SP MORTGAGE BANK PLC'S

HALF-YEAR REPORT

1 JANUARY – 30 JUNE 2026

Sp Mortgage Bank Plc

Translation of the Sp Mortgage Bank's half-year report 1.1.–30.6.2026

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BOARD OF DIRECTORS' REVIEW 1 JANUARY – 30 JUNE 2026

The objective of Sp Mortgage Bank Plc (hereinafter "Sp Mortgage Bank") is to strengthen the operating conditions of the Savings Banks Group through competitive funding and to promote the implementation of the Savings Banks Group's strategy through its activities. Sp Mortgage Bank is responsible for the Savings Bank Group's mortgage-secured funding by issuing covered bonds.

Sp Mortgage Bank does not have independent customer business operations or its own service network. Instead, the Savings Banks belonging to the Savings Banks Amalgamation are responsible for both administering the loans recorded on Sp Mortgage Bank's balance sheet and managing the loans granted from the Savings Banks' own balance sheets under the intermediary lending model. Customer relationships are managed entirely locally by the Savings Banks.

In accordance with the group strategy, Sp Mortgage Bank has decided that all residential mortgage loans used as collateral for covered bonds will be recorded on the balance sheets of the amalgamation member Savings Banks in accordance with the intermediary lending model, and for this reason, Sp Mortgage Bank has not originated any residential mortgage loans from its own balance sheet since 31 December 2025.

The transition to the intermediary lending model gradually reduces the residential mortgage loan portfolio and the risk-weighted amount of credit risk on Sp Mortgage Bank's own balance sheet, thereby reducing the bank's capital requirement. Consequently, the bank aims to return capital to the amalgamation member Savings Banks from the reserve for invested unrestricted equity.

The Financial Supervisory Authority has granted Sp Mortgage Bank permission, pursuant to Article 78(1)(b) of the Capital Requirements Regulation (EU No. 575/2013), to deduct up to EUR 25 million from its Common Equity Tier 1 (CET1) capital in relation to assets included in the reserve for invested unrestricted equity resulting from subscriptions for CET1 instruments.

The planned capital return has been considered as a deduction from Common Equity Tier 1 (CET1) capital in the capital adequacy calculation as of 30 June 2026.

During the reporting period, Sp Mortgage Bank's operations proceeded as planned, and the loan portfolio amounted to EUR 1,989 million at the end of the period.

Sp Mortgage Bank's operating profit for the reporting period amounted to EUR 6.2 million, and the balance sheet total was EUR 3,450 million.

The Savings Banks Group and the Savings Banks Amalgamation

The Savings Banks Group is the most long-standing banking group in Finland. It comprises the Savings Banks that form the Savings Banks Amalgamation, the Savings Banks' Union Coop that acts as the Central Institution, as well as the subsidiaries and associated companies owned jointly by the banks.

The member organisations of the Savings Banks Amalgamation form a financial entity as defined in the Act on the Amalgamation of Deposit Banks, in which Savings Banks' Union Coop and its member credit institutions are ultimately jointly and severally liable for each other's liabilities and commitments. The Amalgamation comprises the Savings Banks' Union Coop which acts as the central institution of the Amalgamation, 14 Savings Banks, Central Bank of Savings Banks Finland Plc, Sp Mortgage Bank Plc and the companies within the consolidation groups of the above-mentioned entities, Savings Bank Services Ltd as well as Sp-Fund Management Company Ltd. The scope of the Savings Banks Group differs from that of the Savings Banks Amalgamation in that the Savings Banks Group also includes institutions other than credit and financial institutions or service companies. The most notable of these is Sp-Koti Ltd.

Further information about the structure of the Savings Banks Group can be found at www.saastopankki.fi/en/savingsbanksgroup.

Description of the operational environment

The Global Economy

At the start of 2026, global economic growth was expected to stay close to its long-term average. There were still uncertainties surrounding the tariffs imposed by Trump, but the global economy had proved surprisingly resilient to the rising tariff levels. However, the outbreak of war in Iran at the end of February once again weakened the growth outlook and significantly increased uncertainty. At the time of writing, a peace agreement has reached the signing stage and, if implemented, would be a significant positive development for the global economic outlook.

The war in Iran has affected the global economy primarily through energy prices and availability. The prices of oil, gas and many other raw materials have risen. Even if peace were to be achieved and the Strait of Hormuz reopened, it would take time for logistics to return to normal. However, the outlook for the future would then be less uncertain. Conversely, if the situation remains unresolved and the conflict becomes prolonged, it could lead to slower growth and accelerating inflation. This is a particularly challenging situation for central banks. Indeed, the European Central Bank raised its key interest rate at its June meeting.

In its June Economic Outlook, the OECD estimated that if a resolution to the conflict is reached soon, the global economy will grow by 2.8% this year, with growth accelerating to 3.1% next year. This scenario appears to be the most likely at this stage. If the war becomes prolonged, global economic growth could remain at 2.1% this year and decline further to 1.8% next year, which would be considered a global recession.

Offsetting the weaker growth outlook caused by the war, various investments related to artificial intelligence are growing at a rapid pace, particularly in the US and technology-driven economies in Asia. In Europe, Germany's defence and infrastructure investments are also expected to boost the growth outlook in the coming years.

Interest rate environment

In March 2026, short-term interest rates in the euro area rose sharply due to the situation in Iran. The 12-month Euribor, which is used as the general reference rate for mortgages, rose during March from around 2.2% to just over 2.9% and has since fluctuated between around 2.6% and nearly 2.9%. Similarly to short-term interest rates, long-term rates have increased as the geopolitical situation has raised inflation expectations and weakened economic growth forecasts.

A higher interest rate environment supports banks' net interest income. After a year-long hold, the European Central Bank adjusted its key interest rate in June 2026. This time, the rate was increased by 25 basis points to 2.25% in response to inflationary pressures. For the same reason, the markets are pricing in at least one more rate rise for 2026.

Investment markets

The year 2026 got off to a positive start, but the most significant events of the first half of the year from an investment market perspective were the situation in the Middle East and geopolitical risks. In the equity markets, the military conflict in the Middle East caused share returns to fall in March, but key share prices recovered quickly. In the US, the S&P 500 index reached a new record high, supported by the continued strength of artificial intelligence-driven gains in the equity markets. The military conflict drove up energy prices, which in turn increased uncertainty regarding the inflation outlook.

In the fixed-income markets, interest rate cuts were expected at the start of the year, but the outlook for monetary policy changed. Market expectations for the development of key interest rates shifted towards a tighter policy outlook. This had a negative impact on returns from fixed-income investments during the early part of the year. Whilst the equity markets were experiencing optimism regarding earnings growth expectations, sentiment in the fixed-income markets was dampened by the fear of inflation and the resulting impact of tighter monetary policy on returns from fixed-income investments.

The corporate bond market saw a sharp decline in yields at the end of the first quarter, when the war began in the Middle East. Credit risk margins and interest rates rose sharply. In the second quarter, credit risk margins narrowed and investor confidence gradually returned. Strong demand for corporate bonds also supported investment returns in the second quarter.

The Finnish Economy

The Finnish economy began to recover towards the end of 2025. In the early part of the year, this recovery has continued at an even faster pace than expected. In the first quarter of the year, Finland's gross domestic product grew by 0.9% from the previous quarter, which is among the fastest growth rates in Europe. This pace of growth is uncommon for Finland.

It is also encouraging to see that this growth is broad-based. Public defence investment helped to drive growth in investment, but private investment is also picking up. Households have been cautious for a long time, and the savings rate has been high. Now, private consumption is also on the rise, and it appears that, although consumer confidence remains low, a larger share of income is once again being channelled to consumption.

Business confidence, on the other hand, is close to its long-term average and has not changed much since the outbreak of the war in Iran. According to the latest investment survey by the Confederation of Finnish Industries, it would also appear that business investment is on the rise. The number of bankruptcies, however, remains high.

The figures for the first quarter do not yet reflect any significant impact from the war in Iran. It will be interesting to see to what extent the war affects economic activity in the second quarter. Various statistics on the economy suggest that, at least for now, the Finnish economy has coped reasonably well with the higher energy prices.

The housing market in Finland

In 2025, the housing market grew by over 10%, but at the start of this year, transaction volumes took a clear downturn, falling by over 10%. The main factors affecting the housing market negatively have been the geopolitical situation, low consumer confidence and the employment situation.

In the Helsinki metropolitan area, the decline in transaction volumes has been slightly less pronounced than elsewhere in Finland. Among the bigger cities, the decline has been smallest in Vantaa and greatest in Oulu.

Demand has continued to focus particularly on detached houses in good condition and family-sized dwellings. Demand for small dwellings has remained at a low level, mainly due to the low demand for investment housing and caution among first-time home buyers.

