POP Mortgage Bank Plc

FINANCIAL STATEMENTS RELEASE

1 January – 31 December 2025

POP Bank
POP Mortgage Bank Plc

CONTENTS

This document is a translation of the original Finnish version "POP Asuntoluottopankki Oyj tilinpäätöstiedote 1.1.-31.12.2025". In case of discrepancies, the Finnish version shall prevail.

BOARD OF DIRECTORS' REPORT FOR THE FINANCIAL PERIOD OF 1 JANUARY – 31 DECEMBER 2025

The POP Mortgage Bank Plc (hereinafter 'POP Mortgage Bank') is a member credit institution within amalgamation of the POP Banks. POP Mortgage Bank is responsible for acquiring external funding for the amalgamation in cooperation with Bonum Bank Plc. POP Mortgage Bank is also responsible for issuing secured bonds from its 1.5 billion euros covered bond program and forwarding the acquired funding to member credit institutions belonging to the amalgamation of POP Banks.

POP Mortgage Bank's operations are based on the intermediary loan model. Thus, the mortgage-backed loan portfolio provided as collateral for bonds to be issued is not recognised on POP Mortgage Bank's balance sheet. Instead, it remains on each member credit institution's balance sheet.

POP Mortgage Bank recorded a profit of EUR 1.4 (0.6) million for the reporting period and balance sheet totalled EUR 540.6 (798.3) million at the end of the reporting period. Intermediary loans granted to banks belonging to the amalgamation of POP Banks totalled EUR 500.0 (750.0) million.

The Annual General Meeting of POP Mortgage Bank was held on March 14, 2025. The meeting addressed the statutory matters. Juha Niemelä, Marja Pajulahti and Matti Vainionpää were elected to the Board of Directors. Juha Niemelä has served as Chair of the Board. The Board appointed Jukka Ruotinen as Deputy CEO of POP Mortgage Bank, effective April 25, 2025.

POP BANK GROUP AND AMALGAMATION OF POP BANKS

POP Bank Group is a Finnish financial group that offers retail banking services to private customers and small and medium sized companies. POP Banks are cooperative banks owned by their member customers. POP Bank's vision is to be a bank with a solid financial standing that provides personalised digital services, achieves the highest level of customer satisfaction and grows its market share profitably.

Structure of the POP Bank Group

The POP Bank Group consists of POP Banks, POP Bank Centre coop and their controlled entities. POP Banks are member credit institutions of POP Bank Centre coop. POP Bank Centre coop and its member credit institutions are mutually liable for their debts and liabilities according to the Act on the Amalgamation of Deposit Banks. POP Banks, POP Bank Centre coop and their controlled service companies constitute the amalgamation of POP Banks.

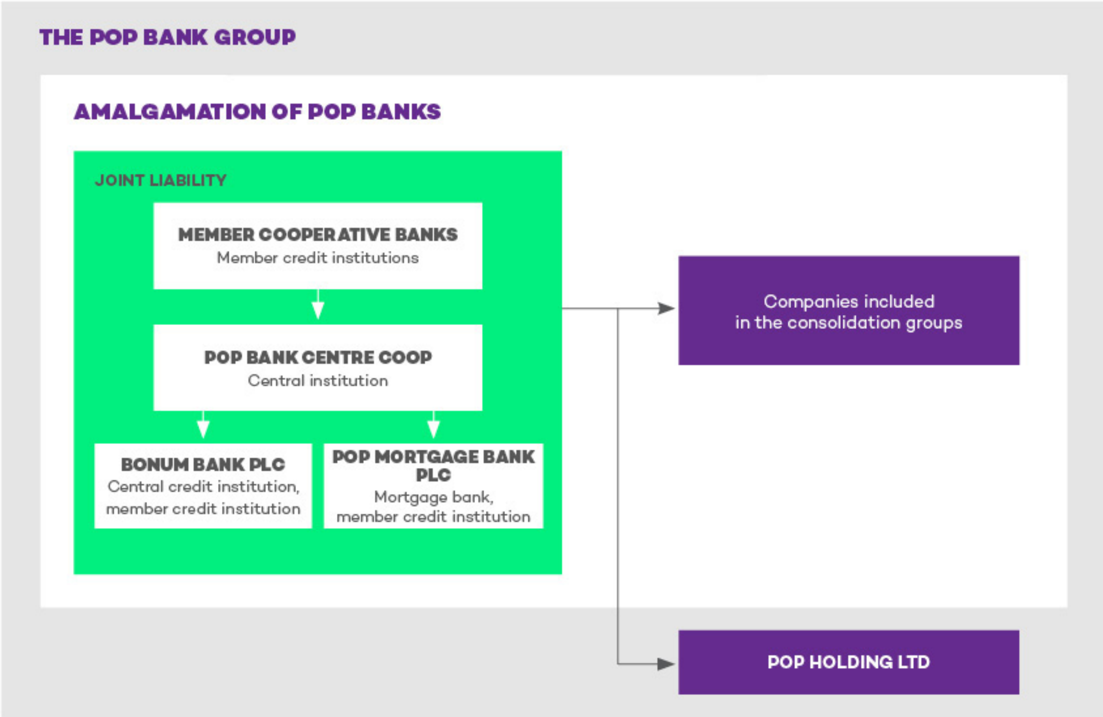
POP Bank Centre coop is the central institution of the amalgamation of POP Banks and is responsible for steering and supervising POP Bank Group. POP Bank Centre coop has two subsidiaries, Bonum Bank Plc and POP Mortgage Bank Plc, which are also its member credit institutions.

