



HYPPO

THE MORTGAGE SOCIETY OF FINLAND

**Interim Report
1 January–30 September 2025**

The Financial Statements Release for the period of 1 January 2025 to 31 December 2025 will be published on 30 January 2026.

The Audited Financial Statements in ESEF-format will be published on 27 February 2026.

Hypo Group's Interim Report can be accessed at <https://www.hypo.fi/en/hypo-financial-information/>

Hypo Group's January–September 2025

The home finance specialist Hypo Group's operations and liquidity remained stable as net interest income and operating profit increased.

CEO Ari Pauna:

"Focusing on low-risk housing collateralized lending in urbanising Finland still provides stability despite the continuous uncertainty in the operating environment. Capital adequacy and liquidity remained strong as net interest income and operating profit increased. Non-performing loans and impairment losses remained at low level. During uncertain times, the services of a specialist organization are in demand. There is a strong demand for home financing from us, and we respond to the demand supported by completely renewed banking technology and with more housing finance experts than before."

- Operating profit was EUR 8.0 million (EUR 5.2 million 1–9/2024)
- Net interest income was EUR 14.7 million (EUR 12.2 million 1–9/2024)
- Net fee and commission income was EUR 4.4 million (EUR 4.2 million 1–9/2024)
- Other income was EUR 2.6 million (EUR 1.0 million 1–9/2024)
- Total costs were EUR 13.6 million (EUR 12.2 million 1–9/2024)
- Non-performing loans remained low at 0.39% of loan book (0.43% 31 December 2024)
- Expected credit losses were 0.01% of the loan book (0.01% 31 December 2024)
- Common Equity Tier 1 (CET1) ratio, calculated with the standardized approach and the basic indicator approach, was 22.1% (14.3% on 31 December 2024)
- Liquidity Coverage Ratio (LCR) was 212.1% (183.7% on 31 December 2024)

GROUP'S KEY FIGURES

(1000 €)	1-9/2025	1-9/2024	7-9/2025	7-9/2024	1-12/2024
Net interest income	14 686	12 248	4 627	4 577	17 444
Net fee and commission income	4 400	4 158	1 465	1 224	5 655
Total other income	2 551	990	1 037	-204	1 490
Total expenses	-13 646	-12 215	-4 331	-3 619	-16 581
Operating profit	7 990	5 181	2 798	1 978	8 008
Receivables from the public and public sector entities	2 803 314	2 832 560	2 803 314	2 832 560	2 791 811
Deposits	1 554 170	1 613 255	1 554 170	1 613 255	1 551 254
Balance sheet total	3 670 991	3 552 014	3 670 991	3 552 014	3 478 594
Return on equity % (ROE)	5.2	3.6	5.5	4.2	4.1
Common Equity Tier 1 (CET1) ratio	22.1	14.0	22.1	14.0	14.3
Cost-to-income ratio,%	62.2	70.0	60.0	64.8	67.0
Non-performing assets, % of the loan portfolio	0.39	0.33	0.39	0.33	0.43
LTV-ratio, % / Loan to Value, average, %	30.8	30.7	30.8	30.7	31.1
Loans / deposits, %	180.4	175.6	180.4	175.6	180.0
Liquidity Coverage Ratio (LCR) %	212.1	227.7	212.1	227.7	183.7
Net Stable Funding Ratio (NSFR) %	110.2	115.7	110.2	115.7	115.1
Leverage Ratio (LR) %	4.3	4.2	4.3	4.2	4.3

Calculation of key figures and definitions are set out below.

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HYPO GROUP

The Mortgage Society of Finland Group (hereafter “Hypo Group” or “the Group”) is the only domestic expert organization in home financing. Hypo Group grants mortgages as well as renovation loans and consumer loans, both secured by residential property collateral, for first-time and other homebuyers.

Our customer promise – a *secure way for better living* – guides all our operations. Over 22 thousand customers in growth centers have already taken us up on our promise.

The Mortgage Society of Finland, the parent company of the Group, has its domicile and administrative headquarters in Helsinki. The street address of the Mortgage Society of Finland is Yrjönkatu 9 A, 00120 Helsinki and the mail address is P.O.Box 509, 00101 Helsinki. The Mortgage Society of Finland is a mutual company governed by its member customers.

Suomen Asuntohypopankki Oy offers its customers deposit products, apartments for rent and residential land trustee services. Suomen Asuntohypopankki Oy is a member of the Deposit Guarantee Fund and a deposit bank wholly owned by the Mortgage Society of Finland.

S&P Global Ratings has assigned ‘BBB/A-2’ issuer credit ratings with stable outlook to the Mortgage Society of Finland (4 October 2024).

Rating for the covered bonds of the Mortgage Society of Finland is ‘AAA’ with stable outlook (S&P Global Ratings Cover pool 1 27 June 2025 and Cover Pool 2 24 December 2024).

OPERATING ENVIRONMENT

Global economic growth has continued so far this year, but the United States’ trade policy has at the same time introduced new

headwinds and uncertainties for growth and international trade this year. However, more moderate inflation than before, favorable wage developments, and a strong labor market have supported the global economy year to date. Monetary policy has so far weakened growth, as declining interest rates only affect the real economy with a delay. Global crises and tensions have added to uncertainty, with Russia’s war of aggression against Ukraine continuing and tensions in the Middle East persisting. The global composite output Purchasing Managers’ Index rose in the third quarter, during which new trade agreements were also concluded.

