THE MORTGAGE SOCIETY OF FINLAND

Interim Report

1 January–31 March 2018

The Interim Report for the period of 1 January to 30 June 2018 will be published on 10 August 2018

The Interim Report does not contain all information and Notes that are required in the annual Financial Statements. The Interim Report should be read in conjunction with the Group's Financial Statements 2017 and for the period 1 January to 31 March 2018 published stock exchange releases.

The figures in the tables in the Release are presented in thousands of euros.

The Interim Report has been approved by the Board of Directors of The Mortgage Society of Finland to be published on 27 April 2018. The Interim Report has been reviewed yet it has not been audited.

Hypo Group's Financial Statements Release can be accessed at http://www.hypo.fi/en/

Hypo Group's January–March 2018

The home finance specialist Hypo Group's net interest income and competitiveness strengthened further.

CEO Ari Pauna:

"Urban citizens are increasingly interested in owner-occupied housing and state of one's own housing company. Our loan portfolio has increased annually by almost 20 percent totaling EUR 2.3 billion. Competitiveness of our core business improves."

- Net interest income increased to EUR 2.7 million (EUR 1.8 million 1–3/2017)
- Non-performing loans remained low. The net amount of expected credit losses and impairment losses was positive
- Net fee and commission income was EUR 0.9 million (EUR 0.8 million 1–3/2017)
- Decrease in capital gains from the sale of investment properties was reflected in the amount of other income totaling EUR 1.0 million (EUR 1.4 million)
- Total costs grew due to the contribution to the Financial Stability Authority and other supervisory fees while operating costs remained at the level of the same period year before
- Common Equity Tier 1 (CET1) ratio, as calculated with standard and basic methods, was 12.6% (12.7% on 31 December 2017)

GROUP'S KEY FIGURES (1000 €)	**1–3/2018**	**1–3/2017**	**2017**
Net interest income	2 705	1 768	8 991
Net fee and commission income	892	832	3 525
Total other income	1 031	1 359	5 190
Total expenses	-3 120	-2 929	-11 055
Operating profit	1 508	1 030	6 651
Receivables from the public and public sector entities	2 266 397	1 902 915	2 212 574
Deposits	1 456 133	1 366 152	1 540 400
Balance sheet total	2 709 826	2 410 457	2 792 489
Return on equity % (ROE)	4,3	3,2	4,9
Common Equity Tier 1 (CET1) ratio	12,6	13,2	12,7
Cost-to-income ratio,%	67,6	74,1	62,5
Non-performing assets, % of the loan portfolio	0,13	0,12	0,14
LTV-ratio, % / Loan to Value, average, %	36,5	38,9	37,4
Loans / deposits, %	155,6	139,3	143,6

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 "Group") is the only nationwide expert organization specializing in home financing and housing in Finland. Hypo Group grants mortgages and consumer loans for first-time and other homebuyers, as well as renovation loans. Hypo Group continuously develops new ways and models for housing and home financing.

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 deposit bank offers its customers deposit products, payment cards and residential land trustee services. Our customer promise –a *secure way for better living* – guides all of our operations. Nearly 29,000 customers, mainly in growth centers, have already taken us up on our promise. The deposit bank Suomen AsuntoHypoPankki Oy is a member of the Deposit Guarantee Fund and a wholly owned subsidiary of 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.

Rating for the covered bonds of The Mortgage Society of Finland is 'AAA' (S&P Global Ratings).

OPERATING ENVIRONMENT

Polarization deepened in the housing markets. In the Greater Helsinki Area, housing prices rose by 2.9 percent since last year. Rest of the country prices dropped by 0.9 percent. In February, the housing loan stock rose by 2.1 percent from the previous year and the average interest rate on new mortgage loans fell below 1 percent.

At the end of March, the 12-month Euribor stood at minus 0.19 percent.

RESULTS AND PROFITABILITY

January–March 2018

Hypo Group's operating profit was EUR 1.5 million (EUR 1.0 million for January–March 2017). Income totaled EUR 4.6 million (EUR 4.0 million) and expenses EUR 3.1 million (EUR 2.9 million). An increasing amount of operating profit originated from core business operations. Net interest income continued to grow to EUR 2.7 million (EUR 1.8 million) due to loan portfolio growth and lower funding costs. Net fee and commission income totaled EUR 0.9 million (EUR 0.8 million).

Net income from investment properties (housing units and residential land) amounted to EUR 0.6 million (EUR 1.2 million). Operating profit included nearly EUR 0.6 million less net income from investment properties than the reference financial period.

Group's cost-to-income ratio was 67.6% (74.1%). Total costs grew due to the contribution to the Financial Stability Authority and other supervisory fees while operating costs remained at the level of the same period year before.

The transition to expected credit losses under IFRS 9 did not bring about any significant changes compared to the previously applied IAS 39 impairment. Expected credit losses were EUR 0.0 million (IAS 39 impairments EUR 0.0 million).

Group’s other comprehensive income EUR 0.9 million (EUR 1.4 million) includes EUR 1.2 million (EUR 0.9 million) profit for the financial period as well as the change in the fair value reserve EUR -0.2 million (EUR 0.0 million), the revaluation of defined benefit pension plans EUR 0.0 million (EUR 0.5 million) and adjustments of retained earnings EUR -0.1 million (EUR 0.0 million).

PERSONNEL AND DEVELOPMENT

On 31 March 2018, the number of permanent personnel was 51 (51 on 31 December 2017). These figures do not include the CEO and the deputy to the CEO.

ASSETS AND LIABILITIES

Lending

The loan portfolio grew to EUR 2,266.4 million (EUR 2,212.6 million on 31 December 2017) with annual growth of almost 20 percent.

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

At the end of the financial period, the average Loan-to-Value ratio of the loan portfolio continued to strengthen and was 36.5% (37.4% on 31 December 2017).