The volume of state-guaranteed interest subsidy loans has remained high for several years, which has led to active rental housing production. As a result, there are many vacant rental properties on the market, which is reducing the interest and activity of property investors.

We forecast that the number of existing homes sold by real estate agents will fall by a further 2–4% this year. According to our price development forecast, the average price of existing units in housing companies will decline by 2%.

SP MORTGAGE BANK'S FINANCIAL POSITION

Sp Mortgage Bank's financial highlights

(EUR 1,000)	1.1.–30.6.2026	1.1.–31.12.2025	1.1.–30.6.2025
Net interest income	4,284	14,020	7,396
Operating profit	6,204	8,522	5,995
Total operating revenue	7,337	10,106	6,717
Total operating expenses	-1,236	-2,672	-1,256
Profit	4,963	6,818	4,796
Cost to income ratio %	17%	26%	19%
Total assets	3,449,970	3,453,912	3,250,108
Total equity	141,589	136,626	134,604
Return on equity %*	7.2%	5.1%	7.3%
Return on assets %*	0.3%	0.2%	0.3%
Equity/assets ratio %	4.1%	4.0%	4.1%
Solvency ratio %	19.7%	21.2%	20.2%
Impairment losses on financial assets	103	1 089	534

* The calculation formula for the key figures has been adjusted to account for the length of the reporting period.

Profit trends (Comparison period 1–6/2025)

Sp Mortgage Bank Plc's operating profit was EUR 6.2 (6.0) million and profit for the period was EUR 5.0 (4.8) million.

Total operating revenue was EUR 7.3 (6.7) million.

Net interest income amounted to EUR 4.3 (7.4) million. Interest income amounted to EUR 74.7 (74.3) million, while interest expenses were EUR -70.4 (-66.9) million. The share of interest rate swaps used to hedge interest rate risk in net interest income was EUR -6.1 (-15.7) million.

Net fee and commission income and expenses consisted mainly of fees paid to intermediary banks, amounting to EUR -4.2 (-5.0) million.

Net profit from hedge accounting for the review period was EUR 7.3 (4.4) million and it is presented under Net trading income on the income statement.

Operating expenses before impairment losses on the financial assets were EUR -1.2 (-1.3) million. Impairment losses on financial assets were EUR 0.1 (0.5) million.

Balance sheet and funding (Comparison figures 31 December 2025)

Loans and advances to customers amounted to EUR 1,988 (2,155) million. Sp Mortgage Bank funds its operations through covered bonds and credit from the Central Bank of Savings Banks Finland Plc.

In April, Sp Mortgage Bank issued a new covered bond on the international capital markets. The fixed-rate covered bond of EUR 500 million has a maturity of three and a half years. In June, a fixed-rate covered bond of EUR 500 million matured for Sp Mortgage Bank. Going forward the Group aims to issue EUR 500 million of covered bonds annually.

At the end of the reporting period, the carrying amount of covered bonds was EUR 2,719 (2,731) million. The amount of short-term funding drawn from the Central Bank of Savings Banks Finland Plc was EUR 481 (481) million.

At the end of the reporting period, equity amounted to EUR 141.5 (136.6) million.

Capital adequacy and risk position

Capital adequacy (Comparison figures 31 December 2025)

Sp Mortgage Bank's own funds totalled EUR 114.9 (133.5) million, while the minimum requirement for own funds was EUR 61.2 (66.0) million. Tier 1 capital consisted fully of Common Equity Tier 1 (CET1) capital, and it amounted to EUR 114.9 (133.5) million. Sp Mortgage Bank's capital adequacy ratio was 19.7% (21.2%) at the end of the period.

At the reporting date, own funds have been reduced, in addition to the statutory regulatory adjustments, by a planned capital repayment of EUR 25 million, which is expected to be executed during the second half of 2026.

The capital requirement is formed by:

- 8% minimum capital requirements set by the Capital Requirement Regulation (CRR),
- 2.5% CET1 capital conservation buffer according to the Act on Credit Institutions, and
- The country-specific countercyclical CET1 capital requirements of foreign exposures.

The Pillar II capital requirement imposed by the Financial Supervisory Authority for the Savings Banks Amalgamation is currently 1.5%. At least three-quarters of the Pillar II capital requirement must be Tier 1 capital, of which at least three-quarters must be CET1 capital.

On 26 June 2025, the Financial Supervisory Authority decided to maintain the systemic risk buffer (1.0%) for the Savings Banks Amalgamation unchanged. The decision will enter into force on 1 July 2026.

The Financial Supervisory Authority has not imposed a countercyclical capital buffer requirement for 2026. The Financial Supervisory Authority has not set additional capital requirements, so-called OSII buffers, for the Savings Banks Amalgamation.

The Financial Supervisory Authority has granted permission not to deduct the internal holdings of credit institutions included in the Amalgamation from own funds instruments when calculating own funds at the level of an individual bank and at the level of a sub-consolidated group. In addition, the Financial Supervisory Authority has granted permission to apply a 0% risk weight to internal credit institution liabilities included within the scope of the Amalgamation's joint and several liability. These permissions are based on the European Union Capital Requirements Regulation (EU 575/2013) and the Act on the Amalgamation of Deposit Banks (599/2010).

The Finnish Financial Supervisory Authority has granted Savings Banks' Union Coop, which acts as the Central Institution of the Savings Banks Amalgamation, permission pursuant to the Act on the Amalgamation of Deposit Banks to decide that its member credit institutions will not be subject to the requirements stipulated by Part 6 of the EU Capital Requirements Regulation (EU 575/2013) and other EU statutes issued on the basis of the Regulation regarding the liquidity of credit institutions. The authorisation granted to the Central Institution also covers the NSFR requirement.

The capital requirement for credit and counterparty risk of the Savings Banks Amalgamation is calculated using the standardised approach. The capital requirement for credit valuation adjustment (CVA) risk is calculated using the simplified basic approach, while the capital requirement for operational risk is calculated using the standardised approach. The capital requirement relating to market risk is calculated only if the total net foreign exchange position is over 2% of total own funds. The Savings Banks Amalgamation does not have a trading book, and the Amalgamation's business does not involve taking commodity risk.

Sp Mortgage Bank publishes the relevant information about capital adequacy calculation each year as part of its Annual Report and Notes to the Financial Statements. Key information on capital adequacy is published in the half-year report.

Sp Mortgage Bank's capital adequacy information is included in the information concerning the capital adequacy of the Savings Banks Amalgamation, presented in the consolidated financial statements and half-year report of the Savings Banks Group. The Savings Banks Group publishes the so-called Pillar III capital adequacy information separately in connection with its financial statements.

A copy of the Savings Banks Group's financial statements and the Pillar III information are available at www.saastopankki.fi.

Sp Mortgage Bank's capital adequacy's main items

Own funds (EUR 1,000)	30.6.2026	31.12.2025
Common Equity Tier (CET1) capital before regulatory adjustments*	116,589	136,626
Total regulatory adjustments to Common Equity Tier 1 (CET1)	-1,669	-3,104
Common Equity Tier (CET1) capital	114,919	133,522
Additional Tier 1 (AT1) capital		
Tier 1 capital (T1 = CET1 + AT1) total	114,919	133,522
Total Capital (TC = T1 + T2)	114,919	133,522
Risk weighted assets	582,107	628,372
of which: credit and counterparty risk	514,621	563,261
of which: credit valuation adjustments (CVA)	13,431	11,056
of which: market risk		
of which: operational risk	54,055	54,055
Common Equity Tier 1 (as percentage of total risk exposure amount)	19.7%	21.2%
Tier 1 (as a percentage of total risk exposure amount)	19.7%	21.2%
Total capital (as a percentage of total risk exposure amount)	19.7%	21.2%
Capital requirements		
Total capital	114,919	133,522
Capital requirement total**	61,176	66,036
Capital buffer	53,743	67,486

* EUR 25 million has been deducted from Common Equity Tier 1 (CET1) capital before regulatory adjustments due to the planned return of capital.

** The capital requirement is formed by the statutory minimum capital adequacy requirement of 8%, the capital conservation buffer of 2.5% according to the Act on Credit Institutions, and the countercyclical capital requirements of foreign exposures.

Leverage ratio

The leverage ratio of Sp Mortgage Bank was 5.7% (6.1%) clearly exceeding the 3% minimum requirement. The leverage ratio describes the level of indebtedness of a credit institution and is calculated by dividing its Tier 1 capital by its total leverage ratio exposure measure. The Sp Mortgage Bank monitors excessive indebtedness as part of the ICAAP process.

