AROS KAPITAL

GROUP

PILLAR 3 DISCLOSURES

2025-12-31

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Introduction

This report is part of the capital adequacy framework, which is based on three Pillars:

- Pillar 1 includes rules for calculating the minimum capital requirements that a regulated bank must have to cover credit risks, market risks and operational risks.
- Pillar 2 is bank-specific capital requirements. This is documented in the Internal Capital and Liquidity Adequacy Assessment Process (ICLAAP) where the bank shall take into account all risks to which it is exposed and make an assessment of its total capital and liquidity needs.
- Pillar 3 includes requirements for the disclosure of information about risks, risk management and capital adequacy.

The objective of this report, together with information in Aros Annual report, is to fulfil the qualitative and quantitative disclosures requirements set out in Part 8 of the CRR. Aros was a small and non-complex institute (SNCI) until May 2025 and for the purpose and scope of this report Aros is classified as “Other institutions”. The report is based on the consolidated situation as of 31 December 2025 and amounts are shown in thousands, unless otherwise stated.

Pillar 3 disclosures are prepared in accordance with the requirements outlined in the Capital Requirements Regulation (Regulation (EU) 575/2013; “CRR”), the EBA’s implementing technical standards (ITS) about disclosures (Commission Implementing Regulation (EU) 2024/3172) and the Swedish FSA’s regulations on prudential requirements and capital buffers (FFFS 2014:12, FFFS 2014:966). The report has been prepared in accordance with Aros internal guidelines for regulatory reporting and disclosure of information. Pillar 3 disclosures for 2025 was approved June the 30^{th}, 2026 by the CEO.

Aros

Aros Kapital AB (AKAB) has a license to operate as a credit market company in Sweden since 2014 and is subject to regulatory supervision by the Swedish Financial Supervisory Authority (SFSA). In addition to the Nordic business, Aros is also present in Great Britain (including Ireland) through Aros Kapital Limited (AKL). The group consist of three legal entities (Aros or Group) where the parent company AKAB is the regulated entity with headquarters in Gothenburg Sweden. AKAB is the majority owner (of 90%) of the subsidiary Aros Kapital Europe Holding AB (AKEH), and AKEH is the owner of the English subsidiary AKL. Mellby Gård AB and CusCus AB are the majority owners of AKAB with 98,5 % of the shares.

The business is focused on small- and medium sized companies with the ambition to provide a well-tailored offering of financial products and services. The corporate lending offer is complemented by savings accounts which are offered to both retail and corporate customers.

Disclosure of key metrics and overview of risk-weighted exposure amounts

EU KM1 Key metrics template

		2025-12-31	2025-09-30	2025-06-30	2025-03-31	2024-12-31
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	1 037 912	1 015 619	804 460	844 030	869 648
2	Tier 1 capital	1 187 912	1 165 619	954 460	994 030	1 019 648
3	Total capital	1 268 988	1 251 985	1 046 117	1 090 919	1 118 580
	Risk-weighted exposure amounts					
4	Total risk exposure amount	6 213 775	6 655 100	7 380 299	7 823 930	7 229 429
4a	Total risk exposure pre-floor					
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	16,70%	15,26%	10,90%	10,79%	12,03%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	16,70%	15,26%	10,90%	10,79%	12,03%
6	Tier 1 ratio (%)	19,12%	17,51%	12,93%	12,70%	14,10%
6b	Tier 1 ratio considering unfloored TREA (%)	19,12%	17,51%	12,93%	12,70%	14,10%
7	Total capital ratio (%)	20,42%	18,81%	14,17%	13,94%	15,47%
7b	Total capital ratio considering unfloored TREA (%)	20,42%	18,81%	14,17%	13,94%	15,47%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1,00%	1,00%	1,00%	1,00%	1,00%
EU 7e	of which: to be made up of CET1 capital (percentage points)	0,56%	0,56%	0,56%	0,56%	0,56%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	0,75%	0,75%	0,75%	0,75%	0,75%
EU 7g	Total SREP own funds requirements (%)	9,00%	9,00%	9,00%	9,00%	9,00%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2,50%	2,50%	2,50%	2,50%	2,50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	1,94%	1,91%	1,87%	1,90%	1,92%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-	-	-
11	Combined buffer requirement (%)	4,44%	4,41%	4,37%	4,40%	4,42%
EU 11a	Overall capital requirements (%)	13,44%	13,41%	13,37%	13,40%	13,42%
12	CET1 available after meeting the total SREP own funds requirements (%)	11,64%	10,20%	5,84%	5,73%	6,97%

	Leverage ratio					
13	Total exposure measure	7 448 692	7 775 874	8 007 782	9 506 790	10 238 192
14	Leverage ratio (%)	15,95%	14,99%	11,92%	10,46%	9,96%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3,00%	3,00%	3,00%	3,00%	3,00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirement (%)	3,00%	3,00%	3,00%	3,00%	3,00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	351 166	529 691	562 577	905 225	918 835
EU 16a	Cash outflows - Total weighted value	1 125 733	540 673	614 683	870 944	893 836
EU 16b	Cash inflows - Total weighted value	1 695 778	1 751 230	1 555 228	2 519 265	2 492 884
16	Total net cash outflows (adjusted value)	281 433	135 168	153 671	217 736	223 459
17	Liquidity coverage ratio (%)	124,78%	391,88%	366,09%	415,74%	411,19%
	Net Stable Funding Ratio					
18	Total available stable funding	5 478 642	6 161 950	6 184 562	7 053 127	7 387 314
19	Total required stable funding	4 477 556	4 673 936	4 726 678	4 976 323	6 212 468
20	NSFR ratio (%)	122,36%	131,84%	130,84%	141,73%	118,91%

EU OV1 Overview of risk weighted exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
		2025-12-31	2024-12-31	2025-12-31
1	Credit risk (excluding CCR)	4 548 706	5 970 531	363 896
2	Of which the standardised approach	4 548 706	5 970 531	363 896
3	Of which the Foundation IRB (F-IRB) approach			
4	Of which slotting approach			
EU 4a	Of which equities under the simple risk weighted approach			
5	Of which the Advanced IRB (A-IRB) approach			
6	Counterparty credit risk - CCR	7 795	9 071	624
7	Of which the standardised approach			
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP			
9	Of which other CCR	7 795	9 071	624
10	Credit valuation adjustments risk - CVA risk	7 795	9 019	624
EU 10a	Of which the standardised approach (SA)			
EU 10b	Of which the basic approach (F-BA and R-BA)			
EU 10c	Of which the simplified approach	7 795		624
15	Settlement risk			
16	Securitisation exposures in the non-trading book (after the cap)	973 743	532 371	77 899
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)			
19	Of which SEC-SA approach	973 743	532 371	77 899
EU 19a	Of which 1250% / deduction			
20	Position, foreign exchange and commodities risks (Market risk)			
21	Of which the Alternative standardised approach (A-SA)			
EU 21a	Of which the Simplified standardised approach (S-SA)			
22	Of which Alternative Internal Model Approach (A-IMA)			
EU 22a	Large exposures			
23	Reclassifications between the trading and non-trading books			
24	Operational risk	675 736	708 436	54 059
EU 24a	Exposures to crypto-assets			
25	Amounts below the thresholds for deduction (subject to 250% risk weight)			
26	Output floor applied (%)			
27	Floor adjustment (before application of transitional cap)			
28	Floor adjustment (after application of transitional cap)			
29	**Total**	**6 213 775**	**7 229 429**	**497 102**

Disclosure of risk management objectives and policies

OVA Institution risk management approach

Disclosure of concise risk statement approved by the management body
The Board governs risk-taking through risk appetites, clarifying which risks are acceptable, which should be limited, and which should be avoided. The Board's Risk Appetites further define the level and direction of risk that Aros is willing to be exposed to in order to achieve its business plan. All established Risk Appetites are reviewed and revised as needed, but at least annually by the Board. The Risk Appetites consist of both a qualitative and, where possible, a quantitative component.

Risk appetite for liquidity risk
The established risk appetite for liquidity risk is that Aros must always be able to meet its payment obligations without the cost of obtaining liquidity increasing significantly, even under stressed conditions.

Risk appetite for credit risk
Aros's credit risk-taking shall remain within the limits of its allocated risk limit, and the relationship between the risk profile and the risk capacity is continuously monitored. Based on Aros's business plan and risk strategy, as well as the risk limits defined within the risk appetite framework, Aros aims to maintain the overall credit quality of the credit portfolio, while at the same time accepting that a portion of the lending will carry higher risk. Aros diversifies its lending across sectors, geographies, credit portfolios, and counterparties to reduce credit concentration risk.

Risk appetite for market risk
Aros's appetite for currency risk and credit spread risk is low, while the appetite for interest rate risk is moderate. Market risk shall be limited to reduce the risk of earnings impact, which means that the business shall not engage in speculation on financial markets to potentially increase returns and shall match interest rate fixation periods between interest-bearing assets and liabilities to the largest extent reasonably possible.

