MuniFin Group's Half Year Report January–June 2026 is published

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Municipality Finance Plc
Half Year Report
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This release is a summary of MuniFin Group's Half Year Report published on 7 August 2026. The complete Half Year Report with tables is attached to this release and available at www.munifin.fi.

MuniFin Group will also publish its Pillar III Half Year Disclosure Report 2026 in accordance with Regulation (EU) No 575/2013 and Directive 2013/36/EU during the calendar week 34. The report will be available at MuniFin's website.

In brief: MuniFin Group in the first half of 2026

- Net interest income* remained at the same level as in the previous year, amounting to EUR 122 million (EUR 124 million). The Group's net operating profit excluding unrealised fair value changes* decreased by 19.9% (-11.9%) in January–June and amounted to EUR 63 million (EUR 79 million). Net operating profit excluding unrealised fair value changes was reduced by the increase in the guarantee fee payable to the Municipal Guarantee Board.
- Net operating profit* amounted to EUR 79 million (EUR 78 million). Unrealised fair value changes amounted to EUR 16 million (EUR -0.6 million) in the reporting period.
- Costs* in the reporting period amounted to EUR 62 million (EUR 44 million). The increase in expenses was attributable to the higher guarantee fee payable to the Municipal Guarantee Board.
- The Group's leverage ratio remained at a strong level, standing at 12.1% (13.1%) at the end of June.
- At the end of June, the Group's CET1 capital ratio continued to be very strong at 87.6% (94.0%). The Group's CET1 capital ratio was almost six times the required minimum of 15.1% (15.1%), taking capital buffers into account.
- Long-term customer financing (long-term loans and leased assets) excluding unrealised fair value changes* totalled EUR 39,110 million (EUR 38,505 million) at the end of June and saw an increase of 1.6% (3.7%) in the reporting period. New long-term customer financing* decreased from the comparison period in January–June and amounted to EUR 1,903 million (EUR 2,411 million). Short-term customer financing* totalled EUR 1,992 million (EUR 1,895 million).
- Of all long-term customer financing, the amount of green finance* aimed at environmentally sustainable investments totalled EUR 9,986 million (EUR 9,111 million), and the amount of social finance* aimed at investments promoting equality and communality totalled EUR 2,781 million (EUR 2,775 million) at the end of June. The amount of sustainability-linked loans totalled EUR 744 million (EUR 710 million). The combined total amount of sustainable finance increased by 7.3% (12.3%) during the reporting period. The ratio of sustainable finance to long-term customer financing excluding unrealised fair value changes* grew by 1.8 percentage points to 34.5% (32.7%).
- In January–June, new long-term funding* reached EUR 5,836 million (EUR 7,345 million). At the end of June, the total funding* was EUR 51,055 million (EUR 49,117 million), of which long-term funding* made up EUR 47,814 million (EUR 45,042 million).
- The Group's total liquidity* is very strong, standing at EUR 13,019 million (EUR 11,636 million) at the end of June. The Liquidity Coverage Ratio (LCR) stood at 249% (225%) and the Net Stable Funding Ratio (NSFR) at 130% (121%) at the end of June.

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

** Alternative performance measure.*

President and CEO of MuniFin, Esa Kallio:

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

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

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

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

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

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

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

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

MUNICIPALITY FINANCE PLC

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

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

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

Read more: www.munifin.fi

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Attachments

- Download announcement as PDF.pdf
- MuniFin Half Year Report 2026.pdf