



THE MORTGAGE SOCIETY OF FINLAND  
**INTERIM REPORT**  
1 January–31 March 2026

The Interim Report for the period of 1 January 2026 to 30 June 2026 will be published on 10 August 2026.

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

# HYPO GROUP'S JANUARY–MARCH 2026

The home finance specialist Hypo Group's operating profit remained at a stable level despite the uncertain global and Finnish economic environment.

## CEO Ari Pauna:

"Focusing on low-risk housing collateralized lending in urbanising Finland still provides stability and returns despite the continuous uncertainty in the operating environment. Capital adequacy and liquidity remained at a strong level. Non-performing loans 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 with more housing finance experts than before."

- Operating profit was EUR 1.8 million (EUR 2.3 million 1–3/2025)
- Net interest income was EUR 3.8 million (EUR 4.8 million 1–3/2025)
- Net fee and commission income was EUR 1.7 million (EUR 1.1 million 1–3/2025)
- Other income was EUR 1.9 million (EUR 1.0 million 1–3/2025)
- Total expenses were EUR 5.5 million (EUR 4.7 million 1–3/2025)
- Non-performing loans were at 0.30% of loan book (0.26% on 31 December 2025)
- Expected credit losses were 0.01% of the loan book (0.01% on 31 December 2025)
- Common Equity Tier 1 (CET1) ratio, calculated with the standardized approach and the basic indicator approach, was 21.5% (22.9% on 31 December 2025)
- Liquidity Coverage Ratio (LCR) was 204.5% (277.4% on 31 December 2025)

## Group Key Figures

(1 000 €)	1-3/2026	1-3/2025	1-12/2025
Net interest income	3,770	4,796	19,284
Net fee and commission income	1,660	1,109	5,985
Total other income	1,854	1,031	3,623
Total expenses	-5,509	-4,663	-19,805
Operating profit	1,774	2,273	9,086
Receivables from the public and public sector entities	2,777,288	2,796,183	2,751,992
Deposits	1,479,055	1,548,049	1,504,008
Balance sheet total	3,556,769	3,483,355	3,645,970
Return on equity (ROE) %	3.4	4.2	4.4
Common Equity Tier 1 (CET1) ratio %	21.5	21.5	22.9
Cost-to-income ratio %	73.2	65.5	68.5
Non-performing loans % of the loan portfolio	0.30	0.44	0.26
Loan-to-value ratio (weighted average LTV) %	31.4	30.8	31.1
Loans / Deposits %	187.8	180.6	183.0
Liquidity Coverage Ratio (LCR) %	204.5	142.5	277.4
Net Stable Funding Ratio (NSFR) %	116.7	109.9	110.2
Leverage Ratio (LR) %	4.4	4.5	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 (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 during the first quarter of the year. However, the economic outlook became considerably more uncertain due to the war in the Middle East. The war poses a risk of slower economic growth and higher inflation than previously anticipated. Russia’s war of aggression in Ukraine has continued, tensions in the Arctic region have increased, and uncertainty surrounding international trade policy has remained elevated. The global composite Purchasing Managers’ Index turned downward in March, having reached its highest level in nearly two years in February.

At its February and March meetings, the ECB Governing Council kept its key interest rates unchanged. 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 rose sharply due to unrest caused by the outbreak of war in the Middle East. Short-term Euribor rates also increased in March, and the 12-month Euribor stood at 2.87% at the end of the quarter.

The value of renovation construction increased at the end of 2025, but the outlook for the current year remains moderate. Consumer confidence declined in January–March, and both home purchase intentions and intentions to undertake major renovations remained subdued. Housing starts in new construction projects fell in December-February compared to the previous year, and the economic situation in the construction sector remained very weak.

Finnish companies’ deposit stock stood at EUR 46.6 billion at the end of March. Of this total, overnight deposits amounted to EUR 41.9 billion, fixed term deposits to EUR 3.9 billion,

and investment deposits to EUR 0.8 billion. The loan stock of housing corporations grew by 1.3% in March compared with a year earlier.