Risk appetite for operational risk
The types of risks within operational risk differ in nature. Aros acknowledges that these various operational risks may have an impact on its operating income but aims to limit their effects to the extent that it is economically justifiable.

- Aros has a moderate risk appetite for operational risk in key processes and shall work to prevent operational risks in these areas to the extent that it is economically justifiable.
- Aros has a moderate risk appetite for human error and shall strive to prevent incidents related to human errors to the extent that it is economically justifiable.
- Aros has a low risk appetite for external fraud and shall work to deter and prevent external fraud to the extent that it is economically justifiable.
- Aros has a moderate risk appetite for risks related to unplanned disruptions in critical IT systems and incorrect system changes.
- Aros has a low risk appetite for risks related to money laundering and terrorist financing. The first line of defense shall be structured to ensure high availability and capacity to meet the business's needs regarding money laundering risk exposure. There must be

sufficient personnel and expertise to manage the money laundering risks the business is exposed to.

Information on the risk governance structure for each type of risk
Risk is a naturally occurring element within the business. Without risk, it would not be possible to operate a profitable business, meaning that Aros must always accept a certain level of risk. Risk represents a potential negative impact on Aros.

Aros maintains an integrated and sound overall risk culture. This risk culture is based on an understanding of the risks to which the business is or may become exposed to and how identified risks should be managed. The foundation of Aros's risk management is the Board's risk governance, including risk appetites, risk strategies, and risk limits, as well as other internal regulations governing operations. Aros's risk culture is built on leading by example, where management sets the tone, fostering an open and constructive dialogue among employees and leadership regarding the risks the business faces.

The business operations have a responsibility to identify risks and ensure that material risks are associated with a defined risk appetite. Once the Board has determined the extent of acceptable risk-taking within the business, it is the responsibility of the CEO, management, and other parts of the first line of defense to act in accordance with the Board's directives. The second and third lines of defense are responsible for continuously monitoring the business's risk-taking and risk management.

The Board of Directors
The highest decision-making body of Aros is the Board of Directors. The Board establishes Aros's risk appetites, limits, and risk strategies for the risks to which Aros is exposed. The Board also has the overall responsibility to oversee that the management team fulfills its obligations as set out in the Risk Management Policy. Furthermore, the Board is responsible for setting the strategic direction for Aros. While the Board holds a significant supervisory role, the day-to-day compliance activities are carried out by the operations in the first line of defense under the oversight of second line of defense. The Board holds the ultimate responsibility for the business.

CEO and Operations
The CEO makes business decisions, within the frameworks established by the Board, that entail risk-taking for Aros. The CEO is responsible for managing and monitoring the risks associated with these decisions and ensuring that the business is conducted in accordance with the guidelines and instructions issued by the Board. The CEO has the operational responsibility for implementing the guidelines and strategies set by the Board, including risk appetites, risk limits, and risk strategies. Furthermore, the CEO is responsible for designing and implementing risk management processes and controls, as well as ensuring that these are regularly reviewed and updated. The CEO is also responsible for ensuring that there is an efficient organization with sufficient resources, delegating responsibilities, and managing and independently controlling the risks of the business.

Three lines of defense
In order to ensure that risk-taking and risk management are carried out in accordance with Aros's framework for internal control and risk management, operations are divided according to the external requirements of three lines of defense.

The first line of defense is the operational activities of Aros. The first line of defense is responsible for implementing the internal regulations and regularly managing and reporting risks within its area of operation. It is also this line of defense who owns and deals with the risks on a daily basis, when conducting business.

The second line of defense consists of the Risk Control Function, the Compliance Function, “Centralt funktionsansvarig” (CFA) and Data Protection Officer (DPO), which is centralized within Aros. They oversee and guide first line of defense.

The third line of defense is the internal audit function that independently provides assurance to the Board on the effectiveness of risk management and governance. The third line of defense also provides recommendations for improvement.

Risk Control Function and Compliance Function
The Risk Control Function and the Compliance Function are regulated in separate policies adopted by the Board. Each respective person in charge of the Risk control function and the Compliance function is appointed by the Board and report directly to the CEO and the Board on a regular basis. The roles of the Risk Control Function and the Compliance Function in the business are to control and provide support and advice to the first line of defense. The second-line control functions carry out ongoing checks of Aros's operations to assess the status of internal control and risk management within the organization.

Third line of defense
Aros has an internal audit function and a responsible internal auditor which is regulated in a separate policy adopted by the Board. The responsible internal auditor reports to the Board and is appointed by the Board. The internal audit function complies with applicable internal rules and the specific instructions given by the Board.

Committees
To support the Board in risk management related matters and to address specific aspects of governance, the Board has established three Board Committees: The Risk and Audit Committee, the Kreditutskott and the Renumeration Committee. In addition to the Board Committee, there are also Credit Committees and Reservation Committees on a Management level.

Code of Conduct and Whistleblowing
Aros has established a Code of Conduct that dictates the ethical values and minimum acceptable conduct for all employees. The primary purpose of the code is to ensure the Aros conducts its business in a sound manner to maintain the confidence of its employees, owners, customers, partners, the public, and the financial market.

Aros maintains an internal process allowing employees to report suspicions or observations of non-compliance with internal rules or external regulations without fear of reprisals. Aros’s whistleblowing channel should be used to report any legal violations related to our permitted activities as a financial institution, or any serious misconduct that is in the public interest to disclose.

Declaration approved by the management body on the adequacy of the risk management arrangements
Aros has established a robust and comprehensive risk management framework designed to ensure that risk exposures remain within the approved risk strategy and risk appetite while supporting the achievement of Aros’s strategic objectives.

Disclosure on the scope and nature of risk disclosure and/or measurement systems.
Aros has established an integrated risk management framework covering all material risk types. Risks are identified, measured and managed through a combination of quantitative methodologies and qualitative assessments.

The Board evaluates the risk appetite framework and the risk strategy on a regular basis, and it is updated at least annually. The risk appetite framework and the risk strategy are mainly expressed through *Risk Appetite Policy* and *Risk Management Policy*.

The Risk Control Function and the Compliance function monitors that the risk management framework is effective and that risks are within the risk appetite and the risk strategy. Potential breaches are reported and escalated internally according to predefined processes. Additionally, risk exposures are subject to ongoing monitoring and are reported regularly to the CEO and the Board.

Disclose information on the main features of risk disclosure and measurement systems.
The Risk Control Function risk reporting and the frequency of it is regulated in a separate policy adopted by the Board. The Chief Risk Officer conducts (at least) quarterly reporting to the CEO and the Board. The report includes:

- Significant risk exposures and changes therein
- Follow-up on relevant key metrics and limits established by the Board
- Follow-up on previously reported deficiencies and risks, as well as an account of newly identified significant deficiencies and risks.
- Observations and recommendations for actions
- Results of any conducted reviews/controls
- Significant incidents
- Operational risk KRIs

Additionally, any potential breaches of risk appetite, risk limits or KRIs are reported continuously in accordance with Aros's *Risk Management Policy* and *Risk Appetite Policy.*

The Compliance function's risk reporting and the frequency of it is regulated in a separate policy adopted by the Board. Head of Compliance submits a quarterly Compliance report to the Board that includes information on the implementation and effectiveness of the overall control environment for the authorized activities and on the risks identified. An annual Compliance report that summarizes the previous year is also submitted to the Board. Head of Compliance also submits reports regularly, at least annually, to the CEO. Additionally, if issues of principle or major importance arise, serious incidents occur or serious compliance deficiencies are detected, the Head of Compliance reports this to the CEO and the Board as soon as possible.

Strategies and processes to manage risks for each separate category of risk.
Aros's risk strategy has been established and adapted in accordance with the business plan as well as applicable regulations and directives. A fundamental principle of Aros's risk strategy is that the business plan is based on and evaluated within the framework of established objectives, risk appetites, and limits. This also applies to Aros's process for continuously assessing and documenting liquidity and capital requirements. Aros's operations are conducted in such a way that the risk profile at any given time is aligned with Aros's risk capacity and remains within the established risk appetites.

Credit risk
Credit risk is by far the largest risk for Aros, and the ability to manage credit risk exposure through control and monitoring of risk appetites and limits is the foundation for achieving return and capital targets and for developing Aros in line with the business plan.

- Risk exposure in large exposures is, when necessary, mitigated through risk-reducing measures to reduce the loss given default.
- Aros rely on guarantees issued by entities listed in Article 214 (2) CRR.
- Aros's credit portfolio is diversified among sectors.
- Lending is restricted to pre-defined specific markets.
- Aros strives to ensure that credit risk is subject to risk-adjusted pricing, with the objective of maintaining a sufficient margin for assumed risks to support the achievement of Aros's financial targets.
- Aros strives for credit growth in line with business planning within the decided geographic markets and across its products, ensuring that growth remains proportionate to the total credit portfolio.

