THE MORTGAGE SOCIETY OF FINLAND

FINANCIAL STATEMENTS RELEASE

1 January–31 December 2025

The Audited Financial Statements in ESEF-format will be published on 27 February 2026. The Annual Report will be published on 27 February 2026. The Interim Report for the period of 1 January 2026 to 31 March 2026 will be published on 30 April 2026.

The Financial Statements Release does not contain all information nor notes that are required in the Annual Financial Statements. The Financial Statements Release should be read in conjunction with the Group's Financial Statements 2024 and Stock Exchange Releases published during the period of 1 January to 31 December 2025.

The figures in the tables in the Financial Statements Release are presented in thousands of Euros. The Financial Statements Release is unaudited. Hypo Group's Financial Statements Release can be accessed at https://www.hypo.fi/en/hypo-financial-information/

HYPO GROUP'S JANUARY–DECEMBER 2025

The home finance specialist Hypo Group's operating profit, net interest income, capital adequacy, net fee and commission income and liquidity strengthened.

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 strengthened further as net interest income, net fee and commission income and operating profit increased. Non-performing loans decreased and impairment losses remained at a very 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 9.1 million (EUR 8.0 million 1–12/2024)
- Net interest income was EUR 19.3 million (EUR 17.4 million 1–12/2024)
- Net fee and commission income was EUR 6.0 million (EUR 5.7 million 1–12/2024)
- Other income was EUR 3.6 million (EUR 1.5 million 1–12/2024)
- Total costs were EUR 19.8 million (EUR 16.6 million 1–12/2024)
- Non-performing loans decreased and were at 0.26% 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 22.9% (14.3% on 31 December 2024)
- Liquidity Coverage Ratio (LCR) was 277.4% (183.7% on 31 December 2024)

Group Key Figures

(1 000 €)	1-12/2025	1-12/2024	10-12/2025	10-12/2024
Net interest income	19,284	17,444	4,598	5,196
Net fee and commission income	5,985	5,655	1,585	1,498
Total other income	3,623	1,490	1,072	500
Total expenses	-19,805	-16,581	-6,159	-4,366
Operating profit	9,086	8,008	1,096	2,827
Receivables from the public and public sector entities	2,751,992	2,791,811	2,751,992	2,791,811
Deposits	1,504,008	1,551,254	1,504,008	1,551,254
Balance sheet total	3,645,970	3,478,594	3,645,970	3,478,594
Return on equity (ROE) %	4.4	4.1	2.2	5.7
Common Equity Tier 1 (CET1) ratio %	22.9	14.3	22.9	14.3
Cost-to-income ratio %	68.5	67.0	71.7	59.6
Non-performing loans % of the loan portfolio	0.26	0.43	0.26	0.43
Loan-to-value ratio (weighted average LTV) %	31.1	31.1	31.1	31.1
Loans / Deposits %	183.0	180.0	183.0	180.0
Liquidity Coverage Ratio (LCR) %	277.4	183.7	277.4	183.7
Net Stable Funding Ratio (NSFR) %	110.2	115.1	110.2	115.1
Leverage Ratio (LR) %	4.3	4.3	4.3	4.3

Calculation of key figures and definitions are set out below.

Contact information:	CEO Mr. Ari Pauna	tel. +358 9 228 361, +358 50 353 4690
	CFO Mr. Mikke Pietilä	tel. +358 9 228 361, +358 50 439 6820

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 (24 November 2025).

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 22 December 2025).

OPERATING ENVIRONMENT

Global economic growth continued in 2025, but the United States' trade policy created new headwinds and uncertainty for growth and international trade. However, more moderate inflation, favorable wage developments, and labor market conditions supported the global economy. The lower level of interest rates has been passed through to the real economy with a lag. At the same time, global crises have increased uncertainty: Russia's war of aggression in Ukraine has continued, the situation in the Middle East has remained unstable, and tensions in the Arctic have grown. The global composite output Purchasing Managers' Index declined in the fourth quarter and was near its year-earlier level around the turn of the year.

The European Central Bank's (ECB) rate-cut cycle ended in June, as policy rates were kept unchanged at the meetings held in the second half of the year. 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 in the euro area edged up slightly over the year. After falling in the early part of the year, short-term Euribor rates remained around 2%, and the 12-month Euribor stood at 2.24% at the end of December.

