Half-year financial report January-June 2026

Nordea Mortgage Bank Plc

Nordea Mortgage Bank Plc

Introduction

Nordea Mortgage Bank Plc ("Nordea Mortgage Bank" or "NMB") is a Finnish mortgage credit institution and issuer of covered bonds. The covered bonds issued by NMB are secured by a cover pool consisting predominantly of Finnish residential mortgage loans.

Nordea Mortgage Bank Plc, business identity code 2743219-6, is domiciled in Helsinki and is a wholly owned subsidiary of Nordea Bank Abp, the listed parent company of the Nordea Group ("Nordea" or the "Group").

This half-year financial report has not been audited.

Result summary January-June 2026

Operating income in the first half of 2026 decreased by 11% and amounted to EUR 111.2m (January-June 2025 125.6). Operating expenses decreased by 11% to EUR 56.6m (63.5). Net loan losses amounted to EUR 4.6m (2.8).

NMB's operating profit was EUR 49.9m (59.3). Net profit decreased by 16% and totalled EUR 39.9m (47.4). Return on equity was 4.5% (5.2) and the cost/income ratio 51% (51).

Macroeconomic environment

The economic environment during the first half of 2026 was characterised by elevated geopolitical uncertainty. Continued war in Ukraine and conflicts in the Middle East contributed to volatility in energy prices, rising inflationary pressures and increased uncertainty in financial markets. These developments affected growth prospects globally and particularly in Europe, where concerns over energy supply and supply chain disruptions weighed on the economic outlook.

Financial markets reflected the changing outlook through rising market interest rates and expectations of tighter monetary policy. Inflationary pressures broadened beyond the energy sector, leading market participants to anticipate higher policy rates in the euro area.

Market performance in Finland in January–June 2026

The Finnish economy continued to grow during the first half of the year, supported by private consumption, industrial activity and investments. Consumer price inflation accelerated from the exceptionally low levels recorded in 2025, primarily reflecting higher energy and fuel prices. Despite the increase in inflation and renewed uncertainty, household purchasing power continued to improve and private consumption remained resilient during the reporting period.

Nordea Research forecasts 1.0% GDP growth in Finland for 2026. The euro-area growth outlook weakened somewhat during the period due to higher energy prices and uncertainty related to global trade and geopolitical developments. Nevertheless, economic activity in the Nordic countries remained relatively resilient compared with many other European economies.

Mortgage business development in the first half of 2026

The Finnish housing market remained subdued during the first half of 2026 despite signs of improving consumer sentiment and broader economic recovery. Economic growth strengthened during the period, supported by private consumption, industrial activity and investments. At the same time, expectations of higher interest rates and energy prices and increased geopolitical uncertainty continued to weigh on housing market activity.

Consumer confidence improved significantly towards the end of the reporting period and reached its highest level since early 2022 in June. Expectations regarding both personal finances and the Finnish economy strengthened, while housing purchase intentions returned to their long-term average level. Improving purchasing power, supported by wage growth and accumulated savings, contributed positively to household sentiment although labour market uncertainty remained elevated.

Housing market activity nevertheless remained weak. According to Statistics Finland, prices of existing apartments were 3.0% lower in May 2026 than a year earlier. In the six largest cities, prices declined by 3.2%, while prices outside the major cities decreased by 2.7%. Transaction volumes also remained subdued, with the number of transactions of existing apartments and terraced houses completed through real estate agents 16.1% lower than in the corresponding period of the previous year.

Despite the challenging market environment, activity in the mortgage market showed signs of stabilisation during the reporting period. Competition in the Finnish mortgage market remained intense, resulting in continued pressure on lending margins.

Residential construction remained weak during the first half of 2026, reflecting subdued housing demand and excess supply in parts of the rental market. The outlook remains subject to uncertainty related to labour market conditions, interest rates, energy prices and the broader geopolitical environment.

The introduction of longer mortgage maturities in Finland will increase flexibility and improve affordability for households by lowering monthly repayment amounts while maintaining prudent lending standards. Combined with improving consumer confidence and strengthening purchasing power, these developments may support housing market activity over the longer term.

Average maturity of new loans increased to 25 years during the first half of 2026. Maturity at origination is currently capped at 40 years with a 10% flex feature.

The Board of the FIN-FSA has decided to increase the loan cap for residential mortgage loans to 95%. For the first-home loans the level will stay at 95%. In addition, the FIN-FSA continues to recommend limiting the stressed debt-service-to-income (DSTI) ratio at 60% of the applicant's net income.

The Finnish tradition of regular amortisation continues, with relatively short and few interest-only periods during the lifetime of the loan. Demand for instalment-free periods and flexi credit remained at normal levels and the volumes remain low compared to total lending. Although arrears balances increased somewhat during the period, the development remained within normal portfolio variation and the overall performance of the mortgage portfolio remained strong.

Comments on the income statement

(Comparison figures in brackets refer to the corresponding period in 2025.)

Operating income

Net interest income in January-June 2026 decreased 10% compared to last year, amounting to EUR 106.6m (118.5). Interest income was EUR 502.2m (566.5) and interest expenses were EUR 395.6m (448.0).

The Euribor rates increased during the first half of 2026, with longer reference rates increasing more than the shorter rates. Compared with the first half of 2025, the short Euribor rates remained lower on average, while the 6-month and 12-month rates were higher on average.

Lower short-term rates continued to decrease interest income from mortgages compared with last year, while hedge-related effects and funding cost developments partly offset the impact. Pressure on mortgage margins continued, resulting in lower net interest income compared with the first half of 2025.

Net fee and commission income was EUR 3.0m (2.4). Commission income relates mainly to lending and amounted to EUR 6.6m (7.0). Commission expenses relate mainly to the guarantee and liquidity facility provided by Nordea Bank Abp and were EUR 3.6m (4.6)

Net result from items at fair value was EUR 1.6m (4.7) representing the ineffective portion of hedging of financial instruments.