Liquidity risk
Aros is primarily financed through deposits from the public.

- The structure of deposits is designated to minimize the risk of a "bank run", ensuring that the vast majority of the deposits are covered by the government deposit guarantee and that fixed-term accounts carry significant withdrawal fees to reduce risk of early withdrawals.
- To mitigate liquidity risk, FX risk, and interest rate risk, Aros aims to match deposits with lending as closely as possible in terms of maturity, currency, and interest rate terms.
- Aros strives to maintain deposit base from at least two markets and two currencies, with diversified counterparties, volumes and maturities.

Market risk
The objective of Aros's market risk strategy is to minimize potential negative impacts on financial results due to fluctuations in interest rates, exchange rates, and credit spreads. The strategy includes methods to control and mitigate these risks by:

- Striving to match interest rate maturities between assets and liabilities to reduce interest rate risk.
- Hedging currency exposures to reduce FX risk.
- Maintaining high credit quality (rating) in the bond portfolio to reduce credit spread risk.

Operational risk
Operational risk management is a critical component of the Aros's overall risk strategy, ensuring resilience and stability in business operations. Operational risk management is an ongoing process requiring regular review and refinement.

- Periodic risk assessments are conducted to ensure that controls remain effective and aligned with evolving risk landscapes.
- Lessons learned from incidents, near misses, and industry practices are incorporated into process enhancements.
- Training and awareness programs are established to reinforce a strong risk culture across the organization.

OVB Disclosure on governance arrangements

Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise.

When electing a Board Member, it is always sought that the Board of Directors as a whole, has the necessary knowledge of and experience of the social, business and cultural conditions prevailing in the market areas where the Aros Group main operations are conducted.

The Nomination Committee, with the support of the Chairman of the Board of Directors (the "Chairman"), shall be responsible for recruiting persons who may be willing to take on assignments as Board Member and who have the opportunity to perform the work that is expected. In order to be able to conduct appropriate recruitment work, the Nomination Committee shall, in addition to complying with the Instructions for the Nomination Committee in force at any given time, among other things, adhere to the *Policy for suitability assessment and diversity among the Board of Directors and the CEO*.

The suitability of a Board Member is assessed in light of the overall value of the competence and qualities that the individual brings, and that are important to the assignment. The suitability assessment shall be based on various criteria, including at a minimum education, competence, experience, sufficient time commitment, and diversity. The assessment shall take into account the nature, scope, and complexity of the assignment. After a new Board Member has been appointed, but before he or she can take up his or her role, Aros shall submit an application/notification of suitability assessment to the SFSA for approval. All elections are thus conditional upon the individual being approved by the SFSA. The same applies to the Chairman, deputy Board Members, the CEO and, if appointed, deputy CEO.

People classified as special senior executives are subject to the same procedures for suitability assessment.

The number of directorships held by members of the management body

Members of the management body	Number of directorships
Gustav Andersson	4
Anna Blom	15
Charlotte Clase	2
Jonas Höglund	58
Pål Ryfors	6
Johan Sandberg	24
Cecilia Ståhle	1

Information on the diversity policy with regard of the members of the management body.

The Board of Directors shall, with regard to the Aros Group's operations, current conditions and stage of development as well as strategy and future goals, have an appropriate composition of diversity, versatility and relevant knowledge. To achieve this, Aros shall continuously strive for diversity in terms of gender, age, education and professional background.

The Nomination Committee aims to achieve the best possible diversity based on the conditions that exist with regard to the Aros Group, its size, the operations conducted and the availability of potential Board Members. This is regulated in the policy for Suitability Assessment and diversity among the Board of Directors and the CEO.

Risk Committee and frequency of meetings
Aros Kapital has a Risk and Audit Committee on a Board level that meets quarterly.

Description on the information flow on risk to the management body
The regular reports submitted by the Risk Control Function and the Compliance Function are described in EU OVA.

Both the Board and the CEO are updated regularly, according to by the Board decided frequency, regarding risk exposures and potential breaches according to Aros's Risk Appetite framework. Additionally extraordinary or severe events are reported as soon as possible.

EU OVC ICLAAP

The Internal Capital and Liquidity Adequacy Assessment Process, ICLAAP, aims to determine if the institution has adequate capital (own funds), both the regulated entity AKAB and the consolidated group respectively, and liquidity for its specific regulatory requirements (Pillar 2). It shall identify and consider all material risks and make sure they are effectively managed. The ICLAAP is a forward-looking continuous process that evaluates current and future capital and liquidity needs in relation to Aros's risk profile, plans and changes in its business environment. There is no explicit request from the relevant competent authorities to disclose the result of Aros's internal capital adequacy assessment process (ICLAAP) in the Pillar 3 report, hence this part is omitted.

Disclosure of own funds

Capital management and own funds

The section provides information on Aros group’s own funds and the regulatory requirements according to the CRR and the Swedish FSA’s regulations and guidelines.

Capital planning
The capital planning is central and integrated part of Aros’ business plan and its continuous budget process. The purpose is to align the capital plan with Aros’ business plan and its financial objectives. On an annual basis, at least, Aros performs its internal capital- and liquidity assessment process (“ICLAAP”) where the capital plan is properly evaluated to make sure Aros can sustain the perceived risks. The ICLAAP is the Board’s instrument to control and affirm Aros is adequately capitalised, and holding appropriate amount of liquid assets, to support the prevailing properties as well as planned for the three-year trajectory. The Board adopts the ICLAAP at least annually.

Own funds
Aros total own funds amounted to SEK 1 269m (SEK 1 119m) as of December 31st, 2025. Broken down, the CET1 capital was SEK 1 038m (SEK 870m), the Additional Tier 1 capital was SEK 150m (SEK 150m) and the Subordinated Tier 2 debt was SEK 81m (SEK 99m).

Deductions are made from CET1 capital with respect to components that may not be included in the own funds. Such deductions may arise from e.g. intangible assets, deferred tax assets and/or value adjustments.

Regulatory requirement

Pillar I

Subject to using the Standardised approach for credit-, market- and operational risks, the Pillar I capital requirement is 8% of the respective Risk Exposure Amount, effectively equivalent to the Total Risk Exposure Amount. Such Pillar I capital requirement must be covered by at least 4,5% of Common Equity Tier 1 capital (CET1).

Since 2025 and the CRR3, the methodology of assessing ang quantifying the operational risks is done through *the Business Indicator* approach. The approach corresponds to a proxy for the operational risk exposure and shall reflect the size and complexity of Aros’ business activities.

Pillar II

The Pillar II requirement is based on the qualitative- and quantitative assessments of the risks considered as material but not fully covered by the Pillar I capital requirement. To determine any Pillar II capital requirement, Aros performs assessments through both internal methodologies and such defined by the competent authorities. Aros’ Pillar II risks encompass interest rate risk, basis risk and credit spread risk in the banking book. It also includes credit related concentration risk.

In 2024, the SFSA performed its *Supervisory Review and Evaluation Process* (SREP) of Aros. In the SREP, the SFSA determined a Pillar II requirement of 1,00 and 1,22% respectively for Aros group and the parent company. The Pillar II requirement must be covered by at least 56,25% of CET1 and 75,00% of Tier 1 capital.

Capital buffers, Pillar II guidance and Leverage ratio

The combined buffer requirements for Aros consist of the capital conservation buffer and the countercyclical capital buffer. The combined requirement for Aros is 4,44% and may only be covered by CET1 capital.

The SFSA also decided on a *Pillar 2 guidance* (P2G) of 2,00% for Aros through the SREP. Aros initially appealed the decision, but the case closed in June 2026 as the appeal was rejected. Through the SREP, Aros also received a P2G add-on concerning *the Leverage ratio*. The SFSA determined an extra 1,50% for the Leverage ratio.