(EUR 1,000)	30.6.2026	31.12.2025
Tier 1 capital	114,919	133,522
Leverage ratio exposure	2,024,563	2,187,147
Leverage ratio	5.7%	6.1%

Resolution plan

Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms was transposed into national law with effect from 1 January 2015 (Act on the Resolution of Credit Institutions and Investment Firms). To implement the Resolution Act, the Financial Stability Authority was established in Finland (Act on the Financial Stability Authority, 1995/2014). In March 2026, the Financial Stability Authority set a minimum requirement for own funds and eligible liabilities (MREL requirement) on the Savings Banks Amalgamation and Sp Mortgage Bank Plc. The requirement came into force from the date of the decision. The requirement does not apply to the member credit institutions or the Central Bank of Savings Banks.

The MREL requirement is by nature a Pillar 2 type minimum requirement that must be met continuously. According to the Financial Stability Authority's decision, the MREL requirement applied to the Savings Banks Amalgamation is 21.77% of the total risk exposure amount or 7.84% of the total exposures, whichever is higher.

The MREL requirement for Sp Mortgage Bank Plc is 15.79% of total risk exposure or 5.94% of total liabilities, whichever is higher. The ratio of own funds and eligible liabilities to total risk was 28.5% and to total liabilities was 8.2%. 100% of own funds and eligible liabilities consisted of own funds and subordinated liabilities.

In addition to the requirement calculated on the basis of total risk exposure, the institution-specific capital buffer requirement must be met on an ongoing basis.

Table EU ILAC below shows the data on Sp Mortgage Bank Plc's internal requirement for own funds and eligible liabilities.

EU ILAC – INTERNAL LOSS ABSORBING CAPACITY: INTERNAL MREL AND, WHERE APPLICABLE, REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES FOR NON-EU G-SIIS

		a Minimum requirement for own funds and eligible liabilities (internal MREL)	c Qualitative information
Applicable requirement and level of application			
EU-1	Is the entity subject to a non-EU G-SII requirement for own funds and eligible liabilities? (Yes/No)		No
EU-2	If EU-1 is answered by 'Yes', is the requirement applicable on a consolidated (C) or individual (I) basis? (C/I)		
EU-2a	Is the entity subject to an internal MREL? (Yes/No)		Yes
EU-2b	If EU-2a is answered by 'Yes', is the requirement applicable on a consolidated (C) or individual (I) basis? (C/I)		I
Own funds and eligible liabilities			
EU-3	Common Equity Tier 1 capital (CET1)	114,919	
EU-4	Eligible Additional Tier 1 capital (AT1)		
EU-5	Eligible Tier 2 capital (T2)		
EU-6	Eligible own funds	114,919	
EU-7	Eligible liabilities	50,991	
EU-8	of which permitted guarantees		
EU-9a	(Adjustments)		
EU-9b	Own funds and eligible liabilities items after adjustments	165,911	
Total risk exposure amount and total exposure measure			
EU-10	Total risk exposure amount (TREA)	582,107	
EU-11	Total exposure measure (TEM)	2,024,563	
Ratio of own funds and eligible liabilities			
EU-12	Own funds and eligible liabilities as a percentage of the TREA	28.50%	
EU-13	of which permitted guarantees	0.00%	
EU-14	Own funds and eligible liabilities as a percentage of the TEM	8.19%	
EU-15	of which permitted guarantees	0.00%	
EU-16	CET1 (as a percentage of the TREA) available after meeting the entity's requirements	12.71%	
EU-17	Institution-specific combined buffer requirement		
Requirements			
EU-18	Requirement expressed as a percentage of the TREA	15.79%	
EU-19	of which part of the requirement that may be met with a guarantee	0.00%	
EU-20	Requirement expressed as a percentage of the TEM	5.94%	
EU-21	of which part of the requirement that may be met with a guarantee	0.00%	
Additional information			
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013		

Risk position

Sp Mortgage Bank's credit risk position has remained stable, and its capital adequacy developed in line with expectations. Particularly with regard to new lending, the full transition to the intermediary lending model has reduced the risk-weighted amount of credit risk on Sp Mortgage Bank's own balance sheet.

Both Sp Mortgage Bank's and the Savings Banks' mortgage-secured loan portfolios have remained of high quality.

Impairment losses on Sp Mortgage Bank's mortgage loan portfolio amounted to EUR 1.3 (1.5) million. Non-performing exposures remained at a low level at 0.49% (0.46%) of the credit portfolio.

Material events after the half-year report date

The Board of Directors of Sp Mortgage Bank is not aware of any factors that would materially influence the bank's financial position after the half-year report date.

Outlook for the rest of the year

Sp Mortgage Bank remains well hedged against changes in interest rates, and movements in the interest rate markets do not have a material impact on the bank's net interest income. The bond issuance programme established in 2016 will continue to enable the issuance of covered bonds.

The Financial Supervisory Authority has granted Sp Mortgage Bank permission, pursuant to Article 78(1)(b) of the Capital Requirements Regulation (EU No. 575/2013), to deduct up to EUR 25 million from its Common Equity Tier 1 (CET1) capital in relation to assets included in the reserve for invested non-restricted equity resulting from subscriptions for CET1 instruments.

Sp Mortgage Bank aims to return capital to the amalgamation member Savings Banks from the reserve for invested non-restricted equity in an amount corresponding to the permission granted by the Financial Supervisory Authority. The capital return is planned to take place in the second half of 2026.

The purpose of this measure is to optimise the use of capital within the Savings Banks Group, as going forward, all residential mortgage loans used as collateral for covered bonds will be recorded on the balance sheets of the amalgamation member Savings Banks in accordance with the intermediary lending model.

Further information

The figures presented in the half-year report are unaudited.

Releases and other corporate information are available on the Savings Banks Group's website at www.saastopankki.fi/saastopankkiryhma.

Formulas used in calculating the financial highlights

Total operating revenue: Net interest income, net fee and commission income, net trading income, net investment income, net life insurance income, other operating revenue

Total operating expenses: Personnel expenses, other operating expenses, depreciation and amortisation of plant and equipment and intangible assets

Cost to income ratio:
$$\frac{\text{Total operating expenses}}{\text{Total operating revenue}}$$

Return on equity %:
$$\frac{\text{Profit for the period} \times (\text{Days in financial year / Days in reporting period})}{\text{Equity (average of the beginning and end of the year)}} \times 100$$

Return on assets %:
$$\frac{\text{Profit for the period} \times (\text{Days in financial year / Days in reporting period})}{\text{Total assets (average of the beginning and end of the year)}} \times 100$$

Equity ratio %:
$$\frac{\text{Equity (incl. non-controlling interests)}}{\text{Total assets}} \times 100$$

Formulas used in calculating the financial highlights

European Securities and Markets Authority's Guidelines on Alternative Performance measures came into effect on 3 July 2016. An alternative performance measure is a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the IFRS framework. Alternative Performance Measures are used to reflect financial development and enhance comparability between different reporting periods.

Sp Mortgage Bank uses alternative performance measures (APMs) in its financial reporting to describe the financial position of the entity. These measures are not defined in IFRS standards, capital adequacy regulations (CRD/CRR), or Solvency II regulations (SII). The presented alternative performance measures complement the main financial statements and accompanying notes prepared in accordance with IFRS standards.

SP MORTGAGE BANK'S HALF-YEAR REPORT (IFRS)

Income statement

(EUR 1,000)	1–6/2026	1–6/2025
Interest income	74,696	74,331
Interest expense	-70,412	-66,935
Net interest income	4,284	7,396
Net fee and commission income	-4,233	-4,988
Net trading income	7,286	4,309
Total operating revenue	7,337	6,717
Personnel expenses	-35	
Other operating expenses	-1,089	-1,144
Depreciation of intangible assets	-113	-113
Total operating expenses	-1,236	-1,256
Net impairment loss on financial assets	103	534
Profit before tax	6,204	5,995
Taxes	-1,241	-1,199
Profit	4,963	4,796

Statement of comprehensive income

(EUR 1,000)	1–6/2026	1–6/2025
Profit	4,963	4,796
Total comprehensive income	4,963	4,796

Statement of financial position

(EUR 1,000)	Note	30.6.2026	31.12.2025
Assets			
Loans and advances to credit institutions	6	1,399,607	1,245,356
Loans and advances to customers	6	1,987,987	2,154,569
Derivatives	9	6,712	15,364
Investment assets	6	6,858	4,875
Intangible assets		544	657
Other assets		48,261	33,091
Total assets		3,449,970	3,453,912

(EUR 1,000)	Note	30.6.2026	31.12.2025
Liabilities and equity			
Liabilities			
Liabilities to credit institutions	7	494,880	496,710
Derivatives	9	37,515	42,184
Debt securities issued	7	2,719,439	2,730,851
Provisions and other liabilities		56,547	47,542
Total liabilities		3,308,381	3,317,286
Equity			
Share capital		88,439	88,439
Reserves		44,154	44,154
Retained earnings		8,996	4,033
Total equity		141,589	136,626
Total liabilities and equity		3,449,970	3,453,912