Operating expenses

Total operating expenses were EUR 56.6m (63.5), of which staff costs amounted to EUR 1.1m (1.1). The number of employees was 15 (16) at the end of June 2026.

Other operating expenses decreased to EUR 55.6m (62.4). These expenses consist mostly of payments for the intra-group outsourced services. The Single Resolution Board decided not to collect resolution fee in 2026. In 2025 the resolution fee was not collected either.

The cost/income ratio was 51% (51) in the first half of 2026.

Loan losses

Net loan losses totalled EUR 4.6m (2.8) corresponding to a loan loss ratio of 2.7 basis points (1.7). Realised loan losses including recoveries were EUR 5.0m (3.4) during the first half of 2026. More information can be found in Note 6 "Net loan losses" and Note 7 "Loans and impairment".

Taxes

The effective tax rate for the first half of 2026 was 20% (20).

Net profit

Net profit amounted to EUR 39.9m (47.4), corresponding to a return on equity of 4.5% (5.2) in the first half of the year.

Comments on the balance sheet

(Comparison figures in brackets refer to year-end 2025 figures.)

NMB's balance sheet remained stable compared to year-end 2025. Total assets amounted to EUR 35.4bn (35.4).

Total lending to the public increased 0.2% compared to the end of 2025, amounting to EUR 33.8bn (33.7).

Positive market values of derivatives amounted to EUR 0.2bn (0.3). NMB's derivatives mainly pertain to interest rate swaps.

Total liabilities amounted to EUR 33.6bn (33.6) and equity to EUR 1.8bn (1.9).

Deposits by credit institutions decreased to EUR 9.8bn (10.7).

Debt securities in issue consist of covered bonds issued under the EUR 25bn Covered Bond Programme and internal MREL loans of 0.9bn received from Nordea Bank Abp. Covered bond funding at the end of June 2026 was EUR 22.6bn (21.7) excluding accrued interest.

During the first half of 2026 NMB issued three new covered bonds amounting in total to EUR 2.5bn and one EUR 1.5bn covered bond matured. The combined size of the cover pools at the end of June 2026 was EUR 26.7bn (26.8) and the overcollateralization 17.9% (23.6).

Capital position and capital management

At the end of June 2026, NMB's risk exposure amount (REA) was EUR 9.2bn, compared to EUR 9.0bn at year-end 2025.

The amount of invested unrestricted equity remained stable at EUR 1,410m. Excluding profit for the period, the Common Equity Tier 1 capital ratio stood at 18.2% at the end of June 2026.

NMB has not included the interim profits net of any foreseeable charges or dividend in Common Equity Tier 1 capital.

Lending

Total lending to the public was EUR 33.8bn (33.7) at the end of June 2026. Lending to households was 93% (93) of the total lending and totalled EUR 31.5bn (31.5). Corporate lending was EUR 2.3bn (2.2).

The volume of impaired loans increased by 1.6% to EUR 465.5m from EUR 458.0m at year-end 2025. Impairment rate was 1.4% (1.3) of total lending to the public.

Allowances amounted to EUR 122.9m (123.3), representing 0.36% (0.36) of total loans before allowances.

Off-balance sheet commitments

NMB's off-balance sheet items consist of credit commitments amounting to EUR 216.8m (226.7) at the end of June 2026.

Risks and uncertainties

Nordea Mortgage Bank's main risk exposure is credit risk. The company also assumes liquidity risk, market risk and operational risk. For further information on risk composition, see the Annual report.

NMB has maintained its strong financial position. None of the exposures and risks above are expected to have a significant adverse effect on the company or its financial position in the next six months.

There are no disputes or legal proceedings in which material claims have been lodged against the company.

Subsequent events

No events have occurred after the balance sheet date that might affect the assessment of the half-year financial statements.

Summary of items included in own funds

EURm	30 Jun 2026[2]	31 Dec 2025[3]	30 Jun 2025[2]
Calculation of own funds			
Equity in the consolidated situation	1,828.1	1,868.3	1,835.5
Profit not eligible	-39.9	-80.2	-47.4
Common Equity Tier 1 capital before regulatory adjustments	1,788.1	1,788.1	1,788.1
Deferred tax assets	-	-	-
Intangible assets	-	-	-
IRB provisions shortfall (-)	-112.1	-102.9	-100.7
Deduction for investments in credit institutions (50%)	-		-
Pension assets in excess of related liabilities[1]	-	-	-
Other items, net	-11.8	-13.1	-10.0
Total regulatory adjustments to Common Equity Tier 1 capital	-123.9	-116.0	-110.7
Common Equity Tier 1 capital (net after deduction)	**1,664.3**	**1,672.1**	**1,677.4**
Additional Tier 1 capital before regulatory adjustments	-	-	-
Total regulatory adjustments to Additional Tier 1 capital	-	-	-
Additional Tier 1 capital	**-**	**-**	**-**
Tier 1 capital (net after deduction)	**1,664.3**	**1,672.1**	**1,677.4**
Tier 2 capital before regulatory adjustments	0.0	0.0	0.0
IRB provisions excess (+)	0.0	0.0	0.0
Deduction for investments in credit institutions (50%)	-	-	-
Deductions for investments in insurance companies	-	-	-
Pension assets in excess of related liabilities	-	-	-
Other items, net	-	-	-
Total regulatory adjustments to Tier 2 capital	**0.0**	**0.0**	**0.0**
Tier 2 capital	**0.0**	**0.0**	**0.0**
Own funds (net after deduction)	**1,664.3**	**1,672.1**	**1,677.4**

[1] Based on conditional FSA approval
[2] Excluding profit of the period
[3] Including profit of the period

Capital ratios

Percentage	30 Jun 2026[1]	31 Dec 2025[2]	30 Jun 2025[1]
CRR/CRDIV			
Common Equity Tier 1 capital ratio	18.2	18.6	19.3
Tier 1 capital ratio	18.2	18.6	19.3
Total capital ratio	18.2	18.6	19.3

[1] Excluding profit of the period.
[2] Including profit of the period.