The Finnish housing loan stock in March was close to the level recorded 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 3.03%. Finnish households’ deposit stock stood at EUR 115.9 billion at the end of March, with an average deposit rate of 0.80%. Of this total, overnight deposits amounted to EUR 70.3 billion, fixed term deposits to EUR 16.3 billion, and investment deposits to EUR 29.3 billion.

Finland’s working-day adjusted output increased by 1.3% in March compared with a year earlier. The number of employed persons in March was 22,000 higher than a year ago, but the number of unemployed increased by 30,000 compared with a year earlier.

According to preliminary data, prices of old dwellings in the whole country fell by 2.6% in January–February 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 2.0%. Nationwide, the number of transactions in old dwellings declined by about 6% in January–February from a year earlier. The number of homes available for sale remained high.

The year-on-year change in consumer prices was +1.3% in March.

The gradually improving economic cycle supports household purchasing power, housing transactions 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.

## RESULTS AND PROFITABILITY

### JANUARY–MARCH 2026

Hypo Group’s operating profit was EUR 1.8 million (EUR 2.3 million for January–March 2025). Income increased 5.0% compared to the comparison period and totaled EUR 7.3 million (EUR 6.9 million).

Net interest income decreased compared to the comparison period and totaled EUR 3.8 million (EUR 4.8 million). due to a higher level of liquidity than in the comparison period and general interest rate developments. Net fee and commission income increased slightly and totaled EUR 1.7 million (EUR 1.1 million). Other income was EUR 1.9 million (EUR 1.0 million) and included net income from investment properties (housing units and residential land) EUR 0.7 million (EUR 0.6 million). The amount also included net income from financial instruments at fair value and fair value through other comprehensive income EUR 1.1 million (EUR 0.4 million).

Expenses increased compared to the reference period, totaling EUR 5.5 million (EUR 4.7 million). Expenses increased as a result of investments in sales and customer service personnel.

Hypo Group’s other comprehensive income of EUR 0.8 million (EUR 1.6 million) includes EUR 1.5 million (EUR 1.8 million) of profit for the year and other comprehensive income, after tax items of EUR -0.7 million (EUR -0.1 million).

## PERSONNEL

On 31 March 2026, the number of permanent personnel was 85 (71 on 31 December 2025). 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 2,777.3 million (EUR 2,752.0 million on 31 December 2025).

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 31.4% (31.1%) at the end of the financial period.

The amount of non-performing loans was EUR 8.5 million (EUR 7.1 million), representing 0.30% (0.26%) of the loan portfolio. The amount of expected credit losses recognized on the balance sheet increased slightly compared with the reference period and amounted to EUR 0.4 million (EUR 0.2 million), due to an increase in the Forward Looking Factor (FLF) affecting the amount of Expected Credit Losses (ECL) to level 1. There were no significant ECL-level transitions during the financial period.

### 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 625.6 million (EUR 752.0 million on 31 December 2025), which corresponds to 17.6% (20.6%) of the total assets. The cash and cash equivalents totaled EUR 623.8 million and 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 189.4 million and 89.0% (72.0%) of debt securities had a credit rating of at least 'AA-' or were of equivalent credit quality and 88.6% (92.5%) were ECB repo eligible. The Liquidity Coverage Ratio remained at a strong level and was 204.5% (277.4%).

The defined benefit plans surplus of EUR 8.0 million (EUR 8.2 million) from the Mortgage Society of Finland's pension fund has been recognized in the Group's other assets.

## CAPITAL ADEQUACY

	Minimum capital requirement*	Discretionary capital add-on*	Capital conservation buffer	Countercyclical buffer**	Systemic risk buffer	Indicative capital add-on	Total capital requirement
Common Equity Tier 1 capital (CET1)	4.50%	0.70%	2.50%	0.00%	1.00%	0.75%	9.45%
Additional Tier 1 capital (AT1)	1.50%	0.23%					1.73%
Tier 2 capital (T2)	2.00%	0.31%					2.31%
Total	8.00%	1.25%	2.50%	0.00%	1.00%	0.75%	13.50%

\* AT1 and T2 capital requirements are possible to fill with CET1 capital.

\*\* Taking into account the geographical distribution of the Group's exposures.

Hypo Group offers apartments and residential land for rent for its customers. The total number of properties was EUR 86.6 million (EUR 79.5 million) representing 2.4% (2.2%) 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 3.1 million (EUR 3.0 million).

