THE MORTGAGE SOCIETY OF FINLAND

Interim Report

1 January – 31 March 2015

The Interim Report for the period of 1 January – 30 June 2015 will be published on August 10, 2015.

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

The Hypo Group’s January – March 2015

The home finance specialist Hypo’s operating profit improved by 42 percent, deposits were increased according to the strategy and the Common Equity Tier 1 (CET1) ratio remained strong at 14,7 percent. Simultaneously the Group’s liquidity position was significantly strengthened.

CEO Ari Pauna:

”Uncertain times, urbanization and the restructuring of the financial sector have increased the business and growth opportunities of the Hypo Group specializing in housing finance. Operating profit for 2015 will reach 2014 levels although the Group’s liquidity position will be further strengthened.‘’

- The Group’s operating profit improved by 42 % to EUR 2.2 million (EUR 1.5 million 1-3/2014)
- Fee and commission income EUR 1.0 million (EUR 0.7 million)
- Loan portfolio EUR 1,259.8 million (EUR 1,204.0 million 31.12.2014)
- Deposits increased to 669.6 million (EUR 507.4 million)
- Common Equity Tier 1 (CET1) ratio 14.7 % (15.1 % 31.12.2014)
- Short-term liquidity covered payment obligations related to debt agreements for 13.5 months following the reporting date (9.8 months 31.12.2014)

THE GROUP'S KEY FIGURES

(1000 €)	1-3/2015	1-3/2014	2014
Net interest income	1 346	1 530	6 427
Net fee and commission income	937	713	3 610
Total other income	2 209	1 687	7 219
Total expenses (incl. depreciation, other operating expenses and impairment losses)	-2 306	-2 395	-9 759
Operating profit	2 186	1 535	7 498
Receivables from the public and public sector entities	1 259 760	1 026 366	1 204 042
Deposits	669 587	372 867	507 388
Balance sheet total	1 620 422	1 227 703	1 499 915
Common Equity Tier 1 (CET1) ratio	14,7	14,7	15,1
Cost-to-income ratio,%	51,5	61,1	56,4
Non-performing assets, % of the loan portfolio	0,19	0,19	0,23
LTV-ratio, % / Loan to Value, average, %	43,7	49,3	44,9
Loans / deposits, %	188,1	275,3	237,3

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The Hypo Group’s interim report can be accessed at http://www.hypo.fi/en/

THE HYPO GROUP

The Mortgage Society of Finland Group (hereafter “the Hypo Group” or “Hypo”) is the only nationwide expert organisation specialising in home financing and housing in Finland. Hypo aims to constantly complement traditional home financing and housing products with new, alternative and customer-oriented solutions.

The Mortgage Society of Finland grants loans to households and housing companies with domestic housing or residential property as collateral. Suomen AsuntoHypoPankki Oy deposit bank offers its customers deposit and debt securities products, payment cards and residential land trustee services. Hypo has approximately 23,000 customers. Maintaining the strong capital adequacy and keeping the customer promise “Secure way for better living” guides Hypo in growing the business in a profitable manner, while managing risks.

OPERATING ENVIRONMENT

The Finnish economy continued a slight decline during the first quarter of 2015. Domestic and external demand remained sluggish. Unemployment rate rose above 9 percent. Consumer prices turned into a marginal decline due to the significant fall in oil prices. The European Central Bank started its Public Sector Purchase Programme (PSPP) in March while holding key interest rates near zero. Monetary policy has pressed the main reference rates for Finnish mortgages only a tad above zero. The 12 month Euribor rate was 0.2 percent at the end of March 2015. Despite the weak economic development the amount of nonperforming assets and bankruptcies has remained subdued.

The annual growth of the housing loan stock in Finland was 1.9 % in February 2015. Household deposits have decreased by 0.5 % year-on-year.

In February house prices in old blocks fell by 0.7 % in the Helsinki Metropolitan Area at an annual level. Elsewhere in Finland, prices declined by 2.3 % compared to the corresponding period in the previous year.

RESULT AND PROFITABILITY

January – March 2015

Hypo Group's operating profit was EUR 2.2 million (EUR 1.5 million for January – March 2014).

Net interest income decreased 12 % compared to the corresponding period last year due to an almost doubling in size of the liquidity portfolio. The net fee income grew by more than 30% to EUR 0.9 million (EUR 0.7 million).

