

IMPORTANT NOTICE

THIS SUPPLEMENT (AS DEFINED BELOW) IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("QIBs") WITHIN THE MEANING OF RULE 144A ("RULE 144A") UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND A "QUALIFIED PURCHASER" ("QP") WITHIN THE MEANING OF SECTION 2(A)(51)(A) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED, OR (2) PERSONS WHO ARE NOT U.S. PERSONS (AS DEFINED REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) AND WHO ARE OUTSIDE OF THE UNITED STATES IN OFFSHORE TRANSACTIONS.

IMPORTANT: You must read the following before continuing. This notice applies to the supplemental offering circular dated 8 September 2025 (the "**Supplement**") following this page, which supplements the offering circular dated 13 May 2025 (the "**Offering Circular**") prepared in connection with the €50,000,000,000 Programme for the Issuance of Debt Instruments established by Municipality Finance Plc (the "**Issuer**" or "**Municipality Finance**") and the Municipal Guarantee Board (the "**Guarantor**" or the "**MGB**"), and you are therefore advised to read this page carefully before reading, accessing or making any other use of the Supplement. In accessing the Supplement, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive information from the Issuer, the Guarantor, the Arranger and the Dealers (each as defined in the Offering Circular).

NOTHING IN THIS ELECTRONIC TRANSMISSION, THE SUPPLEMENT OR THE OFFERING CIRCULAR CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THIS ELECTRONIC TRANSMISSION, THE SUPPLEMENT AND THE OFFERING CIRCULAR MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND PERMITTED BY, REGULATION S OR WITHIN THE UNITED STATES TO PERSONS WHO ARE BOTH A QIB WITHIN THE MEANING OF RULE 144A AND A "QUALIFIED PURCHASER" ("QP") WITHIN THE MEANING OF SECTION 2(A)(51)(A) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED, OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT. THE ATTACHED SUPPLEMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT AND/OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND CANNOT PURCHASE THE SECURITIES DISCUSSED IN THE ATTACHED SUPPLEMENT AND/OR THE OFFERING CIRCULAR (THE "**NOTES**").

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS BOTH A QIB AND A QP OR (2) IN ACCORDANCE WITH SECTIONS 903 OR 904 OF REGULATION S, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF "U.S. PERSONS" (AS DEFINED BY REGULATION S), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Confirmation of your representation: In order to be eligible to view the attached Supplement, you must be, and by accessing the attached Supplement you shall be deemed to have represented to the Issuer, the Guarantor, the Arranger and Dealers that you have understood and agree to the terms set out herein and you are either (1) (a) located outside the United States and not resident or located in any jurisdiction where accessing the Supplement is unlawful, (b) not a U.S. person (within the meaning of Regulation S) or a United States person as defined for US federal income tax purposes and (c) not an affiliate of the Issuer or

a person acting on behalf of such an affiliate or (2) (a) a QIB and a QP, (b) not formed for the purpose of investing in the Rule 144A Notes or the Issuer, (c) not a broker dealer which owns and invests on a discretionary basis less than U.S.\$25,000,000 in securities of unaffiliated issuers, (d) not a participant-directed employee plan such as a 401(k) plan, (e) acting for your own account, or the account of one or more QIBs each of which is also a QP, (f) aware that the sale of the Rule 144A Notes is being made in reliance on Rule 144A and (g) if acting as a fiduciary or agent for one or more investor accounts (i) each such account is a QIB that is also a QP, (ii) you have investment discretion with respect to each account, and (iii) you have full power and authority to make, and do make, the representations, warranties, agreements and acknowledgements herein on behalf of each such account. Additionally, you shall also be deemed to have represented to the Issuer, the Arranger and the Dealers that you consent to delivery of the Supplement by electronic transmission on the basis that you are a person into whose possession the Supplement may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and agree that you will not forward, transfer, transmit or otherwise send (by any means including by electronic transmission) the Supplement to any person in any territory where to do so would breach applicable local law or regulation. You are reminded that documents in electronic form may be altered or changed during the process of electronic transmission and, consequently, none of the Issuer, the Arranger, the Dealers, any person who controls them or any director, officer, employee or agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any such alteration or change. Breach of this representation could mean that you are in breach of applicable laws or regulations and, furthermore, you agree that the Issuer, the Arranger and the Dealers shall in no case bear liability for any infringement of any such prohibition or restriction.

The Supplement and the Offering Circular do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer, and the Arranger/Dealers or any affiliate of the Arranger/Dealers is a licensed broker or dealer in the relevant jurisdiction, the offering shall be deemed to be made by the Arranger/Dealers or such affiliate on behalf of the Issuer in such jurisdiction.

None of the Arranger, the Dealers or any of their respective affiliates accepts any responsibility whatsoever for the contents of this electronic transmission, the Supplement or the Offering Circular or for any other statement made or purported to be made by it, or on its behalf, in connection with the Issuer or the Issuer or the offering referred to herein. The Arranger, the Dealers and each of their respective affiliates disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of the electronic transmission, the Supplement or the Offering Circular or any such statement. No representation or warranty, express or implied, is made by the Arranger, the Dealers or any of their respective affiliates as to the accuracy, completeness or sufficiency of the information set out in this electronic transmission, the Supplement or the Offering Circular.

MuniFin

MUNICIPALITY FINANCE PLC (Kuntarahoitus Oyj)

(Public limited liability company incorporated in the Republic of Finland)

€50,000,000,000

Programme for the Issuance of Debt Instruments

Guaranteed by

THE MUNICIPAL GUARANTEE BOARD (Kuntien takauskeskus)

(Established as a public law institution under the laws of the Republic of Finland)

This supplement (the "**Supplement**") to the offering circular dated 13 May 2025 (the "**Offering Circular**") is prepared in connection with the €50,000,000,000 Programme for the Issuance of Debt Instruments established by Municipality Finance Plc (the "**Issuer**" or "**Municipality Finance**") and the Municipal Guarantee Board (the "**Guarantor**" or the "**MGB**"). Terms defined in the Offering Circular have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular and any other supplements to the Offering Circular issued by the Issuer and the Guarantor from time to time and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

Notes will not be subject to the prospectus requirements of (i) Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") as a result of the exemption provided by Article 1.2(d) of the Prospectus Regulation for securities unconditionally and irrevocably guaranteed by a local authority of a European Economic Area member state, or (ii) Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**") as a result of the exemption provided by Article 1.2(d) of the UK Prospectus Regulation for securities unconditionally and irrevocably guaranteed by the government or a local or regional authority of any country or territory.

Application may be made to the United Kingdom Financial Conduct Authority (the "**FCA**") for Notes to be admitted to listing on the official list of the FCA (the "**Official List**") and to trading on the main market of the London Stock Exchange plc (the "**London Stock Exchange**"), and/or to Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") for Notes to be listed and admitted to trading on its official list. Application may be made for Notes to be listed and admitted to trading on any other listing authority, stock exchange and/or quotation system as may be agreed with the Issuer. Unlisted Notes may also be issued under to the Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not an application will be made for such Notes to be listed and admitted to trading on any listing authority, stock exchange and/or quotation system.

The Issuer and the Guarantor accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Issuer and the Guarantor (which have taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statements in or incorporated by reference into this Supplement and (b) any statement in or incorporated by reference into the Offering Circular, the statements in this Supplement will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or material inaccuracy relating to information included in the Offering Circular has arisen or been noted since the publication of the Offering Circular.

AMENDMENTS TO THE OFFERING CIRCULAR

With effect from the date of this Supplement, the information appearing in the Offering Circular shall be updated, replaced, amended and/or supplemented in the manner described below.

Interim 2025 Financials

The unaudited consolidated interim financial information prepared in accordance with IAS 34 *Interim Financial Reporting* (including the auditor's review report thereon and notes thereto) of the Issuer in respect of the six months ended 30 June 2025 including comparative information for the six months ended 30 June 2024 (the "**Interim 2025 Financials**"), appended to this Supplement, shall be deemed to be incorporated by reference in, and form part of, the Offering Circular.

If the Interim 2025 Financials itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement or the Offering Circular.

Presentation of Financial and Other Data

1. The subsection "*Important Notices – Presentation of Financial and Other Data*" starting on page 6 of the Offering Circular is supplemented by adding the following:

"The Group has made several changes to the presentation of the Consolidated income statement and the Consolidated statement of financial position. The restated figures for the comparative period for the six months ended 30 June 2024 and the opening balance sheet of the year ended 31 December 2024 are presented in the Group's Half Year Report 1 January - 30 June 2025.

During the year ended 31 December 2024, the Group has updated the presentation in the Consolidated income statement of net interest income of derivative contracts that are not designated in hedge accounting and interest income of property lease receivables.

In addition to adjusting the income statement, the Group has corrected the presentation of the Consolidated statement of financial position during the second half of 2024. The accrued interest was transferred from "Accrued income and prepayments" or "Accrued expenses and deferred income" to the item from which the interest arises. During the first half of 2025, the Group updated the presentation of balances with central banks and the presentation of current tax assets. The Group's management concluded that combining cash together with central banks balances in their own line in the balance sheet provides more useful information to readers of the financial statements. In addition, "Current tax assets" are shown separately in the Consolidated statement of financial position."

Unless otherwise indicated, financial information set forth herein related to the Group has been derived from the Interim 2025 Financials."

2. The subsection "*Important Notices – Non-GAAP Measures of Financial Performance*" starting on page 8 of the Offering Circular is supplemented by adding the following:

"The required definitions and reconciliations of the APMs in the Interim 2025 Financials are presented on pages 39 to 46 of the Interim 2025 Financials."

Risk Factors

1. The risk factor titled "*The Group is exposed to the economic conditions in Finland and globally*" starting on page 15 of the Offering Circular is replaced by the following:

"The Group is exposed to the economic conditions in Finland and globally

The Group conducts its lending operations exclusively in Finland and its lending volumes are reliant on the prospects of Finnish municipalities, joint municipal authorities, wellbeing services counties, joint county

authorities for wellbeing services, entities controlled by the foregoing and housing corporations providing housing on social grounds in Finland. Therefore, the macroeconomic factors relating to Finland, and more specifically its municipalities, such as GDP, the inflation rate, interest rates, currency exchange rates and tax rates as well as unemployment, personal income and the financial situation of companies, together with various other factors, have a material impact on customer demand and margins for Group's products and services. According to the Ministry of Finance, Finland's GDP contracted by 0.1 per cent. in 2024, despite the slowing of inflation and falling interest rates, as a result of low public and private consumption. In 2024, private consumption decreased off the back of weaker employment figures and general economic uncertainty. However, GDP is expected to grow by 1.3 per cent. in 2025. Growth in Europe grew slightly to 0.9 per cent. on average in 2024 and is expected to see growth of 1.5 per cent. in 2025. The root cause of the slower than expected growth in 2024 is a reluctance of households to consume extra income following years of prolonged inflation and rising interest rates, despite improvements to both in 2024.

In July 2025, Fitch Ratings downgraded the Republic of Finland's long-term sovereign credit rating to AA (outlook stable) from AA+, noting that Finland's high government debt remains on an upward trajectory and that the government's 2023 and 2024 consolidation packages aimed at stabilising the debt trajectory by 2027 were insufficient to stabilise the debt ratio in the medium term.

Finland's GDP is expected to grow by 1.0 per cent. in 2025 and, 1.5 per cent. in 2026 and 1.7 per cent. in 2027. Growth in Europe grew slightly to 0.9 per cent. on average in 2024 and the European Commission's Spring 2025 Economic Forecast projects real GDP growth in 2025 at 1.1 per cent. in the EU, rising to 1.5 per cent. in 2026, supported by continued consumption growth and a rebound of investment.

Should Finland's GDP slow or decline or Finnish municipalities' relative indebtedness increase, the Group may be exposed to instability in the prospects of both its customers and their ultimate guarantors. Additionally, should any of these factors result in Finland having its credit rating downgraded, it may cause an increase in the cost of the Group's future funding transactions and thereby put further pressure on the price of any lending required by the Group's customers. As a result, any of these factors relating to Finland or its municipal sector may have a material adverse effect on the Group's business, financial condition and results of operations.

Continuing uncertainty regarding the effects of the United Kingdom's withdrawal from the European Union may continue to adversely affect European and worldwide economic and market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the Sterling and Euro. The Group also has derivatives transactions cleared centrally through London Clearing House ("LCH"). The Group also intends to start clearing derivatives through Eurex AG in the second half of 2025 in order to comply with the amendments to Regulation (EU) No 648/2012 (as amended, "EMIR"). LCH has been recognised as a third country CCP under EMIR, eligible to provide their services in the EU until 30 June 2028. It remains uncertain whether LCH will remain a recognised central counterparty for the purposes of EMIR after June 2028. A lack of such recognition may result in significant market disruption when entities with derivatives cleared through LCH may need to transfer the transactions to another central counterparty. The aforementioned factors could have a material adverse effect on the Group's business, financial condition and results of operations.

Recently, the global credit and financial markets have experienced volatility and disruptions, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates and uncertainty about economic stability. The financial markets, the global economy as well as the economy of Finland have been and may continue to be adversely affected by the current or anticipated impact of military conflicts, including the war between Russia and Ukraine, conflict in the Middle East, the significant and ongoing changes to the trade policy of the United States and its corresponding imposition of tariffs against its trading partners and retaliations, terrorism, or other geopolitical events. Sanctions imposed by the United States, the United Kingdom, the United Nations, and the European Union, and other countries in response to such conflicts, including the sanctions imposed relating to the conflict in Ukraine, have and may continue to adversely impact the financial markets and the global economy, and any economic countermeasures by the affected countries or others could exacerbate market and economic instability. Russia's invasion of Ukraine has increased prices of energy, raw materials and food, which has cut household purchasing power, consumption and economic growth significantly. The global energy markets could be affected should the conflict in the Middle East escalate further.

Prolonged inflation continues to pose the biggest challenge in global macroeconomy. The fastest rise in consumer prices following the Russian invasion of Ukraine in 2022 took a downward turn in 2023, but it

may take a few years for inflation to return to the central banks' target level. In July 2023, the US Federal Reserve raised the key interest rate to a targeted range between 5.25 and 5.5 per cent., which it maintained through August 2024, after which it began a series of rate cuts to a targeted range between 4.25 and 4.5 per cent., which it has maintained as of March 2025. The European Central Bank raised its deposit facility rate by 2.0 percentage points over the course of 2023, taking it from 2.0 per cent. to a height of 4.0 per cent in September 2023. The deposit facility rate decreased throughout 2024, reaching 3.0 per cent. in December. The European Central Bank further decreased the deposit facility rate by 0.5 per percentage points to 2.5 per cent. in March 2025, and then to 2.00 per cent. in June 2025. On 13 March 2024, the European Central Bank announced changes to its operational framework for implementing monetary policy, reducing the spread between the rate on the main refinancing operations and the deposit facility rate from 50 to 15 basis points. This change went into effect on 18 September 2024.

The ongoing conflict between Russia and Ukraine as well as rising inflation and fluctuating interest rates is expected to continue to have a significant impact on the Finnish economic outlook, including in relation to foreign trade and exports. Given the uncertainty of the situation, the exact impact on Finland's economy is not yet known but it is expected that the Finnish economy's growth outlook will decline given the conflict in Ukraine and the resulting rising inflation and rapidly tightening monetary policy. In the event geopolitical tension fail to abate or deteriorate further, additional governmental sanctions may be enacted adversely impacting the global economy and supply chain, banking and monetary systems. In addition, the effects of changes in global trade policies and the imposition of tariffs may impact the global economy and market conditions. Such geopolitical events may have a material adverse effect on the Group's financial condition and results of operations."

2. *The last sentence of the first paragraph of the risk factor titled "The Group is exposed to credit risk from its counterparties on financial instruments" starting on page 15 of the Offering Circular is replaced by the following:*

"As a result of these activities, the Group had derivative contracts with a nominal value of Euro 85.5 billion as at 30 June 2025."

3. *The risk factor titled "The Finnish health and social services reform may adversely affect the Group" on page 17 of the Offering Circular is amended by adding the following sentences to the end of the sixth paragraph:*

"As of June 2025, 9 per cent of the Group's long-term loan portfolio consisted of loans to wellbeing services counties."

4. *The last paragraph of the risk factor titled "Judgments entered against the Issuer or the Guarantor may not be recognised or enforceable in Finland" starting on page 34 of the Offering Circular is replaced by the following:*

"On 12 January 2024, the UK signed, and on 27 June 2024, ratified, the Hague Convention of 2 July 2019 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters ("**Hague 2019**"), which entered into force as of 1 July 2025. Hague 2019 provides for the mutual enforcement of judgments between the United Kingdom and the other contracting states, including EU member states, in proceedings started after Hague 2019 comes into force in the UK regardless of when the agreement was made. In circumstances where no convention such as Hague 2019 is applicable, any retrial on a judgment's merits could significantly delay or prevent the enforcement by Noteholders of the Issuer's or the Guarantor's obligations under Notes which are not VPS Notes."

Use of Proceeds

The subsection "Use of Proceeds – Green Bonds and Social Bonds" on page 111 of the Offering Circular is replaced with the following:

"Green Bonds and Social Bonds

In respect of any Notes which are issued as Green Bonds or Social Bonds an amount equal to the proceeds of the issue of the Notes is intended to be used to finance Eligible Projects in accordance with the Issuer's Green Bond Framework or Social Bonds Framework.

The categories of eligible projects that may be financed with Green Bonds are divided into the following project categories: (i) buildings; (ii) transportation; (iii) renewable energy; (iv) water and waste water management; (v) climate change adaptation and (vi) biodiversity and the categories of eligible projects that may be financed with Social Bonds are divided into the following project categories: (i) housing for special groups and assisted living; (ii) healthcare; (iii) wellbeing and culture and (iv) education ("**Eligible Projects**"). The detailed eligibility criteria and related documentation requirements are set out in the Green Bond Framework and Social Bonds Framework.

The Issuer's Green Bond Framework 2025 (the "**Green Bond Framework**") and the opinion provided by S&P Global Ratings dated 15 August 2025 (the "**Green Second Party Opinion**") will be available on the Issuer's website at: <https://www.kuntarahoitus.fi/en/for-investors/green-and-social-bonds/green-bonds>, as the same may be updated, amended and/or replaced from time to time.

The Issuer's Social Bond Framework 2025 (the "**Social Bonds Framework**") and the opinion provided by S&P Global Ratings dated 15 August 2025 (together with the Green Second Party Opinion, the "**Second Party Opinions**") will be available on the Issuer's website at: <https://www.kuntarahoitus.fi/en/for-investors/green-and-social-bonds/social-bonds>, as the same may be updated, amended and/or replaced from time to time.

The Green Bond Framework and Social Bonds Framework and the Second Party Opinions and any other documentation relevant to Notes issued as Green Bonds or Social Bonds are subject to review and change. Potential investors in Notes issued as Green Bonds or Social Bonds should access the latest version of the relevant document on the Issuer's website.

For the avoidance of doubt, none of the Green Bond Framework, the Social Bonds Framework, the Second Party Opinions, or any other certification, report or opinion relating to the Green Bond Framework, the Social Bonds Framework or Notes issued as Green Bonds or Social Bonds, any document referred to in any of the foregoing, or the contents of any website referred to herein or therein are, or shall be deemed to be, incorporated in and/or form part of this Offering Circular.

The Green Bond Framework, the Social Bonds Framework, the Second Party Opinions and other documentation relating to the Issuer's Green Bonds or Social Bonds are subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from the description given in this Offering Circular. Potential investors in Notes issued as Green Bonds or Social Bonds should access the latest version of each relevant document on the Issuer's website. Any such amendment, update, supplementing, replacing and/or withdrawal after the issue date of any Notes which are Green Bonds or Social Bonds may be applied in respect of such Notes already in issue."

Capitalisation and Indebtedness

The section "Capitalisation and Indebtedness" on page 112 of the Offering Circular is supplemented by the addition of the following:

"The following table sets forth consolidated cash and balances with central banks and capitalisation (including short-term debt, long-term debt and shareholders' equity) of the Group as at 30 June 2025.

The information in this table should be read in conjunction with "*Management's Discussion and Analysis of Financial Position and Results of Operations of the Group*", the Group's Consolidated Financial Statements and the notes to those statements included elsewhere in the Offering Circular and the Interim 2025 Financials and the notes to the Interim 2025 Financials included elsewhere in this Supplement.

	As at 30 June 2025
	<i>(Euro '000)</i>
Cash and balances with central banks	7,770,390
Indebtedness:	
Liabilities to credit institutions	252,036
Liabilities to the public and public sector entities	2,325,967
Debt securities issued	46,771,347
Total indebtedness	49,349,350

	As at 30 June 2025
	<i>(Euro '000)</i>
Shareholders' equity	
Share capital.....	42,583
Reserve fund.....	277
Fair value reserve of investments.....	4,295
Own credit revaluation reserve.....	144,106
Cost-of-Hedging reserve.....	25,388
Reserve for invested non-restricted equity.....	40,366
Retained earnings.....	1,632,863
Total equity attributable to parent company equity holders.....	1,889,878
Other equity instruments issued.....	-
Total equity.....	1,889,878
Total Capitalisation⁽¹⁾.....	51,239,228

⁽¹⁾ Total capitalisation is the sum of total indebtedness and total equity."

Selected Financial Information Relating to the Group

The section "Selected Financial Information Relating to the Group" starting on page 113 of the Offering Circular is supplemented by the addition of the following:

"The following tables set out, in summary form, selected consolidated financial information for the Group for the six months ended 30 June 2025 as derived from the Interim 2025 Financials prepared in accordance with IAS 34. This information should be read in conjunction with, and is qualified in its entirety by reference to, the Interim 2025 Financials and the section entitled "Management's Discussion and Analysis of Financial Position and Results of Operations of the Group" in the Offering Circular, as updated by this Supplement.

INCOME STATEMENT DATA

	For the six months ended 30	
	June	
	2025	2024
		(Restated)
	<i>(Euro '000)</i>	
Interest income at effective interest rate method ⁽¹⁾	740,441	982,643
Other interest income ⁽¹⁾	145,058	159,488
Interest expense at effective interest rate method ⁽¹⁾	(534,618)	(726,272)
Other interest expense ⁽¹⁾	(227,008)	(287,300)
NET INTEREST INCOME.....	123,872	128,559
Commission income.....	579	932
Commission expense.....	(9,029)	(8,127)
Net result on financial instruments at fair value through profit and loss.....	(1,955)	16,071
Net result on financial assets at fair value through other comprehensive income.....	-	3
Other operating income.....	81	25
HR and administrative expenses.....	(24,843)	(22,139)
Depreciation and impairment on tangible and intangible assets.....	(2,327)	(3,112)
Other operating expenses.....	(7,540)	(7,395)
Credit losses on financial assets recognised at amortised cost and at fair value through other comprehensive income.....	(840)	278
NET OPERATING PROFIT.....	77,998	105,093
Income tax expense.....	(15,632)	(20,810)
PROFIT FOR THE PERIOD.....	62,366	84,284

⁽¹⁾ In 2024, the Group made changes in the presentation of net interest income of derivative contracts. Derivative contracts designated under hedge accounting are presented in line items "interest income/expense at effective interest rate method" and derivative contracts that are not designated under hedge accounting are presented in line item "other interest income/expense". The Group changed the classification of property lease receivables from finance lease receivables to financial assets, which resulted in the interest income from the property lease agreements being presented in the income statement under "interest income at effective interest rate method" instead of "other interest income". Information presented for the six months ended 30 June 2024 has been restated accordingly. For more information, see note 2 to the Interim 2025 Financials.

CONSOLIDATED FINANCIAL POSITION DATA

	As at 30 June	As at 31 December
	2025	2024 (Restated)
	(Euro '000)	
ASSETS		
Cash and balances with central banks ⁽¹⁾	7,770,390	7,776,888
Loans and advances to credit institutions ⁽¹⁾	1,986,468	789,725
Loans and advances to the public and public sector entities.....	36,723,683	35,376,909
Debt securities.....	6,339,665	5,878,912
Derivative contracts.....	1,553,268	2,323,708
Intangible assets.....	1,332	2,720
Tangible assets.....	9,368	8,236
Other assets.....	785,346	915,913
Accrued income and prepayments ⁽¹⁾	5,635	2,220
Current tax assets ⁽¹⁾	3	16,577
Deferred tax assets.....	21	10
TOTAL ASSETS	55,175,178	53,091,818
LIABILITIES AND EQUITY		
LIABILITIES		
Liabilities to credit institutions.....	252,036	883,694
Liabilities to the public and public sector entities.....	2,325,967	2,463,874
Debt securities issued.....	46,771,347	44,534,306
Derivative contracts.....	3,283,819	2,561,718
Other liabilities.....	234,068	285,181
Accrued expenses and deferred income.....	49,876	45,485
Current tax liabilities.....	7,377	-
Deferred tax liabilities.....	360,810	372,126
TOTAL LIABILITIES	53,285,300	51,146,383
EQUITY		
Share capital.....	42,583	42,583
Reserve fund.....	277	277
Fair value reserve of investments.....	4,295	3,340
Own credit revaluation reserve.....	144,106	169,999
Cost-of-Hedging reserve.....	25,388	45,714
Reserve for invested non-restricted equity.....	40,366	40,366
Retained earnings.....	1,632,863	1,643,155
Total equity attributable to parent company equity holders	1,889,878	1,945,435
TOTAL EQUITY	1,889,878	1,945,435
TOTAL LIABILITIES AND EQUITY	55,175,178	53,091,818

⁽¹⁾ In 2025, the Group has changed the presentation of consolidated statement of financial position by combining cash together with central banks balances in their own line item and by presenting current tax assets separately in their own line item. Information presented as at 31 December 2024 has been restated accordingly and the restated information is unaudited. For more information, see note 2 to the Interim 2025 Financials.

