

# Hypo Investor Update 4Q2022



Deal Related Roadshow - March 2023



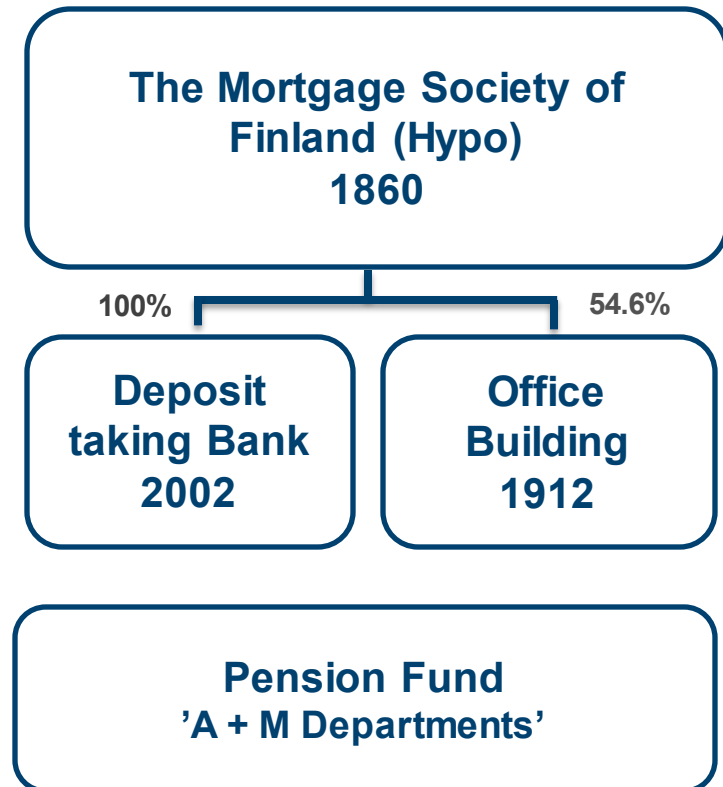
**HYPO**

**Secure Way for Better Living**

# Hypo Group Overview



- Founded in 1860
  - The oldest private credit institution in Finland
- Mutual company governed by the member customers
  - All returns are kept within Hypo
- Retail banking, no corporate lending
- Specialised in mortgage financing
- Residential property always as collateral
- Strong loan book - NPLs 0.14% (as at 4Q22)
- Total assets EUR 3.5 billion (as at 4Q22)
- Established and regular issuer in Finland
- S&P issuer rating 'BBB/A-2' (stable)
- S&P covered bond ratings 'AAA' (stable)
- Supervised by the FIN-FSA



# S&P Issuer Credit Rating of Hypo: 'BBB/A-2' (stable)



## Anchor Rating for Finnish Commercial Banks

a-

### 1. Hypo business position

-2

- Monoline profile as a pure residential mortgage financier in Finland
- Expectation of continued business stability partly offsets concentrated business profile

### 2. Hypo capital and earnings

+2

- Very strong risk-adjusted capitalization (RAC)
- Profit retention as a Mutual company, profits solely used for capital build-up

### 3. Hypo risk position

-1

- Strong asset quality and exceptional decades-long loan-loss track record
- Very conservative lending and underwriting standards with a focus on urban areas
- Concentration and cyclical risk in the lending book

### 4. Hypo liquidity and funding

-1

- Matched funding profile but elevated dependence on wholesale funding
- Issuance of covered bonds leads to a well-matched funding profile
- Less stable deposit base than domestic peers

## Hypo Credit Rating

**BBB (stable)**

# Hypo Leading the Debate on Finnish Mortgage Market



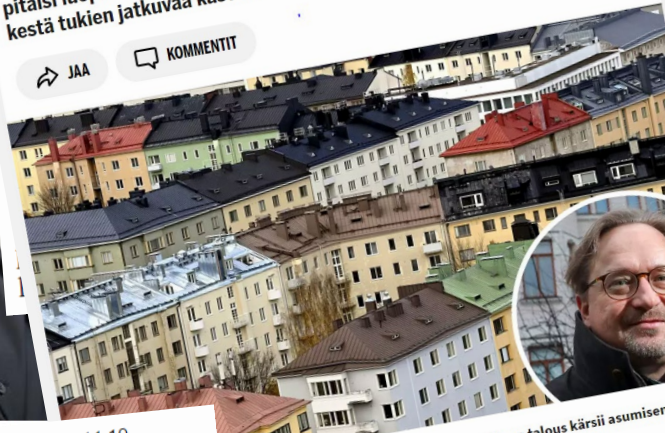
Hypon Ari Pauna täryyttää ja puhuu pakosta: "Pankkien ja kuntien määristä ainakin nolla pois"

15.4.2021 04:30 PANKIT FINANSSI TILINPÄÄTÖS

## Pankkipomolta raju ehdotus: Asumisen tuet pitäisi ajaa alas

Hypon toimitusjohtajan Ari Paunan mukaan vuokra-asumisen tuista pitäisi luopua 15–20 vuoden siirtymäajalla, koska julkinen talous ei kestä tukien jatkuvaa kasvua.

JAA KOMMENTIT



Ekonomisti kertoo, mistä Hypon ennustama asuntojen hintojen lasku johtuu – käänne parempaan 2024



Hypo ennakoi asuntojen hintojen laskevan jyrkästi ensi vuonna, mistä hintojen lasku johtuu?

JULKAISTI

### Hypo asetti kunnille riskiluokituksen – luokitus voi vaikuttaa asuntosi arvoon ja lainaneuvotteluihin

Tulvariski uhkaa joka sadannen asunnon arvoa. Toistaiseksi riskiä ei hinnoitella asuntojen arvoon, mutta Hypon ekonomistin mukaan yksikin ääri-ilmiö voi aiheuttaa dominoefektin.