EU CC1 Composition of regulatory own funds

		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	978 501	(e) + (f)
	of which: Fully paid up capital instruments	40 074	(e)
	of which: Share premium	938 425	(f)
	of which: Instrument type 3		
2	Retained earnings	121 429	(i)
3	Accumulated other comprehensive income (and other reserves)	8 231	(g)
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**1 108 161**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	- 351 166	(a) x 0,1%
8	Intangible assets (net of related tax liability) (negative amount)	- 6 133	(b)
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	- 1 850 862	(c)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	

15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitisation positions (negative amount)	-	
EU-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	- 60 663	(j)
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	- 7 377	Insufficient coverage for non-performing exposures
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**		
29	**Common Equity Tier 1 (CET1) capital**	**1 037 912**	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	150 000	(h)
31	of which: classified as equity under applicable accounting standards	150 000	(h)

32	of which: classified as liabilities under applicable accounting standards	-	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1		
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1		
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**150 000**	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**		
44	**Additional Tier 1 (AT1) capital**	**150 000**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**1 187 912**	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	81 076	(d)
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2		
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	**Tier 2 (T2) capital before regulatory adjustments**	**81 076**	

	Tier 2 (T2) capital: regulatory adjustments		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
54a	Not applicable		
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
EU-56b	Other regulatory adjustments to T2 capital	-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	-	
58	**Tier 2 (T2) capital**	**81 076**	
59	**Total capital (TC = T1 + T2)**	**1 268 988**	
60	**Total Risk exposure amount**	**6 213 775**	
	Capital ratios and requirements including buffers		
61	Common Equity Tier 1 capital	16,70%	
62	Tier 1 capital	19,12%	
63	Total capital	20,42%	
64	Institution CET1 overall capital requirements	9,51%	
65	of which: capital conservation buffer requirement	2,50%	
66	of which: countercyclical capital buffer requirement	1,94%	
67	of which: systemic risk buffer requirement	-	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	-	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	5,06%	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	12,20%	
	National minima (if different from Basel III)		
69	Not applicable		
70	Not applicable		
71	Not applicable		
	Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	

73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

EU CC2 Reconciliation of regulatory own funds to balance sheet in the audited financial statements

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		2025-12-31	2025-12-31	
	Assets - *Breakdown by asset classes according to the balance sheet in the published financial statements*			
1	Cash, cash balances at central banks and other demand deposits	1 394 895		
2	Loans and advances	4 389 321		
3	Debt securities	351 166		(a)
4	Investments in subsidiaries, joint ventures and associates	906 404		
5	Intangible assets	6		(b)
6	Property, plant and equipment	31 138		
7	Current tax assets	1 930		
8	Deferred tax assets	1 851		(c)
9	Prepaid expenses and accrued income	123 260		
10	Other assets	94 504		
	Total assets	**7 294 476**		
	Liabilities - *Breakdown by liability classes according to the balance sheet in the published financial statements*			
1	Liabilities due to banks	610 810	610 810	
2	Deposits	5 114 832	5 114 832	
3	Current tax liabilities	0		
4	Deferred tax liabilities	0		
5	Accrued expenses and prepaid income	90 321	90 321	
6	Subordinated debt	105 000		
	of which: instruments eligible as T2 capital	81 076	81 076	(d)
	of which: instruments not eligible as T2 capital	23 924		
7	Other liabilities	173 612	173 612	
	Total liabilities	**6 094 576**		
	Shareholders' Equity			
1	Share capital	40 074		(e)
2	Share premium	938 427		(f)
3	Accumulated other comprehensive income	8 231		(g)
4	Tier 1 capital instruments	150 000		(h)
5	Retained earnings	121 429		(i)
6	Profit or (-) loss for the year attributable to owners of the parent	-60 663		(j)
7	Minority interests (non-controlling interests)	2 402		
	Total shareholders' equity	**1 199 900**		

Disclosure of liquidity requirements

EU LIQA Liquidity risk management

Liquidity risk is the risk of being unable to meet the Group's payment obligations at their due date without incurring a significant increase in the cost of obtaining liquidity.

The main liquidity risk is the risk of unexpected outflows from deposits. Liquidity risk is managed by maintaining a sufficient liquidity buffer consisting of high-quality liquid assets and cash at banks, as well as through diversified funding.

Aros's liquidity strategy is to maintain a robust liquidity reserve consisting of highly liquid assets and cash at banks, ensuring a strong counter-balancing capacity. This liquidity reserve helps bridge timing gaps between funding inflows and payment obligations—primarily arising from lending growth—while mitigating liquidity risks associated with different funding sources.

The Group's funding strategy focus on maintaining a sustainable, cost-efficient, and diversified funding structure while managing key structural risks, including liquidity, interest rate, and FX risk, in a manner that aligns with its business model. A key component of this strategy is diversification—leveraging multiple funding sources across various markets, currencies, and instruments to enhance financial stability and resilience.

Aros has a diversified funding base with a varied maturity structure. Deposits from the public is the primary source for funding. Aros has access to retail funding in SEK, via an own platform, and EUR, via an external platform provided by Raisin. As of 31 December 2025; 40% were non-maturing deposits while 60% were fixed term deposits and more than 99 per cent of these deposits were backed by the deposit guarantee scheme.

The table below provides an overview of the composition of the liquidity reserve and funding, together with key liquidity ratios.

Liquidity reserve (SEK thousands)	2025-12-31	2024-12-31
Bonds issued by the government	43 048	617 202
Bonds issued by municipalities	275 677	301 633
Bonds issued by international organisations	32 441	-
Lending to credit institutions and other counterparties	1 407 472	1 902 387
Liquidity reserve	**1 758 638**	**2 821 222**
Funding (SEK thousands)		
Deposits	5 114 832	8 243 454
Subordinated debt	105 000	105 000
Other liabilities	874 743	459 926
Additional tier 1 capital	150 000	150 000
Equity	1 049 900	878 893
Total liabilities and equity	**7 294 476**	**9 837 273**
Key ratios		
Liquidity reserve / deposits, %	34,38%	34,22%
Liquidity reserve / total liabilities and equity, %	24,11%	28,68%
Liquidity Coverage Ratio (LCR), %	124,78%	411,19%
Net Stable Funding Ratio (NSFR), %	122,36%	118,91%

Aros has established a comprehensive framework for managing and controlling liquidity risk. The Board of Directors confirms that the institution's liquidity risk management framework is adequate and proportionate to the institution's risk profile and business strategy. Key elements of this framework include the following:

- **Centralised liquidity management:** Liquidity risk management is centralised and managed by Group Treasury, which is responsible for managing the Group's liquidity position and funding activities in accordance with the Board-approved liquidity risk framework.
- **Risk appetite:** Limits are established by the Board for liquidity exposures, and ongoing monitoring is conducted of LCR, NSFR, and Survival Horizon. Aros has low appetite for liquidity risk.
- **Independent oversight:** The Group's Risk Control function performs independent monitoring and reporting of liquidity risk exposures. Internal Audit periodically reviews the effectiveness of the liquidity risk management framework and associated control processes.
- **Ongoing liquidity monitoring:** The Group prepares short- and long-term liquidity forecasts to monitor the liquidity position and identify potential liquidity risks. These forecasts are regularly reported to Management and the Board.
- **Liquidity stress testing:** Aros performs regular liquidity stress tests based on a range of scenarios to assess the resilience of the liquidity position under adverse conditions. The scenarios are designed to capture different potential sources of liquidity stress and ensure a comprehensive assessment of liquidity risk. The size of the liquidity reserve is determined by both regulatory (LCR and NSFR) and internal requirements (Survival Horizon).
- **Deposit pricing as a liquidity management tool:** The volume of deposits from the public can be influenced through adjustments to quoted deposit interest rates, which provides the Group with a tool for managing funding levels and liquidity.
- **Diversified deposit base:** The Group maintains a well-diversified deposit portfolio with limited concentration risk. Individual savings deposits are capped at SEK 1,150,000, and approximately 99 per cent of deposits are covered by the national deposit guarantee scheme, which reduces the risk of significant deposit outflows.
- **Liquidity portfolio:** The Group maintains a liquidity portfolio consisting primarily of low-risk, interest-bearing securities with high credit quality and strong market liquidity. This portfolio can be readily converted into cash if required.

The Group's Financial Recovery Plan includes a contingency framework that provides practical guidance for managing situations of financial stress. The plan clearly defines roles and responsibilities for relevant personnel in the event of a liquidity crisis and includes supporting tools such as checklists, agendas and indicative timelines to facilitate effective crisis management. The Recovery Plan is approved by the Boards of Directors and is reviewed, tested and updated annually.

In a liquidity stress scenario, key recovery measures include increasing deposit interest rates in order to strengthen the deposit base and temporarily restricting or suspending new lending. In addition, the Group has identified complementary measures to reinforce its liquidity position, including obtaining unsecured loans from existing owners, securing additional credit facilities from commercial banks, and establishing borrowing arrangements where appropriate.

For further information on liquidity risk management, please refer to Note 3, Financial Risk Management, in the Annual Report.

Disclosure of exposures to credit risk, dilution risk and credit quality

EU CRA: General qualitative information about credit risk

Credit risk is defined as the risk of loss resulting from the failure of Aros's borrowers or other counterparties to fulfil their contractual obligations and from collateral not covering Aros's claims. Credit risk is Aros's primary financial risk. Given the business strategy, credit risk arises primarily through its lending activities and through the purchase of accounts receivable (factoring). However, Aros is also exposed to credit risk through its financial investments as parts of Aros's liquidity are placed as short-term deposits with Swedish or Nordic major banks, as well as in financial assets in the form of interest-bearing securities. Credit risk also arises in connection with the use of derivative instruments for the management of currency and interest rate risks.