Amount of non-performing loans was low at EUR 3.0 million (EUR 3.1 million on 31 December 2011), representing 0.13% of the loan portfolio (0.14%).

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 366,8 million (EUR 506.1 million on 31 December 2017), which corresponds to 13,5% (18.1%) of the total assets. The cash and cash equivalents (which totaled EUR 363.0 million) consisted of assets distributed widely across various counterparties, and of debt securities tradable on the secondary market, of which 96.5% (91.5%) had a credit rating of at least ‘AA-‘ or were of equivalent credit quality and 100.0% (100.0%) were ECB repo eligible. Liquidity covers wholesale funding cash flows for the following 23 months. The Liquidity Coverage Ratio was 105.3% (147.6%).

The surplus of EUR 6.3 million (EUR 6.4 million on 31 December 2017) from the Mortgage Society of Finland’s pension foundation has been recognized in Group’s other assets.

The share of housing and residential land holdings of total assets remained low at 2.2% level (2.2% on 31 December 2017). Hypo Group offers rental apartments and residential land for its customers. Hypo Group’s properties are located in selected growth centers, mainly in the Helsinki Metropolitan Area. The property in Hypo Group’s own use, the Mortgage House, is located in the center of Helsinki. The difference between the fair value and the book value of the properties totaled EUR 5.7 million (EUR 5.6 million on 31 December 2017).

Derivative contracts

The balance sheet value of derivative receivables was EUR 0.7 million on 31 March 2018 (EUR 0.3 million on 31 December 2017), and the value of liabilities was EUR 7.0 million (EUR 6.9 million).

Deposits and other funding

Deposits decreased to EUR 1,456.1 million (EUR 1,540.4 million on 31 December 2017).

The share of deposits accounted for 56.9% (58.7%) of total funding.

The Mortgage Society of Finland did not issue bonds during the reporting period.

The share of long-term funding of total funding was 37.9% on 31 March 2018 (36.3%).

The total funding at the end of the financial period was EUR 2,560.2 million (EUR 2,626.0 million).

RISK TOLERANCE AND RISK MANAGEMENT

At the end of the financial period, Hypo Group's equity amounted to EUR 116.8 million (EUR 115.8 million on 31 December 2017). Group's equity was adjusted with a net amount of EUR -0.1 million 1 January 2018 due to the transition to expected credit losses under IFRS 9. The changes in equity during the period are presented in Group's statement of equity attached to this Financial Statements Release.

Group's CET1 capital in relation to risk-weighted assets on 31 March 2018 was 12.6% (12.7% on 31 December 2017). Profit for the financial period is included in the Common Equity Tier 1 capital, based on the statement by the auditors. In measuring credit and counterparty risk, the standardized approach is used. Group's own funds are quantitatively and qualitatively on an excellent level in relation to Group's current and future business, as well as to changes, even exceptional ones, in the operating environment. At the end of the financial period, Group's Leverage Ratio was 3.8% (3.7%).

There have been no significant negative changes in the risk levels during the financial period. More detailed information on capital adequacy and risk management practices is published as part of the Annual Audited Financial Statements, the Notes and the Annual Report.

KEY EVENTS SINCE THE END OF THE FINANCIAL PERIOD

Since the end of the financial period of 1 January–31 March 2018, there have not been any significant changes in the outlook or financial standing of the Mortgage Society of Finland or its Group.

FUTURE OUTLOOK

Uncertainties in the European and world economies may weaken the outlook.

Following the increase in loan portfolio and net interest income, Hypo Group's core business' share of the profit for the financial period keeps growing. The operating profit for 2018 is expected to reach at least the 2017 level. Hypo concentrates on its core business operations, whereupon risk level of lending will remain moderate.

Helsinki, 27 April 2018

The Board

CONSOLIDATED INCOME STATEMENT, IFRS

(1000 €)	1-3/2018	1-3/2017	2017
Interest income	5 545,2	4 764,4	20 414,6
Interest expenses	-2 840,0	-2 996,1	-11 423,4
NET INTEREST INCOME	2 705,2	1 768,3	8 991,2
Income from equity investments		39,9	39,9
Fee and commission income	911,5	854,6	3 618,0
Fee and commission expenses	-19,8	-22,5	-93,3
Net income from securities and foreign currency transactions			
Net income from securities trading	422,3	-147,6	421,4
Net income from financial assets available for sale		317,1	1 749,6
Net income from financial assets at fair value through other comprehensive income	18,6		
Net income from hedge accounting	-3,1	-2,5	-27,1
Net income from investment properties	590,4	1 154,3	2 924,0
Other operating income	3,1	-2,4	82,4
Administrative expenses			
Personnel costs			
Wages and salaries	-1 279,1	-1 216,2	-4 968,5
Other personnel related costs			
Pension costs	-227,9	-232,4	-1 135,2
Other personnel related costs	-34,1	-66,6	-218,2
Other administrative expenses	-657,4	-706,2	-2 687,5
Total administrative expenses	-2 198,6	-2 221,4	-9 009,4
Depreciation and impairment losses on tangible and intangible assets	-128,7	-87,3	-475,0
Other operating expenses	-800,0	-626,1	-1 576,3
Impairment losses on loans and other commitments		5,9	6,0
Net gains/losses on derecognition of financial assets measured at amortised cost	4,0		
Net gains/losses on derecognition of other financial assets	3,5		
OPERATING PROFIT	1 508,5	1 030,4	6 651,4
Income taxes	-264,2	-160,4	-1 144,0
OPERATING PROFIT AFTER TAX	1 244,3	870,0	5 507,4
PROFIT FOR THE PERIOD	1 244,3	870,0	5 507,4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