Statement of cash flows

(EUR 1,000)	1–6/2026	1–6/2025
Cash flows from operating activities		
Profit	4,963	4,796
Adjustments for items without cash flow effect	-7,419	-4,108
Change in deferred taxes	1,241	1,199
Cash flows from operating activities before change in assets and liabilities	-1,215	1,887
Increase (-) or decrease (+) in operating assets	-137,658	43,395
Financial assets at fair value through profit or loss	-1,984	-61
Loans and advances to credit institutions	-286,000	
Loans and advances to customers	166,737	42,062
Other assets	-16,411	1,394
Increase (-) or decrease (+) in operating liabilities	7,176	268,040
Liabilities to credit institutions	-1,830	277,800
Other liabilities	9,006	-9,760
Total cash flows from operating activities	-131,697	313,322

(EUR 1,000)	1–6/2026	1–6/2025
Cash flows from investing activities		
Investments in property, plant and equipment and intangible assets		-19
Total cash flows from investing activities		-19
Cash flows from financing activities		
Other monetary increases in equity items	500,000	
Debt securities issued	-500,000	-300,000
Total cash flows from financing activities		-300,000
Change in cash and cash equivalents	-131,697	13,303
Cash and cash equivalents at the beginning of the period	295,756	90,050
Cash and cash equivalents at the end of the period	164,060	103,354
Cash and cash equivalents comprise the following items:		
Receivable from central banks repayable on demand	164,060	103,354
Total cash and cash equivalents	164,060	103,354
Adjustments for items without cash flow effect		
Change in fair value	-7,373	-4,351
Expected credit losses	-103	-534
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	113	113
Other adjustments	-55	665
Total	-7,419	-4,108
Additional information regarding the cash flow statement		
Interest received	58,272	75,033
Interest paid	60,855	77,699

Statement of changes in equity

(EUR 1,000)	Share capital	Share issue	Share premium	Retained earnings	Total equity
Equity 1.1.2025	81,766	10,005	40,822	-2,785	129,808
Comprehensive income					
Profit for the period				4,796	
Total comprehensive income				4,796	4,796
Transactions with owners					
Transfers within equity	6,673	-10,005	3,332		
Total equity 30.6.2025	88,439		44,154	2,011	134,604
Equity 1.1.2026	88,439		44,154	4,033	136,626
Comprehensive income					
Profit for the period				4,963	
Total comprehensive income				4,963	4,963
Transactions with owners					
Transfers within equity					
Total equity 30.6.2026	88,439		44,154	8,996	141,589

BASIS OF PREPARATION

NOTE 1: INFORMATION ON THE REPORTING COMPANY AND DESCRIPTION OF THE SAVINGS BANKS GROUP AND THE SAVINGS BANKS AMALGAMATION

Sp Mortgage Bank Plc (hereinafter “Sp Mortgage Bank”) is a mortgage bank wholly owned by the Savings Banks belonging to the Savings Banks Amalgamation. The role of Sp Mortgage Bank, together with the Central Bank of Savings Banks Finland Plc, is to manage the Savings Banks Group’s funding from the money and capital markets. Sp Mortgage Bank is responsible for the Group’s mortgage covered funding by issuing covered bonds.

Sp Mortgage Bank does not have independent customer business operations or its own service network. Instead, the Savings Banks belonging to the Savings Banks Amalgamation are responsible for administering the loans recorded on Sp Mortgage Bank’s balance sheet as well as for managing the loans originated from the amalgamation member Savings Banks’ own balance sheets under the intermediary lending model.

In the intermediary lending model, the collateral for covered bonds consists of residential mortgage loans recorded on the balance sheets of the amalgamation member Savings Banks. The Savings Banks also manage customer relationships locally.

Sp Mortgage Bank received authorisation to operate as a mortgage bank, granted by the European Central Bank, in March 2016, and the bank’s operations began immediately. Sp Mortgage Bank has been Savings Banks’ Union Coop’s member credit institution since March 2016.

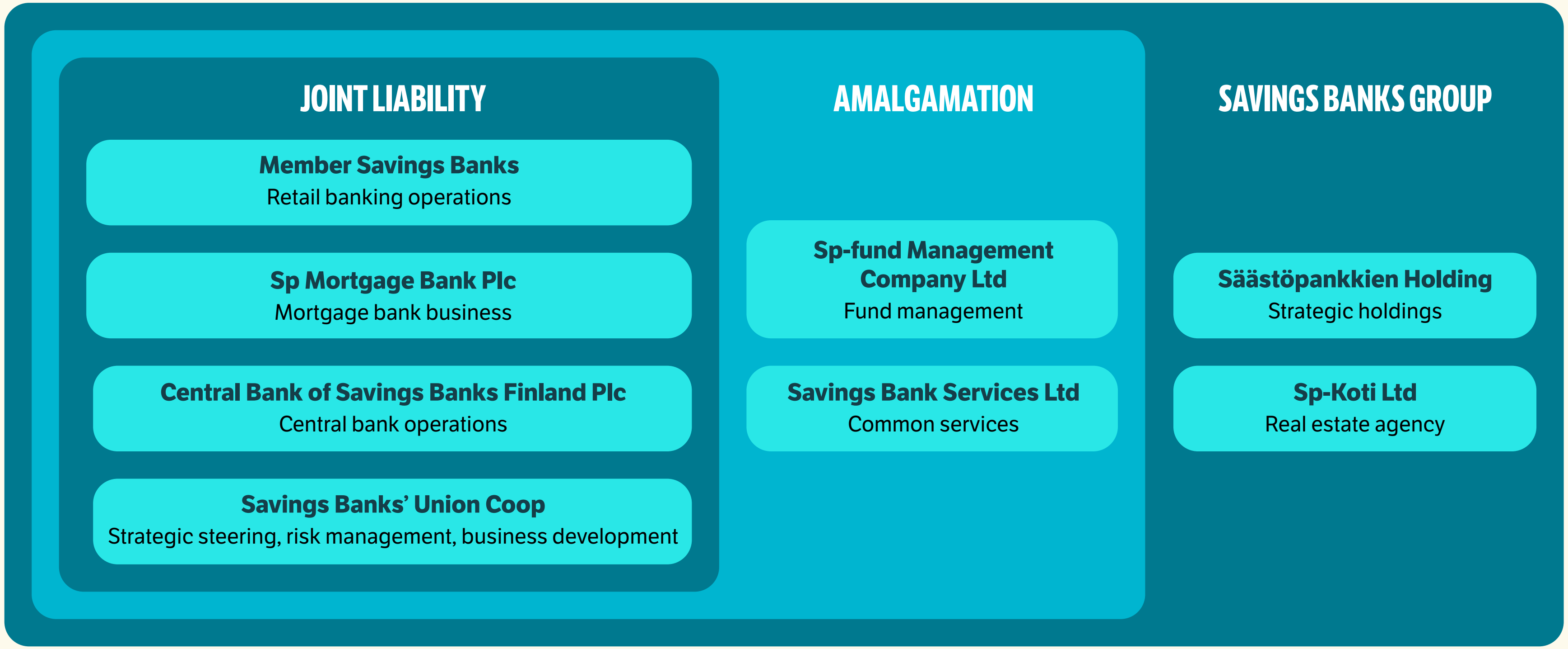
Sp Mortgage Bank is part of the Savings Banks Amalgamation and the Savings Banks Group. The Savings Banks Group is the most long-standing banking group in Finland. It comprises Savings Banks forming the Savings Banks Amalgamation, the Savings Banks’ Union Coop which acts as the central institution and the subsidiaries and associated companies owned by the Savings Banks. The Savings Banks are independent regional and local banks. Together the Savings Banks form a banking group that operates locally as well as nationally.

The basic objective of the Savings Banks is to promote thrift, the financial wellbeing of their customers and to operate near their customers. The Savings Banks focus on retail banking, particularly daily banking, saving and investment products, and lending services. The service and product range offered is complemented with the other financial services and products provided in cooperation with the service and product companies within the Savings Banks Group. The service and product companies within the Savings Banks Group support and promote the operations of the Savings Banks Group by producing centralised services or having responsibility for certain products. The most significant service and product companies of the Savings Banks Group are Sp Mortgage Bank Plc, Central Bank of Savings Banks Finland Plc, Sp-Fund Management Company Ltd and Savings Bank Services Ltd.

The member organisations of the Savings Banks Amalgamation form a financial entity as defined in the Act on the Amalgamation of Deposit Banks, in which the Savings Banks’ Union Coop and its member credit institutions are jointly liable for each other’s liabilities and commitments. The Savings Banks Amalgamation comprises the Savings Banks’ Union Coop, which acts as the Central Institution of the Amalgamation, 14 Savings Banks, the Central Bank of Savings Banks Finland Plc, Sp Mortgage Bank Plc as well as the companies within the consolidation groups of the above-mentioned entities, Savings Bank Services Ltd and Sp-Fund Management Company Ltd.

