. All employees with a contract period longer than six months are automatically covered by the Bank Group’s health care insurance, which is paid for by the employer and subject to fringe-benefit tax. If necessary, an agreement is in place with occupational health care services, which can provide support for rehabilitation, work-related ill health, as well as ergonomic advice, regular medical check-ups and counselling for managers in managerial matters. The Länsförsäkringar AB Group has its own health centre for exercise and training at its office on Tegeluddsvägen in Stockholm, and also subsidises massages. Physiotherapy, naprapathy and personal trainers are also available. All employees in Sweden are offered one hour of fitness activities during work hours every week as well as a fitness subsidy.

TABLE 10
Employees covered by social protection against loss of income

Year	Sickness	Unemployment	Employment injury	Parental leave	Retirement
2025	Yes	Yes	Yes	Yes	Yes

Table 10 shows information on employees in the Bank Group covered by social protection against loss of income due to major life events, such as illness, unemployment, work-related injuries, parental leave and retirement. This metric is used to assess the Group’s actions to ensure that employees are financially protected in the event of major life changes and to monitor the Group’s work on social responsibility and employee well-being. This metric only includes workers who are directly employed by companies within the Group. Insurance cover may vary depending on the type of employment, length of service and other individual factors that are not always taken into account in the summary statistics.

S1-13 Training and skills development metrics

Employees are responsible for, and pursue, their own performance and development. Managers and leaders create conditions for performance through clarity, follow-up, support and feedback. Managers and employees have a joint responsibility for the structured continuous performance

dialogue during the year, where the personal roadmap with expected performance is followed up. Other aspects of the roadmap concern skills, learning, long-term development and the work environment and health. The latter is part of structured health and safety management.

Last year’s table showing the percentage of employees that participated in regular performance and career development reviews is removed for 2025 since no data is available due to the change in system supplier for the employee survey from which the information was collected. The phase-in provision for this disclosure requirement is thus being applied and the possibility of resuming reporting in the future is being investigated.

Statutory and compulsory Group-wide courses have been arranged, with requirements set based on the employee’s occupation, role and work tasks. Employee and leadership training courses are also offered. In 2025, 16,684 in-house training sessions for employees were completed in the Bank Group by Länsförsäkringar AB’s Learning & Performance department.

TABLE 11
Average number of training sessions¹⁾ per employee, by gender and year

	2025
Male	15.2
Female	16.1

¹⁾ This refers only to internal training sessions

Table 11 shows the average number of internal training sessions completed by employees at the Bank Group, by gender. The metric is used to assess the Group’s work on employee development, gender equality and career opportunities. It also provides insight into how the Group’s companies ensure that all employees, regardless of gender, have equal opportunities for personal and professional development. The number of internal training sessions is calculated on the basis of employees’ registered participation in sessions organised by the Group during the year. The metric reflects only participation in internal activities and does not include external training or development programmes that employees may have completed.

It should also be noted that not all employees participate in the survey, such as leave of absence, recently started employment, impending termination of employment or sick leave.

S1-14 Health and safety metrics

The Bank Group works actively to develop its work environment. Part of these efforts involves reviewing overall structures and data collection concerning irregularities. The Group emphasises that metrics for the physical work environment are of material significance. However, since the work performed within the Group predominantly consists of office work, the focus was on identifying and preventing risks linked to the psychosocial work environment.

TABLE 12
Percentage of own workforce who are covered by the Group's health and safety management system

	Coverage by H&S system %	Number of employees covered
2025	100	1,173

Table 12 shows the percentage of employees in the Bank Group's workforce that were covered by the health and safety management system. The metric is used to assess how well the health and safety management system covers the Group's entire workforce and ensures that all employees have a common framework for occupational safety and health. The information provides insight into the Group's commitment to promoting a safe and healthy work environment for all employees.

Participation in the work environment health and safety management system includes security training and other measures included in the framework of the system. Data is collected and reported annually to ensure that all employees, regardless of their type of employment, are covered by the same system.

S1-15 Work-life balance metrics

TABLE 13
Employees taking family-related leave

	2025
Percentage of employees entitled to take family-related leave	100%
Percentage of entitled employees that took family-related leave, by gender:	
Male	22%
Female	29%

Table 13 shows the percentage of employees at the Bank Group that are entitled to take family-related leave and the percentage that actually took such leave, by gender. This metric is used to monitor the Group's efforts to support employees' work-life balance and ensure that all employees, regardless of gender, have access to the necessary family-related support. The metric is based on current legislation.

It is possible that gender identification does not fully capture all variations of gender identity, but for the purposes of this report, legal gender designations have been used.

Statistics on leave taken may be affected by employees' individual decisions not to take leave even though they are entitled to take it, which may lead to discrepancies.

S1-16 Remuneration metrics (pay gap and total remuneration)

TABLE 14
Pay gaps and remuneration ratio

	2025
Percentage gap in pay between female and male employees	25%
Annual total remuneration ratio	5.7
Annual total remuneration for the undertaking's highest paid individual/median employee annual total remuneration (excluding the highest paid individual)	

Table 14 shows the percentage gap in pay between female and male employees at the Bank Group and the annual total remuneration ratio. The metric is used to monitor and assess the Group's work on gender equality regarding pay and the overall distribution of remuneration between employees, regardless of gender. This information is key to ensuring that the Bank Group has fair and transparent pay principles. The annual remuneration ratio is calculated as the monthly salary of the highest paid individual divided by the median monthly salary of all employees and is divided between men and women. Pension costs are not included in the calculation. The information is based on the total number of employees. The median salary is calculated on the basis of a fixed contractual full-time salary. Since the majority of employees are paid monthly, there is no information on hourly salaries.

Social information, cont.

The Bank Group has a responsibility for workers in the value chain, both upstream and downstream. The Group works systematically to identify and manage risks related to working conditions and the human rights of suppliers, business partners and investees. By setting clear requirements, monitoring and conducting engagement activities, the Group endeavours to counteract poor working conditions and ensure responsible business conduct in the value chain.

S2 Workers in the value chain

Subtopic	Opportunity ¹⁾ , risk, impact	Time horizon	Value chain
S2 WORKERS IN THE VALUE CHAIN			
Working conditions	Risk, Negative impact	Short, Medium term	⌚ ⌚
Equal treatment and opportunities for all	Risk, Negative impact	Short, Medium term	⌚ ⌚
Other work-related rights	Risk, Negative impact	Short, Medium term	⌚ ⌚

¹⁾ see footnote on page 40.

Location in value chain: ⌚ Upstream ⌚ Own operations ⌚ Downstream

Policy	Responsible party
Code of Conduct for Suppliers	Chief Financial Officer
Code of Conduct for Other Business Partners	Chief Financial Officer
Purchasing and Procurement Policy	Head of PPO & IT
Guidelines on responsible and sustainable business conduct	Chief Financial Officer

The above are examples of governance documents that are particularly relevant to workers in the value chain. This is not a complete overview.

STRATEGY

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Identified risks

The Bank Group has identified a number of material risks and negative impacts both upstream and downstream in the value chain. Risks and impacts for workers upstream were identified for suppliers and business partners and downstream for investees (holdings). A lack of respect for labour laws and human rights in investments, procurement and supplier monitoring could entail, for example, indirectly supporting irresponsible business models and increasing the risk of labour rights violations. This has a negative impact on the Group's delivery, returns and brand. The Bank Group has suppliers, business partners and investees in sectors and countries that are deemed to have an elevated risk of poorer working conditions. The identified elevated risks could negatively affect the Bank Group's operations and brand and lead to cooperation with counterparties who have poor working conditions.

Management of identified risks

Suppliers

A significant share of the identified risks for workers in the Bank Group's value chain relate to the Group's suppliers. Despite screening, systematic risk assessments and requirements for suppliers to comply with the Bank Group's Code of Conduct, there is still an inherent risk that parties do not fully comply with these requirements. The risk is particularly evident in certain sectors and/or geographic locations, and in situations in which the Group has limited insight into the suppliers' internal processes, or where suppliers lack incentives to implement the necessary measures. This increases the likelihood that the Group, directly

or indirectly, cooperates with suppliers who do not ensure decent working conditions for their employees. Alongside the risk of poor working conditions, there is also a risk of negative impacts on the Group's brand if it was revealed that a supplier does not comply with the Code of Conduct.

To manage these risks, the Bank Group conducted risk assessments of suppliers using an internally developed tool. The risk assessment involves a number of risk parameters to identify potential violations of human rights, labour, bribery and corruption, and the environment based on the supplier's geographic location and sector. Information forming the basis of the risk assessment was collected from several different public sources with related indexing and country rankings. A process was initiated in 2025 to develop the definition of country risks and methods for handling counterparties in high-risk countries. This work is expected to continue in 2026, including establishing a cross-functional supplier forum within the Group with representatives from different units.

If a supplier is identified as high risk, a more in-depth screening is carried out to gather additional information on how the supplier takes preventive action and handles labour and human rights issues. If the supplier is unable to provide sufficient information, the Group, in the first instance, initiates engagement. If such engagement does not have the desired effect, the business relationship may be terminated prematurely. This option is a last resort in the Group's process for managing material risks for workers in the value chain.

Identified negative impacts

The Bank Group has identified that investments that violate international labour law standards and conventions, such as from the ILO's standards, could have a negative impact on workers in the value chain. Through such investments, the Group risks indirectly financing operations that do not respect fundamental labour standards, which poses a risk to both workers' rights and the Group's reputation.

Management of identified negative impacts

Investments

The Bank Group has applied a Policy on Responsible Investments and Corporate Governance, including related responsible investment strategies, for many years to manage the risk of negative impacts. These strategies entail that investees (holdings) are screened at least every six months, or ad hoc based on incidents, via external data providers in order to identify potential violations of human rights and labour practices. In addition, exclusion criteria area applied for serious violations and an exclusion list is regularly updated that details investees with confirmed violations and those that are excluded from investments. The methodology for identifying labour and human rights violations among listed investees (admitted for trading on public marketplaces) was developed further in 2025. This entails that the method for qualitative assessments of companies flagged by data providers was concretised and a framework for conducting engagement activities was decided on.

If a violation is identified, the Group initiates engagement and requires that the violation ends and prevention action be taken. If engagement does not result in the desired change, the company in question may be excluded as a last resort.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

S2-1 Policies related to value chain workers

The Bank Group has adopted governance documents based on, but not limited to, established international conventions and standards for responsible business conduct such as the UN Global Compact's 10 principles, the UN Guiding Principles on Business and Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. The governance documents clarify the Group's expectations regarding the counterparty's work on business conduct and expectations and demands on other companies relating to investments, lending, purchasing, procurements and partnerships. The aim of this is to protect workers in the value chain from exposure to violations

of human rights, labour law, environmental and health risks and to combat corruption and bribery. The governance documents describe how material impacts, risks and opportunities related to workers in the value chain are to be managed.

The methodology for identifying violations also includes proposed actions in the event of identified violations, how to conduct engagement, possible activities to stop, prevent and minimise impacts for affected workers, the possibility of remediation for affected workers, and whistleblowing possibilities. Engagement is conducted by the Bank Group itself, together with other investors or through external fund managers and/or stewardship service providers.

When serious sustainability-related violations are identified, the initiation of engagement is regulated in the Policy on Responsible Investments and Corporate Governance and the Codes of Conduct for suppliers and other business partners. The Policy on Responsible Investments and Corporate Governance states that the aim of reactive engagement is to make companies stop sustainability-related violations and to take preventive action.

S2-2 Processes for engaging with value chain workers about impacts

The methodology for the application of due diligence by the identification of negative impacts for workers in the value chain

The application of due diligence is divided into several components, which together ensure that the Bank Group identifies negative impacts for workers in the value chain and monitors and addresses them. Components include screening to identify negative impacts on suppliers, business partners and investees, engagement where necessary, and as a final resort, possible exclusion or termination of the business relationship.

Screening

One of the aims of the screening is to identify any violations or risk of violations of labour and human rights in relation to workers in the value chain, including child labour and forced labour. Investees are screened every six months to identify potential risks or confirmed violations. The

screening of investees on listed markets is carried out using external data. Directly owned unlisted companies and issuers (bond issuers) are monitored via dialogue and information gathering. In the case of indirect fund investments in unlisted markets ("private equity"), the corresponding expectations are managed by screening and handling non-compliant investees via contracts with the fund manager.

Suppliers and business partners are screened when contracts are signed and in an annual screening. The screening of suppliers and business partners is carried out using a risk assessment tool. The tool assesses the risk level of a supplier/business partner based on the geographic location and sector in which it operates, as well as any company-specific violations of international conventions by applying data sources used for screening listed investees. The Bank Group does not conduct any analysis to identify workers in the value chain who may be particularly vulnerable to impacts or who are marginalised.

Managing violations

If violations are identified for a supplier, business partner or an investee, engagement is initiated with demands for the relevant party to take action. Länsförsäkringar AB has also developed a number of exclusion criteria that aim to provide guidance on which companies need to be completely excluded from the Bank Group's investments or where business relationships need to be terminated. All exclusion criteria are described in more detail in SBM-1, page 35.

Suppliers and business partners with higher risk identified in the screening also need to respond to the Bank Group's questionnaire on responsible business conduct. The answers to the questionnaire are then analysed together with the results of the screening to decide whether or not the company needs to initiate engagement.

Engagement is conducted in dialogue with a representative appointed by the company in question, whose task is to represent the company in the engagement. The company's representative is often chosen according to the subject of the dialogue. Specific objectives and milestones are set at the start of the engagement to enable follow-up and assessment of the progress of the case. An engage-

ment dialogue is managed continuously and the effectiveness of the engagement is assessed based on whether the company implements the changes required in order for the Bank Group to continue the business relationship. Insight into companies is limited to the companies when the Bank Group has direct contact or where contact takes place via other investors or a stewardship service provider. The Bank Group has no global framework agreements or agreements with international trade unions.

Integrating due diligence into operations and strategy

Regulating the application of due diligence in governance documents ensures that the operations are aware of and informed about such work and the areas of responsibility for its application. The Board and other senior executives receive training in sustainability at the Bank Group at least once a year. See section S2-1 on governance documents and integration into the operations.

S2-3 Processes for grievance mechanisms and whistleblowing channels

Handling grievances, whistleblowing and remediation

The Länsförsäkringar AB Group has established both internal and external channels that its own workforce and workers in the value chain can use to report complaints or whistleblow, and where reported cases can be investigated. The Group has an internal whistleblowing function that is available to its own workforce, consultants, Board members, shareholders and trainees who wish to raise grievances. The whistleblowing function is a completely independent service from the Group and satisfies high security requirements in terms of encryption, data security and protection of whistleblower anonymity. Workers in the value chain have access to the same service, which is available via the Länsförsäkringar AB website. External whistleblowing cases are handled by Länsförsäkringar AB's Internal Audit. All external cases received are processed and investigated. The Bank Group is responsible for ensuring that the person making a report is protected from negative consequences (retaliation) and must also ensure that no-one under the company's control punishes or discriminates against the person who made a report.

Incoming whistleblowing and complaints cases are regularly documented and an evaluation of closed cases is carried out. The documentation includes information about cases received and a summary of the actions taken. Companies in countries who are members of the OECD are responsible for ensuring that there is a National Contact Point. The National Contact Points work together to handle complaints in different countries. The Bank Group also has investees and suppliers in countries that are not members of the OECD.

S2-4 Taking action and approaches related to value chain workers

Screening of suppliers and business partners

The risk assessment described in section S2-2 aims to identify sustainability risks and enable the selection of responsible suppliers and business partners. In cases when a higher risk has been identified for a supplier or business partner, a more comprehensive screening is carried out and more information is gathered. The Bank Group applies exclusion and transition criteria to all suppliers and business partners to ensure that responsible partners are included.

Screening of investees

The analysis described in section S2-2 was carried out in order to identify whether any investee has breached the violations and principles that the Group has undertaken to follow, which are presented in S2-1. If a confirmed violation is detected or if there is the risk of a violation, the Bank Group conducts a more comprehensive assessment of the investee.

Engagement activities

The Bank Group carries out both proactive and reactive engagement as regards labour and human rights. Engagement is carried out proactively to encourage the investee to work preventively on identified risks, for example, by sector, and thus avoid future violations. The Bank Group supports PRI Advance and Investor Alliance for Human Rights, two investor-led collaborative stewardship initiatives on labour and human rights. The aim of these initiatives is to promote human rights and through its involvement in

investor-led initiatives, the Group can engage with the investees on their work on human rights.

Engagement can also take place reactively if violations are identified. When violations are identified, the investee is subject to engagement by a stewardship service provider, via an external provider or by Länsförsäkringar itself. Engagement activities are intended to guide the investee away from violations and towards taking preventative measures. Through these actions, the Bank Group strives not only to minimise negative impacts, but also to offer companies an opportunity to take preventive action. Every six months, the Bank Group follows up all ongoing and completed engagement dialogues. Engagement is expected to be completed within three years from the start of the dialogue. At the end of the dialogue, the party is expected to be able to prove that the violation has ceased and preventive measures have been taken. If this cannot be ensured, the company may be excluded from investment operations and any business relationship may be terminated. The list of excluded investees is prepared and revised twice a year and includes those excluded from all investments.

TARGETS AND METRICS

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Bank Group monitors the effectiveness of policies and actions, including level of ambition, indicators and the progress on engagement over time. If engagement does not produce the desired results, exclusion is used as the last resort. This applies specifically to companies involved in serious violations of international conventions and agreements.

The outcome of engagement is reported at least every quarter to corporate management, the Board and the owners (the regional insurance companies). There are currently no quantitative targets in this area. Instead, this work is governed by the Group's Policy on Responsible Investments and Corporate Governance and the Codes of Conduct for suppliers and business partners, which clearly define processes and actions when violations are identified. The level of ambition and effectiveness are

monitored on the basis of the processes described in S2-4. Any targets and indicators will be considered as the area is developed and additional needs are identified.

The number of investees subject to engagement regarding labour and/or human rights is presented in table 1. Engagement with investees includes both reactive responses to identified violations and proactive measures, either through dialogue we initiate ourselves or through engagement in such initiatives as PRI Advance and the Investor Alliance for Human Rights. No violations were identified at suppliers or business partners during the year, and thus no reactive engagement was taken against these parties.

TABLE 1
Engagement investees

Metric/activity	2025
Number of investees subject to engagement regarding labour and/or human rights	185

The Bank Group is responsible for ensuring that the expectations of engagement efforts are communicated to the company in question, either directly or via a stewardship service provider. The Group is also responsible for clearly communicating expectations and necessary improvement measures through dialogue with the company. The aim is to ensure that the company in question is aware of how to improve its operations in relation to the identified violation. A selected representative from the company concerned is consulted. Workers in the value chain have an opportunity to express their views on the engagement process to aid in its development, via the stewardship service provider, external managers or directly to the Bank Group when the Group conducts dialogue itself.

Responsible business conduct

General information

ESRS 2 General disclosures

(E)

Environmental information

E1 Climate change
Taxonomy disclosures

(S)

Social information

S1 Own workforce
S2 Workers in the value chain

(G)

Responsible business conduct

G1 Business conduct

Appendix

Contents
Datapoints derived from other
EU legislation

Responsible business conduct

By combining strict business conduct policies with a strong corporate culture, the Bank Group ensures that all employees act in accordance with the Group's high ethical standards. Strict requirements are also set for suppliers and other business partners.

G1 Business conduct

Subtopic	Opportunity ¹⁾ , risk, impact	Time horizon	Value chain
G1 BUSINESS CONDUCT			
Political engagement and lobbying activities	Positive impact	Short, Medium, Long term	 
Corruption and bribery	Negative impact	Short, Medium, Long term	  
Corporate culture	Risk, Negative impact	Short, Medium, Long term	 
Management of relationships with suppliers	Risk, Negative impact	Short, Medium term	
COMPANY-SPECIFIC TOPICS			
Financial crime			
Money laundering	Risk, Negative impact	Short, Medium, Long term	 
Fraud	Negative impact	Short, Medium, Long term	 
Privacy			
Cybersecurity	Risk, Negative impact	Short, Medium, Long term	  
Privacy	Negative impact	Short, Medium, Long term	 

¹⁾ see footnote on page 40.

Location in value chain:  Upstream  Own operations  Downstream

Policy	Responsible party
Policy on Anti-Money Laundering and Financing of Terrorism	Head of Financial Crime Prevention
Policy on Improper Benefits	Head of Compliance
Guidelines on managing whistleblowing cases	Head of President's staff
Tax Policy	Chief Financial Officer

The above are examples of governance documents that are particularly relevant to business conduct. This is not a complete overview.

STRATEGY

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Responsible business conduct is about how the Bank Group acts so that sustainability is integrated both into its own operations and into the value chain related to the environment, human rights, labour, business conduct and corporate governance. This means that sustainability requirements are set for suppliers and business partners, that good business ethics are incorporated into the entire operations, that the Group is a responsible and attractive employer.

Non-ethical business behaviour, money laundering and financing of terrorism are international problems that pose serious threats to the financial system and its institutions, and ultimately also the real economy and national safety. Confidence in the financial system is quickly tarnished if financial institutions are associated with non-ethical business behaviour, illegal assets and money laundering or if the institutions are used to finance terrorism.

The finance industry is subject to regulations that seek to prevent and counteract the financial system being utilised for money laundering and financing of terrorism. Corruption risk, such as bribery, conflicts of interest and abuse of power, is a risk found in all companies regardless of industry and country. Every day, the Bank Group works to prevent this type of behaviour, which is vitally important and a key priority for meeting regulatory requirements, contributing to a stable financial system and for the Bank Group to uphold its good reputation.

The Bank Group strives to establish long-term and sustainable partnerships with suppliers. Most supplier relationships last longer than three years, in line with the Group's purchasing strategy. The management of suppliers is based on strategic efforts that also take into account

risks linked to sustainability matters. A majority of the Bank Group's purchases are made from service providers with a focus on local and certified suppliers primarily based in Sweden. IT purchases are made from suppliers operating both in Sweden and other countries, such as India. Sustainability-related risks are mainly linked to working conditions. Specific risks were also identified in different purchasing categories, such as promotional products with the company's logo as well as cleaning services. A governance-related negative impact has also been identified linked to a lack of coordination and poorly defined mandates regarding supplier management that increases the risk of inefficiency, lower business control and irregularities.

To ensure effective information security requirements, the Bank Group systematically tests and evaluates technical safeguards, such as penetration tests, vulnerability scans and independent audits. Identified shortcomings are managed in a risk-based process and addressed continuously. Targets and metrics currently focus on training initiatives to nurture a culture of safety and raise safety awareness. Implementation of training courses and exercises is monitored and measured, and training programs are updated annually based on current requirements and threats.

The Bank Group needs to process and manage large amounts of personal data to meet its commitments to customers, employees and other registered individuals. In some cases, the personal data will need to be stored for a long period of time. This requires systematic and effective data protection initiatives, and adequate technological and organisational measures. Shortcomings in data protection could result in the companies incorrectly handling registered personal data, which negatively affects privacy.

The Bank Group needs robust control systems to reduce the risk of its operations being used for financial crime. Inadequate control systems risk making the operations more vulnerable to money laundering and financing of terrorism, as well as making customers more vulnerable to fraud.

In the Bank Group's investment operations, there is a risk that companies will fail in their processes linked to bribery and corruption, which could lead to investments being made in companies that commit such violations, which thereby has a negative impact on the external world. Similarly, there is also a risk that inadequate consideration of ethics and responsible governance in procurement processes, purchasing and monitoring will result in the Group supporting operations with unethical business conduct and enabling irregularities. To manage this risk, the Group conducts semi-annual screening of all portfolio companies to identify potential violations of the UN Global Compact and OECD guidelines, which address such matters as bribery and corruption. If a violation is identified, engagement is initiated in the first instance to support the company in ceasing such behaviour. Management of identified risks in the supply chain is described in more detail in section SBM-3 in S2.

The Bank Group is also exposed to sustainability-related risks linked to misleading communication, data quality, changes in the business environment and the integration of climate-related factors in business decisions. A lack of quality assurance of sustainability information could lead to misleading communication (greenwashing), which could result in regulatory action and negative impacts on confidence and reputation.

The Bank Group's ability to make informed decisions is dependent on reliable data and appropriate analytical tools. Failures in managing data or analysis could result in incorrect decisions, inadequate risk assessment, missed business opportunities and increased regulatory risks.

Rapid changes in policy landscapes, market conditions and consumption patterns could render planning and strategic decisions more difficult. Failure to adequately adapt the operations could impact demand for products and services and the company's long-term returns.

Furthermore, risks have been identified related to insufficient integration of climate-related risks and emission costs in business decisions negatively impacting profitability and delaying the achievement of the Bank Group's sustainability targets and ambitions.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

G1-1 Business conduct policies and corporate culture

The Bank Group has established comprehensive policies for business conduct, corporate governance and corporate culture, which are central to the success of the operations. These governance documents mainly consist of the Sustainability Policy, Codes of Conduct for employees, suppliers and other business partners, the Personnel Policy and the Policy on Improper Benefits. Together, these governance documents ensure an ethical and inclusive work environment. In addition, the Group has an adopted Code of Culture and a Diversity and Equality Plan, which are integrated into these governance documents. The Group's business conduct includes both the corporate culture and strict rules for handling gifts, rewards and other benefits. The Policy on Improper Benefits aims to prevent corruption and bribery and to promote high ethical standards.

The governance documents and codes of conduct regulate business conduct and the Bank Group's expectations and demands on both its own workforce and counterparties in the value chain relating to investments, lending, purchasing, procurements and partnerships. The aim of this is to protect workers in the value chain from exposure to violations of human rights, labour law, environmental and health risks and to combat corruption and bribery.

To ensure compliance with these rules, mandatory online courses are held annually based on the Code of Conduct for employees, which includes information about the Bank Group's approach to benefits, corruption, bribery, culture, work environment, employee and leadership, and management of conflicts of interest and irregularities. The Code of Culture is the foundation of the Bank Group's corporate culture and serves as support for how employees are to act and treat others. This is closely linked to the business plan and used to discuss and implement healthy behaviours and leadership.

The Code of Culture emphasises the importance of an inclusive work environment that benefits from diversity and different perspectives. The Personnel Policy supplements the code of culture by regulating the work environment, gender equality and diversity, and ensuring that all employ-

ees are treated fairly and with respect. The policy sets out that all employees have equal rights and opportunities regardless of gender, ethnicity, sexual orientation, religion, age, disability, transgender identity or expression.

To promote corporate culture and ensure compliance with business conduct policies, regular employee surveys and feedback sessions are conducted to collect employees' opinions and identify areas for improvement. The results are used to develop action plans that are integrated into the business plan and followed up with active measures in the Diversity and Equality Plan. Achievement of targets linked to the active measures is monitored annually with the chief safety representative and presented to the Work Environment and Equality Committee. The People & Culture unit management team is also studies the actions and targets. These above-mentioned policies enable the identification, assessment, management and remediation of impacts, risks and opportunities related to responsible business conduct.

By combining strict business conduct policies with a strong corporate culture, the Bank Group ensures that all employees act in accordance with the Bank Group's high standards. This contributes to a sustainable and engaging work environment in which the well-being of employees and the success of the Group combine to ensure responsible business conduct.

Channels to detect crimes and irregularities

The Bank Group has zero tolerance for violations of the law and irregularities that violate the Bank Group's policies and guidelines. The Group's risk model includes self-assessments for less extensive risks, and key controls for more extensive risks, linked to various processes and system support. Several channels and procedures have been prepared to identify and manage potential incidents, including a digital whistleblowing system that is available for all employees through internal channels, and for external parties through the process communicated on Länsförsäkringar's website.

In addition to the whistleblowing system, an internal reporting system is in place for employees to report irregularities and incidents. Leadership forums, training and practical tools ensure that leaders have the support they

need to receive reports and raise the concerns about violations. All methods of reporting follow the same handling process as for an internal investigation.

Employee training

To ensure compliance and awareness of the Bank Group's policies and procedures in business ethics and corruption, a mandatory training course on the Code of Conduct has been prepared for all employees and consultants. The Code of Conduct includes sections on corruption, bribery, crime and the channels to be used in the event that an irregularity is observed. In addition, identified functions, employees in the Länsförsäkringar Bank Group who interact with customers, and are therefore at a higher risk of corruption and bribery, receive additional training. See table 2 on page 83 for more information on training.

The aim is to provide the knowledge and skills needed to recognise, reflect and act on potential irregularities that may occur within the business. The training covers both theoretical and practical aspects of identifying, reporting and managing ethical violations.

Engagement activities

The Bank Group's engagement activities include dialogues on business conduct, which includes bribery and corruption, corporate governance, sustainable business strategy and risk management. These activities are carried out both reactively when incidents occur and proactively to prevent them from occurring. Reactive engagement is initiated if an investee is deemed to be involved in serious violations of international conventions and guidelines. Proactive dialogue on business conduct also takes place to prevent risks and promote responsible conduct.

Furthermore, engagement is carried out through participation in investor-led initiatives. In 2025, Länsförsäkringar AB became a member of Transparency International's Investor Integrity Forum, which aims to develop the dialogue between owners and companies to prevent risks associated with bribery and corruption and promote increased compliance. In 2026, the Bank Group will actively participate in the investor forum and engagement activities with companies, focusing particularly on the defence industry.

Engagement in 2025, via the Länsförsäkringar AB Group's stewardship service provider, included such issues such as fair wages, the composition of the company boards and shareholder rights for the relevant investees. Proactive engagement conducted by the Group includes voting at general meetings, participating in nomination committees and dialogues with boards and management about sound corporate governance.

As part of this proactive engagement, the Bank Group monitors every year the number of general meetings at which it has voted, its participation on nomination committees and gender distribution on Board and the number of investees subject to engagement on business conduct.

TABLE 1
Engagement Investees

Metric/activity	2025
Number of investees subject to engagement regarding business conduct	44
Number of general meetings at which votes were cast	196
Participation in nomination committees	15
Percentage of women on the boards of the companies where Länsförsäkringar AB is a member of the nomination committee	46%

G1-2 Management of relationships with suppliers

The Bank Group's Code of Conduct for Suppliers sets sustainability requirements for both new and existing suppliers. The Code is based on the UN Global Compact and defines requirements regarding human rights, labour, environment and anti-corruption, as well as general and IT-specific security guidelines and guidelines for managing conflicts of interest. The Code of Conduct is a requirement when entering into contracts with new suppliers.

Assessing risks in the supply chain

The assessment of supplier-related risks is carried out regularly as part of the Bank Group's procedures to identify, assess and manage sustainability-related risks. This work takes place on the basis of due diligence. Both new and existing suppliers are evaluated using a risk assessment tool. The risk assessment process enables the identification and management of vulnerable suppliers exposed

to significant economic, environmental and social risks. By offering support and resources, the Bank Group helps these suppliers improve their processes and reduce their sustainability-related risks. The Group also uses a tool to carry out sanctions checks against EU and UN sanctions lists, which applies to all suppliers.

Monitoring of suppliers

The sustainability performance of existing suppliers is monitored by business managers, for example, by holding regular meetings and on-site visits. The follow-up process ensures that suppliers have read the Code of Conduct and are aware of the Bank Group's expectations and requirements, and that identified areas for improvement are addressed. The Bank Group works to monitor workers in the value chain, including suppliers, business partners and investments.

The Länsförsäkringar AB Group conducts a screening using a proprietary risk assessment tool, which also encompasses the Bank Group, to assess the work of suppliers and business partners, and to identify sustainability risks, see section S2 for a description of the work on due diligence. Should a supplier or business partner be identified as non-compliant, a more comprehensive assessment is carried out, such as in-depth monitoring and engagement. Länsförsäkringar Fondförvaltning applies exclusion and transition criteria to all investments to ensure that only sustainable and responsible partners are included.

Maintaining healthy supplier relations

Late payments can have a significant negative impact on both small and large enterprises. The Bank Group strives for the fair treatment of suppliers, which includes ensuring that late payments can be avoided and that payments are made on time. An important prerequisite for upholding this principle is to clearly communicate payment terms and expectations on suppliers, implement an effective invoicing process, maintain open and regular dialogue with suppliers, and have automated payment processes in place to reduce the risk of human error. Should a late payment nevertheless occur, measures are taken to rectify the situation and proactively ensure that it is not repeated. The Bank Group's employees that work in this area also undergo

training in handling supplier invoices to increase awareness of the importance of paying supplier invoices on time.

G1-3 Prevention and detection of corruption and bribery

The Bank Group has a comprehensive system and procedures for preventing, detecting, investigating and taking action in the event of allegations or incidents of bribery and corruption. The systems and procedures are primarily set out in the Code of Conduct for Employees, security guidelines and the Guidelines on responsible and sustainable business conduct. Requirements and expectations regarding the prevention of bribery and corruption in the value chain are regulated in the Code of Conduct for Suppliers, the Code of Conduct for Other Business Partners and the Policy on Responsible Investments and Corporate Governance.

Policies and guidelines are implemented in accordance with the Group's governance model and are published in the Länsman document management system and on the Länet intranet. The Code of Conduct for Suppliers and the Code of Conduct for Other Business Partners are also published on LF.se. Policies on the handling of gifts, rewards and other benefits are regularly updated to increase awareness and compliance of corruption and bribery rules.

The Bank Group also conducts mandatory training, such as the annual e-course on the Code of Conduct for employees, to ensure that all employees are aware of and comply with applicable rules. This improves knowledge about improper benefits, corruption, competition rules and risks in this area. To provide support, the Group has implemented procedures and training courses to ensure that employees are aware of the rules on improper benefits.

To prevent corruption and bribery, the Bank Group has implemented internal controls and key controls according to the risk management model and integrated system support and business systems, which means that potential irregularities can be detected early. A project to strengthen and develop internal processes was initiated in 2025 to counteract bribery and corruption. This work led to a review of the division of responsibilities for regulatory compliance and monitoring in this area, which is expected to be completed in 2026. To further mitigate risks, regular vul-

nerability assessments are performed at operational level, and the reporting of secondary employment and conflicts of interest results in a risk-aware approach.

The detection of a potential incident leads to requirements for incident reporting and independent investigation in accordance with the Group's internal investigation process, whereby that investigators ensure objectivity and that there are no conflicts of interest. Depending on the outcome, the function, such as the Work Environment Committee, becomes involved and appropriate feedback is provided to the management team. Individuals are handled in accordance with labour law.

The Länsförsäkringar AB Group has developed and digitalised the whistleblowing procedure, which is available to all employees via internal channels and to external counterparties on Länsförsäkringar's website. Both internal and external whistleblowing is anonymous and cases are treated confidentially. Whistleblowing cases are handled independently and autonomously by Internal Audit together with an internal team consisting of representatives from Internal Audit, Legal Affairs and People & Culture. The internal team is responsible for deciding on actions to be taken in confirmed whistleblowing cases and for investigating and deciding on actions to be taken in cases that are not confirmed whistleblowing cases, but are considered material. The Head of Internal Audit is to report regularly to the Chief Sustainability Officer on the number of cases received and the areas to which they relate.

These actions apply to both own operations and workers in the value chain. The timeframes include continuous policy and guideline updates, annual training, regular vulnerability assessments and permanent availability of the incident and whistleblowing procedures. The Group allocates significant resources to complete the action plans against corruption and bribery, including current and future financial resources for training programmes, vulnerability assessments, incident reporting and whistleblowing systems. These resources are integrated into the budget and financial statements to ensure long-term sustainability and efficiency.

The Länsförsäkringar AB Group joined Transparency International and the Swedish Anti-Corruption Institute in 2025 to assist in preventing and spreading knowledge

about bribery and corruption. These initiatives endeavour to prevent and spread knowledge about bribery and corruption. With these memberships, the Group has taken significant steps to help increase transparency, knowledge and self-regulation in the business world. This commitment enables the Group, together with other stakeholders, to raise awareness of corruption and proactively help to bring about a more responsible and futureproof society.

The newly acquired company SAVR does not currently have complete information, which is why the company is not included in the following KPIs: G1-3 Prevention and detection of corruption and bribery.

TARGETS AND METRICS

G1-4 Confirmed incidents of corruption or bribery

The Bank Group had no confirmed cases of corruption or bribery during the reporting period.

G1-5 Political influence and lobbying activities

As a member of industry organisations such as Finance Sweden and the Swedish Investment Fund Association, the Bank Group participates in consultation procedures at the national and EU levels in regulatory areas that have a material impact on the Bank Group's operations.

In 2025, Länsförsäkringar Fondförvaltning contributed to Länsförsäkringar AB's work on developing opportunities for asset owners to help strengthen Sweden's total defence. The work included mapping investment needs in close dialogue with Swedish capital owners and the national advisor on strengthening private-public partnerships.

G1-6 Payment practices

The average time it takes for companies in the Bank Group to pay an invoice is 28 days. No legal proceedings took place in 2025 that were related to late payments.

Under the Bank Group's standard contract, the payment terms for indirect suppliers are that payment for services rendered is made within 26 days from the date of receipt of the invoice. Indirect suppliers refer to purchases for the Group's operations such as consultants, IT and HR.

The share of payments made on time according to agreed payment terms is 78% for the Bank Group. There

were several reasons that the share was not 100%. Common reasons are that invoices are sometimes sent to the wrong address or do not have the necessary documentation, which delays processing. Invoices may also need to be investigated further, for example, in the event of uncertainty about costs or when part crediting is expected.

COMPANY-SPECIFIC SUSTAINABILITY MATTERS

The Bank Group is part of the welfare system due to the financial security it provides, and locally is an important part of a sustainable society, which the Bank Group supports through its operations. However, the welfare system, and therefore the Bank Group, is threatened by a rising trend of criminal activities such as fraud and money laundering. These matters have been identified as material under the framework of the double materiality assessment. It is therefore of the utmost importance to maintain strong resilience and continuously develop the ability to both combat and prevent criminal activities to which the Group is exposed.

Money laundering

The criminal economy is systemic in that it threatens the welfare system and confidence in democracy while distorting competition. The financing of terrorism is a palpable threat and includes handling money with the aim of financing terrorism, providing financial support to persons or organisations committing terrorist offences, or financing a trip abroad for someone who intends to become involved in a terrorist organisation.

Governance and activities

The Bank Group's Policy on Anti-Money Laundering and Financing of Terrorism is the foundation of the Group-wide regulations in this area. The policy is resolved by Länsförsäkringar Bank's Board and sets out the requirements for proactive measures that the Group must take to manage the risk that the Bank Group is used for money laundering and the financing of terrorism.

In addition to the policy that governs efforts against money laundering and the financing of terrorism, there are regulations that provide additional specific details of how

the work should be performed. Länsförsäkringar Bank regularly reviews the content of the policy and continuously develops the Group's guidelines and instructions to reduce the risk of the operations being used for money laundering and the financing of terrorism.

By actively monitoring transactions and activities, systematic work is conducted to maintain good knowledge of customers and their businesses, and to reduce the risk of the banking operations being used for money laundering and the financing of terrorism. The Bank Group's companies have central function managers who ensure that the companies comply with the Swedish Anti-Money Laundering and Counter-Terrorist Financing Act, provisions and the Bank Group's procedures and guidelines. The Bank Group has a system for reporting discrepancies, which aims to detect discrepancies that may indicate suspected money laundering or the financing of terrorism.

To achieve the Bank Group's targets, there is an ongoing programme aimed at developing more efficient work methods and purpose-driven systems to reduce the risk of the bank being used for money laundering and the financing of terrorism. A project has been initiated at the Bank Group to implement future regulations in this area.

An annual risk assessment is carried out each year in which relevant subsidiaries perform an analysis of their businesses to assess the risk of being used for money laundering or the financing of terrorism. This assessment is then used as a basis for the daily work to prevent money laundering and the financing of terrorism. The general risk assessment is also updated and reviewed when new products, services or distribution channels are introduced and relevant changes are implemented.

The customer's risk profile is assessed based on customer due diligence data. To detect deviating activities at an early stage, ongoing business relationships and transactions are monitored. If money laundering or the financing of terrorism is suspected, an investigation is conducted. If suspicions remain following the investigation, the matter is promptly reported to the Financial Intelligence Unit of the Police. A decision is made on whether there is a need for risk mitigating measures or if the business relationship should be terminated.

To elevate its ability to counter money laundering and the financing of terrorism, Länsförsäkringar Bank is also active in various forms of industry collaboration. Examples include Finance Sweden and the Swedish Anti-Money Laundering Institute (SIMPT).

Targets and metrics

The objective of the Bank Group is to prevent the subsidiaries from being used for money laundering and the financing of terrorism. All employees and contractors of these subsidiaries must be very familiar with the companies' governance documents and procedures for combating money laundering and the financing of terrorism, and understand how these are relevant to their work. Each year, these employees undergo mandatory training on anti-money laundering. In addition, continual training is provided in specific areas. During the year, Länsförsäkringar Bank's employees completed in-depth training to identify risks of financial crime associated with corporate customers.

Fraud

Fraud remains a major and growing problem in society with strong links to organised crime, resulting in many victims every year.

Governance and activities

The Bank Group has developed processes for how preventative fraud alerts are to be handled and communicated to the affected stakeholders. An instruction and procedure is in place resolved on by the Head of Financial Crime Prevention and the Head of Fraud, which aims to ensure that cases of fraud are managed efficiently and appropriately. The procedure describes how the fraud group's tasks are to be carried out based on the areas of responsibility within the unit, while the instruction states the requirements for proactive measures that the Bank Group is to take to protect the bank and its customers from fraudulent activities.

The Bank Group is working to reduce the risk of the bank and its customers being exposed to fraud. The Bank Group also participates in the bank-wide initiative "Scameaware!", which is a collaboration between Sweden's banks and Finance Sweden to counteract fraud. The aim is to raise awareness and spread knowledge about

what to do if a fraudster calls to prevent more people from becoming victims of fraud. In addition, the Bank Group has entered into collaboration with the Police, the Swedish Theft Prevention Association and the Swedish Internet Foundation to form a neutral private-public partnership. The purpose of this partnership is to gather information about ongoing digital crimes and attempted crimes to quickly alert the public and small businesses via warnings on sakerhetskollen.se and the media, and to facilitate collaboration on appropriate crime prevention initiatives. The Bank Group has also produced information material on fraud that is available to all regional insurance companies.

The Bank Group's activities include developing new functionality for existing services. For example, the ability to block card payments in a specific country has already been introduced. To reduce the risks and negative impacts of fraud, Länsförsäkringar Bank also introduced general blocks for foreign payments and lowered the limits for money transfers. Measures taken and strengthened monitoring capacity combined with other capabilities had a positive impact by reducing customer loss per case of completed fraud. The number of reported and completed fraud cases is lower than last year.

Targets and metrics

Employees of the Bank Group undergo mandatory annual training on how the Bank Group can counteract and combat fraud and what warning signs employees should be aware of and how to proceed.

Cybersecurity

The global security situation and the increased digitalisation of financial services entail a continued heightened threat to information security. In light of this, cyber security is a central part of the Bank Group's work on robust operational resilience and long-term sustainable operations. During the year, the Group continued to strengthen its ability to prevent and respond to cyberattacks in line with EU regulations, including the Digital Operational Resilience Act (DORA).

Governance and organisation

The companies' information and cyber security work is governed by a Group-wide IT policy, decided by the Board, with

the aim of maintaining robust digital operational resilience, high availability, good cyber hygiene and strong digital customer protection. The policy applies to the entire information and transaction chain, including third-party providers.

Information security work is led and coordinated by Länsförsäkringar AB's Chief Information Security Officer (CISO) and Head of Bank Security at Länsförsäkringar Bank AB. This work is risk-based and systematic and follows the ISO 27000 series and other established standards. The information security system of procedures, internal rules and tools is used to govern, monitor and continually improve the level of security.

The IT security function supports information security efforts, in line with the NIST Cybersecurity Framework 2.0 (in particular the Govern, Identify, Protect and Detect functions), through technical safeguards and periodic security testing. Penetration tests of critical, new and changed IT systems are carried out regularly. Identified shortcomings are analysed, prioritised and managed in a risk-based process, and resources for testing have been successively reinforced as the threat profile increases and in line with the continuous improvement requirements under the framework.

The Bank Group conducts regular vulnerability scans of the IT environment and annual independent audits by external auditors and through third-party certifications. Supplier governance and third-party risk management were enhanced to meet the DORA requirements. Customers who are impacted by IT incidents can contact Länsförsäkringar AB.

Incident contingency, skills and cooperation

Regular scenario-based exercises are conducted for corporate management and other key functions to strengthen digital resilience. During the year, technical security capabilities, including surveillance, incident response and recovery capabilities, were assessed and strengthened based on the threat profile for the financial sector.

A cybersecurity training programme is used by employees in IT operations and security awareness is being gradually developed throughout the organisation. The Bank Group routinely participates in industry-wide collaborations in relevant groups in Finance Sweden. This allows for

experiences to be exchanged and the shared management of current cyber threats.

Targets and metrics

The goal of the Bank Group's training programme is to achieve a robust security culture and a high level of security awareness. The training programme is conducted based on a training plan that indicates which training courses are available, the target group and when the courses will be held. A training specification clarifies the underlying external regulatory requirements for training in the field of security. The content of the training programme is adapted for various target groups and covers both teacher-led and Internet-based courses with example exercises.

Employees' completion of the training courses is measured and monitored. Various types of exercises are also conducted, about phishing for example. Efficiency in the phishing exercises is measured through the proportion that clicked on the link in the phishing exercise (security awareness) and through the proportion that did not report it as phishing (willingness to report).

The procedure is carried out through work on training courses following an annual plan. The training programmes are updated annually for adaptation to regulatory requirements, governance document updates and threat and risk profile.

Privacy

Governance and activities

Länsförsäkringar Bank has adopted a policy for the processing of personal data so as to best safeguard the privacy of customers, employees and other registered individuals. The purpose of this policy is to regulate and describe the strategy for data protection, thereby ensuring that personal data is processed in accordance with the requirements in the General Data Protection Regulation (GDPR) and other applicable data protection legislation. The policy was adopted by Länsförsäkringar Bank's Board, and has subsequently been adapted to individual companies and adopted by all subsidiaries in the Bank Group.