CONSOLIDATED CASH FLOW DATA

	For the six months ended 30 June	
	2025	2024 (Restated)
	(Euro '000)	
Cash flow from operating activities ⁽¹⁾	92,963	249,424
Cash flow from investing activities.....	(2,035)	(204)
Cash flow from financing activities ⁽¹⁾	(73,328)	(66,916)
Change in cash and cash equivalents ⁽¹⁾	17,599	182,304
Cash and cash equivalents at 1 January ⁽¹⁾	7,838,383	8,016,855
Cash and cash equivalents at period end⁽¹⁾	7,855,982	8,199,159

⁽¹⁾ In 2025, the Group has changed the presentation of consolidated statement of financial position by combining cash together with central banks balances in their own line item and by presenting current tax assets separately in their own line item. Information presented as at 31 December 2024 has been restated accordingly and the restated information is unaudited. For more information, see note 2 to the Interim 2025 Financials.

KEY PERFORMANCE INDICATORS

	As at and for the six months ended 30 June	
	2025	2024
Turnover (mEUR) ⁽¹⁾	884	1,159
Net interest income (mEUR)*	124	129
% of turnover	14.0	11.1
Net operating profit (mEUR)*	78	105
% of turnover	8.8	9.1
Unrealised fair value changes (mEUR)* ⁽²⁾	(1)	16
Net operating profit excluding unrealised fair value changes (mEUR)* ⁽³⁾	79	89
Cost-to-income ratio* ⁽⁴⁾	30.6	23.7
Cost-to-income ratio excluding unrealised fair value changes* ⁽⁵⁾	30.4	26.9
Long-term customer financing (mEUR)* ⁽⁶⁾	36,541	33,300
New lending (mEUR) ⁽⁷⁾	2,332	2,308
Total funding (mEUR)* ⁽⁸⁾	48,853	44,478
New long-term funding (mEUR)* ⁽⁹⁾	7,345	4,942
Equity (mEUR)	1,890	1,807
Total balance sheet (mEUR) ⁽¹⁰⁾	55,175	50,954
Total liquidity (mEUR)* ⁽¹¹⁾	13,025	11,931
Liquidity Coverage Ratio (LCR) (%) ⁽¹²⁾	390.4	423.0
Net Stable Funding Ratio (NSFR) (%) ⁽¹³⁾	127.7	125.6
Equity ratio (%)* ⁽¹⁴⁾	3.4	3.5
CET1 capital (mEUR)	1,654	1,586
Tier 1 capital (mEUR)	1,654	1,586
Total own funds (mEUR)	1,654	1,586
CET1 capital ratio (%) ⁽¹⁵⁾	89.4	102.4
Tier 1 capital ratio (%) ⁽¹⁶⁾	89.4	102.4
Total capital ratio (%) ⁽¹⁷⁾	89.4	102.4
Leverage ratio (%) ⁽¹⁸⁾	11.4	12.0
Personnel	187	196

*Alternative Performance Measures, non-IFRS.

The required definitions and reconciliations of the APMs are presented on pages 39 to 46 of the Group's half year report for 2025.

- ⁽¹⁾ Turnover is calculated as the sum of interest income at effective interest rate method, other interest income, commission income, net result on financial instruments at fair value through profit or loss, net result on financial assets at fair value through other comprehensive income and other operating income.
- ⁽²⁾ Unrealised fair value changes is the sum of net result on financial assets and liabilities through profit or loss, unrealised fair value changes and net result from hedge accounting.
- ⁽³⁾ Net operating profit excluding unrealised fair value changes is calculated as net operating profit after adding back unrealised fair value changes. It shows the Group's underlying earnings capacity. The below table sets out a reconciliation of net operating profit to net operating profit excluding unrealised fair value changes for the periods indicated.

	For the six months ended 30 June	
	2025	2024
Net operating profit (mEUR)	78	105
Unrealised fair value changes (mEUR)	(1)	16
Net operating profit excluding unrealised fair value changes (mEUR)	79	89

- ⁽⁴⁾ Cost-to-income ratio is calculated as the sum of HR and administrative expenses, depreciation and impairment on tangible and intangible assets and other operating expenses divided by the sum of net interest income, net commission income (sum of commission income and commission expense), net result on financial instruments at fair value through profit or loss, net result on financial assets at fair value through other comprehensive income and other operating income.
- ⁽⁵⁾ Cost-to-income ratio excluding unrealised fair value changes is calculated as the (i) sum of HR and administrative expenses, depreciation and impairment on tangible and intangible assets and other operating expenses divided by (ii) the sum of net interest income, net commission income, net result on financial instruments at fair value through profit or loss, net result on financial assets at fair value through other comprehensive income and other operating income less unrealised fair value changes. It gives a more precise picture of the Group's operative effectiveness as it excludes the income volatility of unrealised fair value changes. As a performance measure it is more widely used after the implementation of IFRS 9 as profit and loss volatility of income has grown due to unrealised fair value changes of financial instruments. The Group believes it improves the comparability of operative effectiveness between companies and reporting periods. The below table sets out a reconciliation of Cost-to-income ratio excluding unrealised fair value changes for the periods indicated.

	For the six months ended 30 June	
	2025	2024
Costs (excluding Commission expenses) (mEUR)	35	33
Divided by		
Income (including Net commission income) (mEUR)	114	137

	For the six months ended 30 June	
	2025	2024
Unrealised fair value changes (mEUR)	(1)	16
Cost-to-income ratio excluding unrealised fair value changes (%)	30.4%	26.9%

- (6) Long-term customer financing is calculated as the amount of loans and advances to the public and public sector entities less interest accrued on long-term loan portfolio.
- (7) New lending is calculated as the amount of new loans excluding unrealised fair value changes.
- (8) Total funding is calculated as the sum of liabilities to credit institutions, liabilities to the public and public sector entities and debt securities issued less interest payable on long-term funding, cash collateral received, interest payable on long-term funding and liabilities to credit institutions, payable on demand.
- (9) New long-term funding is calculated as the amount of new funding (over 1 year) issued excluding unrealised fair value changes during the reporting period.
- (10) Total balance sheet is equal to total assets and is calculated as the sum of total liabilities and total equity.
- (11) Total liquidity is calculated as the sum of the total of investments in securities (sum of debt securities less interest accrued on investment bonds and short-term customer financing and interest accrued on investment bonds) and the total of other investments (sum of cash and balances with central banks and other deposits less interest accrued on deposits).
- (12) Liquidity coverage ratio (LCR) (per cent) is calculated as liquid assets divided by the difference between liquidity outflows and liquidity inflows in a stress situation. The LCR figures represent the percentage at the period end reference date.
- (13) Net stable funding ratio (NSFR) (per cent) is calculated as available stable funding divided by the required stable funding. The NSFR figures represent the percentage at the period end reference date.
- (14) Equity ratio (per cent) is calculated as the sum of total equity and non-controlling interest divided by total assets.
- (15) CET1 capital ratio (per cent) equals Common Equity Tier 1 (CET1) capital divided by risk exposure amount. Risk exposure amount is calculated as defined in the Capital Requirements Regulation.
- (16) Tier 1 capital ratio (per cent) equals Tier 1 capital divided by risk exposure amount.
- (17) Total capital ratio (per cent) equals total own funds divided by risk exposure amount.
- (18) Leverage ratio (per cent) equals total Tier 1 capital divided by Total Exposure. Total Exposure is calculated as the total of on-balance sheet exposures (excluding derivatives and intangible assets), derivative exposure and off-balance sheet exposure. The Group fulfils the CRR II definition of a public development credit institution and as at 30 June 2025 has deducted all credit receivables from municipalities, wellbeing services counties and the central government. The deduction has also been made at 30 June 2024."

Management's Discussion and Analysis of Financial Position and Results of Operations of the Group

1. The subsection "Management's Discussion and Analysis of Financial Position and Results of Operations of the Group – Significant Factors Affecting Operating and Financial Results – Pricing, cost of funding and liquidity" starting on page 118 of the Offering Circular is replaced with the following:

"Pricing, cost of funding and liquidity

The availability and the cost of new funding has a material impact on the net interest income of the Group, impacting the Group's competition situation, and thus potentially the growth of its loan portfolio and the levels of its net interest margins. One of the most significant factors affecting the cost and availability of the Group's funding has been and is related to the general development of the European economy, in particular the Finnish economy. While the international position of Finland is favourable in terms of access to funding, should a European financial crisis re-emerge or the state of the Finnish economy deteriorates, the cost of acquiring funding might rise.

According to the Ministry of Finance, Finland's GDP contracted by 0.1 per cent. in 2024 at the annual level, though returned to growth during the year, and private consumption in 2024 decreased off the back of weaker employment figures. In April 2025, the Ministry of Finance announced that Finland's GDP is expected to grow by 1.0 per cent. in 2025, 1.5 per cent. in 2026 and 1.7 per cent. in 2027, with economic growth overshadowed by global uncertainty due to the trade policy of the United States and the announced tariffs on its trading partners. Should the tariffs remain in effect, Finland's economic growth in 2025 and 2026 will be significantly lower than forecast. Pending developments regarding the announced tariffs by the United States, private consumption is beginning to recover as interest rates remain moderate and purchasing power increases. Growth in private consumption is expected to accelerate in 2026 as the employment situation improves.

The Group requires ongoing access to funding in order to originate new lending contracts. In accordance with its Liquidity and Funding Risk Policy (approved by the Board of Directors), the Group front-loads its expected funding requirements and seeks to maintain a liquidity buffer. The Group aims to maintain its liquidity buffer at such a level that it enables the Group to keep its liquidity and funding risk appetite at the level defined in the company's Risk Appetite Framework. In practice, the ongoing maintenance of the LCR and liquidity survival horizon at an adequate level defines the total size of the liquidity portfolio. The liquidity buffer is to ensure that the Group can meet its financial obligations for at least twelve months. As at 30 June 2025, the Group's liquidity buffer was approximately 18.5 months from a survival horizon perspective. The Group's LCR on 30 June 2025 amounted to 390.4 per cent. The Group's NSFR on 30 June 2025 amounted to 127.7 per cent. The main sources of funding used by the Group for lending activities are this Programme, its Euro 10 billion Euro-Commercial Paper Programme and its Australian dollar 2 billion Medium Term Note Programme. Since 2010, Municipality Finance Plc has held the status of central bank counterparty, and together with its securities portfolio, a substantial amount of the Group's municipal loan book can be used as eligible collateral for participation to the central bank open market operations and standing facilities. The central bank operations and the liquidity facility are treated as a secondary liquidity source which provides a substantial backstop for liquidity.

The Group operates a well-diversified funding strategy. The Group believes that the spread development on the Group's key funding markets has been favourable. This has resulted in increased presence of other market players in the lending market as these other market players have experienced similar development. The Group uses funds transfer pricing in its operations, i.e. its funding curve as a base for pricing its lending transactions to its customers. If the Group's funding cost were to increase, application of funds transfer pricing would result in an increase to the Group's pricing to customers which in turn may result in reduction in its market share and lending volumes.

Additionally, because the Group manages a significant liquidity buffer to meet its future needs, the Group has a significant amount of fixed-income and money market assets in its liquidity portfolio. Therefore, the Group must manage the cost of securing the funding against any returns on holding the funds to meet the Group's liquidity requirements prior to such funds being used for lending purposes. The low credit risk of the investments and the stability of its valuations are two of the most important criteria when the Group manages its liquid assets. The objective of the Group's liquidity management is to manage the portfolio by investing in highly liquid assets to ensure that the Group's liquidity enables it to secure its operations, including new lending and redemptions of funding, under all market conditions. As a result, the Group maintains a high proportion of HQLA. The assets in the liquidity portfolio include both the Group's own funds as well as acquired pre-funding. Due to the general market uncertainty, the Group increased during 2022 its average allocation in investments in central bank deposits, but by the end of 2023 the Group had partially restored its focus on longer-term investments. At the end of 2024, the Group's total liquidity stood at Euro 11,912 million compared to Euro 11,633 million in 2023. Of this, central bank deposits totalled Euro 7,809 million in 2024 compared to Euro 7,989 million in 2023 and investments in liquid, low-risk securities totalled Euro 4,016 million compared to Euro 3,570 million in 2023, with the average credit rating of AA+ (the same rating as in 2023 and 2022) and average maturity of 3.2 years. In addition to this, money market deposits in credit institutions totalled Euro 88 million in 2024 compared to Euro 74 million in 2023). At the end of June 2025, the Group's total liquidity stood at Euro 13,025 million (Euro 11,931 million for the six months ended 30 June 2024). Of this, central bank deposits totalled Euro 7,793 million (Euro 8,171 million for the six months ended 30 June 2024) and investments in liquid, low-risk securities totalled Euro 4,782 million (Euro 3,693 million for the six months ended 30 June 2024), with the average credit rating of AA+ (the same rating as in 2024 and 2023) and average maturity of 3.5 years (3.4 for the six months ended 30 June 2024). In addition to this, money market deposits in credit institutions totalled Euro 450 million at the end of June 2025 (Euro 68 million for the six months ended 30 June 2024). The Group's liquidity investments are hedged with interest rate swaps. Changes in interest rates therefore do not have a direct impact on profit and loss.

The Group continued to increase investments in socially responsible investment ("SRI") targets which totalled Euro 994 million as at 30 June 2025, which is 20.8 per cent of all investments in securities. SRIs refer to investments in green bonds, social bonds and sustainability bonds. In 2021, the Group published its Sustainable Investment Framework, which outlines the sustainability principles, processes and responsibilities relating to its investment operations. The Sustainable Investment Framework is based on the Group's sustainability policy approved by the Board of Directors. The Group continues to monitor the environmental and social responsibility and governance practices of the issuers in the liquidity portfolio by monitoring the ESG scores of their investments. This is also incorporated in the Group's Risk Appetite Framework."

2. The subsection "Management's Discussion and Analysis of Financial Position and Results of Operations of the Group – Significant Factors Affecting Operating and Financial Results – The volume of the Group's lending and its market share" starting on page 119 of the Offering Circular is supplemented by adding the following sentences to the end of the sixth paragraph:

"The total amount of new lending made in the six months ended 30 June 2025 was higher than in the same period in the prior year at Euro 2,332 million (Euro 2,308 million for the six months ended 30 June 2024). As of 30 June 2025, the Group's long-term loan portfolio stood at Euro 34,944 million (Euro 33,610 million for the year ended 31 December 2024; Euro 31,797 million for the six months ended 30 June 2024), which was primarily due to the amount of maturing loan in the six months ended 30 June 2025 was lower than in the same period in the prior year."

3. The subsection "Management's Discussion and Analysis of Financial Position and Results of Operations of the Group – Significant Factors Affecting Operating and Financial Results – Fluctuations in interest rates, currency exchange rates and the valuation of derivatives" starting on page 121 of the Offering Circular is deleted and replaced by the following:

"Fluctuations in interest rates, currency exchange rates and the valuation of derivatives"

The Group's lending is denominated in euros although the Group's funding is diversified across several different currencies. The Group's total funding as at 31 December 2024 was Euro 46,737 million compared with Euro 43,320 million and Euro 40,210 million as at 31 December 2023 and 2022, respectively. Of this total amount as at 31 December 2024, 50.5 per cent was denominated in euros and 49.5 per cent in foreign currencies. The Group's total funding as at 30 June 2025 was Euro 48,853 million. The Group hedges against all currency risks by using derivative contracts to swap foreign currency-denominated funding and investments into euros. However, the Group conducts daily collateral management in United States Dollars when interest rate derivatives denominated in currencies other than Euros are cleared with central counterparties. Such activities may result in minor currency exposures, which are managed and monitored closely.

Also, while the Group's lending and funding is in both floating and fixed interest rates, the Group generally hedges its fixed rate interest exposure (both funding and lending) to floating rate. The Group's strategy for interest-rate risk in the banking book (IRRBB) is to ensure sustainable profitability regardless of the level of interest rates. Given the strategy of earnings stabilisation, the Group may decide on creating a strategic mismatch position for its banking book, i.e. leaving a part of its fixed rate assets unhedged in order to steer the Group's net interest income towards the objective of earnings stabilisation.

In addition to financing, the Group offers its customers solutions for managing their interest rate risks with derivatives. The Group hedges the exposure of any derivative agreements it offers to municipalities, joint municipal authorities and municipal companies with its derivatives counterparties.

As a result of the foregoing activities, the Group had derivative contracts with a nominal value of Euro 82,405 million as at 31 December 2024 compared with Euro 74,762 million and Euro 73,876 million as at 31 December 2023 and 2022, respectively. The Group had derivative contracts with a nominal value of Euro 85,548 million as at 30 June 2025.

The following table sets forth, as of the date indicated, information on the derivative contracts of the Group:

	As at 30 June 2025		
	Nominal value	Fair Value	
	Total	Positive	Negative
		<i>Euro ('000)</i>	
Contracts in hedge accounting			
Interest rate derivatives	36,839,655	973,394	(1,143,882)
Interest rate swaps			
of which cleared by the central counterparty.....	36,086,084	949,350	(1,125,123)
Currency derivatives			
Cross currency interest rate swaps.....	16,819,009	354,555	(872,249)
Total contracts in hedge accounting.....	53,658,664	1,327,949	(2,016,132)
Contracts at fair value through profit or loss⁽¹⁾			
Interest rate derivatives			
Interest rate swaps.....	24,886,716	197,983	(936,235)

	As at 30 June 2025		
	Nominal value	Fair Value	
	Total	Positive	Negative
of which cleared by the central counterparty.....	17,328,060	Euro ('000) 107,403	(128,582)
Currency derivatives			
Cross currency interest rate swaps.....	4,256,139	24,528	(279,469)
Forward exchange contracts.....	2,746,584	2,808	(51,983)
Total contracts at fair value through profit or loss.....	31,889,438	225,319	(1,267,687)
Total derivative contracts.....	85,548,103	1,553,268	(3,283,819)

(1) Contracts that are measured at fair value through profit or loss contain all derivatives of the Group which are not included in hedge accounting, even if they are entered into for risk management purposes. The category contains derivatives used for hedging financial assets and liabilities which are designated at fair value through profit or loss, all derivatives with municipalities and all derivatives hedging derivatives with municipalities. In addition to these, the category contains derivatives used for hedging interest rate risk of the balance sheet, for which no hedged item has been specified.

The total nominal value of derivative contracts not included in hedge accounting under IFRS Accounting Standards was Euro 31,889 million as at 30 June 2025. Changes in the fair value of such derivatives are recognised on the income statement during the period in which they occur as one component of the net result for the line item "Net result on financial instruments at fair value through profit and loss."

4. The subsection "Management's Discussion and Analysis of Financial Position and Results of Operations of the Group – Results of Operations" starting on page 125 of the Offering Circular is supplemented by adding the following:

"Results of Operations for the six months ended 30 June 2025 versus the six months ended 30 June 2024

The following tables set forth, as of the dates indicated, certain summary financial information about the results of the Group's operations for the six months ended 30 June 2025 versus the six months ended 30 June 2024:

	For the six months ended 30 June		Change 2025 to 2024
	2025	2024 (Restated)	
	(Euro '000)	(Restated) (Euro '000)	(%)
Interest income at effective interest rate method ⁽¹⁾	740,441	982,643	(24.6)
Other interest income ⁽¹⁾	145,058	159,488	(9.0)
Interest expense at effective interest rate method ⁽¹⁾	(534,618)	(726,272)	(26.4)
Other interest expense ⁽¹⁾	(227,008)	(287,300)	(21.0)
NET INTEREST INCOME.....	123,872	128,559	(3.6)
Commission income.....	579	932	(37.9)
Commission expense.....	(9,029)	(8,127)	11.1
Net result on financial instruments at fair value through profit and loss.....	(1,955)	16,071	(112.2)
Net result on financial assets at fair value through other comprehensive income..	-	3	(100.0)
Other operating income.....	81	25	224.0
HR and administrative expenses.....	(24,843)	(22,139)	12.2
Depreciation and impairment on tangible and intangible assets.....	(2,327)	(3,112)	(25.2)
Other operating expenses.....	(7,540)	(7,395)	2.0
Credit losses on financial assets recognised at amortised cost and at fair value through other comprehensive income.....	(840)	278	(402.2)
NET OPERATING PROFIT.....	77,998	105,093	(25.8)
Income tax expense.....	(15,632)	(20,810)	(24.9)
PROFIT FOR THE PERIOD.....	62,366	84,284	(26.0)

(1) In 2024, the Group made changes in the presentation of net interest income of derivative contracts. Derivative contracts designated under hedge accounting are presented in line items "interest income/expense at effective interest rate method" and derivative contracts that are not designated under hedge accounting are presented in line item "other interest income/expense". The Group changed the classification of property lease receivables from finance lease receivables to financial assets, which resulted in the interest income from the property lease agreements being presented in the income statement under "interest income at effective

interest rate method" instead of "other interest income". Information presented for the six months ended 30 June 2024 has been restated accordingly. For more information, see note 2 to the Interim 2025 Financials.

Net interest income

Net interest income decreased by Euro 4.7 million, or 3.6 per cent, to Euro 123.9 million for the six months ended 30 June 2025, compared to Euro 128.6 million for the six months ended 30 June 2024, primarily due to the reasons set out below.

Interest income and expenses on assets

Net interest income on assets decreased by Euro 260.1 million, or 24.6 per cent, to Euro 798.5 million for the six months ended 30 June 2025 compared to net interest income on assets of Euro 1,058.6 million for the six months ended 30 June 2024, primarily due to a market-driven increase in funding costs and a decrease in short-term market interest rates.

Net interest income from loans and advances to the public and public sector entities decreased by Euro 61.7 million, or 11.5 per cent, to Euro 474.0 million for the six months ended 30 June 2025, compared to Euro 535.6 million for the six months ended 30 June 2024, primarily due to a decrease in short-term market interest rates.

Net interest income from debt securities (i.e., the debt securities in the Group's liquidity portfolio and commercial papers from municipalities, wellbeing services counties and municipal companies) increased by Euro 7.1 million, or 12.6 per cent, to Euro 63.5 million for the six months ended 30 June 2025, compared to net interest income of Euro 56.4 million for the six months ended 30 June 2024, primarily due to increasing business volumes.

Net interest income on derivative contracts decreased by Euro 129.5 million, or 50.3 per cent, to income of Euro 128.2 million for the six months ended 30 June 2025, compared to income of Euro 257.7 million for the six months ended 30 June 2024, primarily due to a decrease in market interest rates.

Interest income and expenses on liabilities

Interest expenses on liabilities decreased by Euro 255.5 million, or 27.5 per cent, to expense of Euro 674.6 million for the six months ended 30 June 2025, compared to expense of Euro 930.1 million for the six months ended 30 June 2024, primarily due to a market-driven increase in funding costs and a decrease in short-term market interest rates.

Net interest expense payable on liabilities from debt securities issued increased by Euro 18.8 million, or 3.5 per cent, to Euro 552.8 million for the six months ended 30 June 2025, compared to Euro 534.0 million for the six months ended 30 June 2024. This increase was primarily due to changes in average interest rates and growing business volumes.

Net interest expense on liabilities on derivative contracts decreased by Euro 269.5 million, or 77.8 per cent, to Euro 76.9 million for the six months ended 30 June 2025, compared to expense of Euro 346.4 million for the six months ended 30 June 2024. This decrease was primarily due to a decrease in market interest rates.

Net result on financial instruments at fair value through profit and loss

Net result on financial instruments at fair value through profit and loss was a loss of Euro 2.0 million for the six months ended 30 June 2025, compared to a gain of Euro 16.1 million for the six months ended 30 June 2024. The change in net result on financial instruments at fair value through profit or loss was primarily due to unrealised fair value changes.

For a breakdown of the Group's derivative contracts during the periods under review see "*Significant Factors Affecting Operating and Financial Results—Fluctuations in interest rates, currency exchange rates and the valuation of derivatives*".

HR and administrative expenses

The Group had 187 total personnel as at 30 June 2025 compared to 196 total personnel as at 30 June 2024.

HR and administrative expenses increased by Euro 2.7 million, or 12.2 per cent, to Euro 24.8 million for the six months ended 30 June 2025, compared to Euro 22.1 million for the six months ended 30 June 2024. This increase was primarily due to increased costs of maintaining and developing information systems.

Other operating expenses

Other operating expenses increased by Euro 0.1 million, or 2.0 per cent, to Euro 7.5 million for the six months ended 30 June 2025, compared to Euro 7.4 million for the six months ended 30 June 2024. This increase was primarily due to increase in regulatory fees.

Income taxes

Income taxes decreased by Euro 5.2 million, or 24.9 per cent, to Euro 15.6 million for the six months ended 30 June 2025, compared to Euro 20.8 million for the six months ended 30 June 2024, primarily due to a decrease in net operating profit."

4. The subsection "Management's Discussion and Analysis of Financial Position and Results of Operations of the Group – Financial Position" starting on page 128 of the Offering Circular is supplemented by adding the following:

"Financial Position

Assets as at 30 June 2025 compared to 31 December 2024

The following table sets forth, as of the dates indicated, certain summary financial information about the assets of the Group:

	<u>As at 30 June</u>	<u>As at 31</u>
	<u>2025</u>	<u>December</u>
		<u>2024 (Restated)</u>
	<i>(Euro '000)</i>	
Assets		
Cash and balances with central banks ⁽¹⁾	7,770,390	7,776,888
Loans and advances to credit institutions ⁽¹⁾	1,986,468	789,725
Loans and advances to the public and public sector entities.....	36,723,683	35,376,909
Debt securities.....	6,339,665	5,878,912
Derivative contracts.....	1,553,268	2,323,708
Intangible assets.....	1,332	2,720
Tangible assets.....	9,368	8,236
Other assets.....	785,346	915,913
Accrued income and prepayments ⁽¹⁾	5,635	2,220
Current tax assets ⁽¹⁾	3	16,577
Deferred tax assets.....	21	10
Total assets	<u>55,175,178</u>	<u>53,091,818</u>

⁽¹⁾ In 2025, the Group has changed the presentation of consolidated statement of financial position by combining cash together with central banks balances in their own line item and by presenting current tax assets separately in their own line item. Information presented as at 31 December 2024 has been restated accordingly and the restated information is unaudited. For more information, see note 2 to the Interim 2025 Financials.