Leverage ratio

	30 Jun 2026[1]	31 Dec 2025[2]	30 Jun 2025[1]
Tier 1 capital, EURm	1,664.3	1,672.1	1,677.4
Leverage ratio exposure, EURm	35,646.5	35,689.0	35,322.1
Leverage ratio, percentage	4.7	4.7	4.7

[1] Excluding profit of the period.
[2] Including profit of the period.

Minimum capital requirement and risk exposure amount

EURm	30 Jun 2026 Minimum Capital requirement	30 Jun 2026 **REA**	31 Dec 2025 Minimum Capital requirement	31 Dec 2025 **REA**	30 Jun 2025 Minimum Capital requirement	30 Jun 2025 **REA**
Credit risk	**699.7**	**8,746.4**	**685.7**	**8,570.9**	**660.6**	**8,257.2**
IRB	**697.2**	**8,714.9**	**683.2**	**8,539.6**	**658.1**	**8,226.1**
- sovereign	-	-	-	-	-	-
- corporate	41.4	518.0	39.9	499.2	39.1	488.4
- advanced	*39.6*	*495.5*	*38.2*	*477.7*	*37.6*	*470.3*
- foundation	*1.8*	*22.6*	*1.7*	*21.5*	*1.5*	*18.1*
- retail	655.4	8,192.7	643.0	8,037.4	613.0	7,662.0
- secured by immovable property collateral	*546.0*	*6,825.5*	*530.1*	*6,626.3*	*507.7*	*6,346.1*
- other retail	*109.4*	*1,367.2*	*112.9*	*1,411.1*	*105.3*	*1,315.8*
- other	0.3	4.2	0.2	3.0	6.1	75.8
Standardised	**2.5**	**31.5**	**2.5**	**31.4**	**2.5**	**31.0**
- sovereign	2.5	31.5	2.5	31.4	2.5	31.0
Operational risk (Standardised)	**33.3**	**416.0**	**34.3**	**428.8**	**34.3**	**428.8**
Additional risk exposure amount related to Swedish RW floor due to Article 458 CRR	**-**	**-**	**-**	**-**	**-**	**-**
Additional risk exposure amount due to Article 3 CRR	**0.4**	**4.6**	**0.4**	**5.1**	**0.5**	**6.8**
Total	**733.4**	**9,167.0**	**720.4**	**9,004.9**	**695.4**	**8,692.8**

Minimum Capital Requirement & Capital Buffers

		Capital Buffers					
Percentage	Minimum Capital requirement	CCoB	CCyB	SII	SRB	Capital Buffers total[1]	Total
Common Equity Tier 1 capital	4.5	2.5	0.0	-	-	2.5	**7.0**
Tier 1 capital	6.0	2.5	0.0	-	-	2.5	**8.5**
Own funds	8.0	2.5	0.0	-	-	2.5	**10.5**
EURm							
Common Equity Tier 1 capital	412.5	229.2	1.4	-	-	230.6	**643.1**
Tier 1 capital	550.0	229.2	1.4	-	-	230.6	**780.6**
Own funds	733.4	229.2	1.4	-	-	230.6	**964.0**

[1]Only the maximum of the SRB and SII is used in the calculation of the total capital buffers.

Management bodies

Board of Directors

No changes were made to the composition of the Board of Directors during the reporting period. As at 30 June 2026, the Board comprised:

- Jani Eloranta, Chair
- Ola Littorin
- Nina Luomanen
- Ulrika Nirkkonen
- Ilkka Salonen
- Tina Sandvik, Deputy Chair

Ilkka Salonen is independent in relation to both Nordea Mortgage Bank Plc and Nordea Group.

Management Group

Ilkka Häyrinen was appointed interim Chief Compliance Officer during Andrea Falck's temporary absence. No other changes were made to the composition of the Management Group during the reporting period.

Following the end of the reporting period, Chief Operating Officer Petri Nuora left the company on 1 July 2026 to pursue other opportunities within Nordea Group.

Helsinki, 10 August 2026
Board of Directors

Income statement

EURm	Jan-Jun 2026	Jan-Jun 2025	Change %	Full year 2025
Net interest income	106.6	118.5	-10	231.9
Net fee and commission income	3.0	2.4	25	3.7
Net result from items at fair value	1.6	4.7	-66	10.4
Total operating income	**111.2**	**125.6**	**-11**	**246.0**
Staff costs	-1.1	-1.1	-1	-2.0
Other expenses	-55.6	-62.4	-11	-122.7
Total operating expenses	**-56.6**	**-63.5**	**-11**	**-124.8**
Profit before loan losses	**54.6**	**62.1**	**-12**	**121.2**
Net loan losses	-4.6	-2.8	67	-21.0
Operating profit	**49.9**	**59.3**	**-16**	**100.2**
Income tax expense	-10.0	-11.9	-16	-20.1
Net profit for the period	**39.9**	**47.4**	**-16**	**80.2**

Business volumes, key items[1]

EURm	30 Jun 2026	30 Jun 2025	Change %	31 Dec 2025	Change %
Loans to the public	33,779.3	33,510.9	1	33,697.4	0
Debt securities in issue	23,492.9	22,426.2	5	22,609.9	4
Equity	1,828.1	1,835.5	0	1,868.3	-2
Total assets	35,391.5	35,117.3	1	35,443.9	0

[1] End of period

Ratios and key figures[1]

	Jan-Jun 2026	Jan-Jun 2025	Full year 2025
Return on equity[2] %	4.5	5.2	4.4
Cost/income ratio[2], %	51	51	51
Loan loss ratio, basis points[2]	2.7	1.7	6.2
Common Equity Tier 1 capital ratio[2], %	18.2	19.3	18.6
Tier 1 capital ratio[2], %	18.2	19.3	18.6
Total capital ratio[2], %	18.2	19.3	18.6
Tier 1 capital[2], EURm	1,664.3	1,677.4	1,672.1
Risk exposure amount, EURm	9,167.0	8,692.8	9,004.9
Number of employees (full-time equivalents)[2]	15	16	15

[1] For more detailed information regarding ratios and key figures defined as Alternative performance measures, see www.nordea.com/en/investor-relations/.