Bonum Bank Plc serves as the central credit institution of the POP Banks and acquires external funding for the Group by issuing unsecured bonds. Bonum Bank Plc is also responsible for the POP Banks' card business and the Group's payment transactions and centralised services, in addition to granting credit to retail customers. POP Mortgage Bank Plc is responsible for the Group's mortgage-backed funding, which it acquires by issuing covered bonds.

POP Bank Group also includes POP Holding Ltd owned by POP Banks and POP Bank Centre coop. POP Holding Ltd owns 30 per cent from Finnish P&C Insurance Ltd that belongs to LocalTapiola Group and uses the auxiliary business name of POP Insurance. POP Holding Ltd is not a member of the amalgamation of POP Banks and is included in the scope of joint liability.

The following chart presents the structure of the POP Bank Group and the entities included in the amalgamation and scope of joint liability. There have been no changes in the group structure during reporting period.

POP BANK GROUP STRUCTURE



OPERATING ENVIRONMENT

Global economic growth slowed in 2025 compared with the previous year. Regionally, growth was strongest in Asia, while growth in the euro area remained subdued. In the United States, however, economic growth decelerated year on year. Global growth continued to be weighed down by geopolitical tensions as the war in Ukraine continued, although tensions eased somewhat following the ceasefire reached in the conflict between Israel and Hamas.

Exports of goods to the United States picked up in the first half of the year as companies prepared for the introduction of tariffs. Towards the end of the year, growth in global trade slowed as a result of US trade policy, weakening the outlook for exports from the euro area and Finland to the United States. On the other hand, the trade agreement between the EU and the United States reduced trade policy uncertainty, and overall equity market performance in 2025 was positive. Rising global uncertainty also pushed the price of gold to record highs.

Economic growth in the euro area was slightly faster than in the previous year, but households remained largely cautious and saving levels remained elevated. The automotive industry, which is particularly important for the European economy, faced difficulties as households extended replacement cycles for cars, while lower-priced Chinese electric vehicles rapidly increased their market share. The outlook and order books for the defence industry improved as NATO member states were required to increase investment in maintaining and developing their defence capabilities.

Economic growth in Finland remained weak in 2025. Although household purchasing power improved as a result of tax and wage agreements, consumers were exceptionally cautious in their spending decisions. Cost-cutting measures aimed at halting the growth of public sector debt were felt by many in everyday life, and households were concerned about the ongoing deterioration of public services. In addition, the rise in unemployment made households even more cautious. This was reflected in consumption behaviour and an increase in savings. Major purchases, such as homes or new cars, continued to be made less frequently than the long-term average.

Households were supported by low inflation and the continued decline in short-term interest rates at the beginning of the year. The European Central Bank cut its key interest rates four times in the first half of 2025, in steps of 0.25 percentage points. The decline in short-term Euribor rates ended in the summer at around 2 per cent. Towards the end of the year, the most common reference rate for mortgage loans, the 12-month Euribor, turned slightly upwards, ending the year at around 2.2 per cent. As in the previous year, mortgage loans were taken out at a moderate level, and the housing market was subdued. Prices of existing homes were generally on a downward trend, although increases in selling prices were observed in some areas.

The number of bankruptcies in Finland remained high in 2025, and unemployment continued to rise rapidly. The year was particularly challenging for sectors dependent on household consumption, such as restaurants, renovation services and specialised retail. The financial difficulties of the wellbeing services counties were reflected as a reduction in the purchase of care services from private providers. Challenges in the construction sector persisted, as sales of new homes remained weak and the number of new residential construction starts was at a low level.

Forestry benefited from strong domestic demand for timber, which was reflected in record-high stumpage earnings. Logging volumes remained high as industrial demand for timber increased and the availability of imported timber was limited. Producer prices in agriculture also rose, with both meat and milk prices increasing compared with the previous year. At the same time, prices of production inputs mostly declined, and the grain harvest was reasonably good.

KEY FIGURES

	31 Dec 2025	31 Dec 2024
Cost-to-income ratio, %	38%	59%
ROA, %	0.2%	0.1%
ROE, %	7.9%	3.6%
Capital adequacy ratio (TC) %	326.0%	212.7%
Equity ratio, %	3.5%	2.2%

The formulas for calculating the key figures are presented in the POP Mortgage Bank's Board of directors' report and financial statements.

PERFORMANCE AND BALANCE SHEET

PERFORMANCE

POP Mortgage Bank recorded a profit of EUR 1.4 (0.6) million for the reporting period.

POP Mortgage Bank's net interest income was EUR 2.1 (1.7) million. Interest income EUR 22.3 (25.3) million was entirely generated from interest earnings on receivables from credit institutions. Interest expenses EUR 20.2 (23.6) million consisted of EUR 21.5 (17.5) million in bonds issued to the public, liabilities to credit institutions EUR 0.3 (0.2) million as well as interest income recorded from derivative contracts EUR 1.6 million. In the comparison period, interest expenses of EUR 6.0 million were recorded from derivative contracts.

POP Mortgage Bank's operating expenses totalled EUR 0.9 (0.9) million. Personnel expenses included fees paid to the members of the Board of Directors. Other operating expenses EUR 0.8 (0.8) million include EUR 0.2 (0.2) million in ICT expenses and EUR 0.5 (0.5) million in purchased services. Purchased services include management services purchased from Bonum Bank Plc and POP Bank Centre coop, among other services. Depreciation and amortisation include the amortisation of intangible assets.

BALANCE SHEET AND FINANCIAL POSITION

POP Mortgage Bank's balance sheet totalled EUR 540.6 (798.3) million at the end of the reporting period.

Loans and receivables from credit institutions includes EUR 27.7 (29.7) million in deposits made in Bonum Bank and EUR 500.0 (750.0) million in intermediary loans granted to banks belonging to the Amalgamation of POP Banks.