Procedures stemming from this policy have been established in order to guarantee compliance with the regulatory

requirements. The purposes of these requirements include ensuring that the rights of registered individuals are adequately managed, that registers are kept of personal data processing, that personal data is managed in a transparent and open manner in relation to the registered individuals, and that integrity risks are managed and minimised by conducting risk and impact assessments. When third parties are engaged to process personal data on behalf of the Bank Group, it must be ensured that the provider carries out suitable technological and organisational measures to protect the rights of registered individuals. Furthermore, a personal data processor agreement must be signed that regulates how personal data is to be processed, and the commitments of the respective parties towards one another and the registered individuals.

To strengthen efforts around data protection issues, the Länsförsäkringar AB Group has taken additional organisational measures. These comprise the establishment of the Privacy Office, a support function in Legal Affairs that specialises in data protection. The Privacy Office works on the basis of the strategic objectives for data protection initiatives and to maintain the Group-wide framework that governs how personal data may be processed. The Privacy Office also routinely supports and trains the organisation on issues related to data protection law. Länsförsäkringar Bank has also established a first-line support function, Data Protection Bank, with specialist expertise in data protection. All companies in the Bank Group that are subject to licence requirements have appointed a Data Protection Officer. The Data Protection Officer provides advice and recommendations in conjunction with developments and changes to the operations and checks, monitors and reports on the company's regulatory compliance. The Data Protection Officer especially monitors integrity risks for customers, employees and other registered individuals. Identified risks, outcomes of audits and other observations are reported to the Presidents and Boards of each company in the Bank Group.

Another key component of data protection is information security. These initiatives are pursued in a structured manner, and based on risk in accordance with acknowledged standards. Länsförsäkringar AB's information security function plans, monitors and evaluates security in

the Länsförsäkringar AB Group and prepares governance documents based on Länsförsäkringar AB's Information Security Policy, which was adopted by the company's Board. Länsförsäkringar AB's Information Security Policy has been adopted for the Bank Group by Länsförsäkringar Bank. These documents describe organisational and technological measures that are to be implemented. The policy applies to the Bank Group's entire operations, including sub-suppliers, regardless of where the work or processing is performed, accounting for the risks associated with how and where the processing is performed.

Targets and metrics

To ensure that the Bank Group's employees and suppliers process information in accordance with the governance documents, regular mandatory information security training courses and training courses in data protection are held. Data protection training is mandatory for all new employees of the Bank Group and must be completed at least every two years by all employees.

Tailored information security training courses and exercises for select target groups are also conducted. The Bank Group has also made it clear that all employees are responsible for the processing of personal data by including fundamental rules into the Code of Conduct. Employees and suppliers assess, manage and report security and personal data breaches in accordance with the established incident management process. The information security function follows up on the outcome of management of security incidents on a regular basis.

Mandatory training

The Bank Group assigns mandatory training courses based on needs and risks for various employee categories. This strategy means that training requirements in different subjects are adapted to the duties of the target group. To manage risks related to bribery and corruption, the Bank Group has introduced a Code of Conduct that applies to all employees and consultants. This is why the course on bribery and corruption encompasses all employees in the Bank Group. Similarly, the Group's security guidelines apply, meaning that cybersecurity and privacy training courses are aimed at all employees.

Specific training requirements on anti-money laundering and financing of terrorism apply to the employees of the Bank Group. SwedSec licenced employees at the Bank Group undergo additional training in the area of fraud, for example. Länsförsäkringar Bank sets and implements an annual training plan for the Board that ensures that the Board of Länsförsäkringar Bank receives the necessary training in relevant areas.

The Policy on Anti-Money Laundering and Financing of Terrorism aims to ensure that all employees, relevant contractors and others involved in the operations receive regular training and information to prevent the operations being used to launder money or finance terrorism. Table 2 does not include individuals who have double employment at the Bank. The outcome for this group was 97% (94) for Money Laundering and Financing of Terrorism and 97% (88) for Anti-Money Laundering.

The Information Security Policy aims to ensure that the company's information security activities follows the Board's policies and that the measures taken are appropriate, sufficient and effective, including to maintain digital resilience. The purpose of the Personal Data Processing Policy is to regulate and describe the strategy for data protection, thereby ensuring that personal data is processed in accordance with the requirements of the General Data Protection Regulation (GDPR) and other applicable data protection legislation.

To ensure that employees are trained in privacy and financial crime, the internally developed digital courses are distributed to all new employees every year and to all employees every other year for repetition.

The target is that 95% of active employees in the MyFlow employee system will have completed the specified course by the end of the monitoring period. This includes all employees who are not currently on leave of absence, such as parental leave or official leave. The target is reset annually and is not cumulative. Instead, progress is evaluated and measured from zero at the beginning of each year. The assumptions underlying the target include the fact that the employee base is variable and that practical constraints such as sickness, termination of employment, business travel, workload and a high flow of information affect the ability to set a higher target. The target has been

embedded with stakeholders involved in the follow-up process in the organisation, including employees responsible for HR, skills development and regulatory compliance.

The achievement of these targets during the year was not satisfactory, which means that further action is needed

to ensure that more employees complete the mandatory training. Monitoring will be strengthened and responsibilities clarified in 2026, with the aim of increasing the rate of implementation and ensuring that targets are met.

TABLE 2
Mandatory training in material sustainability topics

Sustainability ¹⁾	2025	Targets	Computer-based training	How often training is required
Sustainability at the Bank Group	72%	95%	Yes	Every year
Corruption and bribery				
Code of Conduct	93%	95%	Yes	Every year
Code of Conduct (functions exposed to risk)	98%	95%	Yes	Every year
Financial crime				
Money laundering and financing of terrorism	87%	95%	Yes	Every year
Anti-money laundering	89%	95%	Yes	Every year
Basic security training	73%	95%	Yes	Every year
Phishing	93%	95%	Yes	Every year
Fraud	76%	95%	Yes	Every year
Privacy				
General Data Protection Regulation (GDPR) ²⁾	-	95%	Yes	Every two years

¹⁾ The newly acquired company SAVR does not have complete information, which is why the company is not included in the following courses: Sustainability and Money laundering and financing of terrorism.

²⁾ No outcome for 2025 as the training course is arranged for all employees every two years. The next training will take place in 2026.

Appendix

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Taxonomy disclosures

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Social information

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S2 Workers in the value chain

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ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		33
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		33
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex I				33
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	45
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		N/A
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate Change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		47
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex I				Not material
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex I				Not material
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex I				Not material
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		47
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate Change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		47-49
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Transition rules apply

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ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5. Banking book – Climate change physical risk: Exposures subject to physical risk			Transition rules apply
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			N/A
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Transition rules apply
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex I, Indicator number 2 Table #2 of Annex I, Indicator number 1 Table #2 of Annex I, Indicator number 3 Table #2 of Annex I				Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex I				Not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex I				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex I				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex I				Not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex I				Not material
ESRS 2 – IRO 1 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex I				Not material
ESRS 2 – IRO 1 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex I				Not material
ESRS 2 – IRO 1 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex I				Not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex I				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex I				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex I				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex I				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex I				Not material
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				N/A
ESRS 2 – SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				N/A
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				68
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		68-69
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				68
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				69
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				69

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ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				N/A
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		73
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				73
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Not material
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS 2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and 13 Table #3 of Annex I				Not material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Not material
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicators number 11 and n. 4 Table #3 of Annex I				Not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex I				Not material
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex I and Indicator number 11 Table #1 of Annex I				Not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex I				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Not material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex I				Not material
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex I				N/A
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex I				
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex I				

Auditor's limited assurance report of Länsförsäkringar Bank AB's statutory sustainability statement

To the general meeting of the shareholders of Länsförsäkringar Bank AB (publ), org. nr 516401-9878

Conclusion

We have conducted a limited assurance engagement of the sustainability statement for Länsförsäkringar Bank AB (publ) for the financial year 2025. The sustainability statement is included on pages 29–89 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of European Sustainability Reporting Standards (ESRS),
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in the sustainability statement,
- compliance with the reporting requirements of the EU's Green Taxonomy Regulation Article 8 (EU Taxonomy).

Basis for conclusion

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Our responsibility according to this recommendation is further described in the section Auditor's responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information than the sustainability statement

This document also contains other information than the sustainability statement and is found on 1–28, 92–168 and 172–175. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of sustainability statement in accordance with Chapter 6, paragraphs 12–12f of the Swedish Annual Accounts Act, and for such internal control

as they determines is necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Other matters

Prior year's sustainability statement has not been subject to limited assurance procedures and no review of the comparative figures in the sustainability statement for the year 2025 has been performed.

Auditor's responsibility

Our responsibility is to express a conclusion on whether the sustainability statement has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable

assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Länsförsäkringar Bank AB (publ) in accordance with professional ethics for auditors in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A limited assurance engagement involves performing procedures to obtain evidence to support the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Chief Executive Officer prepare the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

Our review procedures concerning the entity's process for identifying sustainability information to be reported included, but were not limited to:

- Obtain an understanding of the process by:
 - Performing inquiries to understand the sources of the information used by management, and
 - Reviewing the entity's internal documentation of its process
- Evaluate whether the evidence obtained from our procedures about the process implemented by the entity is consistent with the description of the process set out on pages 41–42 in the sustainability statement

The review procedures with respect to the sustainability statement included but were not limited to the following:

- By inquiries obtain an understanding of the entity's control environment, reporting processes, and information systems relevant to the preparation of its sustainability statement
- Evaluate whether information identified to be material by the entity's the process for identifying sustainability information reported, is included in the sustainability statement

- Evaluate whether the structure and the presentation of the sustainability statement is in accordance with the requirements in ESRS
- Perform inquiries of relevant personnel and analytical procedures on selected disclosures in the sustainability statement
- Perform substantive assurance procedures on a sample basis on selected disclosures in the sustainability statement
- Perform inquiries and analytical procedures to evaluate whether the methods, data and significant assumptions used to make estimates in the sustainability statement are appropriate and applied consistently

The review procedures with respect to the EU Taxonomy included but were not limited to the following:

- Obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement

- Evaluate whether the activities within the EU Taxonomy are consistent to the financial statements and related notes
- Evaluate processes, documentation and assessment of eligibility and alignment with the economic activities and technical screening criteria within the EU Taxonomy
- Evaluate whether the reporting is in accordance with the requirements in EU Taxonomy

Inherent limitations

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Chief Executive Officer for Länsförsäkringar Bank AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the entity. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

Stockholm on 25 March 2026

Deloitte AB

Patrick Honeth

Authorised public accountant

Corporate Governance Report

The governance of the bank is to be based on customer needs, a long-term approach and sustainability. The operations are to be conducted by following a conscious risk-taking approach, high long-term profitability and respect for the bank's customers. Sustainability is to be an integrated part of the bank's endeavour for sustainable, long-term value creation for customers, employees, investors and society as a whole. Sound and responsible corporate governance that promotes good risk management, compliance and internal control must therefore be incorporated throughout the entire business.

Corporate governance

Länsförsäkringar Bank AB (LF Bank or the bank) is a wholly owned subsidiary of Länsförsäkringar AB (LFAB), which in turn is owned by 23 customer-owned regional insurance companies. LF Bank and its subsidiaries, along with the other companies in LFAB Group and its owners, jointly comprise the Länsförsäkringar Alliance. LF Bank is a public limited liability company, and the company's bonds are listed on Nasdaq Stockholm and the Luxembourg Stock Exchange, and are subject to the supervision of the Swedish Financial Supervisory Authority (FSA). LF Bank complies with the applicable parts of the Swedish Corporate Governance Code (the Code) in addition to the regulations that apply to the bank and its business operations. Deviations are primarily due to LF Bank not being a listed company. Deviations from the provisions of the Code and explanations for such deviations are presented below in the Deviations from the Code section on page 95.

As members of the LFAB Group, LF Bank and its subsidiaries, Länsförsäkringar Fondförvaltning AB (publ), Länsförsäkringar Hypotek AB (publ), Länsförsäkringar Finans AB and SAVR AB must follow the principles on corporate governance that LFAB had established for the Group.

Based on the Länsförsäkringar Alliance's strategies, owner directive and established principles, LF Bank has established corporate governance that enables sound and

responsible governance and a high level of control of the operations in accordance with applicable regulations. The risk-based performance management represents the basis of governance. The foundation of the business is risk-taking and the governance is based on risk, while the operations must be conducted following a conscious risk-taking approach.

The structure of governance at the bank is expressed in a Corporate Governance Policy adopted by the Board. Based on this policy, the Board has established governance and an overall organisation with a distribution of responsibilities and duties between the various company bodies, a risk and internal control organisation, and effective systems for reporting and transferring information. The effectiveness and efficiency of corporate governance is monitored by the Board and evaluated at least once a year.

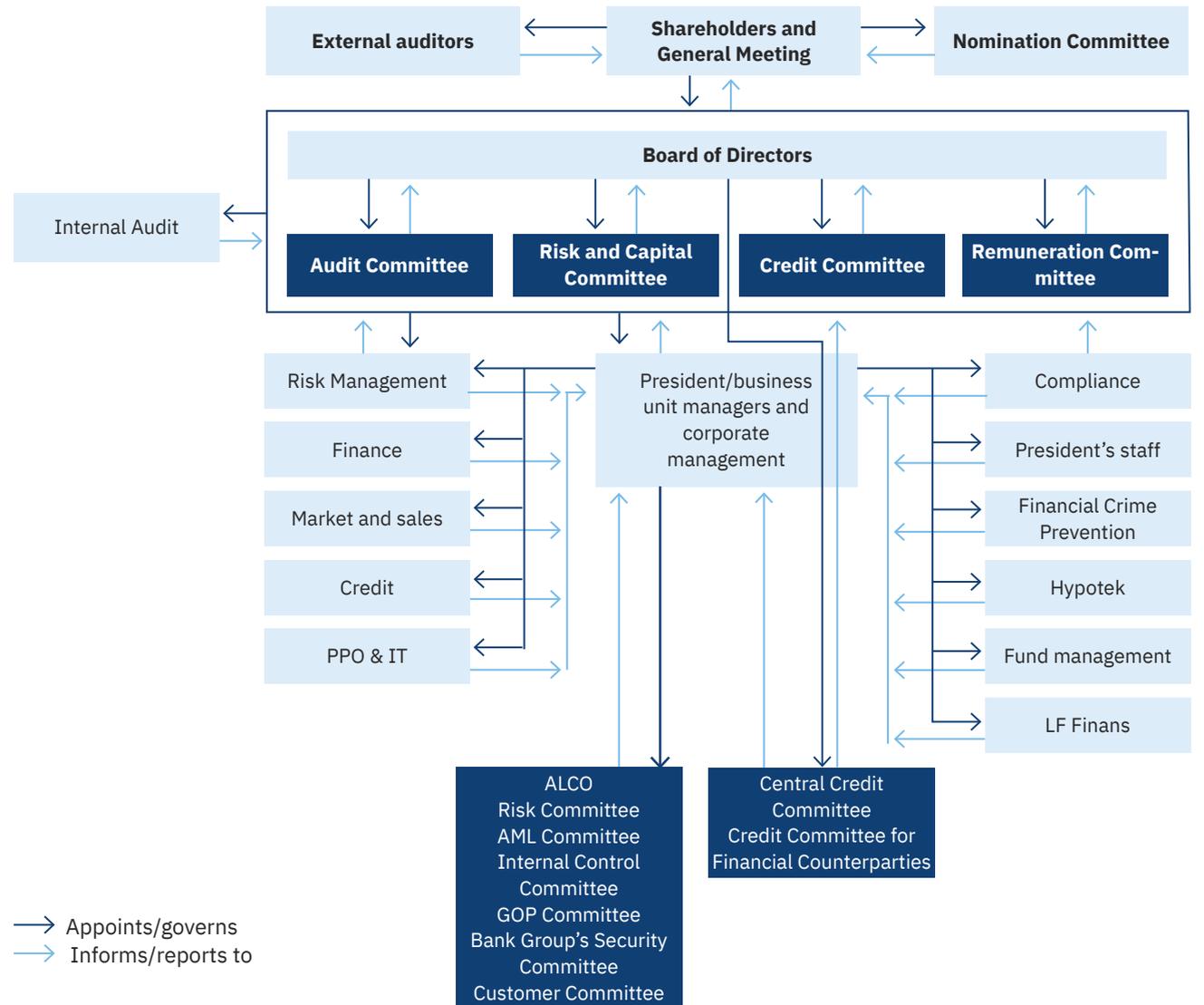
Risk and internal control organisation

The operations have been organised according to the principle of three lines of defence in order to ensure a sound risk culture and a high level of internal control.

The first line of defence is the business operations. As the risk owner, the first line of defence bears the responsibility for identifying, valuing, managing and controlling risk in the operations. The responsibility of the first line of defence is also to monitor and report risks, the outcome of controls, manage shortcomings and deviations and to continuously ensure compliance with external and internal regulations.

The risk management and compliance control functions comprise the second line of defence. These control functions are standalone and independent of the operations, and provide support for the operations in establishing structures for a high level of risk control and effective risk management. The bank's data protection officer and the central anti-money laundering and terrorist financing officer also comprise part of the second line of defence. The functions in the second line of defence control and monitor

Länsförsäkringar Bank's governance structure



risks in their areas of responsibility and report regularly to the President and the Board.

The Internal Audit function serves as the third line of defence. Internal Audit is an independent control function that reports directly to the Board. The function's audit and evaluation of the effectiveness of the bank's governance, risk management, internal control and management processes encompass both the first and second lines of defence.

Shareholders and General Meeting

Shareholders exercise their voting rights at the Annual General Meeting, which is the highest decision-making body. A general meeting is normally held once per year, the Annual General Meeting. LFAB owns 100% of the share capital and voting rights. Decisions are made at the Annual General Meeting regarding the Annual Report, the election of members of the Board and auditors, fees and other remuneration to Board members and auditors, and other important matters to be addressed in accordance with laws or the Articles of Association. The proposal for remuneration of Board members is specified for the Chairman and other Board members.

Nomination Committee

Nomination process

The Annual General Meeting of LFAB appoints a Nomination Committee. The Nomination Committee has the task of presenting proposals regarding the Board of Directors and auditors of, inter alia, LF Bank, and fees and other remuneration to these Board members and auditors.

The Nomination Committee's tasks are regulated in an instruction adopted by the Annual General Meeting of LFAB and new Board members are recruited in accordance with the instructions and established procedures and processes. The Board is to have a sufficient number of Board members based on the size and degree of complexity of the bank, and the nature and scope of the operations, and that also enables an efficient structure for working. Furthermore, the Board must have a suitable composition, with respect to the operations, stage of development, future scope and other conditions of the company, that ensures that the overall competencies necessary for the

bank are in place. In order to promote diversity and combat discrimination, the appointment of Board members must also take into account age, gender and ethnic origin, as well as other factors that risk discriminating against certain groups or individuals. The aim when appointing Board members shall be to achieve, as far as possible, balanced gender representation on the Board. The Nomination Committee also carries out a "fit and proper" assessment of new and existing Board members. The fit and proper assessment takes into account the member's skills in areas relevant to the bank, such as experience in senior positions, knowledge and experience of the banking sector and understanding of risk management and regulatory requirements as well as knowledge of sustainability and responsible business conduct. The assessment also studies the members' reputation, independence and potential conflicts of interest, as well as their ability to devote sufficient time to the assignment.

Prior to the Annual General Meeting

Since LFAB's 2025 Annual General Meeting, the Nomination Committee has comprised Kristin Oretorp as Chairman (Länsförsäkringar Halland), Göran Trobro (Länsförsäkringar Göttinge Kristianstad), Lars Hallkvist (Länsförsäkringar Älvsborg), Ulrika Obstfelder Peterson (Länsförsäkringar Värmland) and Jonas Rosman (Länsförsäkringar Skaraborg). Prior to the Annual General Meeting, the Nomination Committee has, for example:

- studied the Board's evaluation of its work,
- studied the Board Chairman's view of the operations, the Board's work and skills requirements,
- reviewed and discussed requirements for skills with respect to the needs of the operations and regulatory requirements,
- conducted a fit and proper assessment of each Board member and the Board as a whole,
- evaluated the independence of candidates and any conflicts of interest,
- nominated Board members, the Board Chairman and auditors, and
- proposed fees and other remuneration of Board members and auditors.

External auditors

The Annual General Meeting appoints the external auditors. Nominations are made to the Nomination Committee. In accordance with the Articles of Association, LF Bank is to have between one and three auditors and between zero and three deputy auditors. Auditors are appointed for a period in office of a maximum of four years.

At the 2022 Annual General Meeting, Deloitte AB was appointed as auditor with Patrick Honeth as auditor in charge. The auditor was appointed for the period up to the 2026 Annual General Meeting. The auditor examines LF Bank's Annual Report, including the corporate governance report, as well as the administration of the Board and the President. The auditor reviews LF Bank's interim reports. The auditor presented the audit results and observations to the Board once in 2025. The auditor also participates in the meetings of the Board's Audit Committee.

Board of Directors

Composition of the Board

The Board of Directors of LF Bank is elected by the General Meeting and, in accordance with the Articles of Association, is to comprise between six and nine regular Board members elected by the General Meeting, with no more than six deputies. Board members are elected for a mandate period of two years. In addition, members appointed by trade-union organisations are also members of the Board. The President is not a member of the Board. LF Bank has no time limit for the length of time a member may sit on the Board and no upper age limit for Board members. The Chairman of the Board is appointed by the Annual General Meeting. The President, Chief Financial Officer and Board Secretary participate in Board meetings except for matters in which there may be a conflict of interest or when it would otherwise not be appropriate for them to attend. Employees reporting on particular issues attend meetings when they make their presentations.

The Board in 2025 was comprised of ten regular members and two deputies. Eight of the members were elected by the General Meeting. Two regular members and two deputies were appointed by the trade-union organisations. A presentation of the Board members can be found on pages 97–98.

Chairman

The Chairman of the Board is to lead the Board's work and ensure that the Board discharges its duties. The Chairman is also to ensure that the Board meets as required, that Board members are provided with the opportunity to participate in meetings and receive satisfactory information and documentation for decision-making, and that the Board's working methodology is appropriate. On the basis of ongoing contact with the President even between Board meetings, the Chairman is also to keep himself informed of significant events and developments in LF Bank, and support the President in his work.

Work of the Board

In its formal work plan, the Board has established a standard for its agenda and annually recurring items of business. During the year, the Board regularly monitors the business situation, earnings and financial position, the liquidity and capital position and risk trends in relation to, for example, the business plan and forecasts. The Board receives regular reports from, for example, the bank's Chief Sustainability Officer, and the Compliance, Risk Control and Internal Audit functions as well as the central head of function. In the Corporate Governance Policy and in other governance documents, the Board also establishes the company's and the Group's operational structure, clarifies the allocation of responsibilities between the various units and executives in the company and Group, and states how the operations are to be governed and controlled. In addition, the Board establishes its directive for the President as well as a large number of governance documents for the operations at least once a year. Every year, the Board holds a strategic seminar, evaluates corporate governance, outsourced operations and the President's work, suitability and terms of employment, and meets the company's auditor at least once.

During the year, the Board also devoted particular attention to matters including the geopolitical and macro-economic situation, anti-fraud activities, efforts to combat money laundering and terrorism financing as well as major ongoing projects at the bank. The Board held ten Board

meetings in 2025. The Board members' attendance is presented in the table on page 94.

Skills development for the Board

The Board is to continuously update and deepen its knowledge about the company and its operations and otherwise to the extent required for the Board assignment. For this reason, the Board adopts an annual training plan. According to the plan adopted for 2025, the Board deepened its expertise in areas including sustainability and artificial intelligence, and internal risk classification, anti-money laundering, terrorist financing and fraud, as well as the new Digital Operational Resilience Act.

Evaluation of the Board's work

Every year, the Board Chairman initiates an evaluation of the Board's work. The evaluation is based on an online survey completed by the Board members. The results are compiled, reported to and discussed by the Board. The results are submitted to the Nomination Committee.

Audit Committee

The Audit Committee's responsibilities include preparing the Board's work in the following areas:

- Monitoring the company's financial reporting
- Regarding the financial reporting, monitoring the effectiveness of the company's internal control, internal audit and risk management.
- Remaining informed of the audit of the Annual Report and consolidated financial statements.
- Examining and monitoring auditors' impartiality and independence and, in this respect, particularly noting whether the auditors provide the company with any other services than auditing services
- Assisting in the preparation of proposals to the Annual General Meeting's motions on election of auditors.
- Monitoring the efficiency of the company's and Group's corporate governance system and internal control of the operational risks.

After the 2025 Annual General Meeting, Niklas Larsson was the Chairman, and Emil Källström and Örjan Söderberg were members of the Audit Committee.

The number of Audit Committee meetings and members' attendance are presented in the table on this page.

Remuneration Committee

The Remuneration Committee is to prepare issues on remuneration of the President and other members of corporate management and employees with overall responsibility for any of the company's control functions. The Remuneration Committee also prepares important decisions on measures for following up the application of the Remuneration Policy.

Since after the 2025 Annual General Meeting, Björn Dalemo was the Chairman and Maria Engholm was a member of the Remuneration Committee.

The number of Remuneration Committee meetings and members' attendance are presented in the table on this page.

Risk and Capital Committee

The Risk and Capital Committee is to support the Board in risk and capital adequacy issues and serve as a forum for analysing and holding in-depth discussions on the LF Bank Group's and the consolidated situation's risk-taking and capital requirements ahead of Board decisions.

After the 2025 Annual General Meeting, Maria Engholm was the Chairman, and Lars Rådström and Anna-Lena Wretman were members of the Risk and Capital Committee.

The number of Risk and Capital Committee meetings and members' attendance are presented in the table on this page.

Credit Committee

The Credit Committee is to prepare credit issues for amounts within the framework of the Committee's mandate according to the governance document adopted by the Board.

After the 2025 Annual General Meeting, Niklas Larsson was the Chairman, and Björn Dalemo, Agnes Fabricius, Lars Rådström and Örjan Söderberg were members of the Credit Committee.

The number of Credit Committee meetings and members' attendance are presented in the table on this page.

President and corporate management

The President is to manage the day-to-day operations in accordance with the Board's guidelines and instructions. The Board has adopted a separate instruction for the President. The President's tasks include ensuring that the objectives and strategies set by the Board are met and that the bank's corporate governance with its organisation, governance and internal control, risk management and regulatory compliance, the provision of information and reporting are satisfactory and meet the requirements established by the Board. The President reports regularly to the Board.

The President is also the CEO of the LF Bank Group. To ensure that the operations of each subsidiary comply with the overall objectives for the LF Bank Group, the President/

CEO is the Chairman of the Board of LF Bank's subsidiaries, except for Länsförsäkringar Fondförvaltning AB, where the President is a member of the Board.

In terms of its operations, the LF Bank Group is divided into nine departments and the three control functions of Internal Audit, Risk Management and the Compliance function.

The Presidents and the heads of department make up corporate management. Corporate management was established to enable the senior executives of the LF Bank Group to consult with each other and exchange information. In corporate management, the President prepares and decides on issues of importance or that affect several departments in the Group. In addition, a number of com-

Board meetings and attendance 2025

	Board of Directors	Audit Committee	Remuneration Committee	Risk and Capital Committee	Credit Committee
Number of meetings	10	8	4	6	14
Björn Dalemo*	6		3		5
Maria Engholm*	5		3	3	
Agnes Fabricius*	5				4
Emil Källström	10	8			
Niklas Larsson	10	8			12
Lars Rådström	10			5	13
Örjan Söderberg*	6	5			7
Anna-Lena Wretman*	6			3	
Lisa-Maria Carensjö	10				
Joar Lind*	4				
Camilla Lahger	9				
Christina Berg	10				
Mathias Collén**	4		1		
Mikael Bergström**	4	3			5
Anders Grånäs**	4			3	4
Hans Ljungkvist***	4				6
Anna Christina Norrström**	4		1	3	
Anette Andersson**	4				

* Member from 2025 AGM

** Member until 2025 AGM

*** Member until July 2025

mittees have been established to prepare and make decisions on certain issues. The committees are governed by separate instructions.

The President and corporate management are presented on pages 99–100.

Control functions

Internal Audit

Internal Audit is an independent review function that supports the Board in the evaluation of corporate governance, including the organisation's risk management, governance and controls. Based on its reviews, Internal Audit is to evaluate and assure that the operations' overall internal governance and control systems are conducted in an efficient manner and that the overall reporting to the Board provides a true and fair view of the operations, that the operations are conducted in accordance with applicable internal and external regulations, and in compliance with the Board's decisions. The Board has adopted a separate instruction for the Internal Audit function. Internal Audit reports to the Board of the companies included in the Bank Group and to LF Bank's Audit Committee.

Compliance function

The compliance function is an independent control function responsible for monitoring and controlling compliance in the licensable operations. The function is to identify and report on risks that may arise as a result of non-compliance with regulations and present recommendation for action. The compliance function is also to provide support and advice to the operations on compliance risks.

Risk Control function

The Risk Control function provides support to the Board, President, management and the rest of the operations for fulfilling their responsibility of ensuring that proper risk management and risk control have been carried out for all operations and for determining whether risks are managed in line with the risk framework established by the Board. The function, which is part of LF Bank's Risk Management department, is to carry out its activities separately and independently from the business activities. The head of

Risk Management is also the Chief Risk Officer of LF Bank and is responsible for assessing if the risk framework for risk management in the Group is effective and fit for purpose. Risks and actions taken are reported continuously to the President and the Board of Directors of all of the companies that are included in the Bank Group. Risks are also regularly reported to the Risk and Capital Committee and, as regards operational risks, also to the Audit Committee of Länsförsäkringar Bank.

Deviations from the Code

The major deviations from the provisions of the Code and explanations for such deviations are presented below.

Nomination Committee, notice, publication of information prior to, and holding an Annual General Meeting.

Deviation from the provisions of the Code occurs with respect to the fact that Länsförsäkringar Bank is not a listed company and has only one shareholder. For more information, refer also to the sections Shareholders and General Meeting and Nomination Committee on page 91.

Composition of the Board

Deviation from the provisions of the Code occurs regarding independence of Board members and Committee members. According to the instruction for the Nomination Committee, the Board of Directors is to be appropriately composed with respect to Länsförsäkringar Bank's operations, stage of development and other circumstances, that ensures the overall competencies necessary are in place, characterised by diversity so as to promote independent opinion and critical questioning. It has been decided that these requirements can be fulfilled within the framework of the Länsförsäkringar Alliance.

Period in office for Board members

Deviation from the provision of the Code occurs in respect of a maximum period of office of one year. The period of office for Board members is, as a general rule, two years. A longer period of office contributes to ensuring continuity and establishing competence within the Board.

Guidelines for remuneration of senior executives adopted by the Meeting

There is a deviation from the Code's provision on evaluating the application of guidelines for remuneration of senior executives that, by law, must be prepared by listed companies. The reason for this deviation is that Länsförsäkringar Bank is not a listed company.

Internal control over financial reporting

The Board's responsibility is to ensure that efficient systems are in place to monitor and control the company's operations and financial position. Internal control over financial reporting (ICFR) is a framework for providing reasonable assurance of the reliability of the financial reporting to management and Board. The ICFR is performed in an annual cycle as shown in the model.

2. VALIDATE THE DESIGN OF KEY CONTROLS

The ICFR includes company-wide controls, processes and IT controls. The purpose of these different types of key controls is to manage the risk of material misstatement in the financial reporting. The control structure is based on the processes of the business and is validated every year, together with the responsible control and process owners, to ensure the appropriateness of the controls for managing the risks identified.

3. PLAN ACTIVITIES FOR MONITORING AND AUDITS

A general plan for the quarterly self-assessments of the controls for the operations is prepared. The plan sets out when this will take place and the controls that will be assessed. The plan also establishes the controls that are to be tested for operational efficiency during the year. The plan is communicated to internal and external audit.

1. PERFORM RISK ASSESSMENTS AND DEFINE LIMITATIONS/SCOPE

Risk assessments are performed annually at both Group and legal unit level to identify the risk of material misstatement in financial reporting. The risk assessment provides the basis for determining the legal entities and processes that are to be covered by the ICFR framework. The conclusions from this work are compiled in a report that describes the risk assessment and boundaries for the coming year and is presented to the Audit Committee.

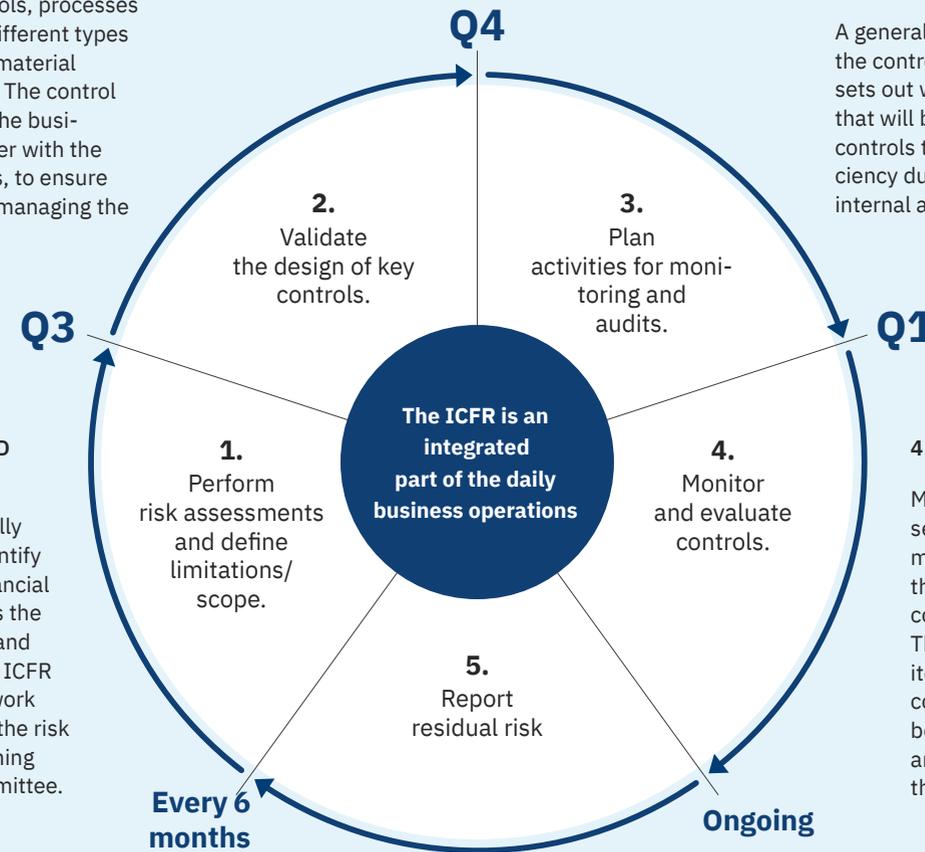
4. MONITOR AND EVALUATE CONTROLS

Monitoring includes, for example, quarterly self-assessment of the completed controls. The monitoring process can identify weaknesses in the ICFR framework, implement compensating controls and introduce improvement measures. The objective is for the Group to reach a monitored level, which entails that standardised controls for managing the risks identified have been implemented with compliance monitored and the results reported to management and the Board.

5. REPORT RESIDUAL RISK

The results of the self-assessments are compiled, aggregated and analysed to determine the risk of material misstatement in financial reporting. These are summarised in a report to the CFO and the Audit Committee. The report describes the residual risk after the controls have been performed together with any compensating controls or other measures adopted to reduce risk in the financial reporting.

In addition to the above, Internal Audit also performs an independent review of selected ICFR risks and controls, in accordance with the plan adopted by the Audit Committee. The results of Internal Audit's review, and recommendations, are reported regularly to the Audit Committee.



Board of Directors



Björn Dalemo

Chairman.
President and CEO of Länsförsäkringar AB.
Elected 2025.

Born
1975.

Education
Economics/Statistics.

Other Board appointments

Chairman Länsförsäkringar Fondliv and Agria Djurförsäkring.
Board member of Lf Sak Fastighets AB, Insurance Sweden and Eurapco.

Previous experience

President of Länsförsäkringar Fondliv, Head of Business at Länsförsäkringar Fondliv, Head of Commercial Business area at LF Stockholm and senior positions at Livförsäkringsbolaget Skandia.



Maria Engholm

Chairman of LF Dalarnas.
President/CEO HSB Mälardalarna.
Elected 2025.

Born
1967.

Education
M.Sc. in Business and Economics.

Other Board appointments

Chairman of Dalarnas Försäkringsbolags Förvaltnings AB and HSB Hyresrätt i Mälardalarna.

Previous experience

Board member of HSB Riksförbund, HSB Projektpartner AB, Länsförsäkringar Bank and Sparbanken Dalarna. Director of the Siljan Region Municipal Association.



Agnes Fabricius

President of LF Skåne. Elected 2025.

Born
1972.

Education
Economics studies at Stockholm School of Economics. Hippology, Swedish University of Agricultural Sciences.

Other Board appointments

Chairman of Länskap Skåne AB, Läns hem Skåne AB, Skåne service & sanering AB.

Previous experience

President of Agria Djurförsäkring, Head of Bank at LF Stockholm.
Business Area President Retail at LF Stockholm, Chairman of Agria Pet Insurance Ltd, Capstone Ltd and Agria Vet Guide AB.
Board member of Länsförsäkringar Fastighetsförmedling.



Emil Källström

President of SEKAB Biofuels & Chemicals AB. Elected 2022. Independent Board member in relation to the bank, bank management and shareholders.

Born
1987.

Education
Bachelor of Business Administration from the Stockholm School of Economics.

Other Board appointments

Member of the Chalmers University of Technology Foundation, member of IKEM.

Previous experience

Member of parliament, Member of the Board of Centre Party, Economic policy spokesperson for Centre Party, Board member of Riksbankens Jubileumsfond.



Niklas Larsson

President of LF Göinge-Kristianstad
Elected 2021.

Born
1970.

Education
M.Sc. in Business Administration and Economics at School of Business and Economics at Växjö University.

Other Board appointments

Board member of Länsförsäkringar Fondförvaltning AB, LF Affärsservice Sydost AB and subsidiary of Länsförsäkringar Göinge-Kristianstad.

Previous experience

Head of Credit and Risk and District Manager SEB, Head of Business Area Banking and Head of Sales Ikano Bank.



Lars Rådström

President of LF Jämtland. Elected 2024.

Born
1967.

Education
B.Sc. Business and Economics, Uppsala University.

Other Board appointments

Chairman of Länsförsäkringar Jämtland Fastigheter AB, Board member of Länsförsäkringar Mäklarservice AB.

Previous experience

Bank Manager LF Jämtland, Head of Sales Nordea Finans, Senior Relationship Manager Nordea.

Board, continued

EMPLOYEE REPRESENTATIVES



Örjan Söderberg

Chairman of LF Gotland. Business consultant. Elected 2025.

Born
1952.

Education
LLM.

Other Board appointments
Deputy member of Vindbolaget i När AB.

Previous experience
President of Länsförsäkringar Fondförvaltning AB, President of Länsförsäkringar Bank AB, Vice President of LF Stockholm, President of LF Jönköping, President of LF Älvsborg.



Anna-Lena Wretman

President of LF Älvsborg. Elected 2025.

Born
1967.

Education
B.A. Sociology, Växjö University (Linnaeus University).

Other Board appointments
Board member of Älvsborgs Larmcentral AB, Skadedjursbekämpning i Väst AB, Sejfa AB and Lfant AB.

Previous experience
Swedbank, the Riksbank, CGI and Getswish (Swish).



Lisa-Maria Carensjö

IT Solution Specialist at Länsförsäkringar. Employee representative. Elected 2021.

Born
1984.

Education
M.Sc. in Industrial Engineering, Royal Institute of Technology (KTH).

Other Board appointments
–

Previous experience
Claremont, Dynabyte and Accenture.



Joar Lind

Advisor support at Länsförsäkringar Bank. Employee representative. Elected 2025.

Born
1998.

Education
UGL Swedish Military, relevant education in credit and deposits.

Other Board appointments
Second deputy chairman in Forena LFAB.

Previous experience
Leadership positions and workplace environment work within the Swedish Military and Länsförsäkringar.

Board members 2025: Mathias Collén, Mikael Bergström, Anders Grånäs, Hans Ljungkvist, Anna-Christina Norrström and Anette Andersson (employee representative) were Board members until 13 May 2025.

Deputy: Camilla Lahger

Deputy: Christina Berg

Secretary of the Board: Anna Rygaard. Born 1966. Company Lawyer at Länsförsäkringar AB.

Auditor: Deloitte AB, with Patrick Honeth as auditor in charge.

Executive management



Martin Rydin¹⁾

Acting President and CFO. Employed in 2012.

Born
1968.

Education
Legal studies, Stockholm University.

Previous experience
Head of Treasury Länsförsäkringar Bank, Head of Long Term Funding Swedbank.



Susanne Calner

Head of President's staff. Employed in 2012.

Born
1969.

Education
M.Sc. in Business and Economics, Stockholm University.

Previous experience
Head of Credit Länsförsäkringar Bank AB, Branch Manager at SEB, auditor and management consultant at Andersen.



Bengt Clemedtson

Head of Customer and Market. Employed in 2006.

Born
1964.

Education
M.Sc. in Business and Economics, Stockholm University.

Previous experience
Asset Management at Skandia, President of Skandiabanken Bolån AB.



Markus Gustafsson

CRO. Employed in 2021

Born
1978.

Education
M.Sc. in Engineering.

Previous experience
Ten years of experience in Risk Management at Länsförsäkringar Bank and Wasa Kredit, Investment Manager at Intrum Sweden and management consultant.



Thomas Högväg

President of Länsförsäkringar Finans AB (previous Wasa Kredit AB). Employed in 2018.

Born
1968.

Education
Educational courses via Stockholm School of Economics.

Previous experience
SEB, FOREX Bank and management consult.

Executive management, continued



Anders Larsson

President of Länsförsäkringar Hypotek AB. Employed in 1997.

Born
1965.

Education
M.Sc. in Business and Economics.

Previous experience
Head of Staff Länsförsäkringar Hypotek AB, Head of Treasury, Head of Finance and Finance Manager Länsförsäkringar Bank.



Rebekka Lindstedt

Head of Financial Crime Prevention. Employed in 2024.

Born
1976.

Education
M.Sc. in Business and Economics, Lund University.

Previous experience
years at SEB in various senior positions



John Svensson

Head of Credit. Employed in 2024.

Born
1965.

Education
M.Sc. in Business and Economics, Uppsala University.

Previous experience
Head of Credit of Länsförsäkringar Bank AB. Regional Credit Manager Nordea, Head of Credit Nordea Finans Sweden, Head of Retail Credit Nordea Bank Sweden and National Head of Credit Almi AB



Tobias Ternstedt

Head of Product, Process, Operations & IT. Employed in 2010.

Born
1972.

Education
M.Sc. in Computer and Information Science, Faculty of Engineering LTH at Lund University.

Previous experience
20 years' experience from IT, mainly in banking and finance



Åsa Wallenberg

President of Länsförsäkringar Fondförvaltning AB. Employed in 2023.

Born
1972.

Education
B.Sc. in Business and Economics.

Previous experience
President of Storebrand Fonder and Head of Funds at Storebrand Asset Management, senior positions at SPP Pension & Försäkring AB and Eniro AB.

¹⁾ Martin Rydin took over as Acting President in April 2025, succeeding Sven Eggefalk, who joined Group management of another bank. Sara Davidgård was appointed the new President of Länsförsäkringar Bank and will take office at the end of March 2026. She most recently served as Head of Business Area Private at SBAB.