[2] End of period.

Half-year financial report January-June 2026

Income statement

EURm	Note	Jan-Jun 2026	Jan-Jun 2025	Full year 2025
Operating income				
Interest income		502.2	566.5	1,069.9
Interest expense		-395.6	-448.0	-838.0
Net interest income	2	**106.6**	**118.5**	**231.9**
Fee and commission income		6.6	7.0	13.5
Fee and commission expense		-3.6	-4.6	-9.8
Net fee and commission income	3	**3.0**	**2.4**	**3.7**
Net result from items at fair value	4	1.6	4.7	10.4
Total operating income		**111.2**	**125.6**	**246.0**
Operating expenses				
General administrative expenses:				
- Staff costs		-1.1	-1.1	-2.0
- Other expenses	5	-55.6	-62.4	-122.7
Total operating expenses		**-56.6**	**-63.5**	**-124.8**
Profit before loan losses		**54.6**	**62.1**	**121.2**
Net loan losses	6	-4.6	-2.8	-21.0
Operating profit		**49.9**	**59.3**	**100.2**
Income tax expense		-10.0	-11.9	-20.1
Net profit for the period		**39.9**	**47.4**	**80.2**
Attributable to shareholders of Nordea Mortgage Bank Plc		**39.9**	**47.4**	**80.2**

Statement of comprehensive income

EURm	Jan-Jun 2026	Jan-Jun 2025	Full year 2025
Net profit for the period	**39.9**	**47.4**	**80.2**
Items that may be reclassified subsequently to the income statement			
Cash flow hedges:			
-Valuation gains/losses during the period, net of recycling	-	3.8	3.8
-Tax on valuation gains/losses during the period	-	-0.8	-0.8
Items that may not be reclassified subsequently to the income statement			
Defined benefit plans:			
-Remeasurement of defined benefit plans	0.0	0.0	0.0
-Tax on remeasurement of defined benefit plans	0.0	0.0	0.0
Other comprehensive income, net of tax	**0.0**	**3.0**	**3.0**
Total comprehensive income	**39.9**	**50.4**	**83.2**
Attributable to shareholders of Nordea Mortgage Bank Plc	**39.9**	**50.4**	**83.2**

Balance sheet

EURm	Note	30 Jun 2026	31 Dec 2025	30 Jun 2025
Assets				
Cash and balances with central banks		877.9	619.6	611.1
Loans to credit institutions	7, 10	527.1	913.3	652.6
Loans to the public	7	33,779.3	33,697.4	33,510.9
Fair value changes of the hedged items in portfolio hedges of interest rate risk		-123.7	-120.7	-98.7
Derivatives	10	215.5	262.7	333.1
Property and equipment		0.1	0.0	0.0
Deferred tax assets		12.6	12.5	12.4
Other assets	10	86.2	45.5	89.1
Prepaid expenses and accrued income	10	16.5	11.9	6.8
Total assets		**35,391.5**	**35,443.9**	**35,117.3**
Liabilities				
Deposits by credit institutions	10	9,804.6	10,677.5	10,560.0
Debt securities in issue	10	23,492.9	22,609.9	22,426.2
Derivatives	10	223.8	257.6	259.8
Current tax liabilities		0.1	-	1.0
Other liabilities	10	12.9	12.7	7.1
Accrued expenses and prepaid income	10	29.0	17.9	27.7
Provisions		0.0	0.0	0.0
Retirement benefit liabilities		0.0	0.0	0.0
Total liabilities		**33,563.4**	**33,575.6**	**33,281.8**
Equity				
Share capital		250.0	250.0	250.0
Other reserves		1,410.1	1,410.2	1,410.1
Retained earnings		167.9	208.2	175.4
Total equity		**1,828.1**	**1,868.3**	**1,835.5**
Total liabilities and equity		**35,391.5**	**35,443.9**	**35,117.3**

Statement of changes in equity

	Attributable to the shareholders of Nordea Mortgage Bank Plc					
		Other reserves:				
EURm	Share capital[1]	Cash flow hedges	Invested unrestricted equity	Defined benefit plans	Retained earnings	**Total equity**
Balance at 1 Jan 2026	**250.0**	**0.0**	**1,410.0**	**0.2**	**208.2**	**1,868.3**
Net profit for the period	-	-	-	-	39.9	39.9
Other comprehensive income, net of tax	-	-	-	0.0	-	0.0
Total comprehensive income	0.0	-	-	0.0	39.9	39.9
Dividend payment	-	-	-	-	-80.2	-80.2
Balance at 30 Jun 2026	**250.0**	**0.0**	**1,410.0**	**0.2**	**167.9**	**1,828.1**

	Attributable to the shareholders of Nordea Mortgage Bank Plc					
		Other reserves:				
EURm	Share capital[1]	Cash flow hedges	Invested unrestricted equity	Defined benefit plans	Retained earnings	**Total equity**
Balance at 1 Jan 2025	**250.0**	**-3.0**	**1,350.0**	**0.1**	**207.0**	**1,807.1**
Net profit for the period	-	-	-	-	80.2	80.2
Other comprehensive income, net of tax	-	3.0	-	0.0	-	3.0
Total comprehensive income	-	3.0	-	0.0	80.2	83.2
Capital injection	-	-	60.0	-	-	60.0
Dividend payment	-	-	-	-	-79.0	-79.0
Other changes	-	-	-	-	0.0	0.0
Balance at 31 Dec 2025	**250.0**	**0.0**	**1,410.0**	**0.2**	**208.2**	**1,868.3**