The credit portfolio consists predominantly of exposures to corporates, and the majority of loans are distributed to corporates in Sweden, United Kingdom, Norway and Ireland. The business is focused on small- and medium sized companies with the ambition to provide a well-tailored offering of financial products and services. Aros aim to provide financing to selected customer segments where underlying cash-flow visibility, structural protections and risk mitigants are considered sufficient. Lending is undertaken within defined risk and pricing guardrails, with emphasis on transparent and enforceable structures, appropriate collateral, covenant protection where available, and continued portfolio diversification. Aros use risk transfer in form of insurance to hedge against credit risk. Guarantees from Boverket and British Business Bank are used for certain real estate lending. Various other insurance companies are used for factoring to hedge against the nonpayment of invoices.

The Board of Directors is ultimately responsible for the Group's credit operations and is responsible for ensuring that Aros has good credit risk management and credit risk culture. Aros have a "Kreditutskott" whose task is to make credit decisions in accordance with the decision-making procedure, defined by the Credit policy. The CEO is responsible for ensuring that there are effective and appropriate processes and procedures for the Company's credit operations and its credit risk management, by ensuring that the Credit Policy is followed, that internal guidelines regarding credit operations are regulated and established in Credit Instructions and that these are efficient and appropriate.

Aros evaluates the quality of its exposures continuously in order to assess expected credit losses and identify elevated risk of loss at an early stage. A large part of the loan book during 2025 consisted of non-performing exposures (NPE) related to commercial real estate and development credits. This is due to the difficult macroeconomic conditions, such as the interest rate environment and developments in the real estate market. Furthermore, the limited inflow of new loans has added to the concentration of NPEs. In response to the increased focus on NPE portfolios and the need to strengthen workout capabilities, the credit function initiated a comprehensive reorganisation and made targeted strategic recruitments. These measures have now been fully implemented and form an integrated part of the credit organisation. Table EU CR1 details Aros performing and non-performing exposures as of year-end 2025.

Credits that have been granted concessions due to the counterparty's financial difficulties are classified as forborne exposures. Example of concessions that are typically considered to be forbearance are agreement of delayed payments, temporarily lower payments or extension of the loan term. Table EU CQ1 shows Aros's credit quality of forborne exposures as of December 31, 2025.

EU CR1 Performing and non-performing exposures and related provisions

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	1 394 895	1 394 895	-	-	-	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	3 543 378	3 155 851	387 527	1 294 401	-	1 294 401	- 21 189	- 11 392	- 9 797	- 427 266	-	- 427 266	-	2 609 627	778 023
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	67 260	67 167	93	-	-	-	- 36	- 36	- 0	-	-	-	-	-	-
040	*Credit institutions*	61	61	-	-	-	-	- 0	- 0	-	-	-	-	-	-	-
050	*Other financial corporations*	142 818	140 295	2 523	-	-	-	- 413	- 299	- 113	-	-	-	-	63 458	-
060	*Non-financial corporations*	3 333 217	2 948 306	384 911	1 294 032	-	1 294 032	- 20 739	- 11 056	- 9 683	- 426 950	-	- 426 950	-	2 546 169	778 023
070	*Of which SMEs*	1 627 349	1 290 250	337 100	588 378	-	588 378	- 16 080	- 6 710	- 9 371	- 143 161	-	- 143 161	-	1 333 775	381 530
080	*Households*	23	23	-	368	-	368	- 0	- 0	-	- 317	-	- 317	-	-	-
090	Debt securities	1 259 290	1 259 290	-	-	-	-	- 6 213	- 6 213	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	351 166	351 166	-	-	-	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	908 124	908 124	-	-	-	-	- 6 213	- 6 213	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	1 248 263	1 141 239	271	-	-	106 753	-	-	-	-	-	-		-	-
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
180	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
190	*Other financial corporations*	31 078	31 078	-	-	-	-	-	-	-	-	-	-		-	-
200	*Non-financial corporations*	1 217 185	1 110 161	271	-	-	106 753	-	-	-	-	-	-		-	-
210	*Households*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
220	**Total**	**7 445 826**	**6 951 275**	**387 798**	**1 294 401**	**-**	**1 401 154**	**- 27 402**	**- 17 605**	**- 9 797**	**- 427 266**	**-**	**- 427 266**	**-**	**2 609 627**	**778 023**

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EU CQ1 Credit quality of forborne exposures

		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	489 832	594 030	594 030	-	- 5 826	- 100 171	395 696	-
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	681	-	-	-	- 15	-	-	-
060	*Non-financial corporations*	489 150	594 030	594 030	-	- 5 810	- 100 171	395 696	-
070	*Households*	-	-	-	-	-	-	-	-
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	**Total**	**489 832**	**594 030**	**594 030**	**0**	**-5 826**	**-100 171**	**395 696**	**0**

EU CQ3 Credit quality of performing and non-performing exposures by past due days

		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	1 394 895	1 394 895	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	3 543 378	3 512 286	31 092	1 294 401	535 562	8 782	89 525	513 946	145 371	1 017	199	1 294 401
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	67 260	66 603	656	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	61	61	-	-	-	-	-	-	-	-	-	-
050	*Other financial corporations*	142 818	142 818	-	-	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	3 333 217	3 302 781	30 436	1 294 032	535 542	8 782	89 525	513 946	145 248	980	10	1 294 032
070	*Of which SMEs*	1 627 349	1 614 506	12 843	588 378	377 565	8 782	23 903	100 503	76 657	959	10	588 378
080	*Households*	23	23	-	368	20	-	-	-	122	37	189	368
090	Debt securities	1 259 290	1 259 290	-	-	-	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	351 166	351 166	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	908 124	908 124	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	1 248 263			-								-
160	*Central banks*	-			-								-
170	*General governments*	-			-								-
180	*Credit institutions*	-			-								-
190	*Other financial corporations*	31 078			-								-
200	*Non-financial corporations*	1 217 185			-								-
210	*Households*	-			-								-
220	**Total**	**7 445 826**	**6 166 471**	**31 092**	**1 294 401**	**535 562**	**8 782**	**89 525**	**513 946**	**145 371**	**1 017**	**199**	**1 294 401**

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EU CQ7 Collateral obtained by taking possession and execution processes

		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	0	0
020	Other than PP&E	45 161	-32 685
030	Residential immovable property	0	0
040	Commercial Immovable property	0	0
050	Movable property (auto, shipping, etc.)	45 161	-32 685
060	Equity and debt instruments	0	0
070	Other collateral	0	0
080	**Total**	**45 161**	**-32 685**

Disclosure of the use of the standardised approach and of the internal models for market risk

EU MRA: Qualitative disclosure requirements related to market risk

Market risk is the risk of valuation losses or a reduction in expected revenues resulting from adverse fluctuations, primarily in exchange rates, interest rates, and credit spreads.

Given the nature of the Group's activities, market risk exposures arise solely in the banking book, as the Group does not operate a trading book. The Group's market risk framework, approved by the Board of Directors, is based on clearly defined limits and regular monitoring. Market risk is mitigated by aligning funding and lending as closely as possible in terms of maturity, currency, and interest rate characteristics. Where appropriate, hedging instruments are used to further manage exposures. Market risk is managed centrally by the Treasury function and is subject to independent oversight by the risk control function.

Interest rate risk in the banking book ("IRRBB") is the risk that changes in market interest rates negatively affect equity or net interest income. This risk arises when there are mismatches in interest rate maturities between assets (lending and the liquidity reserve), liabilities (primarily deposits), and derivatives used for hedging purposes. The Group manages IRRBB through alignment of interest rate maturities and the use of interest rate derivatives. IRRBB is measured using metrics such as the economic value of equity and net interest income sensitivity. Limits are established and compliance is monitored on an ongoing basis.

Foreign exchange (FX) risk arises from lending and funding activities conducted in multiple currencies, resulting in imbalances between assets and liabilities by currency. To mitigate this risk, the Treasury function uses FX derivatives to align currency positions, complemented by hedging adjustments prior to each month-end. A limit for FX risk is established, and the FX exposures are regularly monitored.

Credit spread risk in the banking book (CSRBB) relates to the risk of valuation losses in the liquidity portfolio due to changes in credit spreads. CSRBB is managed through restrictions on eligible asset classes, counterparties and credit quality, as well as through diversification. Limits are established and exposures are monitored on a regular basis.

For further information on market risk, please refer to Note 3, Financial Risk Management, in the Annual Report.

Disclosure of credit valuation adjustment risk

Credit Valuation Adjustment (CVA) risk is the potential for mark-to-market financial losses on derivatives or securities financing transactions due to a deterioration in a counterparty's creditworthiness. It arises when the value of a trade fluctuates and the counterparty's probability of default or credit spread increases. Aros use the Simplified Approach under the CRR to calculate the capital requirement for credit valuation adjustment (CVA) risk related to counterparties (amount is shown in table EU OV1).