The bonds issued, at EUR 502.6 (756.1) million, includes secured bonds with a nominal value of EUR 500.0 (750.0) million, and the change in the fair value of the underlying asset in hedge accounting. During the reporting period, a bond with a nominal value of EUR 250 million matured, and no new bonds were issued.

POP Mortgage Bank's equity was EUR 18.9 (17.5) million at the end of the review period.

CREDIT RATING

In December 2025, the credit rating agency S&P Global Rating confirmed the 'AAA' credit rating with a stable outlook for POP Mortgage Bank's loan program and the issued bonds.

RISK AND CAPITAL ADEQUACY MANAGEMENT AND RISK POSITION

PRINCIPLES AND ORGANISATION OF RISK MANAGEMENT

The POP Bank Group's strategy outlines the Group's risk appetite. Business activities are carried out at a moderate risk level so that the risks can be managed in full. The purpose of risk management is to ensure the risk levels are proportionate to bank's and the amalgamation's risk-bearing capacity and capital adequacy position. Risk management processes must be able to identify all significant risks of the business operations and assess, measure and monitor these regularly.

As the central institution, POP Bank Centre coop supervises the sufficiency and functioning of the risk management systems at the level of the member credit institutions and the amalgamation and is liable for the Group's risk and capital adequacy management in accordance with section 17 of the Amalgamation Act. The central institution of the amalgamation issues binding instructions concerning risk and capital adequacy management, corporate governance and internal control to the member credit institutions to secure their solvency and capital adequacy. Furthermore, common business controlling thresholds have been established for the member institutions to ensure that the risks taken by an individual member institution are within acceptable limits.

POP Mortgage Bank's risk management goal is to ensure that the bank complies with laws, decrees, instructions and regulations issued by the authorities, their own rules and the internal binding guidelines issued by the central institution of the amalgamation in its activities.

The purpose of capital adequacy management is to ensure a sufficient amount, type and efficient use of the capital of the POP Mortgage Bank. Capital is held to cover the material risks arising from the amalgamation's business strategy and plan and to secure the uninterrupted operation of the amalgamation in case of unexpected losses. The goal is pursued through a documented and systematic capital adequacy management process which is integrally linked to the amalgamation's and member credit institutions' strategy process and business planning and management. POP Mortgage Bank is responsible for member banks long-term funding by issuing secured bonds. Issuing is based on the funding needs of the amalgamation as an entity due to which POP Mortgage Bank's control process of the capital adequacy is closely connected to the strategy process of the amalgamation as well as the planning and managing of the business operations.

The amalgamation's risk management and capital adequacy management are described in more detail in Note 4 to the POP Bank Group's financial statements. POP Bank Group will deliver the Amalgamation's Pillar III information according to EU capital adequacy act to the European Banking Authority (EBA) which will publish the information in a centralised information portal (Pillar 3 data hub).

BUSINESS RISKS

Credit risks

POP Mortgage Bank's credit risk consist of intermediary loans granted to the member banks of the amalgamation of POP Banks and from derivatives.

POP Mortgage Bank engages in mortgage bank operations under an intermediary loan model established by the Act on Mortgage Banks and Covered Bonds (151/2022). Thus, the Bank may issue secured bonds and use the acquired funds to offer intermediary loans to the member banks of the amalgamation.

Under the intermediary loan model, the mortgage-backed loans provided as collateral for secured bonds remain on the member banks' balance sheets and are not recognised on POP Mortgage Bank's balance sheet. The risks associated with the mortgage-backed loans provided as collateral are not transferred to POP Mortgage Bank. The bonds are recognised as collateral for the secured bonds issued. The intermediary loans granted to member banks are presented under "Receivables from credit institutions" on the balance sheet.

Liquidity risk

Bonum Bank Plc, the central credit institution of the amalgamation, is responsible for liquidity management. Liquidity risks are managed by maintaining a liquidity reserve consisting of LCR-eligible (Liquidity Coverage Ratio) liquid assets, assets eligible as collateral for central bank funding, and short-term bank receivables. Based on an authorization granted by the Financial Supervisory Authority, the member credit institutions of the amalgamation have been exempted from the LCR and NSFR (Net stable funding ratio) requirements by the decision of the central institution. The LCR and NSFR requirements are calculated at the level of the amalgamation of POP Banks.

POP Bank Group's liquidity position remained strong during the financial period. The liquidity coverage ratio (LCR) for the amalgamation of POP Banks was 241.9 (315.1) per cent on 31 December 2025, with the regulatory minimum level being 100 per cent. The amalgamation's Net Stable Funding Ratio (NSFR) was 136.5 (136.9) per cent on 31 December 2025..

Market risk

POP Mortgage Bank's most significant market risk is the interest rate risk associated with the banking book. The interest rate risk refers to the impact of changes in interest rate levels on the market value of balance sheet and off-balance-sheet items, or on net interest income. The banking book consists of intermediary loans granted to the amalgamation's member banks and market-based financing.

POP Mortgage Bank does not engage in trading activities. The use of derivatives is limited to hedging interest rate risk in the banking book.

POP Mortgage Bank monitors the interest rate risk by using the present value method and the dynamic income risk model. The present value method measures how changes in interest rates affect the constructed market value of the balance sheet. In the present value method, the market value of the balance sheet is calculated as the present value of the expected cash flows of individual balance sheet items. Interest rate sensitivity indicators are used to monitor the market value changes caused by changes in the interest rates and credit spreads of investment items in different interest rate scenarios. The income risk model predicts future net interest income and its changes in various market rate scenarios within a time frame of five years. The amount of interest rate risk taken is assessed with the effect of diverse interest rate shocks on the net interest income and net present value.