The value of renovation building still declined in early 2025, but after a prolonged downturn it turned upward in the third quarter. Consumer confidence remained relatively weak throughout the year, and intentions to buy a home as well as plans for major renovations stayed subdued. Housing starts in new construction projects fell in September–November compared with a year earlier, and the cyclical situation in the construction sector remained very weak.

Finnish companies' deposit stock stood at EUR 48.0 billion at the end of December. Of this total, overnight deposits amounted to EUR 43.5 billion, fixed term deposits to EUR 3.7 billion, and investment deposits to EUR 0.8 billion. The loan stock of housing corporations grew by 1.6% in December compared with a year earlier.

The nationwide stock of housing loans in Finland in December was close to its level a year earlier. The average interest rate on the housing loan stock was 2.77%, and the average rate on newly drawn housing loans was 2.85%. Finnish households' deposit stock stood at EUR 115.2 billion at the end of December, with an average deposit rate of 0.80%. Of this total, overnight deposits amounted to EUR 70.0 billion, fixed term deposits to EUR 15.9 billion, and investment deposits to EUR 29.3 billion.

Finland's working-day adjusted output increased by 0.3% in November compared with a year earlier. The number of employed persons in October–December was 6,000 higher than a year ago, but the number of unemployed increased by 50,000 compared with a year earlier.

According to preliminary data, prices of old dwellings in the whole country fell by 2.5% in September–November compared with a year earlier. Prices in the Helsinki metropolitan area declined by 3.3% over the same period, while elsewhere in the country the decrease was 1.3%. Nationwide, the number of transactions in existing apartments increased by about 6% in September–November from a year earlier. The number of homes on the market remained high.

The year-on-year change in consumer prices was +0.2% in December, and averaged +0.3% for the year as a whole.

The stabilization of interest rates supports households' purchasing power, housing sales and loan demand in Hypo's operating areas despite weak consumer confidence. 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 focused 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.

The simplification of sustainability regulation has progressed in the EU. The so-called Stop-the-Clock Directive was adopted in spring 2025, and the processing of the so-called Content Directive was in its final stages at the end of 2025. Hypo monitors and assesses the impacts of these changes on the timetable, scope, and content of the planned sustainability reporting. The government proposal to amend the Accounting Act to enable the postponement of sustainability reporting was approved by the Finnish Parliament in 2025, and Hypo is preparing for the postponement of sustainability reporting obligations by two years to the financial year beginning on 1 January 2027, or for the complete removal of the obligations with respect to the Hypo Group.

RESULTS AND PROFITABILITY

OCTOBER–DECEMBER 2025

Hypo Group's operating profit was EUR 1.1 million (EUR 2.8 million for July–September 2025). Income increased to EUR 8.8 million (EUR 7.2 million) and expenses increased to EUR 6.2 million (EUR 4.4 million).

JANUARY–DECEMBER 2025

Hypo Group's operating profit was EUR 9.1 million (EUR 8.0 million for January–December 2024). Income increased 17.5% compared to the comparison period and totaled EUR 28.9 million (EUR 24.6 million).

Net interest income slightly increased compared to the comparison period and totaled EUR 19.3 million (EUR 17.4 million). Net fee and commission income increased slightly and totaled EUR 6.0 million (EUR 5.7 million). Other income included net income from investment properties (housing units and residential land) decreased compared to the comparison period and totaled EUR 2.2 million (2.6 million) and it also included net income from financial instruments at fair value and fair value through other comprehensive income, which increased to EUR 1.4 million (EUR -1.1 million).

Expenses increased slightly compared to the comparison period and totaled EUR 19.8 million (EUR 16.6 million).

Hypo Group's other comprehensive income of EUR 7.5 million (EUR 7.5 million) includes EUR 7.5 million (EUR 6.6 million) of profit for the year and other comprehensive income, after tax items of EUR 0.0 million (EUR 0.8 million).

PERSONNEL

On 31 December 2025, the number of permanent personnel was 71 (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 2,752.0 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 31.1% (31.1%) at the end of the financial period.

The amount of non-performing loans was EUR 7.1 million (EUR 12.0 million), representing 0.26% (0.43%) of the loan portfolio. The decrease in non-performing exposures was largely due to the full repayment of a single loan of EUR 3.0 million. The expected credit losses on balance sheet remained almost at the same level and were EUR 0.2 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 752.0 million (EUR 536.5 million on 31 December 2024), which corresponds to 20.6% (15.5%) of the total assets. The cash and cash equivalents which totaled EUR 751.4 million consisted of assets distributed widely across various counterparties, and of debt securities tradable on the secondary market. The total amount of debt securities was EUR 155.8 million. 72.0% (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 277.4% (183.7%).

