POP Mortgage Bank Plc

HALF-YEAR REPORT

1 January – 30 June 2026

POP Mortgage Bank Plc

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POP Mortgage Bank Plc Half-year financial report for 1 January – 30 June 2026 is a translation of the original Finnish version "POP Asuntoluottopankki Oyj puolivuosikatsaus 1.1.–30.6.2026". In case of discrepancies, the Finnish version shall prevail.

BOARD OF DIRECTOR'S REPORT

The POP Mortgage Bank Plc (hereinafter 'POP Mortgage Bank') is a member credit institution within amalgamation of the POP Banks. POP Mortgage Bank is responsible for acquiring external funding for the amalgamation in cooperation with Bonum Bank Plc. POP Mortgage Bank is also responsible for issuing secured bonds from its EUR 1.5 billion covered bond program and forwarding the acquired funding to member credit institutions belonging to the amalgamation of POP Banks.

POP Mortgage Bank's operations are based on the intermediary loan model. Thus, the mortgage-backed loan portfolio provided as collateral for bonds to be issued is not recognised on POP Mortgage Bank's balance sheet. Instead, it remains on each member's credit institution's balance sheet.

POP Mortgage Bank recorded a profit of EUR 0.1 (0.8) million for the reporting period. The balance sheet totalled EUR 530.7 million at the end of the reporting period (EUR 540.6 million at the beginning of the reporting period). Intermediary loans granted to banks belonging to the amalgamation of POP Banks totalled EUR 500.0 (500.0) million.

The Annual General Meeting of POP Mortgage Bank was held in March 2026. The meeting addressed the statutory matters. Juha Niemelä, Marja Pajulahti and Matti Vainionpää were elected to the Board of Directors. Juha Niemelä has served as Chair of the Board.

POP BANK GROUP AND AMALGAMATION OF POP BANKS

The POP Bank Group is a Finnish financial group that offers retail banking services for private customers and small and medium-sized enterprises. The POP Banks are cooperative banks owned by their member customers. The POP Banks' mission is to promote their customers' financial well-being and prosperity, as well as local success.

Structure of the POP Bank Group

The POP Bank Group consists of the POP Banks, POP Bank Centre coop and their controlled entities. The POP Banks are member credit institutions of POP Bank Centre coop. POP Bank Centre coop and its member credit institutions are mutually liable for their debts and liabilities in line with the Act on the Amalgamation of Deposit Banks. The POP Banks, POP Bank Centre coop and their controlled service companies constitute the Amalgamation of POP Banks.

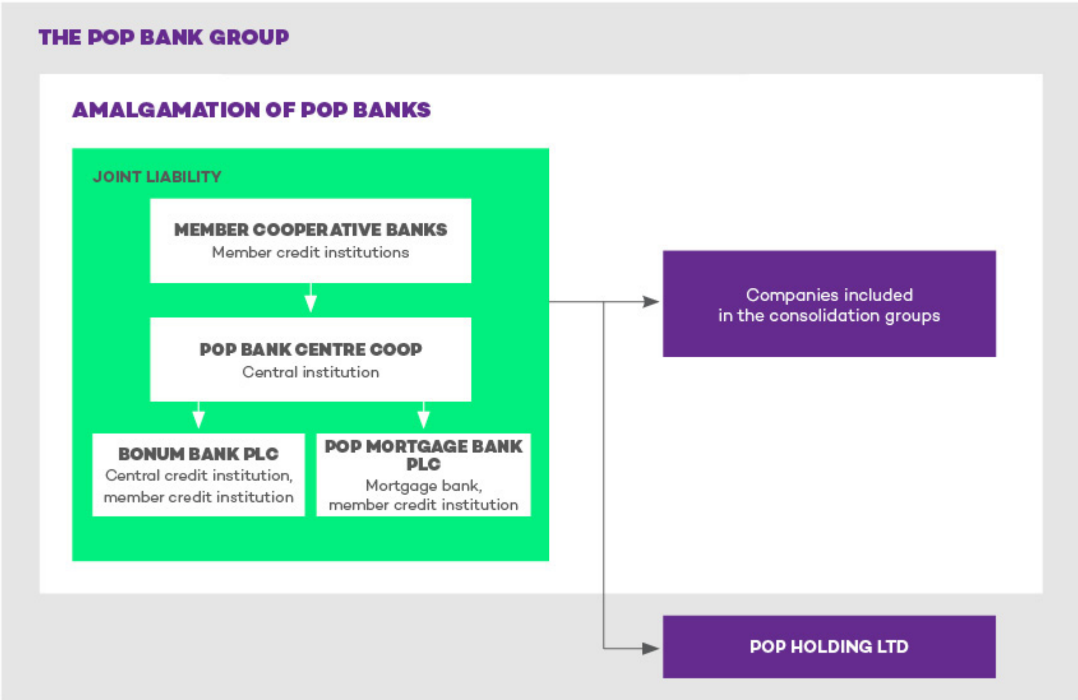
POP Bank Centre coop is the central institution of the Amalgamation of POP Banks and is responsible for steering and supervising the POP Bank Group. POP Bank Centre coop has two subsidiaries, Bonum Bank Plc and POP Mortgage Bank Plc, which are also its member credit institutions.