### Derivative contracts

The balance sheet values of derivative assets and margin call receivables were EUR 47.2 million (EUR 42.3 million on 31 December 2025), and the value of derivative liabilities was EUR 46.5 million (EUR 43.3 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 1,479.1 million at end of the financial period (EUR 1,504.0 million on 31 December 2025). The share of deposits accounted for 44.7% (44.3%) of total funding.

The total nominal amount of covered bonds was EUR 1,800.0 million (EUR 1,800.0 million). The total nominal value of certificates of deposit was EUR 36.0 million (EUR 86.0 million). On 11 February 2026, Hypo Group issued a EUR 300 million covered bond, which was used to refinance a covered bond that matured on 13 March 2026.

The Group's NSFR-ratio at the end of the financial period was 116.7% (110.2%).

The total funding was EUR 3,309.0 million at the end of the financial period (EUR 3,396.2 million).

## CAPITAL ADEQUACY AND RISK MANAGEMENT

At the end of the financial period, Hypo Group's equity amounted to EUR 174.0 million (EUR 173.2 million on 31 December 2025). 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 21.5% (22.9%). Profit for the financial period is included in the CET1 capital, with the permission

of 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 adequate in relation to the Group's current and future business. At the end of the financial period, the Group's Leverage Ratio was 4.4% (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 set, on 23 May 2025, discretionary additional capital requirement of 1.25 percent (Pillar 2 requirement) for The Mortgage Society of Finland group. The new requirement came into force on 31 December 2025 and remains effective until no later than 31 December 2028.

The Finnish FSA has set, on 12 December 2025, an indicative additional capital recommendation of 0.75% of total risk for the Mortgage Society of Finland. The recommendation is effective as of 31 March 2026.

The Mortgage Society of Finland is one of several Finnish credit institutions for which the Finnish FSA has set, on 26 June 2025, a systemic risk buffer amounting to 1.0%. The buffer requirement is applied at group level. The decision will enter into force on 1 July 2026 and will remain 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 €)	31.3.2026	31.12.2025
Common Equity Tier 1 capital before deductions	173,954	173,183
Deductions from Common Equity Tier 1 capital	-14,754	-14,579
Total Common Equity Tier 1 capital (CET1)	159,201	158,604
Additional Tier 1 capital before deductions	-	-
Deductions from Additional Tier 1 capital	-	-
Total Additional Tier 1 capital (AT1)	-	-
Tier 1 capital (T1 = CET1 + AT1)	159,201	158,604
Tier 2 capital before deductions	-	-
Deductions from Tier 2 capital	-	-
Total Tier 2 capital (T2)	-	-
Total capital (TC = T1 + T2)	159,201	158,604
Total risk weighted assets	741,355	694,004
of which credit risk	695,608	648,813
of which market risk (foreign exchange risk)	-	-
of which operational risk	44,255	44,255
of which other risks	1,492	935
CET1 Capital ratio (CET1-%)	21.5	22.9
T1 Capital ratio (T1-%)	21.5	22.9
Total capital ratio (TC-%)	21.5	22.9
Minimum capital	5,000	5,000

## **OTHER KEY EVENTS**

During the year 2026, Hypo Group focuses on strengthening its core businesses and profitability.

During the financial period, efforts were made to strengthen the number of personnel working in the customer interface.

At the end of March, the Finnish Government submitted a proposal to Parliament concerning amendments to sustainability reporting. According to the proposal, the scope of entities subject to sustainability reporting would be narrowed and the reporting requirements eased as a result of increased threshold values. The new provisions are intended to enter into force on 30 June 2026, and as a result, the Hypo Group would fall outside the scope of the sustainability reporting obligation and would not be required to prepare a sustainability report for the financial year beginning on 1 January 2027 or subsequent financial years.

## **KEY EVENTS SINCE THE END OF THE FINANCIAL PERIOD**

Since the end of the financial period of 1 January – 31 March 2026, 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 and renovation construction is increasing moderately. The outlook is subject to uncertainty stemming from interest rate developments. Housing starts will remain low, and housing prices will turn upward as uncertainty eases. 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 focuses on strengthening its core business operations and improving profitability. Hypo reiterates the outlook published in its financial statements release on 30 January 2026. Operating profit for 2026 is expected to be at the same level as operating profit for 2025. The outlook includes significant uncertainties arising from economic and interest rate developments, the wars in Ukraine and the Middle East, and the unstable global situation.

