

Hypo Group's January–December 2017

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

CEO Ari Pauna:

"Hypo's loan portfolio grew to EUR 2.2 billion as a growing number of urban citizens choose Hypo to finance their home or housing company mortgage. The positive development of Hypo's core business continues despite low interest rates and narrowing margins."

- Net interest income increased to EUR 9.0 million (EUR 5.4 million 1–12/2016)
- Low risk loan portfolio secured by housing collateral continued to grow faster than the market
- Non-performing loans remained low and impairment losses were 0 euros
- Net fee and commission income decreased to EUR 3.5 million (EUR 4.5 million 1–12/2016) due to decrease in land trustee service profits.
- Total of other income decreased as capital gains declined especially in investment properties business
- Expenses grew due to Contribution to Financial Stability Authority and increased business volumes
- Common Equity Tier 1 (CET1) ratio, as calculated with standard and basic methods, was 12.7% (13.6% on 31 December 2016)

GROUP'S KEY FIGURES

(1000 €)

	1–12/2017	1–12/2016	10-12/2017	10-12/2016
Net interest income	8 991	5 386	2 712	1 776
Net fee and commission income	3 525	4 439	834	890
Total other income	5 190	7 924	1 142	1 612
Total expenses (incl. depreciation, other operating expenses and impairment losses)	-11 055	-10 403	-2 946	-3 188
Operating profit	6 651	7 347	1 741	1 090
Receivables from the public and public sector entities	2 212 574	1 806 440	2 212 574	1 806 440
Deposits	1 540 400	1 203 042	1 540 400	1 203 042
Balance sheet total	2 792 489	2 305 218	2 792 489	2 305 218
Common Equity Tier 1 (CET1) ratio	12,7	13,6	12,7	13,6
Cost-to-income ratio,%	62,5	57,1	62,6	68,3
Non-performing assets, % of the loan portfolio	0,14	0,11	0,14	0,11
LTV-ratio, % / Loan to Value, average, %	37,4	38,4	37,4	38,4
Loans / deposits, %	143,6	150,2	143,6	150,2

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