Ylitarjontaa. Hypon toimitusjohtaja Ari Pauna arvelee, että kiertaluokkaa pienemmällä...  
ETUSIVU » PAIKALLISET 19.11.2021 10:27 | Päivitetty 19.11.2021 11:19

## Asuntojen hinnat nousevat tänä vuonna odotettua enemmän, ennustaa Hypo, pääkaupunkiseudulla hinnannousu 5,5 prosenttia – Myös lainakulut nousemassa



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# Finnish Economy & Housing Market

## Overview



# Finnish economy in a nutshell



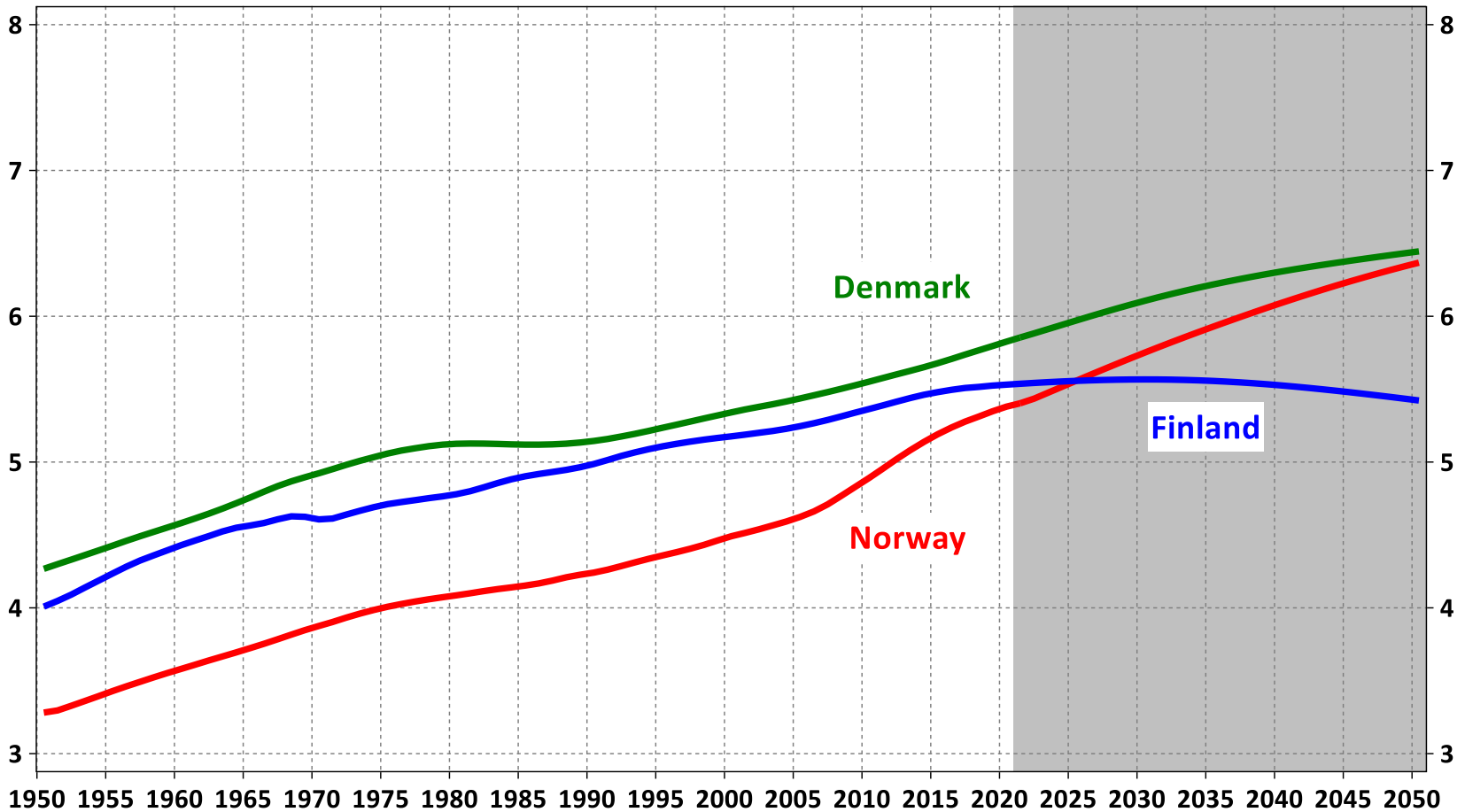
National account	2021	2021	2022	Forecast	
				2023	2024
	EUR bn (current prices)			% y/y	
GDP	252	3,0	2,0	-1,0	1,0
Imports	99	6,0	9,0	-1,0	2,0
Exports	99	5,4	1,5	-1,0	2,5
Private Consumption	123	3,6	2,3	-1,0	1,5
Public Consumption	62	3,2	2,8	0,5	0,0
Investments	60	1,6	4,5	-1,0	1,0
Economic indicators		2021	2022	2023	2024
Unemployment rate, %		7,7	6,8	7,0	7,0
Earnings, % y/y		2,4	2,5	4,5	3,0
Inflation, % y/y		2,2	7,1	4,5	2,0
Housing prices, % y/y		4,1	0,6	-4,0	1,5
Current account, % of GDP		0,4	-3,9	-1,1	0,0
Public deficit, % of GDP		-2,7	-1,8	-2,5	-2,2
Public debt/GDP, % of GDP		72,3	72,0	73,5	75,0