Helsinki, 30th of April 2026

The Board

## CONSOLIDATED INCOME STATEMENT

(1 000 €)	1-3/2026	1-3/2025	1-12/2025
Interest income	26,802	29,263	109,862
Interest expenses	-23,032	-24,467	-90,578
<b>NET INTEREST INCOME</b>	<b>3,770</b>	<b>4,796</b>	<b>19,284</b>
Fee and commission income	1,724	1,163	6,206
Fee and commission expenses	-64	-55	-222
Net income from financial instruments at FVPL	1,105	367	1,340
Net income from financial instruments at FVOCI	1	11	11
Net income from investment properties	741	664	2,243
Other operating income	8	-12	28
Personnel expenses	-2,964	-2,256	-10,458
Administrative expenses	-1,543	-1,459	-6,212
<b>Total personnel costs and administrative expenses</b>	<b>-4,508</b>	<b>-3,715</b>	<b>-16,670</b>
Depreciation and impairment losses on tangible and intangible assets	-434	-410	-1,677
Other operating expenses	-390	-417	-1,440
Final and expected credit losses	-178	-122	-17
<b>OPERATING PROFIT</b>	<b>1,774</b>	<b>2,273</b>	<b>9,086</b>
Income taxes	-285	-512	-1,561
<b>PROFIT AFTER TAXES</b>	<b>1,490</b>	<b>1,761</b>	<b>7,526</b>
<b>PROFIT FOR THE PERIOD</b>	<b>1,490</b>	<b>1,761</b>	<b>7,526</b>

## CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(1 000 €)	1-3/2026	1-3/2025	1-12/2025
Profit for the period	1,490	1,761	7,526
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	-480	-23	-96
Total	-480	-23	-96
Items that may not be included in the income statement at a later date			
Revaluation of defined benefit pension plans	-238	-89	71
Total	-238	-89	71
Other comprehensive income, after tax, total	-718	-112	-25
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>771</b>	<b>1,649</b>	<b>7,501</b>

## CONSOLIDATED BALANCE SHEET

(1 000 €)	31.3.2026	31.12.2025	31.3.2025
<b>ASSETS</b>			
Cash	421,625	580,547	372,935
Debt securities eligible for refinancing with central banks	167,711	144,102	143,692
Receivables from credit institutions	12,786	14,890	13,088
Receivables from the public and public sector entities	2,777,288	2,751,992	2,796,183
Debt securities	21,657	11,700	6,264
Shares and holdings	37	31	31
Derivative contracts	10,248	13,534	20,658
Intangible assets	10,033	9,547	9,954
Tangible assets			
Investment properties	85,714	78,667	78,558
Other tangible assets	1,033	992	1,041
Tangible assets, total	86,747	79,658	79,600
Other assets	46,832	38,421	40,099
Deferred income and advances paid	1,670	1,509	839
Deferred tax receivables	136	38	13
<b>TOTAL ASSETS</b>	<b>3,556,769</b>	<b>3,645,970</b>	<b>3,483,355</b>
<b>LIABILITIES</b>			
<b>LIABILITIES</b>			
Liabilities to credit institutions			
To credit institutions	20,199	20,008	20,215
Liabilities to credit institutions, total	20,199	20,008	20,215
Liabilities to the public and public sector entities			
Deposits	1,479,055	1,504,008	1,548,049
Other liabilities	0	0	4,408
Liabilities to the public and public sector entities, total	1,479,055	1,504,008	1,552,457
Debt securities issued to the public	1,809,772	1,872,206	1,657,406
Derivative contracts	36,776	29,409	34,749
Other liabilities	23,296	33,365	38,440
Deferred expenses and advances received	3,673	3,676	2,718
Deferred tax liabilities	10,044	10,115	10,038
<b>EQUITY</b>			
Basic capital	5,000	5,000	5,000
Other restricted reserves			
Reserve fund	41,236	38,645	38,645
Fair value reserve			
From valuation at fair value	-470	10	82
Defined benefit pension plans			
Actuarial gains/losses	6,074	6,313	6,153
Unrestricted reserves			
Other reserves	22,924	22,924	22,924
Retained earnings	97,702	92,768	92,768
Profit for the period	1,490	7,526	1,761
Total equity	173,954	173,183	167,332
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,556,769</b>	<b>3,645,970</b>	<b>3,483,355</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	31.3.2026					
(1 000 €)	Basic capital	Reserve fund	Fair value reserve	Other reserves	Retained earnings	Total
<b>Equity 1 Jan</b>	<b>5,000</b>	<b>38,645</b>	<b>6,322</b>	<b>22,924</b>	<b>100,293</b>	<b>173,183</b>
Profit for the period					1,490	1,490
Other comprehensive income, after tax						
Financial assets at FVOCI						
Change in fair value			-603			-603
Amount transferred to the income statement			1			1
Change in deferred taxes			122			122
Defined benefit pension plans						
Actuarial gains / losses			-298			-298
Change in deferred taxes			60			60
Total other comprehensive income, after tax	0	0	-718	0	0	-718
Transactions with owners of the bank						
Distribution of profits		2,591			-2,591	0
<b>Equity 31 March</b>	<b>5,000</b>	<b>41,236</b>	<b>5,604</b>	<b>22,924</b>	<b>99,192</b>	<b>173,954</b>

