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 14 September 2026 (the "**Supplement**") following this page, which supplements the offering circular dated 7 May 2026 (the "**Offering Circular**") prepared in connection with the €55,000,000,000 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.

Supplement dated 14 September 2026

MUNICIPALITY FINANCE PLC
(Kuntarahoitus Oyj)

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

€55,000,000,000
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 7 May 2026 (the "**Offering Circular**") is prepared in connection with the 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.

No prospectus in accordance with Regulation (EU) 2017/1129 (as amended) or for the purposes of the FCA Handbook Prospectus Rules: Admission to Trading on a Regulated Market sourcebook made by the United Kingdom Financial Conduct Authority (the "**FCA**") in accordance with the Public Offers and Admissions to Trading Regulations 2024 is required in connection with the issuance of the Notes described herein.

Application may be made to the FCA for Notes to be admitted to listing on the official list of the FCA and to trading on the main market of the London Stock Exchange plc, and/or to Nasdaq Helsinki Ltd 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 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.

INCREASE OF THE PROGRAMME AMOUNT

As of the date of this Supplement, the programme amount is increased to €55,000,000,000.

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.

Information Incorporated By Reference

Interim 2026 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 2026 including comparative information for the six months ended 30 June 2025 (the "**Interim 2026 Financials**"), appended to this Supplement, shall be deemed to be incorporated by reference in, and form part of, the Offering Circular.

Future Financial Information

The following information shall be deemed to be incorporated in, and to form part of, the Offering Circular upon publication on, in the case of financial information of the Issuer, the Issuer's website (www.munifin.fi) or, in the case of financial information of the Guarantor, the Guarantor's website (www.mgb.fi):

(a) the most recently published audited consolidated financial statements of the Guarantor (including the auditors' report thereon and notes thereto, as well as the comparative financial information for the prior period included therein) and any subsequently published interim financial statements (whether audited or unaudited) of the Guarantor from time to time (if any);

(b) the most recently published audited consolidated financial statements of the Issuer (including the auditors' report thereon and notes thereto, as well as the comparative financial information for the prior period included therein) and any subsequently published interim financial statements (whether audited or unaudited) of the Issuer from time to time (if any); and

(c) the section(s) entitled "*Key figures*" set out in the most recently published annual report of the Issuer and any subsequently published interim financial statements (whether audited or unaudited) of the Issuer from time to time (if any).

General

The information and documents incorporated by reference from time to time into this Supplement or the Offering Circular may contain references to financial and other information relating to the Issuer, the Guarantor and/or the Group which is not (unless otherwise specified) incorporated by reference into, and does not form part of, this Supplement or the Offering Circular.

If the documents incorporated by reference into this Supplement or the Offering Circular themselves incorporate by reference any information or other documents therein, such information or other documents will not form part of this Supplement or the Offering Circular except where such information or other documents are themselves specifically incorporated by reference into 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 7 of the Offering Circular is supplemented by adding the following:

"The Group has made changes to the presentation of the Consolidated statement of cash flows. The restated figures for the comparative period for the six months ended 30 June 2025 are presented in the Interim 2026 Financials.

During the year ended 31 December 2025, the Group has updated the presentation in the Consolidated statement of cash flows of net change in long-term loans and other income under cash flow from operating activities.

Unless otherwise indicated, financial information set forth herein related to the Group has been derived from the Interim 2026 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 2026 Financials are presented on pages 40 to 47 of the Interim 2026 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 grew by 0.2 per cent. in 2025, with growth being slowed by weak domestic demand as a result of the poor employment situation, cuts in social benefits and increases in consumption taxes. In 2025, private consumption remained at 2024 levels due to ongoing weaker employment figures and general economic uncertainty. However, GDP is expected to grow by 1.1 per cent. in 2026 and 1.7 per cent. in 2027 and 2028. Growth in Europe grew slightly to 1.4 per cent. on average in 2025 and is expected to see similar growth in 2026, edging up to 1.5 per cent. in 2027. The root cause of the slower than expected growth in 2025 is a reluctance of households to consume extra income following years of prolonged inflation and rising interest rates, despite improvements to both in 2024 and 2025, as well as the slowing of growth in the working age population.

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. In April 2026, S&P Global Ratings affirmed their long-term sovereign credit rating for Finland at AA+ but revised the outlook to negative from stable. Moody's Ratings has maintained the long-term sovereign credit rating for Finland at Aa1 (stable outlook).

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 clears derivatives through Eurex AG 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, conflicts in the Middle East, including the war between the United States, Israel and Iran, 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 conflicts 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 3.50 and 3.75 per cent., which it has maintained as of September 2026. 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 and 2025, reaching 3.0 per cent. in December 2024. The European Central Bank further decreased the deposit facility rate by 0.5 percentage points to 2.5 per cent. in March 2025, and then to 2.00 per cent. in June 2025. In June 2026 the European Central Bank increased the deposit facility rate to 2.25 per cent. 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 escalating crisis in the Middle East between the United States, Israel and Iran has resulted in delays to the expected economic recovery in Finland in 2026. Further, the ongoing conflicts between Russia and Ukraine as well as rising oil prices are expected to continue to have a significant impact on the Finnish economic outlook, including in relation to foreign trade and exports. Given the uncertainty surrounding these global conflicts and their knock-on effects, the exact scale and duration of their impact on Finland's economy is not yet known, though it is expected that the Finnish economy's growth outlook will decline as a result of rising inflation and rapidly tightening monetary policy. In the event geopolitical tensions 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 16 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 93.6 billion as at 30 June 2026."

Capitalisation and Indebtedness

The section "Capitalisation and Indebtedness" on page 117 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 2026.

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 2026 Financials and the notes to the Interim 2026 Financials included elsewhere in this Supplement.

	As at 30 June 2026
	(Euro '000)
Cash and balances with central banks	**5,316,525**
Indebtedness:	
Liabilities to credit institutions	364,428
Liabilities to the public and public sector entities	2,134,636
Debt securities issued	49,167,068
Total indebtedness	**51,666,132**
Shareholders' equity	
Share capital	42,583
Reserve fund	277
Fair value reserve of investments	(274)
Own credit revaluation reserve	98,441
Cost-of-Hedging reserve	12,409
Reserve for invested non-restricted equity	40,366
Retained earnings	1,716,488
Total equity attributable to parent company equity holders	**1,910,291**
Other equity instruments issued	**-**
Total equity	**1,910,291**
Total Capitalisation[(1)]	**53,576,423**

(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 2026 as derived from the Interim 2026 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 2026 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	
	2026	**2025**
	(Euro '000)	
Interest income at effective interest rate method	632,888	740,441
Other interest income	182,060	145,058
Interest expense at effective interest rate method	(447,708)	(534,487)
Other interest expense	(244,926)	(227,140)
NET INTEREST INCOME	**122,314**	**123,872**
Commission income	543	579
Commission expense	(28,079)	(9,029)
Net result on financial instruments at fair value through profit and loss	18,091	(1,955)
Net result on financial assets at fair value through other comprehensive income	25	-
Other operating income	8	81
HR and administrative expenses	(24,543)	(24,843)
Depreciation and impairment on tangible and intangible assets	(1,538)	(2,327)
Other operating expenses	(7,608)	(7,540)
Credit losses on financial assets recognised at amortised cost and at fair value through other comprehensive income	83	(840)
NET OPERATING PROFIT	**79,296**	**77,998**
Income tax expense	(15,876)	(15,632)
PROFIT FOR THE PERIOD	**63,421**	**62,366**

CONSOLIDATED FINANCIAL POSITION DATA

	As at 30 June	As at 31 December
	2026	**2025**
	(Euro '000)	
ASSETS		
Cash and balances with central banks	5,316,525	5,169,257
Loans and advances to credit institutions	1,418,297	1,989,943
Loans and advances to the public and public sector entities	38,728,876	38,082,843
Debt securities	9,490,120	8,061,264
Derivative contracts	1,423,914	1,486,616
Intangible assets	805	836
Tangible assets	8,268	8,941
Other assets	731,371	831,484
Accrued income and prepayments	6,486	3,077
Current tax assets	-	37
Deferred tax assets	36	29
TOTAL ASSETS	**57,124,698**	**55,634,327**
LIABILITIES AND EQUITY		
LIABILITIES		
Liabilities to credit institutions	364,428	196,077
Liabilities to the public and public sector entities	2,134,636	2,314,539
Debt securities issued	49,167,068	47,127,029
Derivative contracts	2,874,544	3,368,357
Other liabilities	241,425	275,161
Accrued expenses and deferred income	60,375	47,312
Current tax liabilities	6,689	-
Deferred tax liabilities	365,243	369,693
TOTAL LIABILITIES	**55,214,407**	**53,698,168**
EQUITY		
Share capital	42,583	42,583
Reserve fund	277	277
Fair value reserve of investments	(274)	1,837
Own credit revaluation reserve	98,441	107,864
Cost-of-Hedging reserve	12,409	18,679
Reserve for invested non-restricted equity	40,366	40,366
Retained earnings	1,716,488	1,724,554
Total equity attributable to parent company equity holders	**1,910,291**	**1,936,160**
TOTAL EQUITY	**1,910,291**	**1,936,160**
TOTAL LIABILITIES AND EQUITY	**57,124,698**	**55,634,327**

CONSOLIDATED CASH FLOW DATA

	For the six months ended 30 June	
	2026	**2025**
	(Euro '000)	
Cash flow from operating activities[(1)]	210,328	92,963
Cash flow from investing activities	(553)	(2,035)
Cash flow from financing activities[(1)]	(72,171)	(73,328)
Change in cash and cash equivalents[(1)]	137,604	17,599
Cash and cash equivalents at 1 January[(1)]	5,212,673	7,838,383
Cash and cash equivalents at period end[(1)]	**5,350,277**	**7,855,982**

KEY PERFORMANCE INDICATORS

	As at and for the six months ended 30 June	
	2026	**2025**
Turnover (mEUR)[(1)]	834	884
Net interest income (mEUR)*	122	124
% of turnover	14.7	14.0
Net operating profit (mEUR)*	79	78
% of turnover	9.5	8.8
Unrealised fair value changes (mEUR)* [(2)]	16	(1)
Net operating profit excluding unrealised fair value changes (mEUR)* [(3)]	63	79

	As at and for the six months ended 30 June	
	2026	2025
Cost-to-income ratio (%)* (4)	29.8	30.6
Cost-to-income ratio excluding unrealised fair value changes (%)*(5)	34.9	30.4
Long-term customer financing (mEUR)* (6)	38,534	36,541
New lending (mEUR) (7)	1,839	2,332
Total funding (mEUR)* (8)	51,055	48,853
New long-term funding (mEUR)* (9)	5,836	7,345
Equity (mEUR)	1,910	1,890
Total balance sheet (mEUR) (10)	57,125	55,175
Total liquidity (mEUR)* (11)	13,019	13,025
Liquidity Coverage Ratio (LCR) (%) (12)	248.7	390.4
Net Stable Funding Ratio (NSFR) (%) (13)	129.6	127.7
Equity ratio (%)* (14)	3.3	3.4
CET1 capital (mEUR)	1,722	1,654
Tier 1 capital (mEUR)	1,722	1,654
Total own funds (mEUR)	1,722	1,654
CET1 capital ratio (%) (15)	87.6	89.4
Tier 1 capital ratio (%) (16)	87.6	89.4
Total capital ratio (%) (17)	87.6	89.4
Leverage ratio (%) (18)	12.1	11.4
Personnel	195	187

*Alternative Performance Measures, non-IFRS.

The required definitions and reconciliations of the APMs are presented on pages 40 to 47 of the Interim 2026 Financials.

(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, unrealised fair value changes.

(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	
	2026	2025
Net operating profit (mEUR)	79	78
Unrealised fair value changes (mEUR)	16	(1)
Net operating profit excluding unrealised fair value changes (mEUR)	**63**	**79**

(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	
	2026	2025
Costs (excluding Commission expenses) (mEUR)	34	35
Divided by		
Income (including Net commission income) (mEUR)	113	114
Unrealised fair value changes (mEUR)	(16)	1
Cost-to-income ratio excluding unrealised fair value changes (%)	**34.9%**	**30.4%**

(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 loans and leased assets.

(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 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 the total of other investments (sum of cash and balances with central banks and other 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 2026 has deducted all credit receivables from municipalities, wellbeing services counties and the central government. The deduction has also been made at 30 June 2025."

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 124 of the Offering Circular is replaced with the following:

"***Pricing, cost of funding and liquidity***

The availability and the cost of new funding have a material impact on the net interest income of the Group, impacting the Group's competition situation, and thus potentially the growth of its customer financing 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 the European financial crisis re-emerge again or the state of the Finnish economy deteriorates, the cost of acquiring funding might rise.

According to the Ministry of Finance, Finland's GDP grew by 0.2 per cent. in 2025 at the annual level, though private consumption in 2025 decreased off the back of continued weak employment figures and uncertainties related to the global geopolitical situation and the ongoing consolidation of public finances in Finland. In May 2026, the Ministry of Finance announced that Finland's GDP is expected to grow by 0.6 per cent. in 2026 and 1.7 per cent. in 2027, with economic growth overshadowed by global uncertainty due to the conflict between the United States, Israel and Iran as well as the ongoing war between Russia and Ukraine. A protracted crisis in the Middle East is expected to weaken Finland's government finances and slow economic growth in the near-term as rising prices are passed on to public sector costs and the revenue base erodes. While private consumption is expected to return to growth in 2026 as unemployment decreases and wage increases negotiated in collective agreements come into effect, the growth outlook has continued to weaken as consumer confidence declines in the wake of broad price increases across a wide range of sectors. In spite of these factors, the Ministry of Finance expects GDP growth to recover to 1.7 per cent. in 2026 and 2027.

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 2026, the Group's liquidity buffer was 18.6 months from a survival horizon perspective. The Group's LCR on 30 June 2026 amounted to 248.7 per cent. The Group's NSFR on 30 June 2026 amounted to 129.6 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 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. During 2025 the Group increased its investment in long-term investments as the cost of holding short term liquidity had increased. At the end of 2025, the Group's total liquidity stood at Euro 11,636 million compared to Euro 11,912 million in 2024. Of this, central bank deposits totalled Euro 5,207 million in 2025 compared to Euro 7,809 million in 2024 and investments in liquid, low-risk securities totalled Euro 6,099 million compared to Euro 4,016 million in 2024, with the average credit rating of AA+ (the same rating as in 2024 and 2023) and average maturity of 3.6 years. In addition to this, money market deposits in credit institutions totalled Euro 330 million in 2025 compared to Euro 88 million in 2024. At the end of June 2026, the Group's total liquidity stood at Euro 13,019 million (Euro 11,636 million for the six months ended 30 June 2025). Of this, central bank deposits totalled Euro 5,349 million (Euro 5,207 million for the six months ended 30 June 2025) and investments in liquid, low-risk securities totalled Euro 7,419 million (Euro 6,099 million for the six months ended 30 June 2025), with the average credit rating of AA+ (the same rating as in 2025 and 2024) and average maturity of 3.4 years (3.6 for the six months ended 30 June 2025). In addition to this, money market deposits in credit institutions totalled Euro 252 million at the end of June 2026 (Euro 330 million for the six months ended 30 June 2025). The Group's liquidity investments are mainly 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 1,724 million as at 30 June 2026, which is 23.1 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 125 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 2026 was lower than in the same period in the prior year at Euro 1,839 million (Euro 2,332 million for the six months ended 30 June 2025). As of 30 June 2026, the Group's long-term loan portfolio stood at Euro 36,894 million (Euro 36,284 million for the year ended 31 December 2025; Euro 34,944 million for the six months ended 30 June 2025), which was primarily due to the amount of maturing loan in the six months ended 30 June 2026 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 127 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 2025 was Euro 49,117 million compared with Euro 46,737 million and Euro 43,320 million as at 31 December 2024 and 2023, respectively. Of this total amount as at 31 December 2025, 50.4 per cent was denominated in euros and 49.6 per cent in foreign currencies. The Group's total funding as at 30 June 2026 was Euro 51,055 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.

Until early 2026, the Group offered its customers solutions for managing their interest rate risks with derivatives. The Group has hedged the exposure of any derivative agreements it offers to municipalities, joint municipal authorities and municipal companies with its derivatives counterparties. In February 2026, the Group decided to discontinue the provision of new derivatives to its customers.

As a result of the foregoing activities, the Group had derivative contracts with a nominal value of Euro 89,848 million as at 31 December 2025 compared with Euro 82,405 million and Euro 74,762 million as at 31 December 2024 and 2023, respectively. The Group had derivative contracts with a nominal value of Euro 93,649 million as at 30 June 2026.

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

	As at 30 June 2026		
	Nominal value	Fair Value	
	Total	Positive	Negative
		Euro ('000)	
Contracts in hedge accounting			
Interest rate derivatives			
Interest rate swaps	38,462,900	755,286	(1,157,452)
of which cleared by the central counterparty	37,813,809	725,073	(1,107,693)
Currency derivatives			
Cross currency interest rate swaps	17,752,519	330,483	(595,731)
Total contracts in hedge accounting	**56,215,419**	**1,085,769**	**(1,753,184)**
Contracts at fair value through profit or loss[(1)]			
Interest rate derivatives			
Interest rate swaps	30,240,077	198,695	(958,398)
of which cleared by the central counterparty	22,840,986	139,673	(82,625)
Currency derivatives			
Cross currency interest rate swaps	5,306,559	128,630	(162,602)
Forward exchange contracts	1,886,987	10,819	(361)
Total contracts at fair value through profit or loss	**37,433,623**	**338,144**	**(1,121,360)**
Total derivative contracts	**93,649,042**	**1,423,914**	**(2,874,544)**

(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 37,434 million as at 30 June 2026. 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 2026 versus the six months ended 30 June 2025**

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 2026 versus the six months ended 30 June 2025:

	For the six months ended 30 June		Change 2025 to 2026
	2026	2025	
	(Euro '000)		*(%)*
Interest income at effective interest rate method	632,888	740,441	(14.5)
Other interest income	182,060	145,058	25.5
Interest expense at effective interest rate method	(447,708)	(534,487)	(16.2)
Other interest expense	(244,926)	(227,140)	7.8
NET INTEREST INCOME	**122,314**	**123,872**	**(1.3)**
Commission income	543	579	(6.3)
Commission expense	(28,079)	(9,029)	211.0
Net result on financial instruments at fair value through profit and loss	18,091	(1,955)	(1,025.4)
Net result on financial assets at fair value through other comprehensive income	25	-	-
Other operating income	8	81	(90.5)
HR and administrative expenses	(24,543)	(24,843)	(1.2)
Depreciation and impairment on tangible and intangible assets	(1,538)	(2,327)	(33.9)
Other operating expenses	(7,608)	(7,540)	0.9
Credit losses on financial assets recognised at amortised cost and at fair value through other comprehensive income	83	(840)	188.4
NET OPERATING PROFIT	**79,296**	**77,998**	**1.7**
Income tax expense	(15,876)	(15,632)	1.6
PROFIT FOR THE PERIOD	**63,421**	**62,366**	**1.7**

Net interest income

Net interest income decreased by Euro 1.6 million, or 1.3 per cent, to Euro 122.3 million for the six months ended 30 June 2026, compared to Euro 123.9 million for the six months ended 30 June 2025, primarily due to the reasons set out below.

Interest income and expenses on assets

Net interest income on assets decreased by Euro 92.4 million, or 11.6 per cent, to Euro 706.0 million for the six months ended 30 June 2026 compared to net interest income on assets of Euro 798.5 million for the six months ended 30 June 2025, primarily due to changes in interest income arising from the Group's asset portfolio and the prevailing interest rate environment.

Net interest income from loans and advances to the public and public sector entities decreased by Euro 12.9 million, or 2.7 per cent, to Euro 461.1 million for the six months ended 30 June 2026, compared to Euro 474.0 million for the six months ended 30 June 2025, primarily due to changes in the prevailing interest rate environment.

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 36.2 million, or 57.0 per cent, to Euro 99.7 million for the six months ended 30 June 2026, compared to net interest income of Euro 63.5 million for the six months ended 30 June 2025, primarily due to an increase in the Group's debt securities holdings.

Net interest income on derivative contracts decreased by Euro 64.3 million, or 50.2 per cent, to Euro 63.9 million for the six months ended 30 June 2026, compared to net interest income of Euro 128.2 million for the six months ended 30 June 2025, primarily due to changes in the prevailing interest rate environment and the related effects on the Group's hedging arrangements.

Interest income and expenses on liabilities

Interest expenses on liabilities decreased by Euro 90.9 million, or 13.5 per cent, to expense of Euro 583.7 million for the six months ended 30 June 2026, compared to expense of Euro 674.6 million for the six months ended 30 June 2025, primarily due to primarily due to lower funding costs.

Net interest expense payable on liabilities from debt securities issued increased by Euro 135.5 million, or 24.5 per cent, to Euro 688.3 million for the six months ended 30 June 2026, compared to Euro 552.8 million for the six months ended 30 June 2025. This increase was primarily due to changes in average interest rates.

Net interest expense on liabilities on derivative contracts decreased by Euro 221.5 million, or 288.0 per cent, to interest income of Euro 144.6 million for the six months ended 30 June 2026, compared to interest expense of Euro 76.9 million for the six months ended 30 June 2025. This change was primarily due to changes in the interest flows on derivative contracts used to hedge the Group's funding.

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 gain of Euro 18.1 million for the six months ended 30 June 2026, compared to a loss of Euro 2.0 million for the six months ended 30 June 2025. The change in net result on financial instruments at fair value through profit or loss was primarily due to changes in the fair values of derivative contracts and financial liabilities designated at fair value through profit or loss, mainly reflecting changes in market interest rates.

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 195 total personnel as at 30 June 2026 compared to 187 total personnel as at 30 June 2025.

HR and administrative expenses decreased by Euro 0.3 million, or 1.2 per cent, to Euro 24.5 million for the six months ended 30 June 2026, compared to Euro 24.8 million for the six months ended 30 June 2025. This decrease was primarily due to higher personnel expenses.

Other operating expenses

Other operating expenses increased by Euro 0.1 million, or 1.3 per cent, to Euro 7.6 million for the six months ended 30 June 2026, compared to Euro 7.5 million for the six months ended 30 June 2025. This increase was primarily due to higher regulatory fees.

Income taxes

Income taxes increased by Euro 0.2 million, or 1.6 per cent, to Euro 15.9 million for the six months ended 30 June 2026, compared to Euro 15.6 million for the six months ended 30 June 2025, primarily due to an increase 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 134 of the Offering Circular is supplemented by adding the following:

"Financial Position

Assets as at 30 June 2026 compared to 31 December 2025

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

	As at 30 June	As at 31 December
	2026	2025
	(Euro '000)	
Assets		
Cash and balances with central banks	5,316,525	5,169,257
Loans and advances to credit institutions	1,418,297	1,989,943
Loans and advances to the public and public sector entities	38,728,876	38,082,843
Debt securities	9,490,120	8,061,264
Derivative contracts	1,423,914	1,486,616
Intangible assets	805	836
Tangible assets	8,268	8,941
Other assets	731,371	831,484
Accrued income and prepayments	6,486	3,077
Current tax assets	-	37
Deferred tax assets	36	29
Total assets	**57,124,698**	**55,634,327**

As of 30 June 2026, 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 67.8 per cent, 9.3 per cent and 16.6 per cent, respectively, of total assets. As of 30 June 2026, total assets had increased by Euro 1,490.4 million, or 2.7 per cent, to Euro 57,124.7 million, compared to Euro 55,634.3 million as of 31 December 2025, which was mainly attributable to the growth in the loan portfolio and an increase in debt securities holdings.

Cash and balances with central banks

Cash and balances with central banks increased by Euro 147.3 million, or by 2.8 per cent., to Euro 5,316.5 million as at 30 June 2026, compared to Euro 5,169.3 million as at 31 December 2025.