Bonum Bank Plc serves as the central credit institution of the POP Banks and acquires external funding for the Group by issuing unsecured bonds. Bonum Bank Plc is also responsible for the POP Banks' card business and the Group's payment transactions and centralised services, in addition to granting credit to retail customers. POP Mortgage Bank Plc is responsible for the Group's mortgage-backed funding, which it acquires by issuing covered bonds.

POP Bank Group also includes POP Holding Ltd owned by POP Banks and POP Bank Centre coop. POP Holding Ltd owns 30 per cent of Finnish P&C Insurance Ltd that belongs to LocalTapiola Group and uses the auxiliary business name of POP Insurance. POP Holding Ltd is not a member of the amalgamation of POP Banks and is not included in the scope of joint liability.

The following figure shows the structure of the POP Bank Group and the entities included in the amalgamation and covered by joint mutual responsibility. There were no changes in the Group's structure under the review period.

POP BANK GROUP STRUCTURE



OPERATING ENVIRONMENT

Geopolitical instability continued on several fronts during 2026. The most significant impact on the economy resulted from the outbreak of war in the Middle East, which disrupted oil shipments and triggered a shock in global oil prices. As a result, global economic growth slowed and economic growth forecasts were revised downwards. Russia's war of aggression against Ukraine also continued.

The war in the Middle East also prompted an increase in short-term market interest rates in March, while higher oil prices significantly accelerated inflation. In response, the European Central Bank began raising its key interest rates in June.

Although there were tentative signs of a recovery in household consumption during the first half of the year, and an increase in overseas travel compared with the first half of 2025, consumer behaviour is still cautious. Consumers continued to be concerned about the general employment situation and various cuts to public benefits and the declining confidence in publicly funded healthcare services and services for older persons. The renewed rise in interest rates was also a particular concern for mortgage borrowers. As a result, households continued to increase their savings during the first half of the year.

Housing prices continued to decline and housing sales remained at a low level. The construction sector continued to face challenges, and residential construction in particular remained subdued due to weak demand.

The overall situation in Finnish agriculture improved slightly during the first half of 2026, although there were considerable differences between production sectors. Profitability remained particularly weak for grain farms, as inflation continued to drive up prices of production inputs. In forestry, the price of pulpwood declined as demand weakened, while sawlog prices remained close to the high levels recorded in 2025.

Overall, the Finnish economy showed encouraging signs during the first half of the year. Finland's economic growth figures for 2025 were revised upwards significantly in June, and the first quarter of 2026 also saw broad-based growth in output. Industrial exports increased, and employment has been rising across several industrial sectors.

KEY FIGURES AND RATIOS

	30 Jun 2026	30 Jun 2025	31 Dec 2025
Cost-to-income ratio, %	73%	36%	38%
ROA, %	0.1%	0.2%	0.2%
ROE, %	1.6%	8.9%	7.9%
Capital adequacy ratio (TC) %	370.5%	329.2%	326.0%
Equity ratio, %	3.6%	2.3%	3.5%

The calculation formulas for key ratios are presented on POP Mortgage Bank Plc Board of Directors' and Financial Statements Report 2025. When calculating ROA and ROE, the profit for the review period has been changed to match full year level.

INCOME STATEMENT AND BALANCE SHEET

Financial performance

POP Mortgage Bank's profit before taxes was EUR 0.2 million, whereas in the comparison period it was EUR 0.8 million. POP Mortgage Bank's profit consists of interest income from intermediary loans.

POP Mortgage Bank's net interest income was EUR 0.6 (1.2) million. Interest income EUR 7.5 (13.1) million was entirely generated from interest earnings on receivables from credit institutions. Interest expenses EUR 6.9 (11.9) million consisted of EUR 8.3 (11.5) million in bonds issued to the public, liabilities to credit institutions EUR 0.1 (0.2) million as well as interest income recorded from derivative contracts EUR 1.4 million. In the comparison period, interest expenses of EUR 0.2 million were recorded from derivative contracts.

POP Mortgage Bank's operating expenses totalled EUR 0.4 (0.4) million. Personnel expenses include fees paid to the members of the Board of Directors. Other operating expenses of EUR 0.4 (0.4) million include EUR 0.1 (0.1) million in ICT expenses and EUR 0.3 (0.3) million in purchased services, as well as regulatory and other consulting fees. Purchased services include management services purchased from Bonum Bank Plc and POP Bank Centre coop, among other services. Depreciation and impairment include the amortisation of intangible assets.