The European Central Bank’s (ECB) rate-cut cycle ended, as policy rates were left unchanged at both the July and September meetings. The asset purchase programme portfolio is declining at a measured and predictable pace and the principal payments from maturing securities will no longer be reinvested. The long-term risk-free interest rates remained stable during the quarter. The short-term Euribor rates stayed around two percent, and the 12 months Euribor settled at 2.19 percent by the end of September.

The working day adjusted change of total output fell by 0.2 percent in September from the previous year’s level. In September, employment was up by 16,000 from a year earlier, whereas unemployment rose by 32,000 over the same period. Consumer confidence remained relatively weak. Home purchase intentions and renovation intentions also remained subdued.

According to preliminary data, the prices of old dwellings in the whole country declined by 2.3% in July-September compared to the previous year. Prices in the metropolitan area decreased by 1.9% at the same time, while the whole country excluding greater Helsinki also saw a 2.8% decline.

Home sales volumes increased by about 7% in July-September compared to the previous year. The number of apartments available for sale remained high in the whole country. The Finnish housing loan stock year-on-year growth rate was 0.0% at the end of September. The average interest rate on mortgage loans was 2.82% and the average interest rate on new housing loans was 2.82%. The annual growth rate in the stock of housing corporation loans was 2.1% in September.

The number of housing starts for residential buildings decreased from June to August compared to the previous year, and the economic situation in the construction industry remained very weak. The year-on-year change in consumer prices was 0.5% in September.

At the end of September, the total stock of Finnish households' deposits was EUR 115.4 billion, and the average interest rate on these deposits was 0.80%. Overnight deposits accounted for EUR 70.5 billion, fixed term deposits for EUR 15.5 billion and investment deposits for EUR 29.5 billion of the total deposit stock.

The lower interest rate level supports households' purchasing power, housing sales and loan demand in Hypo's operating areas. The need for repairs to residential buildings continues to grow, which supports the demand for housing companies' renovation loans and the growth of the loan stock in Finland. The growth of cities and new construction also create good conditions for the growth of closed plot funds managed by Hypo.

KEY EVENTS

During the year 2025, Hypo Group focuses on strengthening its core businesses and profitability.

During the financial period, efforts were made to increase the verified competence of

personnel through training (including AI training) and to strengthen the number of personnel working in the customer interface.

On 18 September 2025 the Mortgage Society of Finland issued a EUR 300 million covered bond of which EUR 150 million was used for partial repurchase of the issue maturing on March 13, 2026.

During the financial period, the book values of the investment properties were reviewed, resulting in a change in book values of a total of EUR -0.5 million, which corresponds to 0.6% of the investment properties.

The Forward Looking Factor (FLF), which affects the amount of Expected Credit Loss (ECL), decreased from level 1 to level 0, indicating that a weakening trend in the housing market is no longer expected.

The simplification of sustainability regulation has progressed in the EU with the adoption of the so-called "Stop-the-Clock" Directive in the spring and the so-called "Content" Directive approaching its final stages of consideration. Hypo is monitoring and assessing the impact of these changes on the schedule, scope, and content of the planned sustainability reporting. A government proposal to amend the Accounting Act to allow for a postponement of sustainability reporting is currently being considered by Parliament, and Hypo is preparing for a two-year delay in sustainability reporting obligations, starting from the financial year beginning on January 1, 2027.

RESULTS AND PROFITABILITY

July–September 2025

Hypo Group's operating profit was EUR 2.8 million (EUR 2.0 million for July–September 2025). Income increased to EUR 7.1 million (EUR 5.6 million) and expenses increased to EUR 4.3 million (EUR 3.6 million).

January-September 2025

Hypo Group's operating profit was EUR 8.0 million (EUR 5.2 million for January–September 2024). Income increased 24.4% compared to the comparison period and totaled EUR 21.6 million (EUR 17.4 million).

Net interest income slightly increased compared to the comparison period and totaled EUR 14.7 million (EUR 12.2 million). Net fee and commission income increased slightly and totaled EUR 4.4 million (EUR 4.2 million). Other income included net income from investment properties (housing units and residential land) decreased compared to the comparison period and totaled EUR 1.3 million (1.7 million) and it also included net income from financial instruments at fair value and fair value through other comprehensive income, which increased to EUR 1.3 million (EUR -0.7 million).

Expenses increased slightly compared to the comparison period and totaled EUR 13.6 million (EUR 12.2 million).

Hypo Group's other comprehensive income of EUR 6.8 million (EUR 5.0 million) includes EUR 6.6 million (EUR 4.3 million) of profit for the year and other comprehensive income, after tax items of EUR 0.2 million (EUR 0.6 million).

PERSONNEL

On 30 September 2025, the number of permanent personnel was 70 (63 on 31 December 2024). These figures do not include the CEO and the vice CEO.

ASSETS AND LIABILITIES

Lending

At the end of the financial period, the loan portfolio totaled EUR 2,803.3 million (EUR 2,791.8 million on 31 December 2024).

Hypo Group has an entirely residential property-secured loan portfolio.

The weighted average Loan-to-Value ratio of the loan portfolio remained at a strong level and was 30.8% (31.1%) at the end of the financial period.

The amount of non-performing loans was EUR 10.8 million (EUR 12.0 million), representing 0.39% (0.43%) of the loan portfolio. The expected credit losses on balance sheet remained almost at the same level and were EUR 0.4 million (EUR 0.3 million).

Liquid assets and other receivables

At the end of the financial period, cash and cash equivalents in accordance with the cash flow statement, combined with current account and other binding credit facilities, totaled EUR 718.7 million (EUR 536.5 million on 31 December 2024), which corresponds to 19.6% (15.5%) of the total assets. The cash and cash equivalents which totaled EUR 717.7 million consisted of assets distributed widely across various counterparties, and of debt securities tradable on the secondary market. 91.7% (82.5%) of debt securities had a credit rating of at least 'AA-' or were of equivalent credit quality and 92.5% (90.8%) were ECB repo eligible. The Liquidity Coverage Ratio remained on a strong level and was 212.1% (183.7%).