(1000 €)	1-3/2018	1-3/2017	2017
Profit for the period	1 244,3	870,0	5 507,4
Other comprehensive income items			
Items that may be reclassified subsequently to income statement			
Change in fair value reserve			
Cash flow hedges	48,8	160,1	526,2
Available for sale financial assets		-160,1	202,6
Financial assets at fair value through other comprehensive income	-259,9		
	-211,1	0,0	728,8
Items that may not be reclassified subsequently to the income statement			
Revaluation of defined benefit pension plans	-45,8	509,0	742,1
Correction for previous year, IFRS 9	-57,8		0,0
	-103,6	509,0	742,1
Total other comprehensive income items	-314,8	509,0	1 470,9
COMPREHENSIVE INCOME FOR THE PERIOD	**929,5**	**1 379,0**	**6 978,4**

CONSOLIDATED BALANCE SHEET, IFRS

(1000 €)	31.3.2018	31.12.2017	31.3.2017
ASSETS			
Cash	74 200,0	201 200,0	140 400,0
Debt securities eligible for refinancing with central banks			
Other	281 672,5	284 718,7	275 104,6
Receivables from credit institutions			
Repayable on demand	7 151,2	16 322,0	2 880,2
Other	25,7	77,5	55,7
	7 176,9	16 399,5	2 935,9
Receivables from the public and public sector entities			
Other than those repayable on demand	2 266 397,0	2 212 574,4	1 902 915,5
Shares and holdings	132,4	132,4	132,4
Derivative financial instruments	720,2	258,9	163,4
Intangible assets			
Other long-term expenditure	2 863,1	2 816,9	2 836,3
Tangible assets			
Investment properties and shares and holdings in investment propertie:	59 706,5	59 686,0	64 437,7
Other properties and shares and holdings in real estate corporations	852,0	854,5	862,1
Other tangible assets	279,3	295,6	342,0
	60 837,8	60 836,2	65 641,9
Other assets	7 826,9	8 568,8	13 678,6
Accrued income and advances paid	7 808,1	4 843,8	6 375,8
Deferred tax receivables	190,9	139,3	273,2
TOTAL ASSETS	**2 709 825,7**	**2 792 488,8**	**2 410 457,5**

CONSOLIDATED BALANCE SHEET, IFRS

(1000 €)	**31.3.2018**	**31.12.2017**	**31.3.2017**
LIABILITIES			
Liabilities to credit institutions			
Central banks	80 000,0	80 000,0	80 000,0
Credit institutions			
Other than those repayable on demand	13 097,8	13 873,8	35 973,3
	93 097,8	93 873,8	115 973,3
Liabilities to the public and public sector entities			
Deposits			
Repayable on demand	755 649,0	749 110,9	682 182,6
Other	700 483,5	791 289,6	683 969,2
	1 456 132,6	1 540 400,5	1 366 151,8
Other liabilities			
Other than those repayable on demand	19 382,2	19 545,5	27 212,2
	1 475 514,8	1 559 946,0	1 393 364,0
Debt securities issued to the public			
Bonds	852 138,2	852 292,2	657 994,8
Other	134 940,3	134 929,0	93 476,2
	987 078,5	987 221,2	751 471,0
Derivative financial instruments	6 983,6	6 944,6	4 898,9
Other liabilities			
Other liabilities	9 259,9	9 636,3	5 364,2
Deferred income and advances received	6 636,6	4 524,1	10 639,9
Subordinated liabilities			
Other	4 490,3	4 490,1	8 980,2
Deferred tax liabilities	10 012,5	10 030,3	9 543,1
EQUITY			
Basic capital	5 000,0	5 000,0	5 000,0
Other restricted reserves			
Reserve fund	22 810,7	22 799,9	22 799,9
Fair value reserve			
From cash flow hedging	-16,3	-65,0	-431,1
From fair value recognition	-225,9	34,0	-328,7
Defined benefit pension plans	2 413,7	2 459,6	2 226,4
Unrestricted reserves			
Other reserves	22 923,5	22 923,5	22 923,5
Retained earnings	62 601,8	57 162,9	57 162,9
Profit for the period	1 244,3	5 507,4	870,0
	116 751,8	115 822,3	110 223,0
TOTAL LIABILITIES	**2 709 825,7**	**2 792 488,8**	**2 410 457,5**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(1000 €)	Basic capital	Reserve fund	Fair value reserve	Other reserves	Retained earnings	Total
Equity 1 January 2017	5 000,0	22 796,7	957,6	22 923,5	57 166,1	108 843,9
Profit for the period					870,0	870,0
Profit use of funds		3,2			-3,2	0,0
Cash flow hedges						
Amount recognised in equity			-17,9			-17,9
Amount transferred to the income statement			218,0			218,0
Change in deferred taxes			-40,0			-40,0
Financial assets available for sale						
Change in fair value			117,0			117,0
Amount transferred to the income statement			-317,1			-317,1
Change in deferred taxes			40,0			40,0
Revaluation of defined benefit plans						
Actuarial gains / losses			636,2			636,2
Change in deferred taxes			-127,2			-127,2
Total other comprehensive income	0,0	3,2	509,1	0,0	-3,2	509,1
Equity 31 March 2017	**5 000,0**	**22 799,9**	**1 466,7**	**22 923,5**	**58 032,9**	**110 223,0**
Equity 1 January 2018	5 000,0	22 799,9	2 428,6	22 923,5	62 670,3	115 822,3
Change in accounting policy (note 8.1)					-57,8	-57,8
Restated equity 1 January 2018	5 000,0	22 799,9	2 428,6	22 923,5	62 612,5	115 764,5
Profit for the period					1 244,3	1 244,3
Other comprehensive income						
Profit use of funds		10,7			-10,7	0,0
Cash flow hedges						
Amount recognised in equity			-22,0			-22,0
Amount transferred to the income statement			82,9			82,9
Change in deferred taxes			-12,2			-12,2
Financial assets at fair value through other comprehensive income						
Change in fair value			-311,8			-311,8
Amount transferred to the income statement			-18,6			-18,6
Change in deferred taxes			70,4			70,4
Revaluation of defined benefit plans						
Actuarial gains / losses			-57,3			-57,3
Change in deferred taxes			11,5			11,5
Total other comprehensive income	0,0	10,7	-257,0	0,0	-10,7	-257,0
Equity 31 March 2018	**5 000,0**	**22 810,7**	**2 171,6**	**22 923,5**	**63 846,1**	**116 751,8**