Loans and advances to credit institutions

Loans and advances to credit institutions decreased by Euro 571.6 million, or 28.7 per cent, to Euro 1,418.3 million as at 30 June 2026, compared to Euro 1,989.9 million as at 31 December 2025 primarily reflecting a decrease in cash collateral provided to derivative counterparties.

Loans and advances to the public and public sector entities

Loans and advances to the public and public sector entities increased by Euro 646.0 million, or 1.7 per cent, to Euro 38,728.9 million as at 30 June 2026, compared to Euro 38,082.8 million as at 31 December 2025 due to increase in the long-term loan portfolio.

Debt securities

Debt securities increased by Euro 1,428.9 million, or 17.7 per cent, to Euro 9,490.1 million as at 30 June 2026, compared to Euro 8,061.3 million as at 31 December 2025 primarily due to an increase in debt securities holdings as the Group continued to shift liquidity investments towards longer-term bonds.

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 62.7 million, or 4.2 per cent, to Euro 1,423.9 million as at 30 June 2026, compared to Euro 1,486.6 million as at 31 December 2025 primarily due to changes in interest rates and credit risk spreads.

Liabilities as at 30 June 2026 compared to 31 December 2025

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

	As at 30 June	As at 31 December
	2026	2025
	(Euro '000)	
Liabilities		
Liabilities to credit institutions	364,428	196,077
Liabilities to the public and public sector entities	2,134,636	2,314,539
Debt securities issued	49,167,068	47,127,029
Derivative contracts	2,874,544	3,368,357
Other liabilities	241,425	275,161
Accrued expenses and deferred income	60,375	47,312
Current tax liabilities	6,689	-
Deferred tax liabilities	365,243	369,693
Total liabilities	**55,214,407**	**53,698,168**

As of 30 June 2026, 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 89.0 per cent, 5.2 per cent and 3.9 per cent, respectively, of total liabilities. As of 30 June 2026, total liabilities had increased by Euro 1,516.2 million, or by 2.8 per cent, to Euro 55,214.4 million, compared to Euro 53,698.2 million as of 31 December 2025, which was mainly attributable to new issuances of debt securities.

Liabilities to credit institutions

Liabilities to credit institutions increased by Euro 168.4 million, or 85.9 per cent, to Euro 364.4 million as at 30 June 2026, compared to Euro 196.1 million as at 31 December 2025 primarily due to increases in bilateral loans from credit institutions and cash collateral received 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 179.9 million, or 7.8 per cent, to Euro 2,134.6 million as at 30 June 2026, compared to Euro 2,314.5 million as at 31 December 2025 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 2,040.0 million, or 4.3 per cent, to Euro 49,167.1 million as at 30 June 2026, compared to Euro 47,127.0 million as at 31 December 2025 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 decreased by Euro 493.8 million, or 14.7 per cent, to Euro 2,874.5 million as at 30 June 2026, compared to Euro 3,368.4 million as at 31 December 2025 primarily due to changes in interest rates and credit risk spreads."

5. The table "Consolidated own funds, Group" on page 138 of the Offering Circular is supplemented by the addition of the following table:

"Consolidated own funds, Group

	As at 30 June 2026	As at 31 December 2025
	(Euro 'million)	
Common Equity Tier 1 before adjustments	1,872	1,865
Adjustments to Common Equity Tier 1	(150)	(159)
Common Equity Tier 1	**1,722**	**1,706**
Additional Tier 1 capital before adjustments	-	-
Adjustments to Additional Tier 1 capital	-	-
Additional Tier 1 Capital	**-**	**-**
Tier 1 Capital	**1,722**	**1,706**
Tier 2 Capital	**-**	**-**
Total own funds	**1,722**	**1,706**

6. The table "Consolidated minimum requirement for own funds, Group" on page 139 of the Offering Circular is supplemented by the addition of the following tables:

"Consolidated Minimum requirement for own funds, Group

	30 June 2026		31 December 2025	
	Capital requirement	Risk-exposure amount	Capital requirement	Risk-exposure amount
	(Euro 'million)			
Credit and counterparty risk, standardised approach	**72**	**900**	**63**	**788**
Exposures to central governments or central banks	0	0	0	0
Exposures to regional governments or local authorities	2	20	0.5	6
Exposures to public sector entities	1	17	0.8	10
Exposure to multilateral development banks	0	0	0	0
Exposures to international organisations	0	0	0	0
Exposures to institutions	46	578	40	502
Exposures to corporates	5	56	4	54
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	15	184	14	174
Other items	4	44	3	42
Market risk	**-**	**-**	**-**	**-**
Credit valuation adjustment risk (CVA VaR), standard method	**49**	**611**	**46**	**573**
Operational risk, basic indicator approach	**36**	**454**	**36**	**454**
Total	**157**	**1,966**	**145**	**1,815**

	As at 30 June 2026	As at 31 December 2025
CET1 capital ratio, %	87.6	94.0
Tier 1 capital ratio, %	87.6	94.0
Total capital ratio, %	87.6	94.0

7. The subsection "Contingent liabilities" on page 141 of the Offering Circular is replaced by the following:

"Contingent Liabilities

The Group had no contingent assets or liabilities as at 30 June 2026 or as at 31 December 2025.

Breakdown of off-balance sheet unmatured commitments and contingent liabilities	**As at 30 June 2026**
	(Euro '000)
Credit commitments	2,339,212
Total	**2,339,212"**

8. The subsection "Management's Discussion and Analysis of Financial Position and Results of Operations of the Group – Commitments" on page 142 of the Offering Circular is replaced by the following:

"**Commitments**

As at 30 June 2026, the Group had given collateral (carrying amount) to the central bank and Guarantor as follows:

Bonds	**As at 30 June 2026**
	(Euro '000)
Loans and advances to credit institutions to the central bank	32,383
Loans pledged to the central bank	4,582,586
Loans pledged the Municipal Guarantee Board	14,458,628
Total	**19,073,597"**

9. The subsection "Management's Discussion and Analysis of Financial Position and Results of Operations of the Group – Cash Flows" on page 142 of the Offering Circular is amended by the addition of the following:

"***The six months ended 30 June 2026 compared to the six months ended 30 June 2025***

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	
	2026	**2025**
	(Euro '000)	
Cash flow from operating activities	210,328	92,963
Cash flow from investing activities	(553)	(2,035)
Cash flow from financing activities	(72,171)	(73,328)
Change in cash and cash equivalents	137,604	17,599
Cash and cash equivalents at 1 January	5,212,673	7,838,383
Cash and cash equivalents at period end	**5,350,277**	**7,855,982**

Operating activities

The operating activities of the Group for the six months ended 30 June 2026 generated net cash inflows of Euro 210.3 million compared to net cash inflows of Euro 93.0 million for the six months ended 30 June 2025. 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 0.6 million and Euro 2.0 million for the six months ended 30 June 2026 and 30 June 2025, respectively, mainly from investments in tangible and intangible assets.

Financing activities

Net cash outflow from financing activities was Euro 72.2 million and Euro 73.3 million for the six months ended 30 June 2026 and 30 June 2025, respectively, primarily as a result of dividends paid.

During the six months ended 30 June 2026, the Group paid dividends of Euro 71.5 million."

Municipality Finance Plc

1. The subsection "Municipality Finance Plc – Customer finance" starting on page 144 of the Offering Circular is amended by the addition of the following:

"As at 30 June 2026, the amount of Group's green finance aimed at environmentally sustainable investments totalled Euro 9,986 million and the amount of its social finance aimed at investments promoting equality and communality totalled Euro 2,781 million. As at 30 June 2026, the total amount of green and social finance and sustainability linked loans increased by 7.3 per cent compared to the end of 2025."

2. The subsection "Municipality Finance Plc – Liquidity" on page 146 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 2026, the LCR was 248.7 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 2026, the Group's liquidity buffer was 18.6 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."

General Information

1. The second paragraph under the subsection "General Information" starting on page 175 of the Offering Circular is replaced by the following statement:

"The giving of the Guarantee of the Notes was authorised by a resolution of the Board of Directors of the Guarantor passed on 25 August 2026."

2. The fourth and fifth paragraphs under the subsection "General Information" starting on page 175 of the Offering Circular are replaced by the following statements:

"4. Since the date to which the latest available audited annual financial statements of the Issuer and the Guarantor incorporated by reference in this Offering Circular were prepared, there has been no material adverse change in the financial position or prospects of the Issuer, the Group or the Guarantor and there has been no significant change in the financial or trading position of the Guarantor.

5. Since the date to which the latest available financial statements of the Issuer incorporated by reference in this Offering Circular have been prepared, there has been no significant change in the financial or trading position of the Issuer or the Group."

ANNEX I

Consolidated Interim Financial Information for the six months ended 30 June 2026 (including the auditor's review report thereon)

7 August 2026 at 12:00 noon (EEST)

MuniFin Group's Half Year Report

1 January–30 June 2026

MuniFin

In brief: MuniFin Group in the first half of 2026

- Net interest income* remained at the same level as in the previous year, amounting to EUR 122 million (EUR 124 million). The Group's net operating profit excluding unrealised fair value changes* decreased by 19.9% (-11.9%) in January–June and amounted to EUR 63 million (EUR 79 million). Net operating profit excluding unrealised fair value changes was reduced by the increase in the guarantee fee payable to the Municipal Guarantee Board.

- Net operating profit* amounted to EUR 79 million (EUR 78 million). Unrealised fair value changes amounted to EUR 16 million (EUR -0.6 million) in the reporting period.

- Costs* in the reporting period amounted to EUR 62 million (EUR 44 million). The increase in expenses was attributable to the higher guarantee fee payable to the Municipal Guarantee Board.

- The Group's leverage ratio remained at a strong level, standing at 12.1% (13.1%) at the end of June.

- At the end of June, the Group's CET1 capital ratio continued to be very strong at 87.6% (94.0%). The Group's CET1 capital ratio was almost six times the required minimum of 15.1% (15.1%), taking capital buffers into account.

- Long-term customer financing (long-term loans and leased assets) excluding unrealised fair value changes* totalled EUR 39,110 million (EUR 38,505 million) at the end of June and saw an increase of 1.6% (3.7%) in the reporting period. New long-term customer financing* decreased from the comparison period in January–June and amounted to EUR 1,903 million (EUR 2,411 million). Short-term customer financing* totalled EUR 1,992 million (EUR 1,895 million).

- Of all long-term customer financing, the amount of green finance* aimed at environmentally sustainable investments totalled EUR 9,986 million (EUR 9,111 million), and the amount of social finance* aimed at investments promoting equality and communality totalled EUR 2,781 million (EUR 2,775 million) at the end of June. The amount of sustainability-linked loans totalled EUR 744 million (EUR 710 million). The combined total amount of sustainable finance increased by 7.3% (12.3%) during the reporting period. The ratio of sustainable finance to long-term customer financing excluding unrealised fair value changes* grew by 1.8 percentage points to 34.5% (32.7%).

- In January–June, new long-term funding* reached EUR 5,836 million (EUR 7,345 million). At the end of June, the total funding* was EUR 51,055 million (EUR 49,117 million), of which long-term funding* made up EUR 47,814 million (EUR 45,042 million).

- The Group's total liquidity* is very strong, standing at EUR 13,019 million (EUR 11,636 million) at the end of June. The Liquidity Coverage Ratio (*LCR*) stood at 249% (225%) and the Net Stable Funding Ratio (*NSFR*) at 130% (121%) at the end of June.

Comparison figures deriving from the income statement and figures describing the change during the reporting period are based on figures reported for the corresponding period in 2025. Comparison figures deriving from the balance sheet and other cross-sectional items are based on the figures of 31 December 2025 unless otherwise stated.

** Alternative performance measure.*

The calculation formulas for all key figures can be found on pages 39–47. All figures presented in this Half Year Report are those of MuniFin Group, unless otherwise stated.

Key figures (Group)

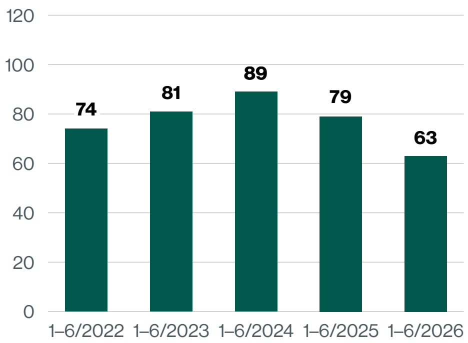
	Jan–Jun 2026	Jan–Jun 2025	Change, %	Jan–Dec 2025
Net operating profit excluding unrealised fair value changes (EUR million)*	63	79	-19.9	178
Net operating profit (EUR million)*	79	78	1.7	193
Net interest income (EUR million)*	122	124	-1.3	260
New long-term customer financing (EUR million)*	1,903	2,411	-21.0	5,088
New long-term funding (EUR million)*	5,836	7,345	-20.6	10,019
Cost-to-income ratio, %*	29.8	30.6	-0.7**	25.9
Return on equity *(ROE)*, %*	6.6	6.5	0.1**	7.9

	30 Jun 2026	30 Jun 2025	Change, %	31 Dec 2025	Change, %
Long-term customer financing (EUR million)*	38,534	36,541	5.5	37,904	1.7
Sustainable finance (EUR million)*	13,510	10,866	24.3	12,595	7.3
Balance sheet total (EUR million)	57,125	55,175	3.5	55,634	2.7
CET1 capital (EUR million)	1,722	1,654	4.1	1,706	1.0
Tier 1 capital (EUR million)	1,722	1,654	4.1	1,706	1.0
Total own funds (EUR million)	1,722	1,654	4.1	1,706	1.0
CET1 capital ratio, %	87.6	89.4	-1.8**	94.0	-6.4**
Tier 1 capital ratio, %	87.6	89.4	-1.8**	94.0	-6.4**
Total capital ratio, %	87.6	89.4	-1.8**	94.0	-6.4**
Leverage ratio, %	12.1	11.4	0.7**	13.1	-1.0**
Personnel	195	187	4.3	185	5.4

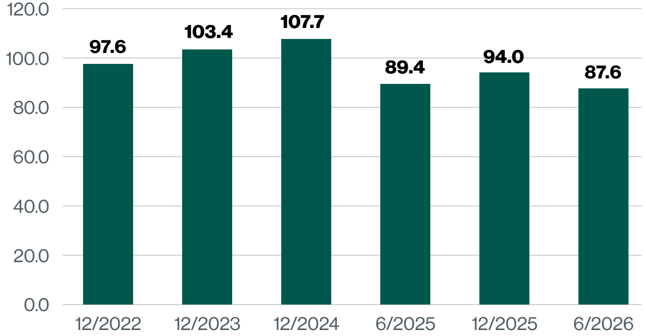
** Alternative performance measure.*
*** Change in ratio.*

The calculation formulas for all key figures can be found on pages 39–47. All figures presented in this Half Year Report are those of MuniFin Group, unless otherwise stated.

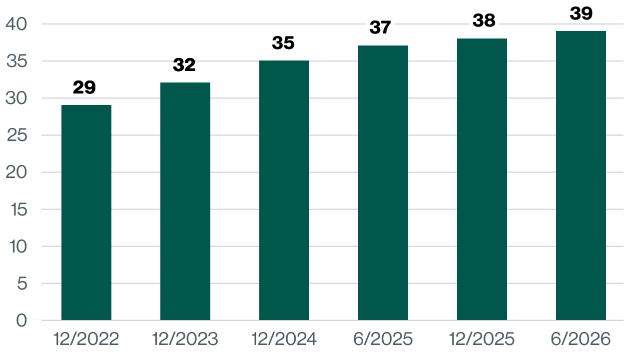
Net operating profit excluding unrealised fair value changes, EUR million*



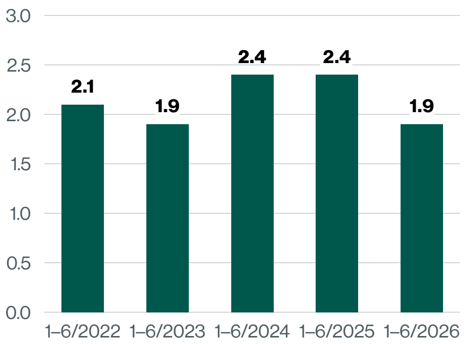
CET1 capital ratio, %**



Long-term customer financing, EUR billion*



New long-term customer financing, EUR billion*



** Alternative performance measure.*
*** Capital adequacy ratios for 2025 and 2026 have been calculated in accordance with the applicable CRR III regulatory framework. Comparative figures have not been restated.*

The calculation formulas for all key figures can be found on pages 39–47. All figures presented in this Half Year Report are those of MuniFin Group, unless otherwise stated.

CEO's review

A decade on, sustainable finance has moved from the margins to the mainstream

For MuniFin, the first half of 2026 has unfolded largely as we expected. Our business has been shaped by a divided operating environment: at home, our customers' financing needs have remained reasonably stable, but internationally, economic and geopolitical uncertainty has continued to intensify – and that uncertainty is making itself felt in Finland, too.

The war in Iran and other geopolitical tensions have increased global uncertainty, the full implications of which cannot yet be assessed. Despite this backdrop, our funding continued to perform strongly. The benchmark bonds we issued in February and May attracted record levels of investor demand, demonstrating that investor confidence in both MuniFin and Finland's public sector has remained strong even in an unstable market environment.

MuniFin's ability to access international capital markets in all conditions is vital to Finland's overall security of supply. By keeping our funding running even amidst crises, we help safeguard the uninterrupted availability of financing and strengthen the resilience of our society.

Municipalities' demand for our financing has remained at the same level as in the previous year. In the affordable social housing sector, demand for financing has declined slightly due to cuts to the government's interest subsidy loan authorisations.

We believe it is important that affordable housing continues to be available also in growth centres, that special groups have access to the housing they need, and that homelessness and segregation are effectively prevented. On all these fronts, Finland's system of affordable social housing and state-subsidised housing production have delivered strong results.

This year, we are celebrating ten years of green finance at MuniFin. In 2016, we were the first Finnish issuer to bring green finance to market, launching the country's first public green bond. Since then, we have completed thirteen green bond issuances, expanded our investor base and helped develop harmonised impact reporting among Nordic sustainable finance issuers.

Over the past decade, sustainable finance has become second nature to our customers. For several years running, more than half of the new financing we have granted has been sustainable finance: green finance, social finance or sustainability-linked loans. Sustainability now has a growing presence at every stage of investment, from planning and goal-setting through to execution.

This spring, Finland ranked first in the UN-backed World Happiness Report for the ninth year in a row. Last year, we launched the Happiness Grant to find structural ways of building a happier society. The City of Kouvola was named its first recipient earlier this year, and we are now seeking the next winning project that will boost happiness within communities.

Our customers work tirelessly to promote the wellbeing of their residents, and this shared purpose is also what drives our staff. I want to warmly thank both our customers for their trust in us and our employees for their commitment and the work they do with such great dedication and heart.

Esa Kallio
President and CEO
Municipality Finance Plc

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MuniFin Group's Half Year Report

1 January–30 June 2026

MuniFin

Operating environment in the first half of 2026

MuniFin Group raises the funds required to finance its customers from the international capital markets. For this reason, developments in global politics and their impacts on the markets can also have a material effect on MuniFin's funding. In addition, MuniFin's funding is fundamentally dependent on investors' confidence in the Finnish economy and, by extension, in the public sector's ability to service its debt. Changes in interest rates have a direct impact on MuniFin's funding costs and consequently also on the price of customer financing. The Group therefore actively monitors all these factors that have a material effect on its operating environment.

Geopolitical turbulence had a powerful impact on the economic operating environment in the first half of the year. In particular, the military action taken by the United States and Israel against Iran proved to be a major turning point. The closure of the Strait of Hormuz drove up world market prices for oil and many other critical raw materials substantially. The resulting rise in fossil energy prices quickly pushed inflation expectations upwards. At the same time, uncertainty surrounding US tariff policy persisted.

Strategic oil reserves and temporary increases in production by oil-producing countries outside the Persian Gulf helped soften the immediate economic effects of the war in Iran. Even so, growth forecasts were revised downwards as a result of the Middle East crisis, particularly in Asia and Europe.

In Finland, economic growth in the first quarter of the year was significantly stronger than expected. Growth was broadly based across different components of demand, reinforcing the view that the economic cycle had reached a sustainable turning point. Even so, growth expectations for the full year had to be lowered in Finland too, as the Middle East conflict pushed interest rates higher and was feared to weaken consumer purchasing power and slow export growth.

In municipal finances, the sector's aggregate annual contribution margin was expected to remain broadly at the previous year's level. However, with investment needs remaining high, estimates indicated a slight increase in municipalities' financing deficit compared to the previous year. The outlook for state-subsidised housing production also remained challenging, as the sharp reduction in the government's interest subsidy loan authorisations led to fewer new construction starts, while rising costs continued to fuel upward pressure on rents.

As inflation expectations strengthened, the European Central Bank (*ECB*) began tightening monetary policy in June and raised its key interest rates by 0.25 percentage points. At the end of June, the ECB's deposit facility rate stood at 2.25%.

Market interest rates turned upwards immediately after the outbreak of the war in Iran, as markets began pricing in the ECB's expected future rate hikes. The 12-month Euribor rate stood at 2.73% at the end of June, up from 2.24% at the end of December. The 3-month Euribor rose from 2.03% to 2.32%.

Inflation concerns and increased uncertainty in the operating environment also pushed long-term interest rates slightly higher. Finland's 10-year bond yield stood at 3.21% at the end of June, compared to 3.16% at the end of December. The euro weakened against the US dollar during the first half of the year, coming down from 1.18 at the end of December to 1.14 at the end of June.

Information on the Group results

Consolidated income statement EUR million	1–6/2026	1–6/2025	Change, %	1–12/2025
Net interest income	122	124	-1.3	260
Other income	2	-1	>100	5
Income excluding unrealised fair value changes	**125**	**123**	**1.2**	**265**
Commission expenses	-28	-9	>100	-18
HR expenses	-12	-12	2.3	-23
Other items in administrative expenses	-13	-13	-4.3	-26
Depreciation and impairment on tangible and intangible assets	-2	-2	-33.9	-4
Other operating expenses	-8	-8	0.9	-14
Costs	**-62**	**-44**	**41.2**	**-86**
Credit loss and impairments on financial assets	0	-1	>100	-1
Net operating profit excluding unrealised fair value changes	**63**	**79**	**-19.9**	**178**
Unrealised fair value changes	16	-1	>100	14
Net operating profit	**79**	**78**	**1.7**	**193**
Income tax expense	-16	-16	1.6	-39
Profit for the period	**63**	**62**	**1.7**	**154**

The sum of individual results may differ from the displayed total due to rounding.
Changes of more than 100% are shown as >100.

The Group's net operating profit excluding unrealised fair value changes

MuniFin Group's core business operations continued to be stable in the first half of 2026. New long-term customer financing decreased compared to the corresponding period of the previous year. The Group's financial standing remained strong.

The Group's net operating profit excluding unrealised fair value changes decreased by 19.9% (-11.9%) and amounted to EUR 63 million (EUR 79 million). The decrease was caused by increased expenses, following a significant increase in the guarantee fee imposed by the Municipal Guarantee Board.

The Group's income excluding unrealised fair value changes was EUR 125 million (EUR 123 million) and increased by 1.2% (-5.0%). Net interest income fell by 1.3% (-3.6%) and totalled EUR 122 million (EUR 124 million).

Other income totalled EUR 2 million (EUR -1 million). It consisted mainly of income from MuniFin's digital services, net result from FX differences and net result on unwinding derivatives. Net result from FX differences was EUR 0.3 million (EUR -1 million) in the reporting period. Realised income from derivative contracts amounted to EUR 1 million. There were none in the comparison period. At 1.8% (-0.6%), other income relative to income excluding unrealised fair value changes forms only a minor part of the Group's income.