The defined benefit plans surplus of EUR 8.4 million (EUR 8.0 million) from the Mortgage Society of Finland's pension fund has been recognized in the Group's other assets.

Hypo Group offers apartments and residential land for rent for its customers. The total number of properties increased from EUR 78.4 million to EUR 79.3 million, representing 2.2% (2.3%) of the total balance. Hypo Group's properties are located in selected growth centers, mainly in the Helsinki Metropolitan Area. The difference between the

fair value and the book value of the properties totaled EUR 3.7 million (EUR 3.7 million).

Derivative contracts

The balance sheet values of derivative assets and margin call receivables were EUR 49.1 million (EUR 48.8 million on 31 December 2024), and the value of derivative liabilities was EUR 49.9 million (EUR 55.6 million). The amount of derivative liabilities consists of the values of hedging derivatives for covered bonds and collateral arrangements for derivatives.

Deposits and other funding

The total amount of deposits increased by 0.2% and was EUR 1,554.2 million at end of the financial period (EUR 1,551.3 million on 31 December 2024). The share of deposits accounted for 45.5% (48.0%) of total funding.

The total nominal amount of covered bonds was EUR 1,800.0 million (EUR 1,720.0 million). The total nominal value of certificates of deposit was EUR 50.0 million (EUR 16.0 million).

The Group's NSFR-ratio at the end of the financial period was 110.2% (115.1%).

The total funding was EUR 3,417.2 million at the end of the financial period (EUR 3,230.0 million).

CAPITAL ADEQUACY AND RISK MANAGEMENT

At the end of the financial period, Hypo Group's equity amounted to EUR 172.4 million (EUR 165.7 million on 31 December 2024). The changes in equity during the financial period are presented in the Group's statement of changes in equity attached to this report.

The Group's Common Equity Tier 1 capital (CET1) in relation to risk-weighted assets was 22.1% (14.3%, according to CRR2 Regulation). The amendments of the EU

Capital Requirements Regulation (CRR3) that entered into force on 1 January 2025 improved Hypo Group's capital indicators. As a result of the reform, Hypo's total risk-weighted assets decreased significantly. The change to the Capital Requirements Regulation changed the calculation of the total credit risk exposure, so that the loan-to-value ratio (LTV) has a stronger impact on the total credit risk exposure than before. As Hypo focuses on low-risk secured housing financing and the average LTV is 30.8%, the change in the calculation model significantly improved Hypo's capital adequacy.

Profit for the financial period is included in the CET1 capital, with the permission from the Finnish Financial Supervisory Authority (The Finnish FSA). In measuring credit risk, the standardized approach is used. The Group's own funds are quantitatively and qualitatively on an adequate level in relation to the Group's current and future business. At the end of the financial period, the Group's Leverage Ratio was 4.3% (4.3%).

The Group's total capital requirement at the end of the financial period was 13.0%, consisting of minimum capital requirement 8.0%, capital conservation buffer requirement 2.5%, discretionary capital add-on 0.75%, indicative capital add-on 0.75%, systemic risk buffer 1.0% and countercyclical buffer requirements of foreign exposures.

The Finnish Financial Supervisory Authority has on 23 May 2025 set a discretionary additional capital requirement of 1.25 percent (Pillar 2 requirement) for The Mortgage Society of Finland group. The discretionary additional capital requirement must be met in accordance with Chapter 11, Section 6 c, Subsection 1 of the Act on Credit Institutions (610/2014). The new requirement comes into force on 31 December 2025, and remains effective no later than 31 December 2028. The current discretionary additional capital

requirement 0.75 percent remains in force until 31 December 2025.

The Finnish FSA has on 23 October 2023 set an indicative additional capital recommendation of 0.75% of total risk for the Mortgage Society of Finland. The indicative additional capital recommendation is to be covered with CET1 capital. The recommendation entered into force on 31 March 2024 and is in force until further notice.

The Mortgage Society of Finland is one of multiple Finnish credit institutions, for which the Finnish FSA has on 29 March 2024 set a systemic risk buffer amounting to 1.0%. The buffer requirement is applied at group level. The decision entered into force on 1 April 2024 and is in force until further notice.

There have been no significant changes in the risk levels during the financial period. More detailed information on risk management practices and on capital adequacy is published with the Annual Financial Statements.

The information required by EU's Capital Requirements Regulation (EU) 575/2013 Part eight (i.e. Pillar 3 information) is published yearly for the most part. The key metrics are published semi-annually. The Mortgage Society of Finland is classified as a small and non-complex institution.

SUMMARY OF CAPITAL ADEQUACY

(1000 €)	30.9.2025	31.12.2024
Common Equity Tier 1 capital before deductions	172 445	165 683
Deductions from Common Equity Tier 1 capital	-14 458	-13 858
Total Common Equity Tier 1 capital (CET1)	157 987	151 825
Additional Tier 1 capital before deductions	-	-
Deductions from Additional Tier 1 capital	-	-
Total Additional Tier 1 capital (AT1)	-	-
Tier 1 capital (T1 = CET1 + AT1)	157 987	151 825
Tier 2 capital before deductions	-	-
Deductions from Tier 2 capital	-	-
Total Tier 2 capital (T2)	-	-
Total capital (TC = T1 + T2)	157 987	151 825
Total risk weighted assets	714 098	1 059 854
of which credit risk	669 893	990 587
of which market risk (foreign exchange risk)	-	-
of which operational risk	43 055	48 514
of which other risks	1 149	20 753
CET1 Capital ratio (CET1-%)	22,1	14,3
T1 Capital ratio (T1-%)	22,1	14,3
Total capital ratio (TC-%)	22,1	14,3
Minimum capital	5 000	5 000

KEY EVENTS SINCE THE END OF THE FINANCIAL PERIOD

Since the end of the financial period of 1 January – 30 September 2025, no significant changes have occurred in the outlook or financial standing of the Mortgage Society of Finland or its Group.