Operational risks

The objective of the management of operational risks is to identify essential operational risks in business operations and minimise their materialisation and impacts. The objective is pursued through continuous personnel development and by means of comprehensive operating instructions and internal control measures, such as by segregating preparation, decision-making, implementation and control from one another.

POP Mortgage Bank carries out an annual self-assessment of operational risks based on the risks assessments it performs, in which the monitoring of operational risk incidents is utilised. The risk assessment also aims to evaluate the risks related to POP Mortgage Bank most significant outsourced operations. Some of the potential losses caused by operational risks are hedged through insurance. Risks caused by malfunctions in information systems are prepared for through continuity planning.

Crisis resolution plan

In accordance with the bank resolution act for own funds and eligible liabilities, the Financial Stability Authority has on 25 March 2025 set a minimum requirement of own funds and eligible liabilities (MREL-requirement) for POP Mortgage Bank. The MREL requirement for POP Mortgage Bank is 16.0 per cent of total risk-weighted assets (TREA) or 6.0 per cent of the leverage ratio exposures (LRE). The MREL requirement has been fulfilled with own funds.

CAPITAL ADEQUACY MANAGEMENT

At the end of the reporting period. POP Mortgage Bank's capital adequacy was at a good level. Starting from 1 January 2025 POP Mortgage Bank has applied the renewed Capital Requirements Regulation (CRR III). This change has had a positive effect on the bank's capital adequacy position. The Bank's capital ratio was 326.0 (212.7) per cent and the core capital adequacy ratio 326.0 (212.7) per cent. The Bank's own funds totalled EUR 17.3 (16.6) million consisting entirely of CET1 capital adequacy.

POP Mortgage Bank's own funds are comprised of share capital, retained earnings and other non-restricted reserves, less the deductible items in accordance with the CRR. Member credit institutions of the amalgamation have been exempted from the own funds requirements for intragroup items and large exposures limits for exposures between the central credit institution and the member credit institutions based on a permission granted by the FIN-FSA.

POP Mortgage Bank's leverage ratio on 31 December 2025 was 341.9 (235.5) per cent. The minimum level of regulation is 3 per cent.

The statutory minimum is 8 per cent for the capital adequacy ratio and 4.5 per cent for CET1 capital. In addition to the minimum capital adequacy ratio, POP Mortgage Bank is subject to the fixed additional capital requirement, which is 2.5 per cent in accordance with the Act on Credit Institutions, and to the variable country-specific additional capital requirements for foreign exposures.

Summary of capital adequacy

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Own funds		
Common Equity Tier 1 capital before deductions	17,481	16,855
Deductions from Common Equity Tier 1 capital	-180	-304
Total Common Equity Tier 1 capital (CET1)	**17,301**	**16,551**
Additional Tier 1 capital before deductions	-	-
Deductions from Additional Tier 1 capital	-	-
Additional Tier 1 capital (AT1)	**-**	**-**
Tier 1 capital (T1 = CET1 + AT1)	**17,301**	**16,551**
Tier 2 capital before deductions	-	-
Deductions from Tier 2 capital	-	-
Total Tier 2 capital (T2)	**-**	**-**
Total capital (TC = T1 + T2)	**17,301**	**16,551**
Total risk weighted assets	**5,306**	**7,780**
of which credit risk	1,248	1,465
of which credit valuation adjustment risk (CVA)	1,146	4,554
of which market risk (exchange rate risk)	-	-
of which operational risk	2,913	1,761
Fixed capital conservation buffer according to Act on Credit institutions (2.5%)	**133**	**195**
Countercyclical capital buffer	**-**	**-**
CET1 Capital ratio (%)	**326.0%**	**212.7%**
T1 Capital ratio (%)	**326.0%**	**212.7%**
Total capital ratio (%)	**326.0%**	**212.7%**
Capital requirement		
Total capital	17,301	16,551
Capital requirement*	557	817
Capital buffer	16,744	15,734
Leverage ratio		
Tier 1 capital (T1)	17,301	16,551
Leverage ratio exposure	5,060	7,034
Leverage ratio, %	341.9%	235.3%

*The capital requirement comprises the minimum requirement of 8%, the capital conservation buffer of 2.5% and the country-specific counter-cyclical capital requirements of foreign exposures.

INTERNAL CONTROL

The purpose of POP Mortgage Bank's internal control is to ensure that the Bank, in a systematic and effective manner, works towards the goals and implements the procedures confirmed by senior management. Internal control aims to ensure that the organisation complies with regulations and manages risks comprehensively, and that its operations are efficient and reliable.

Internal control is implemented at all levels of the organisation. Internal control is implemented by the Board of Directors, the CEO and other management and personnel, as well as the risk management and compliance functions independently of business operations. As part of internal control, the amalgamation has implemented a whistle-blowing mechanism that enables the Bank's employees to report, internally through an independent channel, suspected violations of rules and regulations concerning the financial market in the central institution or a member credit institution.

INTERNAL AUDIT

Within the amalgamation, POP Bank Centre coop is centrally responsible for the steering and organisation of internal audit in the bank centre, member credit institutions and other companies of the amalgamation. POP Mortgage Bank's internal audit is based on the internal audit guidelines confirmed by the Board of Directors and the Supervisory Board of POP Bank Centre coop as well as on the audit plan approved by the Board of Directors of POP Bank Centre coop.

The purpose of internal audit is to assess the scope and sufficiency of the internal control of the Bank's operational organisation and to monitor and assess the functionality of risk management systems. Internal audit reports its observations primarily to the Bank's Board of Directors. After audits, the Bank's Board of Directors discusses the summaries prepared as a result of the internal audit. Internal Audit reports of its activity and observations regularly to central institution's Supervisory Board, central institution's Board and CEO.