The Group's expenses totalled EUR 62 million (EUR 44 million), up by 41.2% (7.3%) from the year before. The increase in the guarantee fee payable to the Municipal Guarantee Board was a key factor contributing to higher expenses. Commission expenses totalled EUR 28 million (EUR 9 million) during the reporting period, representing an increase of EUR 19 million (EUR 1 million). Of the total, EUR 27 million (EUR 8 million) related to guarantee fees paid to the Municipal Guarantee Board for the guarantee of MuniFin's funding.

MuniFin Group's commission expenses increased significantly during the first half of 2026, due to a decision made by the Municipal Guarantee Board in 2025 to increase the guarantee commission it charges for guaranteeing MuniFin's funding. The Municipal Guarantee Board decided to more than triple the guarantee commission, calculated as a percentage of the amount of guaranteed funding. MuniFin does not consider the increase to be in accordance with the law and has sought a review of the decision by filing a material appeal with the Helsinki Administrative Court. This is an administrative appeal process and has no effect on MuniFin's normal business operations. The risks related to MuniFin's operations have not changed; the Group's risk position remains stable, and it has excellent financial buffers to withstand potential disruptions in the operating environment.

HR and administrative expenses grew by 2.3% (12.2%) and reached EUR 25 million (EUR 25 million). Of this, personnel expenses comprised EUR 12 million (EUR 12 million) and other administrative expenses EUR 13 million (EUR 13 million). The average number of employees in the Group was 192 (184) during the reporting period. Other items in administrative expenses decrease by 4.3% (21.4%).

During the reporting period, depreciation and impairment of tangible and intangible assets totalled EUR 2 million (EUR 2 million).

Other operating expenses were EUR 8 million (EUR 8 million). Other operating expenses excluding fees collected by authorities remained at the same level as in the comparison period, amounting to EUR 6 million (EUR 6 million).

Credit losses and impairments on financial assets were EUR +0.1 million (EUR -0.8 million) in the income statement. This item consists of expected credit losses (*ECL*). The Group updated its forward-looking macro scenarios during the reporting period. At the end of 2025, the Group's management assessed the need for an ECL management overlay, as some customers in the housing sector continued to face challenges in maintaining adequate cash flow due to factors including an oversupply of premises and regional underutilization of premises. The management decided to recognise an additional discretionary provision based on the group-specific assessment of EUR 0.2 million. Management reassessed the situation at the end of June 2026 and increased the provision slightly. At the end of the review period, the additional discretionary provision amounted to EUR 0.2 million.

The Group's overall credit risk position in customer financing has remained low. The amount of forborne loans was EUR 687 million (EUR 657 million), while non-performing exposures amounted to EUR 439 million (EUR 454 million) at the end of June. These non-performing exposures represented 1.1% (1.1%) of total customer exposures. At the end of the reporting period, the Group had EUR 123 million (EUR 133 million) in receivables due to the insolvency of customers, for which the collateral realisation process is ongoing, or the credit receivable is due for payment by the guarantor. Individual housing sector customers have encountered serious financial difficulties. However, due to the collateral and guarantee arrangements securing MuniFin's receivables, no credit losses are expected from these exposures.

All the Group's customer financing receivables are from Finnish municipalities, joint municipal authorities, wellbeing services counties or joint county authorities, or accompanied by a securing municipal, joint municipal authority, wellbeing services county or joint county authority guarantee or a state deficiency guarantee supplementing real estate collateral, and therefore no final credit losses will arise. According to the management's assessment, all receivables from customers will be fully recovered. During the Group's history of over 35 years, it has never recognised any final credit losses in its customer financing.

The credit risk of the Group's liquidity portfolio has likewise remained at a low level, and the average credit rating of the debt securities in the portfolio is AA+ (AA+). More information on the credit risks of financial assets and other commitments is available in Note *14* to the Half Year Report.

The Group's profit and unrealised fair value changes

The Group's net operating profit for the first half of 2026 was EUR 79 million (EUR 78 million). Unrealised fair value changes increased the Group's net operating profit by EUR 16 million (in the comparison period: decreased by EUR 0.6 million). In January–June, unrealised fair value changes in hedge accounting amounted to EUR 4 million (EUR -5 million) and unrealised net result from financial assets and liabilities through profit or loss to EUR 12 million (EUR 5 million).

Taxes in the consolidated income statement amounted to EUR 16 million (EUR 16 million). After taxes, the Group's profit for January–June was EUR 63 million (EUR 62 million).

The Group's return on equity (*ROE*) in the reporting period was 6.6% (6.5%). Excluding unrealised fair value changes, the ROE was 5.2% (6.6%).

The Group's other comprehensive income includes unrealised fair value changes of EUR -22 million (EUR -57 million). During the reporting period, the most significant item affecting the other comprehensive income was net change in fair value due to changes in own credit risk of financial liabilities designated at fair value through profit or loss totalling EUR -12 million (EUR -32 million). The cost-of-hedging amounted to EUR -8 million (EUR -25 million). Net change in fair value of financial assets at fair value through other comprehensive income was EUR -3 million (EUR 1 million).

On the whole, unrealised fair value changes net of deferred tax affected the Group's equity by EUR -5 million (EUR -46 million) and CET1 capital net of deferred tax in capital adequacy by EUR 6 million (EUR -21 million). The cumulative effect of unrealised fair value changes on the Group's own funds in capital adequacy calculations was EUR 46 million (at the end of 2025: EUR 40 million).

Unrealised fair value changes reflect the temporary impact of market conditions on the valuation levels of financial instruments at the time of reporting. The value changes may vary significantly from one reporting period to another, causing volatility in profit, equity and own funds in capital adequacy calculations. The effect on individual contracts will be removed by the end of the contract period. In the reporting period, unrealised fair value changes were influenced in particular by changes in interest rates and credit risk spreads in the Group's main funding markets.

In accordance with its risk management principles, the Group uses derivatives to financially hedge against interest rate, exchange rate and other market and price risks. Cash flows under agreements are hedged, but due to the generally used valuation methods, changes in fair value differ between the financial instrument and the respective hedging derivative. Changes in the shape of the interest rate curve and credit risk spreads in different currencies affect the valuations, which cause the fair values of hedged assets and liabilities and hedging instruments to behave in different ways. In practice, the changes in valuations are not realised on a cash basis because the Group holds financial instruments and their hedging derivatives almost always until the maturity date. The counterparty credit risk related to derivatives is comprehensively covered by collateral management. Changes in credit risk spreads are not expected to be materialised as credit losses for the Group, because the Group's liquidity reserve has been invested in instruments with low credit risk.

The Parent Company and subsidiary company's results
In January–June, MuniFin's net interest income amounted to EUR 122 million (EUR 124 million) and net operating profit to EUR 79 million (EUR 78 million).

The turnover of MuniFin's subsidiary company, Kuntarahoituksen digitaaliset palvelut Oy, was EUR 0.5 million (EUR 0 million), and its net operating result amounted to EUR 0 million (EUR 0 million). The subsidiary company provides some of the digital value-added services MuniFin offers to its customers.

Information on the consolidated statement of financial position

Consolidated statement of financial position EUR million	30 Jun 2026	31 Dec 2025	Change, %
Cash and balances with central banks	5,317	5,169	2.8
Loans and advances to credit institutions	1,418	1,990	-28.7
Loans and advances to the public and public sector entities	38,729	38,083	1.7
Debt securities	9,490	8,061	17.7
Derivative contracts	1,424	1,487	-4.2
Other items included in the assets	747	844	-11.5
Total assets	**57,125**	**55,634**	**2.7**
Liabilities to credit institutions	364	196	85.9
Liabilities to the public and public sector entities	2,135	2,315	-7.8
Debt securities issued	49,167	47,127	4.3
Derivative contracts	2,875	3,368	-14.7
Other items included in the liabilities	674	692	-2.7
Total equity	1,910	1,936	-1.3
Total liabilities and equity	**57,125**	**55,634**	**2.7**

The sum of individual results may differ from the displayed total due to rounding. Changes of more than 100% are shown as >100.

MuniFin Group's consolidated statement of financial position saw 2.7% (3.9%) of growth in the first half of 2026 and totalled EUR 57,125 million (EUR 55,634 million) at the end of June. The increase in total assets was primarily attributable to the growth in loan portfolio in loans and advances to the public sector and public entities, as well as the increase in debt securities holdings. In liabilities, the largest change was in new issuances in debt securities issued.

At the end of the reporting period, the Group's equity stood at EUR 1,910 million (EUR 1,936 million). The Group's equity was increased by the reporting period's profit of EUR 63 million (in 2025: EUR 154 million) and decreased by the changes in own credit revaluation reserve and cost-of-hedging reserve totalling EUR 18 million (in 2025: decreased by EUR 91 million). In the consolidated accounts, dividends of EUR 71 million (EUR 73 million) for the financial year 2025, paid to MuniFin's shareholders in April 2026, were deducted from the equity.

The Parent Company's balance sheet at the end of the reporting period was EUR 57,125 million (EUR 55,635 million).

Financing and other services for customers

MuniFin Group's customers include municipalities, joint municipal authorities, wellbeing services counties, corporate entities under their control, and non-profit organisations and projects nominated by the Centre for State-Subsidised Housing Construction.

MuniFin maintained its strong position as the main financing partner to its customers, despite a substantial rise in customer pricing in early 2026. This followed a significant increase in the guarantee commission fee that the Municipal Guarantee Board charges for guaranteeing MuniFin's funding.

In the first half of 2026, global uncertainty increased significantly. This has also affected MuniFin's customers and made forecasting more difficult. In line with its core mandate, MuniFin has ensured the availability of financing for its customers.

In the municipal sector, demand for financing remained close to the level of comparison period, with investment programmes in major cities proving especially substantial. Municipality-controlled companies are also experiencing growth in financing demand in major infrastructure projects, particularly rail projects. In addition, many regions are carrying out or planning large-scale private investments, for example in energy production and data centres, which also influence municipalities' investment needs.

In the affordable social housing sector, demand for financing has decreased following reductions to the government's interest subsidy loan authorisations. However, the impact of these cuts has so far been smaller than anticipated.

Demand for financing from wellbeing services counties was low during the first half of the year, most likely due to their stringent cost-saving targets. MuniFin's new long-term lending for investments by wellbeing services counties is restricted by the EUR 400 million limit that the Municipal Guarantee Board has set for 2026 (same as in 2025 and 2024).

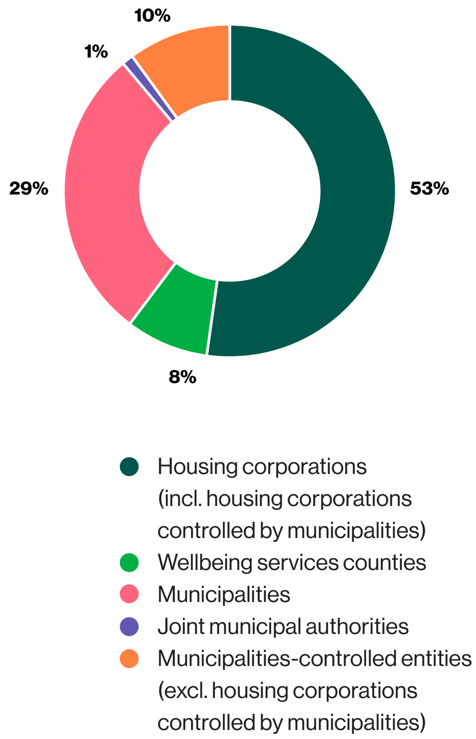
In January–June, MuniFin's new long-term customer financing totalled EUR 1,903 million (EUR 2,411 million), of which EUR 1,839 million (EUR 2,332 million) consisted of loans and EUR 65 million (EUR 79 million) of leased assets. In total, long-term customer financing amounted to EUR 38,534 million (EUR 37,904 million) at the end of June, of which loans totalled EUR 36,894 million (EUR 36,284 million) and leased assets EUR 1,640 million (EUR 1,620 million).

Of the long-term loan portfolio, 53% (51%) is held by housing corporations, 39% (40%) by municipalities, joint municipal authorities and corporate entities under their control, and 8% (9%) by wellbeing services counties. Of the long-term loan portfolio to housing corporations, 46% (46%) consists of municipality-owned companies and 54% (54%) of non-profit housing organisations.

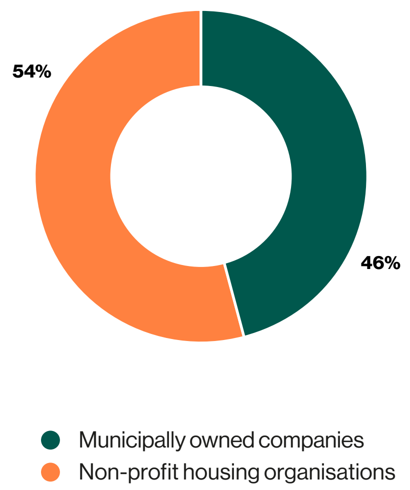
Long-term customer financing (loans and leased assets) excluding unrealised fair value changes amounted to EUR 39,110 million (EUR 38,505 million) at the end of June, growing by 1.6% (in 2025: 7.6%). Short-term customer financing in commercial papers totalled EUR 1,992 million (EUR 1,895 million) at the end of June.

Demand for sustainable finance continued to grow in January–June 2026. MuniFin has now been granting green finance to customers for ten years. On the Group's balance sheet, outstanding green finance amounted to EUR 9,986 million (EUR 9,111 million), social finance to EUR 2,781 million (EUR 2,775 million), and sustainability-linked loans on emissions reduction pathway to EUR 744 million (EUR 710 million).

Long-term loan portfolio by customer type 30 Jun 2026, %



Long-term loan portfolio of housing corporations 30 Jun 2026, %



MuniFin's sustainability agenda includes a strategic goal for sustainable finance – i.e. green finance, social finance or sustainability linked loans – to account for more than 50% of the Group's long-term customer financing. At the end of June 2026, the figure stood at 34.5% (32.7%). The sustainability agenda also includes the goal to reduce the emission intensity of municipal budget loans by 50% from the 2023 level by 2035. With financed emissions from buildings, the goal is to decrease the emission intensity of the portfolio by more than 70% by 2035, bringing it to a maximum of 4.3 kg CO_2e/m^2 for residential buildings and of 8.4 kg CO_2e/m^2 for other buildings.

At the end of 2025, the emission intensity of municipal budget loans had reduced by 22.8% from the 2023 level (end of 2025: 91.1 tCO_2e/MEUR). Based on the data at the end of 2025, the emission intensity of residential buildings was 13.8 $kgCO_2e/m^2$ (end of 2024: 14.2 kg CO_2e/m^2) and 29.1 $kgCO_2e/m^2$ for other buildings (end of 2024: 31.5 $kgCO_2e/m^2$).

In recent years, regulation on interest rate derivatives has tightened, the cost structure of derivatives activities has changed, and customer interest for the interest rate derivatives offered by MuniFin has declined significantly. As a result, MuniFin decided in March to discontinue offering new interest rate derivatives. This decision has no direct impact on existing interest rate hedging arrangements.

Funding and liquidity management

MuniFin Group acquires its funding mainly from the international capital markets as standardised issuances under debt programmes. The funding strategy relies on wide diversification into multiple currencies, maturities, geographical areas and investor groups to secure access to funding under all market conditions.

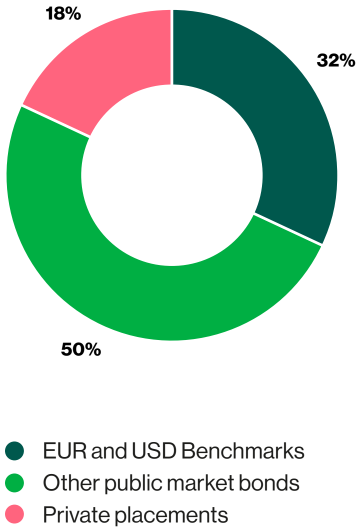
In the first half of 2026, geopolitical risks, which had already been elevated for some time, increased further still as a result of the war in Iran and the closure of the Strait of Hormuz. Although interest rates moved sharply at times, debt capital markets remained calm throughout the period. MuniFin maintained its strong position in the capital markets: investor demand remained robust and funding costs decreased from the previous year.

MuniFin continued to diversify its funding sources during the first half of the year, supporting the Group's strategic goal of reducing funding costs. In addition to benchmark bonds, the Group also issued a significant volume of other public bonds in various currencies and carried out private placements. The share of Nordic investors in MuniFin's investor base has been growing for several years, and in the first half of the year, MuniFin completed its first transaction in Danish kroner in 15 years. The Group also completed its inaugural offshore Chinese renminbi transaction, settled outside mainland China in Hong Kong.

The Group issued two benchmark bonds during the first half of the year. The EUR 1 billion bond issued in February was nearly ten times oversubscribed and priced at a record-low spread relative to a comparable Finnish government bond. The USD 1 billion benchmark bond issued in May was eight times oversubscribed and set two records: it generated the largest USD order book in the Group's history and achieved the tightest five-year spread relative to US Treasury bonds ever recorded in the Nordic market.

In the first half of the year, the Group's new long-term funding totalled EUR 5,836 million (EUR 7,345 million). In total, the Group made 55 (74) long-term funding arrangements in 10 (9) different currencies. The Group uses derivatives to hedge against market risks in its funding.

New long-term funding Jan–Jun 2026 by funding class



At the end of June, the Group's total funding amounted to EUR 51,055 million (EUR 49,117 million), of which the Euro Commercial Paper (*ECP*) programme totalled EUR 3,242 million (EUR 4,075 million). Of total funding, 51.8% (50.4%) was denominated in euros and 48.2% (49.6%) in foreign currencies.

MuniFin's debt programmes

Medium Term Note *(MTN)* programme	EUR 50,000 million
Euro Commercial paper *(ECP)* programme	EUR 10,000 million
AUD debt programme *(Kangaroo)*	AUD 2,000 million

MuniFin's funding is guaranteed by the Municipal Guarantee Board, a public law institution whose members consist of all the municipalities in mainland Finland. The members are responsible for the liabilities of the Municipal Guarantee Board in proportion to their population. The Municipal Guarantee Board has granted guarantees for both the debt programmes and funding arrangements outside the programmes. Based on this, debt instruments issued by MuniFin are classified as zero-risk when calculating the capital adequacy of credit institutions and solvency of insurance companies, and as Level 1 liquid assets in liquidity calculation in the EU.

MuniFin Group's long-term risk appetite framework specifies that total liquidity must cover uninterrupted business for a survival horizon of at least 12 months. With the amount held at the end of June, the Group could uphold all its commitments with no additional funding for almost 19 months (12 months).

In liquidity management, the Group continued to shift the focus towards long-term bonds in order to improve investment returns without changing the risk weight. The Group has also enhanced its reporting on short-term investments to improve the efficiency of its investment operations.

At the end of June, the Group's total liquidity stood at EUR 13,019 million (EUR 11,636 million). Of this, central bank deposits totalled EUR 5,349 million (EUR 5,207 million) and investments in liquid, low-risk securities EUR 7,419 million (EUR 6,099 million), with the average credit rating of AA+ (AA+) and average maturity of 3.4 years (3.6 years). In addition to this, the Group's money market deposits in credit institutions totalled EUR 252 million (EUR 330 million). The Group's liquidity investments are mainly hedged with interest rate swaps. Changes in interest rates therefore do not have a direct impact on profit and loss.

The Group's liquidity investments are steered by the goal of low credit risk, high liquidity and sustainability. The Group monitors the sustainability of its investments through their ESG (*Environmental, Social and Governance*) score. At the end of June 2026, the Group's liquidity investments had an average ESG score of 7.67 (7.56), above the benchmark index of 7.59 (7.51). The Group held a total of EUR 1,724 million (EUR 1,349) in direct socially responsible investments (*SRIs*), which is 23.1% (22.0%) of all the Group's investments in securities.

In the spring of 2026, MuniFin also updated its Sustainable Investment Framework. The goal is for 30% of the Group's long-term bond investments to be sustainable by 2035.

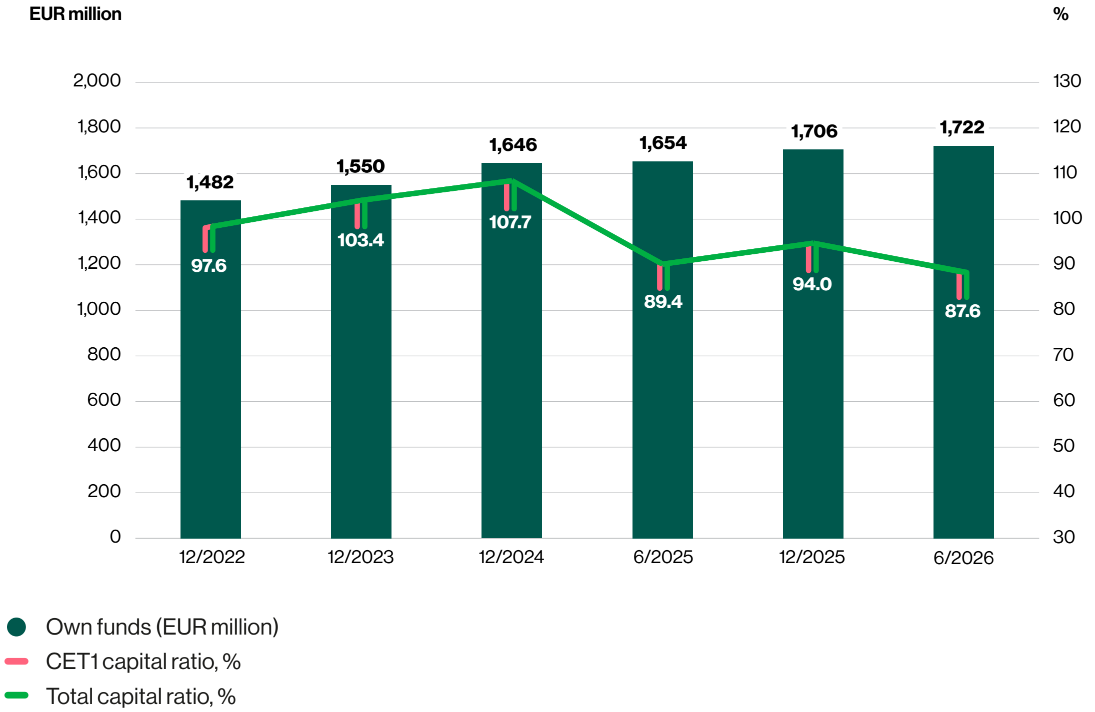
MuniFin's credit ratings

Rating agency	Long-term funding	Outlook	Short-term funding
Moody's Investors Service	Aa1	Stable	P-1
S&P Global Ratings	AA+	Negative	A-1+

MuniFin's credit ratings correspond to those of the Government of Finland. The credit ratings did not change during the reporting period. At the end of April 2026, S&P Global Ratings revised the outlook for Finland's sovereign credit ratings from stable to negative. As a result, MuniFin's outlook was also changed from stable to negative in early May 2026. The Municipal Guarantee Board, which guarantees MuniFin Group's funding, also has the corresponding ratings.

Capital adequacy

MuniFin Group's own funds and capital adequacy



MuniFin Group's own funds and capital adequacy
MuniFin Group's capital adequacy remained very strong at the end of the reporting period. The Group's Common Equity Tier 1 (*CET1*) capital ratio was 87.6% (94.0%), which corresponds to its Tier 1 capital ratio and total capital ratio at the end of June 2026 (94.0%) because the Group only had CET1 capital at the time. The Group's CET1 capital ratio was almost six times the required minimum capital of 15.1% (15.1%), taking capital buffers into account.