Source: Hypo, Statistics Finland

# Finnish population flatlined



Million, Population, Projection: UN, Statistics Finland



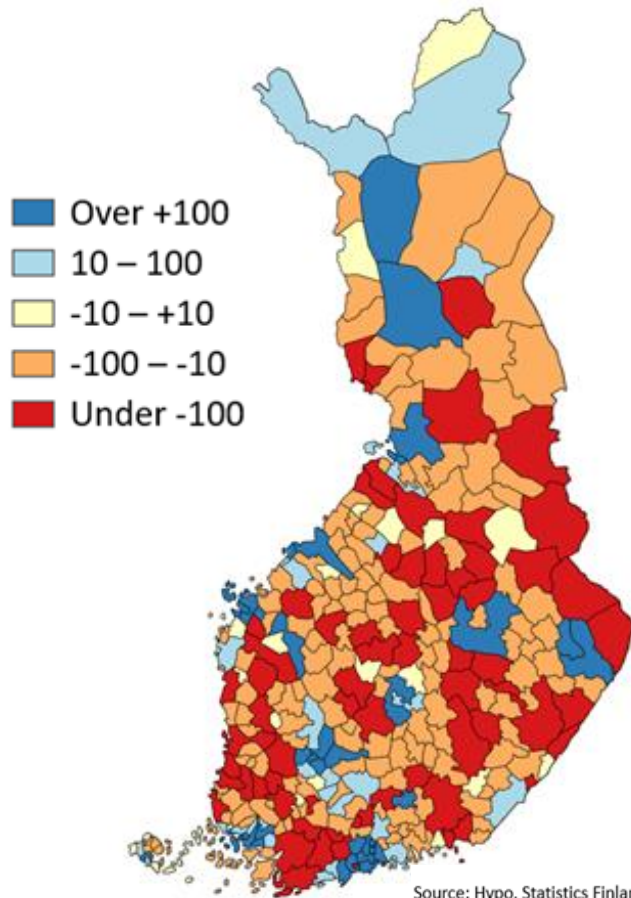
Source: Hypo, Macrobond

PAREMPAAN ASUMISEEN. TURVALLISESTI.