MANAGEMENT AND PERSONNEL

POP Mortgage Bank's Board of Directors during the financial year included:

- Juha Niemelä, Chairman of the Board
- Matti Vainionpää, Vice Chairman of the Board
- Marja Pajulahti, Member of the Board

POP Mortgage Bank does not have personnel. The Deputy CEO of Bonum Bank Timo Hulkko has acted as the CEO of POP Mortgage Bank. Jukka Ruotinen has acted as the CEO's deputy.

THE BANK'S CORPORATE AND GOVERNANCE SYSTEM

POP Mortgage Bank's functions are controlled by its shareholder, which exercises its decision-making power at the General Meeting in accordance with the Finnish Limited Liability Companies Act and the Articles of Association. The Annual General Meeting decides on the distribution of the Bank's profit and elects the members of the Board of Directors.

The Bank is represented by and directed by the Board of Directors. Operational decisions concerning the Bank's business operations and strategic issues are made by the Bank's Board of Directors. The work of the Board of Directors is based on the Bank's Articles of Association, decisions of the General Meeting and applicable legislation. The Bank's CEO manages the Bank's operational activities in accordance with the instructions provided by the Board of Directors.

The investigation of the independence of Board members and the CEO takes place in accordance with regulations issued by the Finnish Financial Supervisory Authority. Board members and the CEO shall provide an account of the entities in which they operate when they are elected to their office. In addition, Board members and the CEO shall provide an account of fitness and propriety according to the regulation by the Financial Supervisory Authority when they accept their duties.

POP Mortgage Bank's Corporate Governance Report is available online at www.poppankki.fi/en.

AUDIT

The company's auditor was KPMG Oy Ab, authorised public accountants, with Henrik Snellman, authorised public accountant, as the principal auditor.

SOCIAL RESPONSIBILITY

POP Mortgage Bank operates as part of the POP Bank Group and supports the responsibility efforts of the local POP Banks. The POP Bank Group publishes a sustainability report as part of its management report. The POP Bank Group's management report and consolidated IFRS financial statements are published on the website at **www.poppankki.fi**.

EVENTS AFTER THE CLOSING DATE

Board of Directors of POP Mortgage Bank is not aware of events after the closing date that would have a material impact on the information presented in the financial statements.

OUTLOOK FOR 2026

Finland's economy has long been expected to return to growth, but despite positive signals, the turnaround has been delayed. Despite a recovery in exports, economic development continues to be constrained by low levels of domestic consumption and investment. Uncertainty related to the value of household assets has supported saving and increased deposits to record levels. No significant change is expected until the housing market normalises and economic growth picks up. Geopolitical instability complicates the outlook for global markets, which is also reflected in the uncertainty surrounding Finland's economic outlook.

POP Mortgage Bank's core business is expected to generate positive results and the capital adequacy is expected to stay strong.

BOARD OF DIRECTORS PROPOSAL ON THE DISPOSAL OF THE RESULT FOR THE PERIOD

POP Mortgage Bank's distributable funds were EUR 8.9 million. POP Mortgage Bank's Board of Directors proposes to the Annual General Meeting that the profit for the period EUR 1.4 million be recognised in retained earnings and that no dividends be paid.

TABLES (IFRS)

INCOME STATEMENT

(EUR 1,000)	Note	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Interest income		22,302	25,288
Interest expenses		-20,224	-23,567
Net interest income	**2**	**2,077**	**1,721**
Net income from hedge accounting	3	262	-204
Total operating income		**2,339**	**1,517**
Personnel expenses		-16	-18
Other operating expenses		-767	-757
Depreciation and amortisation		-116	-116
Total operating expenses		**-899**	**-891**
Profit before taxes		**1,440**	**626**
Income taxes		-	-
Result for the period		**1,440**	**626**

POP Mortgage Bank has no items to be presented in the statement of other comprehensive income.

BALANCE SHEET

(EUR 1,000)	Note	31 Dec 2025	31 Dec 2024
Assets			
Loans and receivables from credit institutions	4, 5, 6	527,689	779,737
Derivatives	4, 5, 7, 9	4,643	7,872
Intangible assets		165	281
Other assets		8,095	10,363
Total assets		**540,593**	**798,254**
Liabilities			
Liabilities to credit institutions	4	9,840	13,440
Derivatives	4, 5, 7, 9	1,023	587
Debt securities issued to the public	4, 5, 8	502,633	756,069
Other liabilities		8,176	10,677
Total liabilities		**521,672**	**780,773**
Equity capital			
Share capital		10,000	10,000
Reserves		9,000	9,000
Retained earnings		-79	-1,519
Total equity capital		**18,921**	**17,481**
Total liabilities and equity capital		**540,593**	**798,254**

STATEMENT OF CHANGES IN EQUITY CAPITAL

(EUR 1,000)	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total equity
Balance at 1 Jan 2025	**10,000**	**9,000**	**-1,519**	**17,481**
Profit for the financial year	-	-	1,440	**1,440**
Profit for the financial year	**-**	**-**	**1,440**	**1,440**
Balance at 31 Dec 2025	**10,000**	**9,000**	**-79**	**18,921**

(EUR 1,000)	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total equity
Balance at 1 Jan 2024	**10,000**	**9,000**	**-2,145**	**16,855**
Profit for the financial year	-	-	626	**626**
Profit for the financial year	**-**	**-**	**626**	**626**
Balance at 31 Dec 2024	**10,000**	**9,000**	**-1,519**	**17,481**