Balance sheet development

POP Mortgage Bank's balance sheet totalled EUR 530.7 million at the end of the reporting period (540.6 million at the beginning of the reporting period).

Loans and receivables from credit institutions include EUR 21.6 (27.7) million in deposits made in Bonum Bank and EUR 500.0 (500.0) million in intermediary loans granted to banks belonging to the Amalgamation of POP Banks. The bonds issued, at EUR 498.5 (502.6) million, include secured bonds with a nominal value of EUR 500.0 (500.0) million, and the change in the fair value of the underlying asset in hedge accounting. No new bonds were issued or redeemed during the review period.

POP Mortgage Bank's equity was EUR 19.1 (18.9) million at the end of the review period.

CREDIT RATING

POP Mortgage Bank's loan programme and issued bonds have received an 'AAA' credit rating with a stable outlook. POP Mortgage Bank' ratings are affirmed by Credit Rating Agency S&P Global Ratings.

RISK AND CAPITAL ADEQUACY MANAGEMENT AND RISK POSITION

Principles and organisation of risk management

The POP Bank Group's strategy outlines the Group's risk appetite. Business activities are carried out at a moderate risk level so that the risks can be managed in full. The purpose of risk management is to ensure the risk levels are proportionate to the risk-bearing capacity and capital adequacy position of the bank and the amalgamation.

Risk management processes must be able to identify all significant risks of the business operations and assess, measure and monitor these regularly. The most significant risks associated with POP Mortgage Bank's operations are credit risk, liquidity risk and interest rate risk.

The amalgamation's risk management and capital adequacy management are described in more detail in Note 4 to the POP Bank Group's financial statements. POP Bank Group will deliver the Amalgamation's Pillar III information according to EU capital adequacy act to the European Banking Authority (EBA) which will publish the information in a centralised information portal (Pillar 3 data hub). A link to the service is published in POP Bank Group web page.

Risk position

Credit risk

POP Mortgage Bank's credit risk consist of intermediary loans granted to the member banks of the amalgamation of POP Banks and from derivatives.

POP Mortgage Bank engages in mortgage bank operations under an intermediary loan model established by the Act on Mortgage Banks and Covered Bonds (151/2022). Thus, the Bank may issue secured bonds and use the acquired funds to offer intermediary loans to the member banks of the amalgamation.

Under the intermediary loan model, the mortgage-backed loans provided as collateral for secured bonds remain on the member banks' balance sheets and are not recognised on POP Mortgage Bank's balance sheet. The risks associated with the mortgage-backed loans provided as collateral are not transferred to POP Mortgage Bank. The bonds are recognised as collateral for the secured bonds issued. The intermediary loans granted to member banks are presented under "Receivables from credit institutions" on the balance sheet.

Liquidity risk

POP Bank Group's liquidity position remained strong during the financial period. The liquidity coverage ratio (LCR) for the amalgamation of POP Banks was 216.9 per cent on 30 June 2026 (241.9 per cent on 31 December 2025), with the regulatory minimum level being 100 per cent.

The requirement for stable funding, NSFR, measures the maturity mismatch of assets and liabilities on the balance sheet and is responsible for ensuring that ongoing funding is sufficient to meet fund-ing needs over a one-year period, thus preventing over-reliance on short-term wholesale funding. The amalgamation's NSFR ratio was 136.1 per cent on 30 June 2026 (136.5 per cent on 31 December 2025), while minimum regulatory requirement is 100 per cent.

At the end of the reporting period, the nominal amount of covered bonds issued by POP Mortgage Bank under its EUR 1.5 billion bond programme was EUR 500.0 (500.0) million.

POP Bank Centre coop, the central institution of POP Banks' amalgamation, applies a permission granted by the Finnish Financial Supervisory Authority to decide that the requirements laid down in the sixth part of the European Union's Capital Requirements Regulation (EU 575/2013) and EU's statutory orders set in the Regulation are not applied to its member credit institutions. According to the permission, the regulatory requirements for liquidity risk (LCR and NSFR) shall only be met at the amalgamation level.

Market risk

POP Mortgage Bank's most significant market risk is the interest rate risk associated with the banking book. The interest rate risk refers to the impact of changes in interest rate levels on the market value of balance sheet and off-balance-sheet items, or on net interest income. The banking book consists of intermediary loans granted to the amalgamation's member banks and market-based financing.

POP Mortgage Bank does not engage in trading activities. The use of derivatives is limited to hedging interest rate risk in the banking book.

POP Mortgage Bank monitors the interest rate risk by using the present value method and the dynamic income risk model. The present value method measures how changes in interest rates affect the constructed market value of the balance sheet. In the present value method, the market value of the balance sheet is calculated as the present value of the expected cash flows of individual balance sheet items.