As of 30 June 2025, the main components of the total assets of the Group were loans and advances to the public and public sector entities, cash and balances with central banks and debt securities, representing 66.6 per cent, 14.1 per cent and 11.5 per cent, respectively, of total assets. As of 30 June 2025, total assets had increased by Euro 2,083.4 million, or 3.9 per cent, to Euro 55,175.2 million, compared to Euro 53,091.8 million as of 31 December 2024, which was mainly attributable to increase in the long-term loan portfolio in loans and advances to the public and public sector entities, in debt securities and in cash collateral for derivatives.

Cash and balances with central banks

Cash and balances with central banks remained at the same level and decreased only by Euro 6.5 million, or by 0.1 per cent., to Euro 7,770.4 million as at 30 June 2025, compared to Euro 7,776.9 million as at 31 December 2024.

Loans and advances to credit institutions

Loans and advances to credit institutions increased by Euro 1,196.7 million, or 151.5 per cent, to Euro 1,986.5 million as at 30 June 2025, compared to Euro 789.7 million as at 31 December 2024 due to increase in cash collateral for derivatives.

Loans and advances to the public and public sector entities

Loans and advances to the public and public sector entities increased by Euro 1,346.8 million, or 3.8 per cent, to Euro 36,723.7 million as at 30 June 2025, compared to Euro 35,376.9 million as at 31 December 2024 due to increase in the long-term loan portfolio.

Debt securities

Debt securities increased by Euro 460.8 million, or 7.8 per cent, to Euro 6,339.7 million as at 30 June 2025, compared to Euro 5,878.9 million as at 31 December 2024 due to increasing business volumes.

Derivative contracts

For a breakdown of the Group's derivative contracts during the periods under review see "*Significant Factors Affecting Operating and Financial Results—Fluctuations in interest rates, currency exchange rates and the valuation of derivatives*".

Derivative contract assets decreased by Euro 770.4 million, or 33.2 per cent, to Euro 1,553.3 million as at 30 June 2025, compared to Euro 2,323.7 million as at 31 December 2024 primarily due to changes in interest rates and currency exchange rates.

Liabilities as at 30 June 2025 compared to 31 December 2024

The following table sets forth, as of the dates indicated, certain summary financial information about the liabilities of the Group:

	<u>As at 30 June</u>	<u>As at 31</u>
	<u>2025</u>	<u>December</u>
		<u>2024 (Restated)</u>
	<i>(Euro '000)</i>	
Liabilities		
Liabilities to credit institutions.....	252,036	883,694
Liabilities to the public and public sector entities.....	2,325,967	2,463,874
Debt securities issued.....	46,771,347	44,534,306
Derivative contracts.....	3,283,819	2,561,718
Other liabilities.....	234,068	285,181
Accrued expenses and deferred income.....	49,876	45,485
Current tax liabilities.....	7,377	-
Deferred tax liabilities.....	360,810	372,126
Total liabilities	53,285,300	51,146,383

As of 30 June 2025, the main components of the total liabilities of the Group were debt securities issued, derivative contracts and liabilities to the public and public sector entities, representing 87.8 per cent, 6.2 per cent and 4.4 per cent, respectively, of total liabilities. As of 30 June 2025, total liabilities had increased by Euro 2,138.9 million, or by 4.2 per cent, to Euro 53,285.3 million, compared to Euro 51,146.4 million as of 31 December 2024, which was mainly attributable to new issuances in debt securities issued.

Liabilities to credit institutions

Liabilities to credit institutions decreased by Euro 631.7 million, or 71.5 per cent, to Euro 252.0 million as at 30 June 2025, compared to Euro 883.7 million as at 31 December 2024 mainly due to decrease in received cash collaterals on derivatives.

Liabilities to the public and public sector entities

Liabilities to the public and public sector entities consists primarily of bilateral loans from public sector entities. Liabilities to the public and public sector entities decreased by Euro 137.9 million, or 5.6 per cent,

to Euro 2,326.0 million as at 30 June 2025, compared to Euro 2,463.9 million as at 31 December 2024 primarily due to a decrease in bilateral loans and in unrealised fair value changes.

Debt securities issued

Debt securities issued by the Group increased by Euro 2,237.0 million, or 5.0 per cent, to Euro 46,771.3 million as at 30 June 2025, compared to Euro 44,534.3 million as at 31 December 2024 primarily due to new issuances in debt securities issued.

Derivative contracts

For a breakdown of the Group's derivative contracts during the period see "*Significant Factors Affecting Operating and Financial Results—Fluctuations in interest rates, currency exchange rates and the valuation of derivatives*".

Derivative contracts liabilities for the Group increased by Euro 722.1 million, or 28.2 per cent, to Euro 3,283.8 million as at 30 June 2025, compared to Euro 2,561.7 million as at 31 December 2024 primarily due to changes in interest rates and currency exchange rates."

5. The table "Consolidated own funds, Group" on page 132 of the Offering Circular is supplemented by the addition of the following table:

"Consolidated own funds, Group

	As at 30 June 2025	As at 31 December 2024
	<i>(Euro 'million)</i>	
Common Equity Tier 1 before adjustments	1,853	1,873
Adjustments to Common Equity Tier 1	(199)	(227)
Common Equity Tier 1	1,654	1,646
Additional Tier 1 capital before adjustments	-	-
Adjustments to Additional Tier 1 capital	-	-
Additional Tier 1 Capital	-	-
Tier 1 Capital	1,654	1,646
Tier 2 Capital	-	-
Total own funds	1,654	1,646

6. The table "Consolidated minimum requirement for own funds, Group" on page 133 of the Offering Circular is supplemented by the addition of the following tables:

"Consolidated Minimum requirement for own funds, Group

	30 June 2025		31 December 2024	
	Capital requirement	Risk- exposure amount	Capital requirement	Risk- exposure amount
	<i>(Euro 'million)</i>			
Credit and counterparty risk, standardised approach	63	791	50	625
Exposures to central governments or central banks	0	0	0	0
Exposures to regional governments or local authorities.....	0.3	3	0.3	3
Exposures to public sector entities.....	0.5	6	0.5	6
Exposure to multilateral development banks	0	0	0	0
Exposures to international organisations	0	0	0	0
Exposures to institutions.....	40	500	32	397
Exposures to corporates.....	5	58	2	27
Exposures secured by mortgages on immovable property and ADC exposures.....	0	0	0	0
Exposures in default	0	0	0	0
Exposures in the form of covered bonds.....	14	176	12	155
Other items	4	48	3	37
Market risk	-	-	-	-
Credit valuation adjustment risk (CVA VaR), standard method.....	49	608	36	453

	30 June 2025		31 December 2024	
	Capital requirement	Risk-exposure amount	Capital requirement	Risk-exposure amount
	(Euro 'million)			
Operational risk, basic indicator approach	36	452	36	450
Total	148	1,851	122	1,528

	As at 30 June 2025	As at 31 December 2024
CET1 capital ratio, %	89.4	107.7
Tier 1 capital ratio, %	89.4	107.7
Total capital ratio, %	89.4	107.7"

7. The subsection "Contingent liabilities" on page 135 of the Offering Circular is replaced by the following:

"Contingent Liabilities

The Group had no contingent assets or liabilities as at 30 June 2025 or as at 31 December 2024.

Breakdown of off-balance sheet unmatured commitments and contingent liabilities	As at 30 June 2025
	(Euro '000)
Credit commitments	2,888,121
Total	2,888,121"

8. The subsection "Management's Discussion and Analysis of Financial Position and Results of Operations of the Group – Commitments" on page 135 of the Offering Circular is replaced by the following:

"Commitments

As at 30 June 2025, the Group had given collateral (carrying amount) to the central bank and Guarantor as follows:

Bonds	As at 30 June 2025
	(Euro '000)
Loans and advances to credit institutions to the counterparties of derivative contracts	1,426,240
Loans and advances to credit institutions to the central bank	22,741
Loans and advances to the public and public sector entities to the central bank	4,692,163
Loans and advances to the public and public sector entities to the Municipal Guarantee Board	14,024,472
Debt securities to the central counterparty	155,397
Other assets to the central counterparties of derivative contracts	746,982
Total	21,067,996"

9. The subsection "Management's Discussion and Analysis of Financial Position and Results of Operations of the Group – Cash Flows" on page 136 of the Offering Circular is amended by the addition of the following:

"The six months ended 30 June 2025 compared to the six months ended 30 June 2024

The table below sets out, for the period indicated, information on the Group's net consolidated cash flows on operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the period.

	For the six months ended 30 June	
	2025	2024 (Restated)
	(Euro '000)	
Cash flow from operating activities ⁽¹⁾	92,963	249,424
Cash flow from investing activities	(2,035)	(204)
Cash flow from financing activities ⁽¹⁾	(73,328)	(66,916)
Change in cash and cash equivalents ⁽¹⁾	17,599	182,304
Cash and cash equivalents at 1 January ⁽¹⁾	7,838,383	8,016,855
Cash and cash equivalents at period end⁽¹⁾	7,855,982	8,199,159

⁽¹⁾ In 2025, the Group has changed the presentation of consolidated statement of financial position by combining cash together with central banks balances in their own line item and by presenting current tax assets separately in their own line item. Information presented as at 31 December 2024 has been restated accordingly and the restated information is unaudited. For more information, see note 2 to the Interim 2025 Financials.

Operating activities

The operating activities of the Group for the six months ended 30 June 2025 generated net cash inflows of Euro 93.0 million compared to net cash inflows of Euro 249.4 million for the six months ended 30 June 2024. The main drivers for this change were net changes in long-term funding, long-term loans and collateral.

Investing activities

The investing activities of the Group generated net cash outflows of Euro 2.0 million and Euro 0.2 million for the six months ended 30 June 2025 and 30 June 2024, respectively, mainly from the acquisition of tangible and intangible assets.

Financing activities

Net cash outflow from financing activities was Euro 73.3 million and Euro 66.9 million for the six months ended 30 June 2025 and 30 June 2024, respectively, primarily as a result of dividends paid.

During the six months ended 30 June 2025, the Group paid dividends of Euro 72.6 million."

Municipality Finance Plc

1. *The subsection "Municipality Finance Plc – Customer finance" starting on page 138 of the Offering Circular is amended by the addition of the following:*

"As at 30 June 2025, the amount of Group's green finance aimed at environmentally sustainable investments totalled Euro 7,892 million and the amount of its social finance aimed at investments promoting equality and communality totalled Euro 2,609 million. As at 30 June 2025, the total amount of green and social finance increased by 12.3 per cent compared to the end of 2024."

2. *The subsection "Municipality Finance Plc – Liquidity" on page 140 of the Offering Circular is replaced by the following:*

"The Group front-loads its funding requirements. Pursuant to its policies, the Group seeks to maintain minimum amount of short-term liquidity measured by the LCR, of 100 per cent on a daily basis. As at 30 June 2025, the LCR was 390.4 per cent. As a long-term requirement, the Group seeks to maintain liquidity for at least twelve months of undisturbed operation. As at 30 June 2025, the Group's liquidity buffer was approximately 18.5 months. The main sources of funding used by the Group for lending activities are this Programme, its Euro-Commercial Paper Programme and its AUD debt programme. Since 2010, Municipality Finance has held the status of central bank counterparty, and together with its securities portfolio, part of the Group's municipal loan book can be used as eligible collateral for participation to the central bank open market operations or standing facilities, which act as a secondary source of liquidity."

3. *The subsection "Management and Shareholders of Municipality Finance Plc – Administration of the Issuer" starting on page 142 of the Offering Circular is amended by the addition of the following:*

"The Issuer has agreed with Harri Luhtala (Executive Vice President, CFO, Finance) on termination of his employment at his own initiative. Harri Luhtala will continue in his role until 11 February 2026, and the Issuer has begun the recruitment process for his successor."

The Municipal Guarantee Board

The subsection "Management of the Municipal Guarantee Board – Administration of MGB" starting on page 150 of the Offering Circular is replaced with the following:

"The administrative bodies of MGB consist of the Council and the Board of Directors. The Members and Deputy Members of the Council were appointed by the Ministry of Finance on 30 November 2021 and amended on 17 January 2024. The four-calendar year term will end on 31 December 2025. The Members of the Board of Directors were appointed by the Council on 17 February 2022. The term of office of the Board Members is four years and shall continue until the next Board of Directors is elected.

The day-to-day management of MGB is handled by the Managing Director in accordance with instructions and orders from the Board of Directors. Teppo Koivisto is the Managing Director and Tuukka Salminen is the Deputy to Managing Director. Johanna Hietalahti is the Head Adviser.

The necessary provisions on the composition and terms of office, duties and other activities are laid down in the Standing Orders of MGB. The Standing Orders were adopted by the Council on 22 November 2024. The operations of MGB are supervised by the Guarantee Board Auditor appointed by the Ministry of Finance at the proposal of the Board of Directors. The Guarantee Board Auditor for the years 2022 to 2025 (appointed by the Ministry of Finance on 30 November 2021) is DHS Oy Audit Partners, Authorised Public Accountants. The responsibilities of the Guarantee Board Auditor are set out in the MGB Act.

<i>Council</i>	<i>Main duties outside MGB</i>
<i>Chairperson</i>	
Terhi Peltokorpi	Specialist in educational and social policy, Centre Party Parliamentary Group
<i>Deputy Chairperson</i>	
Elin Härmälä	Finance Manager, MusikCafe After Eight r.f
Jari Koskinen.....	Chair of City Board of Hämeenlinna
<i>Other members</i>	
Mari Mikkola	Entrepreneur, Marilux Oy
Janne Sankelo.....	Chair of City Council of Kauhava
Pia Pakarinen.....	CEO, The Helsinki Region Chamber of Commerce
Eero Vainio	Mayor, City of Raisio
Ritva Suomalainen	Political assistant, Social Democratic Party Parliamentary Group
Mikko Kärnä	Mayor, Municipality of Rautavaara
Mira Nieminen	Member of Parliament
Urpo Myllymäki.....	Retired
Paula Himanen	Internal Control Specialist, retired
Ville Hämäläinen.....	PhD Student, Tampere University
Johanna Jokinen	Special Planner, Criminal Sanctions Agency
Fredrik Guseff.....	Secretary General, Swedish Peoples Party
<i>Board of Directors</i>	<i>Main duties outside MGB</i>
<i>Chairperson</i>	
Tapani Hellstén	Deputy CEO, Keva, retired
<i>Deputy Chairperson</i>	
Antti Häkkänen	Minister of Defence
<i>Other Board members</i>	
Kai Järvikare	Administration Director, Finns Party
Mervi Simoska	Mayor, Municipality of Juva
Jaakko Stenhäll.....	Director, Business Development, Radiator Software Oy
Marita Toikka.....	Mayor, City of Kouvola
Päivi Yli-Kauhaluoma-Nurmi	Controller, City of Pori

MGB's office is located at Yrjönkatu 11 A 1, FI-00120, Helsinki, Finland, which is also the contact address for each person mentioned above (including the Managing Director and the Deputy to Managing Director). MGB's telephone number is +358 (0)9 6227 2880. The persons listed above (including the Managing Director and the Deputy to Managing Director) are not subject to any existing or potential conflicts of interest between their duties related to MGB and their private interests or other duties."

Selling Restrictions

The selling restriction for the Republic of Italy under the subsection "Subscription and Sale" on page 163 of the Offering Circular is replaced and superseded by the following:

"Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation. Each Dealer has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Any such offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time) and any other applicable laws and regulations;
- (ii) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and 2 November 2020); and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority."

General Information

1. The fifth paragraph under the subsection "General Information" starting on page 167 of the Offering Circular is replaced by the following statement:

"Since 30 June 2025 there has been no significant change in the financial or trading position of the Issuer or the Group."

2. The sixth paragraph under the subsection "General Information" starting on page 167 of the Offering Circular is amended by the following being added immediately after paragraph (f):

"(g) the Interim 2025 Financials;"

ANNEX I

Key figures

Key figures

MuniFin Group defines the Alternative Performance Measures (APMs) to be financial measures that have not been defined in the IFRS standards or the capital requirements regulation (CRD/CRR). The APMs improve comparability between companies in the same sector and between reporting periods and provide valuable information to the readers of the financial reports. The APMs provide a more consistent basis for comparing the results of financial periods and for assessing MuniFin Group's performance. They are also an important aspect of the way in which the Group's management defines operating targets and monitors performance.

The APMs are presented in MuniFin Group's financial reports in accordance with the guidelines for Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA).

Key figures

Alternative Performance Measure EUR million	Definition / Explanation	Reconciliation	Jan–Jun 2025	Jan–Jun 2024
Net interest income	Interest income and expense from financial assets and liabilities are recognised in net interest income. A significant part of the Group's revenues consists of net interest income.	Interest income at effective interest rate method Other interest income Interest expense at effective interest rate method Other interest expense Net interest income	740 145 -535 -227 124	983 159 -726 -287 129
Unrealised fair value changes	According to the IFRS 9 standard, part of the Group's financial instruments are measured at fair value through profit and loss which increases PnL volatility. To enhance comparability of business performance between periods and companies, it is often necessary to exclude the PnL effect of the unrealised fair value changes. Items in the calculation formula are from Consolidated income statement's line item <i>Net result on financial instruments at fair value through profit or loss</i> .	Net result on financial assets and liabilities through profit or loss, unrealised fair value changes Net result on hedge accounting Unrealised fair value changes	5 -5 -1	10 6 16
Net operating profit	Net operating profit describes the Group's operating profit before taxes.	Net operating profit	78	105
Net operating profit excluding unrealised fair value changes	Net operating profit excluding unrealised fair value changes as an APM is of interest for showing MuniFin Group's underlying earnings capacity.	Net operating profit - Unrealised fair value changes Net operating profit excluding unrealised fair value changes	78 1 79	105 -16 89
Income	Income, which describes the Group's total income including net interest income, is used e.g. as a denominator (excl. Commission expenses) in Cost-to-income ratio.	Net interest income Commission income Net result on financial instruments at fair value through profit or loss Net result on financial assets at fair value through other comprehensive income Other operating income Income	124 1 -2 - 0 123	129 1 16 0 0 146



Key figures



Alternative Performance Measure EUR million	Definition / Explanation	Reconciliation	Jan–Jun 2025	Jan–Jun 2024
Income excluding unrealised fair value changes	Income excluding unrealised fair value changes reflects the Group's operating income, of which the most significant is net interest income.	Income	123	146
		- Unrealised fair value changes	1	-16
		Income excluding unrealised fair value changes	123	130
Other income	Other income includes all other income of the Group except net interest income and unrealised fair value changes.	Commission income	1	1
		Net result on financial assets and liabilities through profit or loss, realised	-	0
		Net result on FX differences	-1	0
		Net result on financial assets at fair value through other comprehensive income	-	0
		Other operating income	0	0
		Other income	-1	1
Costs	Costs, which describe the Group's total costs, is used e.g. as a numerator (excl. Commission expenses) in Cost-to-income ratio.	Commission expenses	9	8
		HR and administrative expenses	25	22
		Depreciation and impairment on tangible and intangible assets	2	3
		Other operating expenses	8	7
			Costs	44
Cost-to-income ratio, %	Cost-to-income ratio is an established key ratio in the banking sector for assessing the relationship between expenses and income. The ratio gives investors a comparative view of MuniFin Group's cost-effectiveness.	Costs (excl. Commission expenses)	35	33
		÷ Income (incl. Net commission income)	114	137
		Cost-to-income ratio, %	30.6%	23.7%
Cost-to-income ratio excluding unrealised fair value changes, %	Cost-to income ratio excluding unrealised fair value changes gives a more precise picture of MuniFin Group's operative effectiveness as it excludes the income volatility of unrealised fair value changes. It improves comparability of operative effectiveness between companies and reporting periods.	Costs (excl. Commission expenses)	35	33
		÷ (Income (incl. Net commission income)	114	137
		- Unrealised fair value changes)	1	-16
			Cost-to-income ratio excluding unrealised fair value changes, %	30.4%



Key figures



Alternative Performance Measure EUR million	Definition / Explanation	Reconciliation	Jan–Jun 2025	Jan–Jun 2024
The effect of unrealised fair value changes on other comprehensive income and equity net of tax	Key indicator used in management reporting to describe the effect of unrealised fair value changes during the reporting period on the Group's comprehensive income and equity net of tax.	Unrealised fair value changes through PnL Taxes related to the unrealised fair value changes through PnL Change in fair value due to changes in own credit risk on financial liabilities designated at fair value through profit or loss, net of tax Change in Cost-of-Hedging, net of tax Change in fair value of financial assets at fair value through other comprehensive income, net of tax Change in expected credit loss of financial assets at fair value through other comprehensive income, net of tax	-1 0 -26 -20 1 -	16 -3 49 -1 -2 0
		The effect of unrealised fair value changes on other comprehensive income and equity net of tax	-46	58
New long-term customer financing	Key indicator used in management reporting to describe MuniFin Group's business volume during the reporting period. The indicator includes the amount of new loans excluding unrealised fair value changes and new leased assets excluding unrealised fair value changes.	New lending New leased assets	2,332 79	2,308 108
		New long-term customer financing	2,411	2,416
Ratio of net operating profit excluding unrealised fair value changes to volume of long-term and short-term customer financing, %	Key indicator used in management reporting to describe MuniFin Group's profit earnings.	(Net operating profit excluding unrealised fair value changes ÷ Long-term customer financing excluding unrealised fair value changes and short-term customer financing (average of values at the beginning and end of the period)) x100	79 38,112	89 35,045
		Ratio of net operating profit excluding unrealised fair value changes to volume of long-term and short-term customer financing, %	0.41%	0.51%
New long-term funding	Key indicator used in management reporting to describe MuniFin Group's funding activity during the reporting period. The indicator includes the amount of new funding (over 1 year) issued excluding unrealised fair values changes.	New long-term funding	7,345	4,942



Key figures



Alternative Performance Measure EUR million	Definition / Explanation	Reconciliation	Jan–Jun 2025	Jan–Jun 2024
Return on Equity (ROE), %	ROE measures the efficiency of MuniFin Group's capital usage. It is a commonly used performance measure and as an APM improves comparability between companies. The key figure is reported on an annualised basis.	((Net operating profit - Taxes) ÷ Equity and non-controlling interest (average of values at the beginning and end of the period)) x100	78 -16 1,918	105 -21 1,776
		Return on Equity (ROE), %	6.5%	9.5%
Return on Equity (ROE) excluding unrealised fair value changes, %	MuniFin Group's strategy indicator. Excluding the unrealised changes in fair values increases comparability between reporting periods. The key figure is reported on an annualised basis.	((Net operating profit excluding unrealised fair value changes - Taxes) ÷ Equity and non-controlling interest (average of values at the beginning and end of the period)) x100	79 -16 1,918	89 -18 1,776
		Return on Equity (ROE) excluding unrealised fair value changes, %	6.6%	8.1%
Return on Assets (ROA), %	ROA measures the efficiency of MuniFin Group's investments. It is a commonly used performance measure and as an APM improves comparability between companies. The key figure is reported on an annualised basis.	((Net operating profit - Taxes) ÷ Average balance sheet total (average of values at the beginning and end of the period)) x100	78 -16 54,133	105 -21 50,345
		Return on Assets (ROA), %	0.2%	0.3%
Return on Assets (ROA) excluding unrealised fair value changes, %	Excluding the unrealised changes in fair values increases comparability of ROA between reporting periods. The key figure is reported on an annualised basis.	((Net operating profit excluding unrealised fair value changes - Taxes) ÷ Average balance sheet total (average of values at the beginning and end of the period)) x100	79 -16 54,133	89 -18 50,345
		Return on Assets (ROA) excluding unrealised fair value changes, %	0.2%	0.3%
Turnover	Turnover is not presented as a separate item in the Consolidated income statement, which is why the Group presents the calculation formula and reconciliation in the key figures table.	Interest income at effective interest rate method Other interest income Commission income Net result on financial instruments at fair value through profit or loss Net result on financial assets at fair value through other comprehensive income Other operating income	740 145 1 -2 - 0	983 159 1 16 0 0
		Turnover	884	1,159



Key figures



Alternative Performance Measure EUR million	Definition / Explanation	Reconciliation	30 Jun 2025	31 Dec 2024
Equity ratio, %	Equity ratio is an investment leverage and solvency ratio that measures the amount of assets that are financed by equity. It is a commonly used performance measure and as an APM improves comparability between companies.	(Equity and non-controlling interest ÷ Balance sheet total) x100 Equity ratio, %	1,890 55,175 3.4%	1,945 53,092 3.7%
Long-term loan portfolio	Key indicator used in management reporting to describe MuniFin Group's business volume. The loan portfolio consists of long-term loans with an original maturity of at least 1 year. The key figure does not take into account interest accrued on long-term loan portfolio.	Loans and advances to the public and public sector entities - Interest accrued on long-term loan portfolio - Leasing Long-term loan portfolio	36,724 -182 -1,598 34,944	35,377 -204 -1,563 33,610
Long-term customer financing	Key indicator used in management reporting to describe MuniFin Group's business volume. Long-term customer financing consists of long-term loan portfolio and leased assets. The key figure does not take into account interest accrued on long-term loan portfolio.	Loans and advances to the public and public sector entities - Interest accrued on long-term loan portfolio Long-term customer financing	36,724 -182 36,541	35,377 -204 35,173
Long-term customer financing excluding unrealised fair value changes	Key indicator used in management reporting to describe MuniFin Group's business volume. In this indicator the unrealised fair value changes have been excluded to enhance comparability of business performance between periods. The key figure does not take into account interest accrued on long-term loan portfolio.	Loans and advances to the public and public sector entities - Interest accrued on long-term loan portfolio - Unrealised fair value changes Long-term customer financing excluding unrealised fair value changes	36,724 -182 560 37,101	35,377 -204 614 35,787