CASH FLOW STATEMENT

(EUR 1,000)	Note	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Cash flow from operating activities			
Profit for the financial year		1,440	626
Adjustments to profit for the financial year		345	675
Increase (-) or decrease (+) in operating assets		**252,268**	**-236,476**
Loans and receivables from credit institutions	4,5,6	250,000	-236,800
Other assets		2,268	324
Increase (+) or decrease (-) in operating liabilities		**-6,101**	**2,784**
Liabilities to credit institutions	4	-3,600	2,790
Other liabilities		-2,501	-6
Total cash flow from operating activities		**247,952**	**-232,391**
Cash flow from financing activities			
Debt securities issued, increase	8	-	249,048
Debt securities issued, decrease	8	-250,000	-
Total cash flow from financing activities		**-250,000**	**249,048**
Change in cash and cash equivalents			
Cash and cash equivalents at period-start		29,737	13,080
Cash and cash equivalents at the end of the period		27,689	29,737
Net change in cash and cash equivalents		**-2,048**	**16,657**
Cash and cash equivalents			
Receivables from credit institutions payable on demand	6	27,689	29,737
Total		**27,689**	**29,737**
Additional information of the cash flow statement			
Interest received		24,599	25,298
Interest paid		22,571	23,886
Adjustments to result for the financial year			
Changes in fair value		-259	203
Depreciation		116	116
Other		488	356

POP Mortgage Bank had no items to present in the cash flow from investing activities during the review period.

NOTES

NOTE 1 ACCOUNTING POLICIES

POP Mortgage Bank's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) approved in the EU and the related Interpretations (IFRIC) effective as of December 31, 2025. The applicable Finnish accounting and corporate legislation and regulatory requirements have also been taken into account when preparing the notes to the financial statements.

The figures in the financial statements are in thousand euros, unless otherwise stated. The figures in the calculations and tables are rounded, whereby the sum total of individual figures may deviate from the sum total presented. POP Mortgage Bank's accounting and operational currency is euro.

POP Mortgage Bank has no subsidiaries or associated companies.

Copy of POP Mortgage Bank's financial statements are available from its office at Hevosenkenkä 3, 02600 Espoo, Finland and online at www.poppankki.fi/en.

Changes in accounting policies

The IFRS standards, standard amendments, or interpretations that came into effect on 1 January 2025 do not have a material impact on the POP Mortgage Bank's financial statements.

Accounting policies requiring management's judgement and uncertainty factors affecting estimates

The application of the IFRS requires the management to make estimates and assumptions concerning the future that affect the reported amounts in the financial statements, as well as the information included in the notes. The management's main estimates concern the future and key uncertainties related to the amounts at the balance sheet date. Such key estimates are related to fair value measurement, as well as the impairment of financial assets and intangible assets. The management's estimates and assumptions are based on the best view at the balance sheet date, which may differ from the actual result.

The management must assess whether the markets for financial instruments are active or not. Furthermore, the management must assess whether an individual financial instrument is subject to active trading and whether the price information obtained from the market is a reliable indication of the instrument's fair value.

When the fair value of financial instruments is determined using a valuation technique, the management's judgement is needed in the choice of the valuation technique to be applied. Insofar as there is no market input available for the techniques, management must evaluate how other data can be used for the valuation.

In the calculation of expected credit losses, the management's assessment has been used in deciding that the probability of default of the POP Banks Group's internal items is to be zero. The assessment was made based on the structure of the Group and the principles of risk management. The most significant item within the amalgamation to which the principle is applied is the interim loans granted to POP Banks, which are presented in Note 6.

NOTE 2 INTEREST INCOME AND EXPENSES

(EUR 1,000)	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Interest income		
Loans and receivables from credit institutions	22,302	25,288
Total interest income	**22,302**	**25,288**
Interest expenses		
Liabilities to credit institutions	-333	-221
Debt securities issued to the public	-21,457	-17,520
Hedging derivatives of liabilities	1,566	-5,826
Total interest expenses	**-20,224**	**-23,567**
Net interest income	**2,077**	**1,721**

NOTE 3 NET INCOME FROM HEDGE ACCOUNTING

(EUR 1,000)	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Change in hedging instruments' fair value	-3,665	3,204
Change in hedged items' fair value	3,927	-3,408
Net income from hedge accounting	**262**	**-204**

NOTE 4 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets 31 Dec 2025

(EUR 1,000)	At amortised cost	Hedging derivatives	Total carrying amount
Loans and receivables from credit institutions	527,689	-	**527,689**
Derivative contracts	-	4,643	**4,643**
Financial assets total	**527,689**	**4,643**	**532,332**
Other assets			**8,260**
Total assets			**540,593**

Financial assets 31 Dec 2024

(EUR 1,000)	At amortised cost	Hedging derivatives	Total carrying amount
Loans and receivables from credit institutions	779,737	-	**779,737**
Derivative contracts	-	7,872	**7,872**
Financial assets total	**779,737**	**7,872**	**787,609**
Other assets			**10,645**
Total assets			**798,254**

Financial liabilities 31 Dec 2025

(EUR 1,000)	At amortised cost	Hedging derivatives	Total carrying amount
Liabilities to credit institutions	9,840	-	**9,840**
Derivative contracts	-	1,023	**1,023**
Debt securities issued to the public*	502,633	-	**502,633**
Financial liabilities total	**512,473**	**1,023**	**513,496**
Other liabilities			**8,176**
Total liabilities			**521,672**

*Debt securities issued to the public include hedge adjustments of EUR 3,806 thousand. The hedged items included in the balance sheet items are presented in more detail in Note 7.