Disclosure of operational risk

EU ORA - Qualitative information on operational risk

Disclosure of the risk management objectives and policies
Aros is exposed to operational risk in all its activities. Operational losses may arise as a result of, inadequate or failed internal processes, people, and systems or from external events. The types of risks within operational risk differ in nature. Aros acknowledges that these various operational risks may have an impact on its operating income but aims to limit their effects to the extent that it is economically justifiable. The Board decides on risk appetite for operational risk.

Risk strategy and risk management of all risk types, including operational risk, are set by the Board and documented in the *Risk Management Policy*. Additionally, the Board has set out a specific policy for strategy and governance of operational risk management, *Policy for management of operational risk*. Risk appetite, risk limits and KRI:s for operational risk are set out by the Board in *Risk Appetite Policy*. The main purpose of Aros's operational risk management framework is to ensure that operational risks within the business do not jeopardize Aros's ability to fulfill its obligations. This is done by:

- Established principles for identifying, measuring, assessing, managing, monitoring and reporting operational risk.
- Established relevant Key Risk Indicators (KRIs)

Established documented processes and procedures for incident management, the New Product Approval Process (NPAP), outsourcing agreements and business continuity management.

Disclosure of the structure and organisation of the operational risk management function
Each function/organisational unit is responsible for actively managing operational risks within its respective areas of operations. In accordance with Aros's risk management framework, the function or organizational unit that incurs the risk must also own the risk. This means that day-to-day management of operational risks should take place in the first line of defense, i.e., within the business operations.

The management of operational risk is monitored by the second and third line of defenses. The Risk Control function is responsible for overseeing the effectiveness of Aros's operational risk management. Additionally, the Risk Control function is responsible for:

- Developing, implementing, and maintaining the framework for operational risk control.
- Ensuring that processes and controls are in place to identify, assess, monitor, and mitigate operational risks.

Continuously providing advice in order to improve risk management practices to align with business needs and regulatory requirements.

Description of the scope and nature of the measurement system
Aros shall continuously identify operational risks. This is mainly done through incident reporting, the New Product Approval Process, ICT (Information and Communication Technology) change management, outsourcing management, and self-assessment processes. Risk assessments are performed by assessing the probability of a risk to materialize and the impact of it if it materializes.

Incident reporting
An event that has or risks having a negative impact on Aros's operations, assets, or reputation is considered an incident and reported. Aros Kapital has established routines and a standardized incident reporting process. All employees are responsible for reporting and handling incidents and mitigate the consequences effectively.

All reported incidents including their potential losses are entered into an incident log by the Risk Control Function, allowing further analysis and identifying potential trends.

New Product Approval Process
Aros has an approval process for new or significantly changed existing products, services, processes, IT systems or markets. The purpose of the process is to ensure that they align with Aros Kapital's strategic objectives, comply with external regulatory requirements, meet customers' expectations and to ensure that the Group is not exposed to unnecessary and unmanageable risks. Both potential new identified risks and increasing risk exposures to existing risks are analyzed, managed and mitigated in the process.

ICT Change Management
Aros's ICT Change Management process ensures that ICT systems and services are assessed, authorized, scheduled, implemented, and reviewed in a controlled and coordinated manner to minimize risk and disruption.

Outsourcing Management
In cases where Aros intends to outsource a function, a comprehensive risk assessment relating to the outsourcing arrangement is performed to ensure that the outsourced activities are conducted in a controlled and secure manner, with appropriate oversight by responsible personnel.

Self-assessment
The process owners of Aros's essential processes are conducting annual self-assessments that aim to identify, assess and manage operational risk. All risks are documented in a risk register which is updated when needed.

Risk limits and risk indicators

Aros monitor the development of Operational risk through a set of established risk limits and risk indicators. The limits and the KRI:s have thresholds and if a threshold is exceeded it is escalated internally and requires a written report with proposed mitigating actions.

Business continuity and crisis management

Aros's framework for business continuity ensures the capability to handle extraordinary events and aims to maintain, recover and resume essential functions and processes in case of a major disruption. The group's framework for crisis management ensures quick responses and actions to handle a crisis in a structured and efficient manner. The established plans are validated by testing and scenario training in the organization.

Description of the scope and nature of the operational risk reporting framework

The Risk Control Function conducts (at least) quarterly reporting to the CEO and the Board. The quarterly report includes:

- Significant risk exposures and changes therein
- Follow-up on relevant key metrics and limits established by the Board
- Follow-up on previously reported deficiencies and risks, as well as an account of newly identified significant deficiencies and risks.
- Observations and recommendations for actions
- Results of any conducted reviews/controls
- Significant incidents
- Operational risk KRIs

Additionally, any potential breaches of risk appetite, risk limits or KRIs are reported continuously in accordance with the Risk Management Policy and Risk Appetite Policy.

Description of the policies and strategies of risk mitigation and risk hedge

Aros has internal regulations for security management including identification of assets and values that need protection and measures taken to safeguard those assets. The internal regulations ensure a structured and effective approach to security, protecting physical, digital and financial assets from potential threats. Also, the group has relevant insurance for its products and activities to mitigate operational risk.

EU OR3 Operational risk own funds requirements and risk exposure amounts

		2025-12-31
1	Business Indicator Component (BIC)	54 059
EU 1	Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	-
3	Minimum Required Operational Risk Own Funds Requirements (OROF)	54 059
4	Operational Risk Exposure Amounts (REA)	675 736

Disclosure of remuneration policy

EU REMA - Remuneration policy

Bodies that oversee remuneration
The Board of Directors of the Group has appointed a Remuneration Committee. The Remuneration Committee's task is to act as the Board's extended arm regarding the preparation and, where applicable, decisions in remuneration-related matters. Furthermore, the Remuneration Committee shall assess whether the remuneration framework is appropriate and consistent with strategies, objectives, capital and liquidity needs and financial performance. The responsibilities and tasks of the Remuneration Committee are:

- Prepare the Board's decisions on matters relating to guidelines, remuneration principles, remuneration and other terms of employment for Group Management.
- With decision-making power from the Board of Directors, decide on the level of remuneration and benefits for the CEO's direct reporting staff and Group Management.
- With the right to decide from the Board of Directors, the CEO is mandated to negotiate a salary range of a maximum of SEK 20,000 with one of the compensation committee's approved candidates.
- Monitor and evaluate programs for variable remuneration for Group Management.
- Monitor and evaluate the application of remuneration guidelines for senior executives and current remuneration structures and remuneration in the company.
- Monitor and continuously evaluate the application of compensation programs
- Prepare the outcome of variable remuneration to senior executives
- Prepare decisions and review guidelines.

After preparation by the Remuneration Committee, the Board of Directors in its entirety makes decisions on the matters concerning remuneration that have been prepared by the Committee.

The Remuneration Committee shall consist of at least one member and one Chairman. The Board of Directors decides who will be included in the Remuneration Committee. The Remuneration Committee appoints a chairman from among its members. At least two of the members of the Remuneration Committee shall be independent of the company and Group Management. At the next Board meeting, the Chairman shall report to the Board of Directors on what has been discussed by the Remuneration Committee and, where applicable, the outcome of decisions made. The Remuneration Committee's meeting frequency is based on an annual plan, but where meetings take place at least twice a calendar year.

The remuneration framework applies to the entire Group's units, including subsidiaries. To ensure that the remuneration framework complies with the external rules and regulations, external parties have been involved as regulatory experts both in the development of the remuneration framework, as well as to ensure compliance and review. The external parties involved are Hammarskiölds, PWC and Strangert Consulting. The external parties have been engaged by the Head of People & Culture, the CEO and the Board of Directors.

In connection with the remuneration framework, there are employees whose professional practice may have an impact on or have a material impact on the company's risk profile. The employees and occupational groups identified by the company are as follows:

- Directors and employees of executive management.

- Employees with management responsibility for the Aros Control Functions or significant business units.
- An employee who is entitled to a substantial remuneration for the preceding financial year if: (a) his or her remuneration is equal to or greater than EUR 500 000 and equal to or higher than the average remuneration given to those referred to in Annex 1, and (b) he or she works within a substantial business unit and the service is such that it has a significant impact on the risk profile of the business unit concerned.
- Other employees identified by Aros in accordance with the risk analysis to be carried out in accordance with Section 8.3.2 or under the delegated regulation adopted by the European Commission pursuant to Article 94(2) of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

Design and structure of the remuneration system for identified staff

Aros’s remuneration policy aims to prevent excessive risk-taking and to ensure that employees are remunerated in line with Aros's strategic objectives, the interests of shareholders and customers, while maintaining sound and effective risk management in accordance with applicable external and internal remuneration rules.