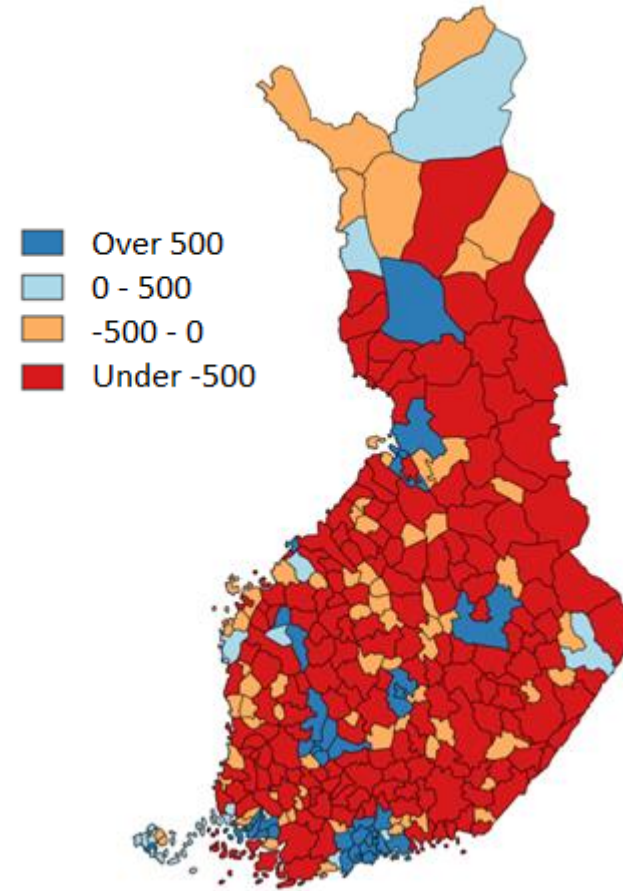


# Urbanization will not die, 1/2

Population change 2022

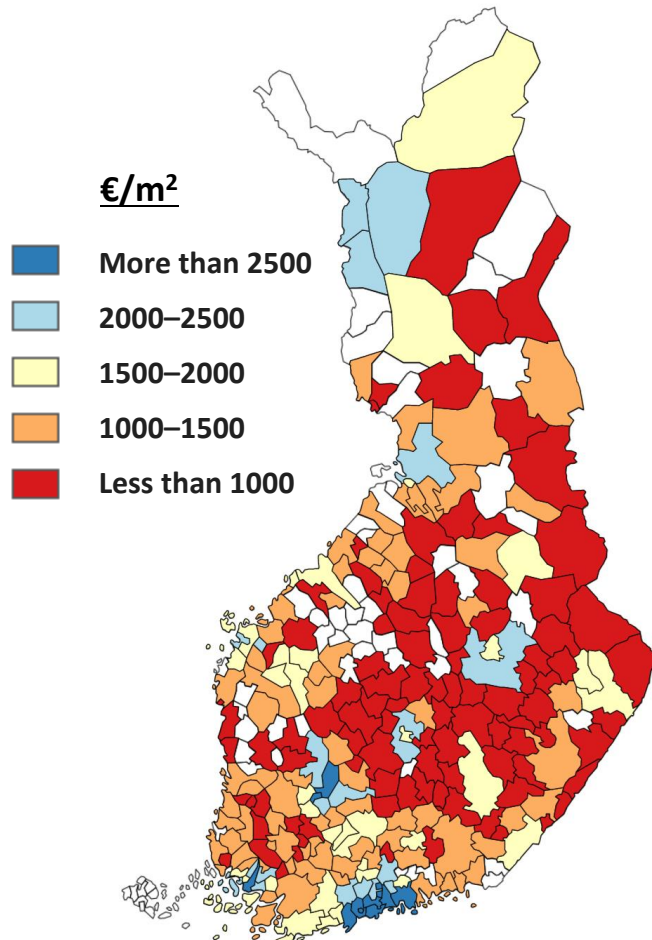


Population projection 2040