Net income from investment properties (housing units and residential land) amounted to EUR 1.2 million (EUR 1.2 million). This included EUR 0.6 million of capital gains (EUR 0.7 million).

The Group’s cost-to-income ratio was 51.5 % (61.1 %).

Net impairments were EUR 0.0 million (EUR 0.0 million).

The Group’s comprehensive income, EUR 2.0 million (EUR 1.9 million), includes EUR 1.8 million (EUR 1.3 million) of profit for the period under review and the change in the fair value reserve included in equity amounting to EUR 0.2 million (EUR 0.6 million.

PERSONNEL

One permanent employee was hired during the period under review. Cooperation with Helmi Business College continued. On 31 March 2015, the number of permanent personnel was 51 (49). These figures do not include the CEO and the COO.

ASSETS AND LIABILITIES

Lending

The loan portfolio grew to EUR 1,259.8 million (EUR 1,204.0 million on 31 December 2014).

Hypo has an entirely residential property-secured loan portfolio which is typical of mortgage banks. The average Loan-to-Value ratio of the loan portfolio was 43.7 % at the end of the period (44.9 % on 31 December 2014).

The non-performing receivables remained at a low level, amounting to EUR 2.4 million (EUR 2.7 million on 31 December 2014), representing only 0.19 % of the loan portfolio (0.23%).

Liquid assets and other receivables

At the end of the period, cash and cash equivalents in accordance with the cash flow statement, combined with current account and other binding credit facilities, totalled EUR 292.1 million (EUR 229.9 million on 31 December 2014), which corresponds to 18.0% (15.3%) of the total assets. The cash and cash equivalents (which totalled EUR 288.6 million) consisted of assets distributed widely across various counterparties, and of debt securities that are tradable on the secondary market, of which 52.8 % had a credit rating of AA- or higher and 97.7% were ECB eligible. The Liquidity Coverage Ratio was 104%.

The surplus of EUR 6.9 million (EUR 6.9 million) from the Mortgage Society of Finland's pension foundation has been recognised in the Group's other assets.

The share of housing and residential land holdings declined slightly to 3.4 % of the total assets (3.6 % on 31 December 2014). Apartments and residential land owned and rented out by Hypo enable the Group to offer its customers a more comprehensive selection of housing products and services. Hypo's properties are located in selected growth centres, mainly in the Helsinki Metropolitan Area, distributed across key residential districts.

Derivative contracts

The balance sheet value of derivative receivables was EUR 0.0 million on 31 March 2015 (EUR 0.0 million on 31 December 2014), and the value of liabilities was EUR 7.1 million (EUR 7.9 million).

Interest rate swaps and currency swaps made for hedging loans issued by Hypo against the related risks are recognised at fair value, and their offset entries are recognised in the fair value reserve included in equity (cash flow hedging with respect to interest rate risk) or through profit or loss (currency valuation). Derivatives in the investment portfolio are recognised at fair value, and their offset entries are recognised in the income statement (net income from securities trading).

Deposits and other funding

The Group's funding position has been strengthened in the period under review, and the proportion of deposit funding of total funding was further increased. Total deposits increased by 32.0 % during the period under review, to EUR 669.6 million (EUR 507.4 million on 31 December 2014), including deposits made by financial institutions EUR 19.2 million. The share of deposits accounted for 45.2 % (36.9 %) of total funding. The deposit bank Suomen AsuntoHypoPankki Oy is covered by the Deposit Guarantee Fund and is a wholly owned subsidiary of the Mortgage Society of Finland.

The Mortgage Society of Finland carried out one wholesale bond issue with a nominal amount of EUR 25.0 million. Hypo repurchased its own bonds to the amount of EUR 2.0 million. The share of long-term deposit and other funding of total funding was 48.7 % (54.0 %) on 31 March 2015.

The total funding at the end of the period under review was EUR 1,482.1 million (EUR 1, 375.2 million).

EQUITY, CAPITAL ADEQUACY AND RISK MANAGEMENT

The Hypo Group's equity amounted to EUR 97.4 million at the end of the period under review (EUR 95.4 million on 31 December 2014). The changes in equity during the period are presented in the Group's statement of equity attached to this Interim Report.