	31.12.2025					
(1 000 €)	Basic capital	Reserve fund	Fair value reserve	Other reserves	Retained earnings	Total
<b>Equity 1 Jan</b>	<b>5,000</b>	<b>37,712</b>	<b>6,347</b>	<b>22,924</b>	<b>93,700</b>	<b>165,683</b>
Profit for the period					7,526	7,526
Other comprehensive income						
Financial assets at fair value through other comprehensive income						
Change in fair value			-128			-128
Amount transferred to the income statement			11			11
Change in deferred taxes			21			21
Revaluation of defined benefit plans						
Actuarial gains / losses			89			89
Change in deferred taxes			-18			-18
Total other comprehensive income	0	0	-25	0	0	-25
Transactions with owners of the bank						
Distribution of profits		933			-933	0
<b>Equity 31 Dec</b>	<b>5,000</b>	<b>38,645</b>	<b>6,322</b>	<b>22,924</b>	<b>100,293</b>	<b>173,184</b>

	31.3.2025					
(1 000 €)	Basic capital	Reserve fund	Fair value reserve	Other reserves	Retained earnings	Total
<b>Equity 1 Jan</b>	<b>5,000</b>	<b>37,712</b>	<b>6,347</b>	<b>22,924</b>	<b>93,700</b>	<b>165,683</b>
Profit for the period					1,761	1,761
Other comprehensive income						
Financial assets at fair value through other comprehensive income						
Change in fair value			-38			-38
Amount transferred to the income statement			11			11
Change in deferred taxes			4			4
Revaluation of defined benefit plans						
Actuarial gains / losses			-111			-111
Change in deferred taxes			22			22
Total other comprehensive income	0	0	-112	0	0	-112
Transactions with owners of the bank						
Distribution of profits		933			-933	0
<b>Equity 31 March</b>	<b>5,000</b>	<b>38,645</b>	<b>6,235</b>	<b>22,924</b>	<b>94,529</b>	<b>167,332</b>