Consolidated own funds
EUR million

	30 Jun 2026	31 Dec 2025
Share capital	43	43
Reserve for invested non-restricted equity	40	40
Retained earnings*	1,716	1,725
Fair value reserve	111	128
Other reserves	0	0
Foreseeable dividend	-38	-71
Common Equity Tier 1 *(CET1)* capital before regulatory adjustments	**1,872**	**1,865**
Intangible assets	-1	-1
Deferred tax assets that rely on future profitability and do not arise from temporary differences	0	0
Deductions due to prudential filters on Common Equity Tier 1 capital	-149	-158
Common Equity Tier 1 *(CET1)* capital	**1,722**	**1,706**
Instruments included in Additional Tier 1 capital	-	-
Additional Tier 1 *(AT1)* capital	**-**	**-**
Tier 1 *(T1)* capital	**1,722**	**1,706**
Tier 2 *(T2)* capital	**-**	**-**
Total own funds	**1,722**	**1,706**

** Profit for the period Jan–Jun 2026 EUR 63 million.*

At the end of the reporting period, the Group's CET1 capital totalled EUR 1,722 million (EUR 1,706 million). The Group had no Additional Tier 1 instruments or Tier 2 capital at the end of June, so its CET1 capital was therefore equal to its Tier 1 capital and total own funds.

The CET1 capital includes profit for the period of 1 January–30 June 2026. This profit has been subject to a review by auditors and can therefore be included in CET1 capital based on the permission granted by the ECB in accordance with the Capital Requirements Regulation (*CRR*).

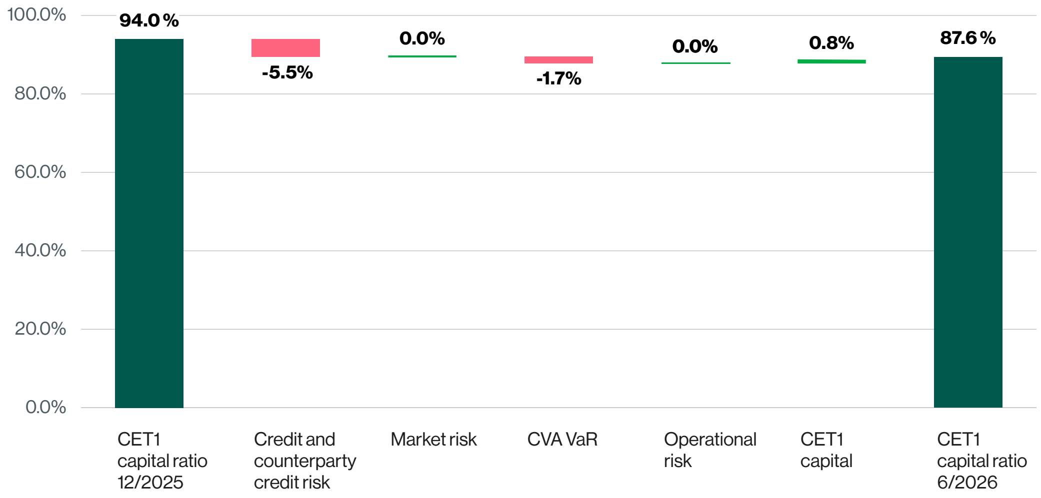
Consolidated minimum requirement for own funds EUR million	30 Jun 2026 Capital requirement	30 Jun 2026 Risk exposure amount	31 Dec 2025 Capital requirement	31 Dec 2025 Risk exposure amount
Credit and counterparty credit risk, standardised approach	**72**	**900**	**63**	**788**
Exposures to central governments or central banks	0	0	0	0
Exposures to regional governments or local authorities	2	20	0.5	6
Exposures to public sector entities	1	17	0.8	10
Exposures to multilateral development banks	0	0	0	0
Exposures to international organisations	0	0	0	0
Exposures to institutions	46	578	40	502
Exposures to corporates	5	56	4	54
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	15	184	14	174
Other items	4	44	3	42
Market risk	-	-	-	-
Credit valuation adjustment risk *(CVA VaR)*, basic approach	**49**	**611**	**46**	**573**
Operational risk	**36**	**454**	**36**	**454**
Total	**157**	**1,966**	**145**	**1,815**

The capital requirement for counterparty credit risk is EUR 4.2 million (EUR 3.5 million).

The Group's total risk exposure amount increased by 8.3% from the end of 2025, totalling EUR 1,966 million (EUR 1,815 million) at the end of June 2026. The risk exposure amount for credit and counterparty credit risk increased by 14.2% to EUR 900 million (EUR 788 million). During the first half of the year, the Group continued to allocate liquidity to low-risk, longer-term investments, which increased the amount of credit risk exposure. Counterparty credit risk remained at the same level as at the end of 2025.

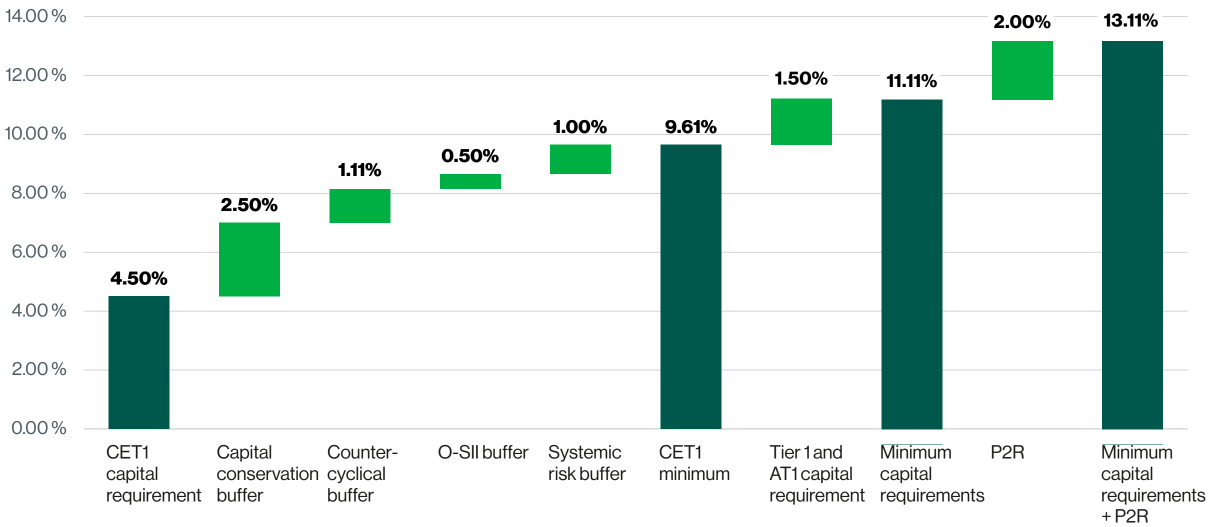
There was no capital requirement for market risk at the end of the reporting period or in the comparison year, because the currency position was less than 2% of the Group's own funds, and, based on Article 351 of the CRR, the own funds requirement for market risk has therefore not been calculated. Risk-weighted assets for credit valuation adjustment (*CVA VaR*) risk increased by 6.7% to EUR 611 million (EUR 573 million).

CET1 capital ratio changes, %



The risk exposure amount of operational risk was EUR 454 million (EUR 454 million). In calculating the financial component of operational risk, the Group has applied the Prudential Boundary Approach (*PBA*) based on the European Banking Authority's no-action letter of 12 August 2024 regarding the delayed implementation of the Fundamental Review of the Trading Book (*FRTB*) regulation. The postponement of the FRTB framework has created a situation in which derivative contracts used to hedge market risks arising from banking activities would be classified as trading book positions, while their impact would not be netted against the hedged items in the calculation of the operational risk capital requirement. In the Group's assessment, it does not engage in trading activities that meet the regulatory definition of trading. On this basis, the Group has decided to apply the PBA method in its capital adequacy calculations for 2025 and 2026. The Group expects to apply the methodology from 2027 onwards, once the timing mismatches arising from the regulatory framework have been resolved. Applying the PBA as early as 2025 provides an accurate representation of the Group's capital adequacy. The impact of the PBA method is estimated at approximately 18.1 percentage points. Without applying the PBA, the Group's CET1 capital ratio would be almost five times the applicable minimum capital requirement, taking capital buffers into account.

The Group's minimum capital requirements and capital buffers, %



The Group's minimum capital requirements and capital buffers

The Group's minimum capital requirement is 8% for capital adequacy and 4.5% for CET1 capital adequacy. Under the Act on Credit Institutions, the capital conservation buffer is 2.5%. An additional capital requirement for other systemically important credit institutions (*O-SII buffer*) is 0.5% for MuniFin Group. At the end of June 2026, the Finnish Financial Supervisory Authority (*FIN-FSA*) gave its yearly decision on O-SII buffers and kept MuniFin Group's buffer unchanged at 0.5%.

The FIN-FSA has imposed a requirement to maintain a systemic risk buffer (*SyRB*) covered by CET1 capital and amounting to 1.0% on MuniFin. This requirement also applies to other Finnish credit institutions at the same level. The FIN-FSA made a new decision regarding the SyRB requirement in June 2025 and kept it unchanged at 1.0% (effective from 1 July 2026).

In June 2026, the FIN-FSA decided to keep the countercyclical capital buffer requirement unchanged at the baseline level of 0%. For MuniFin Group, the credit institution-specific countercyclical capital buffer requirement that is imposed based on the geographical distribution of exposures is 1.1% (1.1%). The Group therefore has a minimum requirement of 9.6% (9.6%) for its CET1 capital ratio and 13.1% (13.1%) for its total capital ratio.

In addition to the abovementioned requirements, the ECB has imposed a bank-specific Pillar 2 requirement (*P2R*) of 2.0% on MuniFin Group as part of the annual Supervisory Review and Evaluation Process (*SREP*). The total SREP capital requirement ratio (*TSCR*) was 10.0% (10.0%) at the end of June 2026.

The minimum level of total capital ratio was 15.1% (15.1%) including P2R and other additional capital requirements.

Leverage ratio, liquidity coverage ratio and net stable funding ratio

At the end of June, MuniFin Group's leverage ratio was 12.1% (13.1%). MuniFin fulfils the CRR definition of a public development credit institution and may therefore deduct all credit receivables from municipalities, wellbeing services counties and the central government in the calculation of its leverage ratio. The amount of these credit receivables was EUR 42,351 million (EUR 41,610 million) at the end of the reporting period. Overall, the Group's leverage ratio exposures totalled EUR 14,209 million (EUR 13,043 million). The minimum required leverage ratio is 3.0%.

At the end of June, MuniFin Group's Liquidity Coverage Ratio (*LCR*) was 248.7% (224.6%) and its Net Stable Funding Ratio (*NSFR*) was 129.6% (121.4%). Both have a minimum requirement of 100%.

Liabilities under the Act on the Resolution of Credit Institutions and Investment Firms

MuniFin's crisis resolution authorities are the EU's Single Resolution Board (*SRB*) and the Finnish Financial Stability Authority (*FFSA*). In November 2024, the SRB and the FFSA removed MuniFin's binding minimum requirement for own funds and eligible liabilities (*MREL*) as a result of changes to the European Bank Recovery and Resolution Directive (*BRRD*) and corresponding national legislation.

Under the revised framework, the MREL requirement no longer applies to credit institutions subject to simplified obligations. Before the MREL requirement was lifted, MuniFin's own funds and eligible liabilities exceeded it multiple times, so this change has not had a significant effect on the Group's operations.

Changes in banking regulation
With regard to the CRR III regulation that entered into force in 2025, the implementation of the Fundamental Review of the Trading Book (*FRTB*) market risk framework has been postponed several times, and its application is currently expected to begin at the start of 2027 at the earliest. In addition, the European Commission has proposed temporary relief measures to facilitate the transition, and the European Banking Authority (*EBA*) is likely to provide further guidance on the application of the framework. Nevertheless, uncertainty remains regarding both the regulatory framework and the timing of its application, and MuniFin Group continues to monitor developments closely.

In April 2026, the EBA published a consultation on the simplification of supervisory reporting, with most of the proposed changes expected to enter into force in September 2027. The most significant proposals concern sustainability-related disclosures and the integration of stress testing into regular supervisory reporting. MuniFin Group is monitoring the consultation process and the development of the proposed changes and preparing for any necessary implementation measures.

During 2025, MuniFin prepared for sustainability reporting in accordance with the Corporate Sustainability Reporting Directive (*CSRD*) and the related national implementing legislation. On 16 December 2025, the European Parliament approved amendments to the scope of the CSRD under the Green Omnibus initiative. With the introduction of a 1,000-employee threshold, MuniFin is no longer subject to the reporting obligation. This narrower scope was subsequently incorporated into national legislation with effect from 30 June 2026. Under the revised rules, the reporting obligation is removed retroactively for companies that no longer fall within the scope of sustainability reporting requirements.

The EBA Guidelines on the management of ESG risks (*EBA/GL/2025/01*) were published in January 2025 and entered into force in January 2026. The guidelines complement the requirements of the CRD VI Directive for identifying, measuring, managing and monitoring ESG risks, for example through ESG data and materiality analysis requirements. MuniFin Group has implemented the necessary measures to comply with the Guidelines. In addition, the EBA published its guidelines on environmental scenario analysis (*EBA/GL/2025/04*) in November 2025. The Group is currently implementing these guidelines.

In June 2025, the EBA published a consultation paper on new Pillar III disclosure templates for ESG risks. The new templates are expected to enter into force starting with year-end 2026 reporting, and MuniFin is preparing for their introduction.

In June 2026, the Finnish Parliament approved the amendments to national legislation transposing CRD VI, including amendments to the Act on Credit Institutions. The amendments implemented requirements relating to the management of ESG risks and the governance and supervision of credit institutions. MuniFin Group considers that it meets the requirements introduced by these amendments, which will enter into force on 1 October 2026.

In addition, MuniFin is implementing a multi-year Risk Data Aggregation and Risk Reporting (*RDARR*) programme in response to the guide ECB published on effective risk data aggregation and risk reporting in May 2024.

MuniFin Group's financial objectives

MuniFin's core mandate is to secure efficient and sustainable financing for society's investments. This core mandate necessitates keeping MuniFin's capital quantity and quality and liquidity at levels that exceed even the strictest regulatory requirements at all times, thus enabling the continuation of normal business operations even during financially difficult times. MuniFin has conservative risk management policies and maintains a strong risk-bearing capacity in both quantity and quality.

Due to its specialised business model, the Group's strictest regulatory capital requirement is the leverage ratio, unlike in most credit institutions. The leverage ratio requirement is a prudential tool defined under the Capital Requirements Regulation (*CRR*) that complements minimum capital adequacy requirements. Its purpose is to prevent credit institutions from building up excessive leverage. The leverage ratio is calculated as a ratio between the institution's Tier 1 capital and total exposure calculated based on the assets and off-balance sheet items as described in the regulatory framework. MuniFin is recognised as a public development credit institution under the CRR framework and may therefore deduct all credit receivables from municipalities, wellbeing services counties and the central government in the calculation of its leverage ratio. After the deduction, the most significant factor affecting MuniFin's leverage ratio is the size of its liquidity portfolio, which safeguards the Group's liquidity.

MuniFin's aim is for the Group's Common Equity Tier 1 (*CET1*) capital to always surpass 7%, which is the sum of the minimum requirement set in CRR regulation (3%) and capital buffers based on the economic capital model and set by management (4%). The Group uses these capital buffers to prepare for events and changes that have an adverse effect on its capital position. These can include realised business risks or regulatory changes. The capital requirement for business risk is based on a strict stress test, and it mostly results from unrealised fair value changes, which are temporary in nature.

Capital exceeding the Group's minimum target covers fluctuation in capital requirements caused by changes in the total liquidity amount and safeguards the Group's continuity of operations and ability to pay dividends. The Group's long-term target is a leverage ratio of 7–10%, which enables the Group to carry out its core mandate and ensure sufficient liquidity in all market conditions. At the end of June 2026, the Group's leverage ratio calculated with CET1 capital was 12.1% (13.1%).

Because MuniFin's objective as a public development credit institution under the CRR is not to maximise profits, the Group aims at a result that will ensure the Group's ability to carry out its core mandate in the long term. The Group's objective is to achieve at least a result that is sufficient to cover any increases in capital requirements arising from increased business operations and satisfy the shareholders' expected yield in the long term. MuniFin uses long-term pricing strategies and other measures to maximise its customer benefits while also ensuring the continuity of its operations and the yield expectation of its shareholders.

The net operating profit excluding unrealised fair value changes generated from MuniFin's core business has remained relatively stable in recent years, totalling about EUR 170–210 million. However, relative to the volume of core business, i.e. customer financing, the net operating profit excluding unrealised fair value changes has dropped significantly in recent years, which has been in line with the Group's plans as a credit institution that does not seek to maximise profits. Between 2018 and 2025, profitability relative to the volume of customer financing decreased from 0.83% to 0.46%. In the first half of 2026, the comparable ratio continued to decrease and was 0.31%. In the coming years, MuniFin's goal is to maintain a level of total profit that guarantees the continuity of the Group's operations.

MuniFin aims to constantly improve the efficiency of its operations, generating growing added value to its customers and shareholders. MuniFin's long-term goal is that the costs and development investments which the Group can influence will have a gradually decreasing ratio to its customer business.

According to MuniFin's dividend policy, MuniFin's strong capital position allows it to aim to pay 30–60% of the Group's financial year's profit in dividends, as long as it does not jeopardise the Parent Company's solvency, liquidity or ability to meet its commitments. When drafting the annual dividend proposal and deciding on the distribution of profits, the following factors influencing the Group's capital position are taken into account on a broad spectrum:

- Uncertainties and changes in the operating environment and regulation
- Assessments of the Group's financial situation in the future
- The Group's funding position and liquidity
- Changes to the Group's risk position
- Unrealised fair value changes affecting the Group's own funds
- Assessments of the Group's liquidity development
- Views of supervisory authorities and credit rating agencies
- Accruals of possible AT1 capital instruments not recognised in profit and loss.

Risk management

MuniFin Group's operations require adequate risk management mechanisms to ensure that its risk position remains within the limits set by the Parent Company's Board of Directors. The Group applies conservative risk management principles. The aim is to keep the Group's overall risk profile at such a low level that MuniFin's credit rating remains the best possible in relation to the credit rating of the Government of Finland.

The relevant risk types associated with the Group's operations include credit and counterparty risk, market risk, liquidity risk and operational risks, including ICT and compliance risks. All business operations also involve strategic risks and ESG risks, such as environmental and climate risks.

The Group's risk position

There were no material changes in MuniFin Group's risk position during the first half of 2026, and risks remained within the risk appetite limits set by the Board of Directors. The continued geopolitical tensions and market volatility did not affect the Group's performance during the reporting period. Because of the uncertainties in the operating environment, the Group has nevertheless maintained strong liquidity buffers as a precaution. The geopolitical instability mainly affects the Group indirectly through market conditions. Despite the changes in the operating environment, the Group's risk position remained stable and at a low level during the reporting period.

During the reporting period, the Group participated in the geopolitical risk reverse stress test coordinated by the ECB. In this exercise, the supervised institution itself defines a scenario that would produce a predetermined outcome. The 2026 thematic stress test focused on assessing the effects of geopolitical risks on the business models of credit institutions. The results were published at the end of July.

Credit risks

The Group is exposed to credit risks as part of its business, but due to the nature of its customer base, these risks are low. The Group's credit risks emerge almost exclusively from its customer financing, liquidity portfolio investments and derivatives portfolio. Until March, the Group also offers derivative products for its customers for hedging their interest rate positions. These products are covered with offsetting contracts from the market. The Group uses derivatives only for hedging against market risks.

In view of its credit risk mitigation techniques (mortgage collateral and guarantees received) and the exemptions set out in CRR Article 400 related to the calculation of large exposures, MuniFin Group is not exposed to the customer risk referred to in the regulation in its customer financing, and thus the customer risk of any individual customer does not exceed 10% of the Group's own funds. Credit loss and impairments on financial assets in the income statement were EUR 0.1 million (EUR -0.8 million). This item consists of expected credit losses (*ECL*). The amount of forborne loans was EUR 687 million (EUR 657 million), while non-performing exposures amounted to EUR 439 million (EUR 454 million) at the end of June. For these non-performing exposures, MuniFin has absolute guarantees by municipalities or by wellbeing services counties, or real estate collateral and state deficiency guarantee, and these exposures are therefore not expected to carry the risk of a final credit loss. Non-performing exposures represented 1.1% (1.1%) of total customer exposures.

MuniFin's credit risk position remained stable and at a low level during the first half of the year. It is expected to remain stable and in line with the Group's credit risk strategy also in the future.

Market risks

Market risks include interest rate risk, exchange rate risk and other market and price risks. The Group uses derivatives to hedge against market risks. Derivatives can only be used for hedging purposes as the Group does not engage in trading activities. Interest rate risk mainly arises from the differences in reference rates applicable to the assets and liabilities in the balance sheet. In addition, the Group may create a strategic mismatch portfolio, i.e. leave fixed-rate exposures unhedged, to achieve its objective of earnings stabilisation. The strategic mismatch portfolio can include both fixed- and revisable-rate loans as well as fixed-rate investments in the liquidity portfolio. Derivatives are not used in the creation of the strategic mismatch.

The Group actively monitors and hedges its interest rate risk. Ten scenarios are used in the calculation of the net interest income (*NII*) risk, of which the least favourable outcome is considered. At the end of June, one-year NII risk was EUR -34 million, and the least favourable scenario was a short rate shock up (at the end of 2025, the least favourable scenario was a short rate shock up, EUR -38 million). Several scenarios are also used in the calculation of the economic value of equity (*EVE*), of which the least favourable outcome is considered. At the end of June, the least favourable scenario was a parallel shock up of 200 basis points, resulting in EVE of EUR -110 million (at the end of 2025, the least favourable scenario was a parallel shock up of 200 basis points, EUR -134 million).

The Group mitigates its foreign exchange (*FX*) risk by using derivative contracts to swap all funding and investments denominated in foreign currency into euros. The Group's customer financing is denominated in euros, and the Group has no significant open FX positions. In practice, a small temporary exchange rate risk may occasionally arise due to cash collateral management (*USD*) in the clearing of derivatives by central counterparties, but this risk is actively monitored and hedged. Derivatives are also used to hedge against other market and price risks.

The Group has also determined valuation risk as a significant risk for its business. During the reporting period, unrealised fair value changes of financial instruments increased the Group's earnings volatility. Unrealised fair value changes were influenced in particular by changes in interest rate expectations and credit risk spreads in the Group's main funding markets. The Group continuously monitors and analyses the volatility arising from valuations and prepares for any impacts this may have on its profit and capital adequacy.

The Group's market risk has remained stable despite the market changes.

Liquidity risks

MuniFin Group manages its refinancing risk by limiting the average maturity between financial assets and liabilities. In addition, the Group manages its liquidity risk by setting a limit for the minimum adequacy of the available short-term and long-term liquidity. The Group's survival horizon was 19 months (12 months) at the end of June. The Group's liquidity remained good.

The following table details the Group's high-quality liquid assets (*HQLA*) as defined in the LCR regulation.

Liquid assets, HQLA EUR million	30 Jun 2026	%	31 Dec 2025	%
Level 1	10,371	71%	9,480	72%
Level 2a	1,823	13%	1,433	11%
Level N*	2,368	16%	2,202	17%
Total	**14,562**	**100%**	**13,115**	**100%**

*Includes short-term customer financing granted as money market investments amounting to EUR 1,992 million (EUR 1,895 million).

The Group's Liquidity Coverage Ratio (*LCR*) was 248.7% (224.6%) at the end of June. The availability of long-term funding is monitored via the Net Stable Funding Ratio (*NSFR*), which stood at 129.6% (121.4%). The availability of funding remained good throughout the first half of the year. In January–June, the Group issued EUR 5,836 million (EUR 7,345 million) in long-term funding.

Operational risks
MuniFin Group's operational risks are estimated to be at a moderate level, and there were no material losses from operational risks in the first half of 2026.

ESG risks
ESG risks include environmental, social and governance risks. MuniFin published a new edition of its sustainability agenda in January 2026, broadening the scope of its targets, tightening key emissions reduction targets and integrating the agenda more firmly into the Group's ESG risk management and transition planning.

