

The Mortgage Society of Finland: Hypo Group's January–June 2019

The home finance specialist Hypo Group's operating profit grew by 28 percent and net interest income by 19 percent.

CEO Ari Pauna:

“Focusing on low risk housing collateralized lending in metropolizing Finland is yielding profits. Hypo Group's operating profit grew by 28 percent and net interest income by 19 percent. Common Equity Tier 1 and return on equity improved. Non-performing loans remained on a very low level and impairment losses were nearly zero. The outstanding amount of internationally issued credit rated covered bonds (AAA stable) passed 1.0 billion euros.”

- Net interest income increased to EUR 6.9 million (EUR 5.8 million 1–6/2018)
- Non-performing loans remained low at 0.07% of loan book (0.07% 31 December 2018)
- Expected credit losses were 0.0% of the loan book
- Net fee and commission income was EUR 1.8 million (EUR 1.9 million 1–6/2018)
- Other income totaled EUR 1.6 million (EUR 1.3 million 1–6/2018)
- Total costs remained at modest level
- Common Equity Tier 1 (CET1) ratio, as calculated with standard and basic methods, was 12.4% (12.1% on 31 December 2018)

GROUP'S KEY FIGURES

| (1000 €) | 1-6/2019 | 1-6/2018 | 4-6/2019 | 4-6/2018 | 2018 |
|--------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Net interest income | 6 870 | 5 775 | 3 477 | 3 070 | 12 331 |
| Net fee and commission income | 1 762 | 1 938 | 978 | 1 046 | 3 795 |
| Total other income | 1 647 | 1 313 | 731 | 281 | 2 097 |
| Total expenses | -6 427 | -6 016 | -2 783 | -2 897 | -11 058 |
| Operating profit | 3 851 | 3 009 | 2 404 | 1 501 | 7 165 |
| Receivables from the public and public sector entities | 2 662 813 | 2 388 271 | 2 662 813 | 2 388 271 | 2 588 908 |
| Deposits | 1 606 093 | 1 627 075 | 1 606 093 | 1 627 075 | 1 718 166 |
| Balance sheet total | 3 214 302 | 2 956 543 | 3 214 302 | 2 956 543 | 3 113 817 |
| Return on equity % (ROE) | 5,1 | 4,3 | 6,4 | 4,3 | 5,0 |
| Common Equity Tier 1 (CET1) ratio | 12,4 | 12,3 | 12,4 | 12,3 | 12,1 |
| Cost-to-income ratio,% | 62,7 | 66,4 | 53,9 | 65,1 | 60,6 |
| Non-performing assets, % of the loan portfolio | 0,07 | 0,12 | 0,07 | 0,12 | 0,07 |
| LTV-ratio, % / Loan to Value, average, % | 35,7 | 36,4 | 35,7 | 36,4 | 35,8 |
| Loans / deposits, % | 165,8 | 146,8 | 165,8 | 146,8 | 150,7 |



HYPO

Suomen Hypoteekkiyhdistys

The Mortgage Society of Finland
Stock Exchange Release
Half year financial report
August 12 2019 Helsinki 3:30 p.m.

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

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www.hypo.fi

Attachments: Interim Report January-June 2019

The Mortgage Society of Finland Group is the only nationwide expert organization specialized in home financing and housing in Finland. Hypo Group grants mortgages as well as renovation loans and consumer loans, both secured by residential property collateral, for first-time and other homebuyers. Hypo Group continuously develops new ways and models for housing and home financing.

Read more: www.hypo.fi

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