Operational risks

The objective of the management of operational risks is to identify essential operational risks in business operations and minimise their materialisation and impact. The objective is pursued through operational risk management processes, internal guidelines, controls, continuous personnel development and comprehensive operating instructions and internal control measures.

The key operational risk management processes include regular self-assessments of operational risks, continuous monitoring of realised risk events and near-miss situations, and a new product/service approval process. In all processes, the material risks related to business operations are identified and assessed, and risk mitigation measures are defined.

Recovery and resolution plan

In accordance with the bank resolution act for own funds and eligible liabilities, the Financial Stability Authority has set a minimum requirement of own funds and eligible liabilities (MREL-requirement) for POP Mortgage Bank. The MREL requirement for POP Mortgage Bank is 16.0 per cent of total risk-weighted assets (TREA) or 6.0 per cent of the leverage ratio exposures (LRE). The MREL requirement has been fulfilled with own funds.

Capital adequacy

At the end of the reporting period, POP Mortgage Bank's capital adequacy was at a good level. The Bank's capital ratio and Common Equity Tier 1 capital ratio (CET1%) were both 370.5 per cent (326.0 per cent on 31 December 2025). The Bank's own funds totalled EUR 18.8 (17.3) million consisting entirely of CET1 capital adequacy.

POP Mortgage Bank's own funds are comprised of share capital, retained earnings and other non-restricted reserves. In line with the practice followed by the amalgamation, the bank does not include the profit for the financial year in its own funds. Member credit institutions of the amalgamation have been exempted from the own funds requirements for intragroup items and large exposures limits for exposures between the mortgage bank and the other member credit institutions based on a permission granted by the FIN-FSA.

The statutory minimum for capital adequacy ratio is 8 per cent and 4.5 per cent for CET1 capital. In addition to the minimum capital adequacy ratio, Bonum Bank is subject to fixed additional capital requirement, which is 2.5 per cent in accordance with the Act on Credit Institutions, and to the variable country-specific additional capital requirements for foreign exposures. All additional capital requirements have to be covered in full of tier 1 capital.

POP Mortgage Bank's leverage ratio on 30 June 2026 was 415.8 (341.9) per cent. The minimum level of regulation is 3 per cent. With an exemption from the FIN-FSA, the amalgamation's internal items are deducted from the amount of liabilities in the calculation of the leverage ratio.

Summary of capital adequacy

(EUR 1,000)	30 Jun 2026	31 Dec 2025
Own funds		
Common Equity Tier 1 capital before deductions	18,921	17,481
Deductions from Common Equity Tier 1 capital	-115	-180
Total Common Equity Tier 1 capital (CET1)	**18,806**	**17,301**
Additional Tier 1 capital before deductions	-	-
Deductions from Additional Tier 1 capital	-	-
Additional Tier 1 capital (AT1)	**-**	**-**
Tier 1 capital (T1 = CET1 + AT1)	**18,806**	**17,301**
Tier 2 capital before deductions	-	-
Deductions from Tier 2 capital	-	-
Total Tier 2 capital (T2)	**-**	**-**
Total capital (TC = T1 + T2)	**18,806**	**17,301**
Total risk weighted assets	**5,077**	**5,306**
of which credit risk	1,182	1,248
of which credit valuation adjustment risk (CVA)	982	1,146
of which market risk (exchange rate risk)	-	-
of which operational risk	2,913	2,913
Fixed capital conservation buffer according to Act on Credit institutions (2.5%)	**127**	**133**
Countercyclical capital buffer	**-**	**-**
CET1 Capital ratio (%)	**370.5%**	**326.0%**
T1 Capital ratio (%)	**370.5%**	**326.0%**
Total capital ratio (%)	**370.5%**	**326.0%**
Capital requirement		
Total capital	18,806	17,301
Capital requirement*	533	557
Capital buffer	18,273	16,744
Leverage ratio		
Tier 1 capital (T1)	18,806	17,301
Leverage ratio exposure	4,523	5,060
Leverage ratio, %	415.8%	341.9%

*The capital requirement consists of the statutory capital adequacy requirement (8.0%), the fixed countercyclical capital buffer requirement under the Credit Institutions Act (2.5%) and country-specific variable capital requirements for foreign exposures.

EVENTS AFTER THE REVIEW PERIOD

POP Mortgage Bank's Board of Directors is not aware of any events having taken place after the closing date that would have a material impact on the information presented in the half-year financial statements.

OUTLOOK FOR THE SECOND HALF OF THE YEAR

An estimate of the development of the result for 2026 is given only in the POP Bank Group's Financial Statements Release and Half-Year Financial Report. POP Mortgage Bank's financial performance is subject to uncertainty due to changes in market interest rates.