The defined benefit plans surplus of EUR 8.2 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 decreased from EUR 79.5 million to EUR 78.4 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 3.0 million (EUR 3.7 million).

Derivative contracts

The balance sheet values of derivative assets and margin call receivables were EUR 42.3 million (EUR 48.8 million on 31 December 2024), and the value of derivative liabilities was EUR 43.3 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 decreased slightly and was EUR 1,504.0 million at end of the financial period (EUR 1,551.3 million on 31 December 2024). The share of deposits accounted for 44.3% (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 86.0 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 3,396.2 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 173.2 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 22.9% (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 31.1%, 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 13.5%, consisting of minimum capital requirement 8.0%, capital conservation buffer requirement 2.5%, discretionary capital add-on 1.25%, 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 came into force on 31 December 2025, and remains effective no later than 31 December 2028.

The Finnish FSA has on 12 December 2025 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 enters into force on 31 March 2026. The current indicative additional capital recommendation is 0.75%.

The Mortgage Society of Finland is one of multiple Finnish credit institutions, for which the Finnish FSA has on 26 June 2025 set a systemic risk buffer amounting to 1.0%. The buffer requirement is applied at group level. The decision enters into force on 1 July 2026 and is in force until further notice. The current systemic risk buffer is 1.0%.

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 Mortgage Society of Finland is classified as a small and non-complex institution.

SUMMARY OF CAPITAL ADEQUACY

(1 000 €)	31.12.2025	31.12.2024
Common Equity Tier 1 capital before deductions	173,183	165,683
Deductions from Common Equity Tier 1 capital	-14,579	-13,858
Total Common Equity Tier 1 capital (CET1)	158,604	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)	158,604	151,825
Tier 2 capital before deductions	-	-
Deductions from Tier 2 capital	-	-
Total Tier 2 capital (T2)	-	-
Total capital (TC = T1 + T2)	158,604	151,825

SUMMARY OF CAPITAL ADEQUACY

(1 000 €)	31.12.2025	31.12.2024
Total risk weighted assets	694,004	1,059,854
of which credit risk	648,813	990,587
of which market risk (foreign exchange risk)	-	-
of which operational risk	44,255	48,514
of which other risks	935	20,753
CET1 Capital ratio (CET1-%)	22.9	14.3
T1 Capital ratio (T1-%)	22.9	14.3
Total capital ratio (TC-%)	22.9	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 – 31 December 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 remains subdued amid global uncertainty, labor market is still cool and foreign trade stagnates, but the economic outlook will improve during 2026. The construction sector is in a weak phase, construction investments are lower than before, and risks related to real estate funds are elevated. Low inflation and rising wages support consumers' purchasing power. The housing market is recovering, renovation construction is increasing, and the lower level of interest rates supports 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 and 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. Operating profit for year 2026 is expected to be at the same level as operating profit for 2025. The outlook contains considerable uncertainties arising from economic and interest rate developments, the war in Ukraine, the Middle East peace process, tensions in the Arctic region, and the unstable global situation.

Helsinki, 30th of January 2026

The Board

CONSOLIDATED INCOME STATEMENT

(1 000 €)	1-12/2025	1-12/2024	10-12/2025	10-12/2024
Interest income	109,862	169,456	26,294	41,328
Interest expenses	-90,578	-152,012	-21,695	-36,132
NET INTEREST INCOME	**19,284**	**17,444**	**4,598**	**5,196**
Fee and commission income	6,206	5,852	1,641	1,553
Fee and commission expenses	-222	-197	-57	-55
Net income from financial instruments at FVPL	1,340	-1,344	78	-406
Net income from financial instruments at FVOCI	11	261	0	70
Net income from investment properties	2,243	2,571	987	826
Other operating income	28	2	7	9
Personnel expenses	-10,458	-8,755	-3,627	-2,279
Administrative expenses	-6,212	-4,761	-1,892	-1,347
Total personnel costs and administrative expenses	-16,670	-13,515	-5,519	-3,626
Depreciation and impairment losses on tangible and intangible assets	-1,677	-1,449	-425	-342
Other operating expenses	-1,440	-1,510	-393	-321
Final and expected credit losses	-17	-108	178	-77
OPERATING PROFIT	**9,086**	**8,008**	**1,096**	**2,827**
Income taxes	-1,561	-1,346	-146	-504
PROFIT AFTER TAXES	**7,526**	**6,662**	**950**	**2,323**
PROFIT FOR THE PERIOD	**7,526**	**6,662**	**950**	**2,323**