	Attributable to the shareholders of Nordea Mortgage Bank Plc					
		Other reserves:				
EURm	Share capital[1]	Cash flow hedges	Invested unrestricted equity	Defined benefit plans	Retained earnings	**Total equity**
Balance at 1 Jan 2025	**250.0**	**-3.0**	**1,350.0**	**0.1**	**207.0**	**1,807.1**
Net profit for the period	-	-	-	-	47.4	47.4
Other comprehensive income, net of tax	-	3.0	-	0.0	-	3.0
Total comprehensive income	0.0	3.0	-	0.0	47.4	50.4
Capital injection	-	-	60.0	-	-	60.0
Dividend payment	-	-	-	-	-79.0	-79.0
Balance at 30 Jun 2025	**250.0**	**0.0**	**1,410.0**	**0.1**	**175.4**	**1,835.5**

[1] Total shares registered were 257.7 million (31 Dec 2025 257.7 million).

Cash flow statement, condensed

EURm	Jan-Jun 2026	Jan-Jun 2025	Full year 2025
Operating activities			
Operating profit	49.9	59.3	100.2
Adjustments for items not included in cash flow	-1.1	2.9	-80.4
Income taxes paid	-8.2	-8.1	-19.1
Cash flow from operating activities before changes in operating assets and liabilities	**40.6**	**54.1**	**0.7**
Changes in operating assets and liabilities	-118.5	411.1	736.8
Cash flow from operating activities	**-77.9**	**465.2**	**737.5**
Financing activities			
Dividend paid	-80.2	-79.0	-79.0
Capital injection	-	60.0	60.0
Other changes	0.0	3.0	0.0
Cash flow from financing activities	**-80.2**	**-16.0**	**-19.0**
Cash flow for the period	**-158.1**	**449.3**	**718.5**

Cash and cash equivalents

EURm	30 Jun 2026	30 Jun 2025	31 Dec 2025
Cash and cash equivalents at beginning of the period	1,482.8	764.3	764.3
Cash and cash equivalents at end of the period	1,324.8	1,213.6	1,482.8
Change	**-158.1**	**449.3**	**718.5**
The following items are included in cash and cash equivalents:			
Cash and balances with central banks	877.9	611.1	619.6
Loans to credit institutions, payable on demand	446.9	602.5	863.2
Total cash and cash equivalents	**1,324.8**	**1,213.6**	**1,482.8**

Cash comprises legal tender and bank notes. Balances with central banks consist of deposits held with the Bank of Finland that are available on demand.

Loans to credit institutions, payable on demand consist of deposits held with Nordea Bank Abp that are available on demand.

Notes to the financial statements

Note 1 Accounting policies

Nordea Mortgage Bank's half-year condensed financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", as endorsed by the European Union (EU).

The report includes a condensed set of financial statements and is to be read in conjunction with the audited financial statements for the year ended 31 December 2025. The accounting policies and methods of computation are unchanged from the 2025 Annual Report. For more information see Note 1 in the 2025 Annual Report.

This half-year report is unaudited.

Critical judgements and estimation uncertainty

NMB applied significant critical judgements in the preparation of the half-year financial statements. Details on the forward looking information can be found in Note 7 "Loans and impairment". More information on where critical judgements are generally applied and where estimation uncertainty exists can be found in Note 1 in the Annual Report 2025.

Note 2 Net interest income

EURm	Jan-Jun 2026	Jan-Jun 2025	Full year 2025
Interest income			
Interest income from financial instruments calculated using the effective interest method			
Loans to credit institutions	16.5	19.2	35.6
Loans to the public	474.7	554.0	1,043.0
Yield fees	4.7	5.1	10.2
Net interest paid or received on derivatives in accounting hedges of assets	6.6	-11.5	-18.2
Other interest income	0.0	0.0	0.0
Other			
Net interest income from derivatives	-0.4	-0.4	-0.7
Interest income	**502.2**	**566.5**	**1,069.9**
Interest expense			
Interest expense from financial instruments calculated using the effective interest method			
Deposits by credit institutions	-137.5	-155.0	-290.2
Debt securities in issue	-265.1	-261.1	-519.6
Net interest paid or received on derivatives in hedges of liabilities	7.1	-31.9	-28.2
Other interest expenses	0.0	0.0	0.0
Interest expense	**-395.6**	**-448.0**	**-838.0**
Net interest income	**106.6**	**118.5**	**231.9**

Interest income on impaired loans amounted to EUR 4.2m (3.9).

Note 3 Net fee and commission income

EURm	Jan-Jun 2026	Jan-Jun 2025	Full year 2025
Securities issuance expenses	-0.7	-0.2	-0.8
Loan servicing fee income	6.6	7.0	13.5
Guarantee and liquidity facility fee expenses	-3.0	-4.4	-9.0
Total	**3.0**	**2.4**	**3.7**

Note 4 Net result from items at fair value

Net result from categories of financial instruments EURm	Jan-Jun 2026	Jan-Jun 2025	Full year 2025
Financial assets and liabilities mandatorily at fair value through profit or loss	-13.9	15.4	-71.4
Financial assets at amortised cost[1]	-5.7	26.8	1.8
Financial liabilities at amortised cost[1]	21.2	-37.5	80.1
Foreign exchange gains/losses excluding currency hedges	0.0	0.0	-0.1
Total	**1.6**	**4.7**	**10.4**

[1] These rows comprise mostly fair value changes of hedged amortised cost assets or liabilities in hedges of interest rate risk. More information can be found in NMB Annual Report 2025.