The Group's Core Tier 1 ratio (CET1 ratio) declined slightly to 14.7 % (15.1 % on 31 December 2014). Profit for the financial period 1 January – 31 March 2015 is included in the Core Tier 1 equity, based on the statement by the auditors. In measuring credit and counterparty risk, the standardised approach is used. The Group's own funds are quantitatively and qualitatively strong in relation to the Group's current and future business, as well as to changes, even exceptional ones, in the operating environment.

There have been no significant negative changes in the risk levels. More detailed information on capital adequacy and risk management practices are published as part of the audited annual Financial Statements, the Notes and the Annual Report. The same information and any updates therein can also be accessed at www.hypo.fi.

KEY EVENTS SINCE THE END OF THE FINANCIAL PERIOD

Since the end of the financial period of 1 January – 31 March 2015, there have not been any significant changes in the outlook or financial standing of the Mortgage Society of Finland or its Group.

FUTURE OUTLOOK

The Group management estimates that the 2015 operating profit will reach 2014 levels, although the liquidity will be further strengthened. However, the uncertainty in the operating environment creates uncertainty also for Hypo's financial performance.

Helsinki, 30 April 2015

The Board

Sources:

Loans and deposits; Bank of Finland

Housing prices; February 2015; Statistics Finland

Cost-to-income ratio:

(Administrative expenses + depreciation and impairments from tangible and intangible assets + other operating income) / (net interest income + profit from equity investments + net income from fees and commissions + net income from available-for-sale financial assets + net income from securities trading and currency operations + net income from investment properties + other operating income)

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.

CONSOLIDATED INCOME STATEMENT, IFRS

(1000 €)	**1-3/2015**	**1-3/2014**	**2014**
Interest income	5 222,5	4 955,3	21 070,7
Interest expenses	-3 876,9	-3 425,2	-14 643,2
NET INTEREST INCOME	1 345,6	1 530,1	6 427,5
Income from equity investments	0,0	0,0	84,0
Fee and commission income	952,1	721,0	3 658,9
Fee and commission expenses	-14,7	-8,4	-48,6
Net income from securities and foreign currency transactions			
Net income from securities trading	198,3	0,0	-101,0
Net income from foreign currency transactions	0,2	-0,2	-1,0
Net income from financial assets available for sale	832,6	501,5	2 880,8
Net income from investment properties	1 181,8	1 191,3	4 362,5
Other operating income	-4,0	-5,2	-6,5
Administrative expenses			
Personnel costs			
Wages and salaries	-1 242,8	-1 271,7	-4 662,6
Other personnel related costs			
Pension costs	-259,0	-237,3	-1 110,6
Other personnel related costs	-55,4	-44,7	-319,1
Other administrative expenses	-568,3	-637,7	-2 763,0
Total administrative expenses	-2 125,4	-2 191,4	-8 855,4
Depreciation and impairment losses on tangible and intangible assets	-84,5	-79,6	-312,1
Other operating expenses	-104,6	-129,7	-560,1
Impairment losses on loans and other commitments	8,5	5,7	-31,1
OPERATING PROFIT	2 186,0	1 535,1	7 498,0
Income taxes	-404,4	-269,4	-1 330,3
OPERATING PROFIT AFTER TAX	1 781,6	1 265,7	6 167,7
PROFIT FOR THE PERIOD	1 781,6	1 265,7	6 167,7

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

(1000 €)	**1-3/2015**	**1-3/2014**	**2014**
Profit for the period	1 781,6	1 265,7	6 167,7
Items that may be reclassified subsequently to income statement			
Change in fair value reserve			
Cash flow hedges	460,5	389,4	309,0
Available for sale financial assets	-217,0	233,2	703,6
	243,5	622,6	1012,7
Items that may not be reclassified subsequently to the income statement			
Revaluation of defined benefit pension plans	0,0	0,0	719,4
Total other comprehensive income items	243,5	622,6	1732,0
COMPREHENSIVE INCOME FOR THE PERIOD	**2 025,1**	**1 888,3**	**7 899,7**