## CONSOLIDATED CASH FLOW STATEMENT

(1 000 €)	1-3/2026	1-3/2025	1-12/2025
<b>Cash flow from operating activities</b>			
Interest income and fees received	18,377	17,965	116,672
Interest and fees paid	-17,966	-21,878	-91,761
Credit losses	1	1	-111
Personnel, administrative and other operating expenses paid	-4,378	-4,178	-17,467
Income taxes paid	-880	-136	-1,224
<b>Total net cash flow from operating activities</b>	<b>-4,845</b>	<b>-8,225</b>	<b>6,109</b>
<b>Operating assets increase (-) / decrease (+)</b>			
Receivables from customers	-22,228	11,405	44,404
<b>Operating assets increase (-) / decrease (+) total</b>	<b>-22,228</b>	<b>11,405</b>	<b>44,404</b>
<b>Operating liabilities increase (+) / decrease (-)</b>			
Liabilities to the public and public sector organisations (deposits)	-26,020	-3,680	-43,650
Other operating liabilities	-93	-857	245
<b>Operating liabilities increase (+) / decrease (-) total</b>	<b>-26,114</b>	<b>-4,537</b>	<b>-43,405</b>
<b>NET CASH FROM/USED IN OPERATING ACTIVITIES</b>	<b>-53,187</b>	<b>-1,358</b>	<b>7,108</b>
<b>Cash flows from investing activities</b>			
Income received from financial instruments measured at fair value	27	11	11
Expenses paid from financial instruments and measured at fair value	-8		
Payments received from investment properties	1,010	884	4,735
Expenses paid from investment properties	-7,060	-3,618	-5,234
Cash flows from acquisition of fixed assets	-980	-106	-923
<b>NET CASH FROM/USED IN INVESTING ACTIVITIES</b>	<b>-7,011</b>	<b>-2,828</b>	<b>-1,412</b>
<b>Cash flows from financing activities</b>			
Financial liabilities, new withdrawals	299,306	9,524	441,310
Financial liabilities, repayments	-365,526	-7,048	-233,506
<b>NET CASH FROM/USED IN FINANCING ACTIVITIES</b>	<b>-66,220</b>	<b>2,476</b>	<b>207,805</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-126,418</b>	<b>-1,710</b>	<b>213,500</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>750,049</b>	<b>536,549</b>	<b>536,549</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>623,631</b>	<b>534,839</b>	<b>750,049</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-126,418</b>	<b>-1,710</b>	<b>213,500</b>
<b>Cash and cash equivalents in the balance sheet</b>			
Cash and cash equivalents in the cash flow statement at the end of the financial period	623,631	534,839	750,049
Changes that do not involve payment	146	-1,140	1,190
Balance sheet value at the end of the financial period	623,778	535,979	751,239

# NOTES

## 1. Key accounting policies

This Interim Report applies the same IFRS Accounting Standards as the Group's Financial Statements on 31 December 2025. 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 2026.

The Interim Report 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 2025 and Stock Exchange Releases published during 1 January to 31 March 2026. The figures in the tables are presented in thousands of euros. Comparatives for the income statement items are based on the corresponding figures in 2025. Unless otherwise specified, figures from 31 December 2025 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. Intercompany transactions and balances between the Group companies are eliminated.

## 2. New standards and interpretations

During the 2026 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 onwards, 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 March 2026. Equity instruments have not been issued nor repaid during the period from 1 January to 31 March 2026.

## 4. Contingent liabilities and other off-balance sheet commitments

(1 000 €)	31.3.2026	31.12.2025
Commitments given on behalf of a customer for the benefit of a third party		
Guarantees and other liabilities	2,560	3,200
Irrevocable commitments given on behalf of a customer		
Granted but unclaimed loans	207,940	182,074
Total	210,500	185,274

## 5. Fair values of financial assets and liabilities

(1 000 €)	Classification	Fair value determination principle	31.3.2026		31.12.2025	
			Book value	Fair value	Book value	Fair value
<b>Publicly quoted</b>						
Debt securities	Fair value through other comprehensive income (FVOCI)	1	83,161	83,161	54,972	54,972
Debt securities	Option to designate a financial asset at fair value	1	101,228	101,228	100,831	100,831
<b>Total</b>			<b>184,389</b>	<b>184,389</b>	<b>155,803</b>	<b>155,803</b>
<b>Other</b>						
Debt securities issued to the public	Amortised cost	1	1,774,047	1,774,047	1,786,834	1,786,834
<b>Total</b>			<b>1,774,047</b>	<b>1,774,047</b>	<b>1,786,834</b>	<b>1,786,834</b>
<b>Other</b>						
Liquid assets	Amortised cost	1	421,625	421,625	580,547	580,547
Receivables from credit institutions	Amortised cost	2	12,786	12,786	14,890	14,890
Receivables from the public and public sector entities	Amortised cost	2	2,777,288	2,777,288	2,751,992	2,751,992
Debt securities	Fair value through other comprehensive income (FVOCI)	2	4,978	4,978		
Shares and holdings	Fair value through other comprehensive income (FVOCI)	2	37	37	31	31
Derivative contracts	Fair value through profit or loss (FVPL)	2	10,248	10,248	13,534	13,534
<b>Total</b>			<b>3,226,962</b>	<b>3,226,962</b>	<b>3,360,994</b>	<b>3,360,994</b>
<b>Other</b>						
Liabilities to credit institutions	Amortised cost	2	20,199	20,199	20,008	20,008
Liabilities to the public and public sector entities	Amortised cost	2	1,479,055	1,479,055	1,504,008	1,504,008
Debt securities issued to the public	Amortised cost	1	35,725	35,725	85,372	85,372
Derivative contracts	Fair value through profit or loss (FVPL)	2	36,776	36,776	29,409	29,409
<b>Total</b>			<b>1,571,755</b>	<b>1,571,755</b>	<b>1,638,798</b>	<b>1,638,798</b>