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– Group

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Consolidated income statement – Group

SEK M	Note	2025	2024
Interest income	5	15,955.8	22,414.3
Interest expense	5	-10,145.6	-15,781.9
Net interest income		5,810.2	6,632.4
Dividends received		1.0	0.7
Commission income	6	2,527.3	2,366.4
Commission expense	6	-2,376.8	-3,461.1
Net commission		150.6	-1,094.8
Net gains / losses from financial items	7	11.4	27.7
Other operating income		132.3	86.8
Total operating income		6,105.5	5,652.8
Staff costs	8	-1,161.0	-1,012.1
Other administration expenses	9,10	-1,826.6	-1,512.7
Total administration expenses		-2,987.7	-2,524.8
Depreciation/amortisation and impairment of property and equipment/ intangible assets	13	-426.4	-259.2
Total operating expenses		-3,414.1	-2,784.0
Profit before credit losses		2,691.4	2,868.7
Credit losses, net	11	-143.4	-181.2
Share of profit/loss of participating interests		1.3	0.7
Imposed levies	12	-441.8	-397.9
Operating profit		2,107.4	2,290.3
Tax	14	-384.6	-519.5
Net profit for the year		1,722.8	1,770.8

Statement of comprehensive income – Group

SEK M	2025	2024
Net profit for the year	1,722.8	1,770.8
Other comprehensive income		
Items that have been transferred or can be transferred to profit or loss		
Cash-flow hedges		
of which change in value for the period	-270.1	3,845.9
of which reclassification to profit or loss	346.4	-4,033.5
Change in fair value of debt instruments measured at FVOCI		
of which change in value for the period	111.4	37.8
of which reclassification of realised securities to profit or loss	-3.3	-0.9
Tax attributable to items that have been transferred or can be transferred to profit or loss	-38.0	31.0
Total	146.4	-119.7
Items that cannot be transferred to profit or loss		
Change in fair value of equity instruments measured at FVOCI	-4.5	9.4
Tax attributable to items that cannot be reversed to profit or loss	0.7	-2.0
Total	-3.8	7.3
Total other comprehensive income for the period, net after tax	142.6	-112.4
Comprehensive income for the year	1,865.6	1,658.4

Consolidated balance sheet – Group

SEK M	Note	2025-12-31	2024-12-31
ASSETS			
Cash and balances with central banks		9,929.5	35.2
Treasury bills and other eligible bills	15	13,941.1	11,562.8
Loans to credit institutions	16	2,943.8	1,424.1
Loans to the public	17,18	428,557.9	425,038.4
Bonds and other interest-bearing securities	19	53,965.1	49,907.6
Shares and participations		193.2	200.6
Shares and participations in joint ventures		7.1	5.8
Derivatives	20	1,923.0	4,685.8
Fair value changes of interest-rate-risk hedged items in portfolio hedge	21	67.7	-200.2
Intangible assets	22	1,723.2	1,507.3
Property and equipment	23	575.3	474.7
Deferred tax assets	24	118.3	56.4
Other assets	25	711.0	935.3
Prepaid expenses and accrued income	26	625.5	633.3
TOTAL ASSETS		515,281.5	496,267.1

Consolidated balance sheet – Group

SEK M	Note	2025-12-31	2024-12-31
LIABILITIES AND EQUITY			
Due to credit institutions	27	1,597.2	10,803.0
Deposits and funding from the public	28	163,035.3	155,381.0
Debt securities in issue	29	310,800.6	292,943.3
Derivatives	20	2,416.4	2,537.0
Fair value changes of interest-rate-risk hedged items in portfolio hedge	21	-636.8	-2,023.2
Deferred tax liabilities	24	723.5	682.1
Other liabilities	30	2,093.4	2,149.1
Accrued expenses and deferred income	31	5,041.4	5,676.3
Provisions	32	33.6	37.2
Subordinated liabilities	33	4,194.0	3,095.3
Total liabilities		489,298.6	471,281.0
Equity	34		
Share capital		2,864.6	2,864.6
Other capital contributed		8,242.5	8,242.5
Reserves		-61.6	-204.3
Additional Tier 1 instruments		2,850.0	2,550.0
Retained earnings		12,087.3	11,533.3
Total equity		25,982.9	24,986.1
TOTAL LIABILITIES AND EQUITY		515,281.5	496,267.1

Consolidated cash-flow statement (indirect method) – Group

SEK M	Not	2025	2024
Cash and cash equivalents, 1 January		588.6	6,298.7
Operating activities			
Operating profit		2,107.4	2,290.3
Adjustment of non-cash items	40	176.9	28.0
Change in assets of operating activities			
Change in interest-bearing securities		-6,023.1	2,725.7
Change in loans to the public		-3,474.3	-29,975.7
Change in other assets		-457.7	-2,435.7
Change in liabilities of operating activities			
Change in deposits and funding from the public		7,654.3	4,874.4
Change in debt securities in issue		20,725.7	10,403.7
Change in other liabilities		-10,757.7	7,211.9
Cash flow from operating activities		9,951.5	-4,877.4
Investing activities			
Acquisitions of intangible assets		-517.5	-333.7
Acquisitions of property and equipment		-196.7	-383.1
Cash flow from investing activities		-714.2	-716.8
Financing activities			
Amortisation of lease liabilities		-17.7	-16.4
Issued Additional Tier 1 instruments		1,500.0	1,350.0
Repayment of Additional Tier 1 instruments		-1,200.0	-1,000.0
Interest on issued Additional Tier instruments		-157.8	-208.3
Issued subordinated liabilities		1,096.7	-
Dividend paid		-288.4	-241.1
Cash flow from financing activities		932.8	-115.8
Net cash flow for the year		10,170.1	-5,710.1
Cash and cash equivalents, 31 December	40	10,758.7	588.6

Cash and cash equivalents is defined as cash and balances with central banks and loans to credit institutions payable on demand.

Consolidated statement of changes in shareholders' equity – Group

SEK M	Share Capital	Other capital contributed	Additional Tier 1 instruments ¹⁾	Fair value reserve	Hedge reserv	Retained earnings	Total
Opening balance, 1 January 2024	2,864.6	8,242.5	2,200.0	-32.4	-59.6	10,573.1	23,788.3
Profit for the period						1,770.8	1,770.8
Other comprehensive income for the period				36.6	-149.0		-112.4
Comprehensive income for the period				36.6	-149.0	1,770.8	1,658.4
Dividend paid						-241.1	-241.1
Group contributions paid						-455.0	-455.0
Tax on group contributions paid						93.7	93.7
Issued Additional Tier 1 instruments			350.0			-208.3	141.7
Closing balance, 31 December 2024	2,864.6	8,242.5	2,550.0	4.2	-208.6	11,533.3	24,986.1
Opening balance, 1 January 2025	2,864.6	8,242.5	2,550.0	4.2	-208.6	11,533.3	24,986.1
Profit for the period						1,722.8	1,722.8
Other comprehensive income for the period				82.2	60.6		142.8
Comprehensive income for the period				82.2	60.6	1,722.8	1,865.6
Dividend paid						-288.4	-288.4
Group contributions paid						-910.0	-910.0
Tax on group contributions paid						187.5	187.5
Issued Additional Tier 1 instruments			300.0			-157.8	142.2
Closing balance, 31 December 2025	2,864.6	8,242.5	2,850.0	86.4	-148.1	12,087.3	25,982.9

¹⁾ The issued Tier 1 instrument is deemed to fulfil the conditions of an equity instrument since:

- The instrument, according to the conditions, does not have a set maturity date, meaning that the issuer has an unconditional right to refrain from making repayments.
- The issuer of the instrument has full discretion regarding interest payments, that is to say no obligation to pay interest.

Notes to the consolidated financial statements

All figures in SEK M unless otherwise stated.

NOTE 1 COMPANY INFORMATION

The consolidated financial statements for Länsförsäkringar Bank AB (publ) (Corp. Reg. No. 516401-9878) were presented on 31 December 2025. Länsförsäkringar Bank AB (publ) is a bank registered in Sweden, with its registered office in Stockholm. The address of the head office is Tegeluddsvägen 11-13, Stockholm, Sweden. The company is a wholly owned subsidiary of Länsförsäkringar AB (publ) (Corp. Reg. No. 502010-9681) with its registered office in Stockholm. The Parent Company in the largest and smallest Group in which Länsförsäkringar Bank AB (publ) is the subsidiary and in which the consolidated financial statements are prepared is Länsförsäkringar AB (publ), Stockholm.

NOTE 2 ACCOUNTING POLICIES

COMPLIANCE WITH STANDARDS AND LEGISLATION

The consolidated financial statements have been prepared according to International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of these standards issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. In addition, the Swedish Corporate Reporting Board's (the Reporting Board) recommendation RFR 1 Supplementary Accounting Rules for Groups and the Reporting Board's statements, certain supplementary regulations in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL) and the regulations and general guidelines of Finansinspektionen (the Swedish Financial Supervisory Authority, FSA) regarding annual accounts for credit institutions and securities companies (FFFS 2008:25) were applied. The Parent Company applies the same accounting policies as the Group except for the cases described under the Parent Company's note regarding accounting policies. The deviations arising between the Parent Company's and the Group's accounting policies are due to the limitations on the possibility of applying IFRS in the Parent Company, as a result of the Annual Accounts Act and the Pension Obligations Vesting Act and, in certain cases, tax legislation.

CONDITIONS RELATING TO THE PREPARATION OF THE PARENT COMPANY'S AND CONSOLIDATED FINANCIAL STATEMENTS

Länsförsäkringar Bank's functional currency is Swedish kronor (SEK), which is also the presentation currency of the Parent Company and the Group. The functional currency is the currency in the

primary financial environments in which the Group companies conduct their operations, which means that the financial statements are presented in SEK. All amounts, unless otherwise stated, are rounded to the nearest million (SEK M). The reporting is based on historical cost. Financial assets and liabilities are recognised at amortised cost, except for certain financial assets and liabilities that are measured at fair value, refer to note Fair value valuation techniques, or when fair value hedge accounting is applied. The accounting policies for the Group stated below have been applied to all periods presented in the consolidated financial statements, unless otherwise stated.

ESTIMATES AND JUDGEMENTS IN THE FINANCIAL STATEMENTS

The preparation of accounts in accordance with IFRS requires that management make estimates and judgements, and make assumptions that affect the application of the accounting policies and the carrying amounts of the income, expenses, assets, liabilities and contingent liabilities and provisions presented in the accounts. These estimates and judgements are based on historic experiences and the best information available on the balance-sheet date. The actual outcome may deviate from these estimates and judgements. The estimates and judgements are reviewed regularly.

Important judgements made in the application and selection of accounting policies are primarily related to:

- Assessment of business models and cash flows for financial instruments. These are described in the section on financial assets and liabilities.
- The primary hedging instrument used when the Bank Group applies cash flow hedging are cross-currency interest rate swaps that are always measured at fair value. The currency component of these swaps is handled as a cash flow hedge of the currency risk and the interest component as a fair value hedge of the interest-rate risk. The hypothetical derivative method is used to measure the effectiveness of these cash flow hedges, which entails that the change in a perfect hypothetical swap is deemed to correspond to the present value of the accumulated change in the expected cash flows for the hedged transaction (the currency component). Critical judgements are required to determine the characteristics of the perfect hypothetical swap. For a more detailed description, refer to note Risks and capital adequacy.

- Method for calculating expected allowance for expected credit losses. This is described below in the section Expected credit losses.
- Recognition of current tax due to the Länsförsäkringar AB Group becoming subject to the law on top-up tax for companies in large groups (the "Top-up Tax Act"). The Group intends to apply the simplification rules, which means that no current tax is recognised for the 2024-2026 fiscal years. For a more detailed description of the Group's exposure to paying top-up tax, refer to note Taxes.

Significant sources of estimation uncertainty are primarily related to:

- Valuation of expected credit losses. These valuations are based on complex models and assessments, such as identifying significant increases in credit risk, considering forward-looking information and selecting macroeconomic scenarios. For a more detailed description of expected credit losses, refer to the section Expected credit losses and the subsection Model and definitions.

NEW OR AMENDED ACCOUNTING POLICIES APPLIED FROM 1 JANUARY 2025

New or amended standards and interpretations that come into effect for fiscal years beginning on or after 1 January 2025 are not deemed to have any material impact on the consolidated financial statements, capital requirements, own funds or other circumstances according to the applicable regulatory requirements.

Application of new accounting policies due to acquisitions

Länsförsäkringar Bank's acquisition of SAVR AB was completed on 16 September after the FSA approved the change in ownership and management entailed by the acquisition. The acquisition is consolidated in accordance with the purchase method from the date on which a controlling influence arose.

For further information, refer to note Business combinations.

Accounting policy due to the Riksbank's right to demand interest-free deposits

The Riksbank has decided, on the basis of an amendment to the Sveriges Riksbank Act, to receive interest-free deposits from Swedish banks and other credit institutions operating in Sweden. The amount that the institutions are to deposit with the Riksbank corresponds to a percentage of the institutions' so-called deposit

base. Accordingly, the amounts deposited are thus proportional to the size of the institutions. The amount of the total deposits is updated annually. The statutory interest-free lending to the Riksbank does not meet the IFRS definition of a financial instrument but is nevertheless reported as such an instrument. Lending is measured and classified as follows:

- Classified as loans to credit institutions.
- Lending is initially measured at fair value plus directly attributable transaction costs. The difference between the initial carrying amount and paid amount is recognised as a cost on the line Fees levied in profit or loss.
- The interest-free lending to the Riksbank is measured at amortised cost in subsequent periods.

NEW IFRS AND INTERPRETATIONS THAT HAVE NOT YET BEEN APPLIED

New or amended standards and interpretations that come into effect for fiscal years beginning on or after 1 January 2026 were not applied in advance when this financial statement was prepared. The expected effects of the application on the financial reporting are described below.

IFRS 18 Presentation and Disclosure in Financial Statements

On 9 April 2024, the IASB published IFRS 18 Presentation and Disclosure in Financial Statements that will replace IAS 1 Presentation of Financial Statements on 1 January 2027. The standard has been endorsed by the EU. IFRS 18 introduces new requirements for the presentation and disclosure in financial statements, with a particular focus on the income statement and disclosures of management-defined performance measures. The standard is not expected to have any financial impact on the Group, but will introduce new requirements for presentation and disclosure in the financial statements. The impact on the consolidated financial statements is currently being evaluated.

Amendments to the classification and measurement of financial instruments (IFRS 9 and IFRS 7)

The IASB has published amendments to the classification and measurement of financial instruments in IFRS 9 and IFRS 7. The amendments mainly provide guidance on the assessment of contractual cash flows of financial assets that include terms that are dependent on future events and related disclosure requirements. The amendments are to be applied from 1 January 2026 and have

been endorsed by the EU. The amendment are not expected to have a material impact on the consolidated financial statements.

DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation principles

Subsidiaries

The consolidated financial statements include the Parent Company and all companies in which Länsförsäkringar Bank AB directly or indirectly holds a controlling influence. A controlling influence exists when the Parent Company has power over the investee, is exposed to or has rights to variable returns from its involvement and has the ability to use its power over the investee to affect the amount of the investor's returns. Shares that potentially carry voting rights and any de facto control are taken into account in assessing the existence of a controlling influence. Shareholders' contributions are recognised in the consolidated balance sheet as Other capital contributed.

Subsidiaries to be included in the consolidated financial statements are consolidated in the Group according to the purchase method from the date on which a legal entity is considered to be a subsidiary and until the date on which a group relationship between a parent company and a subsidiary ceases.

Untaxed reserves

Untaxed reserves in the consolidated balance sheet have been divided into deferred tax liabilities and equity. Changes in deferred tax liabilities due to changes in untaxed reserves are recognised as deferred tax in the consolidated income statement.

Transactions in foreign currency

Transactions in foreign currency are translated to the functional currency at the exchange rate on the date of the transaction. Monetary assets and liabilities in foreign currency are translated to the functional currency at the exchange rate that applies on the balance-sheet date. Non-monetary assets and liabilities are translated to the rate in effect on the date of the transaction. Exchange-rate differences arising due to the translation of balance-sheet items in foreign currency are recognised in profit or loss under the line item Net gains/losses from financial items as exchange-rate gains or exchange-rate losses.

PRINCIPLES FOR ITEMS IN PROFIT OR LOSS

Interest income and interest expense

Interest income and interest expense for financial instruments calculated in accordance with the effective interest method are recognised under net interest income. The effective interest rate includes fees that are deemed to be an integrated part of the

effective interest rate for a financial instrument (usually fees that are received as compensation for risk). The effective interest rate corresponds to the rate used to discount contractual future cash flows to the carrying amount of the financial asset or liability. Interest on derivatives that hedge interest-rate and foreign-currency risk and are included in formal hedging relationships is recognised as interest income if the derivative hedges an asset and as interest expense if the derivative hedges a liability. Interest compensation for early redemption of fixed-rate lending and deposits is recognised under Net gains/losses from financial items. For assets in stage 3 (credit-impaired assets), the interest income is calculated and recognised based on the net carrying amount, meaning after deductions for expected credit losses. For assets in stage 1 and 2, the interest income is calculated and recognised based on the gross carrying amount. See also Expected credit losses. Negative interest on asset items is recognised as a decrease in interest income. Negative interest on liability items is recognised as a decrease in interest expense. See also note Net interest income.

Revenue from Contracts with Customers

Income from contracts with customers is recognised in profit or loss under commission income and other operating income. The company recognises income at the point in time that control of the good or service is passed to the customer.

The company's division of income from contracts with customers in note Net commission income corresponds to the structure of the internal reports that Group management uses to monitor the operations.

The company applies the exemption entailing that disclosures on outstanding performance obligations attributable to contracts with a term of less than one year are not provided.

Lending commission

Lending commission primarily refers to additional services (land registration certificates and mortgage deeds) that customers can choose when arranging their loans. Income is recognised when the customer receives the service. Arrangement fees are recognised as interest income according to the effective interest method. Lending commission also includes notification and reminder fees for which the Group's obligation is to notify/remind the customer. These fees are recognised as income when the notification or reminder is sent to the customer. Penalty interest is recognised as interest income.

Payment mediation and cards

The Bank Group's obligations for payment mediation partly comprise making it possible for customers to make secure and convenient payments and partly involve participating in the payments systems (for example, Mastercard and bankgiro) required for

carrying out the payments. Income for payment mediation is settled in advance in the form of annual fees and continuously with the transactions being performed. The fees received in advance are recognised on settlement as a contract liability and income is subsequently recognised straight-line over the period during which the obligation is satisfied. Continuous income is recognised after the transactions have been completed and is settled either immediately or following a slight delay.

Securities commission

The Group's securities commission is largely attributable to income in Länsförsäkringar Fondförvaltning. A small portion is attributable to Länsförsäkringar Bank. Commission is based on the following obligations: The Group receives a management fee from the funds that the subsidiary Länsförsäkringar Fondförvaltning AB has undertaken to manage. This management fee is based on the current assets in the funds. Income for this fee is recognised monthly since the obligations is deemed to be satisfied and settled in the following month. Länsförsäkringar Bank receives a fixed brokerage fee from the customer for each securities transaction. When the transaction has been completed, the obligation is deemed to be satisfied and the fee is recognised as income. Länsförsäkringar Bank and Länsförsäkringar Fondförvaltning receive remuneration from the trading venues in which they operate. The obligation is to distribute and invest in the funds traded on these trading venues. Income is based on the managed assets that were distributed and invested in the trading venue's funds. Income is recognised every month. Income for the current quarter is settled in the first month of the subsequent quarter. Länsförsäkringar Fondförvaltning receives remuneration when the company's funds invest in other funds. This remuneration is based on the current managed assets and the obligation is satisfied when the investment is made in the fund. Income is recognised every month and the current quarter's income is settled in the first month of the subsequent quarter. Since fund savers can sell their holdings at any time, no estimate is made of future remuneration amounts.

Remuneration from the regional insurance companies

Remuneration from the regional insurance companies is described in note Disclosures on related parties, pricing and agreements.

Net gains/losses from financial items

The item Net gains/losses from financial items contains the realised and unrealised changes in value that occurred as a result of financial transactions. Capital gains/losses on the divestment of financial assets and liabilities, including assets measured at amortised cost (interest compensation received when customers pay loans prematurely), are recognised in this item as well as the result of premiums or discounts on repurchases of own funding. This item also includes realised and unrealised changes in the value of

derivative instruments that are financial hedging instruments, but for which hedge accounting is not applied, and unrealised changes in the fair value of derivatives to which fair value hedge accounting is applied, and unrealised changes in the fair value of hedged items with regard to hedged risk in the fair value hedge. The ineffective portion of hedging instruments and exchange-rate changes is also recognised as Net gains/losses from financial items. Net gains/losses on transactions measured at fair value through profit or loss does not include interest or dividends. Realised gains or losses are calculated as the difference between the purchase consideration received and the cost of the asset.

Remuneration of employees

Pension plans

The largest pension plan of which the company's employees are part is the FTP plan, a multi-employer pension plan. The plan is a defined-benefit plan for employees born in 1971 or earlier and a defined-contribution plan for employees born in 1972 or after. The defined-benefit portion is insured through the Insurance Industry's Pension Fund (FPK). This pension plan entails that a company, as a rule, recognises its proportional share of the defined-benefit pension commitment and of the plan assets and expenses associated with the pension commitment. The FPK is currently unable to provide necessary information, which is why the pension plan above is recognised as a defined-contribution plan. The Group's payments to defined-contribution plans are recognised as expenses during the period in which the employee performed the services to which the contributions refer.

Impairment

The carrying amounts of the Group's assets are tested on every balance-sheet date to determine whether there are any indications of impairment. IAS 36 is applied to impairment testing for assets that are not tested according to any other standard. These include financial assets tested in accordance with IFRS 9 Financial Instruments: Recognition and Measurement, and deferred tax assets tested in accordance with IAS 12 Income Taxes. The carrying amounts of the exempted assets above are tested according to the respective standard. The Group continuously assesses assets that are not tested for impairment according to other standards if there are any indications that the assets have declined in value. If it is not possible to determine the significantly independent cash flows for an individual asset, and its fair value less selling expenses cannot be used, the assets are to be grouped when testing for impairment at the lowest value where it is possible to identify the significantly independent cash flows, known as a cash-generating unit. If there is an indication of an impairment requirement, the recoverable amount of the asset is calculated in accordance with IAS 36. The recoverable amount is the higher of fair value less selling

expenses and value in use. In the calculation of the value in use, the future cash flow is discounted with a discount factor that takes into consideration risk-free interest and the risk associated with the specific asset. Impairment is recognised when an estimated recoverable amount falls below the carrying amount of the asset. Impairment of assets under IAS 36's area of application is reversed if there is an indication that the impairment requirement no longer exists and a change has occurred in the assumptions that formed the basis of the calculation of the recoverable amount. A reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been recognised, less depreciation/amortisation where applicable, if no impairment had been applied.

Credit losses, net

Credit losses comprise changes in expected credit losses, confirmed credit losses and recoveries of credit losses previously recognised as confirmed credit losses. Confirmed credit losses could refer to the entire receivable or parts of it when there is no realistic possibility of recovery. A confirmed credit loss is recognised as a write-off of the gross carrying amount and an add-back of the portion of the allowance for expected credit losses that pertains to a written-off loan or portions of a loan. Recoveries comprise payments of loans that were previously recognised as confirmed credit losses.

Taxes

Income tax comprises current tax and deferred tax. Income tax is recognised in profit or loss, except when the underlying transaction is recognised in other comprehensive income, whereby the related tax effect is recognised in other comprehensive income, or when the underlying transaction is recognised directly against equity with the related tax effect recognised in equity. Current tax is tax that is to be paid or received in the current year, with application of the tax rates that are decided or decided in practice on the balance-sheet date. This also includes adjustments of current tax attributable to prior periods. Deferred tax is calculated in accordance with the balance-sheet method, based on temporary differences between carrying amounts and tax bases of assets and liabilities. The valuation of deferred tax is based on how the carrying amounts of assets and liabilities are expected to be realised or settled. Deferred tax is calculated with application of the tax rates and tax rules established or decided in practice on the balance-sheet date. Deferred tax assets on deductible temporary differences and tax loss carryforwards are only recognised to the extent that it is likely that it will be possible to utilise these. The value of the deferred tax assets is reduced when it is no longer considered likely that they can be utilised.

PRINCIPLES FOR BALANCE-SHEET ITEMS

Financial assets and liabilities

Financial assets recognised in the balance sheet include loan receivables, interest-bearing securities, derivatives with positive market value, accounts receivable, lease receivables and shares and participations. Financial liabilities include debt securities in issue, derivatives with negative market value, deposits, other liabilities (accounts payable) and subordinated liabilities.

Recognition and derecognition in the balance sheet

A financial asset or financial liability is recognised in the balance sheet when the company becomes party to the contract in accordance with the instrument's contractual conditions. A financial asset is derecognised from the balance sheet when the rights in the contract are realised, expire or – when the assets are transferred – the company no longer has any significant risks or benefits from the assets and loses control of them. Derecognition also takes place if a financial asset's or liability's contractual terms have been significantly modified (refer also to the separate section on modified loans below). In cases in which a modification is made to the contractual cash flows as a direct consequence of a reform of a reference rate and the new contractual terms are economically equivalent to the original, no derecognition takes place and the original effective interest rate will be adjusted to reflect the new cash flows.

In genuine repurchase transactions (a sale of interest-bearing securities with an agreement for repurchase at a predetermined price), the asset continues to be recognised in the balance sheet and payment received is recognised as a liability in the balance sheet under the item Due to credit institutions. Sold securities are recognised as pledged assets. For a reversed repurchase transaction (a purchase of interest-bearing securities with an agreement for resale at a predetermined price), the securities are not recognised in the balance sheet. The payment received is recognised instead in the item Loans to credit institutions.

A financial liability is derecognised from the balance sheet when the obligation in the contract is met or extinguished in another manner.

Business transactions in the monetary, bond and equity markets that taken place on demand are recognised in the balance sheet on the trade date, which is the time when the significant risks and rights are transferred between the parties. Deposits and lending transactions are recognised on the settlement date. Loan commitments are not recognised in the balance sheet and are instead recognised as commitments; see note Pledged assets, contingent liabilities and commitments. Financial assets and liabilities are initially measured at fair value plus directly attributable transaction costs, except for assets and liabilities measured at fair value through profit or loss, which are initially measured at fair value.

Offsetting financial assets and liabilities

A financial asset and a financial liability are offset and recognised as a net amount in the balance sheet only when a legal right exists to offset the amounts and the intention is present to settle the item in a net amount or simultaneously realise the asset and settle the liability.

Classification and measurement

Financial assets and liabilities are measured at fair value through profit or loss on the initial valuation date. Subsequent measurement and recognition of changes in value take place depending on the measurement category to which the financial instrument belongs. The Group's financial assets comprise:

- Equity instruments
- Debt instruments
- Derivative instruments

Equity instruments

Investments in equity instruments measured at fair value through profit or loss except for investments that on initial recognition are identified as investments in equity instruments with the changes in value recognised in other comprehensive income. These holdings are not held for the purpose of generating investment income and comprise holdings of a more strategic nature. Gains/losses on the sale of equity instruments measured at fair value through other comprehensive income are recognised as a transfer in equity from the fair value reserve to retained earnings and thus do not impact profit or loss.

Debt instruments

The Group's financial assets that are debt instruments comprise loan receivables, interest-bearing securities and other financial assets. The business model used to manage a debt instrument and its contractual cash flow characteristics determines the measurement of a debt instrument. A requirement for a financial asset to be measured at amortised cost or fair value through other comprehensive income is that the contractual cash flows solely comprise outstanding payment of the principal and interest on the principal. Debt instruments that do not meet the requirement are measured at fair value through profit or loss regardless of the business model to which the asset is attributable. All debt instruments held in the Group meet these cash flow characteristics. The Group regularly checks that cash flows for the debt instruments measured at amortised cost and fair value through other comprehensive income meet the requirements.

Amortised cost

The Group manages loans to the public, accounts receivable and other financial receivables in a business model whose objective is to realise the assets' cash flows by receiving contractual cash

flows that solely comprise payments of principal and interest on the principal amount outstanding. These assets are therefore measured at amortised cost. Amortised costs refers to the discounted present value of all future payments attributable to the instrument with the discount rate comprising the effective interest rate of the asset on the acquisition date.

Fair value through other comprehensive income

The Group manages its holdings of treasury bills and other eligible bills and bonds and other interest-bearing securities in a business model whose objective is to realise the assets by both receiving contractual cash flows and through sales. These assets are therefore measured at FVOCI. This recognition means that the assets are continuously measured at fair value through other comprehensive income with the accumulated unrealised changes in values recognised in the fair value reserve. Interest income is recognised in net interest income in profit or loss. If an asset in this category is sold, the previous unrealised gain/loss is reclassified from other comprehensive income to profit or loss and is recognised on the line item net gains/losses from financial items.

Fair value through profit or loss

The Group does not have any debt instruments measured at fair value through profit or loss. Gains/losses from the sale of debt instruments are recognised in profit or loss.

Derivative instruments

Derivative instruments are measured at fair value through profit or loss unless they are subject to the rules on hedge accounting. Derivatives with positive values are recognised as assets in the consolidated balance sheet and derivatives with negatives values are recognised as liabilities. All of the Group's derivatives are used as hedging instruments, and accordingly the Group does not have any derivatives classified as held for trading.

Financial liabilities

The Group's financial liabilities are presented in note Classification of financial assets and liabilities. The Group measures all financial liabilities that are not derivatives at amortised cost.

Hedge accounting

The Group's derivatives, which comprise interest-rate and cross-currency swaps, have been acquired in their entirety to hedge the risks of interest and exchange-rate exposure arising during the course of operations. The origin and management of these risks are described in the section Interest-rate risk and currency risk in note Risks and capital adequacy. The Group has decided to continue to apply the rules in IAS 39 (including EU carve-out) for all hedging relationships. All derivatives are measured at fair value in the balance sheet. Changes in value are

recognised depending on whether the derivative is designated as a hedging instrument and, if this is the case, the type of hedging relationship that the derivative is included in. The Group applies both cash flow hedges and fair value hedges. Hedge accounting is applied only when there is a clear relationship with the hedged item. In addition, it is required that the hedge effectively protects the hedged item, that hedge documentation is prepared and that the effectiveness can be measured reliably. Hedge accounting can only be applied if the hedging relationship can be expected to be highly effective, which means that the ratio between the change in fair value for the hedged risk in the hedged item and the derivative must be in the interval of 80–125%. In the event that the conditions for hedge accounting are no longer met, the derivative is measured at fair value with the change in value through profit or loss, and the hedged item is no longer subject to remeasurement for cases in which hedging at fair value were previously applied. The effectiveness of hedging relationships are evaluated monthly. Each identified hedging relationship is expected to be effective over the entire lifetime of the relationship. Effectiveness is tested by applying a forward-looking (prospective) assessment and a retrospective evaluation. Ineffectiveness is recognised in profit or loss.

Cash flow hedges

The aim of cash flow hedges is to protect the Group from variations in future cash flows attributable to recognised assets and liabilities due to changed market factors. Interest and cross-currency interest rate swaps that are hedging instruments in cash flow hedging are measured at fair value. The change in value is recognised in other comprehensive income and in the cash flow hedge reserve in equity to the extent that the change in the value of the swap is effective and corresponds to future cash flows attributable to the hedged item. Ineffectiveness is recognised in profit or loss in the item Net gains/losses from financial items. Gains or losses recognised in the cash flow hedge reserve under equity through other comprehensive income are reclassified and recognised in profit or loss in the same period as the hedged item affects profit or loss.

Fair value hedges

The aim of fair value hedges is to protect the Group from undesirable earnings effects caused by exposure to changes in the interest-rate risk associated with recognised assets or liabilities. When applying fair value hedges, the hedged item is measured at fair value regarding its hedged risk. The changes in value that arise are recognised in profit or loss and offset the changes in value arising on the derivative (the hedging instrument). The Group applies the fair value hedge method to specific portfolios of either funding, deposits or loans bearing fixed interest rates. The Group also applies the fair value hedge method to individual assets in the

liquidity portfolio that are classified in the measurement category of fair value through other comprehensive income. The change in the value of the derivative is recognised in profit or loss together with the change in the value of the hedged item regarding the hedged risk under Net gains/losses from financial items. Interest, both paid and unpaid, are recognised as interest income if the hedged item is an asset or portfolio of assets, or as interest expense if the hedged item is a liability or portfolio of liabilities.

Expected credit losses

Reserves for expected credit losses (“loss allowance”) are recognised for financial assets measured at amortised cost, finance lease assets, debt instruments measured at fair value through other comprehensive income, issued financial guarantees and loan commitments. Estimation uncertainty arises since the valuation of expected credit losses is based on complex models and assessments. The estimate of expected credit losses is primarily based on models, but an individual assessment is performed for cases in which material information is available that is not incorporated in these models. The initial loss allowance is calculated and recognised on initial recognition and is subsequently continuously adjusted over the lifetime of the financial asset. Initial recognition is defined in the Group as the time of origination of the financial instrument, meaning when the original loan terms were set. In the calculation of loss allowance under IFRS 9, the Bank Group takes into consideration several different future scenarios, including macro factors. Expected credit losses are to be estimated in a manner that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The estimate is based on an assessment of whether the credit risk has increased significantly and includes information about past events, current conditions and forecasts of future economic conditions.

Model and definitions

The expected loss impairment model is based on dividing the financial assets into three different stages.

- Stage 1 comprises assets for which the credit risk has not increased significantly since initial recognition.
- Stage 2 comprises assets for which the credit risk has increased significantly since initial recognition, but the asset is not credit-impaired.
- Stage 3 comprises credit-impaired assets or assets that were credit-impaired on initial recognition.

The Group’s method for assessing whether there has been a significant increase in credit risk for financial assets measured at amortised cost, and issued financial guarantees and loan commitments, is to compare probability of default (PD) on the reporting date in question with PD from the initial reporting date. In addition, a

credit risk is deemed to have increased significantly for assets that are more than 30 days past due. For further information about the assessment of credit risk, refer to the section on sensitivity in calculation of loss allowances in note Risks and capital adequacy. The Group’s method for assessing whether there has been a significant increase in credit risk for loans to credit institutions, and debt instruments measured at fair value through other comprehensive income, is to compare PD based on an external rating on the reporting date in question with PD based on an external rating on the initial reporting date. When there is no longer any significant increase in credit risk since the initial reporting date, the financial asset is transferred back to stage 1. One of the main areas in which important assessments are to be made is the identification of a significant increase in credit risk. An increase in loans in stage 2 entails an increase in the estimated reserves for credit losses (“loss allowances”), while a reduction in loans in stage 2 would have the opposite effect.

The definition of credit-impaired is consistent with the Bank Group’s regulatory definition of default. A counterparty is considered to be in default if a payment is more than 90 days past due. A counterparty is also considered to be in default if there are other reasons to expect that the counterparty cannot meet its undertakings. The definition of default includes a trial period of at least three months from the date on which no default indicators are active any more. During this trial period, a credit remains in default and in stage 3. After the trial period, the credit returns to stage 2 or 1 when no longer in default.

The loss allowance is achieved by estimating the expected credit loss for the assets’ contractual cash flows. The calculations are based on existing, internal ratings-based model and the present value of the expected credit loss is calculated for every date in each cash flow by multiplying the remaining exposure with the probability of default (PD) and the loss given default (LGD). For stage 1, the loss allowance is estimated as the present value of the 12-month ECL, while the credit loss for stages 2 and 3 is estimated as the present value of the full lifetime expected credit losses.

All estimates of the loss allowance including estimates of exposure, PD and LGD take into account forward-looking information and are based on a weighting of at least three different possible macroeconomic scenarios: a base scenario, a more positive scenario and a more negative scenario. The choice of macroeconomic scenarios and the consideration of forward-looking information are areas that involve significant judgements. The forward-looking information used to estimate expected credit losses is based on the Group’s internal macroeconomic forecasts. These macroeconomic forecasts take into account both internal and external information and correspond to the forward-looking information used for other purposes, such as forecasts and financial planning. A number of statistical macro models have been developed to deter-

mine how each macroeconomic scenario will affect the expected future exposure, PD and LGD. A deterioration in the forecast macro variables in each scenario or an increase in the probability of a negative scenario would generally entail an increase in the estimated loss allowance. An improvement in the forecast macro variables or an increase in the probability of a positive scenario would instead have the opposite effect on the estimated loss allowance. The regional insurance companies’ share of the allowance for expected credit losses is not taken into account when determining LGD. The regional insurance companies’ share is first considered after determining the total loss allowance for Länsförsäkringar Bank and Länsförsäkringar Hypotek. The assessments used for accounting purposes are in line with those used in the Group’s credit risk management. For accounts receivable, the Group uses the simplified method, which entails that a loss allowance is always measured at an amount corresponding to the full lifetime of the expected credit losses.

Recognition of expected credit losses

Only the Bank Group’s share of expected and confirmed credit losses are recognised. The regional insurance companies’ share of expected and confirmed credit losses is settled against a buffer of accrued remuneration to the regional insurance companies. A condition for the regional insurance companies to receive full payment of the remuneration is that the loans generated by each company for the Bank Group (Länsförsäkringar Finans AB) are of high quality. If this is not the case, up to 80% of any credit losses are off-set against the accrued remuneration to the regional insurance companies. This settlement account is kept separate and is taken into consideration when the provisions are established. The reserve for financial assets measured at amortised cost is recognised as a reduction of the recognised gross carrying amount of the asset. For financial guarantees and loan commitments, the reserve is recognised as a provision. The reserve for debt instruments measured at fair value through other comprehensive income is recognised as the fair value reserve in equity and does not impact the carrying amount of the asset. Derecognition reduces the recognised gross amount of the financial asset. Loss allowance and derecognition of confirmed credit losses are presented in the income statement as credit losses, net.

Modified loans

Modified loans are defined as loans for which the contractual terms have been changed and the change in terms impacts the time and/or the amount of the contractual cash flows of the receivable. Modified loans are derecognised from the balance sheet if the terms of an existing contract have materially changed. A new loan with the new contractual terms is then recognised in the balance sheet. Gains or losses arising on a modification are calculated as the difference between the present value of the

outstanding cash flows calculated under the changed terms and discounted by the original effective interest rate and the discounted present value of the outstanding original cash flows. The corresponding principles are applied to the recognition of modifications of the Group's financial liabilities.

Confirmed losses

Confirmed credit losses are those losses whose amount is finally established through acceptance of a composition proposal, through other claim remissions or through bankruptcy and after all of the collateral has been realised and where the assessment is that the possibility of receiving additional payments is very small. The receivable is then derecognised from the balance sheet and recognised as a confirmed loss in profit or loss on this date.

Reporting for the lessor

Leases are classified in the consolidated financial statements as either finance or operating leases. A finance lease exists if the financial risks and rewards if ownership have substantially been transferred to the lessee. If this is not the case, then this is a matter of operating leases. The Bank Group's assets that are leased under finance leases are not recognised as property and equipment since the risks associated with ownership are transferred to the lessee. Instead, the leases are recognised as loans to the public regarding future leasing fees. Initially, an amount corresponding to the present value of all minimum lease payments to be paid by the lessee is recognised and any guaranteed residual value accrues to the lessor. Payments received from these agreements are recognised in part as repayment of lease receivables, and in part as interest income. The carrying amounts of finance lease assets are tested in accordance with IFRS 9. For a description refer to Model and definitions in the section Expected credit losses above. The carrying amounts for operating lease assets are tested in accordance with IAS 36, refer to the section on Impairment above.

Intangible assets

Intangible assets primarily comprise proprietary and acquired intangible assets with determinable useful lives that are expected to be of significant value to the operation in future years. These assets are recognised at cost less accumulated amortisation and impairment. Amortisation commences when the asset is ready to be put into operation.

The carrying amount of proprietary intangible assets includes all directly attributable expenses, such as directly attributable expenses for salaries and materials. The periods of amortisation are determined based on a useful life and straight-line amortisation is applied. The periods of amortisation are not category-specific and are determined individually for each asset. Impairment is tested in accordance with IAS 36, refer to the section on

Impairment. Additional expenses for capitalised intangible assets are recognised as an asset in the balance sheet only when these expenses increase the future economic benefits of the specific asset to which they pertain. All other additional expenses are recognised as an expense when incurred. Impairment testing and the period of amortisation are reviewed annually.

Equity instruments issued

Instruments in which the Group does not have a contractual obligation to make payment are recognised as equity instruments. Payment to holders of these instruments is recognised in equity. Accordingly, issued shares and Additional Tier 1 instruments are recognised as equity instruments in the balance sheet.

PRINCIPLES FOR OFF-BALANCE-SHEET ITEMS

Loan commitments

A loan commitment can be:

- A unilateral commitment by the company to issue a loan with predetermined terms and conditions in which borrowers can choose whether they want to accept the loan or not, or
- A loan agreement in which both the company and the borrower are subject to terms and conditions for a loan that begins at a certain point in the future.

Loan commitments are not recognised in the balance sheet. Issued irrevocable loan commitments are valid for three months and recognised as a commitment under memorandum items. The right to cancel the loan commitment is retained if the customer's credit rating has diminished on the date of payment.

NOTE 3 RISKS AND CAPITAL ADEQUACY

The Bank Group manages the risks that the operations are or could be expected to be exposed to in accordance with the framework for risk appetite and risk limits set by the Board. Follow-up and continuous evaluation of the risks comprise a natural part of ongoing work in the banking operations and are monitored by the Bank Group's independent risk control function, which is called Risk Management. Accordingly, duality in risk management is achieved and risk awareness is prevalent in all day-to-day business decisions. The risks to which the Bank Group is primarily exposed are defined below.

Credit risk	Credit risk pertains to the risk of losses arising due to counterparties being unable to fulfil their undertakings and of any collateral provided not covering the receivable, leading to a loss. Credit risk encompasses lending risk, issuer risk, counterparty risk, settlement risk and creditworthiness risk.
Market risk	Market risk pertains to the risk of loss arising that is directly or indirectly caused by changes in the level or volatility in the market price of assets, liabilities and financial instruments, including losses caused by shortcomings in the matching between assets and liabilities. Market risk includes interest-rate risk, currency risk, credit-spread risk, option risk and pension risk.
Liquidity risk	Liquidity risk is defined as the risk that payment commitments cannot be fulfilled due to insufficient cash funds. Liquidity risk includes structural liquidity risk, financing risk, rollover risk and intraday liquidity risk.
Operational risk	Operational risk refers to the risk of losses arising due to inadequate or failed internal processes, human error, systems or external events, but is not limited to legal risks, model risks and ICT risks and excludes strategic risks and reputation risks. Operational risk includes product and process risk, personnel risk, security risk, legal risk, conduct risk, ICT risk and model risk.
Business risk	Business risk pertains to the risk of lower earnings, higher expenses or loss of confidence from customers or other stakeholders. Business risk encompasses strategic risk and reputation risk.
Sustainability-related risks	Sustainability-related risks refers to environmental-, social- or governance-related events or circumstances that, if they were to occur, could have an actual or potential negative impact on the company's operations or financial position. Sustainability-related risks include climate risk.

Risk-management and internal-control system

The risk-management system consists of strategies, processes, procedures, internal rules, limits, controls and reporting

procedures needed to ensure continuously identification, measurement, governance, reporting and control. An effective risk-management system that is an integrated part of decision-making processes ensures a continuous evaluation and assessment of the risks associated with the operations. The Bank Group manages its risk exposure on the basis of:

- Clear and documented descriptions of processes and procedures.
- Clearly defined and documented responsibilities and authorities.
- Risk-measurement methods and system support that are customised to the requirements, complexity and size of the operations.
- Regular incident reporting of the operations according to documented procedures and processes.
- Sufficient resources and expertise for attaining the desired level of quality in both the business and the control activities.
- Documented and communicated business contingency, continuity and recovery plans.
- Clear instructions for each respective risk area and a documented process for approving new or considerably amended products, services, markets, processes and IT systems, as well as exceptional transactions and major changes to operations and organisation.

Division of roles and responsibilities

The Bank Group's risk management follows the division of roles and responsibilities according to the three lines of defence:

The first line of defence pertains to all risk-management activities performed in the business operations. The operations that are exposed to risk also own the risk, which means that they are responsible for identifying, assessing, controlling and managing the risk under the framework of the operations. The operations are also responsible for ensuring that control processes for monitoring are in place, implemented and reported. All employees and contractors assume individual responsibility for working towards a well-functioning risk culture by complying with the established risk-management guidelines and framework.

The second line of defence pertains to the independent Risk Management and Compliance control functions, including the DSO and CFA, which establish principles and frameworks for risk management and regulatory compliance. The role of compliance is to provide support and control to ensure that the operations comply with regulatory requirements. Risk Management controls and monitors arising risks and ensures that an appropriate level of risk awareness is in place and that risk management is performed correctly

and consistently on a daily basis. Risk Management also assists the operations when introducing the procedures, systems and tools required for maintaining this continuous risk management. Risk Management is charged with the operational responsibility for the independent risk control and must thus objectively manage and report risks in the banking operations. Accordingly, duality in risk management and risk control, risk culture and risk awareness is prevalent in all day-to-day business decisions. An independent Chief Risk Officer (CRO) is responsible for Risk Management, whose areas of responsibility are defined and documented in the guidelines adopted by the Board. The CRO is directly subordinate to the CEO and reports directly to the CEO, the Risk and Capital Committee, Audit Committee and the Board.

The third line of defence is Internal Audit, which comprises the Board's support for quality assurance and evaluation of the organisation's risk management, governance and internal controls. Internal Audit performs independent and regular audits to control, evaluate and ensure, for example, the procedures and processes for financial reporting, the operation and management of information systems and the operations' risk-management system.

The Board is responsible for ensuring that an efficient risk-management system is in place and that it is customised to the Bank Group's risk appetite and risk limits through the adoption of relevant governance documents. The Board approves all significant elements of the internal models used within the bank and is also responsible for ensuring that regulatory compliance and risks are managed in a satisfactory manner through the Bank Group's Compliance, Risk Management and Internal Audit control functions. The Risk and Capital Committee supports the Board in risk and capital issues, and prepares cases ahead of Board decisions, for example, regarding market, liquidity, credit and operational risk, and capital and financing matters.

The CEO is responsible for ensuring that daily management takes place in accordance with the strategies, guidelines and governance documents established by the Board. The CEO also ensures that the methods, models, systems and processes that form the internal measurement and control of identified risks work in the manner intended and decided by the Board. The CEO is to continuously ensure relevant reporting from each unit, including Risk Management, to the Board. The President is the Chairman of the Asset Liability Committee (ALCO), whose main task is to follow up on capital and financial matters. The CEO is also the Chairman of the Risk Committee. The main task of the Risk Committee is to monitor risk.

Credit risk

Credit risk is defined as the risk of losses arising due to a counterparty not being able to fulfil its commitments to the Group and the risk that the counterparty's pledged collateral will not cover the company's receivables, leading to a loss. The Bank Group calculates credit risks for loans to the public primarily in accordance with the internal ratings-based (IRB) approach. The loan portfolio largely comprises mortgages, mainly with single-family homes as collateral. All lending takes place in Sweden. Most exposures are relatively small, with a well-diversified geographic spread, meaning that the Bank Group does not have significant concentration risks in its lending.

Credit process

The banking operations impose strict requirements in terms of customer selection, customers' repayment capacity and the quality of collateral. The Parent Company Länsförsäkringar Bank is responsible for ensuring that loans are granted based on standardised and stringent credit regulations, as well as an integrated credit scoring system in which the Board's adopted guidelines create a foundation for a shared view on lending in the Länsförsäkringar Alliance. Together with the Bank Group, the regional insurance companies continuously monitor and review the quality of the loan portfolio and borrowers' repayment capacity. In addition, the Bank Group reviews the standardised operating figures and "left to live on" amounts in its calculations at least once a year. Combined with system support for risk classification, this leads to balanced and consistent risk control.

The adopted credit regulations form the foundation of all lending and apply for all regional insurance companies and the Bank Group. The size of the loan and level of risk determine the decision level, where the highest instance is the Board and the lowest instance a decision by an advisor or an automated decision. Mandates for granting credit at the respective decision-making instance are set out in the credit policy framework.

The credit regulations also set out minimum requirements for underlying documentation for credit-granting decisions. Compliance with the credit regulations is monitored by the regional insurance companies and by the Bank Group.

The credit regulations and credit process, combined with local customer and market knowledge, create a loan portfolio that maintains high credit quality.