FUTURE OUTLOOK

Finland's economic growth is weak amid global uncertainty, labor market is still cool and foreign trade stagnates but the outlook for the economy improves towards the end of the year. The construction sector is in a weak phase, construction investments are lower than before, and risks related to real estate funds are elevated. Decreasing inflation and improving wages support consumers' purchasing power. The housing market is recovering, renovation construction is increasing, inflation is low, and lower interest rates support the economy. Housing starts will still remain low, and housing prices are expected to turn upward. Differences between housing market areas and units become more important. Urbanization continues supported

by the supply of housing, which increases housing sales and the demand for mortgages and housing company loans, especially in Hypo's most important operating areas.

Hypo Group focuses on strengthening its core business and profitability. The Group expects net interest income, net fee and commission income, capital adequacy and liquidity to remain on a stable level.

The Mortgage Society of Finland Group reiterates the financial guidance issued on 31 January 2025. Operating profit for year 2025 is expected to be at the same level as operating profit for 2024. The outlook contains considerable uncertainties due to development in economy and interest rates as well as uncertainties related to the war in Ukraine and in the Middle East peace process and the unstable global situation.

Helsinki, 31 October 2025

The Board

CONSOLIDATED INCOME STATEMENT

(1000 €)	1-9/2025	1-9/2024	7-9/2025	7-9/2024	2024
Interest income	83 568	128 128	26 736	36 218	169 456
Interest expenses	-68 882	-115 880	-22 109	-31 641	-152 012
NET INTEREST INCOME	14 686	12 248	4 627	4 577	17 444
Fee and commission income	4 565	4 299	1 521	1 272	5 852
Fee and commission expenses	-165	-141	-56	-48	-197
Net income from financial instruments at fair value	1 262	-938	843	-1 072	-1 344
Net income from financial instruments at FVOCI	11	191	0	112	261
Net income from investment properties	1 257	1 745	186	768	2 571
Other operating income	21	-7	8	-12	2
Personnel expenses	-6 831	-6 476	-2 112	-1 942	-8 755
Administrative expenses	-4 320	-3 414	-1 455	-1 010	-4 761
Total personnel costs and administrative expenses	-11 151	-9 890	-3 567	-2 952	-13 515
Depreciation and impairment losses on tangible and intangible assets	-1 253	-1 106	-422	-357	-1 449
Other operating expenses	-1 047	-1 189	-284	-320	-1 510
Final and expected credit losses	-195	-30	-57	10	-108
OPERATING PROFIT	7 990	5 181	2 798	1 978	8 008
Income taxes	-1 415	-842	-445	-261	-1 346
PROFIT FOR THE PERIOD	6 576	4 339	2 353	1 717	6 662

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(1000 €)	1-9/2025	1-9/2024	7-9/2025	7-9/2024	2024
Profit for the period	6 576	4 339	2 353	1 717	6 662
Other comprehensive income, after tax					
Items that may in the future be recognized through profit or loss					
Change in fair value reserve					
Financial assets at FVOCI	-58	-8	-57	143	48
	-58	-8	-57	143	48
Items that may not be included in the income statement at a later date					
Revaluation of defined benefit pension plans	244	622	261	107	765
	244	622	261	107	765
Other comprehensive income, after tax, total	186	613	204	249	814
COMPREHENSIVE INCOME FOR THE PERIOD	6 762	4 953	2 557	1 966	7 476

CONSOLIDATED BALANCE SHEET

(1000 €)

	30.9.2025	31.12.2024	30.9.2024
ASSETS			
Cash	550 210	385 793	402 953
Debt securities eligible for refinancing with central banks	143 896	129 708	148 043
Receivables from credit institutions	11 890	8 901	8 477
Receivables from the public and public sector entities	2 803 314	2 791 811	2 832 560
Debt securities	11 696	13 066	
Shares and holdings	31	31	24
Derivative contracts	19 966	19 016	23 022
Intangible assets	9 477	10 251	9 995
Tangible assets			
Investment properties	78 474	76 703	74 486
Other tangible assets	998	1 913	1 937
	79 472	78 616	76 423
Other assets	39 557	40 424	49 229
Accrued income and advances paid	1 444	962	1 279
Deferred tax receivables	37	14	9
TOTAL ASSETS	3 670 991	3 478 594	3 552 014

CONSOLIDATED BALANCE SHEET

(1000 €)

	30.9.2025	31.12.2024	30.9.2024
LIABILITIES			
Liabilities to credit institutions			
To credit institutions	20 187	20 000	20 274
	20 187	20 000	20 274
Liabilities to the public and public sector entities			
Deposits	1 554 170	1 551 254	1 613 255
Other liabilities	1 435	4 572	4 915
	1 555 605	1 555 826	1 618 170
Debt securities issued to the public	1 841 429	1 653 818	1 652 552
Derivative contracts	29 390	36 266	42 219
Other liabilities	39 004	34 655	43 476
Deferred expenses and advances received	2 774	2 290	2 173
Deferred tax liabilities	10 156	10 055	9 989
EQUITY			
Basic capital	5 000	5 000	5 000
Other restricted reserves			
Reserve fund	38 645	37 712	37 712
Fair value reserve			
From valuation at fair value	48	106	49
Defined benefit pension plans			
Actuarial gains/ losses	6 486	6 241	6 098
Unrestricted reserves			
Other reserves	22 924	22 924	22 924
Retained earnings	92 768	87 038	87 038
Profit for the period	6 576	6 662	4 339
	172 445	165 683	163 160
TOTAL LIABILITIES AND EQUITY	3 670 991	3 478 594	3 552 014