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(1 000 €)	1-12/2025	1-12/2024	10-12/2025	10-12/2024
Profit for the period	7,526	6,662	950	2,323
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	-96	48	-38	57
Total	-96	48	-38	57
Items that may not be included in the income statement at a later date				
Revaluation of defined benefit pension plans	71	765	-173	143
Total	71	765	-173	143
Other comprehensive income, after tax, total	-25	814	-211	200
COMPREHENSIVE INCOME FOR THE PERIOD	**7,501**	**7,476**	**738**	**2,523**

CONSOLIDATED BALANCE SHEET

(1 000 €)	31.12.2025	31.12.2024
ASSETS		
Cash	580,547	385,793
Debt securities eligible for refinancing with central banks	144,102	129,708
Receivables from credit institutions	14,890	8,901
Receivables from the public and public sector entities	2,751,992	2,791,811
Debt securities	11,700	13,066
Shares and holdings	31	31
Derivative contracts	13,534	19,016
Intangible assets	9,547	10,251
Tangible assets		
Investment properties	78,667	76,703
Other tangible assets	992	1,913
Tangible assets, total	79,658	78,616
Other assets	38,421	40,424
Deferred income and advances paid	1,509	962
Deferred tax receivables	38	14
TOTAL ASSETS	**3,645,970**	**3,478,594**
LIABILITIES		
LIABILITIES		
Liabilities to credit institutions		
To credit institutions	20,008	20,000
Liabilities to credit institutions, total	20,008	20,000
Liabilities to the public and public sector entities		
Deposits	1,504,008	1,551,254
Other liabilities	0	4,572
Liabilities to the public and public sector entities, total	1,504,008	1,555,826
Debt securities issued to the public	1,872,206	1,653,818
Derivative contracts	29,409	36,266
Other liabilities	33,365	34,655
Deferred expenses and advances received	3,676	2,290
Deferred tax liabilities	10,115	10,055
EQUITY		
Basic capital	5,000	5,000
Other restricted reserves		
Reserve fund	38,645	37,712
Fair value reserve		
From valuation at fair value	10	106
Defined benefit pension plans		
Actuarial gains/losses	6,313	6,241
Unrestricted reserves		
Other reserves	22,924	22,924
Retained earnings	92,768	87,038
Profit for the period	7,526	6,662
Total equity	173,183	165,683
TOTAL LIABILITIES AND EQUITY	**3,645,970**	**3,478,594**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2025					
(1 000 €)	Basic capital	Reserve fund	Fair value reserve	Other reserves	Retained earnings	Total
Equity 1 Jan	**5,000**	**37,712**	**6,347**	**22,924**	**93,700**	**165,683**
Profit for the period					7,526	7,526
Other comprehensive income, after tax						0
Financial assets at FVOCI						0
Change in fair value			-128			-128
Amount transferred to the income statement			11			11
Change in deferred taxes			21			21
Defined benefit pension plans						0
Actuarial gains / losses			89			89
Change in deferred taxes			-18			-18
Total other comprehensive income, after tax	0	0	-25	0	0	-25
Transactions with owners of the bank						
Distribution of profits		933			-933	0
Equity 31 Dec	**5,000**	**38,645**	**6,322**	**22,924**	**100,293**	**173,184**

	2024					
(1 000 €)	Basic capital	Reserve fund	Fair value reserve	Other reserves	Retained earnings	Total
Equity 1 Jan	**5,000**	**36,219**	**5,534**	**22,924**	**88,531**	**158,207**
Profit for the period					6,662	6,662
Other comprehensive income						
Financial assets at fair value through other comprehensive income						
Change in fair value			-205			-205
Amount transferred to the income statement			261			261
Change in deferred taxes			-7			-7
Revaluation of defined benefit plans						
Actuarial gains / losses			956			956
Change in deferred taxes			-191			-191
Total other comprehensive income			814			814
Transactions with owners of the bank						
Distribution of profits		1,493			-1,493	0
Equity 31 Dec	**5,000**	**37,712**	**6,347**	**22,924**	**93,700**	**165,683**