The policy shall be based on the risk analysis carried out annually and shall be designed and applied in a manner appropriate to the size and internal organization of the undertaking, as well as the nature, scope, and complexity of the business. The policy should also be consistent with the company's business strategy, goals, values, and long-term interests. The above-mentioned factors must also be considered in the implementation of the risk assessment according to the risk analysis. In the assessment, the entity shall also ensure that the incentives in the remuneration scheme consider the risks to which the entity is exposed, the company's capital and liquidity needs, and the likelihood and timing of the entity's financial performance.

Aros’s remuneration policy is adopted annually, or as necessary on an ongoing basis, by the Board of Directors after preparation by the Remuneration Committee. When updating the remuneration policy or its guidelines, representatives from People & Culture, Compliance and the Risk Control function are involved.

The Board of Directors, which is the ultimate decision-making body regarding the remuneration framework, has the role of making decisions on:

- Fixed remuneration to the CEO and direct reporting to the CEO.
- Payment or no payment of variable remuneration to all employees.
- Any loss of deferred compensation (if applicable).
- Variable compensation pool.
- Significant changes to the commission-based remuneration model.
- Criteria for variable remuneration.
- Measures to follow up on the application of this policy.
- The Board of Directors shall, where possible, apply what the Annual General Meeting resolves on remuneration within Aros.

All variable remuneration shall be prepared and/or decided by the Remuneration Committee according to the working order for the remuneration committee. The Board of Directors decides on remuneration to the person specified in items above. The CEO, or the person the CEO delegates it to, decides on the remuneration to other staff. Remuneration to members of the Board of Directors is resolved by the Annual General Meeting.

The intention is that employees subject to variable compensation shall have exposure to a mix of three main criteria, namely group-wide targets, targets specific for the group entity where they are employed, and individual targets. Aros's aim is to include criteria that focus on risk-adjusted profitability measures (RORAC), expense discipline (C/I-ratio) and individual targets tightly linked to the individual employee's day-to-day work (Performance review). The Board of Directors shall ensure that Aros total variable remuneration does not limit Aros ability to maintain an adequate capital base.

The managers of Aros Control Functions (Chief Risk Officer and Head of Compliance) are not covered by the variable remuneration scheme.

All criteria and guidelines regarding remuneration, including guaranteed variable remuneration and severance pay, are regulated and applied in accordance with the applicable remuneration policy. No further policy documents are available for this type of remuneration. The Remuneration Policy deals with all types of compensation;

- Monthly salary, i.e. fixed salary paid monthly.
- Pension.
- Any other benefits, such as wellness allowance, company car, and health insurance.
- Any variable remuneration.
- Commission-based compensation that can be granted to staff in sales functions.

Guaranteed variable remuneration can take several forms, such as "guaranteed gratuity", "welcome gratuity", "employment gratuity", "minimum gratuity", etc., and can be granted in cash or as instruments. Aros may not provide any guaranteed variable remuneration other than in connection with new employment and if there are special reasons to guarantee variable remuneration. In such cases, the variable remuneration shall be limited to the first year of employment.

The severance pay must not entail a disproportionate reward but must be appropriate compensation for the employee in the event of early termination of a contract. Payment of ordinary compensation during a notice period is not considered severance pay. Compensation paid to an employee in connection with the termination of employment shall be in relation to the employee's performance during the period of employment and shall be calculated in such a way that it does not reward unhealthy risk-taking.

During the year, as in the previous year, the Board of Directors, as well as the Remuneration Committee, reviewed Aros Kapital's remuneration framework through internal audit (PWC). The internal audit revealed shortcomings in the remuneration framework that have resulted in clarifications in the form of criteria adapted for each staff category, as well as adapting the regulations for all of Aros Kapital's subsidiaries, to make the framework adapted to group level, with the aim to prevent exceptions. Furthermore, commission-based remuneration and its criteria have also been implemented and documented. The impact of the changes on remuneration has only resulted in clarification of the criteria for variable remuneration.

Compensation process
At Aros, the general principle is that all employees have a fixed remuneration based on the following parameters:

- Competence.
- Experience.
- Type of work (degree of difficulty in tasks).
- Work performance.
- Responsibilities (managerial position or statutory responsibility).
- The remuneration in the local market where Aros operates.

The starting point is that the fixed remuneration is so high that the variable remuneration can be set at zero. The Board of Directors has set limits on how large the variable remuneration can be in relation to the total compensation for each employee, taking into account various jurisdictions and business areas. The remuneration is designed to promote sound risk management and discourage excessive risk-taking. For employees in Aros Kapital AB, the amount may not exceed the individual's monthly salary multiplied by 3, except for certain sales roles where the annual variable remuneration may amount to SEK 480,000 as a maximum. For employees in Aros Kapital Limited, the amount may not exceed the individual's monthly salary multiplied by 12, except for the CEO and COO whose annual variable remuneration is capped at the equivalent of EUR 50,000.

All variable remuneration is prepared and decided by the Remuneration Committee and the Board of Directors; where both qualitative and quantitative parameters are set at three different levels (Group, Team/group entity and Individual level), as well as financial and non-financial criteria form the basis for variable remuneration. The criteria for variable remuneration should not provide incentives for excessive risk-taking or misleading sales of products.

An annual risk analysis is carried out in accordance with the requirements of the EBA's "Guidelines for a sound remuneration policy" (EBA/GL/2021/04) and the Swedish Financial Supervisory Authority's regulations FFFS 2011:1. The risk analysis highlights identified risks that Aros remuneration framework processes, which positions or categories of staff have a material impact on the company's risk profile. The positions identified as risk takers, variable remuneration shall be based on the employee's performance and the Group's performance, which includes both financial and non-financial parameters. Compliance officers as well as risk control officers are not covered by variable remuneration.

Aros's assessment of earnings, which forms the basis for calculating variable remuneration, shall primarily be based on risk-adjusted profit measures. Both current and future risks must be considered. In the assessment, Aros shall also consider the actual costs of capital and liquidity required by the business. The Group’s performance assessment shall be made from a multi-year perspective to ensure that the assessment is based on long-term sustainable results and that the Groups underlying business cycle and business risks are considered when the variable remuneration is paid.

The intention is that employees subject to variable compensation shall have exposure to a mix of three main criteria, namely group-wide targets, targets specific for the group entity where they are employed, and individual targets. As a general rule of thumb, leaders should have a relatively higher weighting towards group targets while other employees seek an allocation of approximately one third to each main category.

Variable remuneration shall be based on relevant, predetermined, and measurable criteria. The business shall establish and document both quantitative and qualitative performance criteria, including financial and non-financial ones, for individuals and for the Group. The performance criteria shall not provide incentives for excessive risk-taking or misleading sales of products. Aros aim is to include criteria that focus on risk-adjusted profitability measures (RORAC), expense discipline (C/I-ratio) and individual targets tightly linked to the individual employee's day-to-day work (Performance review).

In the table below, it is possible to make up the relationship between the remuneration percentage and the result based on different categories of staff. The remuneration instruments covered by the remuneration framework only include variable remuneration in the form of cash.

Group Management Team (excl. CEO/CEO AKL, excl. GROUP CEO)

Criteria's - Variable compensation	Weight	Budget	Starting point	Maximum
RORAC Group, 2026	47,0%	0,8%	0,8%	8,2%
C/I-ratio Group, 2026	20,0%	85,0%	85,0%	61,3%
Result from PM disussion, 2026	33,0%		--	100,0%
	100,0%			

CEO AKL, COO AKL

Criteria's - Variable compensation	Weight	Budget	Starting point	Maximum
RORAC Group, 2026	27,0%	0,8%	0,8%	8,2%
C/I-ratio Group, 2026	15,0%	85,0%	85,0%	61,3%
C/I-ratio AKL, 2026	25,0%	57,0%	57,0%	43,2%
Result from PM disussion, 2026	33,0%		--	100,0%
	100,0%			

Leaders AKL

Criteria's - Variable compensation	Weight	Budget	Starting point	Maximum
RORAC Group, 2026	23,0%	0,8%	0,8%	8,2%
C/I-ratio Group, 2026	10,0%	85,0%	85,0%	61,3%
C/I-ratio AKL, 2026	17,0%	57,0%	57,0%	43,2%
RORAC AKL, 2026	17,0%	9,6%	9,6%	15,6%
Result from PM disussion, 2026	33,0%		--	100,0%
	100,0%			

Employees, Sweden

Criteria's - Variable compensation	Weight	Budget	Starting point	Maximum
RORAC Group, 2026	23,0%	0,8%	0,8%	8,2%
C/I-ratio Group, 2026	10,0%	85,0%	85,0%	61,3%
C/I-ratio AKAB, 2026	17,0%	127,0%	127,0%	87,3%
RORAC AKAB, 2026	17,0%	(8,2%)	(8,2%)	1,0%
Result from PM disussion, 2026	33,0%		--	100,0%
	100,0%			

Employees, UK

Criteria's - Variable compensation	Weight	Budget	Starting point	Maximum
RORAC Group, 2026	23,0%	0,8%	0,8%	8,2%
C/I-ratio Group, 2026	10,0%	85,0%	85,0%	61,3%
C/I-ratio AKL, 2026	17,0%	57,0%	57,0%	43,2%
RORAC AKL, 2026	17,0%	9,6%	9,6%	15,6%
Result from PM disussion, 2026	33,0%		--	100,0%
	100,0%			

The Board of Directors shall annually decide on a variable remuneration pool. When deciding on the variable remuneration pool, the Board of Directors should consider:

• All current risks, expected losses, estimated unexpected losses and stressful conditions associated with Aros's operations.