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(1000 €)	Basic capital	Reserve fund	Fair value reserve	Other reserves	Retained earnings	Total
Equity 1 January 2024	5 000	36 219	5 534	22 924	88 531	158 207
Profit for the period					4 339	4 339
Other comprehensive income, after tax						
Financial assets at FVOCI						
Change in fair value			-15			-15
Change in deferred taxes			7			7
Revaluation of defined benefit plans						
Actuarial gains / losses			777			777
Change in deferred taxes			-155			-155
Total other comprehensive income, after tax	0	0	613	0	0	613
Transactions with owners of the bank						
Distribution of profits		1 493			-1 493	0
Equity 30 September 2024	5 000	37 712	6 147	22 924	91 377	163 160
Equity 1 January 2025	5 000	37 712	6 347	22 924	93 700	165 683
Profit for the period					6 576	6 576
Other comprehensive income, after tax						
Financial assets at FVOCI						
Change in fair value			-70			-70
Change in deferred taxes			12			12
Revaluation of defined benefit plans						
Actuarial gains / losses			305			305
Change in deferred taxes			-61			-61
Total other comprehensive income, after tax	0	0	186	0	0	186
Transactions with owners of the bank						
Distribution of profits		933			-933	0
Equity 30 September 2025	5 000	38 645	6 534	22 924	99 343	172 445

CONSOLIDATED CASH FLOW STATEMENT

€ 1,000	1.1.-30.9.2025	1.1.-30.9.2024
Cash flow from operating activities		
Interest income and fees received	78 457	112 644
Interest and fees paid	-70 416	-102 215
Credit losses	-113	-90
Personnel, administrative and other operating expenses paid	-12 804	-11 334
Income taxes paid	-840	-550
Total net cash flow from operating activities	-5 715	-1 545
Operating assets increase (-) / decrease (+)		
Receivables from customers	-3 005	-40 513
Operating assets increase (-) / decrease (+) total	-3 005	-40 513
Operating liabilities increase (+) / decrease (-)		
Liabilities to the public and public sector organisations (deposits)	1 936	45 470
Other operating liabilities	-105	-253
Operating liabilities increase (+) / decrease (-) total	1 831	45 218
NET CASH FROM/USED IN OPERATING ACTIVITIES	-6 889	3 160
Cash flows from investing activities		
Income received from financial instruments measured at fair value	5 511	500
Expenses paid from financial instruments and measured at fair value		-6 274
Payments received from investment properties	2 950	2 491
Expenses paid from investment properties	-4 760	-10 353
Cash flows from acquisition of fixed assets	-419	-601
NET CASH FROM /USED IN INVESTING ACTIVITIES	3 282	-14 238
Cash flows from financing activities		
Financial liabilities, new withdrawals	395 181	343 676
Financial liabilities, repayments	-211 410	-460 021
NET CASH FROM/USED IN FINANCING ACTIVITIES	183 771	-116 345
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	180 163	-127 423
Cash and cash equivalents at the beginning of the period	536 549	686 168
Cash and cash equivalents at the end of the period	716 712	558 745
CHANGE IN CASH AND CASH EQUIVALENTS	180 164	-127 423
Cash and cash equivalents in the balance sheet		
Cash and cash equivalents in the cash flow statement at the end of the financial period	716 712	558 745
Changes that do not involve payment	-979	728
Balance sheet value at the end of the financial period	717 691	559 473

Adjustments have been made to the cash flow statement presented in the Interim Report 1 January-30 September 2024. Cash flows have been reorganized to provide a clearer representation of the subcategories in the cash flow statement: operating activities, investing activities, and financing activities. The structure of line items in the cash flow statement has been refined, and adjustments have been made to the euro amounts of cash flows. The euro amounts of the adjustments are as follows:

	Adjusted amount	Amount presented in the Interim Report 1 January-30 September 2024	Change
Adjustments made to the Cash flow statement 30.9.2024 (EUR 1,000)			
Net cash flows from/used in Operating Activities	3 160	15 756	-12 596
Net cash flows from/used in Investing Activities	-14 238	-9 386	-4 852
Cash flows from/used in Financing Activities	-116 345	-131 344	14 999
Change in Cash and cash equivalents			-2 449

The nature and reasons for the adjustments:

Net cash flows from/used in Operating Activities

Cash flows from derivative margin calls have been reclassified into the group 'Cash Flows from Financing Activities.' The cash flows from interest received and paid related to financial instruments have been adjusted.

Net Cash Flows from/used in Investing Activities

The line item grouping of cash flows from investment properties has been simplified. Binding agreements for the acquisition of investment properties are presented in cash flows when the purchase price is paid. Realized cash amounts from derivatives hedging cash reserves have been grouped under 'Cash Flows from Investing Activities.' The cash flow amounts have been adjusted.

Cash Flows from/used in Financing Activities

Cash flows from derivatives hedging financing agreements have been grouped together with cash flows from financing agreements. Additionally, cash flows from derivative margin call arrangements have been reclassified into the item 'Cash Flows from Financing Activities'. Transactions related to contracts under hedge accounting have been adjusted to a cash flow basis.