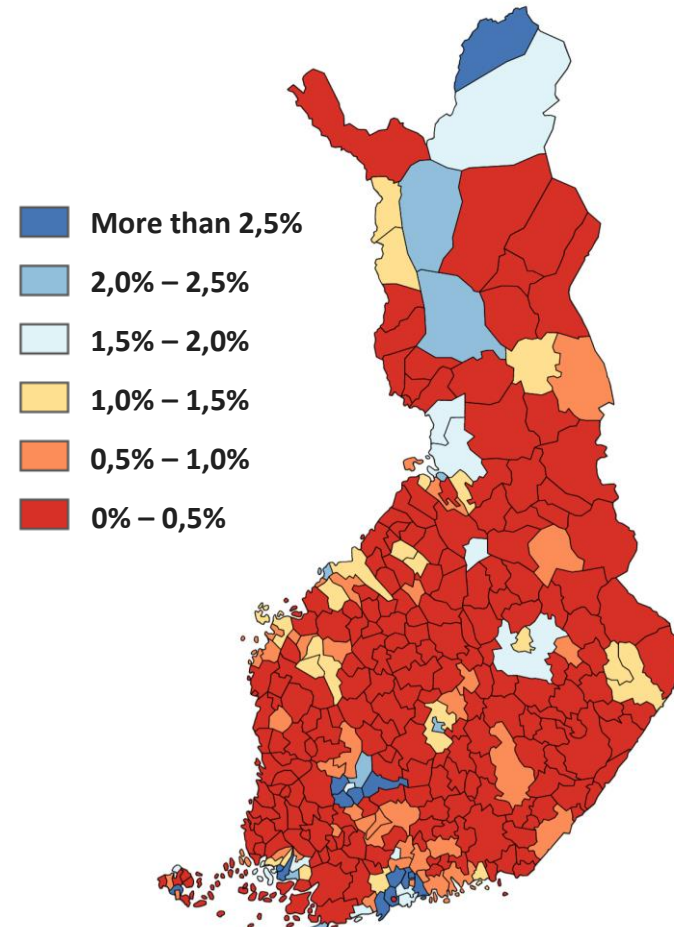


# Urbanization will not die, 2/2

## House prices 2021



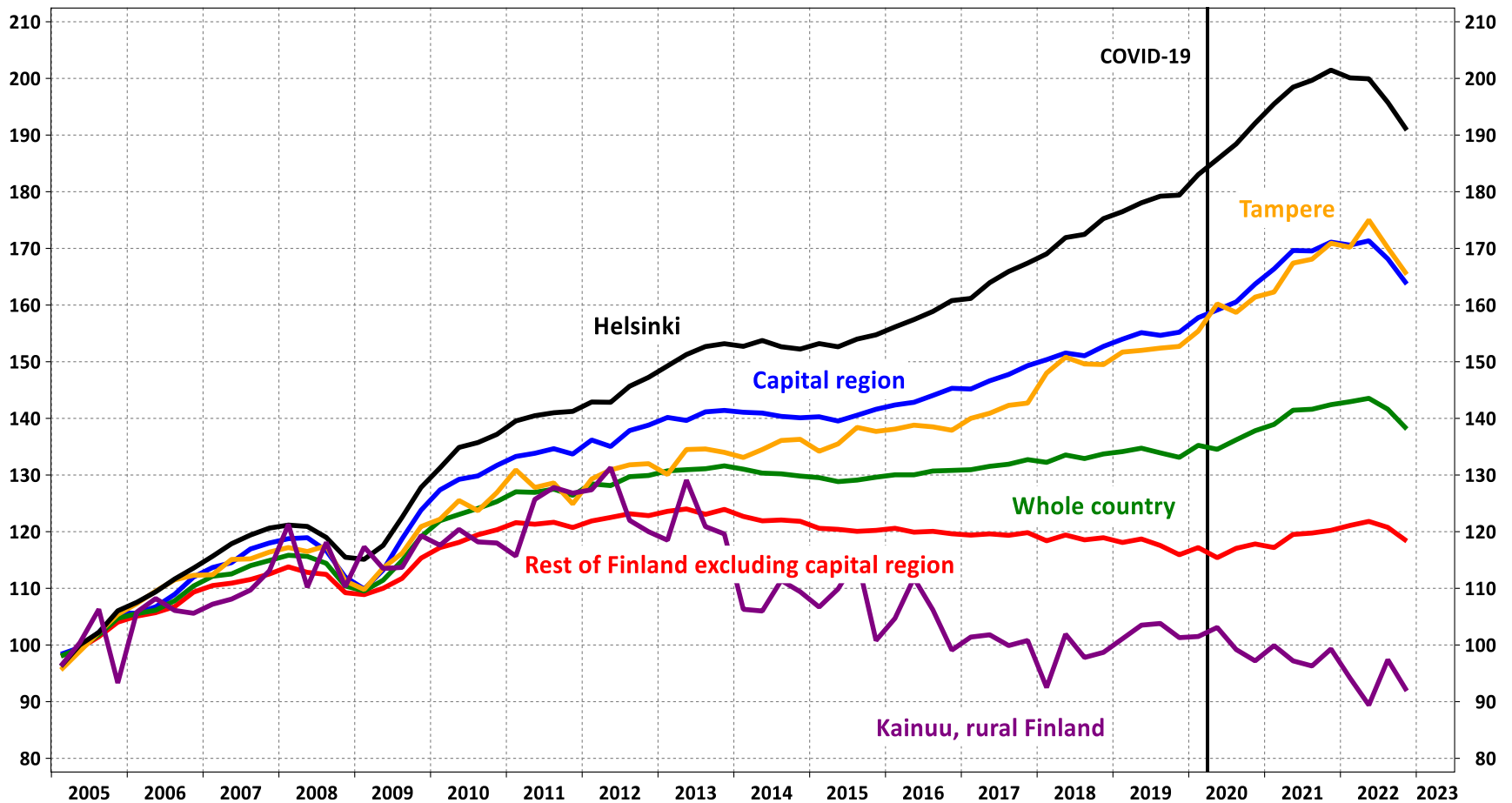
## Newbuilding starts per housing stock 2022