Key figures



Alternative Performance Measure EUR million	Definition / Explanation	Reconciliation	30 Jun 2025	31 Dec 2024
Ratio of green finance and social finance to long-term customer financing excluding unrealised fair value changes, %	Key indicator used in management reporting to describe MuniFin Group's business volume.	Green finance	7,892	6,817
		Social finance	2,609	2,536
		(Total of green and social finance	10,501	9,353
		÷ Long-term customer financing excluding unrealised fair value changes) x100	37,101	35,787
		Ratio of green finance and social finance to long-term customer financing excluding unrealised fair value changes, %	28.3%	26.1%
Short-term customer financing	Key indicator used in management reporting to describe MuniFin Group's business volume. Short-term customer financing consists of money market papers bought from customers, which have original maturity of 1 year or less.	Debt securities, commercial papers from customers	1,511	1,825
		Short-term customer financing	1,511	1,825
Total funding	Key indicator used in management reporting to describe MuniFin Group's funding volume. Total funding consists of long-term and short-term funding. The key figure does not take into account interest payable on long-term funding.	Liabilities to credit institutions	252	884
		Liabilities to the public and public sector entities	2,326	2,464
		Debt securities issued	46,771	44,534
		Total	49,349	47,882
		- Interest payable on long-term funding	-465	-429
		- Cash collateral received (CSA)	-22	-716
		- Liabilities to credit institutions, payable on demand	-10	-
		Total funding	48,853	46,737
Long-term funding	Key indicator used in management reporting to describe MuniFin Group's funding volume.	Total funding	48,853	46,737
		- Short-term issued funding (ECP)	-3,755	-3,409
		Long-term funding	45,098	43,328



Key figures



Alternative Performance Measure EUR million	Definition / Explanation	Reconciliation	30 Jun 2025	31 Dec 2024
Total liquidity	Key indicator used in management reporting to describe MuniFin Group's liquidity position. The key indicator does not take into account accrued interest.	Debt securities - Interest accrued on investment bonds - Short-term customer financing <hr/> Investments in securities total Cash and balances with central banks Deposits - Interest accrued on deposits <hr/> Other investments total <hr/> Total liquidity	6,340 -47 -1,511 <hr/> 4,782 7,770 475 -2 <hr/> 8,243 <hr/> 13,025	5,879 -38 -1,825 <hr/> 4,016 7,777 120 0 <hr/> 7,897 <hr/> 11,912
Ratio of socially responsible investments to all investment bonds, %	Key indicator used in management reporting for social responsibility area. The ratio is calculated based on the nominal values of securities investments.	(Socially responsible investments (SRI), nominal ÷ Investment bonds, nominal) x100 <hr/> Ratio of socially responsible investments to all investment bonds, %	994 4,780 <hr/> 20.8%	870 4,038 <hr/> 21.5%
Ratio of socially responsible investments to MuniFin Group's own green and social funding, %	Key indicator used in management reporting for social responsibility area.	(Socially responsible investments ÷ Green and social funding) x100 <hr/> Ratio of socially responsible investments to MuniFin Group's own green and social funding, %	994 7,035 <hr/> 14.1%	870 5,824 <hr/> 14.9%



Key figures



Other measures EUR million	Definition	Reconciliation	30 Jun 2025	31 Dec 2024
Liquidity Coverage Ratio (LCR), %	Defined in CRR.	(Liquid assets ÷ (Liquidity outflows - liquidity inflows in a stress situation)) x100	11,647 2,984	11,170 3,297
		Liquidity Coverage Ratio (LCR), %	390.4%	338.8%
Net Stable Funding Ratio (NSFR), %	Defined in CRR.	(Available Stable Funding (ASF) ÷ Required Stable Funding (RSF)) x100	42,486 33,273	39,298 31,757
		Net Stable Funding Ratio (NSFR), %	127.7%	123.7%
CET1 capital ratio, %	Defined in CRR.	(Common Equity Tier 1 (CET1) capital ÷ Risk exposure amount) x100	1,654 1,851	1,646 1,528
		CET1 capital ratio, %	89.4%	107.7%
Tier 1 capital ratio, %	Defined in CRR.	(Tier 1 capital ÷ Risk exposure amount) x100	1,654 1,851	1,646 1,528
		Tier 1 capital ratio, %	89.4%	107.7%
Total capital ratio, %	Defined in CRR.	(Total own funds ÷ Risk exposure amount) x100	1,654 1,851	1,646 1,528
		Total capital ratio, %	89.4%	107.7%
Leverage ratio, %	Defined in CRR.	(Tier 1 capital ÷ Total exposure) x100	1,654 14,475	1,646 13,340
		Leverage ratio, %	11.4%	12.3%

Consolidated Interim Financial Information for the six months ended 30 June 2025 (including the auditor's review report thereon)

MuniFin Group's Half Year Report tables

MuniFin



Consolidated income statement

Consolidated income statement

(EUR 1,000)	Note	Jan–Jun 2025	Adjusted Jan–Jun 2024
Interest income at effective interest rate method	(3)	740,441	982,643
Other interest income	(3)	145,058	159,488
Interest expense at effective interest rate method	(3)	-534,618	-726,272
Other interest expense	(3)	-227,008	-287,300
Net interest income		123,872	128,559
Commission income		579	932
Commission expense		-9,029	-8,127
Net result on financial instruments at fair value through profit and loss	(4)	-1,955	16,071
Net result on financial assets at fair value through other comprehensive income		-	3
Other operating income		81	25
HR and administrative expenses		-24,843	-22,139
Depreciation and impairment on tangible and intangible assets	(13)	-2,327	-3,112
Other operating expenses		-7,540	-7,395
Credit losses on financial assets recognised at amortised cost and at fair value through other comprehensive income	(14)	-840	278
Net operating profit		77,998	105,093
Income tax expense		-15,632	-20,810
Profit for the period		62,366	84,284

The accompanying notes are an integral part of the Half Year Report.

The Group has updated the presentation of net interest income of derivative and leasing contracts. Comparative figures have been adjusted.

The change of presentation did not have an impact on net interest income.

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income

(EUR 1,000)	Note	Jan–Jun 2025	Jan–Jun 2024
Profit for the period		62,366	84,284
Components of other comprehensive income			
Items not to be reclassified to income statement in subsequent periods			
Change in fair value due to changes in own credit risk on financial liabilities designated at fair value through profit or loss	(4)	-32,367	60,788
Tax on change in fair value due to changes in own credit risk on financial liabilities designated at fair value through profit or loss		6,473	-12,158
Change in Cost-of-Hedging	(5)	-25,408	-1,407
Tax on change in Cost-of-Hedging		5,082	281
Items to be reclassified to income statement in subsequent periods			
Change in fair value of financial assets at fair value through other comprehensive income		1,167	-2,883
Change in expected credit loss of financial assets at fair value through other comprehensive income	(14)	27	2
Tax on change in fair value and in expected credit loss of financial assets at fair value through other comprehensive income		-239	576
Amount reclassified to the income statement on the sales of financial assets at fair value through other comprehensive income		-	-124
Tax on amount reclassified to the income statement on the sales of financial assets at fair value through other comprehensive income		-	25
Total components of other comprehensive income		-45,264	45,101
Total comprehensive income for the period		17,102	129,384

The accompanying notes are an integral part of the Half Year Report.

Consolidated statement of financial position

Consolidated statement of financial position

(EUR 1,000)	Note	30 Jun 2025	Adjusted 31 Dec 2024	Adjusted 1 Jan 2024
Assets				
Cash and balances with central banks	(6, 7, 8, 9)	7,770,390	7,776,888	7,953,642
Loans and advances to credit institutions	(6, 7, 8)	1,986,468	789,725	1,239,307
Loans and advances to the public and public sector entities	(6, 7, 8)	36,723,683	35,376,909	32,225,422
Debt securities	(6, 7, 8)	6,339,665	5,878,912	5,170,005
Derivative contracts	(6, 7, 8, 12)	1,553,268	2,323,708	2,036,212
Intangible assets	(13)	1,332	2,720	6,311
Tangible assets	(13)	9,368	8,236	9,648
Other assets	(6, 7, 8, 11)	785,346	915,913	1,075,207
Accrued income and prepayments		5,635	2,220	2,499
Current tax assets		3	16,577	18,095
Deferred tax assets		21	10	9
Total assets		55,175,178	53,091,818	49,736,359

Consolidated statement of financial position



(EUR 1,000)	Note	30 Jun 2025	Adjusted 31 Dec 2024	Adjusted 1 Jan 2024
Liabilities and equity				
Liabilities				
Liabilities to credit institutions	(6, 7, 8, 15)	252,036	883,694	215,552
Liabilities to the public and public sector entities	(6, 7, 8)	2,325,967	2,463,874	2,622,551
Debt securities issued	(6, 7, 8, 16)	46,771,347	44,534,306	40,872,798
Derivative contracts	(6, 7, 8, 12)	3,283,819	2,561,718	3,496,553
Other liabilities	(6, 7, 8, 17)	234,068	285,181	418,445
Accrued expenses and deferred income		49,876	45,485	43,128
Current tax liabilities		7,377	-	-
Deferred tax liabilities		360,810	372,126	323,517
Total liabilities		53,285,300	51,146,383	47,992,542
Equity				
Share capital		42,583	42,583	42,583
Reserve fund		277	277	277
Fair value reserve of investments		4,295	3,340	2,052
Own credit revaluation reserve		144,106	169,999	60,238
Cost-of-Hedging reserve	(5)	25,388	45,714	21,821
Reserve for invested non-restricted equity		40,366	40,366	40,366
Retained earnings		1,632,863	1,643,155	1,576,480
Total equity attributable to Parent Company equity holders		1,889,878	1,945,435	1,743,817
Total equity		1,889,878	1,945,435	1,743,817
Total liabilities and equity		55,175,178	53,091,818	49,736,359

The Group has updated the presentation of balances with central banks and the presentation of current tax assets. Comparative information has been adjusted accordingly. The accompanying notes are an integral part of the Half Year Report.

Consolidated statement of changes in equity

Consolidated statement of changes in equity

(EUR 1,000)	Total equity attributable to Parent Company equity holders								
	Share capital	Reserve fund	Fair value reserve of investments	Own credit revaluation reserve	Cost-of-Hedging reserve	Reserve for invested non-restricted equity	Retained earnings	Total	Total equity
Equity at 31 Dec 2024	42,583	277	3,340	169,999	45,714	40,366	1,643,155	1,945,435	1,945,435
Dividends paid for 2024	-	-	-	-	-	-	-72,659	-72,659	-72,659
Profit for the period	-	-	-	-	-	-	62,366	62,366	62,366
Components of other comprehensive income net of tax									
Items not to be reclassified to income statement in subsequent periods									
Net change in fair value due to changes in own credit risk on financial liabilities designated at fair value through profit or loss	-	-	-	-25,893	-	-	-	-25,893	-25,893
Net change in Cost-of-Hedging	-	-	-	-	-20,326	-	-	-20,326	-20,326
Items to be reclassified to income statement in subsequent periods									
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	934	-	-	-	-	934	934
Net amount reclassified to the income statement on the sales of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Net change in expected credit loss of financial assets at fair value through other comprehensive income	-	-	22	-	-	-	-	22	22
Equity at 30 Jun 2025	42,583	277	4,295	144,106	25,388	40,366	1,632,863	1,889,878	1,889,878

Consolidated statement of changes in equity



(EUR 1,000)	Total equity attributable to Parent Company equity holders								
	Share capital	Reserve fund	Fair value reserve of investments	Own credit revaluation reserve	Cost-of-Hedging reserve	Reserve for invested non-restricted equity	Retained earnings	Total	Total equity
Equity at 31 Dec 2023	42,583	277	2,052	60,238	21,821	40,366	1,576,480	1,743,817	1,743,817
Dividends paid for 2023	-	-	-	-	-	-	-66,018	-66,018	-66,018
Profit for the period	-	-	-	-	-	-	84,284	84,284	84,284
Components of other comprehensive income net of tax									
Items not to be reclassified to income statement in subsequent periods									
Net change in fair value due to changes in own credit risk on financial liabilities designated at fair value through profit or loss	-	-	-	48,631	-	-	-	48,631	48,631
Net change in Cost-of-Hedging	-	-	-	-	-1,126	-	-	-1,126	-1,126
Items to be reclassified to income statement in subsequent periods									
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-2,307	-	-	-	-	-2,307	-2,307
Net amount reclassified to the income statement on the sales of financial assets at fair value through other comprehensive income	-	-	-100	-	-	-	-	-100	-100
Net change in expected credit loss of financial assets at fair value through other comprehensive income	-	-	2	-	-	-	-	2	2
Equity at 30 Jun 2024	42,583	277	-352	108,869	20,696	40,366	1,594,746	1,807,184	1,807,184

The accompanying notes are an integral part of the Half Year Report.

Consolidated statement of cash flows

Consolidated statement of cash flows

(EUR 1,000)	Note	Jan–Jun 2025	Adjusted Jan–Jun 2024
Cash flow from operating activities		92,963	249,424
Net change in long-term funding		3,195,505	2,063,405
Net change in short-term funding		558,077	-943,947
Net change in long-term loans		-1,343,108	-1,350,683
Net change in short-term loans		310,498	281,235
Net change in investments		-1,079,261	-110,540
Net change in collaterals		-1,422,010	166,980
Interest on assets		828,313	1,088,440
Interest on liabilities		-945,923	-930,561
Other income		20,859	24,578
Payments of operating expenses		-38,292	-40,095
Taxes paid		8,305	612
Cash flow from investing activities		-2,035	-204
Acquisition of tangible assets		-2,035	-
Proceeds from sale of tangible assets		-	19
Acquisition of intangible assets		-	-223
Cash flow from financing activities		-73,328	-66,916
Dividend paid		-72,659	-66,018
Amortisation of lease liability		-670	-899
Change in cash and cash equivalents		17,599	182,304
Cash and cash equivalents at 1 Jan	(9)	7,838,383	8,016,855
Cash and cash equivalents at 30 Jun	(9)	7,855,982	8,199,159

During the reporting period, the Group has corrected its presentation of *Cash and cash equivalents* and *Amortisation of lease liability*. Comparative period has been adjusted accordingly.

The accompanying notes are an integral part of the Half Year Report.

Notes to the Half Year Report

- Note 1. Significant changes in the current reporting period
- Note 2. Basis of preparation of the Half Year Report and corrections to previous reporting period
- Note 3. Interest income and expense
- Note 4. Net result on financial instruments at fair value through profit or loss
- Note 5. Hedge accounting
- Note 6. Financial assets and liabilities
- Note 7. Fair values of financial assets and liabilities
- Note 8. Breakdown of financial assets and liabilities at carrying amount by maturity
- Note 9. Cash and cash equivalents
- Note 10. Finance lease receivables
- Note 11. Other assets
- Note 12. Derivative contracts
- Note 13. Changes in intangible and tangible assets
- Note 14. Credit risks of financial assets and other commitments
- Note 15. Liabilities to credit institutions
- Note 16. Debt securities issued
- Note 17. Other liabilities
- Note 18. Collateral given
- Note 19. Contingent assets and liabilities
- Note 20. Off-balance-sheet commitments
- Note 21. Related-party transactions
- Note 22. Events after the reporting period

Note 1. Significant changes in the current reporting period

Although there is increasing uncertainty in the macroeconomic environment, the Group's core business operations remained strong in the current reporting period as expected. The Group's net interest income decreased slightly due to higher market-based funding costs and lower short-term interest rates. Balance sheet increased mainly due to the growth in loan portfolio, in debt securities and in derivatives cash collateral. In addition, the Group's capital adequacy has remained strong.

Note 2. Basis of preparation of the Half Year Report and corrections to previous reporting period

The Half Year Report has been prepared in accordance with International Financial Reporting Standards as issued by the IASB (*IFRS accounting standards*). The Half Year Report complies with IAS 34 *Interim Financial Reporting* standard and the accounting policies presented in the Consolidated Financial Statements 2024 (Note 1). The report includes a condensed consolidated interim financial information for the half year period ended 30 June 2025 and is to be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2024. Operations of the Group are not subject to seasonal variations thus financial information of condensed consolidated interim report does not include information from the 12-month period ended as of the interim date.

The accounting policies have remained unchanged during the reporting period, except for those that are presented below in the sections *Changes in the presentation of Consolidated income statement, Consolidated statement of financial position and Consolidated statement of cash flows* and *Amendments of IFRS accounting standards applied on the reporting period*. The figures in the Notes to the Half Year Report are presented in thousands of euros. All figures in the Half Year Report have been rounded, so the total of individual figures may differ from the total figure presented. The Half Year Report has been subject to a review by the auditors.

The Half Year Report is available in Finnish and English. The Finnish version is official and will be used if there is any discrepancy between the language versions.

Changes in the presentation of Consolidated income statement, Consolidated statement of financial position and Consolidated statement of cash flows

During the financial year 2024 and during the reporting period of 2025, the Group made changes in the presentation of the Consolidated income statement, Consolidated statement of financial position and Consolidated statement of cash flows as presented in the following sections.

Consolidated income statement

During the financial year 2024, the Group made changes in the presentation of net interest income of derivative contracts. Starting from 2024, net interest income of derivative contracts not designated under hedge accounting is presented in the same line item according to the same principal that is applied for derivative contracts under hedge accounting. Derivative contracts are presented in the following line items:

- 1) Derivative contracts designated under hedge accounting are presented in line items *Interest income at effective interest rate method* or *Interest expense at effective interest rate method*.
- 2) Derivative contracts that are not designated under hedge accounting are presented in line items *Other interest income* or *Other interest expense*.

In addition, during the financial year 2024, the Group changed the classification of property lease receivables. Instead of finance lease receivables, they are presented as financial assets. The reclassification did not impact the balance sheet presentation, as both line items are included within line item *Loans and advances to the public and public sector entities* on the balance sheet. See more detailed information in the Consolidated Financial Statements 2024 (Note 1, chapter 2). The interest income from the property lease agreements is presented in the income statement under *Interest income at effective interest rate method* instead of *Other interest income*.

As a result of these changes, the comparative period of the Consolidated income statement has been adjusted according to the following:

Consolidated income statement (EUR 1,000)	Jan-Jun 2024	Adjustment	Adjusted Jan-Jun 2024
Interest income at effective interest rate method	752,584	230,058	982,643
Other interest income	762,629	-603,141	159,488
Interest expense at effective interest rate method	-370,849	-355,422	-726,272
Other interest expense	-1,015,805	728,505	-287,300
Net interest income	128,559	0	128,559

In line items *Interest income/expenses at effective interest rate method*, the Group presents interest income/expenses from financial assets and liabilities measured at amortised cost, interest income/expenses from financial assets and liabilities measured at fair value through other comprehensive income and interest income/expenses of derivative contracts in hedge accounting. The distribution of interest income and expenses can be found in Note 3 *Interest Income and Expenses*.

Consolidated statement of financial position

During the reporting period of 2025, the Group has changed the presentation of the Consolidated statement of financial position. The management has concluded that by combining cash together with central banks balances in their own line in the balance sheet gives more useful information to the user of the financial statements. In addition, Current tax assets are shown separately in the Consolidated statement of financial position. The changes have been made retrospectively to the opening balance sheet of comparative year 2024 and to the year end of 2024.

The changes made in the presentation of Consolidated statement of financial position for 1 January 2024 are as following:

Consolidated statement of financial position (EUR 1,000)	Reference	1 Jan 2024	Adjustment	Adjusted 1 Jan 2024
Assets				
Cash and balances with central banks	i.	2	7,953,640	7,953,642
Loans and advances to credit institutions	ii.	9,192,948	-7,953,640	1,239,307
Accrued income and prepayments	iii.	20,595	-18,095	2,499
Current tax assets	iv.	-	18,095	18,095
Total assets		49,736,359	0	49,736,359
Liabilities and equity				
Total liabilities		47,992,542	-	47,992,542
Total equity		1,743,817	-	1,743,817
Total liabilities and equity		49,736,359	-	49,736,359

i.–ii. Overnight deposits with central bank were previously presented on the balance sheet line item *Loans and advances to credit institutions*. EUR 7,953,640 thousand was reclassified to the balance sheet line item *Cash and balances with central banks*.

iii.–iv. Current tax assets were previously presented on the balance sheet line item *Accrued income and prepayments*. EUR 18,095 thousand was reclassified to the balance sheet line item *Current tax assets*.

The changes made in the presentation of Consolidated statement of financial position for 31 December 2024 are as following:

Consolidated statement of financial position (EUR 1,000)	Reference	31 Dec 2024	Adjustments	Adjusted 31 Dec 2024
Assets				
Cash and balances with central banks	i.	2	7,776,886	7,776,888
Loans and advances to credit institutions	ii.	8,566,611	-7,776,886	789,725
Accrued income and prepayments	iii.	18,797	-16,577	2,220
Current tax assets	iv.	-	16,577	16,577
Total assets		53,091,818	0	53,091,818
Liabilities and equity				
Total liabilities		51,146,383	-	51,146,383
Total equity		1,945,435	-	1,945,435
Total liabilities and equity		53,091,818	-	53,091,818

i.–ii. Overnight deposits with central bank were previously presented on the balance sheet line item *Loans and advances to credit institutions*. EUR 7,776,886 thousand was reclassified to the balance sheet line item *Cash and balances with central banks*.

iii.–iv. Current tax assets were previously presented on the balance sheet line item *Accrued income and prepayments*. EUR 16,577 thousand was reclassified to the balance sheet line item *Current tax assets*.

Consolidated statement of cash flows

During the reporting period, the Group has changed the presentation of *Cash and cash equivalents*. The management has revisited the definition of cash and cash equivalents and concluded that balances with central banks should be included in cash and cash equivalents, as they are overnight deposits which are used for the purpose of meeting short-term cash commitments. Also, the interest proportion of lease liability has been reclassified and it will be presented in line item *Interest on liabilities*. Changes have the following impact on the Consolidated statement of cash flows:

Consolidated statement of cash flows (EUR 1,000)	Jan-Jun 2024	Adjustment	Adjusted Jan-Jun 2024
Cash flow from operating activities	58,329	191,095	249,424
Net change in investments	-301,652	191,112	-110,540
Interest on liabilities	-930,544	-17	-930,561
Cash flow from financing activities	-66,934	17	-66,916
Total cash flow from leases*	-916	17	-899
Change in cash and cash equivalents	-8,809	191,112	182,304
Cash and cash equivalents at 1 Jan	63,214	7,953,641	8,016,855
Cash and cash equivalents at 30 Jun	54,405	8,144,753	8,199,159

* As of 30 June 2025, line item has been renamed as *Amortisation of lease liability*.

Consolidated statement of cash flows (EUR 1,000)	Jan-Dec 2024	Adjustment	Adjusted Jan-Dec 2024
Cash flow from operating activities	66,648	-176,870	-110,222
Net change in investments	-204,315	-176,754	-381,070
Interest on liabilities	-1,814,456	-116	-1,814,572
Cash flow from financing activities	-67,775	116	-67,660
Total cash flow from leases*	-1,757	116	-1,642
Change in cash and cash equivalents	-1,717	-176,754	-178,472
Cash and cash equivalents at 1 Jan	63,214	7,953,641	8,016,855
Cash and cash equivalents at 31 Dec	61,496	7,776,887	7,838,383

*As of 30 June 2025, line item has been renamed as *Amortisation of lease liability*.

Amendments of IFRS accounting standards applied on the reporting period

The Group has applied the following amendments to existing standards starting from 1 January 2025:

Amendment to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability* (effective for financial years beginning or after 1 January 2025). An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. Amendments were implemented by the Group on 1 January 2025 but have not had any significant impact on its financial statements.

New and amended IFRS accounting standards and interpretations not yet applied

In April 2024, the IASB published the new standard IFRS 18 *Presentation and Disclosure in Financial Statements* which will replace IAS 1 *Presentation of Financial statements*. IFRS 18 introduces a defined structure for the statement of profit or loss and related disclosures. The standard requires entities to present specified totals and subtotals for the statement of profit or loss and to present management-defined performance measures. The new standard will be effective for annual reporting periods beginning on or after 1 January 2027, including for interim financial statements. Retrospective application is required. Impact of implementation of the

IFRS 18 to the presentation of MuniFin Groups's financial statements has not been evaluated yet.

In May and December 2024, the IASB published amendments to IFRS 9 *Financial instruments* and IFRS 7 *Financial instruments: Disclosures*. Amendments will clarify and add further guidance regarding whether a financial asset meets the solely payments of principal and interest criteria. Amendments will also clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. New disclosure requirements are published for financial instruments with features linked to the achievement environmental, social and governance targets. The amendment that was published in December 2024 relates to contracts referencing nature-dependent electricity. These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). Amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. Amendments to IFRS 9 and IFRS 7 do not have material impact on MuniFin Group's financial statements.

Management judgement and estimates

Preparation of the Half Year Report in accordance with IFRS accounting standards requires management judgement and estimates. The key assumptions made by the Group concern key uncertainty factors pertaining to the future and the estimates at the interim reporting date. These relate to, among other things, the determination of fair value and the expected credit losses and impairment of financial assets.