The coverage of the Savings Banks Group differs from that of the Savings Banks Amalgamation in that the Savings Banks Group also includes institutions other than credit and financial institutions or service companies. The most significant of these is Sp-Koti Ltd. The Savings Banks Group does not form a consolidated corporation, or a consolidation group as defined in the Act on Credit Institutions because the Savings Banks’ Union Coop and its member Savings Banks do not have control over each other as referred to in the general consolidation accounting principles and therefore it is not possible to define a parent company for the Savings Banks Group.

The structure of the Amalgamation and the Group is described in the chart below:



The Savings Banks' Union Coop steers the operations of the Savings Banks Group and is the Central Institution responsible for the internal control framework. According to the Act on the Amalgamation of Deposit Banks, the Savings Banks' Union Coop acting as the central institution of the Savings Banks Amalgamation is obligated to prepare consolidated financial statements for the Savings Banks Group. Sp Mortgage Bank is also consolidated into these financial statements. The financial statements are prepared for the financial group formed by the Savings Banks Group, to which Sp Mortgage Bank Plc also belongs.

The head office of Sp Mortgage Bank is in Helsinki, and its registered address is Teollisuuskatu 33, FI-00510 Helsinki, Finland. A copy of Sp Mortgage Bank's financial statements is available online at www.saastopankki.fi/saastopankkiryhma.

Similarly, copies of the Savings Banks Group's financial statements and half-year reports are available online at www.saastopankki.fi/saastopankkiryhma.

NOTE 2: ACCOUNTING POLICIES

1. General

The financial statements of the Sp Mortgage Bank are prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union.

The half-year report 1 January – 30 June 2026 has been prepared in accordance with the IAS 34 Interim Financial Reporting standard. The accounting policies applied are presented in full in the notes to the 2025 financial statements. There have not been changes in accounting policies during the reporting period.

The figures presented in the half-year report are unaudited.

Sp Mortgage Bank's financial statements are presented in euros, which is the bank's accounting and functional currency. The half-year report is presented in thousands of euros, unless stated otherwise.

2. Critical accounting estimates and judgements

The IFRS-compliant half-year report requires Sp Mortgage Bank's management to exercise judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and other information such as the amounts of income and expense. Although these estimates are based on the management's best knowledge at the time, it is possible that actual results differ from the estimates used in the half-year report.

The critical estimates of Sp Mortgage Bank concern determining fair value and impairment of financial assets.

In the half-year report dated 30 June 2026 the most significant uncertainty influencing the management's estimates has been the weak economic situation. There is considerable uncertainty associated with estimating the economic impacts of the aforementioned factor, which particularly influences the assessment of the expected credit losses on financial assets.

Determination of expected credit losses

Sp Mortgage Bank's expected credit loss calculation models contain several factors that require the management's judgment.

- Selection of the models used in the calculations so that they illustrate the expected credit losses of the contract portfolio as accurately as possible.
- Assumptions and expert assessments included in the models
- Defining the quantitative and qualitative criteria for a significant increase in credit risk
- Selection of the macroeconomic factors describing future economic development used in the calculations so that changes in the selected factors are correlated with the probability of contract default.
- Preparing economic forecasts and predicting the probability of their future realisation.

Sp Mortgage Bank uses modelling-based calculations for determining expected credit losses but, where necessary, the figures generated by the models are adjusted to reflect the management's judgment. Recognising an adjustment may be based on, for example, newly available information or a new factor that is not included in the parameters or inputs used in the calculation model.

On the closing date, when assessing the need and extent of adjustments based on the management's judgement, attention has been paid especially to the following factors that influence the expected credit loss amount.

- Considering the nature and value of receivable-related collaterals, the effect of the regional economic situation on the price level of residential properties, for instance.

- Amount and timing of receivables' contractual cash flows, taking into account available counterparty information that is not included in the calculation model. Such information includes, for instance, changes in employment, the number and duration of instalment-free periods that have been applied for, as well as changes in the scope or profitability of business operations.

- Change in the credit risk of the receivable counterparty, resulting from restrictions that influence business or employment that are not included in the calculation model.

Adjustments based on management's judgment may also be influenced by other factors affecting the customer's operating environment that are relevant to the counterparty's credit risk.

3. Future changes in accounting standards – IFRS 18

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18, Presentation and Disclosure in Financial Statements. IFRS 18 replaces IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after 1 January 2027. The standard is to be applied retrospectively, including comparative information.

IFRS 18 does not change the recognition or measurement principles applicable to items in the financial statements. However, it introduces changes particularly to the presentation of the statement of profit or loss. The standard sets requirements for the presentation of financial performance and places greater emphasis on a clearer structure of the statement of profit or loss through the use of specified subtotals and the classification of income statement items into defined categories.

The Savings Bank Group is currently assessing the classification of income statement items into the categories required by IFRS 18. Based on the current assessment, the majority of income statement items are expected to be classified within the operating category. In addition, the principles for aggregation and disaggregation of financial information in the statement of profit or loss and the statement of financial position are being reviewed.

As IFRS 18 does not change the Savings Bank Group's recognition or measurement principles, the standard is not expected to have a material impact on the Group's financial position, financial performance, or capital adequacy.

NOTE 3: SEGMENT INFORMATION

Sp Mortgage Bank engages in banking operations. The operations are treated as one segment, on the basis of which reports are made to the bank's management. Information on the bank's products and services is presented in Note 4 Net interest income and expenses and Note 5 Net fee and commission income and expenses. Sp Mortgage Bank has not distributed income or assets based on geographical areas, as the bank's financing activities are limited to Finland.

The development of the credit portfolio by customer group and the share of interest paid by customers of the bank's total interest income are monitored on a regular basis. The most significant volumes in the credit portfolio are related to residential mortgages for households which are intermediated by the Savings Banks. The share of any individual customer entity does not exceed 10% of the bank's total interest income. The supreme decision-making body of Sp Mortgage Bank Plc is the General Meeting, which elects the company's Board of Directors and auditor.

NOTES TO THE HALF-YEAR REPORT

NOTE 4: NET INTEREST INCOME

Interest income and expense are accrued over maturity using the effective interest rate method. Using this method, the income and expenses arising from an instrument are accrued in relation to the residual receivable and liability in the balance sheet until maturity.

When a financial asset is impaired, the original effective interest rate is used when calculating interest income. Interest is calculated for the loan balance less impairment.

(EUR 1,000)	1-6/2026	1-6/2025
Interest income		
From financial assets at amortised cost		
Debt securities eligible for funding with Central Bank	56	67
Loans and advances to credit institutions	16,851	13,850
Loans and advances to customers	30,990	40,870
Other	184	257
Total	48,082	55,044
From financial assets at fair value through profit or loss		
Derivative contracts		
Hedging derivatives	26,615	19,287
Total	26,615	19,287
Interest income, total	74,696	74,331

(EUR 1,000)	1-6/2026	1-6/2025
Interest expense		
Financial liabilities at amortised cost		
Liabilities to credit institutions	-7,420	-10,185
Debt securities issued	-30,264	-21,798
Other	26	66
Total	-37,659	-31,917
From financial assets at fair value through profit or loss		
Derivative contracts		
Hedging derivatives	-32,753	-35,018
Total	-32,753	-35,018
Interest expenses, total	-70,412	-66,935
Net interest income	4,284	7,396

NOTE 5: NET FEE AND COMMISSION INCOME

In accordance with the transfer agreement, Savings Banks are returned a share of the fee income arising from the credit facilities managed by the Sp Mortgage Bank. Fee expenses consist mainly of fee income charged from lending that is paid to Savings Banks.

Fee and commission income and expense are generally recognised on an accrual basis. Fees and commissions for performing an action or a service are recognised when the related actions or services are performed. Fees relating to actions or services performed over several years are amortised over the service period. Fees that are directly attributable to the effective interest of a financial instrument are treated as an adjustment to the effective interest of that financial instrument.

(EUR 1,000)	1-6/2026	1-6/2025
Fee and commission income		
Lending	400	321
Total	400	321
Fee and commission expense		
Loans*	-4,619	-5,299
Other	-15	-10
Total	-4,633	-5,309
Net fee and commission income	-4,233	-4,988

* Consists mainly of fees paid to the intermediating banks.

NOTE 6: LOANS AND ADVANCES

6.1 LOANS AND ADVANCES TO CREDIT INSTITUTIONS AND CUSTOMERS

Loans and advances to credit institutions and customers are primarily classified as measured at amortised cost and are consequently subject to calculation of expected credit losses.

The table below presents the gross values, allowances for expected credit losses and balance values for loans and advances by product type.