# Urbanization drives housing prices



2005 = 100, Prices of old dwellings, seasonally adjusted

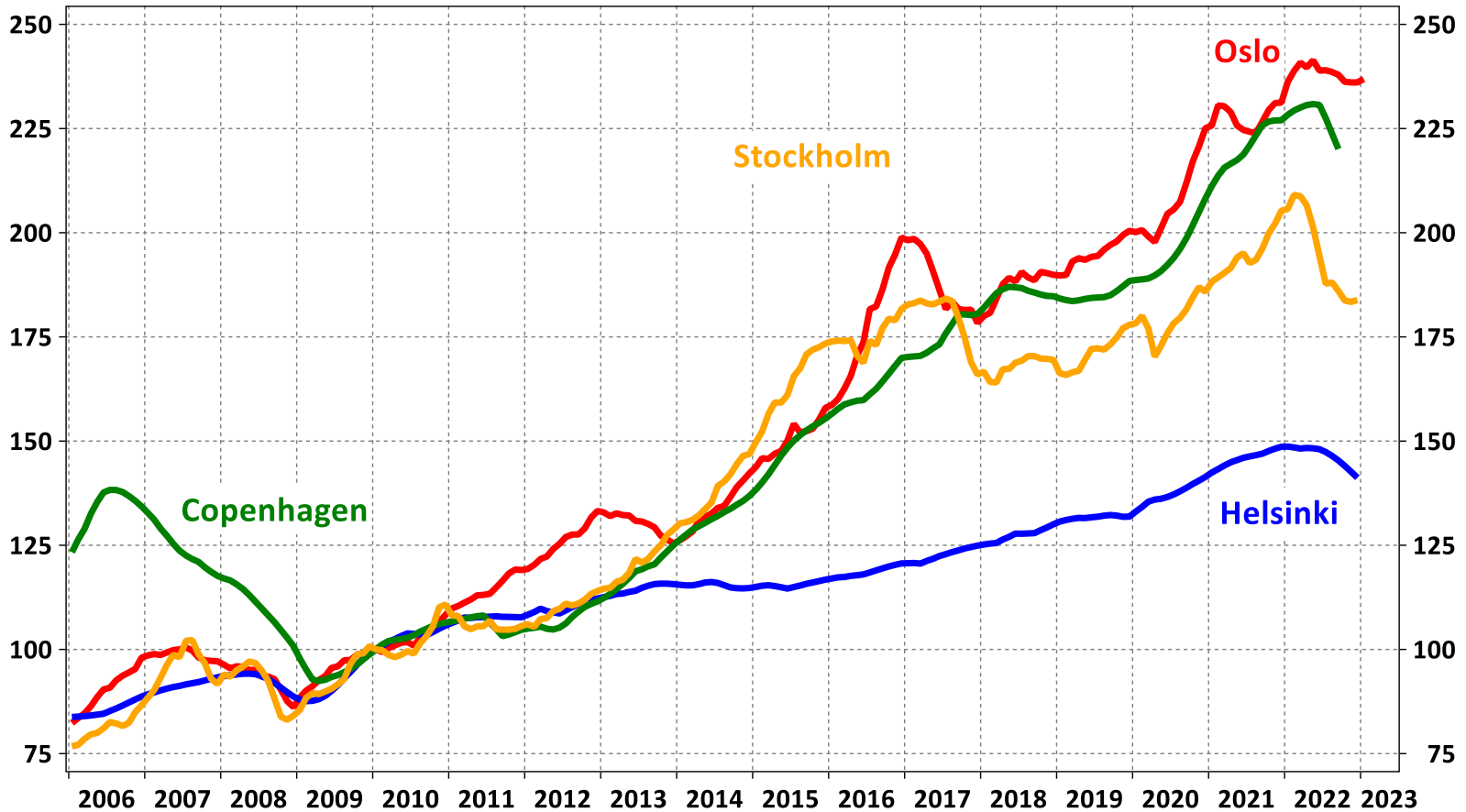


Source: Hypo, Macrobond

# Helsinki stable compared to peers



2010 = 100, apartment prices, seasonally adjusted



Source: Hypo, Macrobond

# Finland stable, no overheating



## Housing Market Indicators

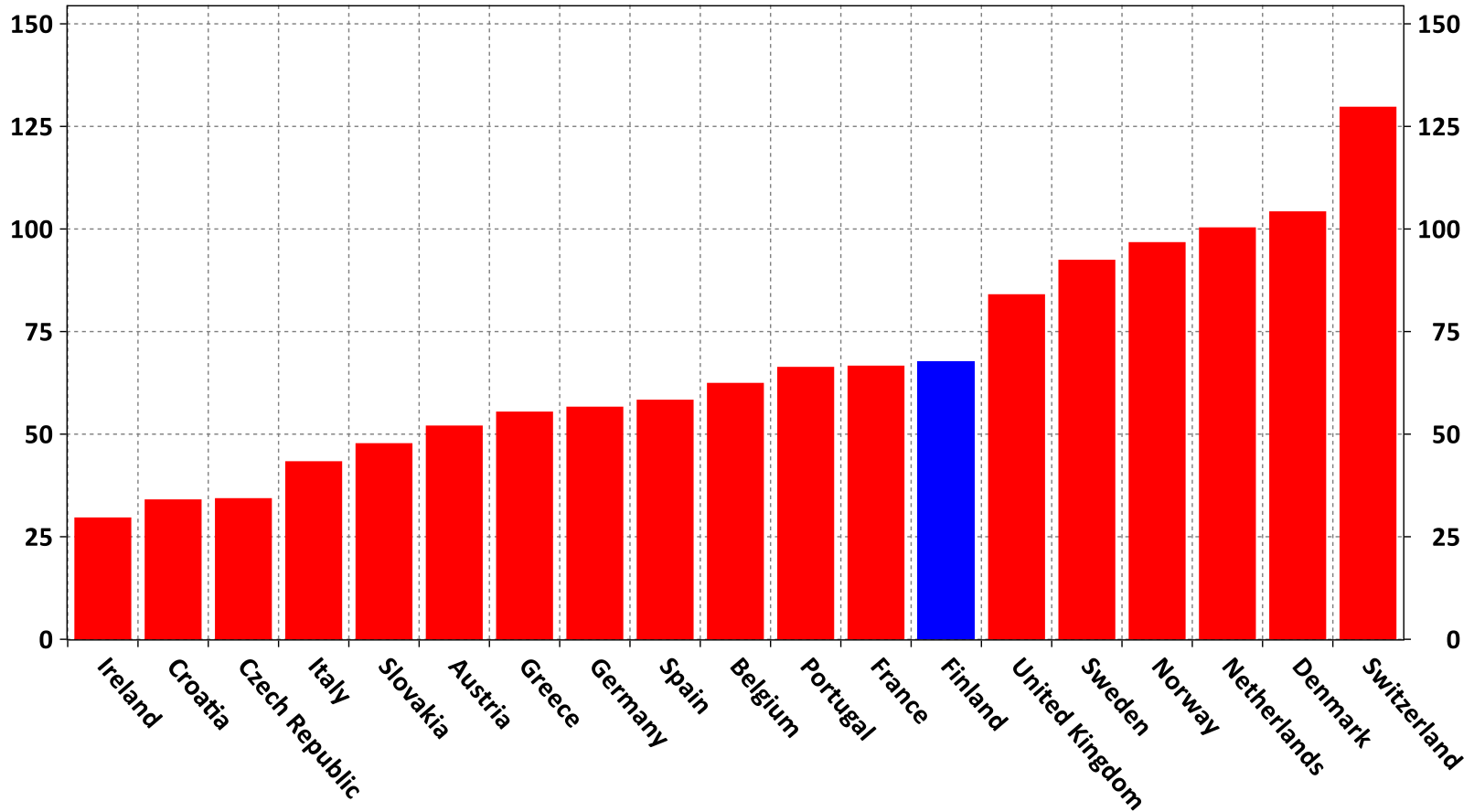
Country	House Price-to-Income Ratio	House Price-to-Rent Ratio	Nominal price index change 2020 %	Real price index change 2020 %	Private sector credit growth 2020 %
Netherlands	151,8	179,8	48,6	20,1	13,5
Portugal	150,4	162,6	37,4	17,8	-0,1
Czech Republic	150,1	166,8	27,8	15,0	0,8
Austria	146,9	142,3	30,6	14,9	5,6
Canada	138,5	148,2	22,3	9,6	24,3
United States	138,3	139,0	36,6	19,0	14,0
New Zealand	132,6	149,5	24,0	9,5	5,1
Germany	131,0	146,0	29,0	14,4	15,9
Switzerland	128,0	126,7	17,7	13,3	13,1
Spain	123,6	134,5	13,6	0,2	0,3
United Kingdom	122,8	131,8	26,4	11,4	-0,5
Australia	120,6	141,5	26,7	15,1	19,9
Japan	115,0	127,7	15,7	13,1	-12,2
Denmark	114,7	123,9	15,8	3,7	0,3
Norway	113,3	125,5	21,7	8,7	17,4
France	111,0	130,3	17,9	9,1	6,7
Sweden	110,1	126,7	15,2	1,9	14,0
South Korea	105,4	112,8	24,9	14,9	15,1
Poland	104,3	114,9	27,1	3,2	-0,5
Belgium	102,0	118,9	18,1	4,3	0,4
<b>Finland</b>	<b>95,3</b>	<b>100,3</b>	<b>7,8</b>	<b>-2,4</b>	<b>0,8</b>
Italy	90,3	104,1	7,6	-2,6	0,2