Determination of fair value

The level of management judgement required in establishing fair value of financial instruments for which there is a quoted price in an active market is usually minimal. For the valuation of financial instruments where prices quoted in active markets are not available, the Group uses valuation techniques to establish fair value. These valuation techniques involve some level of management judgement, the degree of which will depend on the observability of the input parameters and the instrument's complexity. The level of subjectivity and degree of management judgement required is more significant for those instruments valued using sophisticated models and where some or all of the inputs are less liquid or unobservable.

Management judgement

- The choice of valuation parameters and modelling techniques in order to derive the fair value of financial instruments.
- Determining the hierarchy level to which a financial instrument should be classified, when the valuation is determined by a number of inputs, of which some are observable, and others are unobservable.

Estimates

- Judgement on which market parameters are observable.
- Applying the input data, assumptions and modelling techniques in particular, where data is obtained from infrequent market transactions.
- The fair value adjustments incorporating relevant risk factors.

The valuation methods and controls and quantitative disclosures with respect to the determination of fair value as well as the fair value hierarchy levels are disclosed in Note 7 *Fair values of financial assets and liabilities*. In addition, in that Note in section *Sensitivity analysis of unobservable inputs* has been described the sensitivity analysis of significant unobservable inputs by instrument type in addition to the effect that changing one or more assumptions in the unobservable input could have on the valuation by products at the reporting date.

The changes in the fair values of financial instruments impact the income statement line items *Net result on financial instruments at fair value through profit or loss* as well as the other comprehensive income line items *Change in fair value of financial assets at fair value through other comprehensive income*, *Change in fair value due to changes in own credit risk on financial liabilities designated at fair value through profit or loss* and *Change in Cost-of-Hedging*.

Expected credit losses

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, with the estimation of amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes which can result in different levels of allowances. Expected credit losses are disclosed in Note 14 *Credit risks of financial assets and other commitments*. The changes in the expected credit losses are recognised under the income statement line item *Credit losses on financial assets recognised at amortised cost and at fair value through other comprehensive income*.

The calculation of expected credit losses requires management judgement and estimates. The most significant are:

Management judgement

Estimates

<ul style="list-style-type: none"> The Group's criteria for assessing if there has been a significant increase in credit risk. 	<ul style="list-style-type: none"> Estimates on macroeconomic variables and the results on sensitivity analysis are disclosed on Note 14 <i>Credit risks of financial assets and other commitments</i>, in section <i>Forward-looking information</i>.
<ul style="list-style-type: none"> The Group's internal credit scoring model, which assigns probabilities of default (<i>PD</i>) to the individual grades. 	
<ul style="list-style-type: none"> Development of ECL models, including the various formulas and the choice of inputs. 	
<ul style="list-style-type: none"> Determination of relationships between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values and their effect on PDs, EADs (<i>Exposures at Default</i>) and LGDs (<i>Loss Given Default</i>). 	
<ul style="list-style-type: none"> Selection of forward-looking macroeconomic scenarios. 	

Note 3. Interest income and expense

(EUR 1,000)	Jan–Jun 2025			Adjusted Jan–Jun 2024		
	Interest income	Interest expense	Net	Interest income	Interest expense	Net
Assets						
Amortised cost						
Cash and balances with central banks	105,362	-	105,362	157,881	-	157,881
Loans and advances to credit institutions	13,744	-49	13,695	22,093	-45	22,048
Loans and advances to the public and public sector entities	473,118	-	473,118	534,839	-	534,836
<i>, of which loan receivables</i>	453,397	-	453,397	515,671	-	515,671
<i>, of which property lease receivables</i>	19,720	-	19,720	19,168	-	19,165
Debt securities	18,562	-	18,562	27,271	-	27,271
Other assets	10,486	-	10,486	24,043	-	24,043
Fair value through other comprehensive income						
Debt securities	8,134	-	8,134	5,625	-	5,625
Designated at fair value through profit or loss						
Loans and advances to the public and public sector entities	174	-	174	174	-	174
Debt securities	36,761	-	36,761	23,459	-	23,459
Mandatorily at fair value through profit or loss						
Loans and advances to the public and public sector entities	678	-	678	624	-	624
Fair value through profit or loss						
Derivative contracts at fair value through profit or loss	32,091	-14,942	17,149	69,589	-22,753	46,835
Derivative contracts in hedge accounting	111,035	-	111,035	210,893	-	210,893
Finance lease agreements	3,313	-	3,313	4,917	-	4,920
Interest on non-financial other assets	1	-	1	2	-	2
Interest on assets	813,459	-14,991	798,469	1,081,411	-22,799	1,058,612
<i>, of which interest income/expense according to the effective interest rate method</i>	740,441	-49		982,645	-45	
<i>, of which other interest income/expense</i>	73,018	-14,942		98,765	-22,753	





(EUR 1,000)	Jan–Jun 2025			Adjusted Jan–Jun 2024		
	Interest income	Interest expense	Net	Interest income	Interest expense	Net
Liabilities						
Amortised cost						
Liabilities to credit institutions	-	-5,471	-5,471	-	-4,189	-4,189
Liabilities to the public and public sector entities	-	-16,523	-16,523	-	-17,955	-17,955
Debt securities issued	-	-434,967	-434,967	-	-340,757	-340,757
Other liabilities	-	-3,047	-3,047	-	-7,904	-7,904
Designated at fair value through profit or loss						
Liabilities to credit institutions	-	-1,175	-1,175	-	-574	-574
Liabilities to the public and public sector entities	-	-18,640	-18,640	-	-18,978	-18,978
Debt securities issued	-	-117,847	-117,847	-	-193,259	-193,259
Fair value through profit or loss						
Derivative contracts at fair value through profit or loss	72,039	-74,404	-2,365	60,720	-51,735	8,984
Derivative contracts in hedge accounting	-	-74,560	-74,560	-	-355,422	-355,422
Interest on liabilities	72,039	-746,636	-674,596	60,720	-990,773	-930,054
<i>, of which interest income/expense according to the effective interest rate method</i>	-	-534,569		-	-726,227	
<i>, of which other interest income/expense</i>	72,039	-212,066		60,720	-264,546	
Total interest income and expense	885,499	-761,626	123,872	1,142,131	-1,013,572	128,559

During the financial year 2024, the Group has corrected the presentation of net interest income of derivative contracts and lease agreements. Comparative figures have been corrected accordingly. More detailed information about the change in presentation can be found in Note 2 *Basis of preparation of the Half Year Report and corrections to previous reporting period*.

In the line item *Interest income/expense according to the effective interest rate method*, the Group presents interest income/expense from financial assets/liabilities at amortised cost or at fair value through other comprehensive income. In addition in this line item, the Group includes interest income/expense from derivative contracts in hedge accounting.

Interest income on stage 3 financial assets in the expected credit loss (*ECL*) calculations totalled EUR 3,729 thousand (EUR 1,687 thousand) during the reporting period. These are included in the line item *Loans and advances to the public and public sector entities*.

Interest expense on other liabilities includes EUR 132 thousand (EUR 17 thousand) of interest on lease liabilities recognised in accordance with IFRS 16 *Leases* standard.

Interest expenses on financial assets at amortised cost on loans and advances to credit institutions consisted of interest paid on loans and advances payable on demand. Interest expenses on derivative contracts at fair value through profit or loss consist of interest on derivative contracts that are not included in hedge accounting. The derivative contracts contained in this line item hedge financial assets which are designated at fair value through profit or loss, derivative contracts with municipalities and derivative contracts hedging derivatives with municipalities, in addition to derivative contracts used for hedging interest rate risk of the balance sheet, for which no hedged item has been specified. Interest income/expense from aforementioned derivative contracts are presented in line item *Other interest income/expense*. Derivative contracts in hedge accounting hedge line items *Loans and advances to the public and public sector entities*. Interest income/expense from derivative contracts in hedge accounting are presented in line item *Interest income/expense at effective interest rate method*.

Interest income on derivative contracts at fair value through profit or loss consists of interest on derivatives that are not included in hedge accounting. Derivative contracts contained in this line item hedge financial liabilities which are designated at fair value through profit or loss. Interest income/expense from before mentioned items is presented in line item *Other Interest income/expense*. Derivative contracts in hedge accounting are used as hedges for line items *Liabilities to credit institutions*, *Liabilities to the public and public sector entities* and *Debt securities issued*. Interest income/expense from derivative contracts in hedge accounting is presented in line item *Interest income/expense at effective interest rate method*.

Note 4. Net result on financial instruments at fair value through profit or loss

Jan–Jun 2025 (EUR 1,000)	Capital gains and losses (net)	Unrealised fair value changes	Total
Financial assets			
Designated at fair value through profit or loss	-	29,148	29,148
Mandatorily at fair value through profit or loss	-	-419	-419
Financial liabilities			
Designated at fair value through profit or loss	-	114,544	114,544
Derivative contracts at fair value through profit or loss	-	-138,627	-138,627
Day 1 gain or loss	-	20	20
Net result on financial assets and liabilities through profit or loss	-	4,667	4,667
Net result from FX differences	-2,924	1,544	-1,379
Net result from hedge accounting	-	-5,243	-5,243
Total	-2,924	969	-1,955

Line item *Net result on financial assets and liabilities through profit or loss* includes fair value changes of financial assets and liabilities measured at fair value through profit or loss, fair value changes of derivative contracts not included in hedge accounting (derivative contracts at fair value through profit or loss) as well as capital gains and losses related to these items. Line item *Net result from FX differences* includes unrealised and realised translation differences for all items denominated in foreign currencies. The breakdown of line item *Net result from hedge accounting* is presented in Note 5 *Hedge accounting*. The reconciliation for Day 1 gain or loss is presented in Note 7 *Fair values of financial assets and liabilities*.

Jan–Jun 2024 (EUR 1,000)	Capital gains and losses (net)	Unrealised fair value changes	Total
Financial assets			
Designated at fair value through profit or loss	40	-8,394	-8,354
Mandatorily at fair value through profit or loss	-	271	271
Financial liabilities			
Designated at fair value through profit or loss	-	99,910	99,910
Derivative contracts at fair value through profit or loss	-19	-81,725	-81,744
Day 1 gain or loss	-	20	20
Net result on financial assets and liabilities through profit or loss	21	10,083	10,104
Net result from FX differences	4,972	-4,833	139
Net result from hedge accounting	-	5,828	5,828
Total	4,993	11,078	16,071

The following tables present the carrying amounts of financial assets and liabilities designated at fair value through profit or loss and their fair value changes recognised during the reporting period in the income statement under *Net result on financial instruments at fair value through profit or loss* and in the other comprehensive income under *Net change in fair value due to changes in own credit risk on financial liabilities designated at fair value through profit or loss*.

Financial assets and liabilities designated at fair value through profit or loss (EUR 1,000)	Nominal value 30 Jun 2025	Carrying amount 30 Jun 2025	Nominal value 31 Dec 2024	Carrying amount 31 Dec 2024
Financial assets				
Loans and advances to the public and public sector entities	30,000	30,628	30,000	30,940
Debt securities	4,010,019	4,035,049	3,670,119	3,676,021
Total financial assets*	4,040,019	4,065,676	3,700,119	3,706,961
Financial liabilities				
Liabilities to credit institutions	239,000	124,029	79,000	79,315
Liabilities to the public and public sector entities	1,323,460	1,227,780	1,456,192	1,334,136
Debt securities issued	10,563,658	9,799,701	9,546,266	9,198,104
Total financial liabilities	12,126,118	11,151,511	11,081,458	10,611,555

* Financial assets designated at fair value through profit or loss are exposed to credit risk up to the carrying amounts of those securities at 30 Jun 2025 and 31 Dec 2024.

Change in fair value of financial assets designated at fair value through profit or loss (EUR 1,000)	30 Jun 2025	1 Jan 2025	Fair value change recognised in the income statement Jan–Jun 2025	, of which due to credit risk	, of which due to market risk
Financial assets					
Loans and advances to the public and public sector entities	-7,161	-6,847	-314	19	-333
Debt securities	310	-29,152	29,462	10,985	18,477
Total financial assets	-6,851	-35,999	29,148	11,004	18,144

Financial assets that MuniFin Group has designated at fair value through profit or loss include debt securities in the liquidity portfolio and some lending agreements of which the interest rate risk is hedged with interest rate swaps. The designation is made as it significantly reduces accounting mismatch which would otherwise arise from measuring the derivative contract at fair value through profit or loss and the debt security at fair value through other comprehensive income and lending agreements at amortised cost based on the IFRS 9 business model. MuniFin Group does not have credit derivatives hedging these financial assets.

During the reporting period, the fair value change of debt securities was EUR 29,462 thousand (EUR -7,935 thousand). This change was influenced by a decrease in EUR market rates and credit spreads. The market impact on EUR interest rates was mixed; while short-term rates decreased, long-term rates saw an increase. The general decrease in credit spreads across the markets positively impacted valuations. In overall, the impact of EUR market rates has been positive. Considering the change in the fair value of hedging instruments of EUR -18,477 thousand euros (EUR 10,435 thousand), the net change in fair value during the reporting period is EUR 10,985 thousand (EUR 2,500 thousand) after the hedging impact.

Change in fair value of financial liabilities designated at fair value through profit or loss (EUR 1,000)	30 Jun 2025	1 Jan 2025	Fair value change recognised in the income statement Jan–Jun 2025	Change in own credit risk recognised in the other comprehensive income Jan–Jun 2025	Total fair value change in Jan–Jun 2025
Financial liabilities					
Liabilities to credit institutions	-421	-652	231	-245	-14
Liabilities to the public and public sector entities	189,524	130,527	58,997	-7,689	51,307
Debt securities issued	453,024	397,708	55,317	-24,433	30,884
Total financial liabilities	642,127	527,583	114,544	-32,367	82,178

During the reporting period, the change in fair value of financial liabilities designated at fair value through profit or loss of EUR 114,544 thousand (EUR 99,910 thousand) was particularly affected by the increase in long-term interest rates in EUR market. The change in the fair value of hedging instruments was EUR -122,082 thousand (EUR -96,918 thousand). The change in own credit risk amounted to EUR -32,367 thousand (EUR 60,788 thousand) during the reporting period. The change was affected by a slight decrease in the Group's funding costs due to a general decrease in market credit spreads.

Net change in fair value in line item Net result on financial assets and liabilities through profit or loss (EUR 1,000)	Cumulative change in fair value 30 Jun 2025	Fair value change recognised in the income statement Jan–Jun 2025
Financial liabilities designated at fair value through profit or loss	642,127	114,544
Derivative contracts at fair value through profit or loss hedging financial liabilities	-636,307	-122,082
Net change in fair value	5,820	-7,538

MuniFin Group has designated short-term debt instruments denominated in foreign currencies, which have been hedged with FX swaps at fair value through profit or loss. The designation reduces accounting mismatch which would otherwise arise between the measurement of the derivative contract and the financial liability. Financial liabilities designated at fair value through profit or loss consist of financial liabilities which have been hedged according to the Group's risk management policy, but which are not subject to IFRS 9 standard's fair value hedge accounting. The fair value changes of the financial liabilities impact the income statement, but as they have been hedged, the expected profit or loss is restricted to interest. The table above describes the net impact of these financial liabilities and their hedges on the income statement.

When a financial liability is designated at fair value through profit or loss, the fair value change, with exception to MuniFin's own credit risk that is presented in other comprehensive income as change of the own credit revaluation reserve, is presented in *Net result on financial instruments at fair value through profit or loss*.

MuniFin Group applies the income approach of IFRS 13 standard to the separation of fair value changes related to changes in own credit risk from the fair value changes of the financial liability. For the majority of financial liabilities designated at fair value through profit or loss, no market price is available as there is no active secondary market. The methodology for separation of own credit risk utilises MuniFin's benchmark curves, cross currency basis spreads

and credit spreads of MuniFin's issued debt securities on the primary market as input. Based on the aforementioned inputs, valuation curves can be constructed for various reporting periods for valuing financial liabilities designated at fair value through profit or loss. By comparing fair values calculated using the trade date and the reporting date, the impact of change in own credit risk on the fair value of the financial liability can be determined.

Financial liabilities designated at fair value through profit or loss are not traded.

Change in fair value of financial assets designated at fair value through profit or loss (EUR 1,000)	30 Jun 2024	1 Jan 2024	Fair value change recognised in the income statement Jan–Jun 2024	, of which due to credit risk	, of which due to market risk
Financial assets					
Loans and advances to the public and public sector entities	-8,447	-7,988	-459	46	-505
Debt securities	-102,724	-94,789	-7,935	2,500	-10,435
Total financial assets	-111,171	-102,777	-8,394	2,546	-10,940

Change in fair value of financial liabilities designated at fair value through profit or loss (EUR 1,000)	30 Jun 2024	1 Jan 2024	Fair value change recognised in the income statement Jan–Jun 2024	Change in own credit risk recognised in the other comprehensive income Jan–Jun 2024	Total fair value change in Jan–Jun 2024
Financial liabilities					
Liabilities to credit institutions	1,364	495	869	173	1,042
Liabilities to the public and public sector entities	197,146	169,099	28,047	25,862	53,909
Debt securities issued	496,583	425,589	70,994	34,754	105,748
Total financial liabilities	695,093	595,183	99,910	60,788	160,699

Net change in fair value in line item Net result on financial assets and liabilities through profit or loss (EUR 1,000)	Cumulative change in fair value 30 Jun 2024	Fair value change recognised in the income statement Jan–Jun 2024
Financial liabilities designated at fair value through profit or loss	695,093	99,910
Derivative contracts at fair value through profit or loss hedging financial liabilities	-689,043	-96,918
Net change in fair value	6,050	2,992

Note 5. Hedge accounting

The interest rate and foreign exchange rate risks of the Group are managed by entering into derivative transactions. According to the Market Risk Policy, the Group's hedging strategy is mainly to hedge all material foreign exchange and interest rate risks of financial assets and liabilities with maturities exceeding one year. As a result, foreign currency denominated items are translated into euros, and fixed rates and long-term reference rates are swapped to floating interest rates with shorter terms. The risk management principles related to the Group's hedging of market risk are described in more detail in the Consolidated Financial Statements 2024 in Note 2 *Risk Management principles and the Group's risk position*.

The Group applies both fair value hedge accounting according to IFRS 9 and fair value portfolio hedge accounting according to IAS 39. The Group does not apply cash flow hedge accounting. Accounting policies related to hedge accounting are described in the accounting policies of the Consolidated Financial Statements 2024 (Note 1) in Section 10. *Hedge Accounting*. Net result on hedge accounting is recognised in PnL in *Net result on financial instruments at fair value through profit or loss*.

In the following table, the hedged assets and liabilities are presented according to statement of financial position line items divided into IAS 39 portfolio hedge accounting and IFRS 9 fair value hedge accounting, which is further subdivided into whether hedging is subject to the separation of the Cost-of-Hedging.

Hedge accounting 30 Jun 2025 (EUR 1,000)	Nominal value	Fair value hedge accounting total	IAS 39 portfolio hedge accounting	IFRS 9 fair value hedge accounting	IFRS 9 fair value hedge accounting incl. Cost-of-Hedging
Assets					
Loans and advances to the public and public sector entities – Loans	10,763,203	10,247,910	10,190,165	57,744	-
Loans and advances to the public and public sector entities – Property lease receivables	374,558	372,989	-	372,989	-
Loans and advances to the public and public sector entities – Finance lease receivables	32,951	34,784	-	34,784	-
Total assets	11,170,711	10,655,684	10,190,165	465,518	-
Liabilities					
Liabilities to credit institutions	105,000	96,147	-	96,147	-
Liabilities to the public and public sector entities	1,103,710	1,098,187	-	1,098,187	-
Debt securities issued	35,863,132	35,385,082	-	18,381,806	17,003,276
Total liabilities	37,071,842	36,579,416	-	19,576,141	17,003,276

Hedge accounting 31 Dec 2024 (EUR 1,000)	Nominal value	Fair value hedge accounting total	IAS 39 portfolio hedge accounting	IFRS 9 fair value hedge accounting	IFRS 9 fair value hedge accounting incl. Cost-of-Hedging
Assets					
Loans and advances to the public and public sector entities – Loans	11,209,584	10,633,372	10,573,458	59,914	-
Loans and advances to the public and public sector entities – Property lease receivables	380,946	380,863	-	380,863	-
Loans and advances to the public and public sector entities – Finance lease receivables	41,013	42,930	-	42,930	-
Total assets	11,631,544	11,057,166	10,573,458	483,708	-
Liabilities					
Liabilities to credit institutions	95,000	88,243	-	88,243	-
Liabilities to the public and public sector entities	1,107,710	1,129,737	-	1,129,737	-
Debt securities issued	35,414,736	34,570,729	-	17,595,169	16,975,560
Total liabilities	36,617,446	35,788,709	-	18,813,149	16,975,560

The figures presented in the adjacent table contain the cumulative fair value change at the beginning and end of the reporting period, in addition to the fair value change of the hedged risk and the hedging instrument during the reporting period. These figures presented in the table do not include the changes in fair value due to foreign exchange differences of hedging instruments and the hedged items. Due to the aforementioned reason, the total amount of hedging instruments does not correspond to the fair value presented in Note 12 *Derivatives* on line *Total derivative contracts in hedge accounting*. The fair value changes of the hedged risk of the hedged items and all other fair value changes of the hedging instruments are recognised in the income statement under *Net result on financial instruments at fair value through profit or loss*. The ineffective portion of the hedging relationship is thus shown on this line in the income statement. Net result on financial instruments at fair value through profit or loss is specified in Note 4.

In accordance with the market practice and IFRS 13 *Fair value measurement* standard, the Group discounts hedged items with the swap curve and the hedging derivatives with the OIS curve, which causes a significant part of the Group's hedge ineffectiveness. In addition, ineffectiveness may also arise to some extent from differences in notional, day count methods or timing of the cash flows. The Group performs regularly the assessment of the economic relationship of the hedged item and hedging instrument. The purpose of the assessment is to ensure the prerequisites for the continuation of the hedging relationship. If the hedging relationship does not meet the hedge accounting requirements, hedge accounting is discontinued. Change in the fair value of the hedged item, up to the point when hedge relationship is terminated, is amortised to the income statement on a straight-line basis over the remaining maturity of the hedged item.

Net result from hedge accounting from the reporting period was EUR -5,243 thousand (EUR 5,828 thousand). Change in net result on hedge accounting was mainly due to changes in EUR interest rate curves.

Value of hedged risk (EUR 1,000)	30 Jun 2025	1 Jan 2025	Recognised in the income statement Jan–Jun 2025
Assets			
IAS 39 portfolio hedge accounting			
Loans and advances to the public and public sector entities	-547,636	-604,957	57,322
Derivative contracts in hedge accounting	590,281	658,479	-68,199
Accumulated fair value accrual from the termination of hedge accounting	-1,312	-1,411	99
IAS 39 portfolio hedge accounting, net	41,333	52,111	-10,777
IFRS 9 fair value hedge accounting			
Loans and advances to the public and public sector entities	-5,011	-2,213	-2,798
, of which loans	642	2,214	-1,572
, of which property and finance lease receivables	-5,653	-4,427	-1,226
Derivative contracts in hedge accounting	3,085	828	2,257
IFRS 9 fair value hedge accounting, net	-1,926	-1,385	-541
Liabilities			
IFRS 9 fair value hedge accounting			
Liabilities to credit institutions	10,541	7,357	3,184
Liabilities to the public and public sector entities	13,070	-7,263	20,333
Debt securities issued	618,217	901,690	-283,472
Derivative contracts in hedge accounting	-661,404	-927,435	266,031
IFRS 9 fair value hedge accounting, net	-19,575	-25,651	6,075
Total hedge accounting	19,832	25,075	-5,243

Value of hedged risk (EUR 1,000)	30 Jun 2024	1 Jan 2024	Recognised in the income statement Jan–Jun 2024
Assets			
IAS 39 portfolio hedge accounting			
Loans and advances to the public and public sector entities	-951,988	-907,319	-44,668
Derivative contracts in hedge accounting	1,012,431	969,754	42,677
Accumulated fair value accrual from the termination of hedge accounting	-1,531	-1,652	121
IAS 39 portfolio hedge accounting, net	58,913	60,783	-1,870
IFRS 9 fair value hedge accounting			
Loans and advances to the public and public sector entities	-15,585	-10,422	-5,163
<i>, of which loans</i>	<i>267</i>	<i>1,829</i>	<i>-1,562</i>
<i>, of which property and finance lease receivables</i>	<i>-15,852</i>	<i>-12,251</i>	<i>-3,600</i>
Derivative contracts in hedge accounting	14,020	9,060	4,960
IFRS 9 fair value hedge accounting, net	-1,565	-1,362	-203
Liabilities			
IFRS 9 fair value hedge accounting			
Liabilities to credit institutions	10,191	8,111	2,080
Liabilities to the public and public sector entities	30,938	4,425	26,512
Debt securities issued	1,589,060	1,407,537	181,523
Derivative contracts in hedge accounting	-1,644,871	-1,442,656	-202,215
IFRS 9 fair value hedge accounting, net	-14,682	-22,583	7,901
Total hedge accounting	42,666	36,838	5,828

The adjacent table presents the impact of Cost-of-Hedging of cross currency derivatives on equity in the *Cost-of-Hedging reserve*. The figures are presented net of deferred taxes. For all foreign currency hedge relationships, the Group has elected to utilise Cost-of-Hedging. For each hedge relationship, when the cross currency swap is designated as a hedging instrument, the cross currency basis spread is separated and excluded from the designation and accounted for as Cost-of-Hedging.

The difference between the changes in fair value of the actual derivative and the designated portion of the derivative are recorded in other comprehensive income in line item *Cost-of-Hedging reserve*. Thus, changes in cross currency basis spreads will impact other comprehensive income and do not create ineffectiveness in the hedge relationship.