IRB system

The IRB system is a core component of the credit process and consists of methods, models, processes, controls and IT systems to support and further develop the quantification of credit risks. The IRB system is specifically used in:

- Credit process for risk assessment and credit-granting decisions
- Calculation of loss allowances
- Monitoring and reporting to management and the Board
- Calculation of capital requirement
- Risk-adjusted pricing

Some of the core concepts in the IRB system are described below. The probability of default (PD) is the probability that a counterparty is unable to meet its undertaking to the bank. A PD with a 12-month horizon is initially calculated for each counterparty and is then adjusted to reflect the average proportion of default over a longer time period. The counterparties are ranked and grouped according to a PD scale comprising 11 risk classes (grades) for non-defaulted counterparties and one risk category for defaulted counterparties. A loss given default (LGD) is the portion of an exposure that is expected to be lost in the event of default.

Exposure at default (EAD) is the exposure amount that the counterparty is expected to have utilised upon default. For off balance-sheet commitments, EAD is calculated by multiplying the counterparty's total granted amount by a conversion factor (CF). The size of the CF is based on internal product information.

Collateral management

Various collateral is used to protect the Bank Group's loan receivables, depending on the type of credit. The collateral in Länsförsäkringar Hypotek largely comprises residential property mortgages as collateral for household lending. For companies, the collateral in Länsförsäkringar Bank and Länsförsäkringar Hypotek primarily comprises mortgages in agricultural properties, commercial properties, industrial properties, multi-family housing and floating charges.

For the subsidiary LF Finans AB's loan receivables, the item being financed is used as collateral, mainly vehicles and machinery. The Bank Group requires sureties for certain customers and types of credits.

Collateral is valued on the lending date and regularly updated over the lifetime of the credit, either individually or based on indices. The method and interval of valuations vary depending on the type of collateral, the value of the collateral and the customer's repayment capacity. Market values were updated twice in 2025. Länsförsäkringar Bank makes use of both internal and external valuers and statistical valuations.

Credit quality

The loan portfolio exclusively comprises loans in Sweden and 79% (75) comprises mortgages with collateral in single-family homes and tenant-owned apartments. The largest share of the mortgage volumes have a loan-to-value ratio of up to 50%. First-lien mortgages up to 85% of the market value are deposited in LF Hypotek.

Low loan-to-value ratios, combined with a well-diversified geographic spread and local presence, are the core pillars in ensuring that the loan portfolio maintains high credit quality. To ensure that the market values of the Bank Group's collateral in residential properties were as up-to-date as possible, these market values were updated twice during the year.

Loans to the agricultural segment amounted to 8% (8) of the loan portfolio. The lending segment is a complement to the bank's mortgages since a large share pertains to loans to family-owned agricultural businesses.

Loans for leasing and hire purchase to Swedish households and companies accounted for 4% (4) of the loan portfolio, and comprise collateral in leased assets and collateral in the form of reservation of title. Loans without collateral, comprising unsecured loans and credit card loans, amounted to 3% (2) of lending. Total IRB classified exposure was SEK 421,817 M (401,247), corresponding to 98% (94) of total loans to the public.

The Bank Group's credit risk exposure is primarily secured against direct collateral in real property and tenant-owned apartments, the values and LTV ratios of which are taken into consideration when preparing new mortgages secured by immovable property and also within the framework of the risk-classification system's LGD calculations. Other types of collateral are also considered when determining LGD for other products. A specification of the Bank Group's credit risk exposure for balance-sheet items is presented in the following tables.

Credit risk exposure, SEK M	31 Dec 2025	31 Dec 2024
Credit risk exposure for items recognised in the balance sheet		
Cash and balances with central banks	9,929.5	35.2
Treasury bills and other eligible bills, etc.	13,941.1	11,562.8
Loans to credit institutions	2,943.8	1,424.1
of which collateral in repurchase agreements	–	770.3
Loans to the public	429,040.6	425,565.9
of which collateral in properties and tenant-owned apartments	396,093.1	375,395.1
Bonds and other interest-bearing securities	53,965.1	49,907.6
Derivative instruments	1,923.0	4,685.8
Other assets	711.0	935.3
Credit risk exposure for memorandum items		
Guarantees	45.0	40.9
Loan commitments and other credit commitments	30,066.3	28,265.0
Total	542,565.4	522,422.6

The table below shows the credit quality of treasury bills and other eligible bills, bonds and other interest-bearing securities, loans to credit institutions and derivatives based on external risk classification.

	Not credit-impaired (Stage 1)	
	31 Dec 2025	31 Dec 2024
Credit risk exposure, SEK M	Gross carrying amount	Gross carrying amount
Treasury bills and other eligible bills		
AAA-AA	13,941.1	10,816.6
Total	13,941.1	10,816.6
Bonds and other interest-bearing securities		
AAA-AA	53,450.3	49,907.6
Total	53,450.3	49,907.6
Loans to credit institutions		
AAA-AA	1,495.0	225.9
A	1,448.8	427.8
Total	2,943.8	653.8
Derivatives		
AAA-AA	798.0	411.6
A	905.8	4,274.2
Not risk classified ¹⁾	2,375.9	2,886.4
Total	4,079.7	7,572.2

¹⁾ Exposure to central counterparties is recognised without any rating. The entire exposure to central counterparties and banks on 31 December 2025 comprised exposure to Nasdaq Clearing AB. Nasdaq Clearing AB does not have any rating but is a very strong counterparty due to the strict statutory regulations that apply to Nasdaq Clearing AB and other central counterparties. Nasdaq Clearing AB has been certified by the FSA as an EMIR counterparty and is subject to the supervision of the FSA.

The tables below show the credit quality of loans to the public and loan commitments and other credit commitments based on the IRB Approach and per stage according to the Bank Group's expected loss impairment model. See note 2 Accounting policies. Credit exposures that are not risk classified below include overnight deposits with the Swedish National Debt Office and time-limited exemptions that pertain to exposures in Länsförsäkringar Finans AB.

Credit risk exposure by internal risk classification, SEK M

	31 Dec 2025			
	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount
Loans to the public				
Internal rating 1–3	320,540.9	1,233.7	15.4	321,789.9
Internal rating 4–6	71,647.5	603.8	10.3	72,261.6
Internal rating 7–9	19,786.3	2,985.8	19.0	22,791.1
Internal rating 10–11	967.3	3,090.3	1.5	4,059.1
Defaulted	–	–	922.1	922.1
Not risk classified	6,792.7	403.4	20.7	7,216.8
Total	419,734.7	8,317.0	989.0	429,040.6

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	Credit risk exposure	Credit risk exposure	Credit risk exposure	Credit risk exposure
Loan commitments and other credit commitments				
Internal rating 1–3	12,099.1	–	0.2	12,099.3
Internal rating 4–6	11,293.4	19.5	0.2	11,313.1
Internal rating 7–9	2,330.4	59.1	2.5	2,392.0
Internal rating 10–11	122.5	85.3	0.1	207.9
Defaulted	–	–	13.5	13.5
Not risk classified	3,749.6	286.8	4.1	4,040.5
Total	29,595.0	450.7	20.6	30,066.3

Credit risk exposure by internal risk classification, SEK M

	31 Dec 2024			
	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount
Loans to the public				
Internal rating 1–3	303,584.1	310.4	15.9	303,910.5
Internal rating 4–6	67,092.7	429.4	12.9	67,535.0
Internal rating 7–9	20,895.9	3,286.9	12.8	24,195.6
Internal rating 10–11	1,088.1	3,417.1	12.3	4,517.4
Defaulted	–	–	1,088.4	1,088.4
Not risk classified	23,808.3	487.4	23.3	24,319.0
Total	416,469.0	7,931.3	1,165.6	425,565.9

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	Credit risk exposure	Credit risk exposure	Credit risk exposure	Credit risk exposure
Loan commitments and other credit commitments				
Internal rating 1–3	11,707.2	–	0.1	11,707.3
Internal rating 4–6	9,820.0	1.5	3.5	9,824.9
Internal rating 7–9	1,973.0	87.8	0.8	2,061.6
Internal rating 10–11	110.3	97.7	3.6	211.7
Defaulted	–	–	0.3	0.3
Not risk classified	4,155.4	290.4	13.5	4,459.2
Total	27,765.9	477.4	21.7	28,265.0

The tables below present loans to the public and loan commitments and credit commitments by region and stage.

Credit risk exposure by region, SEK M		31 Dec 2025			
	Not credit-impaired		Credit-impaired	Total	
	Stage 1	Stage 2	Stage 3	Total	
	Gross carrying amount	Gross carrying amount	Gross carrying amount		
Loans to the public					
Western Sweden	101,179.8	1,832.2	218.3	103,230.3	
Eastern Central Sweden	87,468.4	1,627.9	188.1	89,284.4	
Stockholm	40,671.5	1,185.2	170.6	42,027.3	
Southern Sweden	66,610.5	1,235.0	130.7	67,976.2	
Northern Central Sweden	37,126.8	820.3	78.8	38,025.9	
Småland and islands	49,349.8	827.5	135.3	50,312.6	
Northern Norrland	22,236.0	379.9	32.8	22,648.7	
Central Norrland	15,091.9	409.0	34.4	15,535.3	
Total	419,734.7	8,317.0	989.0	429,040.6	

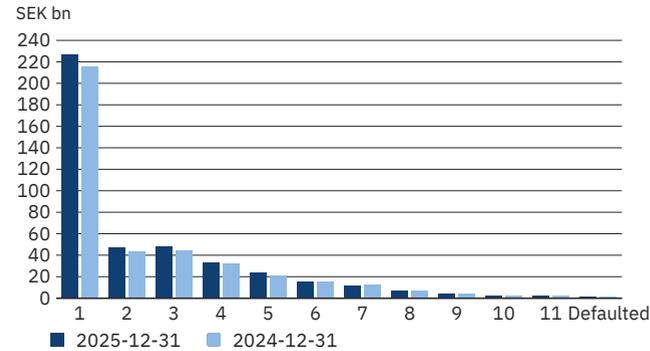
	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	Total
	Credit risk exposure	Credit risk exposure	Credit risk exposure	
Loan commitments and other credit commitments				
Western Sweden	5,774.5	84.1	1.9	5,860.5
Eastern Central Sweden	5,686.6	91.6	5.5	5,783.7
Stockholm	5,138.2	74.0	1.7	5,213.9
Southern Sweden	5,237.0	59.5	8.2	5,304.7
Northern Central Sweden	2,476.0	46.6	1.1	2,523.7
Småland and islands	2,801.4	37.8	1.0	2,840.2
Northern Norrland	1,453.3	29.4	0.5	1,483.2
Central Norrland	1,028.0	27.7	0.7	1,056.4
Total	29,595.0	450.7	20.6	30,066.3

Credit risk exposure by region, SEK M		31 Dec 2024			
	Not credit-impaired		Credit-impaired	Total	
	Stage 1	Stage 2	Stage 3	Total	
	Gross carrying amount	Gross carrying amount	Gross carrying amount		
Loans to the public					
Western Sweden	94,606.9	1,619.6	230.9	96,457.4	
Eastern Central Sweden	82,768.1	1,544.3	235.7	84,548.1	
Stockholm	62,194.6	1,245.0	190.9	63,630.4	
Southern Sweden	62,630.3	1,186.7	171.1	63,988.1	
Northern Central Sweden	34,689.2	765.3	85.2	35,539.7	
Småland and islands	44,975.6	860.0	177.3	46,012.9	
Northern Norrland	20,774.3	342.4	32.0	21,148.7	
Central Norrland	13,830.0	368.0	42.5	14,240.5	
Total	416,469.0	7,931.3	1,165.6	425,565.9	

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	Total
	Credit risk exposure	Credit risk exposure	Credit risk exposure	
Loan commitments and other credit commitments				
Western Sweden	6,310.7	84.7	1.7	6,397.1
Eastern Central Sweden	5,048.7	88.6	4.2	5,141.6
Stockholm	4,880.6	79.5	3.5	4,963.6
Southern Sweden	4,625.9	58.3	3.3	4,687.4
Northern Central Sweden	2,204.8	54.5	5.1	2,264.5
Småland and islands	2,515.1	43.3	1.0	2,559.4
Northern Norrland	1,225.0	39.2	1.9	1,266.1
Central Norrland	955.1	29.3	0.9	985.3
Total	27,765.9	477.4	21.7	28,265.0

The Group's credit exposure according to risk class is presented in the diagram below. The results show a distribution of exposure, with 84% (84) found in the best grades 1–4. In addition to the credit exposure below, SEK 7,217 M (24,319) is included in loans to the public which are not graded under the IRB Approach, and which include overnight deposits with the Swedish National Debt Office and time-limited exemptions that pertain to exposures in Länsförsäkringar Finans AB.

Credit exposure by risk class



The table below shows loans to the public. Collateral is provided in the form of mortgage deeds for mortgages, agricultural loans, multi-family housing and industrial properties, while collateral concerning leasing and hire purchase consists of collateral in assets. Most of the item other represents overnight deposits with the Swedish National Debt Office.

Loan portfolio

Lending segment	31 Dec 2025		31 Dec 2024	
	SEK M	%	SEK M	%
Retail mortgages	340,020.2	79.3	320,935.2	75.4
Agriculture	33,652.7	7.8	34,021.1	8.0
Unsecured loans	10,949.7	2.6	10,315.3	2.4
Leases	6,888.0	1.6	7,519.6	1.8
Hire purchase	10,882.8	2.5	10,550.9	2.5
Multi-family housing	16,062.1	3.7	14,671.6	3.4
Industrial properties	3,308.6	0.8	3,105.0	0.7
Other	7,276.5	1.7	24,447.2	5.7
Loans to the public, gross	429,040.6	100.0	425,565.9	100.0
Provisions	-482.7		-527.5	
Total	428,557.9		425,038.4	

94% (90) of the loan portfolio comprises loans in the segments of Retail mortgages, Agricultural loans, Unsecured loans, Leasing and Hire purchase. Loans in these segments specified by region in Sweden and legal entity are presented below.

31 Dec 2025

Loan portfolio by region, SEK M	Retail mortgages		Agricultural loans	Hire purchase, leasing and % unsecured loans		%
		%			%	
Western Sweden	84,024.3	24.7	7,054.7	21.0	5,273.0	18.4
Eastern Central Sweden	70,529.4	20.7	8,265.5	24.6	4,985.4	17.4
Stockholm	36,073.4	10.6	118.6	0.4	4,583.4	16.0
Southern Sweden	52,044.2	15.3	6,335.3	18.8	4,024.1	14.0
Northern Central Sweden	30,309.8	8.9	1,926.8	5.7	3,484.5	12.1
Småland and islands	36,549.9	10.7	7,344.5	21.8	2,769.4	9.6
Northern Norrland	18,222.4	5.4	1,186.7	3.5	1,955.6	6.8
Central Norrland	12,266.9	3.6	1,420.6	4.2	1,645.1	5.7
Total	340,020.2	100.0	33,652.7	100.0	28,720.5	100.0

Loan portfolio by company, SEK M						
Länsförsäkringar Hypotek	336,844.2	99.1	-	-	-	-
Länsförsäkringar Bank	3,176.0	0.9	33,652.7	100.0	2,669.1	9.3
Länsförsäkringar Finans	-	-	-	-	26,051.4	90.7
Total	340,020.2	100.0	33,652.7	100.0	28,720.5	100.0

31 Dec 2024

Loan portfolio by region, SEK M	Retail mortgages		Agricultural loans	Hire purchase, leasing and % unsecured loans		%
		%			%	
Western Sweden	78,794.7	24.6	7,349.3	21.6	5,248.6	18.5
Eastern Central Sweden	66,892.7	20.8	8,412.6	24.7	4,986.3	17.6
Stockholm	35,411.4	11.0	104.1	0.3	4,950.3	17.4
Southern Sweden	49,349.7	15.4	6,176.4	18.2	3,983.4	14.0
Northern Central Sweden	28,622.9	8.9	1,961.5	5.8	3,223.6	11.4
Småland and islands	33,532.8	10.4	7,315.0	21.5	2,718.0	9.6
Northern Norrland	16,986.8	5.3	1,241.5	3.6	1,800.9	6.3
Central Norrland	11,344.2	3.5	1,460.7	4.3	1,474.7	5.2
Total	320,935.2	100.0	34,021.1	100.0	28,385.9	100.0

Loan portfolio by company, SEK M						
Länsförsäkringar Hypotek	317,314.8	98.9	-	-	-	-
Länsförsäkringar Bank	3,620.4	1.1	34,021.1	100.0	2,285.0	8.0
Länsförsäkringar Finans	-	-	-	-	26,100.9	92.0
Total	320,935.2	100.0	34,021.1	100.0	28,385.9	100.0

Credit-impaired loan receivables (stage 3) by type of collateral are presented below. Collateral for credit-impaired loan receivables comprises residential properties, commercial properties, other physical collateral and guarantees.

Credit-impaired loan receivables by collateral, SEK M	31 Dec 2025	31 Dec 2024
Residential properties, including tenant-owned apartments	262.6	377.5
Commercial immovable property	318.2	271.3
Other physical collateral	140.9	156.2
Guarantees	6.0	15.9
Other collateral	–	–
Unsecured loans	261.3	344.7
Total credit-impaired loan receivables	989.0	1,165.6

The retail mortgage portfolio specified by loan-to-value ratio interval is shown below. The average loan commitment for each borrower is low and the relationship between the loan portfolio and the underlying assets expressed as the weighted average loan-to-value (LTV) ratio was 63% (63).

Retail mortgages by loan-to-value ratio interval

Loan-to-value ratio	31 Dec 2025		31 Dec 2024	
	SEK M	%	SEK M	%
0-50%	270,207.1	79.5	254,519.8	79.3
51-60%	31,770.7	9.3	29,764.7	9.3
61-70%	21,949.2	6.5	20,167.8	6.3
71-75%	7,327.6	2.2	6,717.1	2.1
75%–	8,765.6	2.6	9,765.9	3.0
Total	340,020.2	100.0	320,935.2	100.0

Credit losses and non-performing loan receivables

A non-performing loan receivable has a non-performing payment that is more than nine days past due and that is not classified as credit-impaired according to the Bank Group's expected loss impairment model.

The following table shows non-performing receivables by company and the number of days past due.

Non-performing loan receivables that are not credit-impaired, by company

31 Dec 2025, SEK M	Läns-försäkringar Bank	Läns-försäkringar Hypotek	Läns-försäkringar Finans	Group
Receivables 10–30 days past due	–	–	136.9	136.9
Receivables 31–60 days past due	10.9	119.4	60.5	190.8
Receivables 61–90 days past due	4.0	46.1	1.2	51.3
Receivables >90 days past due	2.8	23.3	–	26.1
Total	17.7	188.8	198.6	405.1

31 Dec 2024, SEK M	Läns-försäkringar Bank	Läns-försäkringar Hypotek	Läns-försäkringar Finans	Group
Receivables 10–30 days past due	0.0	–	65.3	65.3
Receivables 31–60 days past due	23.9	153.3	119.9	297.1
Receivables 61–90 days past due	14.3	47.8	40.3	102.5
Receivables >90 days past due	2.1	57.0	–	59.1
Total	40.3	258.1	225.6	524.0

A condition for the regional insurance companies' remuneration is that the loans generated by each company for the Bank Group (excluding LF Finans AB) are of high quality. If this is not the case, up to 80% of any credit losses is off-set against the accrued remuneration to the regional insurance companies. This settlement account is kept separate and is taken into consideration when the provisions are established. On 31 December 2025, the total loss allowance requirement for loans to the public and loan commitments and guarantees amounted to SEK 641 M (710), of which the Bank Group's recognised loss allowance accounted for SEK 507 M (554) and the remainder of SEK 134 M (156) was settled against the regional insurance companies' withheld funds, according to the model described above. For more information on loss allowances, refer to note 2 Accounting policies, note 16 Loans to the public and note 37 Pledged assets, contingent liabilities and commitments.

Credit losses totalled SEK 143 M (181), net, corresponding to a credit loss level of 0.03% (0.04). Credit losses continued to account for a minor percentage of total loans. For more information on credit losses, see note 11 Credit losses.

Collateral was only withdrawn by the subsidiary LF Finans AB during the year. Such collateral primarily comprises vehicles and machinery. A decision to withdraw collateral is made after taking into account the customer's repayment capacity and Section 42 of the Consumer Credit Act, and takes place following documented procedures. The carrying amount on 31 December 2025 was SEK 9 M (14).

Sensitivity in calculation of loss allowances

The assessment of what constitutes a significant increase in credit risk is an important factor in calculating the loss allowance. The Bank Group's assessment is based on the default risk between the reporting date compared with the initial reporting date. A relative threshold of 200% combined with an absolute threshold of 100 basis points for 12-month PD is applied to credits granted before February 2023. The corresponding thresholds for credits granted after February 2023 are 300% and 200 basis points for PD lifetime, respectively. An absolute, independent threshold of 500 basis points is applied to all credits regardless of the granting date. In addition, a credit risk is deemed to have increased significantly for assets that are more than 30 days past due. If the relative thresholds had declined by 50 percentage points, the loss allowance would increase by 0.3%, and if the relative thresholds had instead been 50 percentage points higher, the loss allowance would decrease by 0.4%. The sensitivity analysis includes loss allowances for loans to the public, commitments and guarantees, although the liquidity portfolio and loans to credit institutions are not included since loss allowances for these portfolios are deemed to fall below the materiality threshold for this purpose.

Expected credit losses are to be estimated in a manner that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The estimate is to include information about past events, current conditions and forecasts of future economic conditions. The forward-looking information used to estimate expected credit losses is based on the Bank Group's internal macroeconomic forecasts. These macroeconomic forecasts take into account both internal and external information and correspond to the forward-looking information used for other purposes, such as forecasts and financial planning. Three potential macroeconomic scenarios are considered when calculating expected credit losses: a base scenario that is currently weighted at 60%, and a more positive scenario and a more negative scenario that are both weighted at 20%.

Macro variables in each scenario

SEK M	Base scenario				Negative scenario				Positive scenario			
	2026	2027	2028	2029	2026	2027	2028	2029	2026	2027	2028	2029
House prices, annual change in %	5.72%	4.03%	4.03%	4.03%	-0.43%	3.41%	4.03%	4.03%	12.21%	4.66%	4.03%	4.03%
GDP, annual change in %	3.03%	2.27%	1.86%	1.61%	2.02%	0.99%	2.53%	2.83%	4.04%	3.18%	1.10%	0.74%
Unemployment, level in %	8.52%	7.83%	7.16%	7.02%	8.95%	8.43%	7.39%	7.02%	8.08%	7.50%	7.13%	7.02%

A deterioration in the forecast macro variables in each scenario or an increase in the probability of a negative scenario would generally entail an increase in the estimated loss allowance. An improvement in the forecast macro variables or an increase in the probability of a positive scenario would instead have the opposite effect on the estimated loss allowance. The table below shows the loss allowances that would have been recognised on 31 December 2025 if a positive or a negative macroeconomic scenario assigned a probability of 100% had been used. The sensitivity analysis includes loss allowance for loans to the public, commitments and guarantees.

Sensitivity analysis of loss allowance in a 100% weight positive and negative scenario

Recognised probability-weighted loss allowance, SEK M	Scenario	Loss allowance according to sensitivity analysis, SEK M	Change compared with probability-weighted loss allowance, %
506.8	Positive scenario	488.1	-3.7%
	Negative scenario	523.4	3.3%

Counterparty risk

Counterparty risk is defined as the risk that the Group could suffer losses pertaining to investments in other credit institutions, bank funds or derivative transactions due to counterparties not fulfilling their commitments. Repurchase agreements are included in counterparty risk. Risk in derivative transactions is managed by the company having a number of swap counterparties, all with high ratings and established ISDA agreements. ISDA agreements allow net accounting of positive and negative derivatives, which reduces the risk to the net position per counterparty. For the covered-bond operations, ISDA agreements are in place, as well as accompanying unilateral CSA agreements. CSA agreements involve commitments concerning delivery and receipt of collateral in the event of changes to the included derivatives' market values. Each counterparty is also assigned a maximum exposure amount.

The following table presents only the counterparties with positive exposure and the amounts include collateral. Derivatives and pledged assets are totalled for each legal entity in the Bank Group.

Credit risk exposure for derivatives regarding collateral received and other forms of credit enhancement

SEK M	31 Dec 2025					31 Dec 2024
	Maximum credit risk exposure	Collateral			Net exposure	Net exposure
		Cash and cash equivalents	Securities	Other		
AAA-AA	798.0	120.3	-	-	27.8	0.0
A	905.8	538.6	-	-	26.0	2.1
Not risk classified	2,375.9	193.8	-	-	25.4	0.0
Total	4,079.7	852.7	-	-	79.3	2.1

Market risks

The overall framework for the financial operations is adopted by the Board in the Risk Policy. The Board also adopts the risk appetite and limits for market risk. The bank generally has a moderate risk appetite for market risks that are to be minimised as far as reasonably possible. The primary market risks are interest-rate risk and currency risk, which are measured and monitored on a daily basis. The Bank Group applies a number of supplementary risk measures to market risk, such as Value-At-Risk and sensitivity measures.

Interest-rate risk

Interest-rate risk arises when assets, liabilities and derivatives do not have matching fixed-interest periods and this is to be minimised as far as reasonably possible; firstly, fixed-interest periods are matched and secondly interest-rate derivatives are used. Interest-rate risk is managed by the Bank Group's Treasury unit. On 31 December 2025, a parallel shift of 100 basis points in the yield curve would have changed the value of interest-bearing assets and liabilities, including derivatives, by SEK -306.7 M (-278.1). Interest-rate risk is almost exclusively in SEK.

Impact of interest-rate risk

Group, SEK M	31 Dec 2025	31 Dec 2024
Interest-rate risk	-306.7	-278.1
Impacts profit	0.0	0.0
Impacts equity	1.1	5.8
Impacts own funds	-8.0	1.5

Interest-rate risk by currency

Group, SEK M Currency	31 Dec 2025	31 Dec 2024
EUR	-0.1	-0.1
CHF	-0.1	-0.1
NOK	-0.1	-0.2
USD	0.0	0.0
SEK	-306.4	-277.8

The table below presents the two scenarios for changes in market interest rates and their impact on net interest income over the next year.

Net interest income risk

SEK M	31 Dec 2025	31 Dec 2024
Parallel shift, up 100 bp	38.8	101.8
Parallel shift, down 100 bp	-81.4	-104.9

Currency risk

Exposure to foreign-currency risk arises when the Bank Group invests or issues bonds in foreign currency. The bank's policy is not to have any net exposure to foreign-currency risk, which is why risk that arises is managed using currency and cross-currency interest rate swaps. A sensitivity analysis of the bank's currency risk is not presented since the currency risk is deemed to fall below the materiality threshold.

Currency distribution, securities and derivatives

31 Dec 2025 Group, SEK M	CHF	EUR	GBP	NOK	USD
Securities (translated at nominal amount to SEK)	0.0	4,591.7	0.0	0.0	0.0
Debt securities in issue (translated at nominal amount to SEK)	2,327.2	55,552.4	0.0	4,898.7	27.7
Derivatives (translated at nominal amount to SEK)	-2,327.2	-60,144.1	0.0	-4,898.7	-27.7
Net position in currency (translated at nominal amount to SEK)	0.0	0.0	0.0	0.0	0.0

31 Dec 2024 Group, SEK M	CHF	EUR	GBP	NOK	USD
Securities (translated at nominal amount to SEK)	-	4,600.6	-	-	-
Debt securities in issue (translated at nominal amount to SEK)	3,413.8	53,236.1	-	4,630.9	33.1
Derivatives (translated at nominal amount to SEK)	-3,413.8	-57,836.8	-	-4,630.9	-33.1
Net position in currency (translated at nominal amount to SEK)	0.0	0.0	-	0.0	0.0

Other market risks

In addition to interest-rate and currency risk, the Bank Group has a currency-basis spread risk and a credit-spread risk. The currency-basis spread risk arises in foreign funding when currency is swapped to SEK and credit-spread risks arise in the liquidity portfolio.

Fixed-interest periods for assets and liabilities – Interest-rate exposure
(nominal values, non-interest-bearing assets and liabilities have been excluded)

Group 31 Dec 2025, SEK M	Up to 3 months	3–12 months	1–5 years	More than 5 years	Total
Loans	376,303.3	32,477.7	30,345.8	4,227.4	443,354.2
Bonds, etc.	18,551.3	18,302.6	29,993.6	770.0	67,617.4
Total	394,854.6	50,780.3	60,339.4	4,997.4	510,971.6
Deposits	159,802.1	4,130.9	699.4	0.0	164,632.5
Debt securities in issue	43,128.3	44,541.9	193,702.4	35,212.9	316,585.5
Total	202,930.4	48,672.9	194,401.8	35,212.9	481,218.0
Difference assets and liabilities	191,924.2	2,107.4	-134,062.4	-30,215.6	
Interest-rate derivatives, nominal values, net	-167,952.3	-3,219.1	136,953.8	34,132.9	
Net exposure	23,971.9	-1,111.7	2,891.4	3,917.4	

Group 31 Dec 2024, SEK M	Up to 3 months	3–12 months	1–5 years	More than 5 years	Total
Loans	348,750.0	40,172.2	32,352.0	5,223.4	426,497.6
Bonds, etc.	12,111.8	17,698.8	31,524.0	494.0	61,828.6
Total	360,861.9	57,871.0	63,876.0	5,717.4	488,326.3
Deposits	158,312.2	7,210.4	661.4	0.0	166,184.0
Debt securities in issue	43,004.0	31,413.6	189,771.6	34,133.7	298,322.8
Total	201,316.2	38,624.0	190,433.0	34,133.7	464,506.8
Difference assets and liabilities	159,545.7	19,247.0	-126,557.0	-28,416.2	
Interest-rate derivatives, nominal values, net	-136,910.4	-20,706.1	127,577.6	33,359.7	
Net exposure	22,635.3	-1,459.1	1,020.6	4,943.4	

Hedge accounting – Group

SEK M	Derivatives		Assets		Liabilities		Hedge accounting			
	Nominal amount		Carrying amount		Carrying amount		Change in value for the year		Accumulated changes in value	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	2025	2024	31 Dec 2025	31 Dec 2024
FAIR VALUE HEDGES										
Interest-rate contracts										
Hedged items²⁾										
– Treasury bills and other eligible bills										
			6,281.6	6,216.8			85.2	109.7	–80,814.7	–133.9
– Bonds and other interest-bearing securities										
			37,855.7	37,692.3			206.8	733.6	115.5	–194.4
– Debt securities in issue										
Hedging instruments										
– Interest-rate swaps										
	43,380.0	44,376.0	192.1	558.4	382.3	414.2	–291.9	–842.3		
Ineffectiveness ¹⁾										
							0.2	1.0		
Currency contracts										
Hedged items²⁾										
– Treasury bills and other eligible bills										
			661.8	349.1			–27.1	2.7	–11.7	–5.5
– Bonds and other interest-bearing securities										
			3,946.0	4,272.7			3.4	71.7	–136.1	124.6
– Debt securities in issue										
					65,782.3	64,412.1	–249.1	–1,230.1	–222.2	–471.3
Hedging instruments										
– Cross-currency interest rate swaps										
	69,771.9	68,734.2	1,252.6	1,126.6	480.1	1,132.8	270.1	1,155.3		
Ineffectiveness ¹⁾										
							–2.6	–0.4		
PORTFOLIO OF FAIR VALUE HEDGES										
Interest-rate contracts										
Hedged items										
– Loans to the public										
			77,297.7	83,944.8			267.9	1,353.0	67.7	–200.2
– Deposits and funding from the public										
					3,603.9	7,962.5	8.6	3.2	3.9	12.5
– Debt securities in issue										
					207,742.3	191,298.9	–1,448.4	–2,262.5	760.5	–2,101.1
Hedging instruments										
– Interest-rate swaps										
	307,575.0	297,645.0	2,481.2	2,956.5	2,832.6	4,580.0	1,179.2	912.1		
Ineffectiveness ¹⁾										
							7.3	5.8		
CASH FLOW HEDGE⁵⁾										
Currency contracts										
Hedged items³⁾										
Hedging instruments										
– Cross-currency interest rate swaps ⁴⁾										
	65,450.8	64,419.7	1,632.6	4,168.4	2,356.1	523.1	–123.0	58.7		
Ineffectiveness ¹⁾										
Total hedged item										
			126,042.8	132,475.6	277,128.6	263,673.5	–1,029.5	–1,277.4	496.7	–2,969.2
Total hedging instruments										
	486,177.7	475,174.9	5,558.4	8,809.9	6,051.1	6,650.1	1,034.4	1,283.8		
Total ineffectiveness										
							4.9	6.4		

Hedging instruments with positive fair values are recognised in the balance sheet as assets on the line item “derivatives” and hedging instruments with negative fair values are recognised in the balance sheet as liabilities on the line item “derivatives.”

The average fixed interest on derivatives outstanding on 31 December 2025 was 3.9% (1.9).

¹⁾ The ineffectiveness of all hedging relationships is recognised in the line item “Net gains/losses from financial items” in profit or loss.

²⁾ For terminated fair value hedges and cash flow hedges, no accumulated changes in value remain in the balance sheet.

³⁾ The change in value of the hedged item pertains to a perfectly effective hypothetical hedging instrument. Such an instrument is used to determine the effective portion of the hedging instrument, which is recognised in other comprehensive income, and the ineffective portion, which is recognised in the line item “Net gains/losses from financial items” in profit or loss.

⁴⁾ Of changes in value for the year, SEK 343.1 M pertains to amounts reclassified to profit or loss. Amounts reclassified to profit or loss for terminated hedging relationships amounted to SEK 0 M.

⁵⁾ Amounts recognised in the hedging reserve are presented in the “Statement of changes in equity.” Amounts pertaining to cash flow hedges recognised through other comprehensive income are presented in the “Statement of comprehensive income.”

The fixed-interest periods of hedging instrument are presented in the table *Fixed-interest periods for assets and liabilities – interest-rate exposure*. The maturity dates of the instruments are presented in the section Liquidity risk.

The “Statement of comprehensive income” presents the changes in value of hedging instruments in cash flow hedges for the period and the amount that has been reclassified from equity to profit or loss.

Maturity profile for hedging instruments

(SEK M)	31 Dec 2025		
	Remaining contractual term		
	<1 year	1–5 years	>5 years
Currency risk			
Nominal amount	13,479.1	49,407.0	2,294.0
Fair value	1,099.3	–960.0	–212.1

(SEK M)	31 Dec 2024		
	Remaining contractual term		
	<1 year	1–5 years	>5 years
Currency risk			
Nominal amount	11,441.5	43,556.6	8,162.7
Fair value	1,108.9	2,707.9	5.7

Hedge accounting – Parent Company

SEK M	Derivatives		Assets		Liabilities		Hedge accounting			
	Nominal amount		Carrying amount		Carrying amount		Change in value for the year		Accumulated changes in value	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	2025	2024	31 Dec 2025	31 Dec 2024
FAIR VALUE HEDGES										
Interest-rate contracts										
Hedged items ²⁾										
– Treasury bills and other eligible bills										
			6,281.6	6,216.8			85.2	109.7	–80.8	–133.9
– Bonds and other interest-bearing securities										
			28,448.6	29,852.2			154.0	518.7	68.4	–172.1
– Debt securities in issue										
Hedging instruments										
– Interest-rate swaps										
	34,170.0	34,466.0	172.0	475.6	288.8	339.7	–239.2	–627.3		
Ineffectiveness ¹⁾										
							0.0	1.1		
Currency contracts										
Hedged items ²⁾										
– Treasury bills and other eligible bills										
			661.8	349.1			–27.1	2.7	–11.7	–5.4
– Bonds and other interest-bearing securities										
			3,946.0	4,272.7			3.4	71.7	–136.1	124.6
– Debt securities in issue										
					28,522.9	24,267.6	–89.0	–480.8	11.3	–77.7
Hedging instruments										
– Cross-currency interest rate swaps										
	32,669.6	28,556.5	714.7	519.1	89.3	435.9	111.5	407.8		
Ineffectiveness ¹⁾										
							–1.2	1.5		
PORTFOLIO OF FAIR VALUE HEDGES										
Interest-rate contracts										
Hedged items										
– Loans to the public										
			2,956.5	4,555.2			56.3	157.3	–18.5	–74.8
– Deposits and funding from the public										
					3,603.9	7,962.5	8.7	3.2	3.9	12.5
– Debt securities in issue										
					8,978.9	11,634.4	–74.5	–257.4	53.9	–20.6
Hedging instruments										
– Interest-rate swaps										
	15,500.0	24,235.0	250.2	447.7	45.0	140.2	9.5	96.9		
Ineffectiveness ¹⁾										
							–0.0	–0.8		
CASH FLOW HEDGE⁵⁾										
Currency contracts										
Hedged items ³⁾										
Hedging instruments										
– Cross-currency interest rate swaps ⁴⁾										
	28,348.5	24,241.9	327.5	1,193.0	1,255.9	77.6	–37.7	–85.4		
Ineffectiveness ¹⁾										
							37.7	85.4		
Total hedged item										
			42,294.5	45,245.9	41,105.6	43,864.5	154.8	210.5	–109.6	–347.4
Total hedging instruments										
	110,688.1	113,499.5	1,464.4	2,635.4	1,679.0	993.4	–155.9	–208.0		
Total ineffectiveness										
							–1.2	2.5		

Hedging instruments with positive fair values are recognised in the balance sheet as assets on the line item “derivatives” and hedging instruments with negative fair values are recognised in the balance sheet as liabilities on the line item “derivatives.”

The average fixed interest on derivatives outstanding on 31 December 2025 was 2.1% (1.1).

¹⁾ The ineffectiveness of all hedging relationships is recognised in the line item “Net gains/losses from financial items” in profit or loss.

²⁾ For terminated fair value hedges and cash flow hedges, no accumulated changes in value remain in the balance sheet.

³⁾ The change in value of the hedged item pertains to a perfectly effective hypothetical hedging instrument. Such an instrument is used to determine the effective portion of the hedging instrument, which is recognised in other comprehensive income, and the ineffective portion, which is recognised in the line item “Net gains/losses from financial items” in profit or loss.

⁴⁾ Of changes in value for the year, SEK –762.5 M pertains to amounts reclassified to profit or loss. Amounts reclassified to profit or loss for terminated hedging relationships amounted to SEK 0 M.

⁵⁾ Amounts recognised in the hedging reserve are presented in the “Statement of changes in equity.” Amounts pertaining to cash flow hedges recognised through other comprehensive income are presented in the “Statement of comprehensive income.”

The fixed-interest periods of the hedging instrument are presented in the section Credit losses and non-performing loan receivables. The maturity dates of the instruments are presented in the section Liquidity and financing strategy.

The “Statement of comprehensive income” presents the changes in value of hedging instruments in cash flow hedges for the period and the amount that has been reclassified from equity to profit or loss.

Maturity profile for hedging instruments

(SEK M)	31 Dec 2025		
	Remaining contractual term		
	<1 year	1–5 years	>5 years
Currency risk			
Nominal amount	5,738.3	22,339.5	–
Fair value	261.3	–631.6	–

(SEK M)	31 Dec 2024		
	Remaining contractual term		
	<1 year	1–5 years	>5 years
Currency risk			
Nominal amount	5,720.7	18,235.1	–
Fair value	428.1	874.7	–

Risks and hedging instruments

The risks hedged and for which hedge accounting is applied are:

- Interest-rate risk, excluding credit-spread risk
- Currency risk

The hedged items are hedged in their entirety for the above risk components.

The Group's derivatives, which comprise interest and cross-currency interest rate swaps, have been acquired in their entirety to hedge the risks of interest and exchange-rate exposure arising during the course of operations. Interest-rate swaps are used to swap fixed interest in SEK to variable interest in SEK. Cross-currency interest rate swaps are used to swap foreign currencies to SEK and fixed foreign interest to variable interest in SEK.

Determination of economic relationship

Fair value hedges of interest-rate risk

The Group applies the fair value hedge method to specific portfolios of funding, deposits and loans bearing fixed interest rates. The Group also applies the fair value hedge method to assets in the liquidity portfolio that are recognised in the category of Fair value through other comprehensive income.

The following terms have been identified as critical in a fair value hedge of interest-rate risk:

- Nominal amount
- Currency
- Maturity date
- Coupon rate of interest

If the terms correspond, an economic relationship is deemed to exist between the hedged item and the hedging instrument, meaning that the hedging instrument and the hedged item have values that normally develop in opposite directions as a result of changes in the IBOR risk. Effectiveness is assessed by comparing the change in value of the swap with the change in value of the hedged item.

For hedging relationships to which portfolio hedging is applied, each portfolio and the hedging instruments that hedge the portfolio are divided into time brackets. The volume in the hedged item (the portfolio) and the volume in the hedging instrument are compared in each time bracket. If the current volume of the hedged item is less than the volume of the hedging instrument, the difference is removed from the hedging relationship. If the current volume of the hedged item exceeds the volume of the hedging instrument, the surplus portion is not included in the hedging relationship and thus is not remeasured. Hedging relationships are reconciled monthly.

For hedging relationships whereby a one-to-one hedge is applied, the volume in the hedged item always corresponds to the volume in the hedging instrument. The hedge ratio (the ratio in a nominal amount between the hedged item and the hedging instrument) is 1:1 and corresponds to the actual risk management.

The derivative counterparties all have a high credit rating (normally AA) and, as long as this does not change, the credit risk is not deemed to dominate the change in the value of the hedging instrument.

Cash flow hedging of currency risk

The Group applies cash flow hedges for hedging currency risk in the Group's debt securities in issue in foreign currency.

The following terms have been identified as critical in a cash flow hedge of currency risk:

- Nominal amount
- Maturity date
- Benchmark interest rate
- Interest reset date
- The swap swaps the hedged item's currency flows to the Group's functional currency.

If the terms correspond, an economic relationship is expected to exist between the hedged item and the hedging instrument.

The nominal amount of the hypothetical derivative and the hedging instrument are to be the same (a hedge ratio of 1:1). The hedge ratio corresponds to the actual risk management.

The derivative counterparties all have a high credit rating (normally AA) and, as long as this does not change, the credit risk is not deemed to dominate the change in the value.

Sources of ineffectiveness

The ineffectiveness arising in a hedging relationship is recognised in profit or loss. Sources of ineffectiveness in the Group's hedging relationships are described below.

Fair value hedges of interest-rate risk:

The variable leg of the swap does not have a counterpart in the hedged item.

Cash flow hedging of currency risk:

Ineffectiveness arises if the terms of the hypothetical derivative deviate from the hedging instrument at the same time as the change in the value of the hedging instrument exceeds the change in the value of the hypothetical derivative.

Liquidity risk

Liquidity risk is defined as the risk that payment commitments cannot be fulfilled due to insufficient cash funds, or are only able to be fulfilled by funding at a significantly higher cost than normal or by divesting assets at a substantial deficit price.

The Bank Group's risk appetite for liquidity risk is low. Liquidity risk is minimised and prevented by forecasting future liquidity requirements, high access to funds, explicit functional definitions and a high level of control. The Board establishes the risk appetite, liquidity risk limits and the direction of liquidity risk management.

The Bank Group's liquidity coverage ratio (LCR), which expresses the ratio between the Bank Group's liquidity buffer and the net cash outflows in a stressed scenario for a 30-day period, amounted to 231% (299) on 31 December 2025. The Net Stable Funding Ratio (NSFR), which expresses the ratio between available stable funding and stable funding requirements, for the Bank Group was 127% (123) on 31 December 2025. Both the Bank Group's LCR and NSFR well exceed the legal requirements of 100% per ratio.

Liquidity and financing strategy

The Bank Group's liquidity risk is governed based on the liquidity and financing strategy to comply with the Board's low risk tolerance. The strategy is determined annually and is updated whenever necessary. The liquidity strategy is specified in a financing plan decided by the Board and contains key figures and targets for fulfilment of the established objectives, which are continuously monitored.

Liquidity risk management

The objective of liquidity management is that the Bank Group, at any given time, is to have sufficient liquid assets with which to fulfil its commitments under both normal and stressed market conditions when access to funding is limited or non-existent. Liquidity risk is managed by the Treasury unit and is quantified using daily liquidity forecasts based on all contracted cash flows and expected business volumes of deposits and lending. The Treasury unit is also responsible for meeting the limits for liquidity risk set by the Board.

The central measure in the management of liquidity risk comprises the Bank Group's "survival horizon," meaning the period of time during which the Bank Group is able to meet its commitments without requiring access to new financing. The liquidity limit for the survival horizon has been set at 12 months. A contingency plan group has been appointed to manage disruptions and action plans are kept up-to-date and approved.

To comprehensively analyse the liquidity risk, a number of quantitative risk measures are in place, including a minimum requirement for unutilised amount in the cover pool for the issuance of covered bonds. To generate liquidity during periods of financial stress, the Bank Group can utilise issues of covered bonds and activate other liquidity-generating measures.

Liquidity reserve

The Bank Group's liquidity reserve comprises securities of very high liquidity, credit quality and investments with the Riksbank or the Swedish National Debt Office. Most of the securities holdings are eligible as collateral at the Riksbank and, where appropriate, with the ECB or the Federal Reserve, and can be quickly converted to liquid assets in order to ensure that sufficient liquidity always remains available.

On 31 December 2025, the liquidity reserve amounted to SEK 78.9 billion (73.6) and 50% (50) of the reserve comprised Swedish covered bonds.

Funding

Assets are financed by deposits from the public and funding via financing in the capital market. Deposits primarily comprise deposits from retail customers who represent the majority of the Bank Group's customers. This type of deposit is generally more stable than deposits from corporates. A large share of the Bank Group's deposits are subject to the government deposit insurance, which also adds stability to the deposit base.

Funding takes place in a manner that creates a sound maturity profile without maturity concentrations, and is broadly diversified in terms of investors and markets. Funding takes place primarily through covered bonds, and mainly in the currencies of SEK and EUR, since the majority of the Bank Group's lending comprises Swedish mortgages. Certain funding also takes place in CHF and NOK.