MACROBOND

# Household debts still moderate



% Household debt to GDP

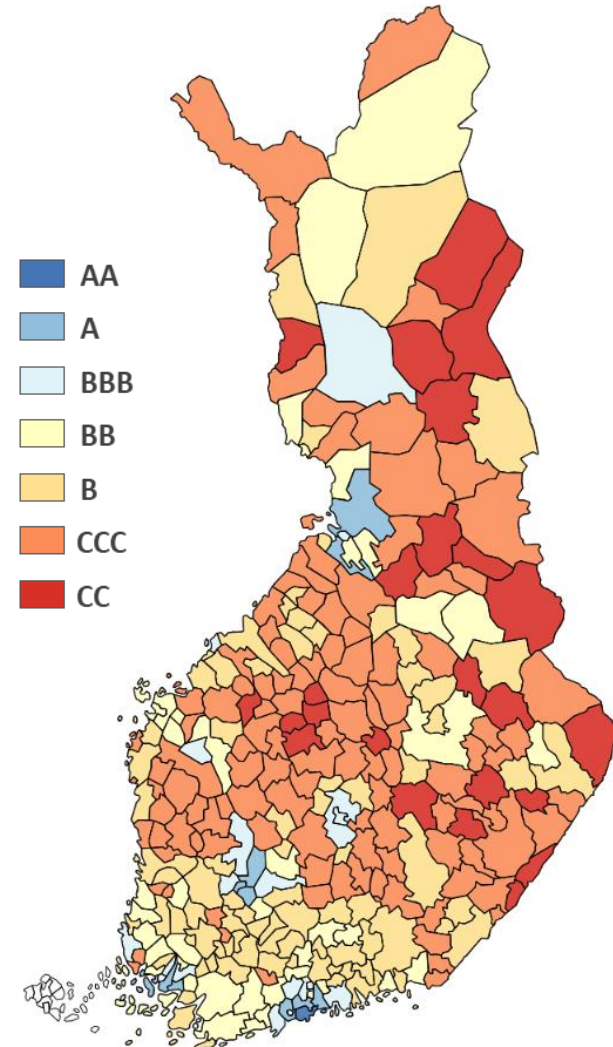


Source: Hypo, Macrobond

# Hypo regional rating for collaterals



- A rating for housing markets across Finland. Risks differ significantly between different areas in Finland as is known.
- Hypo-rating is a clear framework based on the key measures that make it possible to analyze housing market development across Finland.
- Model includes variables such as housing prices, housing transactions, demographics, income growth, crime and distance to university hospitals.
- Housing finance is based on covered bonds. The model gives valuable information of different risks to ordinary buyers in the housing market as well as credit rating institutions and institutional investors of different risks.



# Key takes

- **Demand:** Buyers weary of risks related to higher costs, interest rates and Russia's war against Ukraine. Long-term effects of the pandemic still unknown but probably support higher housing consumption and lower office building demand. Population and thus housing market outlook differ significantly across Finland. No major imbalances.
- **Supply:** Construction activity (was) high for newbuilding in largest cities but will decline sharply in 2023
- **Results:** Prices set to decline still in H1 2023, but from 2024 back to previous trend.
- **Things to watch:**
  1. How will the +50 000 Ukrainian refugees impact the housing market?
  2. What will be the new government's housing policies?
  3. What areas and real estate markets be the true winners from remote work?
  4. How will the housing investor landscape change?
  5. Keep an eye of the real rate in addition to the nominal interest rate.