Financial liabilities 31 Dec 2024

(EUR 1,000)	At amortised cost	Hedging derivatives	Total carrying amount
Liabilities to credit institutions	13,440	-	**13,440**
Derivative contracts	-	587	**587**
Debt securities issued to the public*	756,069	-	**756,069**
Financial liabilities total	**769,509**	**587**	**770,096**
Other liabilities			**10,677**
Total liabilities			**780,773**

*Debt securities issued to the public include hedge adjustments of EUR 7,734 thousand. The hedged items included in the balance sheet items are presented in more detail in Note 7.

NOTE 5 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUES BY VALUATION TECHNIQUE

Financial assets

	31 Dec 2025		31 Dec 2024	
(EUR 1,000)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Loans and receivables from credit institutions	527,689	541,659	779,737	801,317
Derivatives	4,643	4,643	7,872	7,872
Total	**532,332**	**546,302**	**787,609**	**809,189**

Financial liabilities

	31 Dec 2025		31 Dec 2024	
(EUR 1,000)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Liabilities to credit institutions	9,840	9,840	13,440	13,440
Derivatives	1,023	1,023	587	587
Debt securities issued to the public	502,633	504,775	756,069	767,622
Total	**513,496**	**515,638**	**770,096**	**781,648**

Fair value hierarchy levels of items recurrently recognised at fair value

Financial assets measured at fair value 31 Dec 2025

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Derivatives	-	4,643	-	4,643	4,643
Total	**-**	**4,643**	**-**	**4,643**	**4,643**

Financial assets measured at fair value 31 Dec 2024

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Derivatives	-	7,872	-	7,872	7,872
Total	**-**	**7,872**	**-**	**7,872**	**7,872**

Financial liabilities measured at fair value 31 Dec 2025

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Derivatives	-	1,023	-	1,023	1,023
Total	**-**	**1,023**	**-**	**1,023**	**1,023**

Financial liabilities measured at fair value 31 Dec 2024

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Derivatives	-	587	-	587	587
Total	**-**	**587**	**-**	**587**	**587**

Fair value determination of financial assets and financial liabilities

Financial assets and liabilities are recognised in the balance sheet at fair value or amortised cost. Classification and valuation of financial instruments are described in more detail in Note 1 in POP Mortgage Bank's financial statements.

Fair value hierarchies

Level 1 includes financial instruments that are measured on the basis of quotations obtained from liquid markets. A market is considered as liquid if quotations are regularly available. This group included all securities with publicly quoted prices.

Level 2 includes financial instruments measures using generally approved measurement techniques or models which are based on assumptions made on the basis of observable market prices. For example, the fair value of a financial instrument allocated to Level 2 may be based on the value derived from the market quotation of components of an instrument. This group includes, among other things, interest rate derivatives, including interest rate swaps, as well as other instruments not traded in liquid markets. Publicly available valuation curves are used for the valuation of interest rate derivatives.

Level 3 includes financial instruments and other assets that are not measured using market quotations or values determined on the basis of observable market prices using measurement techniques or models. The assumptions applied in the measurement techniques often involve insecurity. The fair value of assets allocated to Level 3 is often based on price information obtained from a third party.

Transfers between fair value hierarchy levels

Transfers between hierarchy levels are considered to have taken place on the date of the occurrence of the event that caused the transfer or the date when the circumstances changed. There were no transfers between levels during the reporting period.

NOTE 6 LOANS AND RECEIVABLES FROM CREDIT INSTITUTIONS

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Deposits		
Repayable on demand	27,689	29,737
Intermediary loans	500,000	750,000
Total	**527,689**	**779,737**

NOTE 7 DERIVATIVES AND HEDGE ACCOUNTING

POP Mortgage bank hedges its interest rate risk against fair value changes primarily using interest rate swaps. With interest rate swaps, the interest rates of variable-rate intermediate loans and fixed-rate issued bonds are swapped to the same interest basis. As a result of the hedging, changes in market interest rates have a minimal impact on net interest income.

Hedge accounting is applied to fair value hedging. During the period, there were no new issuances.

Derivatives and hedged items covered by hedge accounting

Hedging interest rate derivatives

(EUR 1,000)	Fair value 31 Dec 2025		Fair value 31 Dec 2024	
	Assets	Liabilities	Assets	Liabilities
Derivatives				
Fair value hedging	4,643	1,023	7,872	587
Derivatives total	**4,643**	**1,023**	**7,872**	**587**

Effects of hedge accounting on financial position and result

Fair value hedge

(EUR 1,000)	Interest rate risk 31 Dec 2025		Interest rate risk 31 Dec 2024	
	Carrying amount of hedged liabilities	of which accumulated amount of fair value hedge adjustment	Carrying amount of hedged liabilities	of which accumulated amount of fair value hedge adjustment
Micro hedge				
Hedged debt securities issued to the public	503,806	3,806	757,734	7,734
Liabilities	**503,806**	**3,806**	**757,734**	**7,734**

The nominal value of the fixed-rate bond subject to fair value hedging at the end of reporting period was EUR 500,000 (750,000) thousand. This item is included on the balance sheet under "Debt securities issued to the public". The nominal values of derivative instruments correspond to the nominal values of the objects to be hedged.

Profits and losses from hedge accounting and hedge ineffectiveness

(EUR 1,000)	Interest rate risk Fair value hedging 1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Change in the fair value of the derivative contract	-3,668	3,205
Change in the fair value of the hedged item	3,927	-3,408
Hedge ineffectiveness recognized in the income statement	**259**	**-203**

Maturity profile of the nominal amount of hedging interest rate risk

31 Dec 2025	Nominal value / Remaining maturity			
(EUR 1,000)	Less than 1 year	1-5 years	More than 5 years	Total
Instruments hedging interest rate risk	-	500,000	-	**500,000**

31 Dec 2024	Nominal value / Remaining maturity			
(EUR 1,000)	Less than 1 year	1-5 years	More than 5 years	Total
Instruments hedging interest rate risk	250,000	500,000	-	**750,000**

The maturities of the hedged items fully correspond to the maturities of the hedging contracts.