NOTES

1. Key accounting policies

This Interim Report applies the same IFRS Accounting Standards as the Group's Financial Statements on 31 December 2024. The Interim Report has been prepared in accordance with the IAS 34 standard (Interim Financial Reporting) approved in the EU. No other new standards or interpretations with material effect on Hypo Group's financial position, profit or equity, entered into force in the financial period beginning 1 January 2025.

The Interim Report does not contain all information nor notes that are required in the Annual Financial Statements. The Interim Report should be read in conjunction with the Group's Financial Statements 2024 and Stock Exchange Releases published during 1 January to 30 September 2025. The figures in the tables are presented in thousands of euros. Comparatives for the income statement items are based on the corresponding figures in 2024. Unless otherwise specified, figures from 31 December 2024 are used as comparatives for balance-sheet and other cross-sectional items.

Parent company of the Group, the Mortgage Society of Finland has its domicile and administrative headquarters in Helsinki. The street address of the Mortgage Society of Finland is Yrjönkatu 9 A, 00120 Helsinki and the mail address is P.O.Box 509, 00101 Helsinki. Hypo is a mutual company governed by its member customers.

The Interim Report has not been audited.

Hypo Group's business operations constitute a single segment, retail banking.

Hypo Group's consolidated Financial Statements cover the Mortgage Society of Finland as well as the deposit bank Suomen Asuntopankki Oy, of which the Mortgage Society of Finland owns 100 percent, and Bostadsaktiebolaget Taos, of which the Group companies own 54.6 percent. The Financial Statements of Asuntopankki have been consolidated using the acquisition cost method. Ownership in Bostadsaktiebolaget Taos is accounted for using IFRS 11 Joint Arrangements -standard. Assets, liabilities, revenue and expenses of the joint operations are recognized in relation to Hypo Group's interest in the joint operation. Inter-company transactions and balances between the Group companies are eliminated.

2. New standards and interpretations

During the 2025 financial year, no new IFRS standards, interpretations or amendments have entered into force that would have had a material impact on the group's financial statements.

On 1 January 2027, the IFRS 18 standard will have an impact on the financial statements, above all on the presentation of the income statement, which will be applied retroactively to comparative data.

Other future new standards or standard amendments published by the IASB are not expected to have a material effect on the consolidated financial statements.

3. Issuances and repayments of debt securities and equity instruments

Issuances, repayments and repurchases of debt securities appear on cash flow statement for the period from 1 January to 30 September 2025. Equity instruments have not been issued nor repaid during the period from 1 January to 30 September 2025.

4. Contingent liabilities and other off-balance sheet commitments

(1000 €)	30.9.2025	31.12.2024
Commitments given on behalf of a customer for the benefit of a third party		
Guarantees and other liabilities	3 200	3 840
Irrevocable commitments given on behalf of a customer		
Granted but unclaimed loans	175 200	221 305
Total	178 400	225 145

5. Fair values of financial assets and liabilities

(1000 €)			30.9.2025		31.12.2024	
Publicly quoted	Fair value determination principle	Fair value determination principle	Book value	Fair value	Book value	Fair value
Debt securities	Fair value through other comprehensive income (FVOCI)	1	54 844	54 844	45 144	45 144
Debt securities	Option to designate a financial asset at fair value	1	100 748	100 748	90 646	90 646
Total			155 591	155 591	135 790	135 790
Debt securities issued to the public	Amortised cost	1	1 791 796	1 791 796	1 637 926	1 637 926
Total			1 791 796	1 791 796	1 637 926	1 637 926
Other						
Liquid assets	Amortised cost	1	550 210	550 210	385 793	385 793
Receivables from credit institutions	Amortised cost	2	11 890	11 890	8 901	8 901
Receivables from the public and public sector entities	Amortised cost	2	2 803 314	2 803 314	2 791 811	2 791 811
Debt securities	Fair value through other comprehensive income (FVOCI)	2			6 984	6 984
Shares and holdings	Fair value through other comprehensive income (FVOCI)	2	31	31	31	31
Derivative contracts	Fair value through profit or loss (FVPL)	2	19 966	19 966	19 016	19 016
Total			3 385 412	3 385 412	3 212 536	3 212 536
Liabilities to credit institutions	Amortised cost	2	20 187	20 187	20 000	20 000
Liabilities to the public and public sector entities	Amortised cost	2	1 555 605	1 555 605	1 555 826	1 555 826
Debt securities issued to the public	Amortised cost	1	49 633	49 633	15 893	15 893
Derivative contracts	Fair value through profit or loss (FVPL)	2	29 390	29 390	36 266	36 266
Total			1 654 816	1 654 816	1 627 985	1 627 985

Level 3 financial assets do not carry any unrealized gains or losses.

Book values and fair values of financial instruments contain accrued interest. Derivative contracts consist of interest rate and currency swaps with various counterparties for hedging purposes. Liabilities to financial institutions mainly consist of unsecured long-term promissory note loans with floating interest rates with various counterparties. Liabilities to the public and public sector entities consist of deposits from the public and long-term financing contracts concluded with certain counterparties. The fair values of debt securities (financial assets) are presented based on public quotes from active markets or on other than quoted verifiable prices. The fair values of derivatives are calculated by discounting the future cash flows of the contracts using the market interest rates of the closing date.

There have been no transfers between the stages (1,2,3).

The fair value determination principles are as follows:

- 1: Quoted prices in active markets
- 2: Verifiable price, other than quoted
- 3: Unverifiable market price

6. Related party information

Hypo Group's related parties include its subsidiary, members of the Board of Directors and the Supervisory Board, CEO and vice CEO, members of the Management Group and close family members of the aforementioned as well as related party entities. In addition, The Mortgage Society of Finland's pension fund and joint operations are included in related parties. Those related party transactions that have not been eliminated in the consolidated financial statements are presented.