Hedging impact on equity (EUR 1,000)	30 Jun 2025	1 Jan 2025	Impact on Cost-of-Hedging reserve
Cost-of-Hedging			
Derivative contracts in hedge accounting	25,388	45,714	-20,326
Total	25,388	45,714	-20,326

Hedging impact on equity (EUR 1,000)	30 Jun 2024	1 Jan 2024	Impact on Cost-of-Hedging reserve
Cost-of-Hedging			
Derivative contracts in hedge accounting	20,696	21,821	-1,126
Total	20,696	21,821	-1,126

The following table presents the cumulative effectiveness of hedge accounting by hedged items. In addition, the table shows the hedging instruments used.

**Effectiveness of hedge accounting
30 Jun 2025 (EUR 1,000)**

Hedged item	Hedging instruments	Gains/losses attributable to the hedged risk		Hedge ineffectiveness
		Hedged items	Hedging instruments	
Assets				
IAS 39 portfolio hedge accounting				
Fixed rate and revisable rate loans	Interest rate derivatives	-547,636	590,281	42,645
IFRS 9 fair value hedge accounting				
Structured lending	Interest rate derivatives	642	-694	-52
Fixed rate and revisable rate leased assets	Interest rate derivatives	-5,653	3,779	-1,874
Assets total		-552,647	593,366	40,719
Liabilities				
IFRS 9 fair value hedge accounting				
Financial liabilities denominated in EUR	Interest rate derivatives	649,643	-668,649	-19,006
Financial liabilities denominated in foreign currencies	Currency derivatives (Cross currency interest rate swaps) Interest rate derivatives	-7,815	7,245	-569
Liabilities total		641,828	-661,404	-19,575

Effectiveness of hedge accounting
30 Jun 2024 (EUR 1,000)

Hedged item	Hedging instruments	Gains/losses attributable to the hedged risk		Hedge ineffectiveness
		Hedged items	Hedging instruments	
Assets				
IAS 39 portfolio hedge accounting				
Fixed rate and revisable rate loans	Interest rate derivatives	-951,988	1,012,431	60,444
IFRS 9 fair value hedge accounting				
Structured lending	Interest rate derivatives	267	-26	241
Fixed rate and revisable rate leased assets	Interest rate derivatives	-15,852	14,046	-1,806
Assets total		-967,573	1,026,452	58,879
Liabilities				
IFRS 9 fair value hedge accounting				
Financial liabilities denominated in EUR	Interest rate derivatives	1,257,910	-1,280,515	-22,606
Financial liabilities denominated in foreign currencies	Currency derivatives (Cross currency interest rate swaps) Interest rate derivatives	372,279	-364,356	7,924
Liabilities total		1,630,189	-1,644,871	-14,682

Note 6. Financial assets and liabilities

Financial assets 30 Jun 2025 (EUR 1,000)	Amortised cost	Fair value through other comprehensive income	Designated at fair value through profit or loss	Mandatorily at fair value through profit or loss	Fair value through profit or loss	Total	Fair value
Cash and balances with central banks	7,770,390	-	-	-	-	7,770,390	7,770,390
Loans and advances to credit institutions	1,986,468	-	-	-	-	1,986,468	1,986,468
Loans and advances to the public and public sector entities	36,436,541	-	30,628	23,212	-	36,490,380	38,512,709
<i>, of which loan receivables</i>	35,072,308	-	30,628	23,212	-	35,126,148	37,122,785
<i>, of which property lease receivables*</i>	1,364,233	-	-	-	-	1,364,233	1,389,924
Debt securities	1,511,041	793,575	4,035,049	-	-	6,339,665	6,340,574
Derivative contracts at fair value through profit or loss	-	-	-	-	225,319	225,319	225,319
Derivative contracts in hedge accounting	-	-	-	-	1,327,949	1,327,949	1,327,949
Other assets	746,982	-	-	-	-	746,982	746,982
Total	48,451,422	793,575	4,065,676	23,212	1,553,268	54,887,153	56,910,391

* Line item includes property lease receivables that the Group has granted to customers and which are classified as financial assets in the Half Year Report. Equipment leases granted by the Group are classified as finance lease receivables and are presented in the Note 10 *Finance lease receivables*.

Financial liabilities 30 Jun 2025 (EUR 1,000)	Amortised cost	Designated at fair value through profit or loss	Fair value through profit or loss	Total	Fair value
Liabilities to credit institutions	128,007	124,029	-	252,036	252,548
Liabilities to the public and public sector entities	1,098,187	1,227,780	-	2,325,967	2,336,644
Debt securities issued	36,971,646	9,799,701	-	46,771,347	46,671,467
Derivative contracts at fair value through profit or loss	-	-	1,267,687	1,267,687	1,267,687
Derivative contracts in hedge accounting	-	-	2,016,132	2,016,132	2,016,132
Other liabilities	218,392	-	-	218,392	218,392
Total	38,416,233	11,151,511	3,283,819	52,851,562	52,762,870

Adjusted Financial assets 31 Dec 2024 (EUR 1,000)	Amortised cost	Fair value through other comprehensive income	Designated at fair value through profit or loss	Mandatorily at fair value through profit or loss	Fair value through profit or loss	Total	Fair value
Cash and balances with central banks	7,776,888	-	-	-	-	7,776,888	7,776,888
Loans and advances to credit institutions	789,725	-	-	-	-	789,725	789,725
Loans and advances to the public and public sector entities	35,077,804	-	30,940	25,036	-	35,133,780	37,248,151
<i>, of which loan receivables</i>	33,757,873	-	30,940	25,036	-	33,813,849	35,826,784
<i>, of which property lease receivables</i>	1,319,931	-	-	-	-	1,319,931	1,421,367
Debt securities	1,825,411	377,480	3,676,021	-	-	5,878,912	5,879,660
Derivative contracts at fair value through profit or loss	-	-	-	-	451,480	451,480	451,480
Derivative contracts in hedge accounting	-	-	-	-	1,872,228	1,872,228	1,872,228
Other assets	889,682	-	-	-	-	889,682	889,682
Total	46,359,510	377,480	3,706,961	25,036	2,323,708	52,792,695	54,907,814

During the reporting period, the Group has corrected the presentation of balances with central banks. Comparative figures have been corrected accordingly. More detailed information about the change in presentation can be found in Note 2 *Basis of preparation of the Half Year Report and corrections to previous reporting period*.

Financial liabilities 31 Dec 2024 (EUR 1,000)	Amortised cost	Designated at fair value through profit or loss	Fair value through profit or loss	Total	Fair value
Liabilities to credit institutions	804,380	79,315	-	883,694	883,627
Liabilities to the public and public sector entities	1,129,737	1,334,136	-	2,463,874	2,475,335
Debt securities issued	35,336,202	9,198,104	-	44,534,306	44,345,120
Derivative contracts at fair value through profit or loss	-	-	1,073,936	1,073,936	1,073,936
Derivative contracts in hedge accounting	-	-	1,487,782	1,487,782	1,487,782
Other liabilities	267,449	-	-	267,449	267,449
Total	37,537,768	10,611,555	2,561,718	50,711,041	50,533,249

Note 7. Fair values of financial assets and liabilities

Valuation framework

MuniFin Group has implemented a framework for the arrangements, activities and procedures with regards to the Group's model risk management. The purpose of the model risk management framework is to ensure the effective management of model risk and mitigation of fair value uncertainty, as well as to ensure compliance with external and internal requirements. The Group ensures that all aspects of the lifecycle of valuation models (i.e. approval, design and development, testing and maintenance, monitoring and execution) are subject to effective governance, clear roles and responsibilities and effective internal control.

The Group manages and maintains a model inventory which provides a holistic view of all valuation models, their business purpose and characteristics as well as their applications and conditions for use. All approved valuation models within the model inventory are subject to annual review and re-approval by the Risk Management and Compliance Management Team.

The Finance Management Team acts as a valuation control group for MuniFin Group's fair values and is responsible for the final approval of the Group's fair values for financial reporting. The Finance Management Team monitors and controls MuniFin Group's valuation process and the performance of valuation models, decides on the necessary measures and reports to the Executive Management Team (*EMT*). The Finance Management Team assesses whether the valuation models and valuation process provide sufficiently accurate information to be used in financial reporting and, based on the information received, decides on possible adjustments to the values generated by the valuation process.

The Group has implemented an efficient control and performance monitoring framework with regards to its valuation models, which aims to ensure the accuracy and appropriateness of model output. Model performance monitoring consists of four main controls:

- Counterparty valuation control (*CVC*),
- Fair value explanation,
- Independent price verification (*IPV*) and
- Independent model validation.

Counterparty valuation control (*CVC*) is performed daily by Risk Management with the purpose to assess any deviations in valuation model output compared to MuniFin Group's own earlier valuations and to counterparty valuations. The results of the assessment are reported monthly to the CFO and quarterly to the Finance Management Team. Fair value explanation process consists of a daily analysis and explanation of the changes in fair values by Risk Management and a monthly fair value explanation report to the CFO and quarterly to the Finance Management Team. The independent price verification is performed monthly as a part of MuniFin Group's *IPV* process by a third party service provider. The results of the control activities are reported monthly to the CFO and quarterly to the Finance Management Team. The independent model validation is performed annually for a subset of MuniFin Group's valuation models by a third-party service provider. The results of the model validation are reported to the Finance Management Team.

Determination of fair value

Fair value is the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price. If the fair value on initial recognition differs from the transaction price and the fair value is evidenced, neither by a quoted price in an active market for an identical asset or liability, nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value and adjusted to defer the difference between the fair value on initial recognition and the transaction price (*Day 1 gain or loss*). The difference is amortised on a straight-line basis throughout the lifetime of the contract. Day 1 gain or loss for MuniFin Group is presented in the adjacent table.

Day 1 gain or loss (EUR 1,000)	Jan–Jun 2025	Jan–Dec 2024
Opening balance in the beginning of the reporting period	-309	-350
Recognised in the income statement during the year	20	41
Deferred gain or loss on new transactions	-	-
Total at the end of the reporting period	-288	-309

The fair values of financial instruments are determined on the basis of either price quotations obtained from functioning markets or, if such markets do not exist, by applying valuation methods. The Group measures fair values using the fair value hierarchy by dividing fair value into level 1, 2 and 3 inputs, which reflects the significance of the inputs used in making the measurements.

IFRS 13 classifies valuation models and techniques into three different categories: market approach, income approach and cost approach. The Group applies the market-based approach when the instrument has a functioning market and public price quotations are available. The Group uses the market approach for the valuation of investment bonds of the liquidity portfolio. For all level 1 assets, the Group uses market prices available for identical assets (same ISIN). The Group does not make use of prices for comparable assets.

Income approach is applied when valuation is based, for example, on determining the present value of future cash flows (discounting). Valuation methods take into account

an assessment of the credit risk, discount rates used, the possibility of early repayment and other factors that influence the fair value of a financial instrument reliably. The Group uses the income approach for many of its financial instruments, for example derivatives, lending and funding. The Group does not use the cost approach for the valuation of any of its financial instruments.

The Group uses widely recognised valuation models to determine the fair value of common and simple financial instruments, such as interest rate and currency swaps, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and reduces the uncertainty associated with determining fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes

based on specific events and general conditions in the financial markets.

All valuation models, both complex and simple models, use market prices and other inputs. These market prices and inputs comprise for example interest rates, FX rates, volatilities, and correlations. The Group applies different types of valuation inputs depending on the type and complexity of the instruments and the related risk factors and payoff structures. The Group's defined categorisation to the fair value hierarchy levels is based on the analysis performed with regards to the valuation input, stress testing (reasonable possible alternative assumption) and model complexity. If the inputs used to measure fair value are categorised into different levels on the fair value hierarchy, the fair value measurement is categorised in its entirety on the level of the lowest level input that is significant to the entire measurement. The approach is described in more detail in the section *Sensitivity analysis of unobservable inputs*.

MuniFin Group applies different models in order to derive the fair values of certain types of instruments. The choice of base models and model calibration depend on the complexity of the financial instrument and the observability of the relevant inputs. In line with market practice, the primary choice of base model is contingent on the underlying instrument classes. Additionally, instruments are broken down into different categories granular enough to capture the most important risk drivers and different kinds of calibration techniques. The specific combination of base models and the different assumptions and calibration techniques are documented. The Group's fair value instruments that are subject to mark-to-model valuation techniques consist of four asset classes:

- Interest rate instruments,
- FX instruments,
- Equity-linked instruments and
- Hybrid instruments.

Financial instruments under FX, equity-linked and hybrid classes are mainly classified as level 3 instruments.

Fair value of financial instruments is generally calculated as the net present value of the individual instruments. This calculation is supplemented by counterparty level adjustments. The Group incorporates credit valuation adjustments (*CVA*) and debit valuation adjustments (*DVA*) into derivative valuations. *CVA* reflects the impact of the counterparty's credit risk on fair value and *DVA* MuniFin Group's own credit quality. The Group uses the same methodology to compute *CVA* and *DVA*. They are both assessed as the result of three inputs: Loss Given Default (*LGD*), Probability of Default (*PD*, own for *DVA* and of the counterparty for *CVA*) and Expected Exposure (*EE*). In addition, the Group calculates Funding Valuation Adjustment for those derivative contracts that do not hold cash collateral arrangements (derivatives made with MuniFin Group's customers).

The following table presents financial instruments by the level of the fair value hierarchy into which the fair value measurement is categorised. The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the fair value measurements.

Level 1

Inputs that are quoted market prices (unadjusted) for identical instruments in active markets that the Group can access at the measurement date. The market is considered to be active if trading is frequent and price data is regularly available. These quotes (mid) represent the price for an orderly transaction between parties in the market on the valuation date. Level 1 instruments comprise mainly investments in debt securities.

Level 2

Inputs other than quoted prices included within level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level includes instruments valued using quoted prices for identical instruments in markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. Level 2 instruments comprise mainly OTC derivatives, the Group's issued plain-vanilla financial liabilities and the Group's lending agreements.

Level 3

Level 3 includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. Unobservable inputs are used only to the extent that no relevant observable inputs are available. If the valuation input is illiquid, extrapolated or based on historical prices, the valuation input will be defined as a level 3 valuation input as these types of inputs are per definition unobservable. This level includes financial instruments with equity and FX structures due to the impact of the utilisation of inputs such as dividend yield on the fair value measurement. In addition, level 3 contains some interest rate structures with long maturities (exceeding e.g. 35 years) or in currencies where the interest rate curve is not considered liquid for all maturities.

Due to the nature of MuniFin Group's funding portfolio (i.e. issued bonds are hedged back-to-back), if a swap that is hedging an issued bond is designated as a level 3 instrument, then the issued bond will also be designated as a level 3 instrument. Same principle applies to other portfolios and levels of the hierarchy as well. The Group does not hold other assets or liabilities which are measured at fair value or assets or liabilities which are non-recurringly measured at fair value.

Financial assets 30 Jun 2025 (EUR 1,000)	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
At fair value					
Fair value through other comprehensive income					
Debt securities	793,575	622,680	170,894	-	793,575
Designated at fair value through profit or loss					
Loans and advances to the public and public sector entities	30,628	-	30,628	-	30,628
Debt securities	4,035,049	4,014,479	20,570	-	4,035,049
Mandatorily at fair value through profit or loss					
Loans and advances to the public and public sector entities	23,212	-	-	23,212	23,212
Fair value through profit or loss					
Derivative contracts at fair value through profit or loss	225,319	-	223,226	2,094	225,319
Derivative contracts in hedge accounting	1,327,949	-	1,327,949	-	1,327,949
Total at fair value	6,435,731	4,637,159	1,773,266	25,305	6,435,731
In fair value hedge accounting					
Amortised cost					
Loans and advances to the public and public sector entities	10,620,899	-	11,083,952	-	11,083,952
<i>, of which loan receivables</i>	10,247,910	-	10,692,139	-	10,692,139
<i>, of which property lease receivables</i>	372,989	-	391,814	-	391,814
Total in fair value hedge accounting	10,620,899	-	11,083,952	-	11,083,952
At amortised cost					
Cash and balances with central banks	7,770,390	7,770,390	-	-	7,770,390
Loans and advances to credit institutions	1,986,468	560,228	1,426,240	-	1,986,468
Loans and advances to the public and public sector entities	25,815,642	-	27,374,918	-	27,374,918
<i>, of which loan receivables</i>	24,824,399	-	26,376,807	-	26,376,807
<i>, of which property lease receivables</i>	991,243	-	998,111	-	998,111
Debt securities	1,511,041	-	1,511,950	-	1,511,950
Other assets	746,982	-	746,982	-	746,982
Total at amortised cost	37,830,523	8,330,618	31,060,090	-	39,390,708
Total financial assets	54,887,153	12,967,777	43,917,309	25,305	56,910,391

Financial liabilities 30 Jun 2025 (EUR 1,000)	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
At fair value					
Designated at fair value through profit or loss					
Liabilities to credit institutions	124,029	-	124,029	-	124,029
Liabilities to the public and public sector entities	1,227,780	-	1,191,038	36,742	1,227,780
Debt securities issued	9,799,701	-	9,632,195	167,506	9,799,701
Fair value through profit or loss					
Derivative contracts at fair value through profit or loss	1,267,687	-	1,173,441	94,246	1,267,687
Derivative contracts in hedge accounting	2,016,132	-	1,986,751	29,380	2,016,132
Total at fair value	14,435,330	-	14,107,455	327,875	14,435,330
In fair value hedge accounting					
Amortised cost					
Liabilities to credit institutions	96,147	-	96,659	-	96,659
Liabilities to the public and public sector entities	1,098,187	-	1,108,863	-	1,108,863
Debt securities issued*	35,385,082	-	35,031,908	253,294	35,285,202
Total in fair value hedge accounting	36,579,416	-	36,237,431	253,294	36,490,724
At amortised cost					
Liabilities to credit institutions	31,860	-	31,860	-	31,860
Debt securities issued	1,586,564	-	1,586,564	-	1,586,564
Other liabilities	218,392	-	218,392	-	218,392
Total at amortised cost	1,836,816	-	1,836,816	-	1,836,816
Total financial liabilities	52,851,562	-	52,181,702	581,168	52,762,870

* MuniFin Group's fixed-rate benchmark bond issuances are presented on level 2 as these bonds are in fair value hedge accounting with respect to the hedged risk. Valuation of the hedged risk is based on level 2 inputs. In the Notes to the Half Year Report, the Group's fixed-rate benchmark bonds' fair values are adjusted to reflect fair value based on the quoted prices from Bloomberg. The market price is a level 1 input.

Adjusted Financial assets 31 Dec 2024 (EUR 1,000)	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
At fair value					
Fair value through other comprehensive income					
Debt securities	377,480	357,349	20,131	-	377,480
Designated at fair value through profit or loss					
Loans and advances to the public and public sector entities	30,940	-	30,940	-	30,940
Debt securities	3,676,021	3,666,033	9,988	-	3,676,021
Mandatorily at fair value through profit or loss					
Loans and advances to the public and public sector entities	25,036	-	-	25,036	25,036
Fair value through profit or loss					
Derivative contracts at fair value through profit or loss	451,480	-	445,149	6,331	451,480
Derivative contracts in hedge accounting	1,872,228	-	1,871,295	934	1,872,228
Total at fair value	6,433,185	4,023,383	2,377,502	32,301	6,433,185
In fair value hedge accounting					
Amortised cost					
Loans and advances to the public and public sector entities	11,014,235	-	11,529,258	-	11,529,258
<i>, of which loan receivables</i>	10,633,372	-	11,128,949	-	11,128,949
<i>, of which property lease receivables</i>	380,863	-	400,309	-	400,309
Total in fair value hedge accounting	11,014,235	-	11,529,258	-	11,529,258
At amortised cost					
Cash and balances with central banks	7,776,888	7,776,888	-	-	7,776,888
Loans and advances to credit institutions	789,725	181,317	608,408	-	789,725
Loans and advances to the public and public sector entities	24,063,569	-	25,662,917	-	25,662,917
<i>, of which loan receivables</i>	23,124,500	-	24,641,859	-	24,641,859
<i>, of which property lease receivables</i>	939,068	-	1,021,058	-	1,021,058
Debt securities	1,825,411	-	1,826,159	-	1,826,159
Other assets	889,682	-	889,682	-	889,682
Total at amortised cost	35,345,275	7,958,205	28,987,166	-	36,945,371
Total financial assets	52,792,695	11,981,588	42,893,925	32,301	54,907,814

During the reporting period, the Group has corrected the presentation of balances with central banks. Comparative figures have been corrected accordingly. More detailed information about the change in presentation can be found in Note 2 *Basis of preparation of the Half Year Report and corrections to previous reporting period*.

Financial liabilities 31 Dec 2024 (EUR 1,000)	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
At fair value					
Designated at fair value through profit or loss					
Liabilities to credit institutions	79,315	-	79,315	-	79,315
Liabilities to the public and public sector entities	1,334,136	-	1,293,774	40,363	1,334,136
Debt securities issued	9,198,104	-	9,002,575	195,529	9,198,104
Fair value through profit or loss					
Derivative contracts at fair value through profit or loss	1,073,936	-	987,489	86,447	1,073,936
Derivative contracts in hedge accounting	1,487,782	-	1,481,145	6,636	1,487,782
Total at fair value	13,173,273	-	12,844,298	328,974	13,173,273
In fair value hedge accounting					
Amortised cost					
Liabilities to credit institutions	88,243	-	88,175	-	88,175
Liabilities to the public and public sector entities	1,129,737	-	1,141,199	-	1,141,199
Debt securities issued	34,570,729	-	34,092,128	289,415	34,381,544
Total in fair value hedge accounting	35,788,709	-	35,321,502	289,415	35,610,917
At amortised cost					
Liabilities to credit institutions	716,137	-	716,137	-	716,137
Debt securities issued	765,473	-	765,473	-	765,473
Other liabilities	267,449	-	267,449	-	267,449
Total at amortised cost	1,749,059	-	1,749,059	-	1,749,059
Total financial liabilities	50,711,041	-	49,914,859	618,390	50,533,249

Sensitivity analysis of unobservable inputs

Sensitivity analysis illustrates the impact of the reasonably possible assumptions on the fair value of financial instruments for which valuation is dependent on unobservable inputs. In order to assess the significance of the level 3 valuation inputs to the fair value of an instrument, MuniFin has defined a materiality (*significance*) threshold to the fair value of an instrument and pre-defined the stress level that is assessed to be a 'reasonable possible alternative assumption' to the valuation input. In addition, in order to assess the significance, the Group uses materiality threshold by comparing the impact of the unobservable input (level 3) to the notional. If the impact is below threshold, the financial instrument is classified as a level 2 instrument. The assessment of the fair value hierarchy classification will be performed using a "Waterfall" principle meaning that the input which is assumed to be the most material valuation input, in combination with the complexity of the model, will be assessed first. As a result of the assessment, the Group has designation of level 3 instruments that have material unobservable inputs to their fair value.

The unobservable inputs used by the Group are described next. The unobservable inputs are used only to the extent that no relevant observable inputs are available.

Correlation parameters

If the fair value of a financial instrument is impacted by more than one unobservable input, correlations describe the relationship between these different underlyings. For example for equity-linked instruments, correlation has a significant impact on fair value, if the underlying is dependent on more than one equity. For FX-linked cross currency and interest rate derivatives, correlations exist between FX rates of currencies, which impact the fair value of the financial instrument. If a high correlation exists between the unobservable inputs, it will lead to an increase in fair value. A low correlation between the unobservable inputs will lead to a decrease in fair value. MuniFin Group has financial instruments, in which correlation is a significant unobservable input, mainly in funding products and their hedging instruments.

Volatility (extrapolated or illiquid)

A financial instrument whose value is based on a stochastic model will typically require the volatility of the underlying instrument as an input. The Group uses Dupire local volatility model as its stochastic valuation model. For interest rate volatilities at-the-money implied volatility is used. For FX and equity components (both equity indices and single stock prices), a full volatility surface is used that includes quotes

for different strikes and maturities. The Group uses implied volatility for the majority of the equity-linked structures. In some cases no liquid volatility surface exists. In these cases, a proxy volatility is typically used instead. The majority of the financial instruments, which use volatility as a significant unobservable input, are the Group's funding products and their hedging instruments.

Dividend yield

The main drivers influencing the fair value of equity-linked instruments are dividend yield and volatility of the underlying equities. Equity-linked instruments require a dividend parameter as an input to the fair value. The equity component is modelled using the Dupire local volatility model where the underlying equity prices are assumed to follow a random walk. Instruments that have dividend yield as a significant unobservable input are the Group's funding products and their hedging instruments.

Interest rates (extrapolated or illiquid)

The Group uses unobservable inputs in defining the fair value of complex interest rate structures. The future cash flows and their fair value is determined by using forward rates and volatilities of the underlying interest rates using Hull-White stochastic model. Financial instruments whose payoffs are dependent on the value of complex interest rate structures are categorised on level 3. The majority of these instruments requiring extrapolated or illiquid interest rates as input are the Group's funding products and their hedging instruments.

The behaviour of the fair value of the unobservable inputs on level 3 is not necessarily independent, and dynamic relationships often exist between the unobservable inputs and the observable inputs. Such relationships, where material to the fair value of a given instrument, are controlled via pricing models or valuation techniques. MuniFin Group uses stochastic models to generate a distribution of future cash flows of each financial instrument. The future cash flows are then discounted back to present to get the fair value of each financial instrument. The stochastic models used by the Group are Hull-White model and Dupire volatility model.