NOTE 8 DEBT SECURITIES ISSUED TO THE PUBLIC

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Covered bonds	498,826	748,336
Change in fair value due to hedge accounting	3,806	7,734
Total debt securities issued to the public	**502,633**	**756,069**

Debt securities issued to the public

Bond	Issue date	Due date	Interest	Nominal (EUR 1,000)	Currency
POPA 26042028	26 Apr 2023	26 Apr 2028	3.625% / fixed	250,000	EUR
POPA15102029	15 Oct 2024	15 Oct 2029	2.875% / fixed	250,000	EUR

Amounts recognised in statement of cash flows

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Balance 1 Jan	**756,069**	**503,259**
Debt securities issued, increase	-	249,048
Total increase	**-**	**249,048**
Debt securities issued, decrease	-250,000	-
Total decrease	**-250,000**	**-**
Total changes in cash flow	**-250,000**	**249,048**
Valuation	-3,437	3,762
Balance at the end of period	**502,633**	**756,069**

NOTE 9 OFFSETTING

Offsetting of financial assets and liabilities

The table below presents items that, in certain circumstances, can be settled on a net basis, even though they are presented on a gross basis in the balance sheet. The netting arrangement is based on a mutually enforceable general netting agreement (ISDA).

31 Dec 2025

				Amounts which are not offset but are subject to enforceable master netting arrangements or similar agreements			
(EUR 1,000)	Carrying amount in balance sheet, gross	Recognised financial liabilities offset in balance sheet, gross	Carrying amount in balance sheet, net	Enforceable master netting arrangement	Financial instruments held as collateral*	Cash held as collateral	Net amount
Assets							
Derivatives	9,805	-	9,805	-126	-9,679	-	-
Total	**9,805**	**-**	**9,805**	**-126**	**-9,679**	**-**	**-**
Liabilities							
Derivatives	1,023	-	1,023	-126	-	-	**898**
Total	**1,023**	**-**	**1,023**	**-126**	**-**	**-**	**898**

*The total amount of cash received as collateral is EUR 9,840 thousand. The table does not take into account overcollateralization.

31 Dec 2024

				Amounts which are not offset but are subject to enforceable master netting arrangements or similar agreements			
(EUR 1,000)	Carrying amount in balance sheet, gross	Recognised financial liabilities offset in balance sheet, gross	Carrying amount in balance sheet, net	Enforceable master netting arrangement	Financial instruments held as collateral	Cash held as collateral	Net amount*
Assets							
Derivatives	14,172	-	14,172	-1,086	-13,440	-	-
Total	**14,172**	**-**	**14,172**	**-1,086**	**-13,440**	**-**	**-**
Liabilities							
Derivatives	1,086	-	1,086	-1,086	-	-	-
Total	**1,086**	**-**	**1,086**	**-1,086**	**-**	**-**	**-**

*The total in the "Net" column of the table does not equal the sum of the preceding columns due to differences between the valuation and collateral review dates. The collateral is determined such that, at the time of the review, the collateral received fully neutralises the counterparty risk.

NOTE 10 COLLATERAL GIVEN AND RECEIVED

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Given on behalf of own liabilities and commitments		
Mortgage-backed loan portfolio*	681,134	1,028,621
Total collateral given	**681,134**	**1,028,621**
Collateral received		
Collateral received from member banks of the amalgamation*	675,134	1,022,621
Other	9,840	13,440
Total collaterals received	**684,974**	**1,036,061**

*The collateral provided and received by POP Mortgage Bank is related to secured bonds issued under the EUR 1.5 billion issuance programme, as well as the interim loans based on it. The collateral given and received consists of loans secured by real estate.

Other collateral is related to derivatives and are collateral given and received in cash.

NOTE 11 RELATED PARTY DISCLOSURES

The related parties of POP Mortgage Bank comprise the members of the company's Board of Directors and Executive Group and members of their immediate families. In addition, related parties include POP Mortgage Bank's parent entity POP Bank Centre coop, as well as its managing director and deputy managing director. Furthermore, related parties include those entities over which key persons included in the management and/or members of their immediate families have control or joint control. The related parties also include the entities belonging to the POP Bank Centre Group, specifically POP Bank Centre coop and Bonum Bank Plc.

Business transactions with related party companies

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Assets		
Loans	27,684	29,733
Liabilities		
Debt securities issued to the public	-	8,000
Income statement		
Income statement	648	535
Other operating expenses	191	186

Compensation to members of the Board

	Salaries and remuneration	
(EUR 1,000)	**31 Dec 2025**	**31 Dec 2024**
Juha Niemelä, Chairman of the Board	5	6
Matti Vainionpää, Vice Chairman of the Board	5	6
Marja Pajulahti, Member of the Board	5	6
Total	**16**	**18**

NOTE 12 EVENTS AFTER THE CLOSING DATE

POP Mortgage Bank's Board of Directors is not aware of other events having taken place after the closing date that would have a material impact on the information presented in the financial statements.

Espoo 13 February 2026

Board of Directors of POP Mortgage Bank Plc

The figures disclosed in the financial statements release are unaudited.

FURTHER INFORMATION

Timo Hulkko, CEO, POP Mortgage Bank Plc, +358 50 089 4008

www.poppankki.fi

POP Bank

POP Mortgage Bank Plc