IFRS 9 transition information, reconciliation of equity	Basic capital	Reserve fund	Fair value reserve	Other reserves	Retained earnings	Total
Equity 31 December 2017	**5 000,0**	**22 799,9**	**2 428,6**	**22 923,5**	**62 670,3**	**115 822,3**
Equity 1 January 2018	**5 000,0**	**22 799,9**	**2 428,6**	**22 923,5**	**62 670,3**	**115 822,3**
IAS 39 impairments reversals, receivables from the public and public sector entities					301,2	**301,2**
IFRS 9 expected credit losses, receivables from the public and public sector entities					-333,7	**-333,7**
IFRS 9 expected credit losses, debt securities					-25,3	**-25,3**
Restated equity 1 January 2018	**5 000,0**	**22 799,9**	**2 428,6**	**22 923,5**	**62 612,5**	**115 764,5**

CONSOLIDATED CASH FLOW STATEMENT

(1000 €)	**1–3/2018**	**1–3/2017**
Cash flow from operating activities		
Interest received	4 022,4	4 088,2
Interest paid	-1 923,3	-1 769,2
Fee income	918,0	1 148,6
Fee expenses	-19,8	-22,5
Net income from securities and foreign currency transactions	422,3	-147,6
Net income from available-for-sale financial assets		317,1
Net income from financial assets at fair value through other comprehensive income	18,6	
Net income from hedge accounting	-3,1	-2,5
Net income from investment properties	276,9	2 018,6
Other operating income	3,1	-2,4
Administrative expenses	-1 898,3	2 386,5
Other operating expenses	-805,6	-630,6
Credit and guarantee losses		5,9
Expected credit losses	7,6	
Income taxes	-3,8	-204,1
Total net cash flow from operating activities	**1 015,0**	**7 186,1**
Operating assets increase (-) / decrease (+)		
Receivables from customers (lending)	-54 502,3	-105 126,5
Collateral, derivatives	200,1	268,2
Investment properties	-469,7	-2 960,0
Operating assets increase (-) / decrease (+) total	**-54 771,9**	**-107 818,3**
Operating liabilities increase (+) / decrease (-)		
Liabilities to the public and public sector organisations (deposits)	-84 268,9	163 108,2
Operating liabilities increase (+) / decrease (-) total	-84 268,9	163 108,2
NET CASH FLOWS ACCRUED FROM OPERATING ACTIVITIES	**-138 025,7**	**62 476,0**
Cash flows from investments		
Change in fixed assets	-156,0	-113,6
Equity investments increase (-) / decrease (+)	0,0	39,9
NET CASH FLOWS ACCRUED FROM INVESTMENTS	**-156,0**	**-73,7**
Casf flows from financing		
Bank loans, new withdrawals	43,2	89,3
Bank loans, repayments	-819,2	-2 202,6
Other liabilities, increase (-) / decrease (+)	-106,5	-1 301,3
Bonds, new issues	26 225,8	5 864,1
Bonds, repayments	-26 441,7	-45 753,2
Certificates on deposit, new issues	40 212,1	218,0
Certificates on deposit, repayments	-40 200,8	-18 175,2
Subordinated liabilities, new withdrawals	5,0	10,7
Subordinated liabilities, repayments	-4,8	-10,5
NET CASH FLOWS ACCRUED FROM FINANCING	**-1 086,9**	**-61 260,8**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**-139 268,7**	**1 141,5**
Cash and cash equivalents at the beginning of the period	**502 318,1**	**417 299,0**
Cash and cash equivalents at the end of the period	**363 049,5**	**418 440,5**
CHANGE IN CASH AND CASH EQUIVALENTS	**-139 268,7**	**1 141,5**

NOTES

1. Key accounting policies

This Interim Report applies the same IFRS accounting policies as the Group's Financial Statements on 31 December 2017, with the exception of changes in accounting policies as a result of the new IFRS 9 and IFRS 15 standards adopted on 1 January 2018. The effects of the adoption of IFRS 9 are described in more detail in Note 8.1 and Impact of the introduction of IFRS 15 in Note 8.2. The Interim Report has been prepared in accordance with the IAS 34 standard (Interim Financial Reporting) approved in the EU. No other new standards or interpretations with material effect on Hypo Group's financial position, profit or equity, entered into force in the financial period beginning 1 January 2018.

The Interim Report does not contain all information and Notes that are required in the annual Financial Statements. The Interim Report should be read in conjunction with the Group's Financial Statements 2017 and for the period 1 January to 31 March 2018 published stock exchange releases. The figures in the tables in the Release are presented in thousands of euros.

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 been approved by the Board of Directors of The Mortgage Society of Finland to be published on 27 April 2018. The Interim Report has been reviewed yet it 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 housing company 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 Group companies are eliminated.

2. New standards and interpretations

New standards and interpretations that have not yet been adopted but may have an effect on Group's Financial Statements in the future include the following:

2.1. IFRS 16 Leases

IFRS 16 Leases standard is endorsed by EU. Hypo Group will adopt the new standard from 1 January 2019 and onwards. Impacts of IFRS 16 –standard will be assessed closely during 2018. Standard will apply to contracts where Hypo Group's entity is either lessor or lessee. Application of the standard is not expected to materially affect Group's consolidated financial position, profit or equity.

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 2018. Equity instruments have not been issued nor repaid during the period from 1 January to 31 March 2018.