In its funding operations, the Bank Group is to act predictably and actively in the market and aim at achieving as high liquidity as possible in outstanding debt to build up long-term confidence among investors. The Bank Group endeavours to regularly launch issuances to achieve healthy diversification and maintain investors' interests and credit limits. Regular meetings are held with both Swedish and international investors to ensure that these investors have a clear overview of the Bank Group's operations, low risk profile and high-quality risk management.

Liquidity exposure, financial instruments – Remaining term of contract (undiscounted values)

Group 31 Dec 2025, SEK M	On demand	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Without maturity	Total nominal cash flows	Carrying amount	Of which, expected recovery period of >12 months
Assets									
Cash and balances with central banks	9,179.6	–	–	–	–	–	9,179.6	9,929.5	0.0
Treasury bills and other eligible bills	–	7,000.0	4,200.0	2,706.1	200.0	–	14,106.1	13,941.1	2,906.1
Loans to credit institutions	662.9	2,280.9	–	–	–	–	2,943.8	2,943.8	0.0
Loans to the public	–	9,346.6	11,091.1	41,799.2	366,320.9	–	428,557.9	428,557.9	408,120.1
Bonds and other interest-bearing securities	–	2,895.3	11,947.9	38,098.2	570.0	–	53,511.3	53,965.1	38,668.2
Other assets	–	615.7	–	–	–	–	615.7	615.7	0.0
Total assets	9,842.4	22,138.5	27,239.0	82,603.4	367,090.9	0.0	508,914.3	509,953.0	449,694.4
Liabilities									
Due to credit institutions	0.2	671.4	–	–	–	–	671.6	1,597.2	0.0
Deposits and funding from the public	125,244.6	32,921.2	4,130.9	738.6	0.0	–	163,035.3	163,035.3	738.6
Debt securities in issue	–	7,888.3	49,139.1	218,816.3	36,444.0	–	312,287.7	310,800.6	255,260.3
Lease liabilities	–	3.2	9.2	11.9	–	–	24.3	24.3	11.9
Other liabilities	–	1,629.9	1,640.4	–	–	–	3,270.3	3,270.3	0.0
Subordinated liabilities	–	–	–	–	4,200.0	–	4,200.0	4,194.0	4,200.0
Total liabilities	125,244.8	43,114.0	54,919.6	219,566.8	40,644.0	0.0	483,489.2	482,921.7	260,210.8
Difference assets and liabilities	–115,402.4	–20,975.5	–27,680.6	–136,963.4	326,446.9	0.0	25,425.1	27,031.3	189,483.5
Loan commitments and other credit commitments, financial guarantees	–	30,066.3	45.0	–	–	30,111.3	–	–	–

Group 31 Dec 2024, SEK M	On demand	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Without maturity	Total nominal cash flows	Carrying amount	Of which, expected recovery period of >12 months
Assets									
Cash and balances with central banks	15.4	–	–	–	–	–	15.4	35.2	–
Treasury bills and other eligible bills	–	5,750.0	643.2	5,200.0	124.0	–	11,717.2	11,562.8	5,324.0
Loans to credit institutions	511.8	912.3	–	–	–	–	1,424.1	1,424.1	–
Loans to the public	–	21,332.5	10,685.4	40,416.8	352,603.6	–	425,038.4	425,038.4	393,020.4
Bonds and other interest-bearing securities	–	578.8	16,690.6	32,472.0	370.0	–	50,111.4	49,907.6	32,842.0
Other assets	–	619.6	–	–	–	–	619.6	619.6	–
Total assets	527.2	29,193.2	28,019.2	78,088.8	353,097.6	–	488,926.1	488,587.6	431,186.4
Liabilities									
Due to credit institutions	0.2	4,728.5	–	–	–	–	4,728.7	10,803.0	–
Deposits and funding from the public	117,701.0	29,777.7	7,210.4	691.1	0.8	–	155,381.0	155,381.0	691.9
Debt securities in issue	–	15,151.4	35,237.8	211,419.1	34,012.7	–	295,821.0	292,943.3	245,431.7
Lease liabilities	–	3.0	9.0	0.4	–	–	12.4	12.4	0.4
Other liabilities	–	1,654.4	1,362.3	–	–	–	3,016.7	3,016.7	–
Subordinated liabilities	–	–	–	3,100.0	–	–	3,100.0	3,095.3	3,100.0
Total liabilities	117,701.2	51,315.0	43,819.5	215,210.5	34,013.5	–	462,059.7	465,251.5	249,224.0
Difference assets and liabilities	–117,174.0	–22,121.8	–15,800.2	–137,121.7	319,084.1	–	26,866.3	23,336.1	181,962.4

Liquidity exposure, financial instruments – Remaining term of contract (undiscounted values)

Parent Company 31 Dec 2025, SEK M	On demand	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Without maturity	Total nominal cash flows	Carrying amount	Of which, expected recovery period of >12 months
Assets									
Cash and balances with central banks	9,179.6	–	–	–	–	–	9,179.6	9,929.5	0.0
Treasury bills and other eligible bills	–	7,000.0	4,200.0	2,706.1	200.0	–	14,106.1	13,941.1	2,906.1
Loans to credit institutions	306.8	753.7	6,574.5	109,007.4	2,090.8	–	118,733.2	118,733.2	111,098.2
Loans to the public	–	5,728.0	1,822.5	3,618.8	34,966.1	–	46,135.4	46,135.4	38,584.9
Bonds and other interest-bearing securities	–	2,395.3	8,697.9	32,638.2	570.0	–	44,301.3	44,664.8	33,208.2
Other assets	–	54.2	–	–	–	–	54.2	54.2	–
Total assets	9,486.4	15,931.1	21,294.9	147,970.5	37,826.9	0.0	232,509.8	233,458.2	185,797.4
Liabilities									
Due to credit institutions	2,770.4	713.8	–	–	–	–	3,484.2	4,367.4	0.0
Deposits and funding from the public	127,353.3	32,921.2	4,130.9	738.6	0.0	–	165,144.0	165,144.0	738.6
Debt securities in issue	–	2,474.8	11,911.8	42,058.8	–	–	56,445.4	56,354.6	42,058.8
Other liabilities	–	974.2	82.0	–	–	–	1,056.2	1,056.2	0.0
Subordinated liabilities	0.0	0.0	0.0	0.0	4,200.0	–	4,200.0	4,194.0	4,200.0
Total liabilities	130,123.6	37,084.0	16,124.7	42,797.4	4,200.0	0.0	230,329.8	231,116.2	46,997.4
Difference assets and liabilities	–120,637.2	–21,152.9	5,170.1	105,173.1	33,626.9	0.0	2,180.0	2,342.0	138,800.0

Parent Company 31 Dec 2024, SEK M	On demand	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Without maturity	Total nominal cash flows	Carrying amount	Of which, expected recovery period of >12 months
Assets									
Cash and balances with central banks	15.4	–	–	–	–	–	15.4	35.2	–
Treasury bills and other eligible bills	–	5,750.0	643.2	5,200.0	124.0	–	11,717.2	11,562.8	5,324.0
Loans to credit institutions	260.8	6.3	3,084.0	108,406.6	669.2	–	112,427.0	112,427.6	109,075.9
Loans to the public	–	22,857.9	1,778.2	3,864.1	35,200.2	–	63,700.4	63,700.4	39,064.3
Bonds and other interest-bearing securities	–	578.8	13,290.6	28,062.0	270.0	–	42,201.4	42,067.4	28,332.0
Other assets	–	100.3	–	–	–	–	100.3	100.3	–
Total assets	276.2	29,293.3	18,796.0	145,532.8	36,263.4	–	230,161.7	229,893.7	181,796.1
Liabilities									
Due to credit institutions	2,507.2	3,882.3	–	–	–	–	6,389.5	12,420.5	–
Deposits and funding from the public	119,542.2	29,777.7	7,210.4	691.1	0.8	–	157,222.2	157,222.2	691.9
Debt securities in issue	–	8,508.4	7,850.8	38,857.6	–	–	55,216.9	55,028.5	38,857.6
Other liabilities	–	1,019.5	80.4	–	–	–	1,099.9	1,099.9	–
Subordinated liabilities	–	–	–	3,100.0	–	–	3,100.0	3,095.3	3,100.0
Total liabilities	122,049.4	43,187.9	15,141.6	42,648.7	0.8	–	223,028.5	228,866.4	42,649.5
Difference assets and liabilities	–121,773.2	–13,894.6	3,654.4	102,884.1	36,262.5	–	7,133.2	1,027.3	139,146.6

Liquidity exposure, derivatives

Group 31 Dec 2025, SEK M	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Total nominal cash flows
Derivatives at fair value in profit or loss					
– Currency	0.0	–0.6	0.0	0.0	–0.6
– Interest	–0.1	–0.2	–0.8	–0.1	–1.1
Derivatives in hedging relationships					
– Currency	665.4	1,464.9	2,718.5	–74.6	4,774.2
– Interest	–1,157.1	2,640.2	9,720.9	1,180.2	12,384.3
Total difference derivatives	–491.7	4,104.3	12,438.7	1,105.5	17,156.7

Group 31 Dec 2024, SEK M	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Total nominal cash flows
Derivatives at fair value in profit or loss					
– Currency	–11.4	–4.3	–	–	–15.7
– Interest	–0.1	–0.1	–0.6	–0.1	–0.9
Derivatives in hedging relationships					
– Currency	970.8	476.5	6,456.7	253.1	8,157.1
– Interest	–911.1	1,589.6	8,169.7	847.1	9,695.3
Total difference derivatives	48.1	2,061.6	14,625.8	1,100.2	17,835.8

Parent Company 31 Dec 2025, SEK M	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Total nominal cash flows
Derivatives at fair value in profit or loss					
– Currency	0.0	–0.6	0.0	0.0	–0.6
– Interest	–0.1	–0.2	–0.8	–0.1	–1.1
Derivatives in hedging relationships					
– Currency	416.5	393.1	738.4	0.0	1,547.9
– Interest	113.1	–351.6	–959.2	–30.4	–1,228.2
Total difference derivatives	529.4	40.7	–221.6	–30.5	318.0

Parent Company 31 Dec 2024, SEK M	<3 months	>3 months <1 year	>1 year <5 years	>5 years	Total nominal cash flows
Derivatives at fair value in profit or loss					
– Currency	–11.4	–4.3	–	–	–15.7
– Interest	–0.1	–0.1	–0.6	–0.1	–0.9
Derivatives in hedging relationships					
– Currency	679.7	–69.5	1,995.2	–	2,605.4
– Interest	187.8	–152.5	–609.1	–12.6	–586.5
Total difference derivatives	856.0	–226.5	1,385.5	–12.7	2,002.3

Operational risk

Operational risk is defined as the risk of losses arising due to inadequate or failed internal processes, human error, systems or external events, but is not limited to legal risks, model risks and ICT risks and excludes strategic risks and reputation risks. Operational risk encompasses the entire banking operations, including out-sourced operations.

The Bank Group is to base its assessments of operational risk on products, services, functions, processes and IT systems. The risk assessment is to be followed up against risk outcome (incident reporting).

Risk categories

The Bank Group categorises operational risk into the following risk categories:

- Product and process risks
- Personnel risks
- Legal risks
- ICT risks
- Security risks
- Model risks
- Conduct risks

Risk management process

The process for managing operational risk comprise continuous identification, assessment (measurement), management, monitoring and reporting operational risks.

The main stages are described below:

Risk evaluation and monitoring controls for assessing operational risk

Risk evaluation is one of the tools used to identify and assess operational risks that could impact the business and to plan risk-limiting activities and controls that the operations introduce to business processes to management risks. These analyses are part of the operations' overall risk assessment.

Assessment of identified operational risk is based on a model that is applied throughout the operations. Each identified risk is assessed on the following basis:

- Probability – expected number of risk outcomes per year.
- Consequence – expected cost each time risks actually materialise.

The assessment of both probability and consequence including considering any existing controls for reducing the risk, meaning the net risk. The combination of probability and consequence

provides a quantitative valuation of operational risk. Each manager is responsible for identifying, measuring, monitoring and managing operational risk in their area of responsibility. The process owner is responsible for documenting the process and its controls and for identifying, measuring, managing and monitoring operational risk for the process, including its products and services.

The risk methods are regularly evaluated with the aim of minimising the risk of these methods themselves giving rise to significant misjudgements of operational risks.

Risk indicators

The aim for the use of risk indicators is to create conditions for better insight into the Bank Group's risk profile and the risks that are increasing or reducing at that point in time and over time.

Approval process

The Bank Group has a shared process for approving new or significantly changed products, services, markets, processes, ICT support, changes in the operations and organisation as well as exceptional transactions. The process also includes outsourced operations, ICT services provided by suppliers and resolution relevant services provided by suppliers. The purpose of the approval process is to achieve efficient and appropriate management of the risks that may arise in connection with change work, impact capital, to ensure that products and changes that are approved are compatible with risk strategy and risk appetite and to create customer value.

Incident reporting

The Bank Group has system support for reporting incidents. This system enables all employees to report any incidents. Risk Management periodically prepares a summary of the incidents in its reports. Incident management is an important part of the Bank Group's operational risk management. Incident statistics contribute to the assessment and forecast of operational risk, and enables the company to quickly identify critical problems and act upon these. The responsibility for analysing incidents and taking measures lies with the head of the process or operations.

Follow-up of incidents

Review of incidents that have occurred. Particular emphasis in these reviews is attached to incidents of a more serious nature.

Continuity management

Continuity management involves measures to be taken to manage serious and extensive plan business interruptions, disruptions or crises, how the operations are to be maintained in such cases and the operations' priorities and procedures when returning to normal operations after an interruption or major business disruption. The Bank Group works constructively to prevent and improve the

management of this type of incident. Business contingency, continuity and recovery plans have been produced in the operations to support employees and managers in a crisis and if a serious event were to occur. Exercises are conducted at least once annually to ensure that the plans are suitable.

Capital requirement for operational risk

The Bank Group calculates the capital requirement for operational risk in accordance with Articles 312–315 of CRR III. The capital requirement for operational risk is stated in the table Capital-adequacy analysis – overview of total risk exposure amounts (section Capital requirements).

Business risk

Business risk primarily comprises earnings risk. Earnings risk is defined as volatility in earnings that creates a risk of lower income due to such factors as competition or volume reductions. Earnings risk is associated with all of the Bank Group's products and portfolios. A large portion of the banking operations involves retail mortgages. These operations have a low level of volatility and thus a low earnings risk. Business risk is managed in the internal capital and liquidity adequacy assessment process (ICAAP and ILAAP).

Climate risk

Climate risk refers to the risks that the negative consequences of climate change may have on the company's financial position. Climate risks can materialise either through physical risks, such as more cases of extreme weather and gradually rising sea levels, or through transition risks, such as regulatory, political and market changes related to the transition to a low-carbon society. Climate risk is part of sustainability-related risks, which in turn impact and feed into the other risk categories. Accordingly, the management of climate risk and risk-reduction measures mostly take place in the other risk categories. Climate stress testing for single-family homes, vacation homes, tenant-owned apartments and agricultural properties was performed focusing on physical risk, for example, rising sea levels and flooding risks. The stress tests did not reveal any credit concentrations related to climate risks. Risk appetite and risk indicators related to climate risk were introduced in the operations and are used to regularly monitor exposure to climate risk.

Capital

The consolidated situation encompasses: Länsförsäkringar Bank AB (publ), Länsförsäkringar Hypotek AB, Länsförsäkringar Finans AB, Länsförsäkringar Fondförvaltning AB and SAVR AB, which was acquired during the year. The acquisition of SAVR AB had no significant impact on the group's capital requirements or ratios. There is no current or foreseen material practical or legal impediment in

the consolidated situation for transferring funds from own funds or repayment of liabilities between parent company and subsidiary.

Parent Company's participating interest and consolidation method

Company name	Parent Company's participating interest (%)	Corporate Registration Number	Consolidation method
Länsförsäkringar Bank AB Parent Company			
Länsförsäkringar Hypotek AB	100	556244-1781	Complete
Länsförsäkringar Fondförvaltnings AB	100	556364-2783	Complete
Länsförsäkringar Finans AB	100	556311-9204	Complete
Savr AB	100	559084-1093	Complete

Own funds and capital requirements

The capital-adequacy analysis was prepared in accordance with FFFS 2008:25. Under this regulation, an institution is to present the disclosures stipulated in Article 447 of the Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation). The capital-adequacy analysis is also to include an overview of the total risk exposure amount in accordance with Article 438 d of the Capital Requirements Regulation.

Other information that is to be disclosed in accordance with Part Eight of the Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms is published in <https://www.lansforsakringar.se/stockholm/foretag/om-oss/finansiering/lansforsakringar-bank-ab/>.

Capital-adequacy analysis – key figures

SEK M	Consolidated Situation	
	31 Dec 2025	31 Dec 2024
Available own funds (amounts)		
Common Equity Tier 1 capital	20,580.8	20,502.8
Tier 1 capital	23,430.8	23,052.8
Total capital	27,617.4	26,142.8
Risk-weighted exposure amount		
Total risk exposure amount	140,616.0	134,063.1
Total risk exposure pre-floor	140,616.0	N/A
Capital ratios (as a percentage of risk-weighted exposure amount)		
Common Equity Tier 1 capital ratio, %	14.6%	15.3%
Common Equity Tier 1 ratio considering unfloored TREA (%)	14.6%	N/A
Tier 1 ratio (%)	16.7%	17.2%
Tier 1 considering unfloored TREA (%)	16.7%	N/A
Total capital ratio (%)	19.6%	19.5%
Total capital ratio considering unfloored TREA (%)	19.6%	N/A
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)		
Additional own funds requirements to address risks other than the risk of excessive leverage	2.0%	2.1%
of which: to be made up of Common Equity Tier 1 capital (percentage points)	1.1%	1.2%
of which: to be made up of Tier 1 capital (percentage points)	1.5%	1.6%
Total SREP own funds requirements (%)	10.0%	10.1%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)		
Capital conservation buffer (%)	2.5%	2.5%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0%	0%
Institution-specific countercyclical capital buffer (%)	2%	2%
Systemic risk buffer (%)	0%	0%
Global Systemically Important Institution buffer (%)	0%	0%
Other Systemically Important Institution buffer (%)	0%	0%
Combined buffer requirement (%)	4.5%	4.5%
Overall capital requirements (%)	14.5%	14.6%
Common Equity Tier 1 capital available after meeting the total SREP own funds requirements (%)	9.0%	9.4%
Leverage ratio		
Total exposure measure	528,930.6	500,176.2
Leverage ratio (%)	4.4%	4.6%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)		
Additional own funds requirements to address the risk of excessive leverage (%)	0%	0%
of which: to be made up of Common Equity Tier 1 capital (percentage points)	0%	0%
Total SREP leverage ratio requirements (%)	3%	3%

SEK M	Consolidated Situation	
	31 Dec 2025	31 Dec 2024
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)		
Leverage ratio buffer requirement (%)	0%	0%
Overall leverage ratio requirements (%)	3%	3%
Liquidity Coverage Ratio		
Total high-quality liquid assets (HQLA) (weighted value – average)	70,992.0	66,440.1
Cash outflows – Total weighted value	35,000.6	29,960.7
Cash inflows – Total weighted value	8,029.7	9,492.0
Total net cash outflows (adjusted value)	26,970.9	20,468.7
Liquidity coverage ratio (%)	269.4%	340.6%
Net Stable Funding Ratio		
Total available stable funding	446,504.4	423,853.6
Total required stable funding	350,783.0	343,927.1
NSFR (%)	127.3%	123.2%

Own funds

Own funds is the total of Tier 1 capital and Tier 2 capital, less items indicated in the capital adequacy rules.

Tier 1 capital comprises the institution's Common Equity Tier 1 capital and a limited share of perpetual subordinated debt (Additional Tier 1 instruments). Common Equity Tier 1 capital comprises equity according to applicable accounting standards after deductions for certain items as defined in the capital adequacy rules.

Tier 2 capital comprises perpetual and dated loans with subordinated preferential rights.

Common Equity Tier 1 capital

Equity comprises share capital, capital contributed, reserves and net profit for the year. During the period, equity included in the Common Equity Tier 1 capital in the Consolidated Situation increased net, primarily due to profit generated from the Bank Group. Profit may be included in Common Equity Tier 1 capital prior to a decision by a general meeting only if approved by the FSA, after deductions have been made for proposed dividends or other foreseeable charges and the company's auditors have verified the profits. At year-end, the Parent Company Länsförsäkringar AB paid a Group contribution of SEK 910 M to Länsförsäkringar Bank AB (SEK 723 M net after tax). In addition, a deduction of SEK 577 M for the expected, proposed dividend from the Parent Company Länsförsäkringar Bank AB to the shareholders was made from Common Equity Tier 1 capital at year-end. Changes in equity attributable to cash flow hedges may not be included in own funds, which is why this effect is excluded. Common Equity Tier 1

capital is also adjusted due to the regulatory requirements regarding prudent valuation of items measured at fair value. Other deductions from Common Equity Tier 1 capital that are applicable to the consolidated situation are intangible assets and the IRB shortfall. Common Equity Tier 1 capital in the Consolidated Situation after applicable deductions amounted to SEK 20,581 M (20,503) on 31 December 2025.

Tier 1 capital

Additional Tier 1 capital in the consolidated situation solely comprises Additional Tier 1 capital. Additional Tier 1 capital is subordinated liabilities which fulfil certain conditions in order to be included as Tier 1 capital when calculating the size of own funds. Länsförsäkringar Bank issued two Additional Tier 1 Capital loans totalling SEK 2,850 M (2,550).

Tier 2 capital

Tier 2 capital must be subordinate to other claims of all nonsubordinated creditors, except for equity instruments and Additional Tier 1 capital. Fixed-term subordinated debt that is included may

not be covered or guaranteed in any form by an issuing institution or institution in the consolidated situation.

Tier 2 capital comprises fixed-term subordinated debt issued by Länsförsäkringar Bank amounting to SEK 4,200 M (3,090).

Outstanding own funds instruments 31 Dec 2025

Borrower	Loan amount	Loan date	Repayment date	First possible premature redemption (break-off date)
Additional Tier 1 capital – External				
Länsförsäkringar Bank AB	SEK 1,350 M	23 Jan 2024	Perpetual	23 Jan 2029
Länsförsäkringar Bank AB	SEK 1,500 M	9 Sep 2025	Perpetual	9 Sep 2030
Tier 2 capital – External				
Länsförsäkringar Bank AB (publ)	SEK 1,050 M	25 Feb 2021	25 Feb 2031	25 Feb 2026
Länsförsäkringar Bank AB (publ)	SEK 450 M	25 Feb 2021	25 Feb 2031	25 Feb 2026
Länsförsäkringar Bank AB (publ)	SEK 850 M	1 Mar 2023	1 Mar 2033	1 Mar 2028
Länsförsäkringar Bank AB (publ)	SEK 750 M	1 Mar 2023	1 Mar 2033	1 Mar 2028
Länsförsäkringar Bank AB (publ)	SEK 1,100 M	12 Nov 2025	12 May 2036	12 May 2031

For more detailed information about the most significant elements of the own funds instruments presented in accordance with the European Commission's Implementing Regulation (EU) No 1423/2013, see the disclosures on own funds on the Länsförsäkringar Bank website.

Capital requirement

Capital requirements are divided into Pillar I Requirements, which are general minimum requirements for all institutions, and Pillar II Requirements that are based on individual assessments performed by each institution. Alongside these capital requirements, there are additional capital requirements in the form of a combined buffer.

Capital-adequacy analysis – overview of total risk exposure amounts

SEK M	Consolidated Situation 31 Dec 2025		Consolidated Situation 31 Dec 2024	
	Risk Exposure Amount	Capital requirement	Risk Exposure Amount	Capital requirement
Credit risk (excluding CCR)	124,422.1	9,953.8	125,270.0	10,021.6
of which the Standardised Approach	8,314.4	665.2	9,063.0	725.0
of which the Foundation IRB (F-IRB) Approach	10,453.3	836.3	16,783.6	1,342.7
of which the Advanced IRB (A-IRB) Approach	22,280.6	1,782.4	22,278.6	1,782.3
of which risk weight floor according to Article 458 CRR	83,156.8	6,652.5	77,041.1	6,163.3
Counterparty credit risk (CCR)	513.1	41.0	508.6	40.7
of which the Standardised Approach	497.6	39.8	495.2	39.6
of which CCP	15.4	1.2	13.4	1.1
Credit valuation adjustment	702.1	56.2	356.3	28.5
of which: the basic approach (R-BA)	702.1	56.2		
of which other CCR	–	–	–	–
Operational risk	14,978.8	1,198.3	7,928.1	634.2
Output floor applied (%)	50%	–	N/A	N/A
Floor adjustment (before application of transitional cap)	0	–	N/A	N/A
Floor adjustment (after application of transitional cap)	0	–	N/A	N/A
Total	140,616.0	11,249.3	134,063.1	10,725.0

Minimum capital requirements

The minimum capital requirement under Pillar I is expressed as a percentage of the Risk Exposure Amount (REA). REA in the consolidated situation on 31 December 2025 amounted to SEK 140,616 M (134,063). The increase in REA was mainly attributable continued growth in lending, primarily to households in the form of mortgages, which also increases REA in accordance with the FSA's macroprudential measures under the framework of Article 458 of CRR. The EU's second banking package (Basel III) was introduced during the year, which included new calculation methods for the risk exposure amount for operational risks and credit valuation adjustment (CVA), which resulted in higher capital requirements for these.

Buffer requirement

The consolidated situation is subject to requirements on maintaining a capital conservation buffer and a countercyclical capital buffer. The countercyclical capital buffer has currently been decided at 2.0% of REA, which corresponded to SEK 2,812 M (2,681) on 31 December 2025. The capital conservation buffer is set at 2.5% of REA, which corresponded to SEK 3,515 M (3,352) on 31 December 2025. Both buffers are to be covered by Common Equity Tier 1 capital.

Capital management and Internal Capital Adequacy Assessment Process (ICAAP)

The internal capital adequacy assessment process (ICAAP) is designed based on the Pillar II Requirements, the requirements established by the Board of Directors for the operations and the internal demands. The purpose of the process is to assess the capital required for covering all of the risks that the consolidated situation is, or could be, exposed to. The internally assessed capital requirement is to be prospective and ensure healthy capitalisation, and form the basis of short and long-term capital planning. Scenario analyses and stress tests are carried out to assess the capital requirement based on a prospective perspective. The process reviews the risks in the operations and evaluates the methods and models used for quantifying them. The process is to be carried out annually and the prerequisites for stress tests are to be reviewed by the Board at least once annually, which are to guide future work.

Risk-based capital requirements

In the third quarter of 2025, the FSA completed its most recent Supervisory Review and Evaluation Process regarding Pillar 2 Requirements (P2R) for Länsförsäkringar Bank in the Consolidated Situation. The FSA decided on a P2R of 2.0% and a Pillar II Guidance (P2G) of 0.0%. Together, this means a total own funds requirement and P2G of 14.5% on 31 December 2025 compared with the total capital ratio of 19.6%.

Risk-based capital requirements, Consolidated Situation	31 Dec 2025		31 Dec 2024	
	SEK M	% of REA	SEK M	% of REA
Own funds requirements (Pillar I)	11,249.3	8.0%	10,725.0	8.0%
Pillar II Requirements (P2R)	2,756.1	2.0%	2,815.3	2.1%
Combined buffer requirement	6,327.7	4.5%	6,032.8	4.5%
Pillar II Guidance (P2G)	0	0.0%	0.0	0.0%
Overall adequate level of own funds and P2G	20,333.1	14.5%	19,573.2	14.6%

Leverage ratio

The leverage ratio is a non-risk-based metric that establishes a floor for how low the capital requirement can fall in relation to a bank's gross assets.

In Q3 2025, the FSA decided on a P2G for the leverage ratio requirement at group level of 0.15% in addition to the minimum requirement for the leverage ratio of 3.0%, which means that the total leverage ratio requirement and P2G amount to 3.15%. The leverage ratio for the Consolidated Situation was 4.4% (4.6) on 31 December 2025.

New and amended rules**Impending changes to capital adequacy rules**

The EU's Banking Package 2021, which was published in the Official Journal of the EU in June 2024, means that the final elements of Basel III have now been introduced in the EU. The Package includes changes to the Capital Requirements Regulation and the Capital Requirements Directive, with the aim of strengthening banks' resilience to future economic shocks while supporting the climate transition. The changes include restrictions on the use of internal models, revised standardised approaches for credit and operational risk, and the introduction of a capital floor of 72.5%. The capital floor entails that the risk-weighted assets for a bank that applied internal models may not, in total, be lower than 72.5% of the risk-weighted amount calculated according to the revised Standardised Approaches. The majority of the changes to the Capital Requirements Regulation came into effect on 1 January 2025 with a phase-in period of five years. The Capital Requirements Directive will be implemented in Swedish law by 10 January 2026. The structure and application of capital requirements for Swedish banks will be reviewed by the FSA.

The European Banking Authority (EBA) has prepared new guidelines on banks' internal ratings-based approaches. The purpose of the EBA's regulations is to reduce unwanted variability in capital requirements when using internal models for calculating the capital requirements for credit risk. The banks need to make adjustments to these regulatory changes and apply for significant changes to internal ratings-based approaches (IRB). The bank is in the process of updating the internal ratings-based (IRB) models. The Bank has received approval from the FSA for certain parts of the model review. A protracted review process for the other parts could entail a risk of additional capital surcharges.

In December 2025, the FSA announced its decision to leave the countercyclical capital buffer rate unchanged. The buffer rate of 2% which started to apply on 22 June 2023, will continue to apply. Länsförsäkringar Bank is following regulatory developments and is highly prepared and well capitalised for impending changes, even if it is unclear at this stage what the effects of a capital requirement will be.

Crisis management

The Swedish Resolution Act (2015:1016) came into effect on 1 February 2016. These rules are based on the Crisis Management Directive. The new Resolution Act came into effect in July 2021 and is based on the requirements introduced through the EU's revisions to the Bank Recovery and Resolution Directive (BRRD II). The key aim is to prevent banks' problems from becoming a burden for the tax payer. The rules establish a special procedure for handling a failing institution without putting it into bankruptcy. This procedure is called resolution. It means that the government, through the National Debt Office, can take control of the failing bank. The Debt Office has a number of tools available to reconstruct or discontinue banks in a structured manner. To facilitate efficient resolution, the Debt Office has prepared resolution plans for the institutions that it considers have critical operations for the financial system. As part of its work, the Debt Office will determine minimum requirements for own funds and eligible liabilities (MREL) that can be used to cover losses in a failing institution. In December 2025, the Debt Office announced its decisions on resolution plans and MRELS for the institutions that have business activities that are deemed to be critical to the Swedish financial system, including Länsförsäkringar Bank. The Debt Office decides on MREL at group level every year. The debt issued that may be used to meet some of the requirements are to be issued by Länsförsäkringar Bank. In addition, the Debt Office also made a decision on MRELS for the individual institutions Länsförsäkringar Bank (Parent Company), Länsförsäkringar Hypotek and Länsförsäkringar Finans.

The requirements are based on Länsförsäkringar Bank's capital requirement and comprise a risk-weight and a non-risk-weight requirement. In December 2025, the Debt Office decided an MREL according to the new requirements. For the consolidated situation, the risk-weighted requirement is 22.4% of REA, and the non-risk-weighted requirement is 6.0% of the exposure amount for the leverage ratio. In addition to MREL, the EBA's Guidelines on Improving Resolvability for Institutions and Resolution Authorities (EBA/GL/2022/01), which came into force on 1 January 2024, must also be fulfilled. These guidelines are a key element in the Debt Office's assessment of banks' resolvability.

NOTE 4 SEGMENT REPORTING

Group, SEK M	Banking operations	Mortgage institution	Finance company	Mutual funds	SAVR	Eliminations/ Adjustments	Total
Income statement 2025							
Net interest income	2,640.0	2,289.8	834.2	45.7	-4.2	4.7	5,810.2
Dividends received	1,361.0	-	-	-	-	-1,360.0	1.0
Total commission income	1,372.3	34.3	170.3	1,175.3	11.6	-236.5	2,527.3
Total commission expense	-1,916.6	-131.9	-50.3	-506.0	-5.0	233.0	-2,376.8
Net gains / losses from financial items	-9.2	20.7	0.1	-	-0.2	-	11.4
Intra-Group income	205.0	-	4.6	-	5.2	-214.8	-
Other income	-2.9	-	135.0	-	0.1	0.1	132.3
Total operating income	3,649.6	2,212.9	1,093.9	715.0	7.5	-1,573.5	6,105.5
Intra-Group expenses	-1.6	-118.4	-59.8	-29.6	-	209.4	-
Other administration expenses	-2,192.9	-33.3	-504.3	-244.4	-97.2	84.5	-2,987.6
Depreciation/amortisation and impairment	-263.7	-0.1	-134.6	-0.2	-11.7	-16.1	-426.4
Total operating expenses	-2,458.2	-151.8	-698.7	-274.2	-108.9	277.8	-3,414.1
Profit before credit losses, risk tax levied and resolution fee	1,191.4	2,061.1	395.2	440.8	-101.4	-1,295.7	2,691.4
Credit losses, net	-2.0	-3.3	-139.9	-	-	1.8	-143.4
Share of profit/loss of participating interests	-	-	-	-	-	1.3	1.3
Risk tax levied and resolution fee	-157.9	-279.7	-4.2	-	-	-	-441.8
Operating profit	1,031.5	1,778.1	251.1	440.8	-101.4	-1,292.6	2,107.4
Balance sheet, 31 December 2025							
Total assets	249,890.3	372,673.4	26,890.4	2,680.3	254.9	-137,107.7	515,281.5
Liabilities	238,738.7	354,657.9	22,352.0	513.4	39.9	-127,003.3	489,298.6
Equity	11,151.6	18,015.5	4,538.4	2,166.8	215.0	-10,104.5	25,982.9
Total liabilities and equity	249,890.3	372,673.4	26,890.4	2,680.3	254.9	-137,107.7	515,281.5

Income and assets are attributable in their entirety to Sweden. The segment distribution per legal entity reflects the internal reporting to the chief operating decision maker, i.e. The Group's chief operating decision maker. The legal structure within Länsförsäkringar Bank Group is in line with the product offering to external customers. The portion of assets and liabilities that is not distributed per segment comprise Group-wide eliminations within the Bank Group.

Group, SEK M	Banking operations	Mortgage institution	Finance company	Mutual funds	SAVR	Eliminations/ Adjustments	Total
Income statement 2024							
Net interest income	2,864.5	2,858.2	843.1	66.9	-	-0.3	6,632.4
Dividends received	650.7	-	-	-	-	-650.0	0.7
Total commission income	1,213.9	30.9	184.2	1,123.7	-	-186.4	2,366.4
Total commission expense	-2,357.0	-775.1	-48.8	-466.6	-	186.4	-3,461.1
Net gains / losses from financial items	26.6	1.2	-0.2	-	-	-	27.7
Intra-Group income	160.1	-	4.4	-	-	-164.6	0.0
Other income	-	-	86.8	0.0	-	-	86.8
Total operating income	2,558.8	2,115.3	1,069.5	724.0	-	-814.8	5,652.8
Intra-Group expenses	3.5	-118.4	-15.3	-34.4	-	164.6	0.0
Other administration expenses	-1,900.6	-31.6	-375.6	-233.4	-	16.4	-2,524.8
Depreciation/amortisation and impairment	-177.0	-0.1	-65.3	-0.2	-	-16.6	-259.2
Total operating expenses	-2,074.1	-150.1	-456.2	-268.0	-	164.4	-2,784.0
Profit before credit losses, risk tax levied and resolution fee	484.7	1,965.2	613.3	456.0	-	-650.4	2,868.7
Credit losses, net	-0.3	-2.3	-176.9	-	-	-1.7	-181.2
Share of profit/loss of participating interests	-	-	-	-	-	0.7	0.7
Risk tax levied and resolution fee	-137.6	-255.5	-4.9	-	-	-	-397.9
Operating profit	346.8	1,707.4	431.5	456.0	-	-651.4	2,290.3
Balance sheet, 31 December 2024							
Total assets	249,580.8	351,944.7	26,806.2	2,311.8	-	-134,376.3	496,267.1
Liabilities	238,425.0	334,451.6	22,484.3	365.9	-	-124,445.8	471,281.0
Equity	11,155.7	17,493.1	4,321.9	1,945.9	-	-9,930.6	24,986.1
Total liabilities and equity	249,580.8	351,944.7	26,806.2	2,311.8	-	-134,376.3	496,267.1

NOTE 5 NET INTEREST INCOME

SEK M	2025	2024
Interest income		
Loans to credit institutions	257.3	534.4
Loans to the public	13,899.9	17,272.9
Interest-bearing securities ¹⁾	1,482.0	1,652.2
Derivatives	315.9	2,953.6
Other interest income	0.7	1.2
Total interest income according to the effective interest method	15,955.8	22,414.3
Interest expense		
Due to credit institutions ¹⁾	-99.8	-277.0
Deposits and borrowing from the public	-1,245.0	-3,003.0
Debt securities in issue ²⁾	-7,259.1	-6,465.3
Subordinated liabilities	-116.2	-142.4
Derivatives	-1,338.1	-5,778.9
Other interest expense	-87.3	-115.4
Total interest expense according to the effective interest method	-10,145.6	-15,781.9
Total net interest income	5,810.2	6,632.4

¹⁾ Of which negative interest, -Interest-bearing securities of SEK -6.7 (-12.1)

²⁾ Interest expense for senior non-priority debt amounts to SEK 513.6 (665.7) M.

NOTE 6 NET COMMISSION

SEK M	2025	2024
Commission income		
Payment mediation	181.9	179.3
Loans	165.0	229.4
Deposits	2.1	2.2
Securities	1,450.9	1,382.3
Cards	487.1	410.5
Remuneration from the regional insurance companies	231.8	148.6
Other commission	8.5	14.1
Total commission income¹⁾	2,527.4	2,366.4
Commission expense		
Payment mediation	-154.7	-145.9
Securities	-213.0	-191.0
Cards	-217.9	-210.4
Remuneration to the regional insurance companies	-1,676.9	-2,818.1
Management costs	-80.9	-66.0
Other commission	-33.4	-29.8
Total commission expense	-2,376.7	-3,461.1
Total net commission income	150.6	-1,094.8

¹⁾ Refers to revenue from contracts with customers.

For more information, see note 2, Accounting policies and note 4 Segment reporting.

NOTE 7 NET GAINS/LOSSES FROM FINANCIAL ITEMS

SEK M	2025	2024
Interest-bearing assets and liabilities and related derivatives	-2.4	0.1
Other financial assets and liabilities	-3.2	17.0
Interest compensation (refers to items measured at amortised cost)	17.0	10.5
Total net gains/losses from financial items	11.4	27.7
SEK M	2025	2024
Profit/loss by measurement category		
Financial assets measured at FVPL	-2.9	17.4
Financial assets measured at amortised cost	15.4	8.4
Financial liabilities measured at amortised cost	2.7	-9.2
Financial assets measured at FVOCI	3.2	-0.8
Hedge accounting at fair value	4.9	6.4
Ineffectiveness of cash-flow hedges	-	-
Exchange-rate effect	-11.9	5.5
Total	11.4	27.7

NOTE 8 EMPLOYEES, STAFF COSTS AND REMUNERATION OF SENIOR EXECUTIVES

Average number of employees	2025	2024
Sweden		
Men	469	414
Women	481	418
Total	950	832

Salaries, other remuneration and social security expenses, other employees	2025	2024
Salaries and remuneration	-716.5	-624.8
of which, variable remuneration	-	-
Social security expenses	-361.9	-324.7
of which, pension costs	-110.3	-102.3
Total	-1,078.4	-949.5

Board of Director's and senior executives, number 19 (21)	2025	2024
Salaries and remuneration	-37.1	-29.8
of which, variable remuneration	-	-
Social security expenses	-25.9	-21.0
of which, pension costs	-11.2	-9.7
Total	-63.1	-50.8

Total salaries, other remuneration and social security expenses SEK M	2025	2024
Salaries and remuneration	-753.7	-654.6
of which, variable remuneration	-	-
Social security expenses	-387.8	-345.8
of which, pension costs	-121.5	-112.0
Total	-1,141.5	-1,000.4

NOTE 8, CONT EMPLOYEES, STAFF COSTS AND REMUNERATION OF SENIOR EXECUTIVES

Länsförsäkringar Bank has about 2,000 individuals who are also employed at Länsförsäkringar Bank and the regional insurance companies. The regional insurance companies pay the entire remuneration of their respective employees.

Remuneration of senior executives

Remuneration of the President and other senior executives comprises basic salary and other benefits. Pension benefits and other benefits paid to the President and other senior executives are included as part of total remuneration. For more information, see the Parent Company's note 9 Employees, staff costs and remuneration of senior executives.

Severance pay

A mutual period of notice of 6 months applies to the President. If termination of employment is issued by the company, severance pay corresponding to 12 months' salary will be paid to the President, in addition to the period of notice. A mutual period of notice of six months applies for other senior executives. If termination of employment is issued by the company, severance pay corresponding to 12 months' salary will also be paid, in addition to the period of notice. Otherwise, the period of notice for other senior executives follows the terms and conditions of the collective agreements between the Swedish Insurance Employers' Association (FAO), the Swedish Union of Insurance Employees (Forena) and the Swedish Confederation of Professional Associations (SACO).

Pensions

The retirement age for the President is 65. The terms follow the pension agreements between the Swedish Insurance Employers' Association (FAO), Forena and the Swedish Confederation of Professional Associations (SACO). In addition, an additional pension premium corresponding to one price base amount per year is paid. The retirement age for the previous President is 65. The pension is a defined-contribution plan and the pension premium amounts to 35% of the monthly salary. The retirement age for other senior executives is 65. The pension is a defined-contribution plan and the pension premium is to amount to 35% of the monthly salary. Alternatively, other senior executives comply with the terms of the pension agreements between the Swedish Insurance Employers' Association (FAO), Forena and the Swedish Confederation of Professional Associations (SACO). In addition, an additional pension premium corresponding to one price base amount per year is paid for each of the other senior executives.

Preparation and decision-making process applied in relation to the issue of remuneration of senior executives

A Remuneration Policy for the Länsförsäkringar AB Group regulates the preparation and decision-making process for remuneration of corporate management. The Remuneration Committee prepares important remuneration decisions and decisions on measures for following up the application of the Remuneration Policy. The Board decides on remuneration and other terms of employment for corporate management and employees with overall responsibility for one of the company's control functions.

Composition of Remuneration Committee

The composition and duties of the Remuneration Committee are regulated in the Board's formal work plan. The Remuneration Committee comprises the Chairman and one Board member.

Policies for remuneration of corporate management

Senior executives in the Länsförsäkringar AB Group are to have market-based employment terms and conditions. The total remuneration must be on par with the industry. The structure and level of remuneration should correspond to the company's values, meaning that it should be reasonable, moderate and well-balanced, and also contribute to good ethics and organisational culture, characterised by openness and transparency.

Fixed remuneration

Fixed remuneration is paid according to the general policy above.

Pensions

Pensions should comply with the terms of the collective agreements between the Swedish Insurance Employers' Association (FAO), Forena and the Swedish Confederation of Professional Associations (SACO).

Other benefits

In addition to the above benefits, a company car in accordance with terms and conditions applicable at any time, individual health care insurance and other benefits are offered to all employees.

Preparation and decision-making process applied in relation to the issue of remuneration of senior executives

Remuneration of the President is prepared by the Remuneration Committee and subsequently decided by the Board. Remuneration to other senior executives is decided by the President in accordance with the principles for salaries and employment conditions for senior executives.

Number of women among senior executives, % 2025-12-31 2024-12-31

Board members	41	38
Other senior executives	41	52

The share of female Board members has increased 8% since the previous balance-sheet date.

Loans to senior executives

Mkr	Bank Group		Parent Company Group	
	2025	2024	2025	2024
Board members	64.3	37.4	142.7	124.7
of which, loans from Bank	8.6	8.7	19.8	17.2
of which, loans from Hypotek	55.7	28.7	122.9	107.5
of which, loans from Wasa Kredit	–	–	–	–
President and Executive Vice Presidents	11.2	6.4	39.8	46.3
of which, loans from Bank	–	–	–	1.1
of which, loans from Hypotek	11.2	6.4	39.8	45.2
of which, loans from Wasa Kredit	–	–	0.0	–
Senior executives	54.5	29.3	91.5	64.4
of which, loans from Bank	0.2	0.2	0.4	0.2
of which, loans from Hypotek	54.3	29.1	90.8	64.2
of which, loans from Wasa Kredit	–	–	0.4	0.0

Loans granted comprise personnel mortgages and unsecured loans. Personnel mortgages and unsecured loans carry terms comparable to what applies for other customers. The interest rate for personnel mortgages is based on the best customer rate in LF, but is also adjusted to current market rates. The interest for unsecured loans is the government funding rate on 30 November last year, plus 1.5%. Other loans have market terms.

The Group has not provided collateral, other security or entered into any contingent liabilities for any senior executive.

Remuneration Policy

The Board is to adopt a remuneration policy in accordance with the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2011:1) regarding remuneration structures in credit institutions, investment firms and fund management companies. A report on the company's remuneration is to be published on the company's website in connection with the publication of the Annual Report.

NOTE 9 OTHER ADMINISTRATION EXPENSES

SEK M	2025	2024
Costs for premises	–83.8	–86.2
IT costs	–1,180.3	–1,048.5
Consultant costs	–117.5	–153.5
Marketing	–55.5	–43.1
Management costs	–44.7	–39.6
Other administration expenses ¹⁾	–344.8	–141.8
Total administration expenses	–1,826.6	–1,512.7

¹⁾ The comparative information includes last year's VAT recovery in Länsförsäkringar Finans, which reduced operating expenses by SEK 176 M.