30.6.2026 (EUR 1,000)	Not impaired (gross)	Expected credit losses (ECL)	Balance sheet value
Loans and advances to credit institutions			
Deposits*	1,399,830	-222	1,399,607
Total	1,399,830	-222	1,399,607
Loans and advances to customers			
Loans	1,989,284	-1,298	1,987,987
Total	1,989,284	-1,298	1,987,987
Loans and advances total	3,388,669	-1,520	3,387,594

* of which Deposits to Credit Institutions belonging to the Savings Banks Amalgamation EUR 1,399,385 thousand.

31.12.2025 (EUR 1,000)	Not impaired (gross)	Expected credit losses (ECL)	Balance sheet value
Loans and advances to credit institutions			
Deposits*	1,245,526	-171	1,245,356
Total	1,245,526	-171	1,245,356
Loans and advances to customers			
Loans	2,156,022	-1,453	2,154,569
Total	2,156,022	-1,453	2,154,569
Loans and advances total	3,401,548	-1,624	3,399,925

* of which Deposits to Credit Institutions belonging to the Savings Banks Amalgamation EUR 1,245,526 thousand.

6.2 INVESTMENT ASSETS

(EUR 1,000)	30.6.2026	31.12.2025
Amortised cost investments		
Debt securities	6,862	
Foreign Debt Securities		4,878
Expected Credit Losses	-4	
Foreign Expected Credit Losses		-3
Total	6,858	4,875

6.3 IMPAIRMENT LOSS ON FINANCIAL ASSETS

The Sp Mortgage Bank determines impairments on financial assets based on an expected credit loss model. The loss allowance for expected credit loss is measured and recognized for financial assets that are subsequently measured at amortized cost or at fair value through other comprehensive income as well as for financial guarantees and loan commitments.

For the purpose of measuring expected credit losses, the Sp Mortgage Bank applies a three-stage model in which the stage to be applied in the measurement is determined based on the change in the credit risk of the financial asset between the date of initial recognition and the reporting date.

- Stage 1 includes financial assets for which the credit risk has not increased significantly between the date of initial recognition and the reporting date. The measurement of the expected credit loss for stage 1 financial assets is based on the probability of a default event occurring within 12 months of the reporting date.
- Stage 2 includes financial assets for which the credit risk has increased significantly after the date of initial recognition. The measurement of the expected credit loss for stage 2 financial assets is based on the probability of a default event occurring within the remaining life of the financial asset.
- Stage 3 includes financial assets that are impaired. The measurement of the expected credit loss for stage 3 financial assets is based on the probability that a credit loss event occurs within the remaining life of the financial asset.

FINANCIAL ASSETS WITHIN THE SCOPE OF MEASUREMENT OF EXPECTED CREDIT LOSSES BY IMPAIRMENT STAGE

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
Financial assets 30 June 2026				
Loans and advances to customers	1,834,189	145,977	9,118	1,989,284
Loans and advances to credit institutions	1,244,519			1,244,519
Investments	6,874			6,874
Off-balance sheet items	290			290
Total	3,085,873	145,977	9,118	3,240,968

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
Financial asset 31 December 2025				
Loans and advances to customers	1,990,230	156,169	9,623	2,156,022
Loans and advances to credit institutions	956,525			956,525
Investments	4,879			4,879
Off-balance sheet items	736			736
Total	2,952,370	156,169	9,623	3,118,162

'In assessing the significance of change in credit risk, the Sp Mortgage Bank takes into account the following qualitative and quantitative information, amongst others.

- Payment delay: the credit risk of a financial asset is deemed to have increased significantly and the contract is migrated from stage 1 to stage 2 when a payment delay exceeds 30 days. When a payment delay for a financial asset that exceeds the threshold values over 90 consecutive days, it is deemed to be impaired and is migrated to stage 3.
- PD% increase: the risk of a financial asset is deemed to have increased significantly and the contract is migrated from stage 1 to stage 2 when the defined relative or absolute thresholds for the PD% increase are exceeded.
- Forbearance: the credit risk of a performing financial asset subject to forbearance is deemed to have increased significantly and the contract is migrated from stage 1 to stage 2. If the contract is forborne and non-performing or if a forbearance concession is made for a contract at the time of application, the contract is deemed to be impaired and is migrated to stage 3.
- Default: If the counterparty of a financial asset is in default, the contract is deemed to be impaired and is migrated to stage 3.

The financial asset can revert from stage 2 or stage 3 if its credit risk has improved significantly and it has consistently met the criteria for the previous stage during the length of the defined probation period. The length of the probation period for transitions from stage 3 to 2 and 2 to 1 is three months.

The tables below present the development of the expected credit losses from the beginning of the reporting period.

EXPECTED CREDIT LOSSES (ECL), LOANS AND ADVANCES TO CUSTOMERS AND OFF-BALANCE SHEET ITEMS

(EUR 1,000)	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Expected Credit Losses 1 January 2026	150	777	525	1,453
Transfers to stage 1	10	-59		-49
Transfers to stage 2	-17	198	-113	68
Transfers to stage 3	-1	-54	198	144
Assets derecognised or repaid	-9	-90	-152	-252
Change in credit risk without stage change	-11	-99	44	-66
Net change in ECL	-27	-104	-24	-155
Expected Credit Losses 30 June 2026	123	673	502	1,298

EXPECTED CREDIT LOSSES (ECL), LOANS AND ADVANCES TO CREDIT INSTITUTIONS AND INVESTMENTS

(EUR 1,000)	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Expected Credit Losses 1 January 2026	174			174
New assets originated or purchased	52			52
Net change in ECL	52			52
Expected Credit Losses 30 June 2026	226			226
Total expected credit losses 30 June 2026				1,524
Total change in expected credit losses 1 January 2026 –30 June 2026				-103

EXPECTED CREDIT LOSSES (ECL), LOANS AND ADVANCES TO CUSTOMERS AND OFF-BALANCE SHEET ITEMS

(EUR 1,000)	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Expected Credit Losses 1 January 2025	632	1,537	399	2,568
Transfers to stage 1	60	-154		-95
Transfers to stage 2	-117	674	-114	442
Transfers to stage 3	-2	-111	381	267
New assets originated or purchased	251	13		264
Assets derecognised or repaid	-103	-274	-184	-561
Change in credit risk without stage change	-447	-658	70	-1,036
Change in model for calculation of ECL	-124	-248	-25	-397
Net change in ECL	-482	-759	127	-1,115
Expected Credit Losses 31 December 2025	150	777	525	1,453

EXPECTED CREDIT LOSSES (ECL), LOANS AND ADVANCES TO CREDIT INSTITUTIONS AND INVESTMENTS

(EUR 1,000)	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Expected Credit Losses 1 January 2025	148			148
New assets originated or purchased	36			36
Change in credit risk without stage change	-10			-10
Net change in ECL	26			26
Expected Credit Losses 31 December 2025	174			174
Total expected credit losses 31 December 2025				1,627
Total change in expected credit losses 1 January 2025 – 31 December 2025				-1,089

Methods and parameters used in calculation of expected credit losses

The Sp Mortgage Bank's assessment of expected credit loss is based on the PD*LGD*EAD model. The calculations are carried out separately for each contract and based on the following parameters:

- PD%: probability of default.
- LGD %: estimated loss at the time of default, takes into consideration the contract's available collaterals and customer and contract-related risk factors.
- EAD: exposure at default is the annual average and takes into consideration instalments and advance repayments, calculated for the term of the contract and for the year, for products for which it has been modelled. Off-balance sheet items are considered to remain fixed until the end of the lifecycle of the contract.

Sp Mortgage Bank assesses expected credit losses for loans and debt securities belonging to investment assets by using the PD*LGD*EAD model. The probability of default (PD) is based on credit ratings provided by Bloomberg and, if they are not available, external credit rating information, which is converted into PD values. The LGD values used in the calculation correspond to analysed historical actuals by investment type and are not assessed separately by issuer or investment.

The calculation of expected credit loss for the credit portfolio (loans and advances to customers and off-balance sheet items) includes forward-looking information by incorporating three different economic scenarios based on macroeconomic forecasts prepared by the Savings Banks Groups' Chief Economist. The effect of the changes in macroeconomic forecasts is modelled in the PD parameter which is used in calculation of ECL. The scenarios used in the calculation and their weights are the following: optimistic 20%, base 60% and pessimistic 20%. The forecast horizon of the economic scenarios used in ECL calculation is three years and in the years after that, the values of the macroeconomic factors are assumed to remain stable and be equivalent to the third-year values of the forecast period. The key macroeconomic factors and their forecasted values for the next three years are presented below (the value variation range between different scenarios).

	2026	2027	2028
Change in EuropeStoxx%	6.0%	-10.0% / 7.0%	-4.0% / 8.0%
Change in GDP	0.0% / 1.4%	0.8% / 2.0%	1.4%
Investments	-2.0% / 4.0%	1.0% / 5.0%	3.5%

No changes have been performed for the models used in the ECL-calculation during the reporting period 1.1.–30.6.2026.