All forecasts and estimates presented are based on management's current view of economic development, and actual results may differ significantly due to factors affecting the operating environment.

TABLES (IFRS)

INCOME STATEMENT

(EUR 1,000)	Note	1 Jan–30 Jun 2026	1 Jan–30 Jun 2025
Interest income		7,528	13,053
Interest expenses		-6,949	-11,898
Net interest income	**2**	**579**	**1,155**
Net income from hedge accounting	3	29	90
Total operating income		**608**	**1,244**
Personnel expenses		-9	-10
Other operating expenses		-374	-377
Depreciation and amortisation		-58	-58
Total operating expenses		**-441**	**-445**
Profit before taxes		**167**	**800**
Income taxes		-18	-
Result for the period		**150**	**800**

POP Mortgage Bank has no items of other comprehensive income.

BALANCE SHEET

(EUR 1,000)	Note	30 Jun 2026	31 Dec 2025
Assets			
Loans and receivables from credit institutions	4, 5, 6	521,564	527,689
Derivatives	4, 5, 7, 9	1,871	4,643
Intangible assets		107	165
Other assets		7,208	8,095
Total assets		**530,749**	**540,593**
Liabilities			
Liabilities to credit institutions	4	3,460	9,840
Derivatives	4, 5, 7, 9	2,529	1,023
Debt securities issued to the public	4, 5, 8	498,504	502,633
Other liabilities		7,186	8,176
Total liabilities		**511,679**	**521,672**
Equity capital			
Share capital		10,000	10,000
Reserves		9,000	9,000
Retained earnings		70	-79
Total equity capital		**19,070**	**18,921**
Total liabilities and equity capital		**530,749**	**540,593**

STATEMENT OF CHANGES IN EQUITY

(EUR 1,000)	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total equity
Balance at 1 Jan 2026	**10,000**	**9,000**	**-79**	**18,921**
Profit for the financial year	-	-	150	**150**
Profit for the financial year	**-**	**-**	**150**	**150**
Balance at 30 Jun 2026	**10,000**	**9,000**	**70**	**19,070**

(EUR 1,000)	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total equity
Balance at 1 Jan 2025	**10,000**	**9,000**	**-1,519**	**17,481**
Profit for the financial year	-	-	800	**800**
Profit for the financial year	**-**	**-**	**800**	**800**
Balance at 30 Jun 2025	**10,000**	**9,000**	**-720**	**18,280**

CASH FLOW STATEMENT

(EUR 1,000)	Note	1 Jan–30 Jun 2026	1 Jan–30 Jun 2025
Cash flow from operating activities			
Profit for the financial year		150	800
Adjustments to profit for the financial year		225	237
Increase (-) or decrease (+) in operating assets		**887**	**-2,053**
Loans and receivables from credit institutions	4,5,6	-	-
Other assets		887	-2,053
Increase (+) or decrease (-) in operating liabilities		**-7,387**	**6,535**
Liabilities to credit institutions	4	-6,380	4,720
Other liabilities		-1,007	1,815
Total cash flow from operating activities		**-6,125**	**5,518**
Cash flow from financing activities			
Debt securities issued, increase	8	-	-
Debt securities issued, decrease	8	-	-
Total cash flow from financing activities		**-**	**-**
Change in cash and cash equivalents			
Cash and cash equivalents at period-start		27,689	29,737
Cash and cash equivalents at the end of the period		21,564	35,255
Net change in cash and cash equivalents		**-6,125**	**5,518**
Cash and cash equivalents			
Receivables from credit institutions payable on demand	6	21,564	35,255
Total		**21,564**	**35,255**

Additional information of the cash flow statement

Interest received		8,490	11,139
Interest paid		7,903	10,196

Adjustments to result for the financial year

Income taxes		18	-
Changes in fair value		-29	-90
Depreciation		58	58
Other		179	269

NOTES

NOTE 1 ACCOUNTING PRINCIPLE

POP Mortgage Bank's financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the related interpretations (IFRIC).

The half-year financial report for 1 January – 30 June 2026 has been prepared in accordance with IAS 34 Interim Financial Reporting and the accounting policies presented in POP Mortgage Bank's IFRS financial statements 31 December 2025.

The figures disclosed in the half-year financial report are unaudited. The reported figures are in thousand euros, unless otherwise stated. The figures in the calculations and tables are rounded, whereby the sum total of individual figures may deviate from the sum total presented. The operating currency of POP Mortgage Bank is euro.

A copy of POP Mortgage Bank's half-year financial report is available from its office at Hevosenkenkä 3, FI-02600 Espoo, and online at www.poppankki.fi. POP Mortgage Bank publishes one interim report per year.