There have been no material changes in ESG risks during the first half of the year. According to the Group's assessment, its exposure to climate and environmental risks is low. As per the Group's business model, customer receivables originate from the Finnish municipal sector and wellbeing services counties or from the State of Finland after credit mitigation (state deficiency guarantee).

MuniFin Group recognises that its customers may be exposed to both physical risk caused by climate change and transition risk related to climate change mitigation. The Group can also be exposed to these risks through its customers. Identified risks are related to real estate collateral, but given the existing guarantee arrangements, even the materialisation of a climate or environmental risk is not expected to cause final credit losses.

The Group's investment counterparties are sovereigns, central banks, supranationals, agencies and credit institutions. According to the Group's assessment, the impact of climate and environmental risks on these operators for the Group is minor. MuniFin Group only invests in counterparties whose risks it considers to be low. This also applies to the Group's derivative counterparties.

According to the Group's assessment, environmental and climate risks are unlikely to manifest substantially in the short term, but they may have an adverse economic effect on the Group's customers in the medium and long term. Although the Group assesses its climate and environmental risks to be low, it recognises that as climate change progresses, the risks and uncertainty associated with it will increase. For this reason, MuniFin Group assesses its exposure to climate and environmental risks at least once a year.

In addition to climate and environmental risks, the Group acknowledges that it may be exposed also to social and governance risks through its own or its customers' activities. The probability of these risks materialising is nevertheless considered low.

The Group monitors the governance of its customers and investment counterparties through an ESG scoring model, which it uses to evaluate their reported governance and other ESG factors. The Group also monitors that its service providers meet the minimum ESG requirements set for all partners.

Governance

In addition to corporate legislation, MuniFin complies with the governance requirements of the Finnish Act on Credit Institutions and supervisory guidelines. The governance policy is described in more detail on MuniFin's website, which also includes MuniFin's Corporate Governance Statement for 2025, pursuant to chapter 7, section 7 of the Finnish Securities Market Act. The statement includes a description of the main features of the internal audit and risk management systems pertaining to the financial reporting process. The statement also includes the governance descriptions required by the Act on Credit Institutions as well as information on how MuniFin complies with the Finnish Corporate Governance Code for listed companies published by the Finnish Securities Market Association. This code applies to Finnish listed companies, i.e. companies whose shares are listed on Nasdaq Helsinki Ltd (Helsinki Stock Exchange). Since MuniFin is exclusively an issuer of listed bonds, and its shares are not publicly traded, the code cannot be applied directly to MuniFin in all respects.

No material changes to MuniFin Group's governance took place during the reporting period.

Group structure
Municipality Finance Group (MuniFin Group or the Group) consists of Municipality Finance Plc (MuniFin or the Parent Company) and Kuntarahoituksen digitaaliset palvelut Oy, which is fully owned by MuniFin. No changes to the Group or ownership structure took place in the reporting period.

General meeting
The Annual General Meeting (*AGM*) of MuniFin was held on 26 March 2026. The AGM confirmed the Financial Statements for 2025 and discharged the members of the Board of Directors, the CEO and the Deputy CEO from liability for the financial year 2025. In addition, in accordance with the proposal of the Board of Directors, the AGM authorised a dividend of EUR 1.83 per share to be paid, totalling EUR 71.5 million. The amount of distributable funds on the Group's balance sheet on 31 December 2025 was EUR 374 million.

Based on the proposal of the Shareholders' Nomination Committee, the AGM decided to appoint nine Board members for the 2026–2027 term, lasting from the 2026 AGM to the end of the subsequent AGM. The AGM also confirmed the Shareholders' Nomination Committee's proposal on the remuneration of Board members.

In accordance with the Board's proposal, the AGM elected PricewaterhouseCoopers Oy as MuniFin's auditor, with APA Jukka Paunonen as the principal auditor.

The AGM's resolutions are published on MuniFin's website.

Board of Directors

The Shareholder's Nomination Committee made a proposal to the AGM held on 26 March 2026 regarding the members to be elected for the term that began at the end of the 2026 AGM and will conclude at the end of the subsequent AGM.

The AGM elected the following members to the Board of Directors: Liisa Harjula, Kari Laukkanen, Juho Malmberg, Kimmo Mikander, Tuomo Mäkinen, Henrik Rainio, Elina Stråhlman, Leena Vainiomäki and Arto Vuojolainen. As per the Committee's proposal, the MuniFin Board nominated Kari Laukkanen as the Chair of the Board and Leena Vainiomäki as the Vice Chair.

From the 2025 AGM to the 2026 AGM, the members of the Board of Directors were Kari Laukkanen (Chair), Maaria Kettunen (Vice Chair), Liisa Harjula, Juho Malmberg, Tuomo Mäkinen, Henrik Rainio, Elina Stråhlman, Leena Vainiomäki and Arto Vuojolainen. Maaria Kettunen was no longer available for the Board's 2026–2027 term.

MuniFin has statutory audit, risk and remuneration committees established by the Board of Directors. The committees act as assisting and preparatory bodies to the Board of Directors. The MuniFin Board selected Elina Stråhlman (Chair), Liisa Harjula, Kari Laukkanen and Henrik Rainio as the members of the Audit Committee. In the Risk Committee, the Board selected Leena Vainiomäki (Chair), Juho Malmberg, Kimmo Mikander and Arto Vuojolainen. In the Remuneration Committee, the Board selected Kari Laukkanen (Chair), Kimmo Mikander, Tuomo Mäkinen and Leena Vainiomäki.

The operations of the MuniFin Board of Directors and its committees are described in more detail on MuniFin's website.

Personnel, salaries and remuneration

At the end of June 2026, MuniFin Group had 195 (187) employees. The President and CEO of MuniFin is Esa Kallio, with Mari Tyster, Executive Vice President, acting as deputy to the President and CEO. In addition, the MuniFin Executive Management Team includes Executive Vice Presidents Aku Dunderfelt, Erika Fredman, Toni Heikkilä, Joakim Holmström, Minna Piitulainen and Juha Volotinen.

The remuneration paid to MuniFin Group's management and employees consists of fixed remuneration (base salary and fringe benefits) and a variable element based on the conditions of the remuneration scheme. The principles of the remuneration scheme are confirmed by the Parent Company's Board of Directors, and they are reviewed on an annual basis. The Remuneration Committee advises the Board of Directors on remuneration-related matters. Salaries and remuneration paid across the Group amounted to EUR 10 million (EUR 10 million) in the reporting period.

Internal audit

The purpose of MuniFin Group's internal audit is to monitor the reliability and accuracy of the Group's information on finances and other management. It also ensures that MuniFin Group has sufficient and appropriately organised manual operations and IT systems and that the risks associated with the operations are adequately managed.

Events after the reporting period

The MuniFin Board of Directors is not aware of any events having taken place after the end of the reporting period that would have a material effect on the Group's financial standing.

Outlook for the second half of 2026

The duration of the Middle East conflict will be critical for the global economy and also for Finland's cyclical recovery. Although the crisis has not yet had a particularly large economic impact, the adverse effects caused by the closure of the Strait of Hormuz could still worsen if shipping traffic in the Persian Gulf fails to normalise.

The inflationary pressure stemming from the energy shock is significant enough that the ECB is expected to raise its key interest rates further during the second half of the year. Market rates, however, have already priced in most of the anticipated monetary policy tightening, so reference rates for borrowers may not see much further change.

The already realised rise in interest rates and oil prices will inevitably also weigh on Finland's growth prospects. The underlying economic trend, however, is expected to remain on an upward trajectory. Finland has a number of resilience factors working in its favour that cushion the economic impact of the war in Iran: high energy self-sufficiency, numerous large-scale investment projects in the pipeline, and positive corporate sector cyclical expectations.

In municipal finances, the longer-term outlook has improved somewhat, thanks to determined adjustment measures and the prioritisation of investments. Even so, the situation in the current and coming year is being challenged by high employment-related expenditure, weak tax revenue, and the tightening of the index brake on central government transfers to municipalities for basic public services.

In the affordable social housing sector, the outlook is highly uncertain. New construction is expected to contract sharply this year and next, and the baseline level of interest subsidy loan authorisations after 2028 remains unclear.

MuniFin Group expects commission expenses to increase in the second half of the year to a level comparable to that recorded in the first half. This expectation is based on the Municipal Guarantee Board's decision in 2025 to increase the guarantee fee payable to the Board. The guarantee fee is paid on MuniFin's funding that is guaranteed by the Municipal Guarantee Board. The Municipal Guarantee Board decided to more than triple the guarantee commission, calculated as a percentage of the amount of guaranteed funding.

The Group expects its risk position to remain stable. The Group also expects its capital adequacy ratio and leverage ratio to remain strong. The valuation principles set in the IFRS framework may cause significant but temporary unrealised fair value changes, some of which increase the volatility of net operating profit and make it more difficult to estimate.

These estimates are based on a current assessment of the development of MuniFin Group's operations and the operating environment.

Helsinki, 7 August 2026
Municipality Finance Plc
Board of Directors

Further information:
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Development of the Group's key figures in 2022–2026

	Jan–Jun 2026	Jan–Dec 2025	Jan–Jun 2025	Jan–Jun 2024	Jan–Jun 2023	Jan–Jun 2022
Turnover (EUR million)*	834	1,713	884	1,159	806	258
Net interest income (EUR million)*	122	260	124	129	124	122
% of turnover	14.7	15.2	14.0	11.1	15.4	47.1
Net operating profit (EUR million)*	79	193	78	105	77	91
% of turnover	9.5	11.2	8.8	9.1	9.5	35.0
Unrealised fair value changes (EUR million)*	16	14	-1	16	-5	16
Net operating profit excluding unrealised fair value changes (EUR million)*	63	178	79	89	81	74
Cost-to-income ratio, %*	29.8	25.9	30.6	23.7	31.8	33.1
Cost-to-income ratio excluding unrealised fair value changes, %*	34.9	27.4	30.4	26.9	30.5	37.5
Return on equity *(ROE)*, %*	6.6	7.9	6.5	9.5	7.5	8.5
Return on equity *(ROE)* excluding unrealised fair value changes, %*	5.2	7.4	6.6	8.1	8.0	7.1
Return on assets *(ROA)*, %*	0.2	0.3	0.2	0.3	0.3	0.3
Return on assets *(ROA)* excluding unrealised fair value changes, %*	0.2	0.3	0.2	0.3	0.3	0.3
New long-term customer financing (EUR million)*	1,903	5,088	2,411	2,416	1,909	2,124
New long-term funding (EUR million)*	5,836	10,019	7,345	4,942	7,118	5,962

	30 Jun 2026	31 Dec 2025	30 Jun 2025	31 Dec 2024	31 Dec 2023	31 Dec 2022
Long-term customer financing (EUR million)*	38,534	37,904	36,541	35,173	32,022	29,144
Green finance (EUR million)*	9,986	9,111	7,892	6,817	4,795	3,251
Social finance (EUR million)*	2,781	2,775	2,609	2,536	2,234	1,734
Sustainability-linked loans (EUR million)*	744	710	365	28	-	-
Total funding (EUR million)*	51,055	49,117	48,853	46,737	43,320	40,210
Equity (EUR million)	1,910	1,936	1,890	1,945	1,744	1,614
Total balance sheet (EUR million)	57,125	55,634	55,175	53,092	49,736	47,736
Total liquidity (EUR million)*	13,019	11,636	13,025	11,912	11,633	11,505
Liquidity Coverage Ratio *(LCR)*, %	248.7	224.6	390.4	338.8	409.1	256.7
Net Stable Funding Ratio *(NSFR)*, %	129.6	121.4	127.7	123.7	124.1	120.3
Equity ratio, %*	3.3	3.5	3.4	3.7	3.5	3.4
CET1 capital (EUR million)	1,722	1,706	1,654	1,646	1,550	1,482
Tier 1 capital (EUR million)	1,722	1,706	1,654	1,646	1,550	1,482
Total own funds (EUR million)	1,722	1,706	1,654	1,646	1,550	1,482
CET1 capital ratio, %***	87.6	94.0	89.4	107.7	103.4	97.6
Tier 1 capital ratio, %***	87.6	94.0	89.4	107.7	103.4	97.6
Total capital ratio, %***	87.6	94.0	89.4	107.7	103.4	97.6
Leverage ratio, %**	12.1	13.1	11.4	12.3	12.0	11.6
Personnel	195	185	187	178	185	175

* Alternative performance measure.
** MuniFin fulfils the CRR definition of a public development credit institution and may therefore deduct all the credit receivables from municipalities, wellbeing services counties and the central government in the calculation of its leverage ratio.
*** Capital adequacy ratios for 2025 and 2026 have been calculated in accordance with the applicable CRR III regulatory framework. Comparative figures have not been restated.

The calculation formulas for all key figures can be found on pages 39–47. All figures presented in this Half Year Report are those of MuniFin Group, unless otherwise stated.

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*).

Alternative Performance Measure EUR million	Definition / Explanation	Reconciliation	Jan–Jun 2026	Jan–Jun 2025
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	633	740
		Other interest income	182	145
		Interest expense at effective interest rate method	-448	-534
		Other interest expense	-245	-227
		Net interest income	**122**	**124**
Unrealised fair value changes	According to 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 *Net result on financial instruments at fair value through profit or loss*.	Net result on financial assets and liabilities through profit or loss, unrealised fair value changes	12	5
		Net result on hedge accounting, unrealised fair value changes	4	-5
		Unrealised fair value changes	**16**	**-1**
Net operating profit	Net operating profit describes the Group's operating profit before taxes.	**Net operating profit**	**79**	**78**
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	79	78
		- Unrealised fair value changes	-16	1
		Net operating profit excluding unrealised fair value changes	**63**	**79**
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	122	124
		Commission income	1	1
		Net result on financial instruments at fair value through profit or loss	18	-2
		Net result on financial assets at fair value through other comprehensive income	0	-
		Other operating income	0	0
		Income	**141**	**123**

Alternative Performance Measure EUR million	Definition / Explanation	Reconciliation	Jan–Jun 2026	Jan–Jun 2025
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	141	123
		- Unrealised fair value changes	-16	1
		Income excluding unrealised fair value changes	**125**	**123**
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 from hedge accounting, realised	1	-
		Net result on financial assets and liabilities through profit or loss, realised	1	-
		Net result on FX differences	0	-1
		Net result on financial assets at fair value through other comprehensive income	0	-
		Other operating income	0	0
		Other income	**2**	**-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	28	9
		HR and administrative expenses	25	25
		Depreciation and impairment on tangible and intangible assets	2	2
		Other operating expenses	8	8
		Costs	**62**	**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)	34	35
		÷ Income (incl. Net commission income)) x100	113	114
		Cost-to-income ratio, %	**29.8%**	**30.6%**
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)	34	35
		÷ (Income (incl. Net commission income)	113	114
		- Unrealised fair value changes)) x100	-16	1
		Cost-to-income ratio excluding unrealised fair value changes, %	**34.9%**	**30.4%**

Alternative Performance Measure EUR million	Definition / Explanation	Reconciliation	Jan–Jun 2026	Jan–Jun 2025
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	16	-1
		Taxes related to the unrealised fair value changes through PnL	-3	0
		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	-9	-26
		Change in Cost-of-Hedging, net of tax	-6	-20
		Change in fair value of financial assets at fair value through other comprehensive income, net of tax	-2	1
		Amount reclassified to the income statement on the sales of financial assets at fair value through other comprehensive income, net of tax	0	-
		The effect of unrealised fair value changes on other comprehensive income and equity net of tax	**-5**	**-46**
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	1,839	2,332
		New leased assets	65	79
		New long-term customer financing	**1,903**	**2,411**
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. The key figure is reported on an annualised basis.	(Net operating profit excluding unrealised fair value changes	63	79
		÷ 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	40,751	38,112
		Ratio of net operating profit excluding unrealised fair value changes to volume of long-term and short-term customer financing, %	**0.31%**	**0.41%**
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**	**5,836**	**7,345**

Alternative Performance Measure EUR million	Definition / Explanation	Reconciliation	Jan–Jun 2026	Jan–Jun 2025
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	79	78
		- Taxes)	-16	-16
		÷ Equity and non-controlling interest (average of values at the beginning and end of the period)) x100	1,923	1,918
		Return on Equity *(ROE)*, %	**6.6%**	**6.5%**
Return on Equity *(ROE)* excluding unrealised fair value changes, %	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	63	79
		- Taxes)	-12	-16
		÷ Equity and non-controlling interest (average of values at the beginning and end of the period)) x100	1,923	1,918
		Return on Equity *(ROE)* excluding unrealised fair value changes, %	**5.2%**	**6.6%**
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	79	78
		- Taxes)	-16	-16
		÷ Average balance sheet total (average of values at the beginning and end of the period)) x100	56,380	54,133
		Return on Assets *(ROA)*, %	**0.2%**	**0.2%**
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	63	79
		- Taxes)	-12	-16
		÷ Average balance sheet total (average of values at the beginning and end of the period)) x100	56,380	54,133
		Return on Assets *(ROA)* excluding unrealised fair value changes, %	**0.2%**	**0.2%**
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	633	740
		Other interest income	182	145
		Commission income	1	1
		Net result on financial instruments at fair value through profit or loss	18	-2
		Net result on financial assets at fair value through other comprehensive income	0	-
		Other operating income	0	0
		Turnover	**834**	**884**

Alternative Performance Measure EUR million	Definition / Explanation	Reconciliation	30 Jun 2026	31 Dec 2025
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	1,910	1,936
		÷ Balance sheet total) x100	57,125	55,634
		Equity ratio, %	**3.3%**	**3.5%**
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 indicator does not take into account interest accrued on long-term loans.	Loans and advances to the public and public sector entities	38,729	38,083
		- Interest accrued on long-term loans	-191	-174
		- Leased assets	-1,644	-1,625
		Long-term loan portfolio	**36,894**	**36,284**
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 indicator does not take into account interest accrued on long-term loans and leased assets.	Loans and advances to the public and public sector entities	38,729	38,083
		- Interest accrued on long-term loans and leased assets	-195	-179
		Long-term customer financing	**38,534**	**37,904**
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 indicator does not take into account interest accrued on long-term loans and leased assets.	Loans and advances to the public and public sector entities	38,729	38,083
		- Interest accrued on long-term loans and leased assets	-195	-179
		- Unrealised fair value changes	576	601
		Long-term customer financing excluding unrealised fair value changes	**39,110**	**38,505**

Alternative Performance Measure EUR million	Definition / Explanation	Reconciliation	30 Jun 2026	31 Dec 2025
Ratio of sustainable 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	9,986	9,111
		Social finance	2,781	2,775
		Sustainability-linked loan	744	710
		(Total of sustainable finance	**13,510**	**12,595**
		÷ Long-term customer financing excluding unrealised fair value changes) x100	39,110	38,505
		Ratio of sustainable finance to long-term customer financing excluding unrealised fair value changes	**34.5%**	**32.7%**
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	1,992	1,895
		Short-term customer financing	**1,992**	**1,895**
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 indicator does not take into account interest payable on long-term funding.	Liabilities to credit institutions	364	196
		Liabilities to the public and public sector entities	2,135	2,315
		Debt securities issued	49,167	47,127
		Total	**51,666**	**49,638**
		- Interest payable on long-term funding	-500	-498
		- Cash collateral received *(CSA)*	-111	-22
		- Liabilities to credit institutions, payable on demand	-	-
		Total funding	**51,055**	**49,117**
Long-term funding	Key indicator used in management reporting to describe MuniFin Group's funding volume.	Total funding	51,055	49,117
		- Short-term issued funding *(ECP)*	-3,242	-4,075
		Long-term funding	**47,814**	**45,042**

Alternative Performance Measure EUR million	Definition / Explanation	Reconciliation	30 Jun 2026	31 Dec 2025
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	9,490	8,061
		- Interest accrued on investment bonds	-80	-67
		- Short-term customer financing	-1,992	-1,895
		Investments in securities total	**7,419**	**6,099**
		Cash and balances with central banks	5,317	5,169
		Deposits	284	368
		Other investments total	**5,601**	**5,538**
		Total liquidity	**13,019**	**11,636**
Ratio of socially responsible investments to all investments, %	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	1,724	1,349
		÷ Investment CPs and bonds, nominal) x100	7,465	6,122
		Ratio of socially responsible investments to all investments, %	**23.1%**	**22.0%**
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 *(SRI)*, nominal	1,724	1,349
		÷Green and social funding) x100	7,035	7,035
		Ratio of socially responsible investments to MuniFin Group's own green and social funding, %	**24.5%**	**19.2%**

Other measures EUR million	Definition	Reconciliation	30 Jun 2026	31 Dec 2025
Liquidity Coverage Ratio (*LCR*), %	Defined in CRR.	(Liquid assets	11,773	10,552
		÷ (Liquidity outflows - liquidity inflows in a stress situation)) x100	4,735	4,699
		Liquidity Coverage Ratio *(LCR)*, %	**248.7%**	**224.6%**
Net Stable Funding Ratio (*NSFR*), %	Defined in CRR.	(Available Stable Funding *(ASF)*	44,768	41,450
		÷ Required Stable Funding *(RSF)*) x100	34,550	34,154
		Net Stable Funding Ratio *(NSFR)*, %	**129.6%**	**121.4%**
CET1 capital ratio, %	Defined in CRR.	(Common Equity Tier 1 *(CET1)* capital	1,722	1,706
		÷ Risk exposure amount) x100	1,966	1,815
		CET1 capital ratio, %	**87.6%**	**94.0%**
Tier 1 capital ratio, %	Defined in CRR.	(Tier 1 capital	1,722	1,706
		÷ Risk exposure amount) x100	1,966	1,815
		Tier 1 capital ratio, %	**87.6%**	**94.0%**
Total capital ratio, %	Defined in CRR.	(Total own funds	1,722	1,706
		÷ Risk exposure amount) x100	1,966	1,815
		Total capital ratio, %	**87.6%**	**94.0%**
Leverage ratio, %	Defined in CRR.	(Tier 1 capital	1,722	1,706
		÷ Total exposure) x100	14,209	13,043
		Leverage ratio, %	**12.1%**	**13.1%**

MuniFin Group's Half Year Report tables

MuniFin

Consolidated statement of profit or loss

(EUR 1,000)	Note	Jan–Jun 2026	Jan–Jun 2025
Interest income at effective interest rate method	(3)	632,888	740,441
Other interest income	(3)	182,060	145,058
Interest expense at effective interest rate method	(3)	-447,708	-534,487
Other interest expense	(3)	-244,926	-227,140
Net interest income		**122,314**	**123,872**
Commission income		543	579
Commission expense		-28,079	-9,029
Net result on financial instruments at fair value through profit and loss	(4)	18,091	-1,955
Net result on financial assets at fair value through other comprehensive income		25	-
Other operating income		8	81
HR and administrative expenses		-24,543	-24,843
Depreciation and impairment on tangible and intangible assets	(13)	-1,538	-2,327
Other operating expenses		-7,608	-7,540
Credit losses on financial assets recognised at amortised cost and at fair value through other comprehensive income	(14)	83	-840
Net operating profit		**79,296**	**77,998**
Income tax expense		-15,876	-15,632
Profit for the period		**63,421**	**62,366**

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

Consolidated statement of comprehensive income

(EUR 1,000)	Note	Jan–Jun 2026	Jan–Jun 2025
Profit for the period		63,421	62,366
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)	-11,779	-32,367
Tax on change in fair value due to changes in own credit risk on financial liabilities designated at fair value through profit or loss		2,356	6,473
Change in Cost-of-Hedging	(5)	-7,837	-25,408
Tax on change in Cost-of-Hedging		1,567	5,082
Items to be reclassified to income statement in subsequent periods			
Change in fair value of financial assets at fair value through other comprehensive income		-2,645	1,167
Change in expected credit loss of financial assets at fair value through other comprehensive income	(14)	8	27
Tax on change in fair value and in expected credit loss of financial assets at fair value through other comprehensive income		527	-239
Amount reclassified to the income statement on the sales of financial assets at fair value through other comprehensive income		-1	-
Tax on amount reclassified to the income statement on the sales of financial assets at fair value through other comprehensive income		0	-
Total components of other comprehensive income		-17,803	-45,264
Total comprehensive income for the period		**45,618**	**17,102**