CONSOLIDATED CASH FLOW STATEMENT

(1 000 €)	1-12/2025	1-12/2024
Cash flow from operating activities		
Interest income and fees received	116,672	172,750
Interest and fees paid	-91,761	-148,110
Credit losses	-111	-88
Personnel, administrative and other operating expenses paid	-17,467	-14,479
Income taxes paid	-1,224	-1,039
Total net cash flow from operating activities	**6,109**	**9,035**
Operating assets increase (-) / decrease (+)		
Receivables from customers	44,404	-13,794
Operating assets increase (-) / decrease (+) total	**44,404**	**-13,794**
Operating liabilities increase (+) / decrease (-)		
Liabilities to the public and public sector organisations (deposits)	-43,650	-9,945
Other operating liabilities	245	416
Operating liabilities increase (+) / decrease (-) total	**-43,405**	**-9,530**
NET CASH FROM/USED IN OPERATING ACTIVITIES	**7,108**	**-14,289**
Cash flows from investing activities		
Income received from financial instruments measured at fair value	11	729
Expenses paid from financial instruments and measured at fair value		-445
Payments received from investment properties	4,735	3,093
Expenses paid from investment properties	-5,234	-19,853
Cash flows from acquisition of fixed assets	-923	-1,375
NET CASH FROM /USED IN INVESTING ACTIVITIES	**-1,412**	**-17,850**
Cash flows from financing activities		
Financial liabilities, new withdrawals	441,310	364,259
Financial liabilities, repayments	-233,506	-481,739
NET CASH FROM/USED IN FINANCING ACTIVITIES	**207,805**	**-117,480**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**213,500**	**-149,620**
Cash and cash equivalents at the beginning of the period	**536,549**	**686,168**
Cash and cash equivalents at the end of the period	**750,049**	**536,549**
CHANGE IN CASH AND CASH EQUIVALENTS	**213,500**	**-149,620**
Cash and cash equivalents in the balance sheet		
Cash and cash equivalents in the cash flow statement at the end of the financial period	750,049	536,549
Changes that do not involve payment	1,190	920
Balance sheet value at the end of the financial period	751,239	537,468

NOTES

1. Key accounting policies

This Financial Statements Release applies the same IFRS Accounting Standards as the Group's Financial Statements on 31 December 2024. The Financial Statements Release 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 Financial Statements Release does not contain all information nor notes that are required in the Annual Financial Statements. The Financial Statements Release should be read in conjunction with the Group's Financial Statements 2024 and Stock Exchange Releases published during 1 January to 31 December 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 Financial Statements Release 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 Asuntohypopankki 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 Asuntohypopankki 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.

The IFRS 18 standard will impact financial statements as of January 1, 2027, primarily in the presentation of the income statement, cash flow statement, and management-defined performance measures. Changes to the financial statements will be applied retroactively to comparative statements for financial year 2026. The Group will progressively advance the analysis of required changes related to IFRS 18 during the year 2026.

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 31 December 2025. Equity instruments have not been issued nor repaid during the period from 1 January to 31 December 2025.

4. Contingent liabilities and other off-balance sheet commitments

(1 000 €)	31.12.2025	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	182,074	221,305
Total	185,274	225,145

5. Fair values of financial assets and liabilities

(1 000 €)	Classification	Fair value determination principle	31.12.2025 Book value	31.12.2025 Fair value	31.12.2024 Book value	31.12.2024 Fair value
Publicly quoted						
Debt securities	Fair value through other comprehensive income (FVOCI)	1	54,972	54,972	45,144	45,144
Debt securities	Option to designate a financial asset at fair value	1	100,831	100,831	90,646	90,646
Total			155,803	155,803	135,790	135,790
Debt securities issued to the public	Amortised cost	1	1,786,834	1,786,834	1,637,926	1,637,926
Total			1,786,834	1,786,834	1,637,926	1,637,926
Other						
Liquid assets	Amortised cost	1	580,547	580,547	385,793	385,793
Receivables from credit institutions	Amortised cost	2	14,890	14,890	8,901	8,901
Receivables from the public and public sector entities	Amortised cost	2	2,751,992	2,751,992	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	13,534	13,534	19,016	19,016
Total			3,360,994	3,360,994	3,212,536	3,212,536
Liabilities to credit institutions	Amortised cost	2	20,008	20,008	20,000	20,000
Liabilities to the public and public sector entities	Amortised cost	2	1,504,008	1,504,008	1,555,826	1,555,826
Debt securities issued to the public	Amortised cost	1	85,372	85,372	15,893	15,893
Derivative contracts	Fair value through profit or loss (FVPL)	2	29,409	29,409	36,266	36,266
Total			1,638,798	1,638,798	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. 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).