Note 5 Other expenses

EURm	Jan-Jun 2026	Jan-Jun 2025	Full year 2025
Fees for the outsourced services provided by the parent company	-54.7	-61.6	-120.9
Financial supervision fees	-0.6	-0.6	-1.2
Auditing fees	-0.1	-0.2	-0.3
Other[1]	-0.1	-0.0	-0.3
Total	**-55.6**	**-62.4**	**-122.7**

[1] Other consists of consultancy, information technology, marketing, office material, travel, and premises related expenses.

The Single Resolution Board has decided not to collect resolution fee in 2026. Resolution fee was not collected in 2025 either.

Note 6 Net loan losses

EURm	Jan-Jun 2026	Jan-Jun 2025	Full year 2025
Net loan losses, stage 1	0.8	0.1	-3.0
- of which off-balance sheet items	0.0	0.0	0.0
Net loan losses, stage 2	1.0	6.1	3.8
- of which off-balance sheet items	0.0	0.0	0.0
Net loan losses, non-defaulted	**1.8**	**6.2**	**0.8**
Stage 3, defaulted			
Net loan losses, individually assessed, collectively calculated	-1.3	-4.4	-15.3
Realised loan losses	-5.4	-3.8	-7.3
Decrease of individual provisions to cover realised loan losses	0.0	0.0	0.1
Recoveries on previous realised loan losses	0.3	0.4	0.9
New/increase in individual provisions	0.0	-1.9	-0.8
Reversal of individual provisions	0.0	0.7	0.7
Net loan losses, defaulted	**-6.4**	**-9.0**	**-21.7**
Net loan losses	**-4.6**	**-2.8**	**-21.0**

Key ratios

	Jan-Jun 2026	Jan-Jun 2025	Full year 2025
Loan loss ratio, basis points[1]	2.7	1.7	6.2
- of which stages 1 and 2	-1.0	-3.7	-0.2
- of which stage 3	3.8	5.4	6.5

[1] Net loan losses (annualised) divided by closing balance of loans to the public (lending) measured at amortised cost.

Note 7 Loans and impairment

The overall credit quality of NMB's loan portfolio remained solid during the first half of 2026. The impairment assessment is based on the Nordea Group methodology, including regular updates of macroeconomic scenarios and model assumptions. A comprehensive review of the loan portfolio was conducted during the period. Although credit-impaired exposures and impairment allowances increased compared with year-end 2025, the changes remained consistent with the continued strong credit quality of the portfolio.

Loans to credit institutions consist of exposures to Nordea Bank Abp. All exposures are classified in Stage 1 and no impairment allowance has been recognised.

NMB has credit commitments amounting to EUR 216.8m (226.7) at the end of June 2026.

EURm	30 Jun 2026	31 Dec 2025	30 Jun 2025
Loans to credit institutions	**527.1**	**913.3**	**652.6**
Loans to the public measured at amortised cost, not impaired, stage 1	31,218.3	31,405.3	31,259.8
Loans to the public measured at amortised cost, not impaired, stage 2	2,218.4	1,957.4	1,960.4
Impaired loans to the public (stage 3)	465.5	458.0	398.9
- of which servicing	39.7	65.9	39.7
- of which non-servicing	359.2	392.0	359.2
Loans to the public before allowances	**33,902.2**	**33,820.7**	**33,619.1**
Allowances for impaired loans (stage 3)	-78.0	-76.7	-67.0
- of which servicing	-4.9	-4.9	-5.4
- of which non-servicing	-73.2	-71.8	-61.6
Allowances for not impaired loans (stage 1 and 2)	-44.9	-46.6	-41.2
Allowances	**-122.9**	**-123.3**	**-108.2**
Loans to the public, carrying amount	**33,779.3**	**33,697.4**	**33,510.9**
Total loans, carrying amount	**34,306.3**	**34,610.7**	**34,163.5**

Movements of allowance accounts for loans measured at amortised cost

EURm	Stage 1	Stage 2	Stage 3	Total
Balance at 1 Jan 2026	**-10.8**	**-35.8**	**-76.7**	**-123.3**
Changes due to origination and acquisition	-0.8	-	-	-0.8
Transfers from stage 1 to stage 2	0.9	-9.6	-	-8.7
Transfers from stage 1 to stage 3	0.0	-	-1.2	-1.2
Transfers from stage 2 to stage 1	-0.5	6.2	-	5.6
Transfers from stage 2 to stage 3	-	2.1	-4.9	-2.8
Transfers from stage 3 to stage 1	0.0	-	0.3	0.3
Transfers from stage 3 to stage 2	-	-0.7	2.4	1.7
Changes due to change in credit risk (net)	0.7	1.1	-1.5	0.3
Changes due to repayments and disposals	0.5	1.8	3.6	5.9
Balance at 30 Jun 2026	**-10.1**	**-34.8**	**-78.1**	**-122.9**

EURm	Stage 1	Stage 2	Stage 3	Total
Balance at 1 Jan 2025	**-7.8**	**-39.6**	**-61.4**	**-108.8**
Changes due to origination and acquisition	-0.6	-	-	-0.6
Transfers from stage 1 to stage 2	0.5	-8.2	-	-7.8
Transfers from stage 1 to stage 3	0.0	-	-0.8	-0.8
Transfers from stage 2 to stage 1	-0.4	7.1	-	6.7
Transfers from stage 2 to stage 3	-	2.7	-4.0	-1.3
Transfers from stage 3 to stage 1	0.0	-	0.3	0.3
Transfers from stage 3 to stage 2	-	-0.7	3.2	2.4
Changes due to change in credit risk (net)	0.3	3.0	-7.0	-3.7
Changes due to repayments and disposals	0.4	2.3	2.8	5.5
Balance at 30 Jun 2025	**-7.7**	**-33.5**	**-67.0**	**-108.2**

Note 7 Loans and impairment, cont.