NOTE 10 REMUNERATION OF AUDITORS

SEK M	2025	2024
Deloitte AB, audit assignment	–11.2	–11.0
Deloitte AB, audit activities in addition to the audit assignment	–0.6	–0.6
Other, audit assignment	–0.3	–
Other, audit activities in addition to the audit assignment	–0.1	–
Total fees and remuneration of auditors	–12.2	–11.6

Audit assignment pertains to a statutory review of the Annual Report and accounts, as well as the administration by the Board of Directors and President. Audit activities other than audit assignment pertain to various types of quality-assurance services, such as reviews of the administration, Articles of Association, regulations or agreements that result in reports or certificates.

NOTE 11 CREDIT LOSSES, NET

SEK M	2025	2024
Change in loss allowance for loan receivables		
Stage 1 (not credit-impaired)	-13.4	-21.3
Stage 2 (not credit-impaired)	-1.9	-15.1
Stage 3 (credit-impaired)	60.5	-17.4
Total change in loss allowance for loan receivables	45.2	-53.9
Expense for confirmed credit losses	-239.8	-193.1
Payment received for prior confirmed credit losses	51.6	69.4
Net expense for the period for credit losses for loan receivables	-143.0	-177.7
Change in loss allowance for commitments	2.3	-3.2
Net expense for other credit losses	-2.3	0.3
Net expense of the modification result	-0.4	-0.7
Net expense for credit losses	-143.4	-181.2

A condition for full payment of the regional insurance companies' distribution remuneration by the Bank Group is that the loans generated by each regional insurance company for the Bank Group (excluding LF Finans AB) are of high quality. If this is not the case, up to 80% of any credit losses are off-set against the accrued remuneration to the regional insurance companies. This model for settlement of credit losses is kept separate and is taken into consideration when the provisions are established. In 2025, total credit losses amounted to SEK -163.3 M (-213.6), of which the Bank Group's recognised credit losses amounted to SEK -143.4 M (-181.2) and the remainder of SEK -19.9 (-32.4) M was settled against remuneration to the regional insurance companies.

Loss allowance

SEK M	31 Dec 25	31 Dec 24
Financial assets measured at amortised cost		
Cash and balances at central banks	-	-
Loans to credit institutions	-	-
Loans to the public	482.7	527.5
Other assets	-	-
Financial assets measured at FVOCI		
Treasury bills and other eligible bills	0.3	0.2
Bonds and other interest-bearing securities	1.0	0.9
Provisions		
Commitments	24.1	26.8
Guarantees	0.1	0.0
Total loss allowance	508.2	555.5

All exposures are in stage 1 except for loans to the public and commitments which have exposure in all three stages. For more information about the change in loss allowance for loans to the public and commitments, refer to notes 17 and 35.

NOTE 12 IMPOSED LEVIES

SEK M	2025	2024
Resolution fee	147.8	139.0
Risk tax	274.2	259.0
Interest-free lending to the Riksbank	19.8	N/A
Total	441.8	397.9

NOTE 13 DEPRECIATION/AMORTISATION AND IMPAIRMENT OF PROPERTY AND EQUIPMENT/INTANGIBLE ASSETS

SEK M	2025	2024
Depreciation of property and equipment	-4.9	-9.0
Depreciation of right-of-use assets	-17.2	-16.6
Amortisation of intangible assets	-213.5	-177.6
Depreciation of operating lease assets	-102.4	-53.0
Total depreciation/amortisation	-338.0	-256.2
Impairment of intangible assets	-88.2	-
Impairment of operating leases	-0.2	-3.0
Total depreciation/amortisation and impairment of assets	-426.4	-259.2

For more information, see note 22 Intangible assets.

NOTE 14 TAXES

SEK M	2025	2024
Current tax		
Tax expense for the year	-477.7	-451.9
Adjustment of tax expense pertaining to prior years	-0.6	0.3
Total current tax	-478.3	-451.6
Deferred tax		
Change in deferred tax expense on temporary differences	19.9	-67.9
Change in deferred tax asset relating to tax loss carryforwards	73.8	-
Total deferred tax	93.7	-67.9
Total recognised tax expense	-384.6	-519.5
Reconciliation of effective tax rate		
Profit before tax	2,107.4	2,290.3
Tax in accordance with applicable tax rate for Parent Company	-434.1	-471.8
Tax on non-deductible costs	-50.3	-48.1
Tax on non-taxable income	23.1	12.7
Tax attributable to changed tax rate	-0.8	-0.8
Tax attributable to changed tax rates	78.3	-11.8
Tax attributable to earlier years	-0.6	0.3
Total tax on net profit for the year	-384.6	-519.5
Applicable tax rate	20.6%	20.6%
Effective tax rate	18.3%	22.7%
Tax items recognised in other comprehensive income		
Tax on financial assets measured at fair value through other comprehensive income	-21.5	-9.7
Tax on cash flow hedges	-15.7	38.7
Total tax attributable to other comprehensive income	-37.2	29.0

Law on top-up tax for companies in large groups

The Länsförsäkringar AB Group is subject to the Act on Top-up Tax for Companies in Large Groups (the "Top-up Tax Act"), which entered into force on 1 January 2024. This legislation means that companies within the Länsförsäkringar AB Group may be required to pay a top-up tax for the difference between a minimum tax rate of 15 percent and the effective tax rate calculated for each country in which the Group operates, in accordance with the Top-up Tax Act. Länsförsäkringar Fondliv assesses that the criteria for being classified as a pension fund will be met for 2025 and, in such case, will be exempt from the rules. As of 31 December 2025, the Länsförsäkringar AB Group has a corporate tax rate exceeding 15 percent in all countries of operation, except in Ireland, where Capstone Financial Services Ltd (merged into Försäkringsaktiebolaget Agria on 28 February 2025) and Agria's Irish branch both have a corporate tax rate of 12.5 percent. A corporate tax rate lower than the minimum rate of 15 percent is an indicator that operations may be subject to top-up tax. Countries of operation with a nominal corporate tax rate of at least 15 percent may still be subject to top-up tax, as the calculation of the effective tax rate per country depends on specific adjustments. The legislation is complex and the OECD has not yet completed its work on how the rules should be applied and interpreted. The assessment is that the Länsförsäkringar AB Bank Group will be able to apply the temporary simplification rules, which means that no top-up tax will be payable for the 2025 financial year. The Bank Group also applies the mandatory exemption in IAS 12 Income Taxes in its annual and consolidated financial statements regarding the recognition and disclosure of deferred taxes that may arise as a result of the Top-up Tax Act.

NOTE 15 TREASURY BILLS AND OTHER ELIGIBLE BILLS

SEK M	31 Dec 25	31 Dec 24
Carrying amount		
Swedish government	13,746.9	11,213.7
German government	194.2	349.1
Finnish government	–	–
Total treasury bills and other eligible bills	13,941.1	11,562.8
Fair value	13,941.1	11,562.8
Amortised cost	14,017.9	11,684.3
Nominal value	14,106.1	11,717.2

NOTE 16 LOANS TO CREDIT INSTITUTIONS

SEK M	31 Dec 25	31 Dec 24
Loans to credit institutions	1,618.4	1,422.9
Margin collateral	–	1.2
Interest-free lending to the Riksbank Riksbanken	1,325.4	
Loans to credit institutions	2,943.8	1,424.1

For loss allowance, see note 11.

NOTE 17 LOANS TO THE PUBLIC

Loan receivables are geographically attributable in their entirety to Sweden.

SEK M	31 Dec 25	31 Dec 24
Public sector	5,181.6	21,280.9
Corporate sector	29,599.6	28,773.2
Retail sector	394,259.4	374,476.8
Other	0.0	1,035.0
Loan to the public before reserves	429,040.6	425,565.9
Reserves	–482.7	–527.5
Loans to the public	428,557.9	425,038.4
Fixed-interest period		
Remaining term of not more than 3 months	158,992.2	162,704.6
Remaining term of more than 3 months but not more than 1 year	226,913.4	215,056.8
Remaining term of more than 1 year but not more than 5 years	41,883.5	46,461.7
Remaining term of more than 5 years	768.8	815.2
Loans to the public	428,557.9	425,038.4

Remaining term is defined as the remaining fixed-income period if the loan has periodically restricted conditions.

Loans to the public per segment

31 December 2025	Gross carrying amount				Loss allowances				Carrying net amount
	Allocation per stage, SEK M	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Länsförsäkringar Hypotek AB	352,735.8	3,752.9	340.5	356,829.3	–3.6	–4.6	–7.1	–15.3	356,814.0
Länsförsäkringar Bank AB	44,693.1	1,201.4	258.0	46,152.5	–1.7	–3.0	–12.4	–17.1	46,135.4
Länsförsäkringar Finans AB	22,305.7	3,362.6	390.5	26,058.8	–68.5	–122.9	–258.9	–450.3	25,608.5
Total	419,734.7	8,317.0	989.0	429,040.6	–73.8	–130.6	–278.4	–482.7	428,557.9

31 December 2024	Gross carrying amount				Loss allowances				Carrying net amount
	Allocation per stage, SEK M	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Länsförsäkringar Hypotek AB	332,265.5	3,088.5	387.8	335,741.8	–2.6	–5.0	–6.9	–14.4	335,727.4
Länsförsäkringar Bank AB	62,055.3	1,376.0	291.9	63,723.2	–1.5	–4.1	–17.3	–22.8	63,700.4
Länsförsäkringar Finans AB	22,148.2	3,466.8	485.9	26,100.9	–56.3	–119.7	–314.4	–490.3	25,610.6
Total	416,469.0	7,931.3	1,165.6	425,565.9	–60.3	–128.7	–338.5	–527.5	425,038.4

NOTE 17, CONT. LOANS TO THE PUBLIC

Reconciliation of gross carrying amount and loss allowance

	Not credit-impaired				Credit-impaired		Total	
	Stage 1		Stage 2		Stage 3		Gross carry- ing amount	Loss allowance
	Gross carry- ing amount	Loss allowance	Gross carry- ing amount	Loss allowance	Gross carry- ing amount	Loss allowance		
SEK M								
Opening balance 1 Jan 2024	387,914.9	-39.0	6,527.6	-113.6	1,147.4	-320.9	395,590.0	-473.4
New loans	91,445.5	-29.6	15.6	-0.4	10.1	-0.7	91,471.2	-30.7
Changes:								
Change in loss allowance model or method	-	-6.3	-	-2.5	-	-4.6	-	-13.4
Repayment	-59,045.2	13.6	-1,728.7	33.3	-334.5	82.4	-61,108.4	129.3
Change in risk parameters	-	-104.0	-	-52.8	-	-82.5	-	-239.3
Other	20.5	0.4	-77.7	1.1	-5.8	0.4	-63.0	1.9
Sale	-	-	-49.0	8.1	-145.6	64.5	-194.6	72.6
Transfer between stages:								
Transfer from stage 1 to stage 2	-5,203.3	44.2	5,203.3	-77.9	-	-	-	-33.7
Transfer from stage 2 to stage 1	1,628.2	-2.1	-1,628.2	4.5	-	-	-	2.4
Transfer to stage 3	-352.4	62.5	-399.4	72.8	751.8	-206.9	-	-71.6
Transfer from stage 3	60.6	-0.1	67.8	-1.5	-128.4	15.0	-	13.4
Write-off	-	-	-	-	-129.4	114.9	-129.4	114.9
Closing balance 31 Dec 2024	416,469.0	-60.3	7,931.3	-128.7	1,165.6	-338.5	425,565.9	-527.5
Opening balance 1 Jan 2025	416,469.0	-60.3	7,931.3	-128.7	1,165.6	-338.5	425,565.9	-527.5
New loans	76,939.2	-43.2	12.0	-0.2	5.5	-1.3	76,956.8	-44.7
Changes:								
Change in loss allowance model or method	-	-5.9	-	-1.3	-	-0.6	-	-7.8
Repayment	-70,987.9	21.5	-1,792.8	34.6	-373.1	92.2	-73,153.8	148.3
Change in risk parameters	-	-92.0	-	-55.7	-	-56.6	-	-204.3
Other	117.1	1.3	-123.6	2.8	-5.8	0.2	-12.3	4.3
Sale	0.0	0.0	-59.9	11.3	-118.4	63.6	-178.3	74.9
Transfer between stages:								
Transfer from stage 1 to stage 2	-4,847.3	42.7	4,847.3	-65.7	-	-	-	-22.9
Transfer from stage 2 to stage 1	2,246.3	-2.6	-2,246.3	5.2	-	-	-	2.5
Transfer to stage 3	-270.7	64.9	-327.8	68.6	598.5	-185.8	0.0	-52.3
Transfer from stage 3	68.9	-0.1	76.8	-1.6	-145.7	15.3	-	13.5
Write-off	-	0.0	-	0.0	-137.7	133.2	-137.7	133.2
Closing balance 31 Dec 2025	419,734.7	-73.8	8,317.0	-130.6	989.0	-278.4	429,040.6	-482.7

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
Loans to the public before loss allowances 2025	419,734.7	8,317.0	989.0	429,040.6
Credit reserve requirement	-94.5	-160.8	-355.2	-610.5
Withheld remuneration to the regional insurance companies	20.7	30.2	76.8	127.8
Recognised loss allowance	-73.8	-130.6	-278.4	-482.7
Loans to the public 2025	419,660.9	8,186.4	710.6	428,557.9
Loans to the public before loss allowances 2024	416,469.0	7,931.3	1,165.6	425,565.9
Credit reserve requirement	-76.5	-164.6	-435.1	-676.1
Withheld remuneration to the regional insurance companies	16.2	35.9	96.5	148.6
Recognised loss allowance	-60.3	-128.7	-338.5	-527.5
Loans to the public 2024	416,408.7	7,802.6	827.1	425,038.4

A condition for full payment of the regional insurance companies' distribution remuneration by the Bank Group is that the loans generated by each regional insurance company for the Bank Group (excluding Länsförsäkringar Finans AB) are of high quality. If this is not the case, up to 80% of any credit losses are off-set against the accrued remuneration to the regional insurance companies. This model for settlement of credit losses is kept separate and is taken into consideration when the provisions are established.

The recognised loss allowance for the year changed by SEK 44.8 M (54.1). The decrease was primarily attributable to Länsförsäkringar Finans AB, and mainly due to sales of loan receivables in stage 3. The contractual amounts outstanding for financial assets that were written off during the year and that are still encompassed by compliance measures amount to SEK 98.8 M (53.6) as per 31 December 2025.

Modified loan receivables in loans to the public, SEK M	2025-12-31	2024-12-31
Loan receivables modified during the period that were in stages 2 and 3 when they were modified	-	-
Mortised cost before modification	74.0	135.5
Modification gain/loss	-0.4	-0.7
Gross carrying amount for loan receivables that have been modified since initial recognition and on the modification date were in stage 2 or 3 and that were transferred to stage 1 during the period	55.3	37.2

NOTE 18 FINANCIAL LEASING

Financial lease agreements specified by maturity structure where the Group is the lessor.

31 Dec 2025, SEK M	Up to 1 year	1–5 years	More than 5 years	Total
Present value of future minimum lease fees	2,065.4	2,771.2	1,386.6	6,223.2
Unearned financial income ¹⁾	750.9	935.6	332.4	2,018.9
Gross investment	2,816.3	3,706.8	1,719.0	8,242.1

31 Dec 2024, SEK M	Up to 1 year	1–5 years	More than 5 years	Total
Present value of future minimum lease fees	2,185.0	3,203.2	1,535.5	6,923.7
Unearned financial income ¹⁾	886.7	1,156.3	390.2	2,433.2
Gross investment	3,071.7	4,359.5	1,925.7	9,356.9

¹⁾ Attributable to present value calculation.

	2025	2024
Provision for impaired loans pertaining to minimum lease fees	142.9	167.1
Financial income from net investments in leases	425.8	578.8
Gains or losses on sales	10.8	16.6

Minimum lease fees are payments, excluding variable fees, service charges and taxes that are made by the lessee to the lessor over the leasing period, with additions for any amount that is guaranteed by the lessee or a related party to the lessee. Financial leasing is included in loans to the public.

NOTE 19 BONDS AND OTHER INTEREST-BEARING SECURITIES

Issued by organisations other than public bodies.

SEK M	31 Dec 25	31 Dec 24
Carrying amount		
Swedish mortgage institutions (not guaranteed)	34,044.7	34,623.1
Other Swedish issuers	8,053.0	6,862.7
Other foreign issuers (guaranteed by German government)	1,444.3	2,097.0
Other foreign issuers (not guaranteed)	10,423.1	6,324.8
Total bonds and other interest-bearing securities	53,965.1	49,907.6
Fair value	53,965.1	49,907.6
Amortised cost	53,596.1	48,326.7
Nominal value	53,511.3	50,111.4
Market status		
Securities listed	53,965.1	49,907.6
Securities unlisted	–	–

For loss allowance, see note 11.

NOTE 20 DERIVATIVES

SEK M	31 Dec 25		31 Dec 24	
	Nominal value	Fair value	Nominal value	Fair value
Derivatives with positive values				
<i>Derivatives in hedge accounting</i>				
Interest-related	147,138.0	2,673.3	147,921.0	3,514.9
Currency-related	28,085.8	1,406.4	62,289.3	4,056.9
<i>Other derivatives</i>				
Currency-related	–	–	520.8	0.4
Summa derivatinstrument	175,223.8	4,079.7	210,731.1	7,572.2
Offset derivatives with positive values	–112,503.0	–2,156.7	–108,186.0	–2,886.4
Net amount after offset	62,720.8	1,923.0	102,545.1	4,685.8
Derivatives with negative values				
<i>Derivatives in hedge accounting</i>				
Interest-related	203,817.0	3,214.8	194,100.0	4,994.1
Currency-related	43,876.0	1,357.5	8,190.3	417.9
<i>Other derivatives</i>				
Currency-related	27.7	0.8	487.7	11.4
Total derivatives with negative values	247,720.7	4,573.2	202,778.0	5,423.4
Offset derivatives with negative value	–112,503.0	–2,156.7	–108,186.0	–2,886.4
Net amount after offset	135,217.7	2,416.4	94,592.0	2,537.0

Financial hedging agreements were signed to hedge against interest-rate risks and -currency risks stemming from the Group's operations. Hedge accounting is applied to funding, lending, deposits, bonds and other interest bearing securities. Hedging instruments primarily comprise interest and currency interest-rate swaps.

NOT 21 FAIR VALUE CHANGES OF INTEREST-RATE RISK HEDGED ITEMS IN PORTFOLIO HEDGE

SEK M	31 Dec 25	31 Dec 24
Assets		
Carrying amount at beginning of year	–200.2	–1,553.2
Changes during the year pertaining to lending	267.9	1,353.0
Changes during the year pertaining to borrowing	–	–
Carrying amount at year-end	67.7	–200.2
Liabilities		
Carrying amount at beginning of year	–2,023.2	–4,196.7
Changes during the year pertaining to lending	–8.7	171.6
Changes during the year pertaining to funding	1,395.1	2,001.9
Changes during the year pertaining to borrowing	–	–
Carrying amount at year-end	–636.8	–2,023.2

NOTE 22 INTANGIBLE ASSETS

SEK M	Internally developed IT systems		Acquired IT systems		Total	
	31 Dec 25	31 Dec 24	31 Dec 25	31 Dec 24	31 Dec 25	31 Dec 24
Cost						
Opening cost	4,120.2	3,786.5	4.4	4.4	4,124.6	3,790.9
Acquisitions during the year	191.6	333.7	340.9	–	532.5	333.7
Divestments during the year	–	–	–	–	–	–
Disposals during the year	–	–	–	–	–	–
Reclassification during the year	–	–	–	–	–	–
Closing cost	4,311.8	4,120.2	345.3	4.4	4,657.1	4,124.6
Amortisation						
Opening accumulated amortisation	–1,698.20	–1,520.5	–4.40	–4.4	–1,702.60	–1,524.9
Amortisation for the year	–206.50	–177.7	–7.00	–	–213.50	–177.7
Acquired accumulated depreciation for the year	–	–	–14.90	–	–14.90	–
Divestments during the year	–	–	–	–	–	–
Disposals during the year	–	–	–	–	–	–
Reclassification during the year	–	–	–	–	–	–
Closing accumulated amortisation	–1,904.7	–1,698.2	–26.3	–4.4	–1,931.0	–1,702.6
Impairment						
Opening accumulated impairment	–914.7	–914.7	–	–	–914.7	–914.7
Impairment for the year	–	–	–	–	–	–
Disposals during the year	–	–	–	–	–	–
Reclassification during the year	–	–	–	–	–	–
Disposals during the year	–88.2	–	–	–	–88.2	–
Closing accumulated impairment	–1,002.9	–914.7	–	–	–1,002.9	–914.7
Total intangible assets	1,404.2	1,507.3	319.0	–	1,723.2	1,507.3

NOTE 23 PROPERTY AND EQUIPMENT

2025	Operating lease assets	Equip-ment use assets	Right-of-use assets	Total
Opening cost	486.2	34.5	238.3	759.0
Acquisitions	215.6	3.6	–	219.2
Divestments/disposals	–30.7	–7.6	–	–38.3
Estimates and modifications	–	–	28.4	28.4
Closing cost	671.1	30.5	266.7	968.3
Depreciation and impairment				
Opening accumulated depreciation	–57.4	–25.3	–201.6	–284.3
Depreciation	–102.6	0.4	–17.2	–119.4
Divestments/disposals	10.7	0	–	10.7
Closing accumulated depreciation	–149.3	–24.9	–218.8	–393.0
Carrying amount	521.8	5.6	47.9	575.3
2024	Operating lease assets	Equip-ment use assets	Right-of-use assets	Total
Opening cost	105.2	33.6	189.1	327.9
Acquisitions	373.2	4.2	–	377.4
Divestments/disposals	7.8	–3.3	–	4.5
Estimates and modifications	–	–	49.2	49.2
Closing cost	486.2	34.5	238.3	759.0
Depreciation and impairment				
Opening accumulated depreciation	–3.4	–18.5	–185.0	–206.9
Depreciation	–56.0	–9.0	–16.6	–81.6
Divestments/disposals	2.0	2.2	–	4.2
Closing accumulated depreciation	–57.4	–25.3	–201.6	–284.3
Carrying amount	428.8	9.2	36.7	474.7

The Group as lessor

Operating lease assets refer to cars. For finance leases, refer to note 18.

The Group as lessee

Property and equipment comprises both owned and leased assets that do not meet the definition of owner-occupied property. The Group is the lessee of underlying assets in the form of leases for premises, vehicles, IT hardware and other types of equipment.

Right-of-use assets 2025	Premises	Vehicles	IT hardware	Total
Opening cost	25.8	57.3	155.2	238.3
Change for the period	0.2	24.1	4.1	28.4
Closing cost	26.0	81.4	159.3	266.7
Opening accumulated depreciation	–24.3	–46.5	–130.8	–201.6
Depreciation	–1.2	–11.2	–4.8	–17.2
Closing accumulated depreciation	–25.5	–57.7	–135.6	–218.8
Carrying amount	0.5	23.7	23.7	47.9

Right-of-use assets 2024	Premises	Vehicles	IT hardware	Total
Opening cost	25.9	36.1	127.1	189.1
Change for the period	–0.1	21.2	28.1	49.2
Closing cost	25.8	57.3	155.2	238.3
Opening accumulated depreciation	–22.7	–36.1	–126.2	–185.0
Depreciation	–1.6	–10.4	–4.6	–16.6
Closing accumulated depreciation	–24.3	–46.5	–130.8	–201.6
Carrying amount	1.5	10.8	24.4	36.7

NOTE 23, CONT. PROPERTY AND EQUIPMENT

Lease liabilities

The Group's lease liabilities are recognised under other liabilities in the balance sheet and are presented in the Group's note 30 Other liabilities. Future lease payments paid by the Group over the remaining contracted term are presented in the maturity analysis for disclosures to the Group's liquidity risk in note 3 Risks and capital adequacy.

Amounts recognised in statement of comprehensive income	2025	2024
Interest expense for lease liabilities	–	–
Variable fees not included in calculation of lease liability	46.1	51.7
Costs for short-term leases	–	–
Costs for low-value leases (excluding short-term leases of low-value assets)	–9.5	–9.0

Variable fees in the Group refer to lease payments for rent of internal premises and change over time based on the space used depending on the number of employees.

Amounts recognised in cash-flow statement	2025	2024
Total cash outflow for leases	18.9	26.3

NOTE 24 DEFERRED TAX ASSETS AND TAX LIABILITIES

Recognised deferred tax assets and tax liabilities are attributable to the following:

SEK M	Deferred tax assets		Deferred tax liabilities		Net	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Intangible assets	–	–	56.0	–	56.0	–
Utilisation of tax loss carryforwards	–73.8	–	–	–	–73.8	–
Cash flow hedges	–38.4	–54.1	–	–	–38.4	–54.1
Liabilities, provisions	–6.1	–2.3	–	–	–6.1	–2.3
Other assets	–	–	47.9	69.8	47.9	69.7
Untaxed reserves	–	–	619.6	612.3	619.6	612.3
Deferred tax assets (-)/deferred tax liabilities (+)	–118.3	–56.4	723.5	682.1	605.2	625.6

Change in deferred tax in temporary differences

SEK M	Amount at 1 Jan	Recognised in profit or loss	Recognised in other comprehensive income	Recognised against equity	
				Amount at 31 Dec	Amount at 31 Dec
2025					
Intangible assets	–	–1.5	–	57.5	56.0
Utnyttjande av underskottsavdrag	–	–73.8	–	–	–73.8
Cash flow hedges	–54.1	–	15.7	–	–38.4
Liabilities, provisions	–2.3	–3.8	–	–	–6.1
Other assets	69.8	–21.9	–	–	47.9
Untaxed reserves	612.3	7.3	–	–	619.6
Deferred tax assets (-)/deferred tax liabilities (+)	625.7	–93.7	15.7	57.5	605.2
2024					
Intangible assets	–0.6	0.6	–	–	–
Cash flow hedges	–15.4	–	–38.7	–	–54.1
Liabilities, provisions	–0.3	–2.0	–	–	–2.3
Other assets	57.3	12.4	–	–	69.7
Untaxed reserves	555.4	56.9	–	–	612.3
Deferred tax assets (-)/deferred tax liabilities (+)	596.4	67.9	–38.7	–	625.6

NOTE 25 OTHER ASSETS

SEK M	31 Dec 25	31 Dec 24
Accounts receivable ¹⁾	212.0	301.3
Other assets	499.0	634.0
Total other assets	711.0	935.3

¹⁾ Refers to revenue from contracts with customers.

In its calculation of loss allowance for other financial assets, the Group uses the simplified method that is described in more detail in note 2. For loss allowance, see note 11.

NOTE 26 PREPAID EXPENSES AND ACCRUED INCOME

SEK M	31 Dec 25	31 Dec 24
Accrued interest income	76.4	89.7
Other accrued income ¹⁾	326.6	318.3
Prepaid expenses	222.5	225.3
Total prepaid expenses and accrued income	625.5	633.3

¹⁾ Refers to revenue from contracts with customers.

NOTE 27 DUE TO CREDIT INSTITUTIONS

SEK M	31 Dec 25	31 Dec 24
The Riksbank	–	–
Swedish banks	929.2	6,844.7
Other Swedish credit institutions	–	–
Margin collateral	668.0	3,958.3
Total due to credit institutions	1,597.2	10,803.0
Payable on demand	2.4	1.2

Genuine repurchase transactions amount to SEK 0.0 (770.2) M.

NOTE 28 DEPOSITS FROM THE PUBLIC

SEK M	31 Dec 25	31 Dec 24
Deposits from insurance companies	3,341.2	3,380.5
Deposits from households	137,956.2	131,238.0
Deposits from other Swedish public	21,737.9	20,762.5
Margin collateral	–	–
Total deposits from the public	163,035.3	155,381.0

Fixed-term deposits amount to SEK 40,542.7 (40,152.4) M. Interest compensation is paid on premature redemption.

NOTE 29 DEBT SECURITIES IN ISSUE

SEK M	31 Dec 25	31 Dec 24
Commercial papers	125.3	1,006.6
Bond loans	296,533.4	280,018.5
<i>of which green bonds</i>	<i>10,821.9</i>	<i>5,780.6</i>
<i>of which covered bonds</i>	<i>254,446.0</i>	<i>237,914.8</i>
Senior non-preferred debt	14,128.1	11,903.4
<i>of which green bonds¹⁾</i>	<i>7,841.7</i>	<i>2,996.9</i>
Cashier's cheques issued	13.9	14.7
Total debt securities in issue	310,800.6	292,943.3

¹⁾ The comparative figure has been adjusted.

NOTE 30 OTHER LIABILITIES

SEK M	31 Dec 25	31 Dec 24
Accounts payable	189.9	142.7
Withheld preliminary tax, customers	114.9	428.7
Leas liabilities	48.7	37.1
Other liabilities	1,739.8	1,540.6
Total other liabilities	2,093.4	2,149.1

NOTE 31 ACCRUED EXPENSES AND DEFERRED INCOME

SEK M	31 Dec 25	31 Dec 24
Accrued interest expense	2,739.5	2,442.5
Accrued remuneration of regional insurance companies	1,251.3	1,939.8
Prepaid rent	261.8	242.0
Contract liabilities	11.2	18.6
Other accrued expenses and deferred income	777.7	1,033.4
Total accrued expenses and deferred income	5,041.4	5,676.3

Contract liabilities refer to advance payments that Länsförsäkringar Bank received when its card provider was replaced. The contract liabilities will be reduced over time in line with the bank meeting the pre-established transactions volumes. The contract liability decreased SEK 7.4 M during the year, which corresponds to this year's dissolution.

NOTE 32 PROVISIONS

SEK M	31 Dec 25	31 Dec 24
Pension provisions	2.8	2.9
Loss allowance for commitments	24.1	26.8
Other provisions	6.7	7.5
Total provisions	33.6	37.2

For the change in loss allowance for commitments, refer to note 35.

Defined-contribution pension plans

Defined-contribution pension plans are plans according to which the company pays fixed contributions to a separate legal entity and does not have a legal or informal obligation to pay additional contributions. The Group's payments of defined-contribution plans are recognised as expenses during the period in which the employee performed the services to which the contributions refer. Primarily, contributions to the Insurance Industry's Pension Fund (FPK) are recognised here. This plan includes all company employees except for a few employees who have individual solutions. The pension agreement for the insurance industry, the FTP plan, through insurance with the FPK, is a multi-employer defined-benefit pension plan. According to IAS 19 Employee Benefits, this pension plan entails that, as a rule, a company is to recognise its proportional share of the defined-benefit pension commitment and the plan assets and expenses associated with the pension commitment. Disclosure is also to be presented in the accounts according to the requirements for defined-benefit pension plans. FPK is unable to provide the necessary information on this, which is why the pension plans above are recognised as a defined-contribution plan in accordance with item 34 of IAS 19. Nor is any information available on future surpluses and deficits in the plan or whether these surpluses and deficits would then affect the contributions for the plan in future years.

The Group's expected fees in 2026 for the FTP plan amount to SEK 27.4 M.

	2025	2024
Expenses for defined – contribution plans	106,9	99,3

NOTE 33 SUBORDINATED LIABILITIES

SEK M	31 Dec 25	31 Dec 24
External subordinated debt with three-month floating interest rates	2,995.5	1,897.5
External subordinated debt with a fixed interest rate	1,198.6	1,197.8
Total subordinated liabilities	4,194.0	3,095.3

The subordinated loans listed and can be redeemed 25 February 2026, 1 March 2028 and 12 May 2031 at the earliest. These loans fall due on 25 February 2031, 1 March 2033 and 1 May 2031. During 31 December 2025 the interest on the variable loans were 2.9 (3.6) percent and 3.8 (4.4) percent and 3.1 percent. The interest rate on fixed loans is 1.2 percent and 4.9 percent. For more information, see note 3 Risks and capital adequacy.

NOTE 34 EQUITY ACCORDING TO THE SWEDISH ANNUAL ACCOUNTS ACT FOR CREDIT INSTITUTIONS AND SECURITIES COMPANIES (ÅRKL)

SEK M	31 Dec 25	31 Dec 24
Restricted equity		
Share capital	2,864.6	2,864.6
Development expenditures fund	1,449.1	1,507.3
Statutory reserve	56.9	18.4
Total restricted equity	4,370.6	4,390.3
Non-restricted equity		
Reserves	-61.6	-204.3
Additional Tier 1 instruments	2,850.0	2,550.0
Retained earnings	17,101.0	16,479.3
Net profit for the year	1,722.8	1,770.8
Total non-restricted equity	21,612.3	20,595.8
Total equity	25,982.9	24,986.1

Reserves refer to the fair value reserve and the hedging reserve. The fair value reserve comprises the accumulated net change in financial assets measured at fair value through other comprehensive income until the asset is derecognised from the balance sheet.

The hedging reserve comprises hedging of currency risk in future cash flows for the company's debt securities in issue in foreign currency.

The other changes in equity for the period and division according to IFRS are -presented in the Statement of changes in equity.

Share capital comprises 9,548,708 (9,548,708) shares with a quotient value of SEK 300 (300).

NOTE 35 PLEDGED ASSETS, CONTINGENT LIABILITIES, COMMITMENTS AND CONTINGENT ASSETS

SEK M	31 Dec 25	31 Dec 24
For own liabilities, pledged assets		
Pledged securities in the central bank	2,149.6	2,428.0
Pledged securities in Euroclear	2,042.0	1,977.0
Collateral provided for derivatives	746.3	1,037.1
Securities collateral paid, derivatives	4,136.5	4,420.3
Loan receivables, covered bonds	332,482.1	311,482.3
Loan receivables, substitute collateral	9,210.0	7,910.0
Commitments resulting from repurchase agreement	–	770.2
Other collateral for securities	–	–
For own liabilities, pledged assets	350,766.5	330,024.9
Contingent liabilities		
Financial guarantees	45.0	40.9
Total contingent liabilities	45.0	40.9
Commitments		
Loans approved but not disbursed	25,274.3	23,289.8
Unutilised portion of overdraft facilities	2,970.4	2,691.0
Unutilised portion of credit card facilities	1,821.6	2,284.2
Total other commitments	30,066.3	28,265.0

Loans to the public were provided as collateral for issuance of covered bonds and mortgage bonds. In the event of the company's insolvency, bond holders have preferential rights to the assets that are registered as cover pool. Other pledged securities will be transferred to the pledgee in the event of bankruptcy.

For information on pledged assets, contingent liabilities and commitments for related parties, see note 39. For loss allowance for financial guarantees, see note 11.

Reconciliation of reported gross carrying amount and loss allowance for commitments

SEK M	Not credit-impaired		Credit impaired		Total			
	Stage 1	Stage 2	Stage 3					
	Credit risk exposure	Loss allowance	Credit risk exposure	Loss allowance	Credit risk exposure	Loss allowance		
Opening balance, 1 Jan 2024	23,343.8	-6.9	409.8	-11.4	22.2	-5.5	23,775.9	-23.8
New loan commitments and increase in existing loan commitments	80,257.4	-4.6	125.0	-4.1	10.4	-10.4	80,392.8	-19.2
Changes:								
Change in loss allowance model or method	–	-0.2	–	0.8	–	-0.4	–	0.2
Net change in existing loan commitments and credit -commitments (utilised and repaid)	-19,325.3	1.7	-64.6	2.3	-4.0	3.6	-19,393.9	7.6
Change in risk parameters	–	-5.2	–	0.9	–	0.0	–	-4.3
Transfer of loan commitments and credit commitments:								
Transfer from stage 1 to stage 2	-365.5	2.5	365.5	-6.3	–	–	–	-3.8
Transfer from stage 2 to stage 1	179.5	-1.2	-179.5	2.4	–	–	–	1.2
Transfer to stage 3	-12.5	0.6	-10.2	0.8	22.7	-2.8	–	-1.4
Transfer from stage 3	4.2	-0.4	4.2	-0.1	-8.3	1.1	–	0.6
Expired loan commitments	-56,315.7	3.5	-172.8	2.3	-21.3	10.3	-56,509.7	16.0
Closing balance 31 Dec 2024	27,765.9	-10.2	477.4	-12.5	21.7	-4.1	28,265.0	-26.8
Opening balance, 1 Jan 2025	27,765.9	-10.2	477.4	-12.5	21.7	-4.1	28,265.0	-26.8
New loan commitments and increase in existing loan commitments	91,643.5	-8.8	161.4	-5.6	15.4	-7.6	91,820.2	-21.9
Changes:								
Change in loss allowance model or method	–	1.2	–	1.6	–	–	–	2.9
Net change in existing loan commitments and credit -commitments (utilised and repaid)	-29,742.9	3.0	-99.5	2.0	-4.4	2.3	-29,846.7	7.3
Change in risk parameters	–	-2.3	–	1.7	–	0.1	–	-0.5
Transfer of loan commitments and credit commitments:								
Transfer from stage 1 to stage 2	-280.6	2.2	280.6	-4.5	–	–	–	-2.3
Transfer from stage 2 to stage 1	219.0	-1.3	-219.0	2.5	–	–	–	1.2
Transfer to stage 3	-10.6	0.4	-5.1	0.8	15.7	-2.2	–	-1.0
Transfer from stage 3	2.1	-0.2	1.1	-0.2	-3.2	0.8	–	0.4
Expired loan commitments	-60,001.4	6.0	-146.2	2.7	-24.5	7.9	-60,172.2	16.6
Closing balance 31 Dec 2025	29,595.0	-9.9	450.7	-11.5	20.6	-2.7	30,066.3	-24.1

The loss allowance declined SEK 2.6 M (3.0) during the year. The decrease was mainly due to past due loan commitments. On 31 December 2025 the total loss allowance for commitments

amounted to SEK 30.1 M (34.0), of which the Group's recognised loss allowance amounted to SEK 24.1 M (26.8) and the remainder of SEK 6.0 M (7.2) was settled against remuneration to the

regional insurance companies. For more information on the distribution remuneration model, refer to note 17, Loans to the public.

NOTE 36 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

31 Dec 2025, SEK M	Financial assets measured at FVPL		Financial assets measured at FVOCI			Total carrying value	Fair value
	Measured at fair value through profit or loss	Derivatives used in hedge accounting	Financial assets measured at amortised cost	Debt instruments valued at fair value through other comprehensive income	Equity instruments		
Assets							
Cash and balances with central banks			9,929.5			9,929.5	9,929.5
Treasury bills and other eligible bills				13,941.1		13,941.1	13,941.1
Loans to credit institutions			1,618.4			1,618.4	1,618.4
Loans to the public			428,557.9			428,557.9	428,922.0
Bonds and other interest-bearing securities				53,965.1		53,965.1	53,965.1
Shares and participations	66.9				126.3	193.2	193.2
Derivatives		1,923.0				1,923.0	1,923.0
Other assets			211.9			211.9	211.9
Prepaid expenses and accrued income			305.6			305.6	305.6
Total assets	66.9	1,923.0	440,623.3	67,906.2	126.3	510,645.6	511,009.7

31 Dec 2025, SEK M	Financial liabilities measured FVPL		Financial liabilities measured at amortised cost		Total carrying value	Fair value
	Measured at fair value through profit or loss	Derivatives used in hedge accounting	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost		
Liabilities						
Due to credit institutions				1,597.2	1,597.2	1,597.2
Deposits and funding from the public				163,035.3	163,035.3	164,997.7
Debt securities in issue				310,800.6	310,800.6	314,617.0
Derivatives	0.8	2,415.6			2,416.4	2,416.4
Other liabilities				380.3	380.3	380.3
Subordinated liabilities				4,194.0	4,194.0	4,246.8
Accrued expenses and deferred income				3,050.2	3,050.2	3,050.2
Total liabilities	0.8	2,415.6		483,057.7	485,474.1	491,305.6

NOTE 36, CONT CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

31 Dec 2024, SEK M	Financial assets measured at FVPL		Financial assets measured at amortised cost	Financial assets measured at FVOCI		Total carrying value	Fair value
	Measured at fair value through profit or loss	Derivatives used in hedge accounting		Debt instruments valued at fair value through other comprehensive income	Equity instruments		
Assets							
Cash and balances with central banks			35.2			35.2	35.2
Treasury bills and other eligible bills				11,562.8		11,562.8	11,562.8
Loans to credit institutions			1,424.1			1,424.1	1,424.1
Loans to the public			425,038.4			425,038.4	425,403.3
Bonds and other interest-bearing securities				49,907.6		49,907.6	49,907.6
Shares and participations	69.8				130.8	200.6	200.6
Derivatives	0.4	4,685.4				4,685.8	4,685.8
Other assets			369.8			369.8	369.8
Prepaid expenses and accrued income			464.6			464.6	464.6
Total assets	70.2	4,685.4	427,332.0	61,470.4	130.8	493,688.7	494,053.7

31 Dec 2024, SEK M	Financial liabilities measured FVPL		Financial liabilities measured at amortised cost	Total carrying value	Fair value
	Measured at fair value through profit or loss	Derivatives used in hedge accounting			
Liabilities					
Due to credit institutions			10,803.0	10,803.0	10,803.0
Deposits and funding from the public			155,381.0	155,381.0	157,572.2
Debt securities in issue			292,943.3	292,943.3	293,415.5
Derivatives	11.4	2,525.6		2,537.0	2,537.0
Other liabilities			365.8	365.8	365.8
Subordinated liabilities			3,095.3	3,095.3	3,120.0
Accrued expenses and deferred income			2,938.5	2,938.5	2,938.5
Total liabilities	11.4	2,525.6	465,526.9	468,063.8	470,751.9

The carrying amount of cash and balances with central banks, treasury bills and other eligible bills, loan to credit institutions, other asset, prepaid expenses and accrued income, due to credit institutions, other liabilities and accrued expenses and deferred

income comprises a reasonable approximation of the fair value based on the cost of the assets and liabilities since these assets and liabilities have short term. Gains and losses are recognised in profit or loss under "net gains/losses from financial items".

The only result arising on the derecognition of assets recognised at amortised cost is interest compensation recived. For more information, refer to note 7.

NOTE 37 FAIR VALUE VALUATION TECHNIQUES

Level 1 refers to prices determined from prices listed in an active market

Level 2 refers to prices determined by calculated prices of observable market listings

Level 3 refers to prices based on own assumptions and judgements

Financial instruments measured at fair value in the balance sheet

31 Dec 2025 SEK M	Level 1	Level 2	Level 3	Total
Assets				
Treasury bills and other eligible bills	6,943.5	6,997.7		13,941.1
Bonds and other interest-bearing securities	53,965.1			53,965.1
Shares and participations	6.2	33.7	153.3	193.2
Derivatives		1,923.0		1,923.0
Liabilities				
Derivatives		2,416.4		2,416.4

31 Dec 2024 SEK M	Level 1	Level 2	Level 3	Total
Assets				
Treasury bills and other eligible bills	6,565.8	4,997.0	–	11,562.8
Bonds and other interest-bearing securities	49,907.6	–	–	49,907.6
Shares and participations	7.2	37.2	156.2	200.6
Derivatives	–	4,658.8	–	4,658.8
Liabilities				
Derivatives	–	2,537.0	–	2,537.0

Länsförsäkringar Bank AB holds shares and participations that cannot be reliably measured based on listing in an active market. Instead, regular valuations are performed based on, for example, recent company reports and forecast results. The fair value of Level 2 shares and participations that pertain to unlisted Series B shares in Mastercard Incorporated (MA) is measured based on the price of the Series A share on the balance-sheet date. Derivatives in Level 2 essentially refer to swaps for which fair value is calculated by discounting expected future cash flows. Holdings in Level 3 primarily comprise holdings of a strategic nature.

Change in Level 3

SEK M	Shares and participations
Opening balance, 1 January 2024	71.4
Recognised through profit or loss	17.4
Recognised in other comprehensive income	67.4
Closing balance, 31 December 2024	156.2
<hr/>	
Opening balance, 1 January 2025	156.2
Recognised through profit or loss	–2.9
Recognised in other comprehensive income	0.0
Closing balance, 31 December 2025	153.3

Financial instruments measured at amortised cost in the balance sheet

31 Dec 2025 SEK M	Level 1	Level 2	Level 3	Total
Assets				
Loans to the public			428,922.0	428,922.0
Liabilities				
Deposits and borrowing from the public		164,997.7		164,997.7
Debt securities in issue		314,617.0		314,617.0
Subordinated liabilities		4,246.8		4,246.8

31 Dec 2024 SEK M	Level 1	Level 2	Level 3	Total
Assets				
Loans to the public			425,403.3	425,403.3
Liabilities				
Deposits and borrowing from the public		157,572.2		157,572.2
Debt securities in issue		293,415.5		293,415.5
Subordinated liabilities		3,120.0		3,120.0

Fair values of deposits from the public (Level 2) and loans to the public (Level 3) have been calculated using discounted expected cash flows where the discount rates applied are the current deposit and lending rates (including discounts). No other significant transfers took place in 2025 or 2024.

Fair value for debt securities in issue and subordinated liabilities (Level 2) is determined based on quoted prices. Parts of debt securities in issue that are considered to be illiquid are adjusted based on expected current issue prices. Commercial papers do not have external market prices and the fair value is determined based on the yield curve of each currency.

For further information about how the fair value was determined for financial instruments measured at fair value, and about valuation techniques and inputs, see also the note 2 on Accounting policies.

NOTE 38 INFORMATION ABOUT OFFSETTING

The table below contains financial assets and liabilities covered by a legally binding framework netting agreement or a similar agreement but that is not offset in the balance sheet. The Bank Group has ISDA and CSA agreements with all derivative counterparties and corresponding netting agreements for repurchase agreements, which means that all exposures are covered by both types of agreements. The framework netting agreement entails that parties are to settle their exposures net (meaning that receivables are offset against liabilities) in the event of a serious credit incident.