NOTE 7: FUNDING

7.1 LIABILITIES TO CREDIT INSTITUTIONS

(EUR 1,000)	30.6.2026	31.12.2025
Liabilities to credit institutions		
Other than those repayable on demand*	494,880	496,710
Total liabilities to credit institutions	494,880	496,710

* of which Liabilities to Credit Institutions belonging to the Savings Banks Amalgamation EUR 480 500 (480 500) thousand.

7.2 DEBT SECURITIES ISSUED

(EUR 1,000)	30.6.2026		31.12.2025	
Measured at amortised cost	Nominal value	Carrying amount	Nominal value	Carrying amount
Covered bonds	2,750,000	2,744,793	2,750,000	2,744,973
Fair value hedging on covered bonds		-25,354		-14,122
Total debt securities issued	2,750,000	2,719,439	2,750,000	2,730,851

SP MORTGAGE BANK PLC'S COVERED BONDS ISSUED

(EUR 1,000)	Nominal value	Carrying amount	Maturity	Interest base	Coupon	Maturity date
XS2550557800	750,000	748,454	5 years	Fixed	3.125%	1.11.2027
XS2391343196	500,000	500,933	7 years	Fixed	0.010%	28.9.2028
XS3346962510	500,000	498,950	3.5 years	Fixed	3.000%	22.10.2029
XS3177997130	500,000	498,208	5 years	Fixed	2.625%	11.9.2030
XS2812394737	500,000	498,247	7 years	Fixed	3.250%	2.5.2031
Total	2,750,000	2,744,793				

Sp Mortgage Bank has not had any delays or defaults in respect of its issued debt securities.

NOTE 8: CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and liabilities are classified into measurement categories on initial recognition. The measurement category defines subsequent measurement of a financial asset or liability.

Classification and measurement of financial assets

Financial assets are classified on initial recognition based on the business model used for managing the group of financial assets in which the financial assets are held and characteristics of the cash flows of the instrument, specifically, whether the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

The business model refers to how the Savings Banks Group manages its financial assets in order to generate cash flows. That is, the business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. If cash flows are realised in a way that is different from the entity's expectations on the date that the entity assessed the business model, that does not give rise to a prior period error in the entity's financial statements nor does it change the classification of the remaining financial assets held in that business model.

Assessment of cash flow characteristics

Cash flow characteristics means the characteristics of the contractual cash flows of the financial asset. When assessing cash flow characteristics, it is determined whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, for example, interest only consists of consideration for the time value of money, credit risk and other basic lending risks. The cash flow criteria is assessed separately for each instrument and if the terms of the contract include factors that cannot be considered typical terms for lending, the financial asset is classified as measured at fair value through profit or loss.

Financial assets – measurement categories and principles for classification

Amortised cost

A financial asset is measured at amortised cost when both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of interest and payments of principal.

On initial recognition the Sp Mortgage Bank Plc may make an irrevocable choice to present the subsequent fair value changes of an equity instrument in other comprehensive income. This election is made on instrument basis. These financial assets are measured at fair value and the change in value is recognised, less deferred taxes, in the statement of other comprehensive income.

Financial assets measured at fair value through profit or loss

All items that are not measured at amortised cost or recognised at fair value through other comprehensive income are recognised at fair value through profit or loss. However, a financial asset may, at initial recognition, be irrevocably designated as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets that are investments in debt instruments are reclassified only when the Savings Banks Group changes the business models applied in the management of financial assets. The Savings Banks Group expects such changes to be highly infrequent and it has not reclassified any financial assets during the review period.

Classification and measurement of financial liabilities

Financial liabilities are classified into following measurement categories for the purposes of subsequent measurement:

- amortised cost
- fair value through profit or loss.

Financial liabilities are principally measured at amortised cost. Derivative contracts and other investors' participation in consolidated funds are measured at fair value through profit or loss.

The table below presents financial assets and liabilities by balance items broken down into measurement categories for continuing operations.

30.6.2026 (EUR 1,000)	Amortized costs	Financial assets at fair value through profit or loss	Total
Loans and advances to credit institutions	1,399,607		1,399,607
Loans and advances to customers	1,987,987		1,987,987
Derivatives			
fair value hedges		6,712	6,712
Investment assets	6,858		6,858
Total assets	3,394,452	6,712	3,401,164
Liabilities to credit institutions	494,880		494,880
Derivatives			
of which fair value hedging		37,515	37,515
Debt securities issued	2,744,793		2,744,793
Total liabilities	3,239,673	37,515	3,277,188

31.12.2025 (EUR 1,000)	Amortized costs	Financial assets at fair value through profit or loss	Total
Loans and advances to credit institutions	1,245,382		1,245,382
Loans and advances to customers	2,154,569		2,154,569
Derivatives			
of which fair value hedging		15,364	15,364
Investment assets	4,875		4,875
Total assets	3,404,826	15,364	3,420,190
Liabilities to credit institutions	496,710		496,710
Derivatives			
fair value hedging		42,184	42,184
Debt securities issued	2,744,973		2,744,973
Total liabilities	3,241,683	42,184	3,283,867

8.1 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The derivative contracts of the Sp Mortgage Bank are subject to either ISDA Master Agreement or the Master Agreement of the Finance Finland. Under these agreements, derivative payments may be offset by payment transaction on each payment date as well as in the event of counterparty default or bankruptcy. In addition, it is possible to agree on collateral on a counterparty-specific basis in the terms and conditions of the agreement. These derivatives are presented in the statement of financial position on a gross basis.

30.6.2026				Amounts which are not offset but are subject to enforceable master netting arrangements or similar agreements			
(EUR 1,000)	Recognised financial assets, gross	Recognised financial liabilities offset in balance sheet, gross	Carrying amount in balance sheet, net	Financial instruments	Financial instruments held as collateral	Cash held as collateral	Net amount
Assets							
Derivative contracts	35,805		35,805	-21,091		-14,380	334
Total	35,805		35,805	-21,091		-14,380	334

30.6.2026 (EUR 1,000)	Recognised financial liabilities offset in balance sheet, gross	Carrying amount in balance sheet, net	Financial instruments	Financial instruments held as collateral	Cash held as collateral	Net amount	Net amount
Liabilities							
Derivative contracts	55,734		55,734	-21,091			34,643
Total	55,734		55,734	-21,091			34,643

*The carrying value of cash held as collateral is EUR 14,380 thousand. Overcollateralization is not taken into account in the table.

31.12.2025				Amounts which are not offset but are subject to enforceable master netting arrangements or similar agreements			
(EUR 1,000)	Recognised financial assets, gross	Recognised financial liabilities offset in balance sheet, gross	Carrying amount in balance sheet, net	Financial instruments	Financial instruments held as collateral	Cash held as collateral	Net amount
Assets							
Derivative contracts	32,210		32,210	-15,606		-16,210	394
Total	32,210		32,210	-15,606		-16,210	394

31.12.2025 (EUR 1,000)	Recognised financial assets, gross	Recognised financial liabilities offset in balance sheet, gross	Carrying amount in balance sheet, net	Financial instruments	Financial instruments held as collateral	Cash held as collateral	Net amount
Liabilities							
Derivative contracts	63,303		63,303	-15,606			47,697
Total	63,303		63,303	-15,606			47,697

*The carrying value of cash held as collateral is EUR 16,210 thousand. Overcollateralization is not taken into account in the table.

NOTE 9: DERIVATIVES AND HEDGE ACCOUNTING

The Sp Mortgage Bank hedges its interest rate risk against changes in fair value and applies hedge accounting on hedging relationships. Fair value hedging is applied when fixed interest rate issued covered bonds are hedged.

Changes in the fair value of derivatives in fair value hedging are recognised in the income statement under "Net trading income". In fair value hedging, also the hedged item is measured at fair value during the hedging period even if the item is otherwise measured at amortised cost. Changes in the fair value of the hedged item are recognized in the balance sheet as an adjustment to the corresponding balance sheet item and in the income statement under "Net trading income". Interests on hedging derivatives are presented as interest income and expense depending on their nature.

30.6.2026	Nominal value / remaining maturity				Fair value	
(EUR 1,000)	Less than 1 year	1 – 5 years	Over 5 years	Total	Assets	Liabilities
Hedging derivative contracts						
Fair value hedging		2,750,000		2,750,000	6,712	-37,515
Interest rate derivatives		2,750,000		2,750,000	6,712	-37,515
Total		2,750,000		2,750,000	6,712	-37,515

31.12.2025	Nominal value / remaining maturity				Fair value	
(EUR 1,000)	Less than 1 year	1 – 5 years	Over 5 years	Total	Assets	Liabilities
Hedging derivative contracts						
Fair value hedging	500,000	1,750,000	500,000	2,750,000	15,364	-42,184
Interest rate derivatives	500,000	1,750,000	500,000	2,750,000	15,364	-42,184
Total	500,000	1,750,000	500,000	2,750,000	15,364	-42,184

* The nominal value of the issued fixed rate covered bonds hedged for fair value changes was EUR 2,750,000 thousand and carrying amount EUR 2,719,439 thousand on the end of review period. The fair value adjustment resulting from hedge calculation for the balance sheet item subject to hedging was 25,354 thousand decreasing the book value.