The following table illustrates the effect that changing one or more of the assumptions in the unobservable input (reasonably possible alternative assumptions) could have on the valuations at the reporting date. However, it is unlikely in practice that all unobservable inputs would simultaneously move to extremes of reasonably possible alternatives used in the sensitivity analysis. Hence, the impact of the sensitivity analysis disclosed in this Note is likely to be greater than the true uncertainty in the fair values at the reporting date. Furthermore, the disclosure is neither predictive nor indicative of future movements in the fair value of financial instruments.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements on level 3, changing one or more of the assumptions to the reasonably possible alternative assumptions would have the following effects: as of 30 June 2025, these assumptions could have increased fair values by EUR 10.7 million (EUR 13.6 million) or decreased fair values by EUR 10.6 million (EUR 13.4 million).

**Sensitivity analysis of unobservable inputs
30 Jun 2025 (EUR 1,000)**

	Fair value	Valuation technique	Unobservable input	Positive range of fair value	Negative range of fair value
Loans and advances to the public and public sector entities					
Loans	23,212	Stochastic model	Volatility – Extrapolated or Illiquid	0	0
Derivative contracts					
Equity-linked derivatives	-	Stochastic model	Correlation parameters	-	-
			Volatility – Extrapolated or Illiquid	-	-
			Dividend yield	-	-
FX-linked cross currency and interest rate derivatives	-4,132	Stochastic model	Correlation parameters	107	-80
			Volatility – Extrapolated or Illiquid	662	-705
			Interest rates – Extrapolated or Illiquid	0	0
Other interest rate derivatives	-117,401	Stochastic model	Correlation parameters	0	0
			Volatility – Extrapolated or Illiquid	4,620	-4,917
			Interest rates – Extrapolated or Illiquid	758	-758
Debt securities issued and Liabilities to the public and public sector entities					
Equity-linked liabilities	-	Stochastic model	Correlation parameters	-	-
			Volatility – Extrapolated or Illiquid	-	-
			Dividend yield	-	-
FX-linked liabilities	72,731	Stochastic model	Correlation parameters	35	-40
			Volatility – Extrapolated or Illiquid	585	-571
			Interest rates – Extrapolated or Illiquid	0	0
Other liabilities	384,811	Stochastic model	Correlation parameters	0	0
			Volatility – Extrapolated or Illiquid	3,873	-3,442
			Interest rates – Extrapolated or Illiquid	69	-69
Total				10,709	-10,581

**Sensitivity analysis of significant unobservable inputs
by instrument type
31 Dec 2024 (EUR 1,000)**

	Adjusted Fair value	Valuation technique	Unobservable input	Positive range of fair value	Negative range of fair value
Loans and advances to the public and public sector entities					
Loans	25,036	Stochastic model	Volatility – Extrapolated or Illiquid	24	-19
Derivative contracts					
Equity-linked derivatives	-6,715	Stochastic model	Correlation parameters	2	-7
			Volatility – Extrapolated or Illiquid	26	-52
			Dividend yield	2	-1
FX-linked cross currency and interest rate derivatives	-836	Stochastic model	Correlation parameters	116	-87
			Volatility – Extrapolated or Illiquid	703	-761
			Interest rates – Extrapolated or Illiquid	0	0
Other interest rate derivatives	-78,268	Stochastic model	Correlation parameters	0	-1
			Volatility – Extrapolated or Illiquid	6,056	-6,097
			Interest rates – Extrapolated or Illiquid	969	-969
Debt securities issued and Liabilities to the public and public sector entities					
Equity-linked liabilities	9,373	Stochastic model	Correlation parameters	2	0
			Volatility – Extrapolated or Illiquid	51	-34
			Dividend yield	1	-1
FX-linked liabilities	82,047	Stochastic model	Correlation parameters	54	-44
			Volatility – Extrapolated or Illiquid	624	-608
			Interest rates – Extrapolated or Illiquid	0	0
Other liabilities	433,887	Stochastic model	Correlation parameters	1	-1
			Volatility – Extrapolated or Illiquid	4,969	-4,737
			Interest rates – Extrapolated or Illiquid	21	-21
Total				13,619	-13,440

Transfers in the fair value hierarchy

MuniFin Group assesses the appropriateness and correctness of the categorisation with regards to the fair value hierarchy classification at initial recognition and at the end of each reporting period. This is to determine the initial classification of a level 1, 2 and 3 instrument and the subsequent potential transfers between levels within the fair value hierarchy. A transfer between the fair value hierarchies can occur for example when a previously assumed observed input requires an adjustment using an unobservable input. The procedure is the same for transfers into and out of the fair value levels. Transfers between the levels are considered to take place at the end of the quarter during which an event causes such a transfer or when circumstances change.

During Jan–Jun 2025, transfers totalling EUR 20,570 thousand have been made from level 1 to level 2. During Jan–Jun 2025, there were no transfers from level 2 to level 3.

Level 3 transfers 2025 (EUR 1,000)	1 Jan 2025	Realised gains and losses in the income statement	Unrealised change in fair value in the income statement	Unrealised change in fair value in the other comprehensive income	Debt issuances and new derivative contracts	Matured contracts	Settlements	Transfers into level 3	Transfers out of level 3	30 Jun 2025
Financial assets										
At fair value										
Mandatorily at fair value through profit or loss										
Loans and advances to the public and public sector entities	25,036	-	-1,824	-	-	-	-	-	-	23,212
Fair value through profit or loss										
Derivative contracts at fair value through profit or loss	6,331	531	-4,237	-	-	-	-531	-	-	2,094
Derivative contracts in hedge accounting	934	-	-739	-	-	-	-	-	-195	-
Financial assets in total	32,301	531	-6,801	-	-	-	-531	-	-195	25,305



Level 3 transfers 2025 (EUR 1,000)	1 Jan 2025	Realised gains and losses in the income statement	Unrealised change in fair value in the income statement	Unrealised change in fair value in the other comprehensive income	Debt issuances and new derivative contracts	Matured contracts	Settlements	Transfers into level 3	Transfers out of level 3	30 Jun 2025
Financial liabilities										
At fair value										
Designated at fair value through profit or loss										
Liabilities to the public and public sector entities	40,363	-901	-4,166	546	-	-	901	-	-	36,742
Debt securities issued	195,529	-2,089	-17,754	2,630	-	-12,898	2,089	-	-	167,506
Fair value through profit or loss										
Derivative contracts at fair value through profit or loss	86,447	-2,018	16,961	-	-	-9,161	2,018	-	-	94,246
Derivative contracts in hedge accounting	6,636	4,105	23,507	-344	414	-	-4,105	-	-834	29,380
In fair value hedge accounting										
Amortised cost										
Debt securities issued	289,415	-6,408	-17,819	-	21,356	-	6,408	-	-39,658	253,294
Financial liabilities in total	618,390	-7,311	729	2,831	21,770	-22,059	7,311	-	-40,492	581,168
Level 3 financial assets and liabilities in total	650,691	-6,781	-6,072	2,831	21,770	-22,059	6,781	-	-40,686	606,474

The Group recognises these gains and losses within the line item *Net result on financial instruments at fair value through profit or loss*. The fair value change due to changes in own credit risk of financial liabilities designated at fair value through profit or loss is recognised in the other comprehensive income. The fair value change due to changes in own credit risk of financial liabilities is presented in Note 4 *Net result on financial instruments at fair value through profit or loss*. For cross currency swaps in hedge accounting, the cross currency basis spread is separated and excluded from the designation and accounted for as Cost-of-Hedging in the other comprehensive income.

During 2024, transfers totalling EUR 9,988 thousand have been made from level 1 to level 2 and EUR 31,470 thousand from level 2 to level 1 in the line item *Debt securities*. During 2024, there were no transfers from level 2 to level 3.

Level 3 transfers 2024 (EUR 1,000)	1 Jan 2024	Realised gains and losses in the income statement	Unrealised change in fair value in the income statement	Unrealised change in fair value in the other comprehensive income	Debt issuances and new derivative contracts	Matured contracts	Settlements	Transfers into level 3	Transfers out of level 3	31 Dec 2024
Financial assets										
At fair value										
Mandatorily at fair value through profit or loss										
Loans and advances to the public and public sector entities	27,663	-	-2,627	-	-	-	-	-	-	25,036
Fair value through profit or loss										
Derivative contracts at fair value through profit or loss	9,036	-202	-2,444	-	-	-261	202	-	-	6,331
Derivative contracts in hedge accounting	-	680	706	-	228	-	-680	-	-	934
Financial assets in total	36,699	478	-4,365	-	228	-261	-478	-	-	32,301



Level 3 transfers 2024 (EUR 1,000)	1 Jan 2024	Realised gains and losses in the income statement	Unrealised change in fair value in the income statement	Unrealised change in fair value in the other comprehensive income	Debt issuances and new derivative contracts	Matured contracts	Settlements	Transfers into level 3	Transfers out of level 3	31 Dec 2024
Financial liabilities										
At fair value										
Designated at fair value through profit or loss										
Liabilities to the public and public sector entities	99,266	-901	1,611	-2,579	-	-	901	-	-57,935	40,363
Debt securities issued	296,110	-3,997	-1,351	-9,594	-	-89,637	3,997	-	-	195,529
Fair value through profit or loss										
Derivative contracts at fair value through profit or loss	117,469	-6,811	-4,836	-	-	-18,480	6,811	-	-7,706	86,447
Derivative contracts in hedge accounting	11,719	2,900	-6,357	309	1,703	-	-2,900	-	-738	6,636
In fair value hedge accounting										
Amortised cost										
Debt securities issued	187,193	-11,498	12,213	-	101,052	-	11,498	-	-11,042	289,415
Financial liabilities in total	711,757	-20,305	1,279	-11,863	102,754	-108,116	20,305	-	-77,421	618,390
Level 3 financial assets and liabilities in total	748,456	-19,827	-3,085	-11,863	102,982	-108,377	19,827	-	-77,421	650,691

Note 8. Breakdown of financial assets and liabilities at carrying amount by maturity

Financial assets 30 Jun 2025 (EUR 1,000)	0–3 months	3–12 months	1–5 years	5–10 years	Over 10 years	Total
Cash and balances with central banks	7,770,390	-	-	-	-	7,770,390
Loans and advances to credit institutions	1,760,773	208,527	17,168	-	-	1,986,468
Loans and advances to the public and public sector entities	657,343	1,623,722	8,418,323	8,243,862	17,547,131	36,490,380
<i>, of which loan receivables</i>	644,405	1,586,472	8,234,843	7,993,107	16,667,321	35,126,148
<i>, of which property lease receivables*</i>	12,938	37,250	183,480	250,755	879,809	1,364,233
Debt securities	1,348,594	1,219,260	2,851,166	890,560	30,085	6,339,665
Derivative contracts	7,791	149,415	587,532	483,668	324,863	1,553,268
Other assets	746,982	-	-	-	-	746,982
Total	12,291,872	3,200,925	11,874,188	9,618,091	17,902,078	54,887,153

* Line item includes property lease receivables that the Group has granted to customers and which are classified as financial assets in the Half Year Report. Equipment leases granted by the Group are classified as finance lease receivables and are presented in the Note 10 *Finance lease receivables*.

Financial liabilities 30 Jun 2025 (EUR 1,000)	0–3 months	3–12 months	1–5 years	5–10 years	Over 10 years	Total
Liabilities to credit institutions	31,860	5,117	93,132	95,549	26,379	252,036
Liabilities to the public and public sector entities	75,970	414,837	639,298	519,809	676,054	2,325,967
Debt securities issued	4,035,809	6,261,280	26,849,742	8,040,304	1,584,213	46,771,347
Derivative contracts	79,323	346,849	1,529,107	754,107	574,434	3,283,819
Other liabilities	211,743	921	4,377	1,351	-	218,392
<i>, of which lease liabilities</i>	<i>328</i>	<i>921</i>	<i>4,377</i>	<i>1,351</i>	<i>-</i>	<i>6,978</i>
Total	4,434,704	7,029,005	29,115,655	9,411,120	2,861,079	52,851,562

Liabilities and hedging derivative contracts that may be called before maturity have been classified in the maturity class corresponding to the first possible call date.

Adjusted Financial assets 31 Dec 2024 (EUR 1,000)	0–3 months	3–12 months	1–5 years	5–10 years	Over 10 years	Total
Cash and balances with central banks	7,776,888	-	-	-	-	7,776,888
Loans and advances to credit institutions	737,078	38,140	14,507	-	-	789,725
Loans and advances to the public and public sector entities	637,205	1,804,583	8,205,406	7,994,389	16,492,198	35,133,780
<i>, of which loan receivables</i>	627,997	1,774,531	8,023,430	7,734,269	15,653,621	33,813,849
<i>, of which property lease receivables</i>	9,208	30,051	181,975	260,119	838,578	1,319,931
Debt securities	1,891,929	626,689	2,540,252	820,042	-	5,878,912
Derivative contracts	152,633	57,431	1,161,155	613,963	338,525	2,323,708
Other assets	889,682	-	-	-	-	889,682
Total	12,085,416	2,526,842	11,921,319	9,428,394	16,830,724	52,792,695

During the reporting period, the Group has corrected the presentation of balances with central banks. Comparative figures have been corrected accordingly. More detailed information about the change in presentation can be found in Note 2 *Basis of preparation of the Half Year Report and corrections to previous reporting period*.

Financial liabilities 31 Dec 2024 (EUR 1,000)	0–3 months	3–12 months	1–5 years	5–10 years	Over 10 years	Total
Liabilities to credit institutions	716,137	3,486	74,105	56,548	33,419	883,694
Liabilities to the public and public sector entities	38,133	233,195	894,643	595,550	702,353	2,463,874
Debt securities issued	4,757,279	6,110,628	25,545,532	6,494,648	1,626,218	44,534,306
Derivative contracts	164,955	190,266	959,624	729,648	517,223	2,561,718
Other liabilities	260,177	964	5,531	778	-	267,449
<i>, of which lease liabilities</i>	327	964	5,531	778	-	7,599
Total	5,936,681	6,538,539	27,479,435	7,877,172	2,879,214	50,711,041

Note 9. Cash and cash equivalents

30 Jun 2025 (EUR 1,000)	Total	Cash and cash equivalents	Expected credit losses
Cash	2	2	-
Deposits with Central bank	7,770,388	7,770,388	0
Cash and balances with central banks	7,770,390	7,770,390	0
Loans and advances to credit institutions, payable on demand	85,593	85,593	0
Total cash and cash equivalents	7,855,982	7,855,982	0

Adjusted 31 Dec 2024 (EUR 1,000)	Total	Cash and cash equivalents	Expected credit losses
Cash	2	2	-
Deposits with Central bank	7,776,887	7,776,887	0
Cash and balances with central banks	7,776,888	7,776,889	0
Loans and advances to credit institutions, payable on demand	61,494	61,494	0
Total cash and cash equivalents	7,838,382	7,838,383	0

During the reporting period, the Group has corrected the presentation of balances with central banks. Comparative figures have been corrected accordingly. More detailed information about the change in presentation can be found in Note 2 *Basis of preparation of the Half Year Report and corrections to previous reporting period*.

Note 10. Finance lease receivables

Breakdown of finance lease receivables by maturity (EUR 1,000)

	30 Jun 2025	31 Dec 2024
0–12 months	73,979	81,777
1–2 years	71,728	68,448
2–3 years	34,266	36,908
3–4 years	27,720	31,505
4–5 years	20,674	18,581
Over 5 years	18,609	21,112
Future cashflows	246,976	258,331
Unearned finance income (-)	-13,674	-15,203
Carrying amount	233,303	243,128

Interest income from finance lease receivables is presented in Note 3 *Interest income and expenses* on row *Finance lease contracts*. During the reporting period 2025 and in 2024, there were no capital gains or losses from finance lease agreements.

Note 11. Other assets

(EUR 1,000)	30 Jun 2025	31 Dec 2024
Invoiced leasing payments	23,569	23,305
Given cash collateral to CCPs*	746,982	889,682
Other	14,795	2,925
Total	785,346	915,913

* Cash collaterals include expected credit losses amounting to EUR 4 thousand (EUR 5 thousand).

The Group did not have receivables related to payment transfers as at 30 Jun 2025 or at 31 Dec 2024.

Note 12. Derivative contracts

30 Jun 2025 (EUR 1,000)	Nominal value of underlying instrument				Fair value	
	Less than 1 year	Remaining maturity		Total	Positive	Negative
		1–5 years	Over 5 years			
Derivative contracts in hedge accounting						
Interest rate derivatives						
Interest rate swaps	1,704,390	16,538,478	18,596,787	36,839,655	973,394	-1,143,882
<i>, of which cleared by the central counterparty</i>	<i>1,623,390</i>	<i>16,533,493</i>	<i>17,929,202</i>	<i>36,086,084</i>	<i>949,350</i>	<i>-1,125,123</i>
Currency derivatives						
Cross currency interest rate swaps	4,135,848	11,975,457	707,704	16,819,009	354,555	-872,249
Total derivative contracts in hedge accounting	5,840,238	28,513,935	19,304,491	53,658,664	1,327,949	-2,016,132
Derivative contracts at fair value through profit or loss						
Interest rate derivatives						
Interest rate swaps	9,030,221	10,661,821	5,194,674	24,886,716	197,983	-936,235
<i>, of which cleared by the central counterparty</i>	<i>7,014,105</i>	<i>8,264,513</i>	<i>2,049,442</i>	<i>17,328,060</i>	<i>107,403</i>	<i>-128,582</i>
Currency derivatives						
Cross currency interest rate swaps	1,028,653	3,170,481	57,004	4,256,139	24,528	-279,469
Forward exchange contracts	2,746,584	-	-	2,746,584	2,808	-51,983
Equity derivatives	-	-	-	-	-	-
Total derivative contracts at fair value through profit or loss	12,805,459	13,832,302	5,251,678	31,889,438	225,319	-1,267,687
Total derivative contracts	18,645,696	42,346,237	24,556,170	85,548,103	1,553,268	-3,283,819

Line item *Derivative contracts at fair value through profit or loss* contain all derivatives of the Group which are not included in hedge accounting, even if they are entered into for risk management purposes. The category contains derivative contracts used for hedging financial assets and liabilities designated at fair value through profit or loss, all derivative contracts with municipalities and all derivative contracts hedging derivatives with municipalities. In addition to these, the category contains derivative contracts used for hedging interest rate risk of the balance sheet, for which no hedged item has been specified.

31 Dec 2024 (EUR 1,000)	Nominal value of underlying instrument			Total	Fair value	
	Less than 1 year	Remaining maturity			Positive	Negative
		1–5 years	Over 5 years			
Derivative contracts in hedge accounting						
Interest rate derivatives						
Interest rate swaps	2,227,956	15,950,911	18,107,614	36,286,482	987,920	-1,262,963
<i>, of which cleared by the central counterparty</i>	<i>2,128,956</i>	<i>15,899,304</i>	<i>17,428,936</i>	<i>35,457,197</i>	<i>963,973</i>	<i>-1,250,839</i>
Currency derivatives						
Cross currency interest rate swaps	3,250,510	13,479,274	369,119	17,098,903	884,308	-224,818
Total derivative contracts in hedge accounting	5,478,466	29,430,185	18,476,733	53,385,385	1,872,228	-1,487,782
Derivative contracts at fair value through profit or loss						
Interest rate derivatives						
Interest rate swaps	8,364,980	9,253,147	4,885,876	22,504,004	224,609	-800,655
<i>, of which cleared by the central counterparty</i>	<i>6,584,200</i>	<i>6,806,285</i>	<i>1,909,901</i>	<i>15,300,387</i>	<i>119,869</i>	<i>-122,927</i>
Currency derivatives						
Cross currency interest rate swaps	1,107,136	2,491,716	64,207	3,663,059	95,498	-265,805
Forward exchange contracts	2,840,260	-	-	2,840,260	131,373	-761
Equity derivatives	12,572	-	-	12,572	-	-6,715
Total derivative contracts at fair value through profit or loss	12,324,948	11,744,863	4,950,083	29,019,895	451,480	-1,073,936
Total derivative contracts	17,803,414	41,175,049	23,426,816	82,405,280	2,323,708	-2,561,718

Note 13. Changes in intangible and tangible assets

Jan–Jun 2025 (EUR 1,000)	Intangible assets		Tangible assets		
	Total	Real estate	Other tangible assets	Right-of-use assets	Total
Acquisition cost 1 Jan	29,253	299	6,835	8,532	15,665
+ Additions	-	-	2,035	58	2,093
- Disposals	-	-	-6	-154	-161
Acquisition cost 30 Jun	29,253	299	8,863	8,435	17,598
Accumulated depreciation and impairment charges 1 Jan	26,533	-	6,445	984	7,429
- Accumulated depreciation on disposals	-	-	-6	-132	-138
+ Depreciation for the period	1,388	-	230	709	939
Accumulated depreciation and impairment charges 30 Jun	27,921	-	6,669	1,561	8,230
Carrying amount 30 Jun	1,332	299	2,194	6,875	9,368

Jan–Dec 2024 (EUR 1,000)	Intangible assets		Tangible assets		
	Total	Real estate	Other tangible assets	Right-of-use assets	Total
Acquisition cost 1 Jan	29,014	299	6,478	15,406	22,183
+ Additions	239	-	386	656	1,042
- Disposals	-	-	-29	-7,530	-7,560
Acquisition cost 31 Dec	29,253	299	6,835	8,532	15,665
Accumulated depreciation and impairment charges 1 Jan	22,703	-	5,920	6,614	12,535
- Accumulated depreciation on disposals	-	-	-29	-7,277	-7,306
+ Depreciation for the period	3,830	-	554	1,646	2,201
Accumulated depreciation and impairment charges 31 Dec	26,533	-	6,445	984	7,429
Carrying amount 31 Dec	2,720	299	389	7,548	8,236

Note 14. Credit risks of financial assets and other commitments

MuniFin Group's credit risks are described in the Consolidated Financial Statements 2024 Note 2 *Risk management principles and the Group's risk position* in Section 6. *Credit Risk*.

The accounting policies of the expected credit loss calculations and impairment stages are described in the accounting policies of the Consolidated Financial Statements 2024 (Note 1) in Section 9. *Impairment of financial assets*.

The following table presents exposures under expected credit loss calculations by asset groups and impairment stages.

Exposures by asset groups and impairment stages	Not credit-impaired				Credit-impaired		Total	
	Stage 1		Stage 2		Stage 3*		Gross carrying amount	Expected credit losses
	Gross carrying amount	12-month ECL	Gross carrying amount	Lifetime ECL	Gross carrying amount	Lifetime ECL		
30 Jun 2025 (EUR 1,000)								
Cash and balances with central banks at amortised cost	7,770,390	0	-	-	-	-	7,770,390	0
Loans and advances to credit institutions at amortised cost	1,986,579	-111	-	-	-	-	1,986,579	-111
Loans and advances to the public and public sector entities at amortised cost	32,706,670	-152	2,046,048	-2,608	322,911	-560	35,075,629	-3,320
Leased assets in Loans and advances to the public and public sector entities at amortised cost	1,596,504	-10	863	0	178	0	1,597,545	-10
Debt securities at amortised cost	1,510,053	-2	991	0	-	-	1,511,044	-2
Debt securities at fair value through other comprehensive income	793,575	-72	-	-	-	-	793,575	-72
Cash collateral to CCPs in Other assets at amortised cost	746,986	-4	-	-	-	-	746,986	-4
Credit commitments (off-balance sheet)	2,822,070	-16	65,624	-5	428	0	2,888,121	-22
Total	49,932,826	-367	2,113,526	-2,614	323,516	-560	52,369,868	-3,541

* The Group has collateral and guarantee arrangements that fully cover the stage 3 receivables as described in the Consolidated Financial Statements 2024 Note 2 *Risk management principles and the Group's risk position* in Section 6. *Credit risk*. The Group's management expects that all the stage 3 receivables will be recovered and no final credit loss will emerge. Stage 3 receivables include EUR 976 thousand (EUR 1,926 thousand) of originated credit impaired receivables (*Purchased or Originated Credit Impaired, POCI*). Expected credit losses for the POCI receivables amount to EUR 2 thousand (EUR 3 thousand).

The increase in stage 3 receivables during the period was mainly due to a single municipality-owned company having a forbearance that was classified as non-performing.

Exposures by asset groups and impairment stages	Not credit-impaired				Credit-impaired		Total	
	Stage 1		Stage 2		Stage 3		Gross carrying amount	Expected credit losses
	Gross carrying amount	12-month ECL	Gross carrying amount	Lifetime ECL	Gross carrying amount	Lifetime ECL		
Adjusted 31 Dec 2024 (EUR 1,000)								
Cash and balances with central banks at amortised cost	7,776,889	0	-	-	-	-	7,776,889	0
Loans and advances to credit institutions at amortised cost	789,785	-61	-	-	-	-	789,785	-61
Loans and advances to the public and public sector entities at amortised cost	31,381,806	-142	2,086,923	-2,103	291,705	-316	33,760,434	-2,561
Leased assets in Loans and advances to the public and public sector entities at amortised cost	1,561,931	-9	1,139	0	-	-	1,563,069	-9
Debt securities at amortised cost	1,824,426	-1	986	0	-	-	1,825,412	-1
Debt securities at fair value through other comprehensive income	377,480	-45	-	-	-	-	377,480	-45
Cash collateral to CCPs in Other assets at amortised cost	889,687	-5	-	-	-	-	889,687	-5
Credit commitments (off-balance sheet)	2,864,012	-16	71,219	-2	-	-	2,935,231	-18
Total	47,466,016	-280	2,160,266	-2,105	291,705	-316	49,917,988	-2,701

During the reporting period, the Group has corrected the presentation of balances with central banks. Comparative figures have been corrected accordingly. More detailed information about the change in presentation can be found in Note 2 *Basis of preparation of the Half Year Report and corrections to previous reporting period*.

The following table presents a summary of total changes and reconciliation of expected credit losses by impairment stages during the period.