Accounting policies requiring management judgement and uncertainties related to estimates

The application of the IFRS requires the management to make estimates and assumptions concerning the future that affect the reported amounts in the financial statements, as well as the information included in the notes. The management's main estimates concern the future and key uncertainties related to the amounts at the balance sheet date. Such key estimates are related to fair value measurement, as well as the impairment of financial assets. The management's estimates and assumptions are based on the best view at the balance sheet date, which may differ from the actual result. Due to the uncertainty of projecting the development of economy, the fair values and impairments of financial assets are subject to greater uncertainty than usual.

Impairment of financial assets

In the calculation of expected credit losses, the management's assessment has been used in deciding that the probability of default of the POP Banks Group's internal items is to be zero. The assessment was made based on the structure of the Group and the principles of risk management. The most significant item within the amalgamation to which the principle is applied is the interim loans granted to POP Banks, which are presented in Note 6.

Determining fair value

The management must assess whether the markets for financial instruments are active or not. Furthermore, the management must assess whether an individual financial instrument is subject to active trading and whether the price information obtained from the market is a reliable indication of the instrument's fair value.

When the fair value of financial instruments is determined using a valuation technique, the management's judgement is needed in the choice of the valuation technique to be applied. Insofar as there is no market input available for the techniques, management must evaluate how other data can be used for the valuation.

Changes in accounting principles

The IFRS standards, standard amendments, or interpretations that came into effect on 1 January 2026 did not have a material impact on the POP Mortgage Bank's half-year financial report.

POP Bank Group intends to adopt IFRS 18 Presentation and Disclosures standard for the financial year commencing 1 January 2027. The Standard shall be applied in periods beginning on or after 1 January 2027, but its earlier application is permitted. IFRS 18 supersedes IAS 1 Presentation of Financial Statements. The adoption of the standard will have an impact on the presentation of POP Bank Group's financial statements. The standard will change the presentation of POP Mortgage Bank's financial statements.

NOTE 2 INTEREST INCOME AND EXPENSES

(EUR 1,000)	1 Jan–30 Jun 2026	1 Jan–30 Jun 2025
Interest income		
Loans and receivables from credit institutions	7,528	13,053
Total interest income	**7,528**	**13,053**
Interest expenses		
Liabilities to credit institutions	-70	-190
Debt securities issued to the public	-8,288	-11,533
Hedging derivatives	1,410	-174
Total interest expenses	**-6,949**	**-11,898**
Net interest income	**579**	**1,155**

NOTE 3 NET INCOME FROM HEDGE ACCOUNTING

(EUR 1,000)	1 Jan–30 Jun 2026	1 Jan–30 Jun 2025
Change in hedging instruments' fair value	-4,278	1,554
Change in hedged items' fair value	4,307	-1,464
Net income from hedge accounting	**29**	**90**

Derivative contracts and hedge accounting are presented in detail in Notes 7 and 9.

NOTE 4 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets 30 June 2026

(EUR 1,000)	At amortised cost	Hedging derivatives	Total carrying amount
Loans and receivables from credit institutions	521,564	-	**521,564**
Derivative contracts	-	1,871	**1,871**
Financial assets total	**521,564**	**1,871**	**523,434**
Other assets			**7,315**
Total assets			**530,749**

Financial assets 31 December 2025

(EUR 1,000)	At amortised cost	Hedging derivatives	Total carrying amount
Loans and receivables from credit institutions	527,689	-	**527,689**
Derivative contracts	-	4,643	**4,643**
Financial assets total	**527,689**	**4,643**	**532,332**
Other assets			**8,260**
Total assets			**540,593**

Financial liabilities 30 June 2026

(EUR 1,000)	At amortised cost	Hedging derivatives	Total carrying amount
Liabilities to credit institutions	3,460	-	**3,460**
Derivative contracts	-	2,529	**2,529**
Debt securities issued to the public*	498,504	-	**498,504**
Financial liabilities total	**501,964**	**2,529**	**504,493**
Other liabilities			**7,186**
Total liabilities			**511,679**

*Debt securities issued to the public include hedge adjustments of EUR -501 thousand. The hedged items included in the balance sheet items are presented in more detail in Note 7.

Financial liabilities 31 December 2025

(EUR 1,000)	At amortised cost	Hedging derivatives	Total carrying amount
Liabilities to credit institutions	9,840	-	**9,840**
Derivative contracts	-	1,023	**1,023**
Debt securities issued to the public*	502,633	-	**502,633**
Financial liabilities total	**512,473**	**1,023**	**513,496**
Other liabilities			**8,176**
Total liabilities			**521,672**

*Debt securities issued to the public include hedge adjustments of EUR 3,806 thousand. The hedged items included in the balance sheet items are presented in more detail in Note 7.