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

Consolidated statement of financial position

(EUR 1,000)	Note	30 Jun 2026	31 Dec 2025
Assets			
Cash and balances with central banks	(6, 7, 8, 9)	5,316,525	5,169,257
Loans and advances to credit institutions	(6, 7, 8)	1,418,297	1,989,943
Loans and advances to the public and public sector entities	(6, 7, 8)	38,728,876	38,082,843
Debt securities	(6, 7, 8)	9,490,120	8,061,264
Derivative contracts	(6, 7, 8, 12)	1,423,914	1,486,616
Intangible assets	(13)	805	836
Tangible assets	(13)	8,268	8,941
Other assets	(6, 7, 8, 11)	731,371	831,484
Accrued income and prepayments		6,486	3,077
Current tax assets		-	37
Deferred tax assets		36	29
Total assets		**57,124,698**	**55,634,327**

(EUR 1,000)	Note	30 Jun 2026	31 Dec 2025
Liabilities and equity			
Liabilities			
Liabilities to credit institutions	(6, 7, 8, 15)	364,428	196,077
Liabilities to the public and public sector entities	(6, 7, 8)	2,134,636	2,314,539
Debt securities issued	(6, 7, 8, 16)	49,167,068	47,127,029
Derivative contracts	(6, 7, 8, 12)	2,874,544	3,368,357
Other liabilities	(6, 7, 8, 17)	241,425	275,161
Accrued expenses and deferred income		60,375	47,312
Current tax liabilities		6,689	-
Deferred tax liabilities		365,243	369,693
Total liabilities		**55,214,407**	**53,698,168**
Equity			
Share capital		42,583	42,583
Reserve fund		277	277
Fair value reserve of investments		-274	1,837
Own credit revaluation reserve		98,441	107,864
Cost-of-Hedging reserve	(5)	12,409	18,679
Reserve for invested non-restricted equity		40,366	40,366
Retained earnings		1,716,488	1,724,554
Total equity attributable to Parent Company equity holders		**1,910,291**	**1,936,160**
Total equity		**1,910,291**	**1,936,160**
Total liabilities and equity		**57,124,698**	**55,634,327**

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

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 2025	**42,583**	**277**	**1,837**	**107,864**	**18,679**	**40,366**	**1,724,554**	**1,936,160**	**1,936,160**
Dividends paid for 2025	-	-	-	-	-	-	-71,487	-71,487	-71,487
Profit for the period	-	-	-	-	-	-	63,421	63,421	63,421
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	-	-	-	-9,423	-	-	-	-9,423	-9,423
Net change in Cost-of-Hedging	-	-	-	-	-6,270	-	-	-6,270	-6,270
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	-	-	-2,118	-	-	-	-	-2,118	-2,118
Net amount reclassified to the income statement on the sales of financial assets at fair value through other comprehensive income	-	-	1	-	-	-	-	1	1
Net change in expected credit loss of financial assets at fair value through other comprehensive income	-	-	6	-	-	-	-	6	6
Equity at 30 Jun 2026	**42,583**	**277**	**-274**	**98,441**	**12,409**	**40,366**	**1,716,488**	**1,910,291**	**1,910,291**

(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**

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

Consolidated statement of cash flows

(EUR 1,000)	Note	Jan–Jun 2026	Adjusted* Jan–Jun 2025
Cash flow from operating activities		**210,328**	**92,963**
Net change in long-term funding		2,321,716	3,195,505
Net change in short-term funding		-858,416	558,077
Net change in long-term loans		-653,112	-1,363,402
Net change in short-term loans		-94,982	310,498
Net change in investments		-1,236,612	-1,079,261
Net change in collaterals		626,202	-1,422,010
Interest on assets		673,711	828,313
Interest on liabilities		-564,375	-945,923
Other income		47,851	41,153
Payments of operating expenses		-42,500	-38,292
Taxes paid		-9,156	8,305
Cash flow from investing activities		**-553**	**-2,035**
Acquisition of tangible assets		-171	-2,035
Acquisition of intangible assets		-382	-
Cash flow from financing activities		**-72,171**	**-73,328**
Dividend paid		-71,487	-72,659
Amortisation of lease liability		-684	-670
Change in cash and cash equivalents		**137,604**	**17,599**
Cash and cash equivalents at 1 Jan	**(9)**	**5,212,673**	**7,838,383**
Cash and cash equivalents at 30 Jun	**(9)**	**5,350,277**	**7,855,982**

* The Group has adjusted the presentation of *Net change in long-term loans* and *Other income* in *Cash flow from operating activities* and the comparative period has been revised.

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

Notes to the Half Year Report

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Note 2. Basis of preparation of the Half Year Report and corrections to previous reporting period
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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 uncertainty in the economy and geopolitics has continued, the Group's core business operations remained stable. Balance sheet increased mainly due to the growth in the loan portfolio and in debt securities. In addition, the Group's capital adequacy has remained strong.

The Group's net interest income remained at nearly the same level as in the comparison period. MuniFin Group's commission expenses increased significantly during the first half of 2026, due to a decision made by the Municipal Guarantee Board *(MGB)* in 2025 to increase the guarantee commission it charges for guaranteeing MuniFin's funding. The MGB decided to more than triple the guarantee commission, calculated as a percentage of the amount of guaranteed funding. MuniFin does not consider the increase to be in accordance with the law and has sought a review of the decision by filing a material appeal with the Helsinki Administrative Court. This is an administrative appeal process and has no effect on MuniFin's normal business operations.

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 2025. The accounting policies can be found in the Consolidated Financial Statements in connection with the table corresponding to the Half Year Report. The Report includes a condensed consolidated interim financial information for the half year period ended 30 June 2026 and is to be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2025. 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 accounting principles and amendments of IFRS accounting standards applied on the reporting period* and *Changes in the presentation of Consolidated statement of cash flows*. 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.

1. Changes in the accounting principles and amendments of IFRS accounting standards applied on the reporting period

The Group has applied the following amendments to existing standards starting from 1 January 2026:

The Group has applied amendments to IFRS 9 *Financial instruments.* Amendmends will clarify and add further guidance regarding whether a financial asset meets the solely payments of principal and interest criteria. Amendments also relate to contracts referencing nature-dependent electricity. These amendments change the 'own use' and hedge accounting requirements of IFRS 9. 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 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. These amendments do not have an impact on MuniFin Group's Half Year Report.

The Group has also applied amendments to IFRS 7 *Financial instruments: Disclosures*. New disclosure requirements are published for financial instruments with features linked to the achievement of environmental, social and governance targets. Amendments will add required information in the Notes to the Financial Statement. Amendments do not have material impact on MuniFin Group's Financial Statements.

2. 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. The Group estimates that IFRS 18 may transfer items between the different categories in the income statement and cause changes in the aggregation and disaggregation of items in the income statement and balance sheet. In addition, the Group will publish management-defined performance disclosures.

3. Changes in the presentation of Consolidated statement of cash flows

During the financial year 2025, the Group updated the presentation of the cash flow statement as follows. The impact on the comparative period is presented in the table below.

Consolidated statement of cash flows (EUR 1,000)	Reference	Jan-Jun 2025	Adjustment	Adjusted Jan-Jun 2025
Cash flow from operating activities		**92,963**	**0**	**92,963**
Net change in long-term loans	i.	-1,343,108	-20,294	-1,363,402
Other income	ii.	20,859	20,294	41,153
Change in cash and cash equivalents		**17,599**	**0**	**17,599**
Cash and cash equivalents at 1 Jan		**7,838,383**	**0**	**7,838,383**
Cash and cash equivalents at 30 Jun		**7,855,982**	**0**	**7,855,982**

i.-ii. The Group has adjusted the presentation of sales in leasing contracts between line items *Net change in long-term loans* and *Other income* under *Cash flow from operating activities.* Figures have been revised for the comparative period.

4. Management judgement and estimates

Preparation of the Half Year Report in accordance with IFRS accounting standards requires the Group's management to make certain estimates or use judgement in the application of the accounting policies that affect the revenue, expenses, assets and liabilities presented in the Financial Statements. 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	Estimates
• The choice of valuation parameters and modelling techniques in order to derive the fair value of financial instruments.	• Judgement on which market parameters are observable.
• Determing 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.	• Applying the input data, assumptions and modelling techniques, 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* describes 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 item *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 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 in which may 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 consolidated profit and loss 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
• The Group's criteria for assessing if there has been a significant increase in credit risk.	• Estimates on macroeconomic variables and the results of sensitivity analysis are disclosed on Note *14 Credit risks of financial assets and other commitments*, in section *Forward-looking information.*
• The Group's internal credit scoring model, which assigns probabilities of default (*PD*) to the individual grades.	
• Development of ECL models, including the various formulas and the choice of inputs.	
• Determination of relationships between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values and their effect on PDs, EADs (*Exposures at Default*) and LGDs (*Loss Given Default*).	

Note 3. Interest income and expense

(EUR 1,000)	Jan–Jun 2026 Interest income	Interest expense	Net	Jan–Jun 2025 Interest income	Interest expense	Net
Assets						
Amortised cost						
Cash and balances with central banks	53,234	-	53,234	105,362	-	105,362
Loans and advances to credit institutions	17,548	-115	17,433	13,744	-49	13,695
Loans and advances to the public and public sector entities	460,348	-	460,348	473,118	-	473,118
, of which loan receivables	*442,428*	-	*442,428*	*453,397*	-	*453,397*
, of which property lease receivables	*17,920*	-	*17,920*	*19,720*	-	*19,720*
Debt securities	18,352	-	18,352	18,562	-	18,562
Other assets	7,984	-	7,984	10,486	-	10,486
Fair value through other comprehensive income						
Debt securities	11,032	-	11,032	8,134	-	8,134
Designated at fair value through profit or loss						
Loans and advances to the public and public sector entities	174	-	174	174	-	174
Debt securities	70,310	-	70,310	36,761	-	36,761
Mandatorily at fair value through profit or loss						
Loans and advances to the public and public sector entities	598	-	598	678	-	678
Fair value through profit or loss						
Derivative contracts at fair value through profit or loss	18,082	-18,578	-497	32,091	-14,942	17,149
Derivative contracts in hedge accounting	64,390	-	64,390	111,035	-	111,035
Finance lease agreements	2,667	-	2,667	3,313	-	3,313
Interest on non-financial other assets	0	-	0	1	-	1
Interest on assets	**724,719**	**-18,693**	**706,026**	**813,459**	**-14,991**	**798,469**
, of which interest income/expense according to the effective interest rate method	*632,888*	*-115*		*740,441*	*-49*	
, of which other interest income/expense	*91,831*	*-18,578*		*73,018*	*-14,942*	

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(EUR 1,000)	Jan–Jun 2026 Interest income	Jan–Jun 2026 Interest expense	Jan–Jun 2026 Net	Jan–Jun 2025 Interest income	Jan–Jun 2025 Interest expense	Jan–Jun 2025 Net
Liabilities						
Amortised cost						
Liabilities to credit institutions	-	-3,220	-3,220	-	-5,471	-5,471
Liabilities to the public and public sector entities	-	-15,060	-15,060	-	-16,523	-16,523
Debt securities issued	-	-506,789	-506,789	-	-434,967	-434,967
Other liabilities	-	-2,597	-2,597	-	-2,916	-2,916
Designated at fair value through profit or loss						
Liabilities to credit institutions	-	-1,667	-1,667	-	-1,175	-1,175
Liabilities to the public and public sector entities	-	-17,375	-17,375	-	-18,640	-18,640
Debt securities issued	-	-181,537	-181,537	-	-117,847	-117,847
Fair value through profit or loss						
Derivative contracts at fair value through profit or loss	90,229	-25,653	64576	72,039	-74,404	-2,365
Derivative contracts in hedge accounting	-	80,071	80,071	-	-74,560	-74,560
Interest on non-financial other liabilities	**-**	**-115**	**-115**	**-**	**-132**	**-132**
Interest on liabilities	**90,229**	**-673,941**	**-583,712**	**72,039**	**-746,636**	**-674,596**
, of which interest income/expense according to the effective interest rate method	-	*-447,594*		-	*-534,438*	
, of which other interest income/expense	*90,229*	*-226,347*		*72,039*	*-212,198*	
Total interest income and expense	**814,949**	**-692,634**	**122,314**	**885,499**	**-761,626**	**123,872**

In the above table, interest expenses on financial assets at amortised cost consisted of interest paid on cash collateral receivables. The derivative contracts under hedge accounting presented under assets are hedging line items *Loans and advances to the public and public sector entities* and *Finance lease agreements*. Interest income and expense, presented under assets, 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. In addition, this line item includes derivative contracts that are made to hedge currency risk arising from currency denominated cash collateral.

Interest income on stage 3 financial assets in the expected credit loss (*ECL*) calculations totalled EUR 5,125 thousand (EUR 3,729 thousand) during the reporting period. These are included in the line item *Loans and advances to the public and public sector entities.*

Derivative contracts in hedge accounting that are presented under liabilities, 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 on derivative contracts at fair value through profit or loss that is presented under liabilities, 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 on non-financial other liabilities includes EUR 115 thousand (EUR 132 thousand) of interest on lease liabilities recognised in accordance with IFRS 16 *Leases* standard.

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

Jan–Jun 2026 (EUR 1,000)	Capital gains and losses (net)	Unrealised fair value changes	Total
Financial assets			
Designated at fair value through profit or loss	-	-9,825	-9,825
Mandatorily at fair value through profit or loss	-	-165	-165
Financial liabilities			
Designated at fair value through profit or loss	-	-58,697	-58,697
Derivative contracts at fair value through profit or loss	812	80,675	81,487
Day 1 gain or loss	-	20	20
Net result on financial assets and liabilities through profit or loss	**812**	**12,008**	**12,820**
Net result from FX differences	**375**	**-39**	**336**
Net result from hedge accounting	**565**	**4,370**	**4,935**
Total	**375**	**16,339**	**18,091**

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 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**

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 2026	Carrying amount 30 Jun 2026	Nominal value 31 Dec 2025	Carrying amount 31 Dec 2025
Financial assets				
Loans and advances to the public and public sector entities	30,000	29,928	30,000	29,473
Debt securities	6,303,906	6,337,586	5,558,325	5,592,956
Total financial assets*	**6,333,906**	**6,367,514**	**5,588,325**	**5,622,429**
Financial liabilities				
Liabilities to credit institutions	114,000	113,042	79,000	77,400
Liabilities to the public and public sector entities	1,444,070	1,190,305	1,483,405	1,238,790
Debt securities issued	10,879,937	10,344,651	11,519,951	11,084,432
Total financial liabilities	**12,438,007**	**11,647,997**	**13,082,356**	**12,400,622**

* 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 2026 and 31 Dec 2025.

Change in fair value of financial assets designated at fair value through profit or loss (EUR 1,000)	30 Jun 2026	1 Jan 2026	Fair value change recognised in the income statement Jan–Jun 2026	, of which due to credit risk	, of which due to market risk
Financial assets					
Loans and advances to the public and public sector entities	-7,164	-7,616	452	18	434
Debt securities	-31,426	-21,149	-10,277	5,340	-15,617
Total financial assets	**-38,590**	**-28,765**	**-9,825**	**5,358**	**-15,183**

During the reporting period, the fair value change of debt securities was EUR -10,277 thousand (EUR 29,462 thousand). This change was influenced by an increase in EUR market rates and slight decrease in credit spreads. The impact on EUR market rates was negative where as the impact of decreased credit spreads was positive.

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**

Change in fair value of financial liabilities designated at fair value through profit or loss (EUR 1,000)	30 Jun 2026	1 Jan 2026	Fair value change recognised in the income statement Jan–Jun 2026	Change in own credit risk recognised in other comprehensive income Jan–Jun 2026	Total fair value change in Jan–Jun 2026
Financial liabilities					
Liabilities to credit institutions	1,351	2,184	-833	118	-715
Liabilities to the public and public sector entities	224,271	248,156	-23,886	-502	-24,387
Debt securities issued	516,541	550,519	-33,978	-11,395	-45,373
Total financial liabilities	**742,163**	**800,860**	**-58,697**	**-11,779**	**-70,475**

During the reporting period, the change in fair value of financial liabilities designated at fair value through profit or loss amounted to EUR -58,697 thousand (EUR 114,544 thousand). The change was primarily driven by the decline in long-term EUR market interest rates with maturities exceeding 10 years. The change in own credit risk amounted to EUR -11,779 thousand (EUR -32,367 thousand) during the reporting period. The change was affected by a decrease in the Group's funding costs due to a general decrease in market credit spreads.

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**

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 2026	Fair value change recognised in the income statement Jan–Jun 2026
Financial liabilities designated at fair value through profit or loss	742,163	-58,697
Derivative contracts at fair value through profit or loss hedging financial liabilities	-733,219	67,602
Net change in fair value	**8,944**	**8,906**

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

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**

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 2025 in Note *2 Risk Management principles and the Group's risk position.*

Hedge accounting 30 Jun 2026 (EUR 1,000)	Nominal value	Fair value hedge accounting total	Hedged item: lending receivables	Hedged item: lease and lending receivables and euro denominated debt	Hedged item: currency denominated debt
Assets					
Loans and advances to the public and public sector entities – Loans	10,222,511	9,704,986	9,650,060	54,926	-
Loans and advances to the public and public sector entities – Property lease receivables	368,593	362,416	-	362,416	-
Loans and advances to the public and public sector entities – Finance lease receivables	31,226	32,695	-	32,695	-
Total assets	**10,622,330**	**10,100,097**	**9,650,060**	**450,037**	**-**
Liabilities					
Liabilities to credit institutions	150,000	140,499	-	140,499	-
Liabilities to the public and public sector entities	978,710	944,331	-	944,331	-
Debt securities issued	38,028,097	37,185,038	-	19,449,687	17,735,351
Total liabilities	**39,156,807**	**38,269,868**	**-**	**20,534,517**	**17,735,351**

Hedge accounting 31 Dec 2025 (EUR 1,000)	Nominal value	Fair value hedge accounting total	Hedged item: lending receivables	Hedged item: lease and lending receivables and euro denominated debt	Hedged item: currency denominated debt
Assets					
Loans and advances to the public and public sector entities – Loans	10,506,527	9,957,100	9,901,678	55,422	-
Loans and advances to the public and public sector entities – Property lease receivables	383,862	377,923	-	377,923	-
Loans and advances to the public and public sector entities – Finance lease receivables	31,819	33,385	-	33,385	-
Total assets	**10,922,208**	**10,368,407**	**9,901,678**	**466,729**	**-**
Liabilities					
Liabilities to credit institutions	109,000	96,347	-	96,347	-
Liabilities to the public and public sector entities	1,099,710	1,075,749	-	1,075,749	-
Debt securities issued	35,679,523	35,110,255	-	18,419,609	16,690,646
Total liabilities	**36,888,233**	**36,282,351**	**-**	**19,591,704**	**16,690,646**

The figures presented in the following 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*.

Value of hedged risk (EUR 1,000)	30 Jun 2026	1 Jan 2026	Recognised in the income statement Jan–Jun 2026
Assets			
IAS 39 portfolio hedge accounting			
Loans and advances to the public and public sector entities	-551,888	-576,717	24,828
Derivative contracts in hedge accounting	583,596	615,184	-31,587
Accumulated fair value accrual from the termination of hedge accounting	-5,961	-6,107	146
IAS 39 portfolio hedge accounting, net	**25,747**	**32,360**	**-6,613**
IFRS 9 fair value hedge accounting			
Loans and advances to the public and public sector entities	-11,507	-11,358	-149
, of which loans	*-993*	*-1,093*	*100*
, of which property and finance lease receivables	*-10,514*	*-10,265*	*-248*
Derivative contracts in hedge accounting	9,494	9,312	182
IFRS 9 fair value hedge accounting, net	**-2,013**	**-2,046**	**34**
Liabilities			
IFRS 9 fair value hedge accounting			
Liabilities to credit institutions	11,932	13,555	-1,623
Liabilities to the public and public sector entities	41,603	39,688	1,915
Debt securities issued	936,166	761,349	174,816
Derivative contracts in hedge accounting	-989,552	-825,392	-164,159
IFRS 9 fair value hedge accounting, net	**149**	**-10,800**	**10,949**
Realised income	**565**	**-**	**565**
Total hedge accounting	**24,449**	**19,514**	**4,935**

Net result from hedge accounting from the reporting period was EUR 4,935 thousand (EUR -5,243 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**

The following table presents the impact of Cost-of-Hedging of cross currency derivatives on equity in the *Cost-of-Hedging reserve.*

Hedging impact on equity after taxes (EUR 1,000)	30 Jun 2026	1 Jan 2026	Impact on Cost-of-Hedging reserve
Cost-of-Hedging			
Derivative contracts in hedge accounting	12,409	18,679	-6,270
Total	**12,409**	**18,679**	**-6,270**

Hedging impact on equity after taxes (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**

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 2026 (EUR 1,000)

		Gains/losses attributable to the hedged risk		
Hedged item	**Hedging instruments**	**Hedged items**	**Hedging instruments**	**Hedge ineffectiveness**
Assets				
IAS 39 portfolio hedge accounting				
Fixed rate and revisable rate loans	Interest rate derivatives	-551,888	583,596	31,708
IFRS 9 fair value hedge accounting				
Structured lending	Interest rate derivatives	-993	803	-190
Fixed rate and revisable rate leased assets	Interest rate derivatives	-10,514	8,691	-1,823
Assets total		**-563,395**	**593,091**	**29,696**
Liabilities				
IFRS 9 fair value hedge accounting				
Financial liabilities denominated in EUR	Interest rate derivatives	890,230	-893,623	-3,393
Financial liabilities denominated in foreign currencies	Currency derivatives (Cross currency interest rate swaps) Interest rate derivatives	99,471	-95,929	3,543
Liabilities total		**989,701**	**-989,552**	**149**

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

Hedged item	Hedging instruments	Gains/losses attributable to the hedged risk: Hedged items	Gains/losses attributable to the hedged risk: Hedging instruments	Hedge ineffectiveness
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**

Note 6. Financial assets and liabilities

Financial assets 30 Jun 2026 (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	5,316,525	-	-	-	-	5,316,525	5,316,525
Loans and advances to credit institutions	1,418,297	-	-	-	-	1,418,297	1,418,297
Loans and advances to the public and public sector entities	38,465,027	-	29,928	19,726	-	38,514,681	40,556,551
, of which loan receivables	*37,035,496*	-	*29,928*	*19,726*	-	*37,085,150*	*39,068,604*
, of which property lease receivables	*1,429,531*	-	-	-	-	*1,429,531*	*1,487,947*
Debt securities	1,991,756	1,160,778	6,337,586	-	-	9,490,120	9,490,251
Derivative contracts at fair value through profit or loss	-	-	-	-	338,144	338,144	338,144
Derivative contracts in hedge accounting	-	-	-	-	1,085,769	1,085,769	1,085,769
Other assets	706,005	-	-	-	-	706,005	706,005
Total	**47,897,611**	**1,160,778**	**6,367,514**	**19,726**	**1,423,914**	**56,869,542**	**58,911,543**

Financial assets 31 Dec 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	5,169,257	-	-	-	-	5,169,257	5,169,257
Loans and advances to credit institutions	1,989,943	-	-	-	-	1,989,943	1,989,943
Loans and advances to the public and public sector entities	37,807,443	-	29,473	21,335	-	37,858,251	39,882,583
, of which loan receivables	*36,407,260*	-	*29,473*	*21,335*	-	*36,458,068*	*38,424,391*
, of which property lease receivables	*1,400,183*	-	-	-	-	*1,400,183*	*1,458,192*
Debt securities	1,895,434	572,874	5,592,956	-	-	8,061,264	8,061,646
Derivative contracts at fair value through profit or loss	-	-	-	-	283,343	283,343	283,343
Derivative contracts in hedge accounting	-	-	-	-	1,203,273	1,203,273	1,203,273
Other assets	803,833	-	-	-	-	803,833	803,833
Total	**47,665,910**	**572,874**	**5,622,429**	**21,335**	**1,486,616**	**55,369,164**	**57,393,877**

Financial liabilities 30 Jun 2026 (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	251,386	113,042	-	364,428	365,228
Liabilities to the public and public sector entities	944,331	1,190,305	-	2,134,636	2,143,614
Debt securities issued	38,822,417	10,344,651	-	49,167,068	49,265,452
Derivative contracts at fair value through profit or loss	-	-	1,121,360	1,121,360	1,121,360
Derivative contracts in hedge accounting	-	-	1,753,184	1,753,184	1,753,184
Other liabilities	219,466	-	-	219,466	219,466
Total	**40,237,601**	**11,647,997**	**2,874,544**	**54,760,142**	**54,868,304**

Financial liabilities 31 Dec 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	118,677	77,400	-	196,077	196,557
Liabilities to the public and public sector entities	1,075,749	1,238,790	-	2,314,539	2,324,328
Debt securities issued	36,042,597	11,084,432	-	47,127,029	47,134,838
Derivative contracts at fair value through profit or loss	-	-	1,359,406	1,359,406	1,359,406
Derivative contracts in hedge accounting	-	-	2,008,951	2,008,951	2,008,951
Other liabilities	256,330	-	-	256,330	256,330
Total	**37,493,353**	**12,400,622**	**3,368,357**	**53,262,331**	**53,280,410**

Note 7. Fair values of financial assets and liabilities

Initial recognition

The best evidence of the fair value of a financial instrument on initial recognition is usually the transaction price. If the fair value on initial recognition differs from the transaction price and the fair value is determined based on unobservable inputs with significant impact on valuation, then the financial instrument is initially measured at fair value and adjusted by 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 following table.