Total expected credit losses by impairment stages (EUR 1,000)	Not credit-impaired		Credit-impaired	Total ECL
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Opening balance 1 Jan 2025	-280	-2,105	-316	-2,701
New assets originated or purchased	-122	-508	-32	-662
Assets derecognised or repaid (excluding write-offs)	46	104	27	178
Transfers to Stage 1	0	35	-	35
Transfers to Stage 2	0	1	-	1
Transfers to Stage 3	0	2	-237	-235
Additional provision (<i>Management overlay</i>)	-	-130	-	-130
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs* used for ECL calculations	-12	-12	-2	-26
Write-offs	-	-	-	-
Recoveries	-	-	-	-
Total 30 Jun 2025	-367	-2,614	-560	-3,541

* MuniFin Group has updated in the first half of 2025 the macro scenarios to take into account forward-looking information. The expected credit losses decreased by EUR 26 thousand due to changes made in parameters during the reporting period.

At the end of June 2025, the Group's management estimated that, despite the lower interest rates, some customers in the housing sector may still experience difficulties in the sufficiency of cash flow due to, among other things, oversupply and a regional underutilisation of the premises. This could manifest in increased payment delays and forbearances for the Group. Thus the Group's management assessed the need for additional discretionary provision based on a group-specific assessment, and recognised a provision of EUR 130 thousand. The additional discretionary provision relates to the balance sheet item *Loans and advances to the public and public sector entities*. The additional discretionary provision has not been allocated to the contract level.

The total credit risk of the MuniFin Group has remained low, and the amount of expected credit losses (*ECL*) remains low. MuniFin Group's customer exposures have zero risk weight in the capital adequacy calculation as they are from Finnish municipalities, joint municipal authorities, wellbeing services counties, or involve a municipality, joint municipal authority, wellbeing services county's guarantee or a state deficiency guarantee supplementing the real estate collateral. The Group's management estimates that all receivables will be recovered in full and therefore no final credit loss will arise. On 30 June 2025, MuniFin Group had EUR 14 423 thousand (EUR 13 449 thousand) in receivables due to the insolvency of customers, for which the collateral realisation process is ongoing or where the credit receivable is due for payment by the guarantor. Credit risk of the liquidity portfolio has remained on a good quality level and the average rating of debt securities in the portfolio was AA+ (AA+).

Total expected credit losses by impairment stages (EUR 1,000)	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Opening balance 1 Jan 2024	-267	-1,894	-214	-2,375
New assets originated or purchased	-92	-92	-69	-253
Assets derecognised or repaid (excluding write-offs)	93	121	67	282
Transfers to Stage 1	-2	361	-	359
Transfers to Stage 2	4	-158	-	-154
Transfers to Stage 3	0	1	-65	-64
Additional provision (<i>Management overlay</i>)	-	625	-	625
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-16	-1,070	-35	-1,122
Write-offs	-	-	-	-
Recoveries	-	-	-	-
Total 31 Dec 2024	-280	-2,105	-316	-2,701

The following tables present changes and reconciliation of expected credit losses by impairment stages and asset groups during the period.

Expected credit losses on Cash and balances with central banks at amortised cost by impairment stages

(EUR 1,000)

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	ECL
Opening balance 1 Jan 2025	0	-	-	0
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write-offs)	0	-	-	0
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Total 30 Jun 2025	0	-	-	0

Adjusted
Expected credit losses on Cash and balances with central banks at amortised cost
by impairment stages

(EUR 1,000)

Opening balance 1 Jan 2024

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	ECL
Opening balance 1 Jan 2024	-1	-	-	-1
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write-offs)	0	-	-	0
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Total 31 Dec 2024	0	-	-	0

During the reporting period, the Group has corrected the presentation of balances with central banks. Comparative figures have been corrected accordingly. More detailed information about the change in presentation can be found in Note 2 *Basis of preparation of the Half Year Report and corrections to previous reporting period*.

Expected credit losses on Loans and advances to credit institutions at amortised cost by impairment stages

(EUR 1,000)

Opening balance 1 Jan 2025

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
				ECL
Opening balance 1 Jan 2025	-61	-	-	-61
New assets originated or purchased	-68	-	-	-68
Assets derecognised or repaid (excluding write-offs)	20	-	-	20
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-2	-	-	-2
Total 30 Jun 2025	-111	-	-	-111

Adjusted
Expected credit losses on Loans and advances to credit institutions at amortised cost
by impairment stages

(EUR 1,000)

Opening balance 1 Jan 2024

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	ECL
Opening balance 1 Jan 2024	-73	-	-	-73
New assets originated or purchased	-50	-	-	-50
Assets derecognised or repaid (excluding write-offs)	63	-	-	63
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-1	-	-	-1
Total 31 Dec 2024	-61	-	-	-61

During the reporting period, the Group has corrected the presentation of balances with central banks. Comparative figures have been corrected accordingly. More detailed information about the change in presentation can be found in Note 2 *Basis of preparation of the Half Year Report and corrections to previous reporting period*.

Expected credit losses on Loans and advances to the public and public sector entities at amortised cost by impairment stages

(EUR 1,000)

Opening balance 1 Jan 2025

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Opening balance 1 Jan 2025	-142	-2,103	-316	-2,561
New assets originated or purchased	-6	-505	-32	-543
Assets derecognised or repaid (excluding write-offs)	5	103	27	135
Transfers to Stage 1	0	35	-	35
Transfers to Stage 2	0	2	-	2
Transfers to Stage 3	0	2	-237	-235
Additional provision (<i>Management overlay</i>)	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-8	-12	-2	-23
Changes to models and inputs used for ECL calculations	-	-	-	-
Write-offs	-	-	-	-
Total 30 Jun 2025	-152	-2,608	-560	-3,320

Expected credit losses on Loans and advances to the public and public sector entities at amortised cost by impairment stages

(EUR 1,000)

Opening balance 1 Jan 2024

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	ECL
Opening balance 1 Jan 2024	-122	-1,872	-214	-2,207
New assets originated or purchased	-16	-90	-69	-175
Assets derecognised or repaid (excluding write-offs)	6	121	67	194
Transfers to Stage 1	-2	340	-	338
Transfers to Stage 2	4	-157	-	-154
Transfers to Stage 3	0	1	-65	-64
Additional provision (<i>Management overlay</i>)	-	625	-	625
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-13	-1,070	-35	-1,119
Write-offs	-	-	-	-
Total 31 Dec 2024	-142	-2,103	-316	-2,561

Expected credit losses on Lease receivables in Loans and advances to the public and public sector entities at amortised cost by impairment stages

(EUR 1,000)

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Opening balance 1 Jan 2025	-9	0	-	-9
New assets originated or purchased	0	0	0	0
Assets derecognised or repaid (excluding write-offs)	0	0	-	0
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	0	0	-	0
Transfers to Stage 3	-	0	-	0
Changes to models and inputs used for ECL calculations	-1	0	0	-1
Total 30 Jun 2025	-10	0	0	-10

Expected credit losses on Leased assets in Loans and advances to the public and public sector entities at amortised cost by impairment stages

(EUR 1,000)

Opening balance 1 Jan 2024

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	ECL
Opening balance 1 Jan 2024	-8	-21	-	-29
New assets originated or purchased	-1	0	-	-1
Assets derecognised or repaid (excluding write-offs)	0	0	-	0
Transfers to Stage 1	-	21	-	21
Transfers to Stage 2	0	0	-	0
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-1	0	-	-1
Total 31 Dec 2024	-9	0	-	-9

Expected credit losses on Debt securities at amortised cost by impairment stages (EUR 1,000)	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Opening balance 1 Jan 2025	-1	0	-	-1
New assets originated or purchased	-2	0	-	-2
Assets derecognised or repaid (excluding write-offs)	1	0	-	1
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	0	0	-	0
Total 30 Jun 2025	-2	0	-	-2

Expected credit losses on Debt securities at amortised cost by impairment stages (EUR 1,000)	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Opening balance 1 Jan 2024	-1	0	-	-1
New assets originated or purchased	-1	0	-	-1
Assets derecognised or repaid (excluding write-offs)	1	0	-	1
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	0	0	-	0
Total 31 Dec 2024	-1	0	-	-1

Expected credit losses on Debt securities at fair value through other comprehensive income by impairment stages

(EUR 1,000)

Opening balance 1 Jan 2025

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
				ECL
	-45	-	-	-45
New assets originated or purchased	-37	-	-	-37
Assets derecognised or repaid (excluding write-offs)	10	-	-	10
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-1	-	-	-1
Total 30 Jun 2025	-72	-	-	-72

The loss allowance on debt instruments classified at fair value through comprehensive income is recognised in Fair value reserve. The accumulated loss allowance is recognised to the profit or loss upon derecognition of the assets. More details regarding presentation of allowance for expected credit losses is presented in Consolidated Financial Statements 2024 accounting policies in Note 1 in Section 9.4 *Presentation of allowance for ECL in the statement of financial position*.

Expected credit losses on Debt securities at fair value through other comprehensive income by impairment stages

(EUR 1,000)

Opening balance 1 Jan 2024

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	ECL
Opening balance 1 Jan 2024	-42	-	-	-42
New assets originated or purchased	-12	-	-	-12
Assets derecognised or repaid (excluding write-offs)	10	-	-	10
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	0	-	-	0
Total 31 Dec 2024	-45	-	-	-45

Expected credit losses on Cash collateral to CCPs in Other assets at amortised cost by impairment stages

(EUR 1,000)

Opening balance 1 Jan 2025

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	ECL
Opening balance 1 Jan 2025	-5	-	-	-5
New assets originated or purchased	0	-	-	0
Assets derecognised or repaid (excluding write-offs)	1	-	-	1
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	0	-	-	0
Total 30 Jun 2025	-4	-	-	-4

Expected credit losses on Cash collateral to CCPs in Other assets at amortised cost by impairment stages

(EUR 1,000)

Opening balance 1 Jan 2024

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	ECL
Opening balance 1 Jan 2024	-6	-	-	-6
New assets originated or purchased	0	-	-	0
Assets derecognised or repaid (excluding write-offs)	2	-	-	2
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	0	-	-	0
Total 31 Dec 2024	-5	-	-	-5

Expected credit losses on Credit commitments (off-balance sheet) by impairment stages (EUR 1,000)	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Opening balance 1 Jan 2025	-16	-2	-	-18
New assets originated or purchased	-8	-4	0	-12
Assets derecognised or repaid (excluding write-offs)	9	1	-	10
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	0	-1	-	-1
Transfers to Stage 3	0	-	0	0
Changes to models and inputs used for ECL calculations	0	0	0	-1
Total 30 Jun 2025	-16	-5	0	-22

The loss allowance on binding credit commitments is recognised under *Other liabilities*. More details regarding presentation of allowance for expected credit losses is presented in Consolidated Financial Statements 2024 accounting policies in Note 1 in Section 9.4 *Presentation of allowance for ECL in the statement of financial position*.

Expected credit losses on Credit commitments (off-balance sheet) by impairment stages (EUR 1,000)	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Opening balance 1 Jan 2024	-15	0	-	-15
New assets originated or purchased	-12	-2	-	-14
Assets derecognised or repaid (excluding write-offs)	11	0	-	11
Transfers to Stage 1	0	0	-	0
Transfers to Stage 2	0	0	-	0
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	0	0	-	0
Total 31 Dec 2024	-16	-2	-	-18

Forward-looking information

In the assessment of whether the credit risk of an instrument has significantly increased (*SICR*) and in the measurement of expected credit losses, forward-looking information and macroeconomic scenarios are included in the model. These macroeconomic projections cover a period of 3 years and as no reliable macroeconomic projections exceeding a three-year time horizon are available, forward-looking adjustment will be limited to a three-year period. Mainly three scenarios are used; base, optimistic and adverse. Scenarios include probability weights. The scenario probability weightings are described in the adjacent table.

Scenario	30 Jun 2025			31 Dec 2024		
	2025	2026	2027	2025	2026	2027
Adverse	40%	40%	40%	40%	40%	40%
Base	50%	50%	50%	50%	50%	50%
Optimistic	10%	10%	10%	10%	10%	10%

MuniFin Group has identified key drivers of credit losses for each portfolio that share similar kinds of credit risk characteristics and estimated the relationship between macroeconomic variables and credit losses. The ECL model consists of the following macroeconomic variables for Finnish counterparties of financial assets: Finnish government long-term interest rates, the development of residential housing prices and unemployment rate. For non-Finnish financial assets, stress test scenarios published by the European Central Bank are employed in the model and scenario parameters. Each variable covers an estimate over a period of three years. The adjacent table presents the macroeconomic variables and their forecasts over the three-year forecast period.

Macroeconomic variables	Scenario	30 Jun 2025			31 Dec 2024		
		2025	2026	2027	2025	2026	2027
Government of Finland long-term interest rates, %	Base	4.7	4.9	4.5	5.0	4.2	3.5
	Optimistic	2.9	3.0	3.0	2.8	2.8	2.8
	Adverse	3.2	3.3	3.3	3.2	3.2	3.1
Residential Real Estate (selling price, YoY change), %	Base	-10.0	-0.5	3.0	-10.0	0.0	4.0
	Optimistic	1.0	3.5	2.0	4.0	3.0	2.0
	Adverse	3.0	4.5	3.5	4.0	2.5	2.5
Unemployment rate, %	Base	10.5	10.8	9.5	10.8	10.2	9.2
	Optimistic	8.9	8.2	7.9	8.3	7.5	6.9
	Vahva	8.0	6.9	6.3	6.5	6.0	5.7

Scenario descriptions

Base scenario

The ongoing trade disputes disrupt global trade flows and value chains, leading to a reduction in production across various sectors. The most substantial impacts on GDP will be observed in China and the USA, but the repercussions are felt worldwide. The trade war influences inflation in two distinct ways: firstly, through supply-side disruptions that increase price pressures, and secondly, through weakening demand that lowers prices. In the United States, the supply shock is more pronounced, resulting in accelerated inflation. Conversely, in the Eurozone, the demand shock may outweigh the supply shock, leading to a neutral or slightly negative impact on inflation.

As tensions in international trade pose a greater threat to euro area growth than to inflation, the ECB is likely to cut interest rates slightly more than previously anticipated. Rising government borrowing generally puts upward pressure on long-term interest rates. However, euro area bonds may benefit from a positive spillover effect as investors diversify away from U.S. assets. Due to these offsetting effects, changes in the trajectory of long-term interest rates remain relatively modest.

Investors' heightened risk perception is expected to widen credit spreads over the coming years slightly more than previously forecasted, with the exception of senior financials. The Group expects the euro to continue appreciating, supported by valuation factors. In the short term, the euro is also benefiting from capital outflows from dollar-denominated assets.

Due to the uncertain economic environment, the recovery of the Finnish economy is anticipated to be slower than previously expected. Finland's GDP is expected to grow 1.0% in 2025. Cyclical recovery will accelerate economic growth to 2.0% in 2026, after which the economy will grow according to its long-term potential. Average yearly unemployment rate is expected to peak at 8.9% in 2025 and remain elevated at 8.2% in 2026.

The weak economic outlook is also contributing to a reduction in municipal tax revenues and an increase in the costs of employment services. Additionally, significant public sector wage increases are raising municipal expenses. As a result, the municipal financing deficit will rise significantly from the 2024 level.

The outlook for the housing and real estate markets remains subdued, even though trading activity has already begun to recover slightly. The prices of owner-occupied apartments in major cities are expected to rise by 1.0% in 2025. Prices in commercial real estate markets are expected to stagnate in 2025 and turn rising only from 2026 onwards.

Optimistic scenario

In the optimistic scenario, the economy is expected to recover faster than in the baseline scenario. The Finnish GDP is projected to grow 2.2% in 2025 and 3.0% in 2026. Unemployment will start to decline in the latter half of 2025 and fall below 7.0% already in 2026. Consumer price inflation remains at or just below 2.0% over the forecast period. Home price inflation is anticipated to accelerate to 3.0% in 2025, followed by a 4.0% annual gain in 2026. Due to the faster-than-expected recovery in aggregate demand, the ECB is anticipated to start raising interest rates from 2026 onwards.

Adverse scenario

The adverse scenario describes a situation where the trade war escalates, leading to significantly more severe disruptions in global trade and value chains compared to the baseline scenario.

Furthermore, the volatile situation in the Middle East expands into a conflict between Israel and Iran, causing strong upward pressure on energy prices. Cost inflation intensifies in Europe, and to anchor inflation expectations, the ECB is forced to tighten monetary policy again. The slow recovery of the economy quickly turns into a new recession. The difficulties in the private sector lead to a significant increase in banks' credit losses. Risk premiums in financial markets widen considerably.

The abrupt slowdown of foreign trade and the new rise in interest rates push Finland's economy back into a deep recession. GDP contracts by 2.5% in 2025 and 0.5% in 2026. The economic recovery will only regain momentum in 2027. Unemployment rises sharply above 10.0% already in 2025. Due to the prolonged recession and high unemployment, Finland's public debt is increasing even faster, which widens the risk premiums on Finnish government bonds. The rise in living costs and interest rates deepens the distress of Finnish households. The slump in the housing market and construction continues, and the decline in housing prices intensifies.

The following table presents the sensitivity of the expected credit losses to the forward-looking information assuming 100 % weight for adverse scenario until 2025 (2024).

Sensitivity analysis (EUR 1,000)	30 Jun 2025			31 Dec 2024		
	Weighted scenario	Adverse scenario (100%)	Excluding weighted scenario	Weighted scenario	Adverse scenario (100%)	Excluding weighted scenario
ECL	3,411	5,747	3,212	2,701	4,765	2,578
Proportion of the exposure in Stage 2 and 3	4.86%	10.44%	4.79%	5.21%	11.26%	5.17%

The sensitivity analysis does not include the additional discretionary provisions (*management overlay*).

Non-performing and forborne exposures

Non-performing and forborne exposures refer to receivables that are more than 90 days past due, other receivables classified as risky and forborne exposures due to the customer's financial difficulties.

Non-performing and forborne exposures 30 Jun 2025 (EUR 1,000)	Performing exposures (gross)	Non-performing exposures (gross)	Total exposures (gross)	Total expected credit losses	Total exposures (net)
Over 90 days past due	-	8,971	8,971	-91	8,880
Unlikely to be paid	-	77,558	77,558	-252	77,306
Forborne exposures	425,798	236,555	662,353	-529	661,824
Total	425,798	323,084	748,882	-872	748,010

Non-performing and forborne exposures 31 Dec 2024 (EUR 1,000)	Performing exposures (gross)	Non-performing exposures (gross)	Total exposures (gross)	Total expected credit losses	Total exposures (net)
Over 90 days past due	-	8,535	8,535	-85	8,451
Unlikely to be paid	-	152,231	152,231	-137	152,094
Forborne exposures	430,479	130,939	561,418	-352	561,066
Total	430,479	291,705	722,184	-573	721,610

Forbearances are concessions to the original contractual payment terms agreed upon at the customer's initiative, aimed at helping the customer cope with temporary payment difficulties. Performing forborne exposures are those that have recovered from non-performing status during the trial period or forbearance measures made into a performing loan; all performing forborne exposures are classified as stage 2. Loan modifications due to reasons other than the customer's financial difficulties are not classified as forborne exposures; such receivables are classified as stage 1. The Group considers a loan forborne when such concessions or modifications are provided because of the borrower's present or expected financial difficulties, and the Group would not have agreed to them if the borrower had been in good financial condition; all such receivables are classified as stage 3.

During the first half of the year 2025, loan forbearance measures were granted particularly to customers in the housing sector, whose underutilisation of the premises has increased because of intensified competition for tenants. As a result of the granted repayment deferrals, the unpaid installments have mostly been deferred to the end of the loan maturity, to be paid with the final installment, or to the current 5-year period if the loan is a state deficiency guaranteed interest subsidised loan. Forbearance measures were not applied to leasing receivables.

Geopolitical uncertainties have had no direct impact on MuniFin's customers or receivables. The general increase in the cost level still continues to affect the sufficiency of customers' cash flows, and may continue to appear as increased forbearance measures, payment delays and as a deterioration of the customers' creditworthiness.

Realised credit losses

The Group has not had any final realised credit losses during the reporting period or the comparison period.

Note 15. Liabilities to credit institutions

(EUR 1,000)	30 Jun 2025	31 Dec 2024
Bilateral loans to credit institutions	220,176	167,558
Liabilities to credit institutions, payable on demand	9,707	-
Received cash collateral on derivatives	22,153	716,137
Total	252,036	883,694

Note 16. Debt securities issued

(EUR 1,000)	30 Jun 2025		31 Dec 2024	
	Carrying amount	Nominal value	Carrying amount	Nominal value
Bonds	43,016,002	43,902,965	41,125,457	42,306,455
Other*	3,755,346	4,111,525	3,408,849	3,421,647
Total	46,771,347	48,014,490	44,534,306	45,728,102

* Line item contains short-term funding issued by MuniFin.

All funding issued by MuniFin is guaranteed by the Municipal Guarantee Board.

Benchmark issuances during the reporting period	Value date	Maturity date	Interest-%	Nominal value (1,000)	Currency
Fixed rate benchmark bond, issued under the MTN programme	28 Jan 2025	14 Dec 2029	2.625 %	1,250,000	EUR
Fixed rate benchmark bond, issued under the MTN programme	31 Mar 2025	1 Apr 2030	4.250 %	1,000,000	USD
Fixed rate benchmark bond, issued under the MTN programme	10 Jun 2025	14 Jun 2032	2.625 %	1,000,000	EUR

In the above table, the benchmark issuances are included by the settlement date.

Note 17. Other liabilities

(EUR 1,000)

	30 Jun 2025	31 Dec 2024
Other liabilities		
Lease liabilities	6,978	7,599
Cash collateral taken from CCPs	211,414	259,850
Other	15,675	17,732
Total	234,068	285,181

Note 18. Collateral given

Given collaterals on behalf of own liabilities and commitments (EUR 1,000)

	30 Jun 2025	31 Dec 2024
Loans and advances to credit institutions to the counterparties of derivative contracts*	1,426,240	608,408
Loans and advances to credit institutions to the central bank**	22,741	31,980
Loans and advances to the public and public sector entities to the central bank***	4,692,163	4,814,713
Loans and advances to the public and public sector entities to the Municipal Guarantee Board****	14,024,472	13,705,743
Debt securities to the central counterparty*****	155,397	101,703
Other assets to the central counterparties of derivative contracts*****	746,982	889,682
Total	21,067,996	20,152,229

* MuniFin Group has given cash collateral to the counterparties of derivative contracts based on the CSA agreements of the derivative contracts (*ISDA/Credit Support Annex*).

** Item consists of minimum reserve in the central bank.

*** MuniFin is a monetary policy counterparty approved by the central bank and for this purpose, loans have been pledged to the central bank for possible operations related to this counterparty position.

**** MuniFin Group has pledged loans to the Municipal Guarantee Board. The Municipal Guarantee Board guarantees MuniFin's funding and MuniFin places collateral for the Municipal Guarantee Board's guarantees as defined in the Act on the Municipal Guarantee Board.

***** MuniFin Group has active account with central counterparties LCH Limited and Eurex Clearing AG. Debt securities are pledged to LCH.

***** MuniFin Group has given cash collateral to the central counterparties of derivative contracts.

Collateral given is presented at the carrying amounts of the reporting date.

Note 19. Contingent assets and liabilities

The Group has no contingent assets or liabilities at 30 June 2025 or at the comparison date 31 December 2024.

Note 20. Off-balance-sheet commitments

(EUR 1,000)	30 Jun 2025	31 Dec 2024
Credit commitments	2,888,121	2,935,231
Total	2,888,121	2,935,231

Expected credit loss on credit commitments is EUR 22 thousand (EUR 18 thousand). More information on credit risks of financial assets and other commitments can be found on Note 14.

Note 21. Related-party transactions

MuniFin Group's related parties include:

- MuniFin's shareholders whose ownership and corresponding voting rights in the Company exceed 20%. The shareholder with more than 20% of the voting rights is Keva.
- The key management personnel including the CEO, the Deputy to the CEO, other members of the Executive Management Team, members of the Board of Directors, the spouses, children and dependents of these persons and the children and dependents of these persons' spouses.
- Entities, which are directly or indirectly controlled or jointly controlled by the above-mentioned persons or where these persons have significant influence.

The Group's operations are restricted by the Act on the Municipal Guarantee Board and the framework agreement concluded between MuniFin and the Municipal Guarantee Board, pursuant to which MuniFin may only grant loans to parties stipulated by law (municipalities, joint municipal authorities, corporations that are wholly owned by municipalities or under their control, wellbeing services counties and joint county authorities for wellbeing services, other units of wellbeing services counties that are wholly owned or under control of wellbeing services county administration and wellbeing services enterprises, and corporations designated by government authorities and engaged in the renting or production and maintenance of housing on social grounds).

The Group has carried out only employment-based remuneration transactions with the related party natural persons. The Group does not have loan or financial receivables from these related parties.

There have been no material changes in the related party transactions after 31 December 2024.

Note 22. Events after the reporting period

During the reporting period, MuniFin Group took part in the European Central Bank's SSM Stress Test covering the years 2025–2027. The results of Europe-wide stress tests were published on 1 August 2025. The Group's capital position remained strong also even in the adverse scenario depicting unfavourable economic conditions.

Auditor's report on review of interim financial information of Municipality Finance Plc for the six-month-period ended 30 June 2025

To the Board of Directors of Municipality Finance Plc

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Municipality Finance Plc as of 30 June 2025 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and cash flows for the six-month period then ended and notes, comprising material accounting policy information and other explanatory notes. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting."

Helsinki 4 August 2025

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jukka Paunonen
Authorised Public Accountant (KHT)