Key ratios	30 Jun 2026	31 Dec 2025	30 Jun 2025
Impairment rate (stage 3), gross, basis points	135	132	116
Impairment rate (stage 3), net, basis points	113	110	97
Total allowance rate (stage 1, 2 and 3), basis points	36	36	32
Allowances in relation to impaired loans (stage 3), %	17	17	17
Allowances in relation to loans in stage 1 and 2, basis points	13	14	12

Scenarios and provisions

Q2 2026	2026	2027	2028	Unweighted ECL EURm	Scenario weight	Model based provisions EURm	Adjustment to model based provisions EURm	Individual provisions EURm	Total provisions EURm
Favourable scenario				100	20%				
- GDP growth, %	1.3	2.6	2.1						
- Unemployment, %	10.1	9.4	8.8						
- Change in household consumption, %	1.0	1.8	2.0						
- Change in house prices, %	0.1	3.8	2.1						
Base scenario				100	60%	**101**	**22**	**0**	**123**
- GDP growth, %	-0.2	0.7	1.5						
- Unemployment, %	10.4	10.0	9.5						
- Change in household consumption, %	0.8	1.5	1.9						
- Change in house prices, %	-1.5	1.5	2.0						
Adverse scenario				102	20%				
- GDP growth, %	-0.7	-0.5	1.4						
- Unemployment, %	11.6	11.8	11.2						
- Change in household consumption, %	0.0	0.0	1.3						
- Change in house prices, %	-3.3	-1.0	1.7						

Q4 2025	2026	2027	2028	Unweighted ECL EURm	Scenario weight	Model based provisions EURm	Adjustment to model based provisions EURm	Individual provisions EURm	Total provisions EURm
Favourable scenario				86	20%				
- GDP growth, %	2.2	2.3	2.0						
- Unemployment, %	9.6	8.8	8.8						
- Change in household consumption, %	1.7	1.9	1.8						
- Change in house prices, %	3.8	2.8	2.0						
Base scenario				86	60%	**86**	**37**	**0**	**123**
- GDP growth, %	1.3	1.7	1.7						
- Unemployment, %	9.7	9.1	9.1						
- Change in household consumption, %	1.5	1.7	1.7						
- Change in house prices, %	2.0	2.0	2.0						
Adverse scenario				88	20%				
- GDP growth, %	-1.7	1.0	1.1						
- Unemployment, %	11.2	10.9	10.8						
- Change in household consumption, %	-0.7	1.8	1.1						
- Change in house prices, %	-2.2	1.0	2.0						

Note 8 Classification of financial instruments

EURm	Amortised cost	Mandatorily at fair value through profit or loss	Non-financial assets	Total
Assets				
Cash and balances with central banks	877.9	-	-	877.9
Loans to credit institutions	527.1	-	-	527.1
Loans to the public	33,779.3	-	-	33,779.3
Derivatives	-	215.5	-	215.5
Fair value changes of the hedged items in portfolio hedges of interest rate risk	-123.7	-	-	-123.7
Property and equipment			0.1	0.1
Deferred tax assets			12.6	12.6
Other assets	7.5		78.7	86.2
Prepaid expenses and accrued income	16.5	-	-	16.5
Total 30 Jun 2026	**35,084.6**	**215.5**	**91.4**	**35,391.5**
Total 31 Dec 2025	35,131.8	262.7	49.5	35,443.9

EURm	Amortised cost	Mandatorily at fair value through profit or loss	Non-financial assets	Total
Liabilities				
Deposits by credit institutions	9,804.6	-	-	9,804.6
Debt securities in issue	23,492.9	-	-	23,492.9
Derivatives	-	223.8	-	223.8
Current tax liabilities			0.1	0.1
Other liabilities	0.8	-	12.0	12.9
Accrued expenses and prepaid income	0.4	-	28.6	29.0
Provisions			0.0	0.0
Retirement benefit obligations	-	-	0.0	0.0
Total 30 Jun 2026	**33,298.8**	**223.8**	**40.8**	**33,563.4**
Total 31 Dec 2025	33,288.2	257.6	29.9	33,575.6

Note 9 Assets and liabilities at fair value

Fair value of financial assets and liabilities

EURm	30 Jun 2026 Carrying amount	30 Jun 2026 Fair value	31 Dec 2025 Carrying Amount	31 Dec 2025 Fair value
Financial assets				
Cash and balances with central banks	877.9	877.9	619.6	619.6
Loans	34,182.6	34,634.4	34,610.7	35,016.0
Derivatives	215.5	215.5	262.7	262.7
- *Valued using observable data (Level 2)*	*212.6*	*212.6*	*259.2*	*259.2*
- *Valued using non-observable data (Level 3)*	*3.0*	*3.0*	*3.4*	*3.4*
Other assets	7.5	7.5	10.3	10.3
Prepaid expenses and accrued income	16.5	16.5	11.9	11.9
Total financial assets	**35,300.1**	**35,751.9**	**35,515.2**	**35,920.5**
Financial liabilities				
Deposits and debt instruments	33,297.5	33,489.4	33,287.4	33,488.6
Derivatives	223.8	223.8	257.6	257.6
- *Valued using observable data (Level 2)*	*221.0*	*221.0*	*254.0*	*254.0*
- *Valued using non-observable data (Level 3)*	*2.9*	*2.9*	*3.5*	*3.5*
Other liabilities	0.8	0.8	0.4	0.4
Accrued expenses and prepaid income	0.4	0.4	0.4	0.4
Total financial liabilities	**33,522.6**	**33,714.4**	**33,545.8**	**33,747.0**

The determination of fair value is described in the Annual Report 2025, Note 23 "Assets and liabilities at fair value". The fair value for loans has been estimated by discounting the expected future cash flows with an assumed customer interest rate that would have been used on the market if the loans had been issued at the time of the measurement. The assumed customer interest rate is calculated as the benchmark interest rate plus the average margin on new lending.