There have been no material changes in the related party transactions since 31 December 2024.

7. IFRS 9 expected credit losses by stage

	30.9.2025		31.12.2024	
(1000 €)	Book value	Expected credit loss allowance	Book value	Expected credit loss allowance
Debt instruments, FVOCI				
Level 1, performing loans, no significant increase in credit risk	54 729	15	51 593	24
Receivables from the public and public sector entities				
Level 1, performing loans, no significant increase in credit risk	2 743 925	9	2 747 590	16
Level 2, performing loans with a significant increase in credit risk	32 089	0	23 327	39
Level 3, non-performing loans	10 811	390	11 984	253
Total	2 786 825	399	2 782 901	308
Off-balance sheet commitments; granted but undrawn loans				
Level 1, performing loans, no significant increase in credit risk	178 400	0	225 145	0

There were no significant ECL-level transitions during the financial period. New loans were originated to level one.

The Forward Looking Factor (FLF) of the ECL model decreased from level 1 to level 0 during the financial period.

The level of FLF is evaluated monthly.

The book value contains contract principal amounts but not accrued interests.

	1-9/2025	1-9/2024	7-9/2025	7-9/2024	1-12/2024
(1000 €)	Net expected credit losses with P&L impact	Net expected credit losses with P&L impact	Net expected credit losses with P&L impact	Net expected credit losses with P&L impact	Net expected credit losses with P&L impact
Debt instruments, FVOCI					
Level 1, performing loans, no significant increase in credit risk	9	-18	0	-11	-18
Receivables from the public and public sector entities					
Level 1, performing loans, no significant increase in credit risk	7	-4	3	-1	-2
Level 2, performing loans with a significant increase in credit risk	39	-2	7	2	-35
Level 3, non-performing loans	-137	84	48	113	36
Total	-91	78	58	113	-2
Off-balance sheet commitments; granted but undrawn loans					
Level 1, performing loans, no significant increase in credit risk	0	0	0	0	0

8. Income distribution

Group's total income

(1000 €)	1-9/2025	1-9/2024	7-9/2025	7-9/2024	2024
Interest income	83 568	128 128	26 736	36 218	169 456
Interest expense	-68 882	-115 880	-22 109	-31 641	-152 012
Net interest income	14 686	12 248	4 627	4 577	17 444
Net fee income					
from lending operations	2 318	2 185	674	641	3 010
from land trustee services	2 012	1 908	767	562	2 533
from other operations	70	65	23	22	112
Total net fee income	4 400	4 158	1 465	1 224	5 655
Net income from treasury operations	1 273	-748	843	-960	-1 083
Net income from investment properties	1 249	1 723	178	746	2 427
Capital gains on investment properties	8	22	8	22	144
Other income	21	-7	8	-12	2
Non-interest income	2 551	990	1 037	-204	1 490
Total income	21 636	17 396	7 129	5 597	24 589

9. Information concerning asset encumbrance

30.9.2025	Book value of encumbered assets		Fair value of encumbered assets		Book value of unencumbered assets		Fair value of unencumbered assets	
(1000 €)		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
A - Assets	2 168 797	15 023	2 168 797	15 023	1 502 194	669 841	1 502 194	119 631
Equity instruments					31		31	
Debt securities	15 023	15 023	15 023	15 023	140 568	119 631	140 568	119 631
Other assets, including lending	2 153 774		2 153 774		1 361 595	550 210	1 361 595	

B - Collateral received	Unencumbered
	Fair value of collateral received or own debt securities issued available for encumbrance
Own covered bonds and asset-backed securities issued and not yet pledged	-

	Liabilities associated with encumbered assets	Encumbered assets
C - Encumbered assets and associated liabilities		
Book value of selected financial liabilities		
Debt securities issued to the public	1 791 796	2 124 787
Derivative contracts	34 093	44 162
Total	1 825 889	2 168 949

D - Information on the importance of encumbrance

The amount of assets reported under items A and C above does not include excess collateral except for covered bonds. Group's encumbered assets consist of debt securities, cover asset pool and cash collateral for derivative contracts that are tradable on the secondary market and eligible as ECB collateral and that have been pledged against a loan from the central bank.

Encumbered assets totaled EUR 2,168.8 million, out of which of covered bonds were EUR 2,124.8 million on 30 September 2025. Unencumbered debt securities that are tradable on the secondary market and eligible as ECB collateral and that can be used as collateral in monetary policy operations totaled EUR 128.9 million on 30 September 2025. EUR 451.7 million of unencumbered loans may be used as collateral for covered bonds.

31.12.2024	Book value of encumbered assets		Fair value of encumbered assets		Book value of unencumbered assets		Fair value of unencumbered assets	
(1000 €)		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
A - Assets	2 218 617	19 743	2 218 617	19 743	1 259 977	481 287	1 259 977	95 494
Equity instruments					31		31	
Debt securities	19 743	19 743	19 743	19 743	123 031	95 494	123 031	95 494
Other assets, including lending	2 198 874		2 198 874		1 136 914	385 793	1 136 914	

B - Collateral received	Unencumbered
	Fair value of collateral received or own debt securities issued available for encumbrance
Own covered bonds and asset-backed securities issued and not yet pledged	70 000

	Liabilities associated with encumbered assets	Encumbered assets
C - Encumbered assets and associated liabilities		
Book value of selected financial liabilities		
Debt securities issued to the public	1 637 926	2 169 139
Derivative contracts	33 089	49 478
Total	1 671 014	2 218 617

D - Information on the importance of encumbrance

The amount of assets reported under items A and C above does not include excess collateral except for covered bonds. Group's encumbered assets consist of debt securities, cover asset pool and cash collateral for derivative contracts that are tradable on the secondary market and eligible as ECB collateral and that have been pledged against a loan from the central bank.