4. Capital Adequacy Information

Hypo Group own funds and capital ratios

(1000 €)	31.3.2018	31.12.2017
Common Equity Tier 1 (CET1) capital: Instruments and reserves		
Capital instruments and the related share premium accounts	5 000,0	5 000,0
of which: Basic capital	5 000,0	5 000,0
Retained earnings	62 601,8	57 162,9
Accumulated other comprehensive income and other reserves	47 905,8	48 152,0
Independently reviewed interim profits net of any foreseeable charge or dividend	1 244,3	5 507,4
Common Equity Tier 1 (CET1) capital before regulatory adjustments	116 751,8	115 822,3
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
Intangible assets	-2 290,5	-2 253,5
Deferred tax assets that rely on future profitability	-190,9	0,0
Fair value reserves related to gains or losses on cash flow hedges	16,3	65,0
Defined-benefit pension fund assets	-7 472,7	-7 563,1
Total regulatory adjustments to Common Equity Tier 1 (CET1)	-9 937,7	-9 751,6
Common Equity Tier 1 (CET1) capital	106 814,1	106 070,7
Additional Tier 1 (AT1) capital	0,0	0,0
Tier 2 (T2) capital	0,0	0,0
Total capital (TC = T1 + T2)	106 814,1	106 070,7
Total risk weighted assets	845 706,9	836 775,6
Capital ratios and buffers		
Common Equity Tier 1 (CET1) as a percentage of total risk exposure amount	12,6	12,7
Tier 1 (T1) as a percentage of total risk exposure amount	12,6	12,7
Total capital as a percentage of total risk exposure amount	12,6	12,7
Institution specific buffer requirement, %	7,0	7,0
of which: capital conservation buffer requirement, %	2,5	2,5
of which: countercyclical buffer requirement, %	0,0	0,0
of which: systemic risk buffer requirement, %	0,0	0,0
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer, %	0,0	0,0
Commom Equity Tier 1 available to meet buffers, %	9,1	9,2

The own funds and capital adequacy are presented in accordance with the EU's Capital Requirements Regulation (575/2013).
The capital requirement for credit risk is calculated using the standard method.
The capital requirement for operational risk is calculated using the basic method.
The other risk-weighted items consist of credit valuation risk (CVA).
No restrictions applied in the EU's Capital Requirements Regulation (575/2013) compliant own funds calculation and no elements of own funds other than what is laid down in this regulation is used.

Credit and counterparty risks, balance sheet and off-balance sheet items according to the standard method

(1000 €)

31.3.2018				
Credit and counterparty risks	Original exposure pre conversion factors	Exposure value	Risk weighted exposure amount after SME-supporting factor	Own funds requirement
Exposures to central governments or central banks	144 313,9	203 696,2		
Exposures to regional governments or local authorities	109 608,8	119 887,3		
Exposures to public sector entities	13 081,3	13 081,3	2 616,3	209,3
Exposures to credit institutions	59 019,8	67 550,5	18 140,7	1 451,3
Exposures to corporates	93 960,3	37 918,1	32 293,5	2 583,5
Retail exposures	62 901,0	22 713,4	15 547,1	1 243,8
Exposures secured by mortgages on immovable property	2 486 374,4	2 276 248,1	669 965,8	53 597,3
Exposures in default	2 395,0	2 279,1	2 297,5	183,8
Exposures in the form of covered bonds	50 380,9	50 380,9	5 038,1	403,0
Other items	62 473,4	62 473,4	62 473,4	4 997,9
	3 084 508,8	2 856 228,1	808 372,4	64 669,8
Operational risk			29 782,5	2 382,6
Other risks			7 552,1	604,2
All items in total	**3 084 508,8**	**2 856 228,1**	**845 706,9**	**67 656,6**

31.12.2017				
Credit and counterparty risks	Original exposure pre conversion factors	Exposure value	Risk weighted exposure amount after SME-supporting factor	Own funds requirement
Exposures to central governments or central banks	285 536,7	341 569,4		
Exposures to regional governments or local authorities	107 120,8	117 387,9		
Exposures to public sector entities	12 066,7	12 066,7	2 413,3	193,1
Exposures to credit institutions	74 280,3	84 612,7	25 835,0	2 066,8
Exposures to corporates	97 443,5	45 993,2	40 694,0	3 255,5
Retail exposures	57 487,6	20 767,1	13 993,8	1 119,5
Exposures secured by mortgages on immovable property	2 338 432,0	2 179 657,6	647 467,1	51 797,4
Exposures in default	2 762,4	2 372,2	2 394,9	191,6
Exposures in the form of covered bonds	33 650,7	33 650,7	3 365,1	269,2
Other items	63 157,8	63 157,8	63 157,8	5 052,6
	3 071 938,6	2 901 235,4	799 321,0	63 945,7
Operational risk			29 782,5	2 382,6
Other risks			7 672,1	613,8
All items in total	**3 071 938,6**	**2 901 235,4**	**836 775,6**	**66 942,0**

Risk-weighting of the following exposures: sovereigns, regional governments, local authorieties, public sector entities, institutions and companies; is based on the ratings assigned by S&P, Fitch and Moody's where applicable.
Own funds requirement for credit and counterparty risks have been calculated using eight percent requirement of risk-weighted exposures in accordance with the EU's Capital Requirements Regulation (575/2013).

5. Contingent liabilities and other off-balance sheet commitments

(1000 €)	31.3.2018	31.12.2017
Commitments given on behalf of a customer for the benefit of a third party		
Guarantees and other liabilities	2 181,9	2 181,9
Irrevocable commitments given on behalf of a customer		
Granted but unclaimed loans	371 138,4	275 063,9
Purchase commitments of housing units	2 875,1	2 875,1
Total	376 195,4	280 120,8

6. Fair values of financial instruments

(1000 €)		31.3.2018	31.12.2017
Financial assets	Fair value determination principle	Fair value	Fair value
Debt securities eligible for refinancing with central banks	A	281 672,5	284 718,7
Debt securities	A	0,0	0,0
Derivative contracts	B	720,2	258,9
Total		282 392,7	284 977,6
Financial liabilities			
Derivative contracts	B	6 983,6	6 944,6

Derivative contracts consist of interest rate swaps with various counterparties for hedging purposes.