Financial assets and liabilities that are offset or subject to netting agreements

SEK M 31 Dec 2025	Gross amount	Offset in balance sheet	Net amount in balance sheet	Related amounts not offset in the balance sheet			Net amount
				Netting framework agreement	Collateral Received (-) / Pledged (+)		
Assets							
Derivatives	4,079.7	-2,156.7	1,923.0	-	-861.7		1,061.3
Repurchase agreements	-	-	-	-	-		-
Liabilities							
Derivatives	-4,573.2	2,156.7	-2,416.4	-	745.6		-1,670.9
Repurchase agreements	-	-	-	-	-		-
Total	-493.4	0.0	-493.4	-	-116.1		-609.6
SEK M 31 Dec 2024							
Assets							
Derivatives	7,572.2	-2,886.4	4,685.8	-	-3,958.2		727.6
Repurchase agreements	770.3	-	770.3	-	-770.3		0.0
Liabilities							
Derivatives	-5,423.4	2,886.4	-2,537.0	-	1,037.1		-1,499.9
Repurchase agreements	-770.2	-	-770.2	-	770.2		0.0
Total	2,148.9	0.0	2,148.9	-	-2,921.1		-772.4

NOTE 39 DISCLOSURES ON RELATED PARTIES, PRICING AND AGREEMENTS

Related parties

Related legal entities to the Länsförsäkringar Bank Group include companies within the Länsförsäkringar AB Group and companies within the Länsförsäkringar Liv Group. In addition, the Group makes a broader interpretation of those considered to be "related legal entities" than the definition of related parties stipulated in the regulations. The assessment of whether a close relationship exists or not is based on the financial significance of the relationship and not only the share of ownership in a company. Accordingly, the 23 regional insurance companies, with their subsidiaries, and the 14 local insurance companies are defined as related parties since they jointly own 100% of the Parent Company Länsförsäkringar AB. Other related parties also include Länsförsäkringar Mäklarservice AB, Länsförsäkringar Fastighetsförmedling AB and Humlegården Fastigheter AB since these companies are wholly owned in the Länsförsäkringar Alliance. Related key persons are Board members, senior executives and their close family members.

Agreements

Significant agreements for the Bank Group are primarily assignment agreements with the 23 regional insurance companies and assignment agreements with Länsförsäkringar AB regarding development, service, finance and IT. Commission income from outsourcing agreements with the regional insurance companies refers to support and back office services performed by the Bank Group. Income is recognised on an ongoing basis according to managed volumes and is adjusted to actual volumes every quarter.

Pricing, preparation and decision-making process

The price level of the goods and services that the Bank Group purchases and sells within the Länsförsäkringar Alliance is determined by Länsförsäkringar AB's corporate management once a year in conjunction with the adoption of the business plan.

Transactions SEK M	Receivables		Liabilities		Income		Expenses		Commitments	
	31 Dec 25	31 Dec 24	31 Dec 25	31 Dec 24	2025	2024	2025	2024	2025	2024
Länsförsäkringar AB (Parent Company)	6.1	2.6	2,772.7	2,679.7	15.6	16.6	1,029.5	996.4	–	–
Other companies in the Länsförsäkringar AB Group	–	–	447.1	400.7	0.6	0.3	827.2	784.1	–	–
Regional insurance companies	66.8	79.3	4,790.6	5,005.0	310.4	224.3	1,878.6	2,928.3	9.1	6.7
Länsförsäkringar Liv Group	–	–	2,128.2	2,158.3	–	–	94.3	113.5	–	–
Other related parties	12.6	125.5	84.1	–	6.4	6.7	2.1	3.3	6.8	6.9

For information regarding remuneration of related key persons such as members of the Board of Directors and senior executives, see note 8 concerning staff costs. In all other respects, no transactions took place between these individuals and their family members apart from normal customer transactions.

NOTE 40 SUPPLEMENTARY INFORMATION TO STATEMENT OF CASH FLOW

	2025	2024
Interest and dividends		
Interest received	16,384.4	21,667.4
Interest paid	–10,642.2	–15,312.6
Adjustment for non-cash items		
Depreciation of property and equipment/amortisation of intangible assets	338.1	256.2
Impairment of property and equipment and intangible assets	88.1	–
Unrealised portion of net gains/losses from financial items	–240.8	–313.0
Credit losses, excluding recoveries	–61.9	95.6
Other	53.4	–10.8
Total non-cash items	176.9	28.0
Cash and cash equivalents		
Cash and balances with central banks	9,929.5	35.1
Loans to credit institutions	829.2	553.5
Total cash and cash equivalents	10,758.7	588.6

NOTE 41 BUSINESS COMBINATIONS

Länsförsäkringar Bank AB's acquisition of SAVR AB

After receiving approval from the FSA, Länsförsäkringar Bank completed the acquisition of all of the shares of the digital savings platform SAVR. The acquisition is expected to have only a marginal effect on the Bank Group's financial position.

Income and profit in acquired operations

SAVR contributed income of SEK 10.9 M and net profit of SEK 38.4 M to the Group for the 16 September 2025 to 31 December 2025 period. In September, SAVR capitalised a deferred tax asset of a total of SEK 68.5 M, which as of 31 December 2025 amounts to 75.2 M. If the acquisition had been completed on 1 January 2025, the consolidated pro forma income and loss after tax as of 31 December 2025 would have been SEK 22.2 M and SEK –27.6 M, respectively.

NOTE 42 EVENTS AFTER BALANCE-SHEET DATE

No significant events took place after the balance-sheet date.

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Five year summary – Parent company

SEK M	2025	2024	2023	2022	2021
INCOME STATEMENT					
Net interest income	2,640.0	2,864.5	3,942.7	2,105.8	1,281.4 ¹⁾
Dividends received	1,361.0	650.7	200.6	250.6	0.5
Net commission	-544.3	-1,143.1	-1,926.4	-268.8	155.4
Net gains/losses from financial items	-9.2	26.6	23.4	26.0	13.6
Other operating income	202.1	160.1	152.2	128.1	134.3
Total operating income	3,649.6	2,558.8	2,392.6	2,241.7	1,585.1¹⁾
Staff costs	-749.3	-583.3	-515.2	-426.8	-391.1
General administrative expenses	-1,445.2	-1,313.8	-1,134.1	-1,153.7	-903.7
Depreciation/amortisation	-263.7	-177.0	-296.1	-150.1	-483.2
Total operating expenses	-2,458.2	-2,074.1	-1,945.3	-1,730.7	-1,778.1
Profit/loss before credit losses	1,191.4	484.7	447.2	511.0	-193.0¹⁾
Credit losses, net	-2.0	-0.3	-11.0	2.5	5.9
Risk tax levied and resolution fees ¹⁾	-157.9	-137.6	-145.7	-115.3	-17.1 ¹⁾
Operating profit/loss	1,031.5	346.8	290.6	398.3	-204.2
Appropriations	-37.0	-20.0	-27.0	130.0	145.1
Tax	-233.9	-98.6	-78.6	-141.8	5.7
Net profit/loss for the year	760.6	228.2	185.0	386.5	-53.4

¹⁾ Comparative figures have been adjusted since the Resolution fee has been reclassified from Interest expense to Risk tax levied and resolution fee.

Five year summary – Parent company

SEK M	2025	2024	2023	2022	2021
BALANCE SHEET					
Cash and balances with central banks	9,929.5	35.2	5,786.5	4,947.0	14,361.4
Treasury bills and other eligible bills	13,941.1	11,562.8	11,183.2	10,856.8	15,526.1
Loans to credit institutions	118,733.2	112,427.6	103,473.7	95,226.4	79,336.5
Loans to the public	46,135.4	63,700.4	55,119.7	62,086.9	57,904.4
Bonds and other interest-bearing securities	44,664.8	42,067.4	41,025.6	40,099.7	40,456.1
Shares and participations	10,553.7	10,168.6	10,074.4	10,059.3	9,852.8
Derivatives	4,016.5	7,519.8	8,954.6	15,031.3	4,613.9
Fair value changes of interest-rate-risk hedged items in portfolio hedge	-18.5	-74.8	-232.1	-542.6	76.2
Intangible assets	1,341.5	1,432.1	1,293.1	1,261.8	1,120.0
Other assets	368.6	528.3	312.5	287.5	403.7
Prepaid expenses and accrued income	224.5	213.4	163.5	160.8	135.9
Total assets	249,890.3	249,580.8	237,154.5	239,474.9	223,786.9
Due to credit institutions	4,367.4	12,420.5	9,185.5	10,592.7	9,964.9
Deposits and funding from the public	165,144.0	157,222.2	151,826.9	154,531.1	147,202.0
Debt securities in issue	56,354.6	55,028.5	49,474.6	44,913.1	46,275.8
Derivatives	4,232.9	5,889.6	7,750.5	13,272.6	4,270.4
Fair value changes of interest-rate-risk hedged items in portfolio hedge	69.8	57.2	-111.1	-562.7	46.4
Other liabilities	1,773.9	1,680.3	1,206.7	1,072.3	466.7
Accrued expenses and deferred income	2,560.2	2,996.5	3,293.3	1,396.7	630.1
Subordinated liabilities	4,194.0	3,095.3	3,093.3	2,596.7	2,594.7
Equity and untaxed reserves	11,193.6	11,190.7	11,417.3	11,662.3	12,335.8
Total liabilities, equity and untaxed reserves	249,890.3	249,580.8	237,154.5	239,474.9	223,786.9
KEY FIGURES					
Return on total assets, %	0.30	0.09	0.08	0.12	-0.08
Common Equity Tier 1 capital ratio, %	18.3	21.8	23.3	26.1	17.1
Capital adequacy ratio, %	26.3	29.6	30.1	33.3	21.5
Tier 1 ratio, %	38.1	39.1	39.8	38.2	26.7

Income statement – Parent Company

SEK M	Note	2025	2024
Interest income	5	6,351.4	9,679.5
Interest expense	5	-3,711.5	-6,815.0
Net interest income		2,640.0	2,864.5
Dividends received		1,361.0	650.7
Commission income	6	1,372.3	1,213.9
Commission expense	6	-1,916.6	-2,357.0
Net commission		-544.3	-1,143.1
Net gains/losses from financial items	7	-9.2	26.6
Other operating income	8	202.1	160.1
Total operating income		3,649.6	2,558.8
Staff costs	9	-749.3	-583.3
Other administration expenses	10, 11, 12	-1,445.2	-1,313.8
Total administration expenses		-2,194.5	-1,897.1
Depreciation/amortisation and impairment of property and equipment/ intangible assets	13	-263.7	-177.0
Total operating expenses		-2,458.2	-2,074.1
Profit/loss before credit losses		1,191.4	484.7
Credit losses, net	14	-2.0	-0.3
Risk tax levied and resolution fees	15	-157.9	-137.6
Operating profit/loss		1,031.5	346.8
Appropriations	36	-37.0	-20.0
Tax	16	-233.9	-98.6
Net profit/loss for the year		760.6	228.2

Statement of comprehensive income – Parent Company

SEK M	2025	2024
Net profit for the year	760.6	228.2
Other comprehensive income		
Items that have been transferred or can be transferred to profit or loss		
Cash-flow hedges		
of which change in value for the period	-759.4	1,170.7
of which reclassification to profit or loss	765.8	-1,228.3
Change in fair value of debt instruments measured at FVOCI		
of which change in value for the period	94.8	31.6
of which reclassification of realised securities to profit or loss	-3.3	-0.9
Tax attributable to items that have been transferred or can be transferred to profit or loss	-20.2	5.5
Total	77.7	-21.4
Items that cannot be transferred to profit or loss		
Change in fair value of equity instruments measured at FVOCI	-4.5	9.4
Tax attributable to items that cannot be reversed to profit or loss	0.7	-2.0
Total	-3.8	7.3
Total other comprehensive income for the year, net after tax	73.8	-14.1
Comprehensive income for the year	834.7	214.1

Balance sheet – Parent Company

SEK M	Note	31 Dec 25	31 Dec 24
ASSETS			
Cash and balances with central banks		9,929.5	35.2
Treasury bills and other eligible bills	17	13,941.1	11,562.8
Loans to credit institutions	18	118,733.2	112,427.6
Loans to the public	19	46,135.4	63,700.4
Bonds and other interest-bearing securities	20	44,664.8	42,067.4
Shares and participations		193.2	200.6
Shares and participations in joint ventures		5.5	5.5
Shares and participations in Group companies	21	10,355.1	9,962.5
Derivatives	22	4,016.5	7,519.8
Fair value changes of interest-rate risk hedged items in portfolio hedge	23	-18.5	-74.8
Intangible assets	24	1,341.5	1,432.1
Property and equipment	25	1.3	2.7
Deferred tax assets	26	15.6	15.9
Other assets	27	351.6	509.7
Prepaid expenses and accrued income	28	224.5	213.4
TOTAL ASSETS		249,890.3	249,580.8

Balance sheet – Parent Company, cont.

SEK M	Note	31 Dec 25	31 Dec 24
LIABILITIES, PROVISIONS AND EQUITY			
Due to credit institutions	29	4,367.4	12,420.5
Deposits and funding from the public	30	165,144.0	157,222.2
Debt securities in issue	31	56,354.6	55,028.5
Derivatives	22	4,232.9	5,889.6
Fair value changes of interest-rate risk hedged items in portfolio hedge	23	69.8	57.2
Deferred tax liabilities		-	-
Other liabilities	32	1,756.7	1,664.1
Accrued expenses and deferred income	33	2,560.2	2,996.5
Provisions	34	17.2	16.2
Subordinated liabilities	35	4,194.0	3,095.3
Total liabilities and provisions		238,696.7	238,390.1
Untaxed reserves	36	202.0	165.0
Equity	37		
Restricted equity			
Share capital		2,864.6	2,864.6
Statutory reserve		18.4	18.4
Development Expenditures Fund		1,341.5	1,432.1
Total restricted equity		4,224.5	4,315.1
Non-restricted equity			
Additional Tier 1 instruments		2,850.0	2,550.0
Fair value reserves		15.9	-58.2
Retained earnings		3,140.6	3,990.6
Net profit/loss for the year		760.6	228.2
Total non-restricted equity		6,767.1	6,710.6
Total equity		10,991.6	11,025.7
TOTAL LIABILITIES, PROVISIONS AND EQUITY		249,890.3	249,580.8

Cash-flow statement, indirect method – Parent Company

SEK M	Note	2025	2024
Cash and cash equivalents, 1 January		295.9	6,005.8
Operating activities			
Operating profit/loss		1,031.5	346.8
Adjustment of non-cash items	44	-789.0	-829.7
Change in assets of operating activities			
Change in interest-bearing securities		-4,736.4	-278.8
Change in loans to the public		17,570.9	-8,585.8
Change in other assets		-6,113.0	-9,171.3
Change in liabilities of operating activities			
Change in deposits and funding from the public		7,921.8	5,395.3
Change in debt securities in issue		3,230.6	4,443.6
Change in other liabilities		-8,462.4	3,381.6
Cash flow from operating activities		9,654.0	-5,298.3
Investing activities			
Acquisition of intangible assets		-565.1	-311.8
Acquisition of property and equipment		0.7	-0.4
Cash flow from investing activities		-564.4	-312.3
Financing activities			
Issued Additional Tier 1 instruments		1,500.0	1,350.0
Repayment of issued Additional Tier 1 instruments		-1,200.0	-1,000.0
Dividend on Additional Tier 1 instruments		-157.8	-208.3
Issued Subordinated liabilities		1,096.7	-
Dividend paid		-288.4	-241,1
Sharholder contribution		-102.0	-
Cash flow from financing activities		848.5	-99.4
NET CASH FLOW FOR THE YEAR		9,938.1	-5,709.9
Cash and cash equivalents, 31 December	44	10,234.0	295.9

Cash and cash equivalents are defined as cash and balances at central banks and loans due to credit institutions payable on demand.

Statement of changes in shareholders' equity – Parent Company

SEK M	Restricted equity				Non-restricted equity				
	Share capital	Development expenditures fund	Other capital contributed	Additional Tier 1 instruments ¹⁾	Fair value reserve		Retained earnings	Net profit for the year	Total
Opening balance, 1 January 2024	2,864.6	1,293.2	18.4	2,200.0	-34.5	-9.6	4,755.3	185.0	11,272.3
Profit for the period								228.2	228.2
Other comprehensive income for the period					31.7	-45.8			-14.1
Comprehensive income for the period					31.7	-45.8		228.2	214.1
According to resolution by Annual General Meeting							185.0	-185.0	-
Dividend paid							-241.1		-241.1
Group contributions paid							-455.0		-455.0
Tax on group contributions paid							93.7		93.7
Issued Additional Tier 1 instruments				350.0			-208.3		141.7
Capitalised proprietary development expenditures		139.0					-139.0		-
Closing balance, 31 December 2024	2,864.6	1,432.1	18.4	2,550.0	-2.8	-55.4	3,990.6	228.2	11,025.7
Opening balance, 1 January 2025	2,864.6	1,432.1	18.4	2,550.0	-2.8	-55.4	3,990.6	228.2	11,025.7
Profit for the period								760.6	760.6
Other comprehensive income for the period					69.0	5.1			74.1
Comprehensive income for the period					69.0	5.1		760.6	834.7
According to resolution by Annual General Meeting							228.2	-228.2	-
Dividend paid							-288.4		-288.4
Group contributions paid							-910.0		-910.0
Tax on group contributions paid							187.5		187.5
Issued Additional Tier 1 -instruments				300.0			-157.8		142.2
Capitalised proprietary development expenditures		-90.5					90.5		-
Closing balance, 31 December 2025	2,864.6	1,341.5	18.4	2,850.0	66.2	-50.3	3,140.6	760.6	10,991.6

¹⁾ The issued Tier 1 instrument is deemed to fulfil the conditions of an equity instrument since:

- The instrument, according to the conditions, does not have a set maturity date, meaning that the issuer has an unconditional right to refrain from making repayments.
- The issuer of the instrument has full discretion regarding interest payments, that is to say no obligation to pay interest.

Notes to the Parent Company's financial statement

All figures in SEK M unless otherwise stated.

NOTE 1 COMPANY INFORMATION

The Annual Report for Länsförsäkringar Bank AB (publ) (Corp. Reg. No. 516401-9878) was presented on 31 December, 2025. Länsförsäkringar Bank AB is a bank registered in Sweden, with its registered office in Stockholm. The address of the head office is Tegeluddsvägen 11–13, Stockholm, Sweden. The company is a wholly owned subsidiary of Länsförsäkringar AB (publ) (Corp. Reg. No. 502010-9681) with its registered office in Stockholm. The Parent Company in the largest and smallest Group in which Länsförsäkringar Bank AB (publ) is the subsidiary and in which the consolidated financial statements are prepared is Länsförsäkringar AB (publ), Stockholm.

NOTE 2 PARENT COMPANY'S ACCOUNTING POLICIES

COMPLIANCE WITH STANDARDS AND LEGISLATION

The accounting policies for the Parent Company stated below have been applied to all periods presented in the Parent Company's financial statements. The Parent Company prepares its accounts in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL), the Swedish Financial Supervisory Authority's regulations and general guidelines regarding annual accounts for credit institutions and securities companies (FFFS 2008:25) and recommendation RFR 2 Accounting for Legal Entities from the Swedish Corporate Reporting Board. The regulations in RFR 2 mean that, in the annual report for the legal entity, the Parent Company is to apply all IFRS and interpretations adopted by the EU, as far as possible within the framework of the Swedish Annual Accounts Act, the Pension Obligations Vesting Act and taking into consideration the connection between accounting and taxation. The recommendation stipulates the exceptions and additions to be made to IFRS.

DIFFERENCES BETWEEN THE GROUP'S AND THE PARENT COMPANY'S -ACCOUNTING POLICIES

The deviations arising between the Parent Company's and the Group's accounting policies are due to the limitations on the possibility of applying IFRS in the Parent Company, as a result of the ÅRKL and the Pension Obligations Vesting Act and, in certain cases, for tax reasons. The main deviations compared with the Group are presented below.

AMENDED ACCOUNTING POLICIES APPLIED FROM 1 JANUARY 2025

No accounting standards that have been published but not yet applied have been added during the period with any material effect on the company's financial statements or on capital adequacy and large exposures.

NEW IFRSS AND INTERPRETATIONS THAT HAVE NOT YET BEEN APPLIED

IFRS 18 Presentation and Disclosures in Financial Statements

On 9 April 2024, the IASB published the standard IFRS 18 Presentation and Disclosures in Financial Statements, which will replace IAS 1 Presentation of Financial Statements as of 1 January 2027. The standard has been endorsed by the EU. IFRS 18 introduces new requirements for the presentation of and disclosures in financial statements, with a particular focus on the income statement and disclosures regarding management performance measures. The standard is not expected to have any financial impact on the company but will entail new requirements for presentation and disclosures in the financial statements. The impact on the company's financial statements is currently being evaluated.

The effect on capital adequacy as a result of new or revised IFRS standards is described in Note 2 for the Group.

DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Parent Company applies different bases for taxation of defined-benefit plans than those stipulated in IAS 19. The Parent Company complies with the provisions of the Pension Obligations Vesting Act and the Financial Supervisory Authority's regulations since this is required in order to make tax deductions. The most material differences compared with the rules in IAS 19 are how the discount rate is determined, that the calculation of the defined-benefit commitment is based on the current salary level without assuming future salary increases and that all actuarial gains and losses are recognised in profit or loss when they arise.

Shares and participations in subsidiaries

Shares and participations in subsidiaries are recognised at cost. Transaction costs are included in the carrying amount of holdings in subsidiaries.

Holdings in joint ventures

Joint ventures Holdings in joint ventures are recognised at cost.

Shareholders' and Group contributions

Shareholders' contributions are recognised directly in the equity of the recipient, and in shares and participations in Group companies with the donor. Group contributions are recognised in accordance with the main rule of RFR 2. Group contributions received by the company from a Group company are recognised according to the same policies as dividends. Group contributions paid to subsidiaries are recognised as an increase in the cost of shares and participations in Group companies.

NOTE 3 RISKS AND CAPITAL ADEQUACY

See note 3 Risks and capital adequacy in Financial statements – Group.

NOTE 4 SEGMENT REPORTING

Segment reporting is only submitted for the Group.

NOTE 5 NET INTEREST INCOME

SEK M	2025	2024
Interest income		
Loans to credit institutions ¹⁾	3,267.0	5,002.3
Loans to the public	1,557.5	2,035.6
Interest-bearing securities ¹⁾	1,279.6	1,507.2
Derivatives	246.9	1,133.8
Other interest income	0.3	0.6
Total interest income	6,351.4	9,679.5
Interest expense		
Due to credit institutions ¹⁾	-318.9	-720.8
Deposits and funding from the public	-1,285.2	-3,062.7
Debt securities in issue ²⁾	-1,762.6	-1,899.4
Subordinated liabilities	-116.2	-142.4
Derivatives	-146.0	-876.5
Other interest expense, including government deposit insurance	-82.6	-113.2
Total interest expense	-3,711.5	-6,815.0
Total net interest income	2,640.0	2,864.5

¹⁾ Of which Interest-bearing securities of SEK -6.7 M (-12.1)

²⁾ Interest expenses on non-preferred senior debt amounts to SEK 513.6 M (665.7).

NOTE 6 NET COMMISSION

SEK M	2025	2024
Commission income		
Payment mediation	181.8	179.3
Loans	17.3	14.3
Deposits	2.1	2.2
Securities	472.2	404.5
Cards	430.3	410.5
Remuneration from the regional insurance companies	260.2	189.1
Other commission	8.5	14.0
Total commission income¹⁾	1,372.3	1,213.9
Commission expense		
Payment mediation	-130.5	-115.2
Securities	-54.5	-35.9
Cards	-217.9	-210.4
Remuneration to regional insurance companies	-1,486.1	-1,967.5
Other commission	-27.6	-28.0
Total commission expense	-1,916.6	-2,357.0
Total net commission	-544.3	-1,143.1

¹⁾ Refers to revenue from contracts with customers.

NOTE 7 NET GAINS/LOSSES FROM FINANCIAL ITEMS

SEK M	2025	2024
Interest-bearing assets and liabilities and related derivatives	-8.6	6.8
Other financial assets and liabilities	-3.1	17.2
Interest compensation (refers to items measured at amortised cost)	2.5	2.6
Total net gains/losses from financial items	-9.2	26.6

SEK M	31 Dec 2025	31 Dec 2024
Profit/loss by measurement category		
Financial assets measured at FVPL	-2.8	17.3
Financial assets measured at amortised cost	1.0	0.5
Financial liabilities measured at amortised cost	1.5	1.8
Financial assets measured at FVOCI	3.2	-0.8
Hedge accounting at fair value	-1.2	2.5
Ineffectiveness of cash-flow hedges	-	-
Exchange-rate effect	-10.9	5.3
Total	-9.2	26.6

NOTE 8 OTHER OPERATING INCOME

SEK M	2025	2024
Remuneration from the regional insurance companies	204.7	160.1
Other income including inventory change ¹⁾	-2.6	0.0
Total other operating income	202.1	160.1

¹⁾ Refers to revenue from contracts with customers.

NOTE 9 EMPLOYEES, STAFF COSTS AND REMUNERATION OF SENIOR EXECUTIVES

Average number of employees, Sweden	2025	2024
Men	309	247
Women	345	270
Total number of employees	654	517

Salaries, other remuneration and social security expenses, other employees, SEK M	2025	2024
Salaries and remuneration	-461.8	-361.5
of which, variable remuneration	-	-
Social security expenses	-235.2	-189.8
of which, pension costs	-69.7	-59.1
Total	-697.0	-551.3

Board of Directors and other senior executives 19 (15) SEK M	2025	2024
Salaries and remuneration	-24.6	-18.7
of which, fixed salary to the President	-7.6	-5.2
of which, variable remuneration to the President	-	-
of which, fixed salary to other senior executives	-13.4	-10.2
of which, variable salary to other senior executives	-	-
Social security expenses	-15.8	-12.5
of which, pension costs	-6.3	-5.2
Total	-40.4	-31.2

Total salaries, other remuneration and social security expenses, SEK M	2025	2024
Salaries and remuneration	-486.4	-380.2
of which, variable remuneration	-	-
Social security expenses	-251.1	-202.3
of which, pension costs	-76.1	-64.3
Total	-737.4	-582.5

Länsförsäkringar Bank has about 2,000 individuals who are also employed at Länsförsäkringar Bank and the regional insurance companies. The regional insurance companies pay the entire remuneration of their respective employees.

Remuneration of the Board

Directors' fees are payable to the Chairman and members of the Board in accordance with a decision of the Annual General Meeting. No fee is paid to employee representatives or Members of the Board within Länsförsäkringar AB Group.

Remuneration of senior executives

Remuneration of the President and other senior executives comprises basic salary and other benefits. Pension benefits and other benefits paid to the President and other senior executives are included as part of total remuneration. Senior executives are the individuals who, together with the President, comprise corporate management.

NOTE 9, CONT EMPLOYEES, STAFF COSTS AND REMUNERATION OF SENIOR EXECUTIVES**Remuneration and other benefits for senior executives**

2025 SEK M	Basic salary	Variable remuneration	Other remuneration	Pension costs	Total	Pension costs as a percentage of pensionable salary, % Defined-contribution
Martin Rydin, President	2.4	–	0.7	0.6	3.7	21
Sven Eggefalk, former President	3.6	–	0.9	1.3	5.8	35
Maria Engholm, Board member	0.3	–	–	–	0.3	–
Agnes Fabricius, Board member	0.3	–	–	–	0.3	–
Lars Rådström, Board member	0.5	–	–	–	0.5	–
Emil Källström, Board member	0.5	–	–	–	0.5	–
Niklas Larsson, Board member	0.5	–	–	–	0.5	–
Örian Söderberg, Board member	0.4	–	–	–	0.4	–
Anna-Lena Wretman, Board member	0.3	–	–	–	0.3	–
Anna Christina Norrström, former Board member	0.2	–	–	–	0.2	–
Hans Ljungkvist, former Board member	0.3	–	–	–	0.3	–
Anders Grånäs, former Board member	0.2	–	–	–	0.2	–
Mikael Bergström, former Board member	0.2	–	–	–	0.2	–
Other senior executives						
Parant Company (7)	13.1	–	0.2	4.4	17.8	32
Subsidiaries (3)	8.9	–	–	3.9	12.8	44
Total 2025	31.7	–	1.8	10.2	43.7	–
Total remuneration from Parent Company	22.8	–	1.8	6.3	30.9	–
Total remuneration from subsidiaries	8.9	–	–	3.9	12.8	–

2024 Mkr	Basic salary	Variable remuneration	Other remuneration	Pension costs	Total	Pension costs as a percentage of pensionable salary, % Defined-contribution
Sven Eggefalk, President	5.2	–	–	1.9	7.1	35
Anna Christina Norrström, Board member	0.5	–	–	–	0.5	–
Hans Ljungkvist, Board member	0.6	–	–	–	0.6	–
Mikael Bergström, Board member	0.5	–	–	–	0.5	–
Lars Rådström, Board member	0.3	–	–	–	0.3	–
Emil Källström, Board member	0.5	–	–	–	0.5	–
Niklas Larsson, Board member	0.5	–	–	–	0.5	–
Anders Grånäs, Board member	0.3	–	–	–	0.3	–
Ola Evansson, former Board member	0.2	–	–	–	0.2	–
Other senior executives						
Parent Company (6)	9.8	–	0.3	3.3	13.5	37
Subsidiaries (4)	11.1	–	–	4.5	15.6	41
Total 2024	29.5	–	0.3	9.7	39.5	–
Total remuneration from Parent Company	18.4	–	0.3	5.2	23.9	–
Total remuneration from subsidiaries	11.1	–	–	4.5	15.6	–

Pension costs pertain to the impact on net profit for the year.

Pensions

The retirement age for the President is 65. The terms follow the pension agreements between the Swedish Insurance Employers' Association (FAO), Forena and the Swedish Confederation of Professional Associations (SACO). In addition, an additional pension premium corresponding to one price base amount per year is paid. The retirement age for the former President is 65. The pension is a defined-contribution plan and the pension premium is to amount to 35% of the monthly salary. The retirement age for other senior executives is 65 or 66. The terms follow the pension agreements between the Swedish Insurance Employers' Association (FAO), Forena and the Swedish Confederation of Professional Associations (SACO). In addition, an additional pension premium corresponding to one price base amount per year is paid for each of the other senior executives.

Severance pay

For the President, the terms follow the period of notice applicable in the collective agreements between the Swedish Insurance Employers' Association (FAO), Forena and the Swedish Confederation of Professional Associations (SACO). A mutual period of notice of six months applies to the former President. If the company terminates employment, severance pay corresponding to 12 months' salary is paid during the period of notice.

For other senior executives, the terms follow the period of notice applicable in the collective agreements between the Swedish Insurance Employers' Association (FAO), Forena and the Swedish Confederation of Professional Associations (SACO)

Preparation and decision-making process applied in relation to the issue of remuneration of senior executives

A Remuneration Policy for the Länsförsäkringar AB Group regulates the preparation and decision-making process for remuneration of corporate management. The Remuneration Committee prepares important remuneration decisions and decisions on measures for following up the application of the Remuneration Policy. The Board decides on remuneration and other terms of employment for corporate management and employees with overall responsibility for one of the company's control functions.

Composition of Remuneration Committee

The composition and duties of the Remuneration Committee are regulated in the Board's formal work plan. The Remuneration Committee comprises the Chairman and one Board member.

Policies for remuneration of senior executives

Senior executives in the Länsförsäkringar AB Group are to have market-based employment terms and conditions. The total remuneration must be on par with the industry. The structure and level of remuneration should correspond to the company's values, meaning that it should be reasonable, moderate and well-balanced, and also contribute to good ethics and organisational culture, characterised by openness and transparency.

NOTE 9, CONT EMPLOYEES, STAFF COSTS AND REMUNERATION OF SENIOR EXECUTIVES

Fixed remuneration

Fixed remuneration is paid according to the general policy above.

Pensions

Pensions should comply with the terms of the pension agreements between the Swedish Insurance Employers' Association (FAO), the Swedish Union of Insurance Employees (Forena) and the Swedish Confederation of Professional Associations (SACO).

Other benefits

In addition to the above benefits, a company car is offered in accordance with applicable conditions, individual health care insurance and other benefits offered to all employees.

Number of women among senior executives, %

	31 Dec 2025	31 Dec 2024
Board members	40	40
Other senior executives	29	29

Since the preceding balance sheet date, the proportion of female Board members has remained unchanged.

Loans to the Board of Directors, Presidents/Executive Vice Presidents and other senior executives

	Bank Group		Parent Company		Parent Company Group	
	2025	2024	2025	2024	2025	2024
Board members	64.3	37.4	29.9	31.6	142.7	124.7
of which, loans from Bank	8.6	8.7	8.8	6.1	19.8	17.2
of which, loans from Hypotek	55.7	28.7	21.1	25.5	122.9	107.5
of which, loans from LF Finans	-	-	-	-	-	-
President and Executive Vice Presidents	11.2	6.4	6.6	14.3	39.8	46.3
of which, loans from Bank	-	-	-	1.2	-	1.1
of which, loans from Hypotek	11.2	6.4	6.6	13.1	39.8	45.2
of which, loans from Wasa Kredit	-	-	-	-	0.0	-
Senior executives	54.5	29.3	3.5	10.8	91.5	64.4
of which, loans from Bank	0.2	0.2	0.1	-	0.4	0.2
of which, loans from Hypotek	54.3	29.1	3.4	10.8	90.8	64.2
of which, loans from LF Finans	-	0.0	-	-	0.4	0.0

Loans granted comprise personnel mortgages and unsecured loans. Personnel mortgages and unsecured loans carry terms comparable to what applies for other customers. The interest rate for personnel mortgages is based on the best customer rate in LF, but is also adjusted to current market rates. The interest for unsecured loans is the government funding rate on 30 November last year, plus 1.5%. Other loans have market terms.

The Group has not provided collateral, other security or entered into any contingent liabilities for any senior executive.

Remuneration Policy

In accordance with the regulations and general advice of the Swedish Financial Super-visory Authority (FFFS 2011:1) regarding remuneration policies in credit institutions, investment firms and fund management companies, the Board of Directors is to adopt a Remuneration Policy. It is intended that a statement of remuneration in the company is to be published on the website when the Annual Report is published.

NOTE 10 OTHER ADMINISTRATION EXPENSES

SEK M	2025	2024
Costs for premises	-53.8	-50.8
IT costs	-985.3	-869.5
Consultant costs	-103.2	-137.1
Marketing	-43.1	-32.7
Management costs	-20.5	-18.5
Other administration expenses	-239.3	-205.2
Total administration expenses	-1,445.2	-1,313.8

NOTE 11 REMUNERATION OF AUDITORS

SEK M	2025	2024
Deloitte AB, audit assignment	-5.4	-5.9
Deloitte AB, audit activities in addition to the audit assignment	-0.3	-0.3
Total fees and remunerations of auditors	-5.7	-6.2

Audit assignment pertains to a review of the Annual Report and accounting, as well as the Board's and President's administration. Audit activities other than audit assignment pertain to various types of quality-assurance services, such as reviews of the administration, Articles of Association, regulations or agreements that result in reports or certificates.

NOTE 12 LEASING

These agreements pertain to internal and external lease contracts where the Parent Company is the lessee.

SEK M	2025	2024
Lease expenses paid		
Rent for premises	-26.9	-28.1
of which, variable fees	-26.9	-27.8
Leasing fees, company cars	-	-
Other leasing fees	-12.4	-11.2
Future basic rents for irrevocable leasing contracts		
Within 1 year	-5.3	-5.4
Between 1 and 5 years	-21.4	-21.6
Total future minimum lease fees	-26.7	-27.0

NOT 13 DEPRECIATION/AMORTISATION AND IMPAIRMENT OF PROPERTY AND EQUIPMENT/INTANGIBLE ASSETS

SEK M	2025	2024
Depreciation of property and equipment	-0.6	-4.2
Amortisation of intangible assets	-194.3	-172.8
Total depreciation/amortisation	-195.0	-177.0
Impairment of intangible assets	-68.7	0.0
Total depreciation/amortisation and impairment of assets	-263.7	-177.0

More information on impairment is available in note 24 Intangible assets.

NOTE 14 CREDIT LOSSES, NET

SEK M	2025	2024
Change in loss allowance for loan receivables		
Stage 1 (not credit-impaired)	-0.4	-0.6
Stage 2 (not credit-impaired)	1.1	0.2
Stage 3 (credit-impaired)	5.3	-4.6
Total change in loss allowance for loan receivables	5.9	-5.0
Expense for confirmed credit losses	-6.9	-0.5
Payment received for prior confirmed credit losses	2.9	4.6
Net expense for the period for credit losses for loan receivables	1.9	-0.9
Change in loss allowance for commitments	-1.6	1.4
Net expense for other credit losses	-2.3	-0.7
Net expense of the modification result	-0.1	-0.1
Net expense for credit losses	-2.0	-0.3

A condition for full payment of the regional insurance companies distribution remuneration by Länsförsäkringar Bank AB is that the loans generated by each regional insurance company for Länsförsäkringar Bank AB are of high quality. If this is not the case, up to 80% of any credit losses are off-set against the accrued remuneration to the regional insurance companies. This model for settlement of credit losses is kept separate and is taken into consideration when the provisions are established. In 2025, total credit losses amounted to SEK -7.6 M (-15.6), of which the company's recognised credit losses amounted to SEK -2.0 M (-0.3) and the remainder of SEK -5.6 M (-15.3) was settled against remuneration to the regional insurance companies.

NOTE 14, CONT. CREDIT LOSSES, NET

SEK M	31 Dec 2025	31 Dec 2024
Loss allowance		
Cash and balances at central banks	–	–
Loans to credit institutions	23.6	23.4
Loans to the public	17.1	22.8
Other assets	–	–
Financial assets measured at FVOCI		
Treasury bills and other eligible bills	0.3	0.2
Bonds and other interest-bearing securities	0.9	0.8
Provisions		
Commitments and guarantees	11.6	10.4
Total loss allowance	53.4	57.6

All exposures are in stage 1 except for loans to the public and commitments which have exposure in all three stages. For more information about the change in loss allowance for loans to the public and commitments, see notes 19 and 38.

NOTE 15 IMPOSED LEVIES

SEK M	2025	2024
Resolution fee	17.4	17.9
Risk tax	129.7	119.7
Interest-free lending to the Riksbank	10.8	–
Total	157.9	137.6

NOTE 16 TAX ON NET PROFIT FOR THE YEAR

SEK M	2025	2024
Current tax		
Tax expense/tax income for the year	–234.9	–99.3
Total current tax	–234.9	–99.3
Deferred tax		
Change in deferred tax expense on temporary differences	1.0	0.7
Total deferred tax	1.0	0.7
Total recognised tax expense	–233.9	–98.6
Reconciliation of effective tax rate		
Profit before tax	994.5	326.8
Tax in accordance with applicable tax rate	–204.9	–67.3
Tax on non-deductible costs	–29.0	–31.9
Tax on non-taxable income	0.2	0.7
Deferred tax pertaining to temporary differences	–1.2	–0.8
Change due to deferred tax liability	1.0	0.7
Total tax on net profit for the year	–233.9	–98.6
Applicable tax rate	20.6%	20.6%
Effective tax rate	23.5%	30.2%
Tax items recognised in other comprehensive income		
Tax on financial assets measured at fair value through other comprehensive income	–18.1	–8.4
Tax on cash flow hedges	–1.3	11.9
Total tax attributable to other comprehensive income	–19.4	3.5

For more information regarding Law on top-up tax for companies in large groups, see note 14 in Financial statements – Group

NOTE 17 TREASURY BILLS AND OTHER ELIGIBLE BILLS

SEK M	31 Dec 2025	31 Dec 2024
Book value		
Swedish government	13,746.9	11,213.7
German government	194.2	349.1
Finnish government	–	–
Total treasury bills and other eligible bills	13,941.1	11,562.8
Fair value	13,941.1	11,562.8
Amortised cost	14,017.9	11,684.3
Nominal value	14,106.1	11,717.2

For loss allowance, see note 14.

NOTE 18 LOANS TO CREDIT INSTITUTIONS

SEK M	31 Dec 2025	31 Dec 2024
Loans to subsidiaries	116,918.4	112,117.2
Other loans to credit institutions	1,091.8	308.3
Margin collateral	1.9	2.1
Interest-free lending to the Riksbank	721.1	–
Total loans to credit institutions	118,733.2	112,427.6

For loss allowance, see note 14.

NOTE 19 LOANS TO THE PUBLIC

Loan receivables are geographically attributable in their entirety to Sweden.

SEK M	31 Dec 2025	31 Dec 2024
Public sector	5,000.5	21,074.5
Corporate sector	2,069.5	1,792.1
Retail sector	39,082.6	39,821.6
Other	0.0	1,035.0
Loans to the public before reserves	46,152.5	63,723.2
Reserves	–17.1	–22.8
Loans to the public	46,135.4	63,700.4
Fixed-interest period		
Remaining term of not more than 3 months	25,643.9	42,214.4
Remaining term of more than 3 months but not more than 1 year	16,941.4	17,083.8
Remaining term of more than 1 year but not more than 5 years	3,512.9	4,364.4
Remaining term of more than 5 years	37.2	37.8
Total loans to the public	46,135.4	63,700.4

Remaining term is defined as the remaining fixed-income period if the loan has -periodically restricted conditions.

NOTE 19, CONT. LOANS TO THE PUBLIC

Reconciliation of gross carrying amount and loss allowance

	Not credit-impaired				Credit-impaired		Total	
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	Loss allowance						
SEK M								
Opening balance 1 Jan 2024	53,678.3	-1.1	1,166.4	-4.3	292.8	-12.4	55,137.5	-17.8
New loans	20,826.6	-0.5	0.1	0.0	8.2	-0.5	20,834.8	-1.0
Changes:								
Change in loss allowance model or method	-	0.0	-	0.0	-	-1.3	-	-1.3
Repayment	-11,952.1	0.3	-284.2	1.1	-89.6	4.4	-12,325.9	5.8
Change in risk parameters	-	-3.1	-	-0.9	-	-3.1	-	-7.0
Other	115.6	0.0	-30.0	0.3	-3.4	0.4	82.1	0.7
Transfer between stages:								
Transfer from stage 1 to stage 2	-848.5	0.9	848.5	-2.1	-	-	-	-1.2
Transfer from stage 2 to stage 1	279.4	-0.1	-279.4	0.3	-	-	-	0.2
Transfer to stage 3	-51.8	2.0	-54.4	1.7	106.2	-6.1	-	-2.3
Transfer from stage 3	7.9	0.0	9.0	-0.1	-16.9	0.4	-	0.3
Write-off	-	-	-	-	-5.4	0.8	-5.4	0.8
Closing balance 31 Dec 2024	62,055.3	-1.5	1,376.0	-4.1	291.9	-17.3	63,723.2	-22.8
Opening balance 1 Jan 2025	62,055.3	-1.5	1,376.0	-4.1	291.9	-17.3	63,723.2	-22.8
New loans	1,265.6	-0.7	0.0	0.0	5.0	-1.2	1,270.6	-1.9
Changes:								
Change in loss allowance model or method	-	0.0	-	0.0	-	0.0	-	0.0
Repayment	-18,989.7	0.5	-213.6	0.6	-91.8	9.4	-19,295.1	10.5
Change in risk parameters	-	-1.5	-	-0.5	-	-0.7	-	-2.8
Other	478.0	0.0	-19.3	0.1	-3.5	0.3	455.2	0.4
Transfer between stages:								
Transfer from stage 1 to stage 2	-704.5	0.6	704.5	-1.4	-	-	-	-0.8
Transfer from stage 2 to stage 1	583.2	-0.1	-583.2	0.4	-	-	-	0.3
Transfer to stage 3	-28.5	1.0	-71.7	1.8	100.2	-4.7	-	-1.9
Transfer from stage 3	33.8	0.0	8.7	0.0	-42.5	1.0	-	0.9
Write-off	-	-	-	0.0	-1.3	0.8	-1.3	0.8
Closing balance 31 Dec 2025	44,693.1	-1.7	1,201.4	-3.0	258.0	-12.4	46,152.5	-17.1

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
Loans to the public before loss allowances 2025	44,693.1	1,201.4	258.0	46,152.5
Credit reserve requirement	-8.4	-15.0	-60.9	-84.2
Withheld remuneration to the regional insurance companies	6.7	12.0	48.5	67.1
Recognised loss allowance	-1.7	-3.0	-12.4	-17.1
Loans to the public 2025	44,691.5	1,198.4	245.6	46,135.4
Loans to the public before loss allowances 2024	62,055.3	1,376.0	291.9	63,723.2
Credit reserve requirement	-7.2	-20.3	-86.3	-113.9
Withheld remuneration to the regional insurance companies	5.8	16.3	69.0	91.1
Recognised loss allowance	-1.5	-4.1	-17.3	-22.8
Loans to the public 2024	62,053.8	1,371.9	274.7	63,700.4

Modified loan receivables in loans to the public, SEK M	31 Dec 25	31 Dec 24
Loan receivables modified during the period that were in stages 2 and 3 when they were modified	-	-
mortised cost before modification	20.7	43.3
modification gain/loss	-0.1	-0.1
Gross carrying amount for loan receivables that have been modified since initial recognition and on the modification date were in stage 2 or 3 and that were transferred to stage 1 during the period	7.6	23.2

A condition for full payment of the regional insurance companies' distribution remuneration by Länsförsäkringar Bank AB is that the loans generated by each regional insurance company for Länsförsäkringar Bank AB are of high quality. If this is not the case, up to 80% of any credit losses are off-set against the accrued remuneration to the regional insurance companies. This model for settlement of credit losses is kept separate and is taken into consideration when the provisions are established.

On 31 December 2025, the contractual amounts outstanding for financial assets that were written off during the period and that are still encompassed by compliance measured amount to SEK 56.7 M (4.7).

During the year, the credit loss allowance decreased by SEK 5.7 M (5.0), mainly driven by repaid loan receivables.