Day 1 gain or loss (EUR 1,000)	Jan–Jun 2026	Jan–Dec 2025
Opening balance in the beginning of the reporting period	-268	-309
Recognised in the income statement during the year	20	41
Total at the end of the reporting period	**-247**	**-268**

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.

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 e.g. with FX structures due to the impact of the utilisation of inputs 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. The Group's equity-linked instruments are matured.

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.

The following table presents financial instruments by the level of the fair value hierarchy into which the fair value measurement is categorised.

Financial assets 30 Jun 2026 (EUR 1,000)		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
At fair value					
Fair value through other comprehensive income					
Debt securities	1,160,778	975,850	184,928	-	1,160,778
Designated at fair value through profit or loss					
Loans and advances to the public and public sector entities	29,928	-	29,928	-	29,928
Debt securities	6,337,586	6,269,959	67,626	-	6,337,586
Mandatorily at fair value through profit or loss					
Loans and advances to the public and public sector entities	19,726	-	-	19,726	19,726
Fair value through profit or loss					
Derivative contracts at fair value through profit or loss	338,144	-	337,182	962	338,144
Derivative contracts in hedge accounting	1,085,769	-	1,083,758	2,011	1,085,769
Total at fair value	**8,971,931**	**7,245,809**	**1,703,422**	**22,700**	**8,971,931**
In fair value hedge accounting					
Amortised cost					
Loans and advances to the public and public sector entities	10,067,401	-	10,499,501	-	10,499,501
, of which loan receivables	*9,704,986*	-	*10,119,687*	-	*10,119,687*
, of which property lease receivables	*362,416*	-	*379,814*	-	*379,814*
Total in fair value hedge accounting	**10,067,401**	**-**	**10,499,501**	**-**	**10,499,501**
At amortised cost					
Cash and balances with central banks	5,316,525	5,316,525	-	-	5,316,525
Loans and advances to credit institutions	1,418,297	319,208	1,099,089	-	1,418,297
Loans and advances to the public and public sector entities	28,397,625	-	30,007,396	-	30,007,396
, of which loan receivables	*27,330,511*	-	*28,899,263*	-	*28,899,263*
, of which property lease receivables	*1,067,115*	-	*1,108,133*	-	*1,108,133*
Debt securities	1,991,756	-	1,991,887	-	1,991,887
Other assets	706,005	-	706,005	-	706,005
Total at amortised cost	**37,830,209**	**5,635,734**	**33,804,377**	**-**	**39,440,111**
Total financial assets	**56,869,542**	**12,881,543**	**46,007,300**	**22,700**	**58,911,543**

Financial liabilities 30 Jun 2026 (EUR 1,000)	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
At fair value					
Designated at fair value through profit or loss					
Liabilities to credit institutions	113,042	-	113,042	-	113,042
Liabilities to the public and public sector entities	1,190,305	-	1,160,032	30,273	1,190,305
Debt securities issued	10,344,651	-	10,218,193	126,459	10,344,651
Fair value through profit or loss					
Derivative contracts at fair value through profit or loss	1,121,360	-	1,036,399	84,961	1,121,360
Derivative contracts in hedge accounting	1,753,184	-	1,720,737	32,446	1,753,184
Total at fair value	**14,522,541**	**-**	**14,248,403**	**274,138**	**14,522,541**
In fair value hedge accounting					
Amortised cost					
Liabilities to credit institutions	140,499	-	141,299	-	141,299
Liabilities to the public and public sector entities	944,331	-	953,309	-	953,309
Debt securities issued*	37,185,038	-	37,077,083	206,339	37,283,422
Total in fair value hedge accounting	**38,269,868**	**-**	**38,171,691**	**206,339**	**38,378,030**
At amortised cost					
Liabilities to credit institutions	110,887	-	110,887	-	110,887
Debt securities issued	1,637,379	-	1,637,379	-	1,637,379
Other liabilities	219,466	-	219,466	-	219,466
Total at amortised cost	**1,967,733**	**-**	**1,967,733**	**-**	**1,967,733**
Total financial liabilities	**54,760,142**	**-**	**54,387,827**	**480,478**	**54,868,304**

* 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.

Financial assets 31 Dec 2025 (EUR 1,000)	Carrying amount	Fair value Level 1	Fair value Level 2	Fair value Level 3	Fair value Total
At fair value					
Fair value through other comprehensive income					
Debt securities	572,874	487,309	85,566	-	572,874
Designated at fair value through profit or loss					
Loans and advances to the public and public sector entities	29,473	-	29,473	-	29,473
Debt securities	5,592,956	5,540,476	52,479	-	5,592,956
Mandatorily at fair value through profit or loss					
Loans and advances to the public and public sector entities	21,335	-	-	21,335	21,335
Fair value through profit or loss					
Derivative contracts at fair value through profit or loss	283,343	-	282,834	509	283,343
Derivative contracts in hedge accounting	1,203,273	-	1,203,273	-	1,203,273
Total at fair value	**7,703,254**	**6,027,785**	**1,653,625**	**21,844**	**7,703,254**
In fair value hedge accounting					
Amortised cost					
Loans and advances to the public and public sector entities	10,335,023	-	10,760,883	-	10,760,883
, of which loan receivables	*9,957,100*	-	*10,365,154*	-	*10,365,154*
, of which property lease receivables	*377,923*	-	*395,729*	-	*395,729*
Total in fair value hedge accounting	**10,335,023**	**-**	**10,760,883**	**-**	**10,760,883**
At amortised cost					
Cash and balances with central banks	5,169,257	5,169,257	-	-	5,169,257
Loans and advances to credit institutions	1,989,943	412,885	1,577,058	-	1,989,943
Loans and advances to the public and public sector entities	27,472,420	-	29,070,891	-	29,070,891
, of which loan receivables	*26,450,159*	-	*28,008,428*	-	*28,008,428*
, of which property lease receivables	*1,022,261*	-	*1,062,463*	-	*1,062,463*
Debt securities	1,895,434	-	1,895,815	-	1,895,815
Other assets	803,833	-	803,833	-	803,833
Total at amortised cost	**37,330,887**	**5,582,142**	**33,347,598**	**-**	**38,929,740**
Total financial assets	**55,369,164**	**11,609,927**	**45,762,106**	**21,844**	**57,393,877**

Financial liabilities 31 Dec 2025 (EUR 1,000)	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
At fair value					
Designated at fair value through profit or loss					
Liabilities to credit institutions	77,400	-	77,400	-	77,400
Liabilities to the public and public sector entities	1,238,790	-	1,203,983	34,808	1,238,790
Debt securities issued	11,084,432	-	10,955,634	128,798	11,084,432
Fair value through profit or loss					
Derivative contracts at fair value through profit or loss	1,359,406	-	1,265,710	93,695	1,359,406
Derivative contracts in hedge accounting	2,008,951	-	1,976,470	32,481	2,008,951
Total at fair value	**15,768,979**	**-**	**15,479,197**	**289,782**	**15,768,979**
In fair value hedge accounting					
Amortised cost					
Liabilities to credit institutions	96,347	-	96,827	-	96,827
Liabilities to the public and public sector entities	1,075,749	-	1,085,538	-	1,085,538
Debt securities issued	35,110,255	-	34,928,918	189,147	35,118,064
Total in fair value hedge accounting	**36,282,351**	**-**	**36,111,283**	**189,147**	**36,300,429**
At amortised cost					
Liabilities to credit institutions	22,330	-	22,330	-	22,330
Debt securities issued	932,342	-	932,342	-	932,342
Other liabilities	256,330	-	256,330	-	256,330
Total at amortised cost	**1,211,002**	**-**	**1,211,002**	**-**	**1,211,002**
Total financial liabilities	**53,262,331**	**-**	**52,801,481**	**478,929**	**53,280,410**

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 financial statement 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 financial statement date. Furthermore, the disclosure is neither predictive nor indicative of future movements in the fair value of financial instruments.

Estimates of fair value are appropriate and applied according to the Group's valuation policy but 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 2026, these assumptions could have increased fair values by EUR 7.1 million (EUR 6.4 million) or decreased fair values by EUR 7.1 million (EUR 6.4 million).

Sensitivity analysis of unobservable inputs 30 Jun 2026 (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	19,726	Stochastic model	Volatility – Extrapolated or Illiquid	2	1
Derivative contracts					
FX-linked cross currency and interest rate derivatives	-10,344	Stochastic model	Correlation parameters	24	-17
			Volatility – Extrapolated or Illiquid	512	-558
			Interest rates – Extrapolated or Illiquid	-	-
Other interest rate derivatives	-104,090	Stochastic model	Correlation parameters	0	0
			Volatility – Extrapolated or Illiquid	2,935	-3,271
			Interest rates – Extrapolated or Illiquid	634	-634
Debt securities issued and Liabilities to the public and public sector entities					
FX-linked liabilities	52,483	Stochastic model	Correlation parameters	24	-34
			Volatility – Extrapolated or Illiquid	446	-435
			Interest rates – Extrapolated or Illiquid	-	-
Other liabilities	310,587	Stochastic model	Correlation parameters	0	0
			Volatility – Extrapolated or Illiquid	2,495	-2,107
			Interest rates – Extrapolated or Illiquid	-	-
Total	**268,362**			**7,072**	**-7,055**

Sensitivity analysis of significant unobservable inputs by instrument type 31 Dec 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	21,335	Stochastic model	Volatility – Extrapolated or Illiquid	0	0
Derivative contracts					
FX-linked cross currency and interest rate derivatives	-9,715	Stochastic model	Correlation parameters	71	-67
			Volatility – Extrapolated or Illiquid	658	-576
			Interest rates – Extrapolated or Illiquid	-	-
Other interest rate derivatives	-115,953	Stochastic model	Correlation parameters	1	0
			Volatility – Extrapolated or Illiquid	2,485	-2,871
			Interest rates – Extrapolated or Illiquid	525	-525
Debt securities issued and Liabilities to the public and public sector entities					
FX-linked liabilities	58,589	Stochastic model	Correlation parameters	38	-32
			Volatility – Extrapolated or Illiquid	446	-577
			Interest rates – Extrapolated or Illiquid	-	-
Other liabilities	294,163	Stochastic model	Correlation parameters	0	0
			Volatility – Extrapolated or Illiquid	2,170	-1,775
			Interest rates – Extrapolated or Illiquid	-	-
Total	**248,420**			**6,393**	**-6,423**

Transfers in the fair value hierarchy

During Jan–Jun 2026, transfers totalling EUR 114,419 thousand have been made from level 1 to level 2. During Jan–Jun 2026, there were no transfers from level 2 to level 3.

Level 3 transfers 2026 (EUR 1,000)	1 Jan 2026	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 out of level 3	30 Jun 2026
Financial assets									
At fair value									
Mandatorily at fair value through profit or loss									
Loans and advances to the public and public sector entities	21,335	-	-1,200	-	-	-410	-	-	19,726
Fair value through profit or loss									
Derivative contracts at fair value through profit or loss	509	-3	453	-	-	-	3	-	962
Derivative contracts in hedge accounting	-	-	-	-	2,011	-	-	-	2,011
Financial assets in total	**21,844**	**-3**	**-746**	**-**	**2,011**	**-410**	**3**	**-**	**22,700**

Level 3 transfers 2026 (EUR 1,000)	1 Jan 2026	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 out of level 3	30 Jun 2026
Financial liabilities									
At fair value									
Designated at fair value through profit or loss									
Liabilities to the public and public sector entities	34,808	-771	888	-71	-	-	771	-5,353	30,273
Debt securities issued	128,798	-1,741	56	-211	-	-2,185	1,741	-	126,459
Fair value through profit or loss									
Derivative contracts at fair value through profit or loss	93,695	143	-3,639	-	-	-1,019	-143	-4,076	84,961
Derivative contracts in hedge accounting	32,481	3,465	4,781	906	-	-	-3,465	-5,723	32,446
In fair value hedge accounting									
Amortised cost									
Debt securities issued	189,147	-3,854	-3,834	-	54,239	-	3,854	-33,212	206,339
Financial liabilities in total	**478,929**	**-2,758**	**-1,748**	**625**	**54,239**	**-3,203**	**2,758**	**-48,363**	**480,478**
Level 3 financial assets and liabilities in total	**500,773**	**-2,761**	**-2,494**	**625**	**56,250**	**-3,613**	**2,761**	**-48,363**	**503,177**

During 2025, transfers totalling EUR 352,290 thousand have been made from level 2 to level 1 in the line item *Debt securities*. During 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 out of level 3	31 Dec 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	-	-3,701	-	-	-	-	-	21,335
Fair value through profit or loss									
Derivative contracts at fair value through profit or loss	6,331	-14	-4,510	-	-	-1,312	14	-	509
Derivative contracts in hedge accounting	934	-	-739	-	-	-	-	-195	0
Financial assets in total	**32,301**	**-14**	**-8,950**	**-**	**-**	**-1,312**	**14**	**-195**	**21,844**

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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 out of level 3	31 Dec 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	-6,704	1,149	-	-	901	-	34,808
Debt securities issued	195,529	-3,374	-27,501	4,071	-	-23,400	3,374	-19,901	128,798
Fair value through profit or loss									
Derivative contracts at fair value through profit or loss	86,447	-1,075	29,234	-	-	-9,664	1,075	-12,321	93,695
Derivative contracts in hedge accounting	6,636	3,765	29,317	-58	-	-	-3,765	-3,414	32,481
In fair value hedge accounting									
Amortised cost									
Debt securities issued	289,415	-9,642	-23,819	-	-	-	9,642	-76,450	189,147
Financial liabilities in total	**618,390**	**-11,226**	**528**	**5,162**	**-**	**-33,065**	**11,226**	**-112,086**	**478,929**
Level 3 financial assets and liabilities in total	**650,691**	**-11,240**	**-8,423**	**5,162**	**-**	**-34,376**	**11,240**	**-112,281**	**500,773**

Note 8. Breakdown of financial assets and liabilities by maturity

Breakdown of financial assets and liabilities by maturity is presented using carrying amounts and future interest payments translated into euros using reporting periods foreign exchange rates. Financial liabilities containing a call option are shown in the maturity bucket of the next call date. Line item *Liabilities to credit institutions* contains CSA collateral totalling EUR 110,887 thousand (EUR 22,330 thousand). These are presented in the maturity bucket 0–3 months although their outflow date is not known and is dependent on the development of derivative fair values. As of the balance sheet date, the Group had off-balance sheet credit commitments totalling EUR 2,339,212 thousand (EUR 2,430,658 thousand), classified in the maturity bucket of 0–3 months.

Financial assets 30 Jun 2026 (EUR 1,000)	0–3 months	3–12 months	1–5 years	5–10 years	Over 10 years	Total	Total carrying amount
Cash and balances with central banks	5,316,525	-	-	-	-	5,316,525	5,316,525
Loans and advances to credit institutions	1,311,346	89,811	19,068	-	-	1,420,225	1,418,297
Loans and advances to the public and public sector entities	753,155	2,641,182	12,738,628	12,848,782	25,984,683	54,966,430	38,514,681
, of which loan receivables	*730,859*	*2,571,091*	*12,381,601*	*12,387,684*	*24,891,765*	*52,963,000*	*37,085,150*
, of which property lease receivables	*22,296*	*70,091*	*357,027*	*461,098*	*1,092,917*	*2,003,430*	*1,429,531*
Debt securities	1,896,350	1,896,060	4,592,433	1,698,734	87,183	10,170,760	9,490,120
Other assets	706,005	-	-	-	-	706,005	706,005
Total	**9,983,382**	**4,627,053**	**17,350,129**	**14,547,516**	**26,071,866**	**72,579,945**	**55,445,628**

Financial assets 31 Dec 2025 (EUR 1,000)	0–3 months	3–12 months	1–5 years	5–10 years	Over 10 years	Total	Total carrying amount
Cash and balances with central banks	5,169,257	-	-	-	-	5,169,257	5,169,257
Loans and advances to credit institutions	1,935,588	39,019	17,402	-	-	1,992,009	1,989,943
Loans and advances to the public and public sector entities	757,266	2,537,815	12,352,362	12,973,288	25,873,114	54,493,844	37,858,251
, of which loan receivables	*736,408*	*2,476,350*	*12,011,497*	*12,519,714*	*24,758,184*	*52,502,153*	*36,458,068*
, of which property lease receivables	*20,858*	*61,465*	*340,865*	*453,574*	*1,114,929*	*1,991,691*	*1,400,183*
Debt securities	1,894,667	948,191	4,256,279	1,526,845	-	8,625,982	8,061,264
Other assets	803,833	-	-	-	-	803,833	803,833
Total	**10,560,610**	**3,525,025**	**16,626,043**	**14,500,133**	**25,873,114**	**71,084,925**	**53,882,548**

Financial liabilities 30 Jun 2026 (EUR 1,000)	0–3 months	3–12 months	1–5 years	5–10 years	Over 10 years	Total	Total carrying amount
Liabilities to credit institutions	111,705	22,136	188,057	23,859	60,239	405,996	364,428
Liabilities to the public and public sector entities	17,159	219,965	673,611	942,672	634,141	2,487,547	2,134,636
Debt securities issued	5,218,828	6,354,950	32,706,001	7,753,518	931,718	52,965,015	49,167,068
Other liabilities	219,809	972	4,670	197	-	225,649	225,649
, of which lease liabilities	*343*	*972*	*4,670*	*197*	-	*6,182*	*6,182*
Total	**5,567,502**	**6,598,022**	**33,572,338**	**8,720,246**	**1,626,098**	**56,084,207**	**51,891,781**

Financial liabilities 31 Dec 2025 (EUR 1,000)	0–3 months	3–12 months	1–5 years	5–10 years	Over 10 years	Total	Total carrying amount
Liabilities to credit institutions	58,945	5,200	134,064	26,375	27,569	252,154	196,077
Liabilities to the public and public sector entities	348,248	107,610	819,394	715,446	696,682	2,687,380	2,314,539
Debt securities issued	7,356,227	4,950,694	30,196,403	6,982,563	880,449	50,366,335	47,127,029
Other liabilities	256,665	946	4,557	781	-	262,948	262,948
, of which lease liabilities	*335*	*946*	*4,557*	*781*	-	*6,618*	*6,618*
Total	**8,020,086**	**5,064,449**	**31,154,418**	**7,725,164**	**1,604,700**	**53,568,817**	**49,900,593**

The interest cash flows of derivative receivables and liabilities are presented on a net basis for those derivative contracts where the counterparty is a central counterparty. For other counterparties, the interest cash flows are presented on a gross basis. The interest cash flows in the previous table have been calculated using exchange rates and interest rates prevailing at the balance sheet date. Future interest rates for floating rate legs are based on forward curves. Derivatives containing a call option are shown in the maturity bucket of the next call date.

Breakdown of derivative contracts by maturity 30 Jun 2026 (EUR 1,000)	0–3 months	3–12 months	1–5 years	5–10 years	over 10 years	Total	Total carrying amount
Net settled							
Derivative assets	1,022	15,617	293,293	220,428	221,745	**752,105**	**869,057**
Cash flows related to interest	85,553	126,756	534,896	125,736	60,430	**933,370**	
Gross settled							
Derivative assets	45,468	58,991	235,998	40,121	61,130	**441,708**	**554,857**
Interest flows related to pay leg	-75,242	-232,990	-767,000	-155,856	-27,790	**-1,258,879**	
Interest flows related to receive leg	117,520	344,145	1,128,926	109,609	37,283	**1,737,482**	
Net settled							
Derivative liabilities	-462	-14,236	-402,273	-600,676	-118,590	**-1,136,238**	**-1,217,576**
Cash flows related to interest	-92,335	-166,247	-713,702	-289,986	-75,798	**-1,338,069**	
Gross settled							
Derivative liabilities	-61,302	-359,160	-867,931	-219,941	-232,320	**-1,740,653**	**-1,656,967**
Interest flows related to pay leg	-107,962	-339,684	-844,043	-392,260	-223,637	**-1,907,586**	
Interest flows related to receive leg	127,441	422,155	776,972	162,771	103,555	**1,592,893**	

Breakdown of derivative contracts by maturity 31 Dec 2025 (EUR 1,000)	0–3 months	3–12 months	1–5 years	5–10 years	over 10 years	Total	Total carrying amount
Net settled							
Derivative assets	461	6,861	301,428	334,982	255,021	**898,753**	**993,901**
Cash flows related to interest	55,767	157,664	613,686	174,609	75,784	**1,077,510**	
Gross settled							
Derivative assets	107,012	8,563	169,384	17,502	83,054	**385,515**	**492,715**
Interest flows related to pay leg	-50,152	-112,985	-324,038	-63,556	-33,016	**-583,746**	
Interest flows related to receive leg	122,755	183,761	514,018	83,853	65,685	**970,072**	
Net settled							
Derivative liabilities	-9,720	-20,810	-250,115	-762,894	-129,158	**-1,172,698**	**-1,225,957**
Cash flows related to interest	-54,237	-170,378	-695,080	-351,900	-93,237	**-1,364,832**	
Gross settled							
Derivative liabilities	-177,170	-144,734	-1,399,775	-252,280	-285,857	**-2,259,817**	**-2,142,400**
Interest flows related to pay leg	-111,578	-305,201	-971,433	-438,486	-293,525	**-2,120,223**	
Interest flows related to receive leg	181,098	393,476	1,010,780	195,381	127,212	**1,907,947**	

Note 9. Cash and cash equivalents

Cash and cash equivalents (EUR 1,000)	30 Jun 2026	31 Dec 2025
Cash	2	2
Deposits with central banks	5,316,523	5,169,255
Cash and balances with central banks	**5,316,525**	**5,169,257**
Loans and advances to credit institutions, payable on demand	33,751	43,415
Total cash and cash equivalents	**5,350,276**	**5,212,672**

Note 10. Finance lease receivables

Breakdown of finance lease receivables by maturity (EUR 1,000)	30 Jun 2026	31 Dec 2025
0–12 months	85,516	87,961
1–2 years	47,549	46,965
2–3 years	37,279	41,310
3–4 years	25,967	26,105
4–5 years	18,124	18,707
Over 5 years	13,710	17,678
Future cashflows	228,145	238,725
Unearned finance income (-)	-13,949	-14,133
Carrying amount	**214,196**	**224,591**

Interest income from finance lease receivables is presented in Note *3 Interest income and expenses* on row *Finance lease contracts*. During the reporting period 2026 and in 2025, there were no capital gains or losses from finance lease agreements.