Fair value determination principles:

A: Quoted price on an active market

B: Verifiable price, other than quoted

C: Unverifiable market price

Fair values and valuation principles are disclosed above for items that are measured at fair value on a recurring basis. 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. Fair values are presented excluding accrued interest.

7. Related party

Hypo Group's related parties include its subsidiary, members of the Board of Directors and the Supervisory Board, CEO and debuty to the CEO, members of the Management Group and their immediate family. In addition, related parties are included in The Mortgage Society of Finland's pension foundation and joint operations. Those related party transactions that have not been eliminated in the consolidated financial statements are presented.

There have been no material changes in the related party transactions since 31 December 2017.

8. Changes in accounting policies

8.1. Impact of the adoption of IFRS 9

This note explains the impact of the adoption of IFRS 9 Financial Instruments on the group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018. This note should be read in conjunction with the accounting policies disclosed in the Group's Financial Statement 2017.

In Interim Reports and Financial Statements released concerning the financial year 2018, information of year 2017 shall not be restated. Hypo Group shall not apply the transitional arrangements of EU Capital Requirements Regulation (CRR, EU 575/2013) Article 473a. On 1 January 2018, the Group´s equity and own funds were adjusted with the net amount of IAS 39 impairment reversals and IFRS 9 expected credit losses. The adjustment reduced equity and own funds by 57 822,88 euros.

Hypo Group applies IFRS 9 hedge accounting from 1 January 2018. Hedge accounting method based on IFRS 9 is considered not to have any negative impact in the hedge accounting results in comparison to hedge accounting method based on IAS 39. Net income from hedge accounting for the period January 1 - March 31 2018 was EUR -3,069.75.

Financial assets

1 000 €	Classification and measurement		Book value 31 Dec 2017	Book value 1 Jan 2018
	IAS39	IFRS 9	IAS39	IFRS 9
Liquid assets	Amortised cost	Amortised cost	201 200	201 200
Receivables from credit institutions	Amortised cost	Amortised cost	16 399	16 399
Receivables from the public and public sector entities	Amortised cost	Amortised cost	2 212 574	2 212 542
Debt securities	Financial assets available for sale	Fair value through other comprehensive income	213 489	213 489
Debt securities	Items recognised based on the fair value option	Option to designate a financial asset at fair value	71 230	71 230
Shares and holdings	Financial assets available for sale	Fair value through other comprehensive income	132	132
Derivative contracts	Fair value through profit or loss	Fair value through profit or loss	259	259
Financial assets total			2 715 284	2 715 251

Financial liabilities

1 000 €	Classification and measurement		Book value 31 Dec 2017	Book value 1 Jan 2018
	IAS39	IFRS 9	IAS39	IFRS 9
Liabilities to credit institutions	Amortised cost	Amortised cost	93 874	93 874
Liabilities to the public and public sector entities	Amortised cost	Amortised cost	1 559 946	1 559 946
Debt securities issued to the public	Amortised cost	Amortised cost	987 221	987 221
Derivative contracts	Fair value through profit or loss	Fair value through profit or loss	6 945	6 945
Subordinated liabilities	Amortised cost	Amortised cost	4 490	4 490
Financial liabilities total			2 652 476	2 652 476

CLASSIFICATION, FINANCIAL ASSETS

Hypo Group has classified the assets in the IFRS 9 classifications, based on the business models and contractual cash flow characteristics.

Financial assets

1 000 €	Classification and measurement		Book value 31 Dec 2017	Reclassifica-tions	Remeasure-ments (ECL)	Book value 1 Jan 2018
	IAS39	IFRS 9	IAS 39			IFRS 9
Liquid assets	Amortised cost	Amortised cost	201 200			201 200
Receivables from credit institutions	Amortised cost	Amortised cost	16 399			16 399
Receivables from the public and public sector entities	Amortised cost	Amortised cost	2 212 574		-33	2 212 542
Debt securities	Financial assets available for sale	Fair value through other comprehensive income	213 489		-25	213 489
Debt securities	Items recognised based on the fair value option	Option to designate a financial asset at fair value through profit or loss	71 230			71 230
Shares and holdings	Financial assets available for sale	Fair value through other comprehensive income	132			132
Derivative contracts	Fair value through profit or loss	Fair value through profit or loss	259			259
Financial assets total			2 715 284	0	-58	2 715 251

Amortised cost classification

The business model is to hold the financial assets (cash, receivables from credit institutions and receivables from the public and public sector entities) in order to collect contractual cash flows. The reclassification did not affect the book value of the loans. The book value decreased by 32 519,80 euros due to remeasurements (ECL).

Reclassification of available-for-sale financial assets into financial assets measured at fair value through other comprehensive income

Available-for-sale financial assets (debt and equity instruments) have been reclassified into financial assets measured at fair value through other comprehensive income (FVOCI) based on their business model, the purpose of which is to collect contractual cash flows and possibly sell the financial assets prior to maturity. The contractual cash flows are solely payments of principal and interest. The reclassification did not affect the book value of the debt securities. The remeasurement increased the fair value reserve by a net amount of 25 303,08 euros.

Classification of items recognised based on the fair value option as financial assets voluntarily measured at fair value through profit or loss

The objective of the business model is to hold the debt instruments in order to collect contractual cash flows and possibly sell the financial assets prior to maturity. In addition, the objective is to reduce the accounting mismatch that would otherwise arise from measuring the debt instruments and related derivatives on different bases. The reclassification did not change the book value.

Financial assets and liabilities mandatorily measured at fair value through profit or loss

Derivative contracts continue to be mandatorily measured at fair value through profit or loss. The book value remained unchanged.