NOTE 22 DERIVATIVES

SEK M	31 Dec 25		31 Dec 24	
	Nominal value	Fair value	Nominal value	Fair value
Derivatives with positive values				
<i>Derivatives in hedge accounting</i>				
Interest-related	25,718.0	422.3	36,536.0	923.3
Currency-related	9,518.0	439.6	24,553.5	1,428.6
<i>Other derivatives</i>				
Interest-related	198,545.0	3,675.2	178,295.0	5,369.8
Currency-related	37,102.3	1,636.2	39,725.7	2,684.5
Total derivatives with positive values	270,883.3	6,173.2	279,110.2	10,406.2
Offset derivatives with positive values	-112,503.0	-2,156.7	-108,186.0	-2,886.4
Net amount after offset	158,380.3	4,016.5	170,924.2	7,519.8
Derivatives with negative values				
<i>Derivatives in hedge accounting</i>				
Interest-related	23,952.0	333.8	24,165.0	479.9
Currency-related	25,341.4	742.6	4,775.5	230.0
<i>Other derivatives</i>				
Interest-related	198,545.0	3,676.2	178,295.0	5,370.6
Currency-related	37,130.0	1,637.0	39,692.6	2,695.5
Total derivatives with negative values	284,968.4	6,389.7	246,928.1	8,776.0
Offset derivatives with negative values	-112,503.0	-2,156.7	-108,186.0	-2,886.4
Net amount after offset	172,465.4	4,232.9	138,742.1	5,889.6

Financial hedging agreements were signed to hedge against interest-rate risks and currency risks stemming from the Group's operations. Hedge accounting is applied to funding, lending,

deposits, bonds and other interest bearing securities. Hedging instruments primarily comprise interest and currency interest-rate swaps.

NOTE 23 FAIR VALUE CHANGES OF INTEREST-RATE RISK HEDGED ITEMS IN PORTFOLIO HEDGE

SEK M	31 Dec 25	31 Dec 24
Assets		
Carrying amount at beginning of year	-74.8	-232.1
Changes during the year pertaining to lending	56.3	157.3
Changes during the year pertaining to borrowing	-	-
Carrying amount at year-end	-18.5	-74.8
Liabilities		
Carrying amount at beginning of year	57.2	-111.1
Changes during the year pertaining to deposits	-8.7	171.5
Changes during the year pertaining to funding	21.2	-3.2
Changes during the year pertaining to lending	-	-
Carrying amount at year-end	69.8	57.2

NOTE 24 INTANGIBLE ASSETS

SEK M	Internally developed IT systems		Acquired IT systems		Total	
	31 Dec 25	31 Dec 24	31 Dec 25	31 Dec 24	31 Dec 25	31 Dec 24
Cost						
Opening cost	3,838.8	3,527.0	4.4	4.4	3,843.2	3,531.4
Acquisitions during the year	172.5	311.8	-	-	172.5	311.8
Disposals during the year	-	-	-	-	-	-
Closing cost	4,011.3	3,838.8	4.4	4.4	4,015.7	3,843.2
Amortisation						
Opening accumulated amortisation	-1,518.6	-1,345.7	-4.4	-4.4	-1,523.0	-1,350.2
Disposals during the year	-	-	-	-	-	-
Amortisation for the year	-194.3	-172.8	-	-	-194.3	-172.8
Closing accumulated amortisation	-1,712.9	-1,518.6	-4.4	-4.4	-1,717.3	-1,523.0
Impairments						
Opening accumulated impairments	-888.1	-888.1	-	-	-888.1	-888.1
Disposals during the year	-68.8	-	-	-	-68.8	-
Impairments for the year	-	-	-	-	-	-
Closing accumulated impairments	-956.9	-888.1	-	-	-956.9	-888.1
Total intangible assets	1,341.5	1,432.1	-	-	1,341.5	1,432.1

NOTE 25 PROPERTY AND EQUIPMENT

SEK M	31 Dec 25	31 Dec 24
Equipment		
Opening cost	13.3	15.0
Sales/Disposals for the year	-1.3	-3.1
Purchases for the year	-	1.4
Closing cost	12.0	13.3
Opening depreciation	-10.6	-8.6
Reversed depreciation, sales/scrapping	0.6	2.1
Depreciation for the year	-0.6	-4.1
Closing accumulated depreciation	-10.6	-10.6
Total property and equipment	1.3	2.7

NOTE 26 DEFERRED TAX ASSETS AND TAX LIABILITIES

Recognized deferred tax assets and liabilities can be attributed to the following:

SEK M	Deferred tax assets		Deferred tax liabilities		Net	
	31 Dec 25	31 Dec 24	31 Dec 25	31 Dec 24	31 Dec 25	31 Dec 24
Intangible assets	–	–	–	–	–	–
Cash flow hedges	–13.0	–14.3	–	–	–13.0	–14.3
Liabilities, provisions	–2.6	–1.6	–	–	–2.6	–1.6
Deferred tax assets(-)/deferred tax liabilities (+)	–15.6	–15.9	–	–	–15.6	–15.9
Net deferred tax assets (-)/deferred tax liabilities (+)	–15.6	–15.9	–	–	–15.6	–15.9

The Parent Company has no temporary differences with tax effects in Group companies.

Change in deferred tax in temporary differences

SEK M	Amount at 1 Jan	Recognised in profit or loss	Recognised in other comprehensive income	Amount at 31 Dec
2025				
Intangible assets	–	–	–	–
Cash flow hedges	–14.3	–	1.3	–13.0
Liabilities, provisions	–1.6	–1.0	–	–2.6
Deferred tax assets(-)/deferred tax liabilities (+)	–15.9	–1.0	1.3	–15.6
2024				
Intangible assets	–0.6	0.6	–	–
Cash flow hedges	–2.5	–	–11.8	–14.3
Liabilities, provisions	–0.3	–1.3	–	–1.6
Deferred tax assets (-)/deferred tax liabilities (+)	–3.4	–0.7	–11.8	–15.9

NOTE 27 OTHER ASSETS

SEK M	31 Dec 25	31 Dec 24
Accounts receivable ¹⁾	31.8	69.2
Other assets	319.8	440.5
Total other assets	351.6	509.7

¹⁾ Refers to revenue from contracts with customers.

In its calculation of loss allowance for other financial assets, the company uses the simplified method that is described in more detail in the Group's note 2 Accounting policies. For loss allowance, see note 14.

NOTE 28 FÖRUTBETALDA KOSTNADER OCH UPPLUPNA INTÄKTER

SEK M	31 Dec 25	31 Dec 24
Accrued interest income	30.5	35.3
Other accrued income ¹⁾	132.0	110.5
Prepaid expenses	62.1	67.6
Total prepaid expenses and accrued income	224.5	213.4

¹⁾ Refers to revenue from contracts with customers.

NOTE 29 DUE TO CREDIT INSTITUTIONS

SEK M	31 Dec 25	31 Dec 24
The Riksbank	–	–
Swedish banks	929.2	6,055.9
Other Swedish credit institutions	2,770.2	2,507.0
Margin collateral	668.0	3,857.6
Total due to credit institutions	4,367.4	12,420.5

NOTE 30 DEPOSITS AND FUNDING FROM THE PUBLIC

SEK M	31 Dec 25	31 Dec 24
Deposits from insurance companies	5,449.9	5,221.7
Deposits from households	137,956.2	131,237.9
Deposits from other Swedish public	21,737.9	20,762.6
Margin collateral	–	–
Total deposits from the public	165,144.0	157,222.2

Fixed-term deposits amount to SEK 40,542.7 M (40,152.4 M). Interest compensation is paid on premature redemption.

NOTE 31 DEBT SECURITIES IN ISSUE

SEK M	31 Dec 25	31 Dec 24
Commercial papers	125.4	1,006.6
Bond loans	42,087.3	42,103.7
<i>of which, green bonds</i>	<i>10,821.9</i>	<i>5,780.6</i>
Senior non-preferred debt	14,128.1	11,903.5
<i>of which, green bonds¹⁾</i>	<i>7,841.7</i>	<i>2,996.9</i>
Cashier's cheques issued	13.9	14.7
Total debt securities in issue	56,354.6	55,028.5

¹⁾ The comparative figure has been adjusted.

NOTE 32 OTHER LIABILITIES

SEK M	31 Dec 25	31 Dec 24
Accounts payable	118.9	75.5
Withheld preliminary tax, customers	114.9	428.7
Other liabilities	1,522.9	1,159.9
Total other liabilities	1,756.7	1,664.1

NOTE 33 ACCRUED EXPENSES AND DEFERRED INCOME

SEK M	31 Dec 25	31 Dec 24
Accrued interest expense	967.4	1,016.6
Accrued remuneration of regional insurance companies	1,149.3	1,426.1
Contract liabilities	11.3	18.6
Other accrued expenses and deferred income	432.2	535.2
Total accrued expenses and deferred income	2,560.2	2,996.5

Contract liabilities refer to advance payments that Länsförsäkrings Bank received when its card provider was replaced. The contract liabilities will be reduced over time in line with the bank meeting the pre-established transactions volumes. The contract liability decreased SEK 7.3 M during the year, which corresponds to this year's dissolution.

NOTE 34 PROVISIONS

SEK M	31 Dec 25	31 Dec 24
Loss allowance for commitments	11.6	10.4
Other provisions	5.6	5.8
Total provisions	17.2	16.2

For the change in loss allowance for commitments, see note 38.

Defined-contribution pension plans

The company pays fixed contributions to a separate legal entity and does not have a legal or informal obligation to pay additional contributions. The company's payments to defined-contribution plans are recognised as expenses during the period in which the employee performed the services to which the contributions refer. Primarily, contributions to the Insurance Industry's Pension Fund (FPK) are recognised here. This plan encompasses all employees except for a few employees who have individual solutions. The pension agreement for the insurance industry, the FTP plan, through insurance with the FPK, is a multi-employer defined-benefit pension plan. According to IAS 19 Employee Benefits, this pension plan entails that, as a rule, a company is to recognise its proportional share of the defined-benefit pension commitment and the plan assets and expenses associated with the pension commitment. Disclosure is also to be presented in the accounts according to the requirements for defined-benefit pension plans. FPK is unable to provide the necessary information on this, which is why the pension plans above are recognised as a defined-contribution plan in accordance with item 34 of IAS 19. Nor is any information available on surpluses and deficits in the plan or whether these surpluses and deficits would then affect the contributions for the plan in future years. The company's expected fees in 2026 for the FTP plan amount to SEK 18.9 M.

	2025	2024
Expenses for defined-contribution plans	68.5	57.1

NOTE 35 SUBORDINATED LIABILITIES

SEK M	31 Dec 25	31 Dec 24
External subordinated debt with three-month floating interest rate	2,995.5	1,897.5
External subordinated debt, listed	1,998.6	1,197.8
Total subordinated liabilities	4,194.0	3,095.3

The subordinated loans listed and can be redeemed 25 February 2026, 1 March 2028 and 12 May 2031 at the earliest. These loans fall due on 25 February 2031, 1 March 2033 and 1 May 2036. During 31 December 2025 the interest on the variable loans were 2.9 (3.6) percent 3.8 (4.4) percent and 3.1 percent. The interest rate on fixed loans is 1.2 percent and 4.9 percent. For more information, see note 3 Risks and capital adequacy.

NOTE 36 UNTAXED RESERVES

SEK M	31 Dec 25	31 Dec 24
Tax allocation reserve	202.0	165.0
Total	202.0	165.0

NOTE 37 EQUITY

SEK M	31 Dec 25	31 Dec 24
Restricted equity		
Share capital	2,864.6	2,864.6
Development Expenditures Fund	1,341.5	1,432.1
Statutory reserve	18.4	18.4
Total restricted equity	4,224.5	4,315.1
Non-restricted equity		
Fair value reserve	15.9	-58.2
Additional Tier 1 instruments	2,850.0	2,550.0
Retained earnings	3,140.6	3,990.6
Net profit for the year	760.6	228.2
Total non-restricted equity	6,767.1	6,710.6
Total equity	10,991.6	11,025.7

Reserves refer to the fair value reserve and the hedging reserve. The fair value reserve comprises the accumulated net change in financial assets measured at fair value through other comprehensive income until the asset is derecognised from the balance sheet

The hedging reserve comprises hedging of currency risk in future cash flows for the company's debt securities in issue in foreign currency

The other changes in equity for the period are presented in the Statement of changes in equity.

Share capital comprises 9,548,708 (9,548,708) shares with a quotient value of SEK 300 (300)

Proposed appropriation of profit

The following profit is at the disposal of the Annual General Meeting:

SEK	31 Dec 25	31 Dec 24
Other reserves	15,885,488	-58,182,833
Retained earnings	3,140,607,501	3,990,615,871
Net profit for the year	760,630,597	228,174,549
Profit to be appropriated	3,917,123,585	4,160,607,587

The Board of Directors proposes the following appropriation:

SEK 60,45 (30.20) per share to be paid to the shareholders	577,219,399	288,370,982
To be carried forward	3,339,904,187	3,872,236,605
Total	3,917,123,585	4,160,607,587

The dividend is calculated on 9,548,708 shares.

The dividend proposal was made taking into consideration the regulations on buffers, restricting risk and transparency in accordance with the Swedish Banking and Financing Business Act and the prudence rule of Chapter 17, Section 3 of the Swedish Companies Act.

The applicable rules on capital adequacy and large exposures entail that at any point in time a company is to have own funds that as a minimum correspond to the total capital requirements for credit risks, market risks and operational risks and capital buffers and also the calculation capital requirement for additionally identified risks in the operations in accordance with the company's internal capital adequacy assessment process. The Parent Company's own

funds after the proposed appropriation of profits amount to SEK 13,521.8 M (12,717.9) and the overall capital requirement for credit risks, operational risks and buffer amount to SEK 5,474.0 M (5,010.2). For the consolidated situation, own funds after the proposed dividend amount to SEK 27,617.4 M (26,142.8), and the overall capital requirement for credit risks, operational risks and buffer amount to SEK 20,333.1 M (19,573.2).

The Board's assessment is that the proposed dividend will not prevent the company and other companies included in the Group from fulfilling their short or long-term commitments. The proposed dividend is also not deemed to restrict the company's planned investments or expected liquidity requirements. Accordingly, the Board's overall assessment is that the proposed dividend is justified taking into consideration the demands on the amount of equity in the company and the Group imposed by the nature, scope and risks associated with the operations, and the company's and the Group's capital requirements, liquidity and financial position.

Of total equity, SEK -637.7 M (859.3) of the bank's Parent Company and SEK -449,1 M (2,869.2) of the Bank Group are attributable to assets and liabilities being measured at fair value according to Chapter 4, Section 14a of the Swedish Annual Accounts Act (1995:1554).

For more information on the company's earnings and financial position, refer the income statement and balance sheet in the annual account with accompanying notes to the accounts.

NOTE 38 PLEDGED ASSETS, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

SEK M	31 Dec 25	31 Dec 24
For own liabilities, pledged assets		
Pledged securities in the central bank	2,149.6	2,428.0
Pledged securities in Euroclear	2,042.0	1,977.0
Cash collateral paid, derivatives	746.3	1,037.1
Securities collateral paid, derivatives	4,136.5	4,420.3
Other collateral for securities	–	–
Total pledged assets for own liabilities	9,074.4	9,862.4
Contingent liabilities		
Financial guarantees	45.0	40.9
Total contingent liabilities	45.0	40.9
Other commitments		
Loans approved but not disbursed	829.1	959.3
Unutilised portion of overdraft facilities	62,013.0	53,857.4
Unutilised portion of credit card facilities	1,821.6	2,284.2
Total other commitments	64,663.7	57,100.9

Loans to the public were provided as collateral for issuance of covered bonds and mortgage bonds. In the event of the company's insolvency, bond holders have preferential rights to the assets that are registered as cover pool. Other pledged securities will be transferred to the pledgee in the event of bankruptcy.

For information on pledged assets, contingent liabilities and commitments to related parties, see note 43. For loss allowance for financial guarantees, see note 14.

Reconciliation of gross carrying amount and loss allowance for commitments

SEK M	Not credit-impaired				Credit impaired		Total	
	Stage 1		Stage 2		Stage 3		Credit risk exposure	Loss allowance
	Credit risk exposure	Loss allowance	Credit risk exposure	Loss allowance	Credit risk exposure	Loss allowance		
Opening balance, 1 Jan 2024	62,465.1	-10.9	114.3	-0.4	8.1	-0.7	62,587.5	-12.0
New loan commitments and increase in existing loan commitments	5,844.2	-0.2	47.3	-0.4	3.9	-0.4	5,895.3	-1.1
Changes:								
Change in loss allowance model or method	–	0.0	–	0.0	–	0.0	–	0.0
Net change in existing loan commitments and credit commitments (utilised and repaid)	-8,860.3	2.1	-24.2	0.1	-1.9	0.1	-8,886.4	2.3
Change in risk parameters	–	-0.2	–	0.1	–	-0.1	–	-0.2
Transfer of loan commitments and credit commitments:								
Transfer from stage 1 to stage 2	-109.2	0.1	109.2	-0.3	–	–	–	-0.2
Transfer from stage 2 to stage 1	65.3	0.0	-65.3	0.1	–	–	–	0.1
Transfer to stage 3	-4.8	0.1	-5.7	0.1	10.6	-0.4	–	-0.3
Transfer from stage 3	0.5	0.0	1.1	0.0	-1.7	0.1	–	0.0
Expired loan commitments	-2,445.5	0.2	-40.6	0.1	-9.4	0.6	-2,495.6	0.9
Closing balance 31 Dec 2024	56,955.3	-9.0	136.1	-0.5	9.6	-0.9	57,100.9	-10.4
Opening balance, 1 Jan 2025	56,955.3	-9.0	136.1	-0.5	9.6	-0.9	57,100.9	-10.4
New loan commitments and increase in existing loan commitments	14,004.0	-2.0	40.8	-0.2	3.5	-0.4	14,048.3	-2.6
Changes:								
Change in loss allowance model or method	–	–	–	–	–	–	–	–
Net change in existing loan commitments and credit commitments (utilised and repaid)	-3,319.6	0.1	-32.8	0.1	-3.0	0.1	-3,355.4	0.3
Change in risk parameters	–	0.0	–	0.2	–	0.0	–	0.1
Transfer of loan commitments and credit commitments								
Transfer from stage 1 to stage 2	-66.6	0.1	66.6	-0.2	–	–	–	-0.1
Transfer from stage 2 to stage 1	85.7	-0.1	-85.7	0.1	–	–	–	0.1
Transfer to stage 3	-1.7	0.0	-1.4	0.0	3.2	-0.1	–	-0.1
Transfer from stage 3	0.6	0.0	0.3	0.0	-0.8	0.1	–	0.0
Expired loan commitments	-3,095.1	0.3	-28.1	0.1	-6.9	0.6	-3,130.1	1.0
Closing balance 31 Dec 2025	64,562.6	-10.7	95.7	-0.4	5.4	-0.5	64,663.7	-11.6

Loss allowance increased by SEK 1,2 M (-1.6) during the year due to changes in existing loan commitments and credit commitments and loan commitments.

On 31 December 2025, the total loss allowance for commitments amounted to SEK 16.5 M (17.2), of which the company's

recognised loss allowance amounted to SEK 11.6 M (10.4) and the remainder of SEK 4.9 M (6.8) was settled against remuneration to the regional insurance companies. For more information on the distribution remuneration model, refer to note 19 Loans to the public.

NOTE 39 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

31 Dec 2025, SEK M	Financial assets measured at FVPL		Financial assets measured at FVOCI				
	Measured at FVPL	Derivatives used in hedge accounting	Financial assets measured at amortised cost	Debt instruments measured at FVOCI	Equity instruments	Total carrying amount	Fair value
Assets							
Cash and balances with central banks			9,929.5			9,929.5	9,929.5
Treasury bills and other eligible bills				13,941.1		13,941.1	13,941.1
Loans to credit institutions			118,012.1			118,012.1	118,012.1
Loans to the public			46,135.4			46,135.4	46,189.3
Bonds and other interest-bearing securities				44,664.8		44,664.8	44,664.8
Shares and participations	66.9				126.3	193.2	193.2
Derivatives	3,154.7	861.9				4,016.5	4,016.5
Other assets			31.8			31.8	31.8
Prepaid expenses and accrued income			30.5			30.5	30.5
Total assets	3,221.6	861.9	174,139.3	58,605.9	126.3	236,954.8	237,008.7

31 Dec 2025, SEK M	Financial liabilities measured FVPL		Financial liabilities measured at amortised cost	Total carrying amount	Fair value
	Measured at FVPL	Derivatives used in hedge accounting			
Liabilities					
Due to credit institutions			4,367.4	4,367.4	4,367.4
Deposits and funding from the public			165,144.0	165,144.0	164,997.7
Debt securities in issue			56,354.6	56,354.6	57,605.9
Derivatives	3,156.5	1,076.4		4,232.9	4,232.9
Other liabilities			131.1	131.1	131.1
Subordinated liabilities			4,194.0	4,194.0	4,246.8
Accrued expenses and deferred income			967.4	967.4	967.4
Total liabilities	3,156.5	1,076.4	231,158.5	235,391.4	236,549.2

31 Dec 2024, SEK M	Financial assets measured at FVPL		Financial assets measured at FVOCI				
	Measured at FVPL	Derivatives used in hedge accounting	Financial assets measured at amortised cost	Debt instruments measured at FVOCI	Equity instruments	Total carrying amount	Fair value
Assets							
Cash and balances with central banks			35.2			35.2	35.2
Treasury bills and other eligible bills				11,562.8		11,562.8	11,562.8
Loans to credit institutions			112,427.6			112,427.6	112,427.6
Loans to the public			63,700.4			63,700.4	63,758.0
Bonds and other interest-bearing securities				42,067.4		42,067.4	42,067.4
Shares and participations	69.8				130.8	200.6	200.6
Derivatives	5,167.9	2,351.9				7,519.8	7,519.8
Other assets			69.2			69.2	69.2
Prepaid expenses and accrued income			35.3			35.3	35.3
Total assets	5,237.7	2,351.9	176,267.7	53,630.2		237,618.3	237,675.8

31 Dec 2024, SEK M	Financial liabilities measured FVPL		Financial liabilities measured at amortised cost	Total carrying amount	Fair value
	Measured at FVPL	Derivatives used in hedge accounting			
Liabilities					
Due to credit institutions			12,420.5	12,420.5	12,420.5
Deposits and funding from the public			157,222.2	157,222.2	157,572.2
Debt securities in issue			55,028.5	55,028.5	55,971.4
Derivatives	5,179.7	709.9		5,889.6	5,889.6
Other liabilities			108.0	108.0	108.0
Subordinated liabilities			3,095.3	3,095.3	3,120.0
Accrued expenses and deferred income			1,016.6	1,016.6	1,016.6
Total liabilities	5,179.7	709.9	228,891.1	234,780.7	236,098.3

NOTE 39, CONT. KLASSIFICERING AV FINANSIELLA TILLGÅNGAR OCH SKULDER

The carrying amounts of cash and balances with central banks, treasury bills and other eligible bills, loans to credit institutions, other assets, prepaid expenses and accrued income, due to credit institutions, other liabilities, and accrued expenses and deferred income comprise a reasonable approximation of the fair values based on the cost of the assets and liabilities since these assets and liabilities have short terms. Gains and losses are recognised in profit or loss under net gains/losses from financial items. The only gains/losses arising from the derecognition of assets measured at amortised cost are the interest compensation received. For more information, see note 7 Net gains/losses from financial items.

NOTE 40 FAIR VALUE VALUATION TECHNIQUES

Level 1 refers to prices determined from prices listed in an active market

Level 2 refers to prices determined by calculated prices of observable market listings

Level 3 refers to prices based on own assumptions and judgements

Financial instruments measured at fair value in the balance sheet

31 Dec 25	Level 1	Level 2	Level 3	Total
Assets				
Treasury bills and other eligible bills	6,943.5	6,997.7	–	13,941.1
Bonds and other interest-bearing securities	44,664.8	–	–	44,664.8
Shares and participations	6.2	33.7	153.3	193.2
Derivatives	–	4,016.5	–	4,016.5
Liabilities				
Derivatives	–	4,232.9	–	4,232.9

31 Dec 24	Level 1	Level 2	Level 3	Total
Assets				
Treasury bills and other eligible bills	6,565.8	4,997.0	–	11,562.8
Bonds and other interest-bearing securities	42,067.4	–	–	42,067.4
Shares and participations	7.2	37.2	156.2	200.6
Derivatives	–	7,519.8	–	7,519.8
Liabilities				
Derivatives	–	5,889.6	–	5,889.6

Länsförsäkringar Bank AB holds shares and participations that cannot be reliably measured based on listing in an active market. Instead, regular valuations are performed based on, for example, recent company reports and forecast results. The fair value of Level 2 shares and participations that pertain to unlisted Series B shares in Mastercard Incorporated (MA) is measured based on the price of the Series A share on the balance-sheet date. Derivatives in Level 2 essentially refer to swaps for which fair value is calculated by discounting expected future cash flows. Holdings in Level 3 primarily comprise holdings of a strategic nature.

Change in holdings in Level 3

SEK M	Shares and participations
Opening balance, 1 January 2025	156.2
Recognised through profit and loss	–2.9
Recognised in other comprehensive income	0.0
Closing balance, 31 December 2025	153.3

Opening balance, 1 January 2024	71.4
Recognised through profit and loss	17.4
Recognised in other comprehensive income	67.4
Closing balance, 31 December 2024	156.2

Financial instruments measured at amortised cost in the balance sheet

31 Dec 25	Level 1	Level 2	Level 3	Total
Tillgångar				
Utlåning till allmänheten	–	–	46,189.3	46,189.3
Skulder				
In-och upplåning från allmänheten	–	164,997.7	–	164,997.7
Emitterade värdepapper	–	57,605.9	–	57,605.9
Efterställda skulder	–	4,246.8	–	4,246.8

31 Dec 24	Level 1	Level 2	Level 3	Total
Assets				
Loans to the public	–	–	63,758.0	63,758.0
Liabilities				
Deposits and borrowing from the public	–	157,572.2	–	157,572.2
Debt securities in issue	–	55,971.4	–	55,971.4
Subordinated liabilities	–	3,120.0	–	3,120.0

Fair values of deposits from the public (Level 2) and loans to the public (Level 3) have been calculated using discounted expected cash flows where the discount rates applied are the current deposit and lending rates (including discounts). No other significant transfers took place in 2025 or 2024.

Fair value for debt securities in issue and subordinated liabilities (Level 2) is determined based on quoted prices. Parts of debt securities in issue that are considered to be illiquid are adjusted based on expected current issue prices. Commercial papers do not have external market prices and the fair value is determined based on the yield curve of each currency.

For further information about how the fair value was determined for financial instruments measured at fair value, and about valuation techniques and inputs, see also the note 2 on Accounting policies

NOTE 41 INFORMATION ABOUT OFFSETTING

The table below contains financial assets and liabilities covered by a legally binding framework netting agreement or a similar agreement but that is not offset in the balance sheet. The Bank Group has ISDA and CSA agreements with all derivative counterparties and corresponding netting agreements for repurchase

agreements, which means that all exposures are covered by both types of agreements. The framework netting agreement entails that parties are to settle their exposures net (meaning that receivables are offset against liabilities) in the event of a serious credit incident.

31 Dec 2025 SEK M	Financial assets and liabilities that are offset or subject to netting agreements			Related amounts not offset in the balance sheet		Net amount
	Gross amount	Offset in balance sheet	Net amount in balance sheet	Netting framework agreement	Collateral Received (-) / Pledged (+)	
Assets						
Derivatives	6,173.2	-2,156.7	4,016.5	-2,390.8	-861.7	764.0
Liabilities						
Derivatives	-6,389.7	2,156.7	-4,232.9	2,390.8	745.6	-1,096.5
Total	-216.4	-	-216.4	-	-116.1	-332.6
31 Dec 2024 SEK M						
Assets						
Derivatives	10,406.2	-2,886.4	7,519.8	-3,488.4	-3,857.6	173.9
Liabilities						
Derivatives	-8,776.0	-2,886.4	-5,889.6	3,488.4	1,037.1	-1,364.1
Total	1,630.2	-	1,630.2	-	-2,820.5	-1,190.2

NOTE 42 CAPITAL-ADEQUACY ANALYSIS

Capital-adequacy analysis – key metrics

SEK M	31 Dec 25	31 Dec 24
Available own funds (amounts)		
Common Equity Tier 1 (CET1) capital	6,485.2	7,077.9
Tier 1 capital	9,335.2	9,627.9
Total capital	13,521.8	12,717.9
Risk-weighted exposure amounts		
Total risk-weighted exposure amount	35,476.4	32,512.5
Total risk exposure pre-floor	35,476.4	N/A
Capital ratios (as a percentage of risk-weighted exposure amount)		
Common Equity Tier 1 ratio (%)	18.3%	21.8%
Common Equity Tier 1 ratio considering unfloored TREA (%)	18.3%	N/A
Tier 1 capital	26.3%	29.6%
Tier 1 ratio considering unfloored TREA (%)	26.3%	N/A
Total capital	38.1%	39.1%
Total capital ratio considering unfloored TREA (%)	38.1%	N/A
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)		
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.9%	2.9%
of which: to be made up of CET1 capital (percentage points)	1.6%	1.6%
of which: to be made up of Tier 1 capital (percentage points)	2.2%	2.2%
Total SREP own funds requirements (%)	10.9%	10.9%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
Capital conservation buffer (%)	2.5%	2.5%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0%	0%
Institution specific countercyclical capital buffer (%)	2%	2%
Systemic risk buffer (%)	0%	0%
Global Systemically Important Institution buffer (%)	0%	0%
Other Systemically Important Institution buffer (%)	0%	0%
Combined buffer requirement (%)	4.5%	4.5%
Overall capital requirements (%)	15.4%	15.4%

SEK M	31 Dec 25	31 Dec 24
CET1 available after meeting the total SREP own funds requirements (%)	12.1%	15.6%
Leverage ratio		
Leverage ratio total exposure measure	137,615.6	138,651.0
Leverage ratio (%)	6.8%	6.9%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)		
Additional own funds requirements to address the risk of excessive leverage (%)	0%	0%
of which: to be made up of CET1 capital (percentage points)	0%	0%
Total SREP leverage ratio requirements (%)	3%	3%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)		
Leverage ratio buffer requirement (%)	0%	0%
Overall leverage ratio requirements (%)	3%	3%
Liquidity Coverage Ratio (12 months average)		
Total high-quality liquid assets (HQLA) (Weighted value – average)	62,598.1	58,224.4
Cash outflows – Total weighted value	56,859.2	54,597.3
Cash inflows – Total weighted value	15,130.3	11,219.7
Total net cash outflows (adjusted value)	47,495.7	43,377.5
Liquidity coverage ratio (%)	153.9%	161.0%
Net Stable Funding Ratio		
Total available stable funding	201,484.8	191,873.2
Total required stable funding	110,788.7	119,237.4
NSFR ratio (%)	181.9%	160.9%

NOTE 42, CONT. CAPITAL-ADEQUACY ANALYSIS

Capital-adequacy analysis – overview of risk weighted exposure amounts

SEK M	Risk weighted exposure amounts		Total own funds requirements	
	31 dec 25	31 dec 24	31 dec 25	31 dec 24
Credit risk (excluding CCR)	26,260.0	28,210.5	2,100.8	2,256.8
Of which: the standardised approach	14,976.8	14,438.4	1,198.1	1,155.1
Of which: the foundation IRB (FIRB) approach	3,283.2	5,651.2	262.7	452.1
Of which: the advanced IRB (AIRB) approach	3,347.1	3,729.0	267.8	298.3
Of which: risk exposure amounts according to Article 458 CRR	4,652.9	4,392.0	372.2	351.4
Counterparty credit risk	485.9	804.1	38.9	64.3
Of which: the standardised approach	470.4	400.2	37.6	32.0
Of which: exposures to a CCP	15.4	13.4	1.2	1.1
Credit valuation adjustment – CVA	684.1	390.5	54.7	31.2
of which: the basic approach (R-BA)	684.1	–	54.7	–
Of which: other CCR	–	–	–	–
Foreign-currency risk	–	–	–	–
Operational risk	8,046.4	3,497.9	643.7	279.8
Output floor applied (%)	50%	N/A	–	N/A
Floor adjustment (before application of transitional cap)	0	N/A	–	N/A
Floor adjustment (after application of transitional cap)	0	N/A	–	N/A
Total	35,476.4	32,512.5	2,838.1	2,601.0

Risk-based capital requirements, Länsförsäkringar Bank AB	31 dec 25		31 dec 24	
	SEK M	% of REA	SEK M	% of REA
Own funds requirements Pillar I	2,838.1	8.0%	2,601.0	8.0%
Pillar II Requirements (P2R)	1,039.5	2.9%	946.1	2.9%
Combined buffer requirement	1,596.4	4.5%	1,463.1	4.5%
Pillar II Guidance (P2G)	0.0	0.0%	0.0	0.0%
Overall adequate level of own funds and P2G	5,474.0	15.4%	5,010.2	15.4%

NOTE 43 DISCLOSURES ON RELATED PARTIES, PRICING AND AGREEMENTS

Related parties

Related legal entities to Länsförsäkringar Bank AB include companies within the Länsförsäkringar AB Group and companies within the Länsförsäkringar Liv Group. In addition, the company makes a broader interpretation of those considered to be "related legal entities" than the definition of related parties stipulated in the regulations. The assessment of whether a close relationship exists or not is based on the financial significance of the relationship and not only the share of ownership in a company. Accordingly, the 23 regional insurance companies, with their subsidiaries, and the 14 local insurance companies are defined as related parties since they jointly own 100% of the Parent Company Länsförsäkringar AB. Other related parties also include Länsförsäkringar Mäklarservice AB, Länsförsäkringar Fastighetsförmedling AB and Humlegården Fastigheter AB since these companies are wholly owned in the Länsförsäkringar Alliance. Related key persons are Board members, senior executives and their close family members.

Agreements

Significant agreements for the Parent Company are primarily assignment agreements with the 23 regional insurance companies and assignment agreements regarding development, service, finance and IT. The Parent Company has agreements with its subsidiaries for Group-wide services.

Commission income from outsourcing agreements with the regional insurance companies refers to support and back office services performed by the Bank Group. Income is recognised on an ongoing basis according to managed volumes and is adjusted to actual volumes every quarter.

Pricing

The price level of the goods and services that Länsförsäkringar Bank AB purchases and sells within the Länsförsäkringar Alliance is determined by Länsförsäkringar AB's corporate management once a year in conjunction with the adoption of the business plan.

Transactions, SEK M	Income		Expenses		Receivables		Liabilities		Commitments	
	31 Dec 25	31 Dec 24	31 Dec 25	31 Dec 24	2025	2024	2025	2024	2025	2024
Companies in the Bank Group	5,001.6	5,707.4	557.9	-2,668.0	119,348.4	115,628.4	7,734.5	8,829.7	59,042.6	51,166.4
Other companies in the Länsförsäkringar AB Group	0.4	1.0	850.6	797.6	-	1.2	3,128.4	2,988.0	-	-
Länsförsäkringar Liv Group	-	-	40.2	60.6	-	-	2,123.6	2,152.9	-	-
Regional insurance companies	274.4	194.7	1,682.7	2,067.2	-	-	4,670.8	4,472.5	1.0	1.0
Övriga Other related parties	0.3	0.2	2.1	3.3	-	109.0	84.1	-	6.4	6.4

For information regarding remuneration of related key persons such as members of the Board of Directors and senior executives, see note 9, Employees, staff costs and remuneration of senior executives. In all other respects, no transactions took place between these individuals and their family members apart from normal customer transactions

NOTE 44 SUPPLEMENTARY INFORMATION TO STATEMENT OF CASH FLOW

	2025	2024
Interest and dividends		
Interest received	6,808.7	9,116.7
Interest paid	-4,692.5	-6,716.3
Adjustment for non-cash items		
Depreciation of property and equipment/amortisation of intangible assets	195.0	177.0
Impairment of property and equipment and intangible assets	68.7	-
Unrealised portion of net gains/losses from financial items	-1,046.0	-1,012.1
Credit losses, excluding recoveries	-7.8	6.8
Other	1.0	-1.4
Total non-cash items	-789.0	-829.7
Cash and cash equivalents		
Cash and balances with central banks	9,929.5	35.2
Loans to credit institutions	304.5	260.7
Total cash and cash equivalents	10,234.0	295.9

NOTE 45 EVENTS AFTER BALANCE-SHEET DATE

No significant events took place after the balance-sheet date.

Statement from the Board

The Board and President affirm that this Annual Report was prepared in accordance with generally accepted accounting policies in Sweden and that the consolidated financial statements were prepared in accordance with the international accounting standards referred to in Regulation (EC)

No 1606/2002 of the European Parliament and the Council issued on 19 July 2002 on the application of international accounting standards. The Annual Report and consolidated financial statements provide a true and fair view of the Parent Company's and the Group's financial position and

earnings. The Board of Directors' Report provides a true and fair overview of the Group's and the Parent Company's operations, financial position and earnings, and describes the significant risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

The Annual Report and consolidated financial statements were approved for publication by the Board of Directors on 25 March 2026. The Group's statement of income, statement of comprehensive income and statement of financial position, as well as the Parent Company's income statement and balance sheet are subject to approval by the Annual General Meeting to be held on 25 May 2026

Stockholm on 25 March 2026

Björn Dalemo
Chairman

Maria Engholm
Board member

Agnes Fabricius
Board member

Emil Källström
Board member

Niklas Larsson
Board member

Lars Rådström
Board member

Örjan Söderberg
Board member

Anna-Lena Wretman
Board member

Lisa-Maria Carensjö
Employee representative

Joar Lind
Employee representative

Martin Rydin
Acting President

Our audit report was submitted on 25 March 2026

Deloitte AB

Patrick Honeth
Authorised public accountant

Auditor's report

To the general meeting of the shareholders of Länsförsäkringar Bank AB (publ) corporate identity number 516401-9878

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Länsförsäkringar Bank AB (publ) for the financial year 2025-01-01 – 2025-12-31 except for the corporate sustainability report on page 29-89 and corporate governance statement on page 92-100. The annual accounts and consolidated accounts of the company are included on pages 22-167 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present

fairly, in all material respects, the financial position of the parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. Our opinions do not cover the sustainability report and the corporate governance statement on pages 29-89 and 92-100. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise ful-

filled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Provisions for expected credit losses

Accounting and valuation of loan receivables according to IFRS 9 is an area that largely affects Länsförsäkringar Banks financial reporting. IFRS 9 requires significant assessments to determine the size of the provisions for expected credit losses.

Key areas of judgment include:

- The interpretation of the requirements for determining the size of the provision for expected losses, which are reflected in the bank's model for calculating expected credit losses.
- Identification of exposures with a significant deterioration in credit quality.
- Assumptions that are applied in the model for calculating expected credit losses, such as the counterparty's financial position, expected future cash flows and forward-looking macroeconomic factors.

As of December 31, 2025, lending to the public for the Group (Parent Company) amounted to SEK 429 041 (46 152)) million, with provisions for expected loan losses of SEK 483 (17) million, after taking into account the off-set against accrued remuneration to the regional insurance companies according to the distribution model.

Given the significant share of the total assets, the impact that the inherent uncertainty and subjectivity involved in the assessment of the need for provisions, and since the disclosure requirements are significant, we consider this to be a key audit matter for our audit.

The description of accounting principles for provisions for expected credit losses are included in note 2. Other related information on credit risk are included in note 3 and detailed information in note 11 and 17 in the annual report. For the parent company, the corresponding notes are 2, 14 and 19.

Our audit procedures

Our audit procedures included, but were not limited to:

- We have evaluated that relevant controls within the lending process have been appropriately designed, including controls for credit decision, credit review and identification and determination of the loans to be provisioned for. We have also evaluated general IT-controls.
- We have evaluated the modelling techniques and model methods against the requirements of IFRS 9. We have examined the appropriateness of the models developed for the calculation of the reserve for expected credit losses. We have involved our specialists in credit risk modeling in assessing whether credit risk modeling decisions are consistent with the requirements of IFRS 9. We have evaluated material assumptions and calculation methods and ensured the completeness of input data to the models.
- We examined a selection of credit commitments in detail and designed measures to evaluate whether credit commitments with a significant deterioration in credit quality are identified in time, and for significant commitments within stage 3 evaluated management assessment of the recoverable amount.
- We assessed the completeness and reliability of the disclosures relating to provisions for expected credit losses to assess compliance with disclosure requirements included in IFRS.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–21, 29–89, 92-100 and 172-175. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: <https://www.revisorsinspektionen.se/revisornsansvar>. This description forms part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Länsförsäkringar Bank AB (publ) for the financial year 2025-01-01 – 2025-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

The Auditor's Examination of the Corporate Governance Statement

The Board of Directors is responsible for that the corporate governance statement on pages 92-100 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard Rev 16 The

auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared.

Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual

accounts and consolidated accounts and are in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

Deloitte AB, was appointed auditor of Länsförsäkringar Bank AB by the general meeting of the shareholders on the 2022-05-02 and has been the company's auditor since 2022-05-02.

Stockholm on 25 March 2026

Deloitte AB

Patrick Honeth

Authorised public accountant

Other information

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Definitions

Equity per share, SEK

Equity, excluding Additional Tier 1 Capital loans, per share.

Direct yield

Direct yield refers to the total of interest income, interest expense, dividends on shares and participations and administration costs for asset management, in relation to the average value of the insurance operations' investment assets and cash and cash equivalents for the period.

Expense ratio, non-life insurance

Operating expenses in the insurance operations as a percentage of premiums earned after ceded reinsurance.

Management cost ratio, life assurance

Total operating expenses and claims adjustment costs as a percentage of average managed assets.

Own funds, bank

Own funds comprises the sum of Tier 1 capital and Tier 2 capital, less items indicated in the capital adequacy rules. Own funds in relation to capital requirements.

Own funds for the insurance group (FRL)

The group under the insurance-operation rules comprises the Parent Company Länsförsäkringar AB, all of the insurance companies in the Group, Länsförsäkringar Bank AB, Länsförsäkringar Finans AB, Länsförsäkringar Hypotek AB and Länsförsäkringar Fondförvaltning AB and SAVR AB. Länsförsäkringar Liv Försäkrings AB is also included in the group, despite the company not being consolidated in the Länsförsäkringar AB Group. As stated in the EU Solvency II Directive, the calculations are made in accordance with the consolidation method, with Länsförsäkringar Liv included in accordance with the deduction and aggregation method as permitted by the Swedish Financial Supervisory Authority.

Own funds for the financial conglomerate

The financial conglomerate comprises the same companies as the group according to the insurance-operation rules, see Own funds for the insurance group (FRL). The

calculations for the financial conglomerate are made using the same methods as for the group in accordance with the insurance-operation rules. Unlike the group under the insurance-operation rules, the transferability of surpluses for the financial conglomerate is to also be tested in other regulated companies than the group's insurance companies.

Capital adequacy ratio, bank

Closing own funds as a percentage of the closing risk-weighted amount.

Cost/income ratio before credit losses

Total expenses before credit losses in relation to total income.

Collective consolidation, life assurance

The ratio between the market value of total net assets and the company's total commitments to policyholders (guaranteed commitments and preliminarily distributed bonus) for the insurance policies that carry bonus rights.

Solvency margin, non-life insurance

Solvency capital as a percentage of premium income after ceded reinsurance.

Solvency capital

The sum of equity, untaxed reserves, deferred tax liabilities, subordinated debt as well as surplus values on assets.

Credit losses net, bank

Confirmed credit losses and reserves for credit losses ("loss allowance") less recoveries of receivables and net expense for the year for credit losses for guarantees and other contingent liabilities.

Credit losses in relation to loans, bank

Credit losses, gross, for loan receivables (on an annual basis) in relation to loans to the public and credit institutions before provisions at the end of the period.

Common Equity Tier 1 capital, bank

Total Tier 1 capital excluding Additional Tier 1 capital.

Common Equity Tier 1 capital ratio, bank

Common Equity Tier 1 capital in relation to the total risk exposure amount.

Liquidity Coverage Ratio

Qualitative liquid assets (12-month average) in relation to their net cash outflow measured over a period of 30 days.

Cost ratio, non-life insurance

The sum of operating expenses in the insurance operations and claims adjustment costs in relation to premiums earned after ceded reinsurance.

Investment margin, bank

Net interest income in relation to average total assets.

Investment assets

Investment assets comprise properties, shares and participations in associated companies, shares and participations, bonds and other interest-bearing securities, derivatives (assets and liabilities), cash and bank balances, and interest-bearing liabilities.

Tier 1 capital, bank

Tier 1 capital is part of own funds and comprises equity and Additional Tier 1 capital. Deductions are made for such items as deferred tax assets, goodwill and other intangible assets, investments in financial companies and the difference between expected losses and reserves established for probable credit losses.

Tier 1 ratio, bank

Tier 1 capital in relation to the total risk exposure amount.

Earnings per share

Profit/loss for the year attributable to Parent Company shareholders in relation to the average number of shares during the year.

Risk Exposure Amount, bank

The Risk Exposure Amount comprises assets in the balance sheet and off-balance sheet commitments valued in

accordance with credit risk, market risk, operational risk and credit valuation adjustment risk in accordance with the capital adequacy rules.

Return on equity, %

Operating profit less standard tax in relation to average equity, adjusted for items in equity recognised in other comprehensive income and for Additional Tier 1 Capital loans.

Net interest income, bank

Interest income from loans to the public, credit institutions and income from interest-bearing securities less expenses for deposits and funding from the public, credit institutions and expenses for interest-bearing securities.

Claims ratio

The ratio between claims payments, including claims adjustment costs and premiums earned after ceded reinsurance.

Net Stable Funding Ratio

Available stable funding in relation to the assets that require stable funding over one year.

Tier 2 capital, bank

Primarily comprises fixed-term subordinated debt.

Total return ratio

The total of direct yields and realised and unrealised changes in the value of the investment portfolio in relation to the average fair value of the investment assets during the period. Refers to non-life insurance and life assurance.

Total capital ratio, Bank Group

Closing own funds as a percentage of the closing risk-weighted amount.

Combined ratio, non-life insurance

The sum of operating expenses, claims payments and claims adjustment costs in relation to premiums earned after ceded reinsurance.

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2026 GENERAL MEETING

General Meeting 25 May 2026.

FINANCIAL CALENDAR 2026

First quarter

Interim report January–March 2026 **24 April 2026**

Second quarter

Interim report January–June 2026 **22 July 2026**

Third quarter

Interim report January–September 2026 **23 October 2026**

Fourth quarter

Year-end report January–December 2026. **11 February 2027**

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Photo: Länsförsäkringar's media bank.





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