Nominal values of hedging instruments equal to the nominal values of hedged items.

NOTE 10: FAIR VALUES BY VALUATION TECHNIQUE

Fair value measurement

Financial instruments are presented in the Sp Mortgage Bank's balance sheet at amortised cost and at fair value in derivatives. The classification of financial assets and liabilities by valuation technique as well as the criteria for measurement methods and for determining fair value are described in the Note 8.

Fair value is the price that would be attained if the asset was sold or would be paid to transfer the liability from one market party to another in a standard business transaction taking place on a valuation day. The fair values of financial instruments are primarily determined using quotations on a publicly traded market or, if active markets do not exist, on the company's own valuation methods. A market is considered active if price quotations are readily and regularly available and if they reflect real and regularly occurring arm's-length market transactions. Current bid price is used as the quoted market price of a financial asset.

If the market has a well-established valuation technique for a financial instrument for which there is no direct market price available, the fair value is based on the commonly used valuation model and on the market quotations of the input data used in the model. If there is no well-established valuation technique in the market, the fair value is determined based on a specific valuation model created for the product in question. The valuation models are based on widely used measuring techniques, incorporating all the factors that market participants would consider when setting a price. The valuation prices used include market transaction prices, the discounted cash flow method, as well as the fair value of another substantially similar instrument at the reporting date. The valuation methods take into account an estimate of credit risk, applicable discount rates, early repayment option, and other such factors that may impact reliable determination of the fair value of the financial instrument. In respect of cash and deposits payable on demand, the nominal value is considered as an approximation of the fair value.

The fair values of financial instruments are primarily determined using quotations on a publicly traded market or market prices received from third parties. If quoted market prices are not available, balance sheet items are mainly measured by discounting future cash flows using market interest rates at the reporting date. In respect of cash and deposits payable on demand, the nominal value is considered equivalent to the fair value.

The fair value measurement of derivatives takes account of the credit risk of the parties to a transaction. Credit risk is adjusted with a Credit Valuation Adjustment (CVA) and with a Debit Valuation Adjustment (DVA). CVA and DVA valuation adjustments are calculated for each counterparty.

Sp Mortgage Bank does not have assets measured at fair value on a non-recurring basis.

Fair value hierarchy

The fair values are divided into three hierarchical levels, depending on how the fair value is defined. The fair value hierarchy level into which an item measured at fair value is fully classified is determined by the input data which is at the lowest level and is significant in respect of the whole item. The significance of input data is evaluated considering the whole item which is valued at fair value.

Level 1 consists of financial assets, for which the value is determined based on quotes on a liquid market. Market is considered liquid if the prices are available easily and regularly enough. Level 1 includes quoted bonds as well as other securities which are quoted on public.

Level 2 includes financial assets for which there is no quotation directly available on an active market and whose fair value is estimated using valuation techniques or models. These are based on assumptions which are supported by verifiable market information such as the listed interest rates or prices of similar instruments. This group includes e.g. interest rate derivatives as well as commercial papers and certificates of deposit.

Level 3 includes financial assets whose fair value cannot be derived from public market quotations or through valuation techniques or models which are based on observable market data. Level 3 comprises unquoted equity instruments, structured investments and other securities for which there is currently no binding market quotation available. The fair value at level 3 is often based on price information received from a third party.

Transfers between levels

Transfers between the levels of the fair value hierarchy are considered to take place on the date when an event causes such a transfer or when circumstances change.

In the financial reporting period January to June 2026, there were no transfers between levels 2 and 3.

Financial assets 30.06.2026 (EUR 1,000)	Carrying amount	Fair value by hierarchy level Level 1	Level 2	Level 3	Fair value Total
Measured at fair value					
Derivative contracts	6,712		6,712		6,712
Measured at amortised cost					
Loans and advances to credit institutions	1,399,607		1,438,965		1,438,965
Loans and advances to customers	1,987,987		2,155,325		2,155,325
Investment assets	6,858	6,832			6,832
Total financial assets	3,401,164	6,832	3,601,002		3,607,834

Financial liabilities 30.06.2026 (EUR 1,000)	Carrying amount	Fair value by hierarchy level Level 1	Level 2	Level 3	Fair value Total
Measured at fair value					
Derivative contracts	37,515		37,515		37,515
Measured at amortised cost					
Liabilities to credit institutions	494,880		504,927		504,927
Debt securities issued*	2,719,439	2,722,435			2,722,435
Total financial liabilities	3,251,834	2,722,435	542,442		3,264,877

* Carrying amount includes the adjustment from the hedging EUR -25 million.

Financial assets 31.12.2025 (EUR 1,000)	Carrying amount	Fair value by hierarchy level Level 1	Level 2	Level 3	Fair value Total
Measured at fair value					
Derivatives	15,364		15,364		15,364
Measured at amortised cost					
Loans and advances to credit institutions	1,245,356		1,281,410		1,281,410
Loans and advances to customers	2,154,569		2,354,178		2,354,178
Investment assets	4,875	4,864			4,864
Total financial assets	3,420,164	4,864	3,650,952		3,655,816

Financial liabilities 31.12.2025 (EUR 1,000)	Carrying amount	Fair value by hierarchy level Level 1	Level 2	Level 3	Fair value Total
Measured at fair value					
Derivative contracts	42,184		42,184		42,184
Measured at amortised cost					
Liabilities to credit institutions	496,710		510,414		510,414
Debt securities issued*	2,730,851	2,724,385			2,724,385
Total financial liabilities	3,269,745	2,724,385	552,597		3,276,982

* Carrying amount includes the adjustment from the hedging EUR -14.1 million.

NOTE 11: COLLATERALS

(EUR 1,000)	30.6.2026	31.12.2025
Collateral given		
Given on behalf of Group's own liabilities and commitments		
Loans	3,946,265	4,015,870
Total collateral given	3,946,265	4,015,870
Collateral received		
Real estate collateral	1,988,841	2,155,519
Other	16,351	16,405
Total collateral received	2,005,192	2,171,924

On 30 June 2026, loans pledged as collateral for covered bonds issued in the bond programme established under the Act on Mortgage Credit Banks (688/2010) amounted to EUR 710 million. On 30 June 2026, loans pledged as collateral for covered bonds issued in the bond programme updated in 2022 under the act on mortgage banks and covered bonds (151/2022) amounted to EUR 3,236 million.

NOTE 12: OFF BALANCE-SHEET COMMITMENTS

(EUR 1,000)	30.6.2026	31.12.2025
Loan commitments	290	858
Total off balance-sheet commitments	290	858

Binding credit commitments and other similar off-balance-sheet commitments, are recognised under off-balance sheet commitments. Commitments are recorded in the minimum amount that can be expected to be paid on the basis of them.

NOTE 13: RELATED PARTIES

The Board of Directors of Sp Mortgage Bank has defined the related parties of the Sp Mortgage Bank. The related parties of Sp Mortgage Bank's comprise key management personnel as well as their close family members. In addition, related parties comprise entities which the key management personnel and/or their close family members control. The key management personnel of the Sp Mortgage Bank comprise the members of the Board of Directors, the Managing Director as well as the Executive Board of Sp Mortgage Bank.

Sp Mortgage Bank does not have own personnel, all the necessary functions and support services are bought from the companies in the Savings Banks Amalgamation or from companies offering services to the Savings Banks Amalgamation.

PILLAR III DISCLOSURES

Sp Mortgage Bank is part of the Savings Banks Amalgamation and the Savings Banks Group. Sp Mortgage Bank's capital adequacy information is included in the information concerning the capital adequacy of the Savings Banks Amalgamation, presented in the consolidated financial statements of the Savings Banks Group.The Savings Banks Group publishes the so-called Pillar III capital adequacy information separately at the same time with its financial statements. The Financial Supervisory Authority has granted a permission not to deduct internal holdings of credit institutions included in the Amalgamation from own funds instruments when calculating own funds at the individual institution level and sub-consolidation group level. In addition, the Financial Supervisory Authority has granted a permission to apply a 0 per cent risk weight to internal credit institution liabilities included within the scope of the Amalgamation's joint and several liability. These permissions are based on the European Union Capital Requirements Regulation (EU 575/2013) and the Act on the Amalgamation of Deposit Banks (599/2010). A copy of the financial statement of the Savings Banks Group is available online at www.saastopankki.fi or at the Savings Banks Union Coop offices at Teollisuuskatu 33, 00510 Helsinki, Finland.

Sp Mortgage Bank Plc

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