CONSOLIDATED BALANCE SHEET, IFRS

(1000 €)	31.3.2015	31.12.2014	31.3.2014
ASSETS			
Cash	30 000,0	75 000,0	30 000,0
Debt securities eligible for refinancing with central banks			
Treasury bills			
Other	215 121,5	111 070,4	84 023,5
Receivables from credit institutions			
Repayable on demand	32 837,0	35 085,8	17 386,6
Other	5 556,8	159,3	4 046,9
	38 393,8	35 245,1	21 433,5
Receivables from the public and public sector entities			
Other than those repayable on demand	1 259 760,3	1 204 041,8	1 026 365,8
Debt securities			
From others	5 102,0	5 090,7	1 996,0
	5 102,0	5 090,7	1 996,0
Shares and holdings	113,4	113,4	113,4
Derivative financial instruments			1 491,6
Intangible assets			
Other long-term expenditure	967,2	948,5	783,6
Tangible assets			
Investment properties and shares and holdings in investment properties	55 784,8	54 356,9	45 735,0
Other properties and shares and holdings in real estate corporations	873,0	842,6	826,8
Other tangible assets	340,9	273,4	292,7
	56 998,6	55 472,9	46 854,5
Other assets	8 151,6	7 762,1	9 164,0
Accrued income and advances paid	5 252,2	4 506,1	4 532,4
Deferred tax receivables	561,8	663,8	944,4
TOTAL ASSETS	**1 620 422,5**	**1 499 914,8**	**1 227 702,7**

CONSOLIDATED BALANCE SHEET, IFRS

(1000 €)	**31.3.2015**	**31.12.2014**	**31.3.2014**
LIABILITIES			
Liabilities to credit institutions			
Central banks	20 000,0	35 000,0	40 000,0
Credit institutions			
Repayable on demand	3 169,2	16 824,7	20 726,1
Other than those repayable on demand	139 057,6	148 549,9	119 863,3
	162 226,8	200 374,6	180 589,5
Liabilities to the public and public sector entities			
Deposits			
Repayable on demand	296 177,1	192 068,3	194 518,0
Other	354 229,0	275 995,4	140 722,9
	650 406,1	468 063,7	335 240,9
Other liabilities			
Other than those repayable on demand	38 631,6	40 339,7	45 223,0
	689 037,7	508 403,4	380 463,9
Debt securities issued to the public			
Bonds	513 783,1	518 423,4	419 883,0
Other	99 121,0	130 028,7	108 040,5
	612 904,0	648 452,1	527 923,4
Derivative financial instruments	7 054,6	7 856,7	4 516,2
Other liabilities			
Other liabilities	17 817,8	8 125,9	7 424,6
Deferred income and advances received	7 291,1	4 551,0	6 566,0
Subordinated liabilities			
Other	17 962,4	17 962,1	22 793,0
Deferred tax liabilities	8 710,4	8 796,5	8 046,0
EQUITY			
Basic capital	5 000,0	5 000,0	5 000,0
Other restricted reserves			
Reserve fund	22 794,7	22 793,8	22 793,8
Fair value reserve			
From cash flow hedging	-2 194,6	-2 655,1	-2 574,7
From fair value recognition	591,0	807,9	336,5
Defined benefit pension plans	1 207,4	1 207,4	488,0
Unrestricted reserves			
Other reserves	22 923,5	22 923,5	22 923,5
Retained earnings	45 314,1	39 147,4	39 147,4
Profit for the period	1 781,6	6 167,7	1 265,7
	97 417,7	95 392,6	89 380,2
TOTAL LIABILITIES	**1 620 422,5**	**1 499 914,8**	**1 227 702,7**