• The ratio between the variable and fixed components of the total remuneration, performance and risk criteria established for the Group in general, control targets and Aros's financial situation, including its own funds and liquidity.

• Targets and Aros's financial situation, including its own funds and liquidity.

The performance indicators used to calculate the variable remuneration pool should include long-term performance indicators and consider the financial performance achieved. Responsible accounting and valuation practices should be in place to ensure a true and fair evaluation of financial performance, own funds, and liquidity. The board must document how they have decided on the remuneration pool and the remuneration of staff, including how calculations based on different methods have been combined.

Variable remuneration to employees may only be paid if it is justifiable in view of Aros financial situation or is justified considering the results of the Group, the business unit and the employee, and if the payment does not risk damaging Aros reputation. If it emerges that the employee has acted irresponsibly or not in line with applicable internal or external regulations, or if the Aros results have deteriorated significantly after the decision on the variable remuneration has been communicated to the employee but before payment has been made, Aros reserves the right to cancel all or part of the upcoming payment of the variable remuneration. Variable remuneration may otherwise be adjusted downwards or completely cancelled if the aforementioned criteria are not met. For any variable compensation to be paid, Group RORAC must exceed 0. In its review of Group RORAC outcome, the Board of Directors has the opportunity to consider extraordinary items. Such review should be done on a prudent basis and if this opportunity is utilized, such extraordinary items are likely to relate to special work-out situations and special legacy portfolio cases.

A description of how the institution proceeds to adjust the remuneration to take into account long-term performance

Although Aros is not subject to any external deferral requirements, the Board of Directors has resolved that variable remuneration can be structured with both a non-deferred and a deferred component, and currently, this model is applied to employees in AKL (except CEO AKL and COO AKL). A portion of the award is paid in the first year, while any excess amount is deferred and paid over a three-year period. The first-year payout is further subject to an overall cap of GBP 50,000. Where the deferred portion is deemed immaterial, the CEO may propose to the Remuneration Committee that the full amount be paid in the first year. A full account of outstanding deferrals and the treatment of current years' variable compensation is annually presented to the Remuneration Committee.

- Claw-back – If leaving the business prior to the first anniversary of the variable remuneration award, all amounts paid to the employee must be repaid in full to Aros. For clarity, any resignation or notification of termination of employment between announcement of variable remuneration and actual payout, will cancel the variable remuneration with immediate effect from the date or resignation or notification of termination of employment (as relevant).

- Cancellation of Deferrals – If leaving the business, any outstanding variable remuneration payments will be cancelled with immediate effect from the date or resignation or notification of termination of employment (as relevant). This section does not apply to statutory pension or sick-leave, and the Board of Directors may decide upon the treatment of deferrals in specific situations, for example in case of involuntary termination.

- Eligibility (links to Group) / Pro-Rata – In order to be eligible for a variable remuneration for a fiscal Year, the employee needs to have been employed for more than >6 months within the Year of calculating the variable remuneration. Any bonus paid for an employee that has been employed for less than 12 months, but more than 6 months, will be allocated a variable remuneration s pro-rata (days employed / 365 days) for the employment in relevant financial year.

- Malus – If it emerges that the employee has acted irresponsibly or not in line with applicable internal or external regulations, or if the company's results have deteriorated significantly after the decision on the variable remuneration has been communicated to the employee, but before payment has been made, the Company reserves the right to cancel all or part of the upcoming payment of the variable remuneration.

Aros has no instruments other than cash instruments. To calculate variable remuneration, the measures RORAC, cost income target and evaluation of individual performance review are used. The individual goals should be SMART (Specific, Measurable, Achievable, Relevant, and Time-bound). Each employee shall be evaluated annually based on their performance in relation to the applicable criteria. The evaluation shall be led by the CEO or the person to whom the CEO has delegated responsibility.

The Board of Directors has established limits on how large the variable remuneration can be in relation to the total compensation for an employee, with consideration taken to various jurisdictions and business areas.

For commission-based remuneration, an appropriate cap on remuneration is established, and is proportionate to the fixed remuneration of the relevant employees. Variable remuneration shall be based on relevant, predetermined, and measurable criteria. The business shall establish and document both quantitative and qualitative performance criteria, including financial and non-financial ones, for individuals and for the Group. The performance criteria shall not provide incentives for excessive risk-taking or misleading sales of products.

Variable remuneration to employees may only be paid if it is justifiable in view of the Company's financial situation or is justified considering the results of the Company, the business unit and the employee, and if the payment does not risk damaging the Company's reputation. If it emerges that the employee has acted irresponsibly or not in line with applicable internal or external regulations, or if the Company's results have deteriorated significantly after the decision on the variable remuneration has been communicated to the employee but before payment has been made, the Company reserves the right to cancel all or part of the upcoming payment of the variable remuneration. Variable remuneration may otherwise be adjusted downwards or completely cancelled if the aforementioned criteria are not met.

The right to variable remuneration lapses with immediate effect from the date of resignation or notification of termination of employment, whichever is earlier, regardless of when the actual payment is due.

EU REM1 - Remuneration awarded for the financial year

			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	2	10		10
2		Total fixed remuneration	2 562 203	18 624 137		6 021 380
3		Of which: cash-based	2 562 203	18 624 137		6 021 380
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
6		(Not applicable in the EU)				
7		Of which: other forms				
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff		2		2
10		Total variable remuneration		1 040 992		1 040 992
11		Of which: cash-based		1 040 992		1 040 992
12		Of which: deferred		347 015		347 015
EU-13a		Of which: shares or equivalent ownership interests				
EU-14a		Of which: deferred				
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b		Of which: deferred				
EU-14x		Of which: other instruments				
EU-14y		Of which: deferred				
15		Of which: other forms				
16		Of which: deferred				
17	**Total remuneration (2 + 10)**		**2 562 203**	**19 665 129**	**0**	**7 062 372**

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

		MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-	-
2	Guaranteed variable remuneration awards -Total amount	-	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	2	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	1 187	-	-
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	-	1	-	-
7	Severance payments awarded during the financial year - Total amount	-	2 100	-	-
8	Of which paid during the financial year	-	-	-	-
9	Of which deferred	-	2 100	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	2 100	-	-
11	Of which highest payment that has been awarded to a single person	-	2 100	-	-

EU REM3 - Deferred remuneration

	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function	-	-	-	-	-	-	-	-
2	Cash-based	-	-	-	-	-	-	-	-
3	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
4	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
5	Other instruments	-	-	-	-	-	-	-	-
6	Other forms	-	-	-	-	-	-	-	-
7	MB Management function	2	2	2	2	2	2	2	2
8	Cash-based	1 664	902	762	-	-	-	902	-
9	Shares or equivalent ownership interests								
10	Share-linked instruments or equivalent non-cash instruments								
11	Other instruments	-	-	-	-	-	-	-	-
12	Other forms	-	-	-	-	-	-	-	-
13	Other senior management	1	1	1	1	1	1	1	1
14	Cash-based	564	362	203	-	-	-	362	-
15	Shares or equivalent ownership interests								
16	Share-linked instruments or equivalent non-cash instruments								

17	Other instruments	-	-	-	-	-	-	-	-
18	Other forms	-	-	-	-	-	-	-	-
19	Other identified staff	-	-	-	-	-	-	-	-
20	Cash-based	-	-	-	-	-	-	-	-
21	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
22	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
23	Other instruments	-	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-	-
25	**Total amount**	**2 228**	**1 263**	**965**	**-**	**-**	**-**	**1 263**	**-**

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

	EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	0
2	1 500 000 to below 2 000 000	0
3	2 000 000 to below 2 500 000	0
4	2 500 000 to below 3 000 000	0
5	3 000 000 to below 3 500 000	0
6	3 500 000 to below 4 000 000	0
7	4 000 000 to below 4 500 000	0
8	4 500 000 to below 5 000 000	0
9	5 000 000 to below 6 000 000	0
10	6 000 000 to below 7 000 000	0
11	7 000 000 to below 8 000 000	0

Disclosure of the aggregate exposure to shadow banking entities

EU SB1 Aggregate exposure to shadow banking entities

	Exposures	Original exposures		Exposure value before application of exemptions and CRM	Exposure value after application of exemptions and CRM
		On-balance-sheet exposures	Off-balance-sheet exposures		
1	Aggregate exposure to shadow banking entities	-	-	-	-