Encumbered assets totaled EUR 2,218.6 million, out of which of covered bonds were EUR 2,169.1 million on 31 December 2024. Unencumbered debt securities that are tradable on the secondary market and eligible as ECB collateral and that can be used as collateral in monetary policy operations totaled EUR 109.8 million on 31 December 2024. EUR 434.7 million of unencumbered loans may be used as collateral for covered bonds.

Sources:
Loans and deposits; Bank of Finland
Housing prices; Statistics Finland

Key indicators and alternative performance measures are reported together with indicators defined and named in the IFRS standards in order to give useful additional information on the business operations. Key indicators and alternative performance measures describe the economic profit, financial standing or cash flows from business operations, but are other than the indicators defined and named in the IFRS standards. The indicators defined in the Capital Requirements Regulation (EU 575/2013) CRR, describe the risk-absorbing capacity of a credit institution.

Definitions of Alternative Performance Measures:

Operating profit/profit before appropriations and taxes, million €	Interest income + income from equity investments + fee income + net income from financial assets at fair value through other comprehensive income + net income from financial instruments at FVPL + income from investment properties + other operating income – (personnel expenses + administrative expenses + depreciation and impairment losses on tangible and intangible assets + other operating expenses+ impairment losses on loans and other commitments)
Return on equity (ROE) %	$\frac{\text{Operating profit - income taxes}}{\text{Equity + accumulated appropriations less deferred tax liabilities (average total at the beginning and end of the period)}} \times 100$
Cost-to-income ratio %	$\frac{\text{Personnel expenses + administrative expenses + depreciation and impairment losses on tangible and intangible assets + other operating expenses}}{\text{Net interest income + income from equity investments + net fee and commission income + net income from financial instruments at FVPL + net income from available-for-sale financial assets + net income from investment properties + other operating income}} \times 100$
LTV-ratio (Loan to Value, average) %	$\frac{\text{Receivables from the public and public sector entities}}{\text{Fair value of collateral received against the receivables from the public and public sector entities}} \times 100$ Loan-to-value ratio is calculated by dividing the outstanding loan balance with the fair value of the total amount of the collaterals allocated to the loan. Only housing and residential property collaterals are taken into account. The average LTV ratio is the weighted average of individual loan-to-value ratios.
Expected credit losses %	$\frac{\text{Expected credit losses from loans to the public in P\&L}}{\text{Lending to the public at the end of the period}} \times 100$
Loans/deposits %	$\frac{\text{Receivables from the public and public sector entities}}{\text{Deposits}} \times 100$
Deposits out of total funding %	$\frac{\text{Deposits}}{\text{Total funding}} \times 100$ Total funding includes liabilities to credit institutions, liabilities to the public and public sector entities, debt securities issued to the public as well as subordinated liabilities.

Definitions of Key Financial Indicators set out in EU’s Capital Requirements Regulation:

Non-performing assets, % of the loan portfolio	$\frac{\text{Receivables from the public and public sector entities deemed unlikely to be paid + receivables past due and unpaid over 90 days}}{\text{Receivables from the public and public sector entities}} \times 100$
LCR-ratio %	$\frac{\text{Liquid assets}}{\text{Outflow of liquidity – Inflow of liquidity (within 30 days)}} \times 100$
NSFR-ratio %	$\frac{\text{Available stable funding}}{\text{Required stable funding}} \times 100$
Leverage Ratio %	$\frac{\text{Equity + accumulated appropriations less deferred tax liabilities}}{\text{Balance sheet total}} \times 100$
Common Equity Tier 1 (CET1) ratio %	$\frac{\text{Common Equity Tier 1, CET1}}{\text{Total risk}} \times 100$ The capital requirement for total risk is calculated using the standard method. The capital requirement for operational risk is calculated using the basic method.

Risk-absorbing key figures are presented in accordance with the EU’s Capital Requirements Regulation (EU 575/2013).

Description of Alternative Performance Measures:

Operating profit, profit before appropriations and taxes is an indicator of profitability in the financial statement describing the net revenues from business operations after taking into account expenses, expected credit losses/impairment losses and depreciations.

Return on equity % (ROE) measures profitability of business operations by revealing how much profit is generated in relation to the equity accrued over a financial period. The Mortgage Society of Finland is a mutual company and thus it does not pay dividends.

Cost-to-income ratio % describes business performance by comparing total costs to total income. The less input is used to accumulate revenue, the better the efficiency.

LTV-ratio (Loan to Value, average) % compares the outstanding balance of credit owed by a customer to the fair value of the collaterals provided by the customer. The ratio reflects a credit institution's lending in relation to its collateral position.

Loans / deposits % describes the relation of lending to deposit funding. A ratio exceeding 100 per cent indicates that in addition to deposit funding, wholesale funding and equity are used as funding sources.

Deposits out of total funding % indicator describes the structure of funding.

Number of personnel describes the personnel resources available.

Expected credit losses % compares expected credit losses in P&L from the loan portfolio to the loan portfolio in total. The smaller the ratio the less credit losses are expected in the future.

This is an unofficial English language translation of the original Finnish language release (Interim Report) and it has not been approved by any competent authority. Should there be any discrepancies between the Finnish language and the English language versions, the Finnish version shall prevail.