Note 11. Other assets

(EUR 1,000)	30 Jun 2026	31 Dec 2025
Invoiced leasing payments	23,392	24,115
Given cash collateral to CCPs	706,005	803,833
Other	1,974	3,536
Total	**731,371**	**831,484**

The Group did not have receivables related to payment transfers as at 30 Jun 2026 or at 31 Dec 2025.

Note 12. Derivative contracts

	Nominal value of underlying instrument					
	Remaining maturity				Fair value	
30 Jun 2026 (EUR 1,000)	Less than 1 year	1–5 years	Over 5 years	Total	Positive	Negative
Derivative contracts in hedge accounting						
Interest rate derivatives						
Interest rate swaps	2,743,066	21,301,347	14,418,488	38,462,900	755,286	-1,157,452
, of which cleared by the central counterparty	*2,730,323*	*21,288,847*	*13,794,639*	*37,813,809*	*725,073*	*-1,107,693*
Currency derivatives						
Cross currency interest rate swaps	3,629,955	13,098,048	1,024,516	17,752,519	330,483	-595,731
Total derivative contracts in hedge accounting	**6,373,020**	**34,399,395**	**15,443,004**	**56,215,419**	**1,085,769**	**-1,753,184**
Derivative contracts at fair value through profit or loss						
Interest rate derivatives						
Interest rate swaps	12,985,767	11,364,331	5,889,980	30,240,077	198,695	-958,398
, of which cleared by the central counterparty	*11,986,877*	*8,212,163*	*2,641,946*	*22,840,986*	*139,673*	*-82,625*
Currency derivatives						
Cross currency interest rate swaps	1,295,524	3,546,796	464,240	5,306,559	128,630	-162,602
Forward exchange contracts	1,886,987	-	-	1,886,987	10,819	-361
Equity derivatives	-	-	-	-	-	-
Total derivative contracts at fair value through profit or loss	**16,168,277**	**14,911,126**	**6,354,219**	**37,433,623**	**338,144**	**-1,121,360**
Total derivative contracts	**22,541,298**	**49,310,522**	**21,797,223**	**93,649,042**	**1,423,914**	**-2,874,544**

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. In addition, this line item includes derivative contracts that are made to hedge currency risk arising from currency denominated cash collateral

	Nominal value of underlying instrument					
	Remaining maturity				Fair value	
31 Dec 2025 (EUR 1,000)	Less than 1 year	1–5 years	Over 5 years	Total	Positive	Negative
Derivative contracts in hedge accounting						
Interest rate derivatives						
Interest rate swaps	3,220,780	18,769,216	16,068,885	38,058,880	883,575	-1,166,959
, of which cleared by the central counterparty	*3,185,280*	*18,752,851*	*15,435,987*	*37,374,118*	*854,731*	*-1,143,740*
Currency derivatives						
Cross currency interest rate swaps	3,297,394	12,388,102	754,571	16,440,067	319,697	-841,992
Total derivative contracts in hedge accounting	**6,518,174**	**31,157,318**	**16,823,456**	**54,498,947**	**1,203,273**	**-2,008,951**
Derivative contracts at fair value through profit or loss						
Interest rate derivatives						
Interest rate swaps	9,840,177	12,067,683	5,567,231	27,475,091	231,688	-1,050,133
, of which cleared by the central counterparty	*8,301,061*	*9,141,785*	*2,464,314*	*19,907,159*	*139,170*	*-82,217*
Currency derivatives						
Cross currency interest rate swaps	1,245,445	3,244,298	47,622	4,537,365	47,598	-290,276
Forward exchange contracts	3,337,001	-	-	3,337,001	4,056	-18,997
Equity derivatives	-	-	-	-	-	-
Total derivative contracts at fair value through profit or loss	**14,422,624**	**15,311,981**	**5,614,853**	**35,349,458**	**283,343**	**-1,359,406**
Total derivative contracts	**20,940,798**	**46,469,298**	**22,438,309**	**89,848,405**	**1,486,616**	**-3,368,357**

Note 13. Changes in intangible and tangible assets

	Intangible assets	Tangible assets		
Jan–Jun 2026 (EUR 1,000)	**Total IT-systems**	**Other tangible assets**	**Right-of-use assets**	**Total**
Acquisition cost 1 Jan	27,311	5,538	8,532	14,071
+ Additions	421	171	241	412
- Disposals	-	-	-236	-236
Acquisition cost 30 Jun	27,732	5,710	8,537	14,247
Accumulated depreciation and impairment charges 1 Jan	26,474	3,070	2,060	5,130
- Accumulated depreciation on disposals	-	-	-236	-236
+ Depreciation for the period	452	373	713	1,085
Accumulated depreciation and impairment charges 30 Jun	26,927	3,443	2,537	5,979
Carrying amount 30 Jun	**805**	**2,267**	**6,001**	**8,268**

	Intangible assets	Tangible assets		
Jan–Dec 2025 (EUR 1,000)	Total IT-systems	Other tangible assets	Right-of-use assets	Total
Acquisition cost 1 Jan	29,253	7,134	8,532	15,665
+ Additions	106	2,350	369	2,719
- Disposals	-2,048	-3,945	-368	-4,314
Acquisition cost 31 Dec	27,311	5,538	8,532	14,071
Accumulated depreciation and impairment charges 1 Jan	26,533	6,445	984	7,429
- Accumulated depreciation on disposals	-2,048	-3,945	-340	-4,285
+ Depreciation for the period	1,989	570	1,416	1,986
Accumulated depreciation and impairment charges 31 Dec	26,474	3,070	2,060	5,130
Carrying amount 31 Dec	**836**	**2,468**	**6,472**	**8,941**

Note 14. Credit risks of financial assets and other commitments

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*			
30 Jun 2026 (EUR 1,000)	Gross carrying amount	12-month ECL	Gross carrying amount	Lifetime ECL	Gross carrying amount	Lifetime ECL	Gross carrying amount	Expected credit losses
Cash and balances with central banks at amortised cost	5,316,525	0	-	-	-	-	5,316,525	0
Loans and advances to credit institutions at amortised cost	1,418,378	-81	-	-	-	-	1,418,378	-81
Loans and advances to the public and public sector entities at amortised cost	34,314,331	-175	2,285,246	-2,664	439,302	-543	37,038,878	-3,382
Leased assets in Loans and advances to the public and public sector entities at amortised cost	1,631,620	-10	11,959	-1	158	0	1,643,737	-11
Debt securities at amortised cost	1,991,265	-3	494	0	-	-	1,991,759	-3
Debt securities at fair value through other comprehensive income	1,160,778	-62	-	-	-	-	1,160,778	-62
Cash collateral to CCPs in Other assets at amortised cost	706,009	-4	-	-	-	-	706,009	-4
Credit commitments (off-balance sheet)	2,266,863	-15	72,349	-3	-	-	2,339,212	-18
Total	**48,805,769**	**-349**	**2,370,048**	**-2,667**	**439,459**	**-543**	**51,615,276**	**-3,559**

* The Group has collateral and guarantee arrangements that fully cover the stage 3 receivables as described in the Consolidated Financial Statements 2025 in *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 939 thousand (EUR 2,286 thousand) of originated credit impaired receivables *(Purchased or Originated Credit Impaired, POCI)*. Expected credit losses for the POCI receivables amount to EUR 1 thousand (EUR 2 thousand).

During the reporting period, stage 3 receivables decreased, mainly due to the realisation of collaterals related to stage 3 receivables and the completion of application process for supplementary guarantee compensation. The amount of new non-performing loans remained moderate during the reporting period.

Exposures by asset groups and impairment stages	Not credit-impaired				Credit-impaired		Total	
	Stage 1		Stage 2		Stage 3			
31 Dec 2025 (EUR 1,000)	Gross carrying amount	12-month ECL	Gross carrying amount	Lifetime ECL	Gross carrying amount	Lifetime ECL	Gross carrying amount	Expected credit losses
Cash and balances with central banks at amortised cost	5,169,257	0	-	-	-	-	5,169,257	0
Loans and advances to credit institutions at amortised cost	1,990,039	-96	-	-	-	-	1,990,039	-96
Loans and advances to the public and public sector entities at amortised cost	33,772,455	-153	2,184,392	-2,648	453,869	-655	36,410,716	-3,456
Leased assets in Loans and advances to the public and public sector entities at amortised cost	1,613,040	-10	11,577	-1	168	0	1,624,785	-10
Debt securities at amortised cost	1,892,658	-2	2,778	0	-	-	1,895,436	-2
Debt securities at fair value through other comprehensive income	572,874	-54	-	-	-	-	572,874	-54
Cash collateral to CCPs in Other assets at amortised cost	803,838	-5	-	-	-	-	803,838	-5
Credit commitments (off-balance sheet)	2,333,463	-13	97,195	-5	-	-	2,430,658	-19
Total	**48,147,625**	**-333**	**2,295,941**	**-2,654**	**454,036**	**-655**	**50,897,602**	**-3,642**

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	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
(EUR 1,000)	12-month ECL	Lifetime ECL	Lifetime ECL	ECL
Opening balance 1 Jan 2026	**-333**	**-2,654**	**-655**	**-3,642**
New assets originated or purchased	-61	-97	-25	-183
Assets derecognised or repaid (excluding write-offs)	75	276	144	495
Transfers to Stage 1	0	140	-	140
Transfers to Stage 2	1	-324	-	-323
Transfers to Stage 3	-	7	-6	1
Additional provision *(Management overlay)*	-	-5	-	-5
Changes to inputs* used for ECL calculations	-30	-10	-1	-41
Total 30 Jun 2026	**-349**	**-2,667**	**-543**	**-3,559**

* MuniFin Group has updated in the first half of 2026 the macro scenarios to take into account forward-looking information. The expected credit losses decreased by EUR 41 thousand due to changes made in parameters during the reporting period.

At the end of June 2026, the Group's management estimated that some customers in the housing sector may still experience difficulties in the sufficiency of cash flows due to, among other things, oversupply, elevated underutilisation of the premises and the interest rates that have risen again since the beginning of the year. This could manifest in increased payment delays and forbearances for the Group although the number of both new non-performing loans and payment delays has been moderate during the first half of the year. The Group's management assessed the need for additional discretionary provision based on a group-specific assessment, and recognised a need to increase the provision by EUR 5 thousand to EUR 247 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 contract level.

The total credit risk of 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. At 30 June 2026, MuniFin Group had EUR 123,095 thousand (EUR 132,620 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	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
(EUR 1,000)	12-month ECL	Lifetime ECL	Lifetime ECL	ECL
Opening balance 1 Jan 2025	**-280**	**-2,105**	**-316**	**-2,701**
New assets originated or purchased	-136	-445	-173	-754
Assets derecognised or repaid (excluding write-offs)	87	487	93	667
Transfers to Stage 1	-1	133	-	132
Transfers to Stage 2	2	-548	-	-546
Transfers to Stage 3	0	73	-257	-184
Additional provision *(Management overlay)*	-	-242	-	-242
Changes to models and inputs used for ECL calculations	-5	-7	-1	-14
Total 31 Dec 2025	**-333**	**-2,654**	**-655**	**-3,642**

The following table presents the reconciliation of the expected credit losses by impairment stages from the opening balance sheet to the end of the reporting period for the asset group that forms the most substantial part of the expected credit losses on the balance sheet date. For the other asset groups expected credit losses have not changed significantly during the reporting period and have been at an immaterial level throughout the period.

Expected credit losses on Loans and advances to the public and public sector entities at amortised cost by impairment stages	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
(EUR 1,000)	12-month ECL	Lifetime ECL	Lifetime ECL	ECL
Opening balance 1 Jan 2026	**-153**	**-2,648**	**-655**	**-3,456**
New assets originated or purchased	-4	-97	-25	-126
Assets derecognised or repaid (excluding write-offs)	3	273	144	420
Transfers to Stage 1	0	140	-	140
Transfers to Stage 2	1	-324	-	-323
Transfers to Stage 3	-	7	-6	1
Additional provision *(Management overlay)*	-	-5	-	-5
Changes to models and inputs used for ECL calculations	-21	-10	-1	-32
Total 30 Jun 2026	**-175**	**-2,664**	**-543**	**-3,382**

Expected credit losses on Loans and advances to the public and public sector entities at amortised cost by impairment stages	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
(EUR 1,000)	12-month ECL	Lifetime ECL	Lifetime ECL	ECL
Opening balance 1 Jan 2025	**-142**	**-2,103**	**-316**	**-2,561**
New assets originated or purchased	-20	-440	-173	-633
Assets derecognised or repaid (excluding write-offs)	13	485	93	591
Transfers to Stage 1	-1	133	-	132
Transfers to Stage 2	2	-547	-	-545
Transfers to Stage 3	0	73	-257	-184
Additional provision *(Management overlay)*	-	-242	-	-242
Changes to models and inputs used for ECL calculations	-4	-7	-1	-13
Total 31 Dec 2025	**-153**	**-2,648**	**-655**	**-3,456**

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 following table.

	30 Jun 2026			31 Dec 2025		
Scenario	**2026**	**2027**	**2028**	**2026**	**2027**	**2028**
Adverse	30%	30%	30%	30%	30%	30%
Base	50%	50%	50%	50%	50%	50%
Optimistic	20%	20%	20%	20%	20%	20%

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 following table presents the macroeconomic variables and their forecasts over the three-year forecast period.

Macroeconomic variables

		30 Jun 2026			31 Dec 2025		
	Scenario	**2026**	**2027**	**2028**	**2026**	**2027**	**2028**
Government of Finland long-term interest rates, %	Adverse	5.0	4.8	4.5	5.0	4.5	4.3
	Base	3.3	3.4	3.5	3.2	3.2	3.3
	Optimistic	3.2	3.3	3.3	3.3	3.3	3.4
Residential Real Estate (selling price, YoY change), %	Adverse	-10.0	0.0	2.5	-10.0	0.0	2.5
	Base	-2.0	2.5	3.0	1.5	3.0	2.0
	Optimistic	2.0	4.0	3.5	4.5	3.5	2.0
Unemployment rate, %	Adverse	11.5	11.0	10.0	11.5	11.0	10.0
	Base	10.1	9.5	8.5	8.8	8.0	7.7
	Optimistic	8.7	7.5	7.0	8.2	7.0	6.5

Scenario descriptions

Base scenario

The hostilities in the Middle East and the closure of the Strait of Hormuz have significantly increased uncertainty in the global economy. Supply disruptions in energy and other key industrial and agricultural commodities are fueling inflation, eroding consumers' purchasing power, and driving up interest rate expectations. Apart from the Gulf countries, growth forecasts have not weakened much, but risks on the downside have clearly grown.

The crisis in the Middle East is macroeconomically comparable to Russia's 2022 invasion of Ukraine. This time, however, the effects are global rather than directed specifically at Europe. The crisis's effects on euro area inflation are likely to be milder than in 2022, but the demand-side impacts may be more broad-based and could ultimately prove stronger than currently anticipated.

The European Central Bank (*ECB*) faces a delicate balancing act: it must keep inflation expectations anchored while avoiding measures that could deepen the economic downturn and heighten deflationary risks. With some indicators of future inflation expectations already edging higher, the ECB will likely need to begin tightening monetary policy in the coming months. That said, it is expected to proceed with rate hikes far more cautiously than in 2022–2023. Two rate increases in 2026 are anticipated, after which the central bank is likely to shift to a wait-and-see stance. Due to front-loaded rate hikes, the yield curve will flatten in 2026. However, it should begin to steepen again in 2027, as significant investment needs among euro area governments put upward pressure on long-term rates. Greater uncertainty is likely to be reflected in higher term premia and wider credit spreads.

Finland's GDP outlook has also weakened, and the recovery in employment is proceeding more slowly than expected. However, fears of a renewed recession appear premature, as business sentiment continues to improve and there is a substantial pipeline of private investment projects. The general government deficit-to-GDP ratio will gradually decline, but it will remain above 3% throughout the forecast period. The government's fiscal balance targets are being undermined by higher defence spending and rising interest costs. Finland's public debt-to-GDP ratio is expected to exceed 90% as early as 2026.

In the municipal sector, adjustment measures have taken effect faster than anticipated, resulting in a smaller deficit than previously estimated in 2026. High personnel costs, rising employment-related expenses, and weak revenue growth are expected to slightly increase in 2027. In the housing market, transaction volumes have already increased, but prices have not yet begun to rise. Private-sector new construction is unlikely to recover before 2027. State-supported housing production will be constrained in 2026–2027 by substantial cuts to interest subsidy loan authorisations.

Optimistic scenario
In optimistic scenario, the economy is expected to recover faster than in the baseline scenario. Unemployment will start to decline in 2026 and fall to 7.5% in 2027. Home price inflation is anticipated to accelerate to 2.0% in 2026, followed by a 4.0% annual gain in 2027. Due to the faster-than-expected recovery in aggregate demand, the ECB may need to raise interest rates more than in the baseline scenario.

Adverse scenario
In adverse scenario, Europe's security situation remains uncertain, weakening consumer confidence and investment. Geopolitical tensions in the Baltic Sea region intensify, causing disruptions in land, sea, and air transport, which in turn increases Finland's country risk.

The ECB is forced to raise short-term interest rates as inflation accelerates, driven by energy shortage and increased European investments in defense and border security. In nearly energy self-sufficient Finland, inflation turns negative due to weak consumer demand and government spending cuts. Home prices fall substantially in 2026.

Short-term interest rates rise due to inflation expectations. Long-term rates increase as investors concerned about country risk reduce their positions, but the direction of rates reverses quickly as the outlook improves.

The following table presents the sensitivity of the expected credit losses to the forward-looking information assuming 100 % weight for adverse scenario until 2026 (2025).

	30 Jun 2026			31 Dec 2025		
Sensitivity analysis (EUR 1,000)	**Weighted scenario**	**Adverse scenario (100%)**	**Excluding weighted scenario**	**Weighted scenario**	**Adverse scenario (100%)**	**Excluding weighted scenario**
ECL	3,312	7,248	3,050	3,642	5,307	3,217
Proportion of the exposure in Stage 2 and 3	5.57%	11.29%	5.41%	5.65%	11.23%	5.50%

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

Non-performing and forborne exposures 30 Jun 2026 (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	-	9,372	9,372	-14	9,359
Unlikely to be paid	-	183,021	183,021	-203	182,818
Forborne exposures	440,326	247,067	687,392	-559	686,834
Total	**440,326**	**439,459**	**879,785**	**-775**	**879,010**

Non-performing and forborne exposures 31 Dec 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	-	9,372	9,372	-17	9,356
Unlikely to be paid	-	194,519	194,519	-287	194,232
Forborne exposures	407,413	250,147	657,560	-551	657,009
Total	**407,413**	**454,038**	**861,451**	**-854**	**860,597**

During the first half of the year 2026, loan forbearance measures has been granted moderately. Loan forbearance measures were granted particularly to a limited number of municipally-owned housing companies whose underutilisation of the premises has remained elevated or whose cash flow adequacy has been challenging. 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 incease 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 2026	31 Dec 2025
Bilateral loans to credit institutions	253,541	173,747
Received cash collateral on derivatives	110,887	22,330
Total	**364,428**	**196,077**

Note 16. Debt securities issued

	30 Jun 2026		31 Dec 2025	
(EUR 1,000)	Carrying amount	Nominal value	Carrying amount	Nominal value
Bonds	45,925,439	47,257,652	43,051,906	44,046,472
Other	3,241,630	3,488,381	4,075,123	4,086,001
Total	**49,167,068**	**50,746,033**	**47,127,029**	**48,132,474**

Benchmark issuances during the reporting period based on settlement date	Value date	Maturity date	Interest-%	Nominal value (1,000)	Currency
Fixed rate benchmark bond, issued under the MTN programme	24 Feb 2026	14 Jun 2033	2.750%	1,000,000	EUR
Fixed rate benchmark bond, issued under the MTN programme	27 May 2026	27 May 2031	4.250%	1,000,000	USD
Fixed rate benchmark bond, issued under the MTN programme	14 Jul 2026	14 Jul 2036	0.770%	120,000	CHF

Note 17. Other liabilities

(EUR 1,000)	30 Jun 2026	31 Dec 2025
Other liabilities		
Lease liabilities	6,182	6,618
Cash collateral taken from CCPs	219,466	256,330
Other	15,776	12,213
Total	**241,425**	**275,161**

Note 18. Collateral given

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

Line item *Loans and advances to credit institutions* includes given cash collateral to the counterparties of derivative contracts based on the CSA agreements of the derivative contracts (*ISDA/Credit Support Annex*) as well as minimum reserve requirement in the central bank. Line item *Other assets* includes cash collateral based on derivative contracts and that is given to the central counterparties. Line item *Debt securities* includes debt securities that are pledged to the central counterparty.

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. Pledged loans are presented in line item *Loans and advances to the public and public sector entities*.

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.

Given collaterals on behalf of own liabilities and commitments (EUR 1,000)	30 Jun 2026	31 Dec 2025
Loans and advances to credit institutions to the counterparties of derivative contracts	1,099,089	1,577,058
Loans and advances to credit institutions to the central bank	32,383	38,207
Loans and advances to the public and public sector entities to the central bank	4,582,586	4,538,521
Loans and advances to the public and public sector entities to the Municipal Guarantee Board	14,458,628	14,553,681
Debt securities to the central counterparty *(LCH Limited)*	309,099	154,172
Other assets to the central counterparties of derivative contracts *(LCH Limited* and *Eurex Clearing AG)*	673,032	803,833
Total	**21,154,818**	**21,665,471**

Note 19. Contingent assets and liabilities

The Group has no contingent assets or liabilities at 30 June 2026 or at the comparison date 31 December 2025.

Note 20. Off-balance sheet commitments

(EUR 1,000)	30 Jun 2026	31 Dec 2025
Credit commitments	2,339,212	2,430,658
Total	**2,339,212**	**2,430,658**

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 2025.

Note 22. Events after the reporting period

The Board of Directors of MuniFin is not aware of any events or circumstances occurring after the reporting period that would have a material effect on the Group's financial position.

Report on review of Kuntarahoitus Oyj's interim financial information 1 January –30 June 2026 (unofficial translation of Finnish original)

To the Board of Directors of Kuntarahoitus Oyj

Introduction
We have reviewed Kuntarahoitus Oyj's consolidated interim statement of financial position as at 30 June 2026 and the related consolidated interim income statement, consolidated interim statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes ("condensed interim financial information"). The Board of Directors and Managing Director are responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed 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 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

This limited assurance report has been prepared in accordance with the terms of our engagement. We are responsible for our work, the report, and the conclusions presented only to Kuntarahoitus Oyj, not to third parties.

Helsinki 7 August 2026

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jukka Paunonen
Authorised Public Accountant (KHT)

MuniFin (Municipality Finance Plc) is one of Finland's largest credit institutions. The owners of the company include Finnish municipalities, the public sector pension fund Keva and the State of Finland. The Group's balance sheet totals over EUR 57 billion.

MuniFin's customers include municipalities, joint municipal authorities, wellbeing services counties, corporate entities under their control, and affordable social housing organisations. Lending is used for environmentally and socially responsible investment targets such as public transportation, sustainable buildings, hospitals and healthcare centres, schools and day care centres, and homes for people with special needs.

MuniFin's customers are domestic, but the company operates in a completely global business environment. The company is an active Finnish bond issuer in international capital markets and the first Finnish green and social bond issuer. The funding is exclusively guaranteed by the Municipal Guarantee Board.

Read more: www.munifin.fi

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