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 related-party transactions after 31 December 2024.

7. Expected credit loss allowance by level

	31.12.2025		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	54,331	-11	51,593	-24
Receivables from the public and public sector entities				
Level 1, performing loans, no significant increase in credit risk	2,704,096	-9	2,747,590	-16
Level 2, performing loans with a significant increase in credit risk	34,203	-94	23,327	-39
Level 3, non-performing loans	7,141	-125	11,984	-253
Total	**2,745,440**	**-228**	**2,782,901**	**-308**
Off-balance sheet commitments				
Level 1, performing receivables, no significant increase in credit risk	182,074	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 remained at level 0 during the financial period. The level of FLF is evaluated monthly. The book value contains contract principal amounts but not accrued interests.

8. Income distribution

(1000 €)	1–12/2025	1–12/2024	10-12/2025	10–12/2024
Interest income	109,862	169,456	26,294	41,328
Interest expense	-90,578	-152,012	-21,695	-36,132
Net interest income	19,284	17,444	4,598	5,196
Net fee income				
from lending operations	3,191	3,010	873	735
from land trustee services	2,699	2,533	687	740
from other operations	94	112	24	23
Total net fee income	5,985	5,655	1,585	1,498
Net income from Financial instruments at FVPL and FVOCI	1,351	-1,083	78	-335
Net income from investment properties	2,235	2,427	987	704
Capital gains on investment properties	8	144	0	122
Other income	28	2	7	9
Total other operating income	3,623	1,490	1,072	500
Total income	28,891	24,589	7,255	7,193

9. Information concerning asset encumbrance

	31.12.2025			31.12.2024		
(1000 €)	Encumbered assets	Unencum-bered assets	Total	Encumbered assets	Unencum-bered assets	Total
Debt securities	15,099	140,704	155,803	19,743	123,031	142,774
Receivables from the public and public sector entities	2,102,859	649,133	2,751,992	2,169,139	622,671	2,791,811
Other	39,789	698,387	738,176	29,735	514,274	544,009
Total	2,157,747	1,488,223	3,645,970	2,218,617	1,259,977	3,478,594

	31.12.2025		31.12.2024	
(1000 €)	Liabilities associated with encumbered asset	Encumbered assets	Liabilities associated with encumbered asset	Encumbered assets
Debt securities issued to the public	1,786,834	2,113,859	1,637,926	2,169,139
Derivative contracts	29,152	43,888	33,089	49,478
Total	1,815,986	2,157,747	1,671,014	2,218,617

Group's encumbered assets consist of loans in cover pools and collateral for derivative contracts. Encumbered assets totaled EUR 2,157.7 million (2,218.6 million), of which EUR 2,113.9 (2,169.1 million) million was in cover pools on 31 December 2025.

Unencumbered debt securities, that are tradable on the secondary market and eligible as ECB collateral, totalled EUR 129.0 million, and of the unencumbered loans EUR 419.1 million are eligible 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	Net interest income +net fee income + net income from financial assets at fair value through other comprehensive income + net income from financial instruments at FVPL + net income from investment properties + other operating income – (personnel expenses + administrative expenses + depreciation and impairment losses on tangible and intangible assets + other operating expenses+ expected credit losses on loans and other assets)"
Return on equity (ROE) %	$\frac{\text{Operating profit - income taxes}}{\text{Equity + accumulated appropriations after deferred tax liabilities (average total at the beginning and end of the period)}} \times 100$
Loan-to-value ratio (weighted average LTV) %	$\frac{\text{Receivables from the public and public sector entities}}{\text{Fair value of collateral received against the receivables from the public and public sector entities}} \times 100$
	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 and debt securities issued to the public.

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

Non-performing loans % of the loan portfolio	$\frac{\text{Receivables from the public and public sector entities deemed unlikely to be paid + receivables past due and unpaid over 90 days}}{\text{Receivables from the public and public sector entities}} \times 100$
Liquidity Coverage Ratio (LCR) %	$\frac{\text{Liquid assets}}{\text{Outflow of liquidity – Inflow of liquidity (within 30 days)}} \times 100$
Net Stable Funding Ratio (NSFR) %	$\frac{\text{Available stable funding}}{\text{Required stable funding}} \times 100$
Leverage Ratio (LR) %	$\frac{\text{Tier 1 Capital}}{\text{Total exposure}} \times 100$
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.

Loan-to-value ratio (weighted average LTV) % 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.

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.