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 2025.

## 7. Expected credit loss allowance by level

(1000 €)	31.3.2026		31.12.2025	
	Book value	Expected credit loss allowance	Book value	Expected credit loss allowance
<b>Debt instruments, FVOCI</b>				
Level 1, performing loans, no significant increase in credit risk	81,757	-19	54,331	-11
<b>Receivables from the public and public sector entities</b>				
Level 1, performing loans, no significant increase in credit risk	2,715,865	-14	2,704,096	-9
Level 2, performing loans with a significant increase in credit risk	37,491	-215	34,203	-94
Level 3, non-performing loans	8,460	-171	7,141	-125
<b>Total</b>	<b>2,761,815</b>	<b>-399</b>	<b>2,745,440</b>	<b>-228</b>
<b>Off-balance sheet commitments</b>				
Level 1, performing receivables, no significant increase in credit risk	207,940	0	182,074	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 increased to level 1 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 €)	1-3/2026	1-3/2025	2025
Interest income	26,802	29,263	109,862
Interest expense	-23,032	-24,467	-90,578
Net interest income	3,770	4,796	19,284
Net fee income			
from lending operations	737	484	3,191
from land trustee services	900	603	2,699
from other operations	23	21	94
Total net fee income	1,660	1,109	5,985
Net income from Financial instruments at FVPL and FVOCI	1,106	378	1,351
Net income from investment properties	741	664	2,235
Capital gains on investment properties	0	0	8
Other income	8	-12	28
Total other operating income	1,854	1,031	3,623
Total income	7,283	6,936	28,891

## 9. Information concerning asset encumbrance

(1000 €)	31.3.2026			31.12.2025		
	Encumbered assets	Unencumbered assets	Total	Encumbered assets	Unencumbered assets	Total
Debt securities	25,106	164,261	189,368	15,099	140,704	155,803
Receivables from the public and public sector entities	2,130,818	646,470	2,777,288	2,102,859	649,133	2,751,992
Other	47,944	542,169	590,113	39,789	698,387	738,176
Total	2,203,868	1,352,900	3,556,769	2,157,747	1,488,223	3,645,970

(1000 €)	31.3.2026		31.12.2025	
	Liabilities associated with encumbered asset	Encumbered assets	Liabilities associated with encumbered asset	Encumbered assets
Debt securities issued to the public	1,774,047	2,141,818	1,786,834	2,113,859
Derivative contracts	36,776	62,050	29,152	43,888
Total	1,810,824	2,203,868	1,815,986	2,157,747

Group's encumbered assets consist of loans in cover pools and collateral for derivative contracts. Encumbered assets totaled EUR 2,203.9 million (2,157.7 million), of which EUR 2,141.9 (2,113.9 million) million was in cover pools on 31 March 2026.

Unencumbered debt securities, that are tradable on the secondary market and eligible as ECB collateral, totaled EUR 142.6 million, and of the unencumbered loans EUR 416.7 million are eligible as collateral for covered bonds.

## Definitions of Alternative Performance Measures:

	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)"	
Operating profit/profit before appropriations and taxes		
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).

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.

## 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.

## Sources:

Loans and deposits; Bank of Finland

Housing prices; Statistics Finland

The Interim Report uses the most recent available statistical data.

*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.*