CHANGE IN EQUITY	Basic capital	Reserve fund	Fair value reserve	Other reserves	Retained earnings	Total
(1000 €)						
Equity 1 Jan 2014	5 000,0	22 790,4	-2 371,8	22 923,5	39 150,8	87 492,9
Profit for the period					1 265,7	1 265,7
Other comprehensive income						
Hedging of cash flow		3,4			-3,4	0,0
Cash flow hedges						
Amount recognised in equity			281,3			281,3
Amount transferred to the income statement			205,4			205,4
Change in deferred taxes			-97,3			-97,3
Financial assets available for sale						
Change in fair value			792,1			792,1
Amount transferred to the income statement			-501,5			-501,5
Change in deferred taxes			-58,3			-58,3
Revaluation of defined benefit plans						
Actuarial gains / losses			0,0			0,0
Change in deferred taxes			0,0			0,0
Investment property, revaluation reserves						
Amount transferred to the previous period profits						
Change in deferred taxes						
Total other comprehensive income	0,0	3,4	621,6	0,0	-3,4	621,6
Equity 31 March 2014	5 000,0	22 793,8	-1 750,2	22 923,5	40 413,1	89 380,2
Equity 1 Jan 2015	5 000,0	22 793,8	-639,8	22 923,5	45 315,1	95 392,6
Profit for the period					1 781,6	1 781,6
Other comprehensive income						
Profit use of funds		0,9			-0,9	0,0
Cash flow hedges						
Amount recognised in equity			241,5			241,5
Amount transferred to the income statement			334,1			334,1
Change in deferred taxes			-115,1			-115,1
Financial assets available for sale						
Change in fair value			561,4			561,4
Amount transferred to the income statement			-832,6			-832,6
Change in deferred taxes			54,2			54,2
Revaluation of defined benefit plans						
Actuarial gains / losses			0,0			0,0
Change in deferred taxes			0,0			0,0
Investments property, revaluation reserves						
Amount transferred to the previous period profits						
Change in deferred taxes						
Total other comprehensive income	0,0	0,9	243,5	0,0	-0,9	243,5
Equity 31 March 2015	**5 000,0**	**22 794,7**	**-396,3**	**22 923,5**	**47 095,7**	**97 417,6**

CONSOLIDATED CASH FLOW STATEMENT

(1000€)	1-3/2015	1-3/2014
Cash flow from operating activities		
Interest received	4 396,9	4 064,5
Interest paid	-1 962,9	-2 028,8
Fee income	964,5	734,9
Fee expenses	-14,7	-8,4
Net income from securities and foreign currency transactions	198,5	-0,2
Net income from available-for-sale financial assets	832,6	501,5
Net income from investment properties	2 212,4	937,0
Other operating income	-4,0	-5,2
Administrative expenses	-3 301,3	-1 956,1
Other operating expenses	-105,0	-133,4
Credit and guarantee losses	8,5	5,7
Income taxes	-69,9	-41,3
Total net cash flow from operating activities	**3 155,8**	**2 070,3**
Operating assets increase (-) / decrease (+)		
Receivables from customers (lending)	-49 225,0	-51 211,5
Investment properties	-902,7	777,5
Operating assets increase (-) / decrease (+) total	**-50 127,7**	**-50 433,9**
Operating liabilities increase (+) / decrease (-)		
Liabilities to the public and public sector organisations (deposits)	182 342,5	20 018,2
Operating liabilities increase (+) / decrease (-) total	182 342,5	20 018,2
NET CASH FLOWS ACCRUED FROM OPERATING ACTIVITIES	**135 370,6**	**-28 345,4**
Cash flows from investments		
Change in fixed assets	-200,9	-116,6
Dividends received	0,0	0,0
NET CASH FLOWS ACCRUED FROM INVESTMENTS	**-200,9**	**-116,6**
Casf flows from financing		
Bank loans, new withdrawals	7 915,6	22 637,0
Bank loans, repayments	-46 063,3	-33 144,1
Other liabilities, increase (-) / decrease (+)	963,3	844,8
Bonds, new issues	55 597,6	18 934,3
Bonds, repayments	-60 464,3	-18 581,3
Certificates on deposit, new issues	41 173,5	31 003,7
Certificates on deposit, repayments	-72 081,2	-39 367,3
Subordinated liabilities, new withdrawals	4,7	958,9
Subordinated liabilities, repayments	-4,4	-0,6
NET CASH FLOWS ACCRUED FROM FINANCING	**-72 958,6**	**-16 714,5**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**62 211,1**	**-45 176,5**
Cash and cash equivalents at the beginning of the period	**226 406,2**	**182 629,5**
Cash and cash equivalents at the end of the period	**288 617,3**	**137 453,0**
CHANGE IN CASH AND CASH EQUIVALENTS	**62 211,1**	**-45 176,5**

NOTES

1. Key accounting policies

This Interim Report applies the same IFRS accounting policies as the Group’s Financial Statements on 31 December 2014. The Interim Report has been prepared in accordance with the IAS 34 standard (Interim Financial Reporting) approved in the EU. The new IFRS standards and interpretations effective from the financial period which started on 1 January 2015 did not have any material impact on the consolidated result or balance sheet.