EXPECTED CREDIT LOSSES, FINANCIAL ASSETS

On 1 January, The Group adopted the IFRS 9 accordant ECL methodology for calculating and recording expected credit losses. The ECL model is applied to financial assets measured at amortised cost or at fair value through other comprehensive income. A simplified ECL approach is applied to trade and lease receivables. Financial assets, as well as trade and lease receivables, are characterised by low risk and hence no significant change in credit risk has occurred during 1 January – 31 March 2018.

1 000 €	Impairments IAS 39	Reclassifications	Remeasure-ments (ECL)	Expected Credit Losses IFRS 9
Financial asset	31 Dec 2017			1 Jan 2018
Classification at amortised cost				
Cash	0			0
Receivables from credit institutions	0			0
sector entities	301		33	334
Total	**301**	**0**	**33**	**334**
Reclassification of available-for-sale financial assets into financial assets measured at fair value through other				
Debt securities	0		25	25
Shares and holdings	0			0
Classification of items recognised based on the fair value option as financial assets voluntarily measured at fair value through profit or loss				
Debt securities	0			0
Financial assets and liabilities mandatorily measured at fair value through profit or loss				
Derivative contracts	0			0
Total	**301**	**0**	**58**	**359**

EXPECTED CREDIT LOSSES BY STAGE

	Book value	Expected credit losses	Book value	Expected credit losses	Expected credit losses, change
	1 Jan 2018	1 Jan 2018	31 Mar 2018	31 Mar 2018	1 Jan 2018 - 31 Mar 2018
Receivables from the public and public sector entities					
Level 1, performing loans, no significant increase in credit risk	2 203 966	21	2 256 652	18	3
Level 2, performing loans with a significant icrease in credit risk	5 600	3	6 755		3
Level 3, non-performing loans	3 007	310	2 991	312	-2
Total	**2 212 574**	**334**	**2 266 397**	**330**	**4**
Debt instruments, FVOCI					
Level 1, performing loans, no significant increase in credit risk	213 489	25	225 959	22	4
Other assets, trade receivables					
Level 1, performing loans, no significant increase in credit risk	289		280		0
Off-balance sheet commitments; granted but undrawn loans					
Level 1, performing loans, no significant increase in credit risk	275 064	0	371 138	0	0

8.2. Impact of the adoption of IFRS 15

On 1 January 2018, Hypo Group adopted the new standard IFRS 15 Revenue from Contracts with Customers, which superseded IAS 18 Revenue. Hypo Group's business operations constitute a single segment, retail banking. Applying IFRS 15 on 1 January 2018 did not give rise to any adjustments to the income statement, balance sheet, statement of changes in equity or cash flow statement for the comparative period 1 January – 31 March 2017. Applying IFRS 15 did not have any significant impact on revenue recognition principles. The Group applies IFRS 15 retrospectively.

IFRS 15 applies to lending fee income such as entry fees, loan servicing fees and other service fees. In addition, management and service fees from land trustee services, fees from so called umbrella agreements and fees from Hypo's credit card business are recognised according to IFRS 15.

Income from financial instruments continues to be recognised in accordance with IFRS 9 effective interest method. Rental income from investment properties continues to be recorded in accordance with IAS 17.

In the table below, the Group's income distribution is described.

GROUP'S TOTAL INCOME
(1000 €)

	1–3/2018	(%)	1–3/2017	(%)
Interest income	5 545,2		4 764,4	
Interest expense	-2 840,0		-2 996,1	
Net interest income	2 705,2	58 %	1 768,3	45 %
Net fee income				
from lending operations	479,0		489,9	
from land trustee services	321,2		260,0	
from other operations	91,5		82,1	
Total net fee income	891,7	19 %	832,1	21 %
Net income from treasury operations	437,8		167,1	
Net income from investment properties	590,4		567,5	
Capital gains on investment properties	0,0		586,9	
Other income	3,1		37,5	
Non-interest income	1 031,4	22 %	1 358,9	34 %
Total income	4 628,2	100 %	3 959,3	100 %

9. Information concerning asset encumbrance

31 Mar 2018

(1000 €)	Book value of encumbered assets	Fair value of encumbered assets	Book value of unencumbered assets	Fair value of unencumbered assets
A - Assets	954 199	52 776	1 755 627	229 704
Equity instruments			132	132
Debt securities	52 776	52 776	229 572	229 572
Other assets, including lending	901 423	901 423	1 525 923	1 525 923

B - Collateral received

Nothing to report, as Hypo has not received collateral that it would have pledged further or that it could pledge further.

	Liabilities associated with encumbered assets	Encumbered assets
C - Encumbered assets and associated liabilities		
Book value of selected financial liabilities	79 520	99 544
Debt securities issued to the public	653 762	849 913
Derivative contracts		4 742
Total	733 282	954 199

D - Information on the importance of encumbrance

The amount of assets reported under items A and C above does not include excess collateral except for covered bonds. Group's encumbered assets consist of debt securities,cover asset pool and cash collateral for derivative contracts that are tradable on the secondary market and eligible as ECB collateral and that have been pledged against a loan from the central bank. Group's encumbered assets increased due to issuance of covered bonds. Encumbered assets totaled EUR 954,2 million, out of which of covered bonds was EUR 900,0 million. Unencumbered debt securities that are tradable on the secondary market and eligible as ECB collateral and that can be used as collateral in monetary policy operations totalled EUR 229,6 on 31 March 2018 EUR 1 141,8 million of unencumbered loans may be used as collateral for covered bonds.

31 Dec 2017

(1000 €)	Book value of encumbered assets	Fair value of encumbered assets	Book value of unencumbered assets	Fair value of unencumbered assets
A - Assets	955 287	955 287	1 837 248	1 837 248
Equity instruments			132	132
Debt securities	54 199	54 199	231 021	231 021
Other assets, including	901 088	901 088	1 606 095	1 606 095

B - Collateral received

Nothing to report, as Hypo has not received collateral that it would have pledged further or that it could pledge further.