NOTE 5 FAIR VALUES AND VALUATION TECHNIQUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets

	30 Jun 2026		31 Dec 2025	
(EUR 1,000)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Loans and receivables from credit institutions	521,564	533,930	527,689	541,659
Derivatives	1,871	1,871	4,643	4,643
Total	**523,434**	**535,800**	**532,332**	**546,302**

Financial liabilities

	30 Jun 2026		31 Dec 2025	
(EUR 1,000)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Liabilities to credit institutions	3,460	3,460	9,840	9,840
Derivatives	2,529	2,529	1,023	1,023
Debt securities issued to the public	498,504	502,195	502,633	504,775
Total	**504,493**	**508,184**	**513,496**	**515,638**

Fair value hierarchy levels of items recurrently recognised at fair value

Assets recurrently recognised at fair value 30 June 2026

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Derivatives	-	1,871	-	1,871	1,871
Total	**-**	**1,871**	**-**	**1,871**	**1,871**

Liabilities recurrently recognised at fair value 30 June 2026

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Derivatives	-	2,529	-	2,529	2,529
Total	**-**	**2,529**	**-**	**2,529**	**2,529**

Assets recurrently recognised at fair value 31 Dec 2025

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Derivatives	-	4,643	-	4,643	4,643
Total	**-**	**4,643**	**-**	**4,643**	**4,643**

Liabilities recurrently recognised at fair value 31 Dec 2025

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Derivatives	-	1,023	-	1,023	1,023
Total	**-**	**1,023**	**-**	**1,023**	**1,023**

Fair value determination of financial assets and financial liabilities

Financial assets and liabilities are recognized in balance sheet at fair value or amortized cost. Classification and valuation of financial instruments are described in more detail in POP Mortgage Bank Plc's Financial Statements Report's Note 1 Accounting policies.

Fair value hierarchies

Level 1 includes financial instruments that are measured on the basis of quotations obtained from liquid markets. A market is considered as liquid if quotations are regularly available. This group included all securities with publicly quoted prices.

Level 2 includes financial instruments measures using generally approved measurement techniques or models which are based on assumptions made on the basis of observable market prices. For example, the fair value of a financial instrument allocated to Level 2 may be based on the value derived from the market quotation of components of an instrument. This group includes interest derivatives and other instruments that are not traded in liquid markets.

Level 3 includes financial instruments and other assets that are not measured using market quotations or values determined on the basis of observable market prices using measurement techniques or models. The assumptions applied in the measurement techniques often involve insecurity. The fair value of assets allocated to Level 3 is often based on price information obtained from a third party.

Transfers between fair value hierarchy levels

Transfers between hierarchy levels are considered to have taken place on the date of the occurrence of the event that caused the transfer or the date when the circumstances changed. There were no transfers between levels during the reporting period.

NOTE 6 LOANS AND RECEIVABLES FROM CREDIT INSTITUTIONS

(EUR 1,000)	30 Jun 2026	31 Dec 2025
Deposits		
Repayable on demand	21,564	27,689
Intermediary loans	500,000	500,000
Total	**521,564**	**527,689**

NOTE 7 DERIVATIVE CONTRACTS AND HEDGE ACCOUNTING

POP Mortgage Bank hedges its interest rate risk against fair value changes primarily using interest rate swaps. With interest rate swaps, the interest rates of variable-rate intermediate loans and fixed-rate issued bonds are swapped to the same interest basis. The hedged items are fixed-rate bonds. As a result of the hedging, changes in market interest rates have a minimal impact on net interest income.

Hedge accounting is applied to fair value hedging. The nominal value of the fixed-rate bond subject to fair value hedging at the end of reporting period was EUR 500.0 (500.0) million. This item is included on the balance sheet under "Debt securities issued to the public."

The nominal values of derivative instruments correspond to the nominal values of the objects to be hedged.

Derivatives and hedged items covered by hedge accounting

Hedging interest rate derivatives

	Fair value 30 Jun 2026		Fair value 31 Dec 2025	
(EUR 1,000)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Derivatives				
Fair value hedging	1,871	2,529	4,643	1,023
Derivatives total	**1,871**	**2,529**	**4,643**	**1,023**

Effects of hedge accounting on financial position and result

Fair value hedge

	Interest rate risk 30 Jun 2026		Interest rate risk 31 Dec 2025	
(EUR 1,000)	**Carrying amount of hedged liabilities**	**of which accumulated amount of fair value hedge adjustment**	**Carrying amount of hedged liabilities**	**of which accumulated amount of fair value hedge adjustment**
Micro hedge				
Hedged debt securities issued to the public	499,499	-501	503,806	3,806
Liabilities	**499,499**	**-501**	**503,806**	**3,806**

Profits and losses from hedge accounting and hedge ineffectiveness

	Interest rate risk Fair value hedging	
(EUR 1,000)	**1 Jan–30 Jun 2026**	**1 Jan–30 Jun 2025**
Change in the fair value of the derivative contract	-4,278	1,554
Change in the fair value of the hedged item	4,307	-1,464
Hedge ineffectiveness recognized in the income statement	**29**	**90**