Assets and liabilities held at fair value

Derivatives are measured at fair value on a recurring basis at the end of each reporting period mainly through valuation technique using observable data (IFRS fair value hierarchy level 2). Level 2 in the fair value hierarchy consists of assets and liabilities that do not have directly quoted market prices available from active markets. The fair values are based on quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active. Alternatively, the fair values are estimated using valuation techniques or valuation models based on market prices or rates prevailing at the balance sheet date and where any unobservable inputs have had an insignificant impact on the fair values.

Level 3 in the fair value hierarchy consists of those types of assets and liabilities for which fair values cannot be obtained directly from quoted market prices or indirectly using valuation techniques or models supported by observable market prices or rates.

Note 10 Related-party transactions

The information below is presented from NMB's perspective, meaning that the information shows the effect from related party transactions on NMB's financial statements. For more information on definitions, see Annual Report Note 1 "Accounting policies" section 19.

Debt securities in issue comprises EUR 6.0bn covered bonds retained by Nordea Bank Abp and EUR 0.9bn MREL loan from Nordea Bank Abp.

Balance sheet

EURm	Parent company 30 Jun 2026	Group undertakings 30 Jun 2026	Other related parties 30 Jun 2026
Assets			
Loans	527.0	-	5.4
Derivatives	215.5	-	-
Other assets[1]	82.1	-	-
Prepaid expenses and accrued income[2]	16.5	-	-
Total assets	**841.3**	**-**	**5.4**
Liabilities			
Deposits	9,804.6	-	-
Debt securities in issue	6,960.1	-	-
Derivatives	223.8	-	-
Other liabilities	12.5	-	-
Accrued expenses and deferred income[3]	24.5	2.4	-
Total liabilities	**17,025.6**	**2.4**	**-**
Off balance[4]	**216.8**	**-**	**-**

EURm	Parent company 31 Dec 2025	Group undertakings 31 Dec 2025	Other related parties 31 Dec 2025
Assets			
Loans	913.3	-	3.5
Derivatives	262.7	-	-
Other assets[1]	42.5	-	-
Prepaid expenses and accrued income[2]	11.9	-	-
Total assets	**1,230.4**	**-**	**3.5**
Liabilities			
Deposits	10,677.5	-	-
Debt securities in issue	6,016.0	-	-
Derivatives	257.6	-	-
Other liabilities	12.5	-	-
Accrued expenses and deferred income[3]	14.2	2.4	-
Total liabilities	**16,977.8**	**2.4**	**-**
Off balance[4]	**226.7**	**-**	**-**

[1] Other assets comprises mainly of lending related payments received by the parent company on behalf of NMB, to be paid to NMB

[2] Accrued income comprises of loan origination fees received by the parent company, to be paid to NMB.

[3] Accrued expenses contains Resolution fee transfer pricing, fees for the outsourced services, guarantee fees and upfront fees to be invoiced by the parent company

[4] Excluding nominal values on derivatives

Note 10 Related-party transactions, cont.

Income statement

EURm	Jan-Jun 2026	Jan-Jun 2026	Jan-Jun 2026
Net interest income	-214.0	-	0.0
Net fee and commission income	-3.1	-	-
Net result from items at fair value	-3.3	-	-
Other operating income	-	-	-
Total operating expenses	-54.7	-	-
Profit before loan losses	**-275.1**	**-**	**0.0**

EURm	Jan-Jun 2025	Jan-Jun 2025	Jan-Jun 2025
Net interest income	-292.0	-	0.0
Net fee and commission income	-4.4	-	-
Net result from items at fair value	21.4	-	-
Other operating income	-	-	-
Total operating expenses	-61.6	-	-
Profit before loan losses	**-336.6**	**-**	**0.0**

All transactions with related parties are made on an arm’s length basis.

Glossary

Cost/income ratio
Total operating expenses divided by total operating income.

Cover pool
Loans with mortgage collateral that serve as collateral for covered bonds and that are entered in a bond register.

Loan loss ratio
Net loan losses (annualised) divided by the closing balance of loans to the public (lending) measured at amortised cost, basis points.

Impairment rate (stage 3) gross, basis points
Impaired loans (stage 3) before allowances divided by total loans measured at amortised cost before allowances

Impairment rate (stage 3) net, basis points
Impaired loans (stage 3) after allowances divided by total loans measured at amortised cost before allowances

Total allowance rate (stage 1, 2 and 3), basis points
Total allowances divided by total loans measured at amortised cost before allowances

Allowances in relation to credit impaired loans (stage 3), %
Allowances for impaired loans (stage 3) divided by impaired loans measured at amortised cost (stage 3) before allowances

Allowances in relation to loans in stage 1 and 2, basis points
Allowances for not impaired loans (stage 1 and 2) divided by not impaired loans measured at amortised cost (stage 1 and 2) before allowances.

Return on equity (ROE)
Net profit for the year as a percentage of average equity for the year. Average equity including net profit for the year and dividend until paid.

Risk exposure amount
Total assets and off-balance-sheet items valued on the basis of the credit and market risks, as well as the operational risks in accordance with regulations governing capital adequacy, excluding carrying amount of shares which have been deducted from the capital base and intangible assets.

Tier 1 capital
The Tier 1 capital of an institution consists of the sum of the Common Equity Tier 1 capital and Additional Tier 1 capital of the institution. Common Equity Tier 1 capital includes shareholders´ equity excluding proposed dividend, deferred tax assets, intangible assets, the full expected shortfall deduction (the negative difference between expected losses and provisions) and finally other deductions such as cash flow hedges.

Tier 1 capital ratio
Tier 1 capital as a percentage of risk exposure amount. The Common Equity Tier 1 capital ratio is calculated as Common Equity Tier 1 capital as a percentage of risk exposure amount.

Total capital ratio
Own funds as a percentage of risk exposure amount.