	Liabilities associated with encumbered assets	Encumbered assets
C - Encumbered assets and associated liabilities		
Book value of selected financial liabilities	79 600	100 827
Debt securities issued to the public	653 446	849 597
Derivative contracts		4 863
Total	733 045	955 287

D - Information on the importance of encumbrance

Provided figures are based on the situation as at 31 December 2017. The amount of assets reported under items A and C above does not include excess collateral except for covered bonds. Group's encumbered assets consist of debt securities,cover asset pool and cash collateral for derivative contracts that are tradable on the secondary market and eligible as ECB collateral and that have been pledged against a loan from the central bank. Group's encumbered assets increased due to issuance of covered bonds. Encumbered assets totaled EUR 955,3 million, out of which of covered bonds was EUR 900,0 million. Unencumbered debt securities that are tradable on the secondary market and eligible as ECB collateral and that can be used as collateral in monetary policy operations totalled EUR 231,0 on 31 December 2017 EUR 1 079,0 million of unencumbered loans may be used as collateral for covered bonds.

Opinion on the review of the 1 January – 31 March 2018 Interim Report of the Mortgage Society of Finland (Translation)

Introduction

We have performed a review of the Mortgage Society of Finland's balance sheet of 31 March 2018, income statement, statement of changes in equity and the cash flow statement for the three months period ended, as well as the summary of significant accounting policies and other Notes. The Board of Directors and CEO are responsible for preparing the Interim Report and ensuring it provides accurate and sufficient information in accordance with the International Financial Reporting Standards (IFRS) approved in the EU, and other statutes and regulations concerning the preparation of the Interim Report in effect in Finland. Based on the review we have performed, we are issuing an opinion on the Interim Report in accordance with the Securities Act Section 2, Article 5a(7).

Scope of review

The review was performed in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making enquiries, primarily with persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially narrower in scope than an audit conducted in accordance with international standards and recommendations on auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Report is not prepared in accordance with the International Financial Reporting Standards (IFRS) approved in the EU and other statutes and regulations concerning the preparation of the Interim Report in effect in Finland. The Report provides accurate and sufficient information on the financial standing of the entity on 31 March 2018 and the result and cash flows of its operations for the three months period ended.

Helsinki 27 April 2018

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jukka Paunonen
Authorised Public Accountant (KHT)

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, milj. €	Interest income + income from equity investments + fee income + net income from financial assets at fair value through other comprehensive income/net income from available-for-sale financial assets + net income from currency operations and securities trading + net income from hedge accounting + income from investment properties + other operating income – (administrative expenses + depreciation and impairment losses on tangible and intangible assets + other operating expenses+ expected credit losses/impairment losses on loans and other commitments)	
Return on equity % (ROE)	Operating profit - income taxes / Equity + accumulated appropriations less deferred tax liabilities (average total at the beginning and end of the year)	x 100
Cost-to-income ratio, %	Administrative expenses + depreciation and impairment losses on tangible and intangible assets + other operating expenses / Net interest income + income from equity investments + net fee and commission income + net income from currency operations and securities trading + net income from financial assets at fair value through other comprehensive income/net income from available-for-sale financial assets + net income from hedge accounting + net income from investment properties + other operating income	x 100
LTV-ratio (Loan to Value, average), %	Receivables from the public and public sector entities / Fair value of collateral received against the receivables from the public and public sector entities 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.	x 100
Loans/deposits %	Receivables from the public and public sector entities / Deposits	x 100
Deposits out of total funding, %	Deposits / Total funding Total funding includes liabilities to credit institutions, liabilities to the public and public sector entities, debt securities issued to the public as well as subordinated liabilities.	x 100
Long-term funding out of total funding, %	Total funding with a remaining maturity of 12 months / Total funding Total funding includes liabilities to credit institutions, liabilities to the public and public sector entities, debt securities issued to the public as well as subordinated liabilities.	x 100
Short-term liquidity, months	Coverage of short-term liquidity to wholesale funding cash flows (difference of days multiplied with 356 (days in a year)multiplied with 12 (months in a year))	
Average number of personnel	Number of personnel includes those in employment relationship during the financial year (excl. The CEO and the COO). Average number of personnel is calculated by dividing the sum of the number of permanent full-time personnel at the end of each month by the total number of months.	

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

Non-performing assets, % of the loan portfolio	Receivables from the public and public sector entities deemed unlikely to be paid + receivables past due and unpaid over 90 days / Receivables from the public and public sector entities Non-performing assets are presented in accordance with the EU's Capital Requirements Regulation (575/2013).	x 100
LCR-ratio, %	Liquid assets / Outflow of liquidity – Inflow of liquidity (within 30 days) LCR-ratio is calculated in accordance with the EU's Capital Requirement Regulation CRR (EU 575/2013).	x 100
Leverage Ratio, %	Tier 1 Capital / Total exposure Leverage Ratio, % is calculated in accordance with the EU's Capital Requirement Regulation CRR (EU 575/2013).	x 100
Common Equity Tier 1 (CET1) ratio %	Common Equity Tier 1, CET1 / Total risk The capital requirement for total risk is calculated using the standard method. The capital requirement for operational risk is calculated using the basic method.	x 100

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 relaton to the equity accrued over a financial period. The Mortgage Society of Finland is a mutual company and thus it does not pay dividends.

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

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

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

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

Long-term funding out of total funding, % the ratio describes the structural funding risk of a credit institution. Long-term funding extends the planning and implementation horizon of the credit institution's funding therefore reducing the risk of having to raise funds under disadvantageous market conditions.

Short-term liquidity, months, describes the coverage of short-term liquidity to wholesale funding cash flows.

Average number of personnel describes the personnel resources available.

This is an unofficial English language translation of the original Finnish language release (Osavuosikatsaus) 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.