Maturity profile of the nominal amount of hedging interest rate risk

30 Jun 2026	Nominal value / Remaining maturity			
(EUR 1,000)	Less than 1 year	1-5 years	More than 5 years	Total
Instruments hedging interest rate risk	-	500,000	-	**500,000**

31 Dec 2025	Nominal value / Remaining maturity			
(EUR 1,000)	Less than 1 year	1-5 years	More than 5 years	Total
Instruments hedging interest rate risk	-	500,000	-	**500,000**

NOTE 8 DEBT SECURITIES ISSUED TO THE PUBLIC

(EUR 1,000)	30 Jun 2026	31 Dec 2025
Covered bonds	499,005	498,826
Change in fair value due to hedge accounting	-501	3,806
Total debt securities issued to the public	**498,504**	**502,633**

Debt securities

Bond	Issue date	Due date	Interest	Nominal (EUR 1,000)	Currency
POPA 26042028	26 Apr 2023	26 Apr 2028	3.625% / fixed	250,000	EUR
POPA15102029	15 Oct 2024	15 Oct 2029	2.875% / fixed	250,000	EUR

Amounts recognised in statement of cash flows

(EUR 1,000)	30 Jun 2026	31 Dec 2025
Balance 1 Jan	**502,633**	**756,069**
Debt securities issued, decrease	-	-250,000
Total decrease	**-**	**-250,000**
Total changes in cash flow	**-**	**-250,000**
Valuation	-4,129	-3,437
Balance at the end of period	**498,504**	**502,633**

NOTE 9 OFFSETTING

Offsetting of financial assets and liabilities

The table below presents items that, in certain circumstances, can be settled on a net basis, even though they are presented on a gross basis in the balance sheet. The netting arrangement is based on a mutually enforceable general netting agreement (ISDA).

30 Jun 2026

			Amounts which are not offset but are subject to enforceable master netting arrangements or similar agreements		
(EUR 1,000)	Carrying amount in balance sheet, gross	Carrying amount in balance sheet, net	Enforceable master netting arrangement	Financial instru-ments held as collateral*	Net amount
Assets					
Derivatives	5,820	5,820	-2,529	-3,292	**-**
Total	**5,820**	**5,820**	**-2,529**	**-3,292**	**-**
Liabilities					
Derivatives	2,529	2,529	-2,529	-	**-**
Total	**2,529**	**2,529**	**-2,529**	**-**	**-**

*The total amount of cash received as collateral is EUR 3,460 thousand. The table does not take into account overcollateralization.

31 Dec 2025

			Amounts which are not offset but are subject to enforceable master netting arrangements or similar agreements		
(EUR 1,000)	Carrying amount in balance sheet, gross	Carrying amount in balance sheet, net	Enforceable master netting arrangement	Financial instru-ments held as collateral*	Net amount
Assets					
Derivatives	9,805	9,805	-126	-9,679	**-**
Total	**9,805**	**9,805**	**-126**	**-9,679**	**-**
Liabilities					
Derivatives	1,023	1,023	-126	-	**898**
Total	**1,023**	**1,023**	**-126**	**-**	**898**

*The total amount of cash received as collateral is EUR 9,840 thousand. The table does not take into account overcollateralization.

NOTE 10 COLLATERALS GIVEN AND RECEIVED

(EUR 1,000)	30 Jun 2026	31 Dec 2025
Given on behalf of own liabilities and commitments		
Mortgage-backed loan portfolio*	671,700	675,134
Total collaterals given	**671,700**	**675,134**
Collaterals received		
Collaterals received from member banks of the amalgamation*	671,700	675,134
Other	3,460	9,840
Total collaterals received	**675,160**	**684,974**

*The collaterals given and received by POP Mortgage Bank is related to secured bonds issued under the EUR 1.5 billion issuance programme, as well as the interim loans based on it. The collaterals given and received consists of loans secured by real estate.

Other collaterals are related to derivatives and are collaterals given and received in cash.

NOTE 11 RELATED PARTY DISCLOSURES

The related parties of POP Mortgage Bank comprise the members of the company's Board of Directors and Executive Group and members of their immediate families. In addition, relat-ed parties include POP Mortgage Bank's parent entity POP Bank Centre coop, as well as its managing director and deputy managing director. Furthermore, related parties include those entities over which key persons included in the management and/or members of their immediate families have control or joint control. The related parties also include the entities belonging to the POP Bank Centre Group, specifically POP Bank Centre coop and Bonum Bank Plc.

There have been no significant changes in related party transactions since 31 December 2025.

Espoo 20 August 2026

POP Mortgage Bank Plc Board of Directors

FURTHER INFORMATION

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POP Bank

POP Mortgage Bank Plc