The Interim Report does not contain all information and Notes that are required in the annual Financial Statements. The Report should be read in conjunction with the Group’s 31 December 2014 Financial Statements.

The Hypo Group’s business operations constitute a single segment: retail banking.

The 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 per cent, and the housing company Bostadsaktiebolaget Taos, of which the Group companies own 59.4 per cent. The financial statements of AsuntoHypoPankki and Taos have been consolidated using the acquisition cost method, the housing company Asunto Oy Vanhaväylä 17 (the Group's ownership is 80.4 per cent) and housing company-type associated companies are treated in the same manner as other housing company-type investments.

2. Issuance and repayments of debt and equity securities

The issuance of debt securities and repayments/repurchases thereof are presented in the consolidated cash flow statement for 1 January – 31 March 2015.

3. Own funds and capital ratios

Hypo Group own funds and capital ratios	31.3.2015	31.12.2014	31.3.2014
Equity	97 417,7	95 392,6	89 380,2
Fair value reserve	2 194,6	1 847,1	2 228,5
Revaluation of defined pension plans	-1 207,4	-1 207,4	-488,0
Surplus from defined pension plans	-5 513,6	-5 515,1	-4 956,7
Common Equity Tier 1 (CET1) capital before regulatory adjustments	92 891,3	90 517,3	86 164,0
Intangible assets	-773,7	-758,8	-626,9
Common Equity Tier 1 (CET1) capital	92 117,6	89 758,5	85 537,2
Additional Tier 1 (AT1) capital	0,0	0,0	0,0
Tier 1 capital (T1 = CET1 + AT1)	92 117,6	89 758,5	85 537,2
Tier 2 (T2) capital	0,0	807,9	346,2
Total Capital (TC = T1 + T2)	92 117,6	90 566,4	85 883,4
Total risk-weighted items	625 498,7	595 458,2	580 655,6
of which credit risk	598 966,1	568 925,6	556 646,6
of which market risk	0,0	0,0	0,0
of which operational risk	26 532,7	26 532,7	24 009,0
of which other risks	0,0	0,0	0,0
Common Equity Tier 1 (CET1) in relation to risk-weighted items (%)	14,7	15,1	14,7
Tier 1 capital (T1) in relation to risk-weighted items (%)	14,7	15,1	14,7
Total capital (TC) in relation to risk-weighted items (%)	14,7	15,2	14,8
Minimum capital	5 000,0	5 000,0	5 000,0
Capital conservation buffer in relation to risk-weighted items (%)	2,5	0,0	0,0
Countercyclical capital buffer in relation to risk-weighted items (%)	0,0	0,0	0,0

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.

As of 1.1.2015 the unrealised gains and losses are included in CET1.
Until 31.12.2014 the unrealised losses were included in CET1
and the unrealised gains in T2.

4. Contingent off-balance sheet commitments

(1000 €)	31.3.2015	31.12.2014	31.3.2014
Commitments made on behalf of a customer to benefit a third party			
Guarantees	2 181,9	2 181,9	2 181,9
Irrevocable commitments given on behalf of a customer			
Granted but unclaimed loans	222 996,0	218 099,9	141 938,5
Potential redemptions of partially owned housing units and those to be completed	864,9	1 340,3	597,4
Total	226 042,9	221 622,1	144 717,8

5. Fair values of financial instruments

(1000 €)		31.3.2015	31.12.2014	31.3.2014
Financial assets	Fair value determination principle	Fair value	Fair value	Fair value
Debt securities eligible for refinancing with central banks	A	204 400,2	100 310,3	73 145,5
Debt securities	A	5 102,0	5 090,7	1 996,0
Derivative contracts	B	0,0	0,0	1 491,6
Total				
Financial liabilities				
Derivative contracts	B	7 054,6	7 856,7	4 516,2

Derivative contracts consist of interest rate and currency 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.

OPINION ON THE REVIEW OF THE 1 JANUARY – 31 MARCH 2015 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 2015, 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 2015 and the result and cash flows of its operations for the three months period ended.

Helsinki, April 28th 2015

PricewaterhouseCoopers Oy

Authorised Public Accountants

Juha Tuomala
Authorised Public Accountant