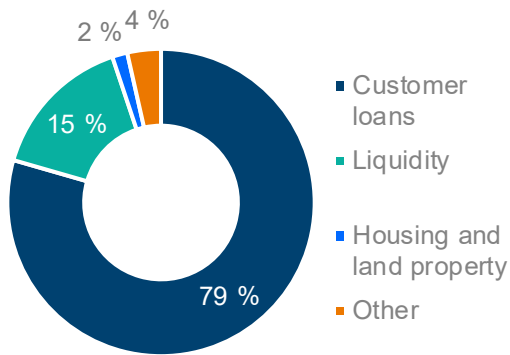
# Financial Results



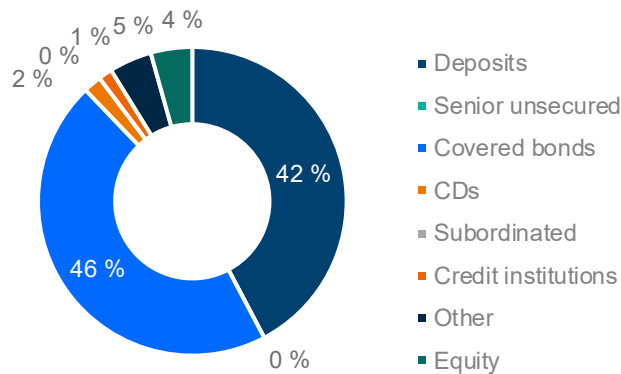
# Strong Balance Sheet



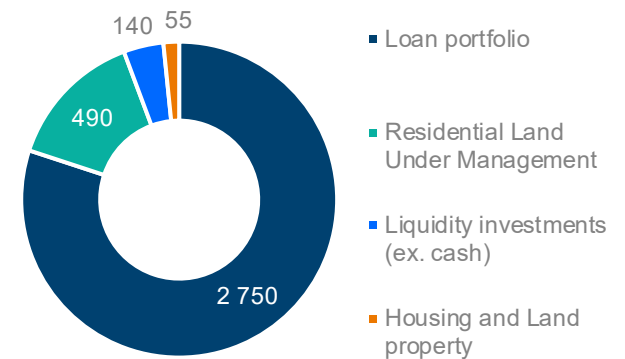
Total Assets



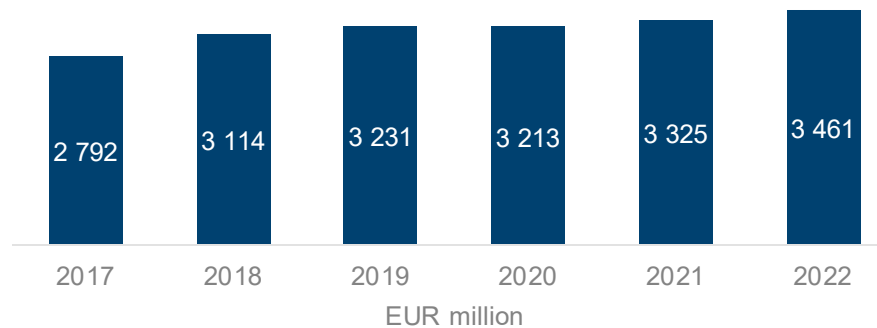
Liabilities and Equity



Revenue generating assets (m€), on and off balance sheet

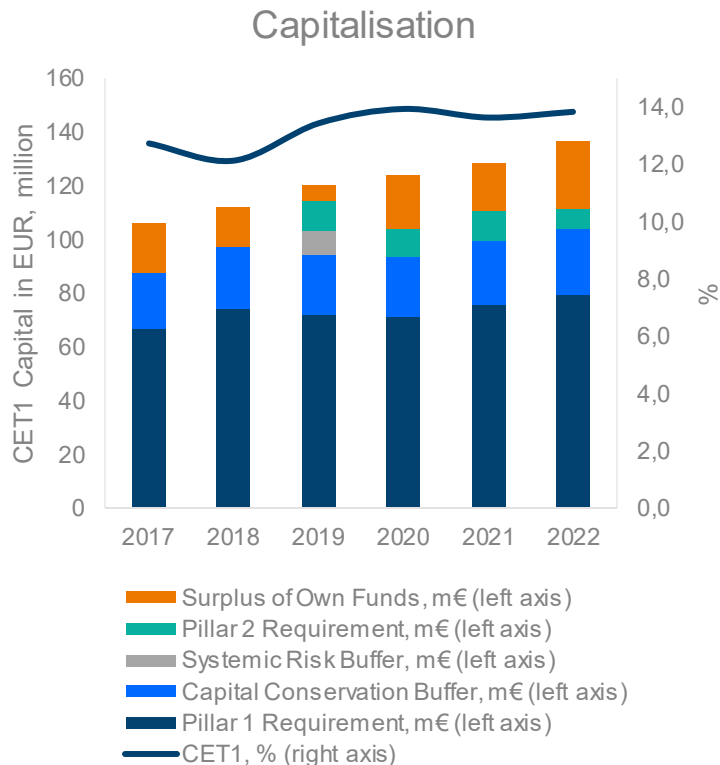


Balance Sheet Total



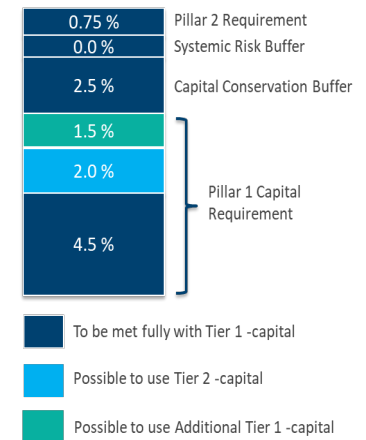
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# Solid Capital Basel III Standard Approach



- Mutual company: all profits are retained and added to the core capital
- S&P's Risk Adjusted Capital 17.9% on 31.12.2021
- Total Capital Ratio 13.8%, all CET1 (as at 4Q2022)
- EUR 25 million of excess capital after

Pillar 1 Capital Requirement	8.00 %
Capital Conservation Buffer	2.50 %
Systemic Risk Buffer	0.00 %
<ul style="list-style-type: none"> <li>• 0 % from 6.4.2020 onwards</li> </ul>	
Pillar 2 Requirement	0.75 %
<ul style="list-style-type: none"> <li>• Entered into force 31.12.2022</li> </ul>	
<b>➔ Total Capital Requirement</b>	<b>11.25 %</b>



- EUR 4.8 million of hidden reserves in housing property (not marked-to-market) and EUR 6.4 million of surplus in Pension Fund
  - Inclusion into CET1 would raise the ratio to 14.7%
- Basel III standardized approach risk weights
  - Lending with residential collateral: 35% risk weight
  - Housing and land investments: 100% risk weight

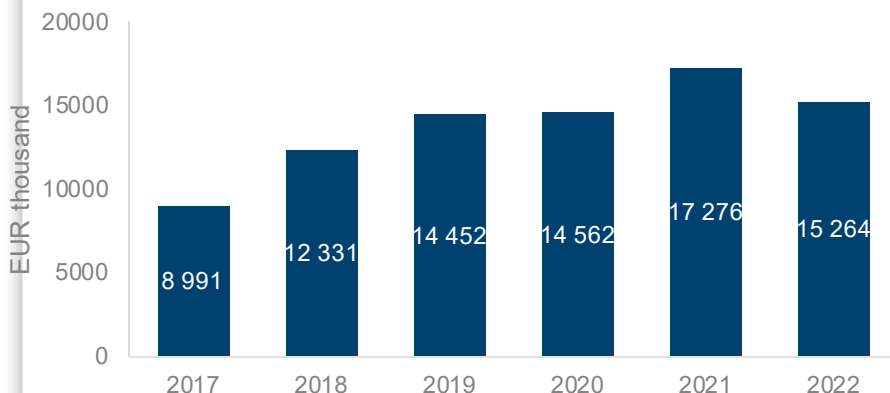
# Group Income Statement



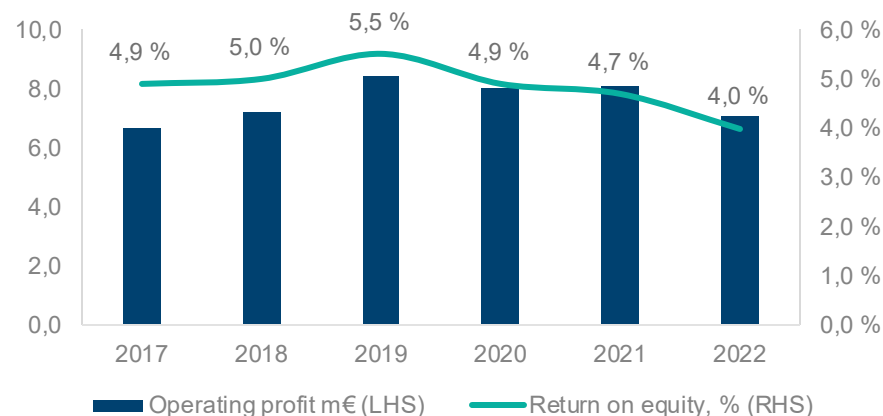
(EUR 1,000)	2022	2021	2020	2019
<b>Net Interest Income</b>	15,264	17,276	14,562	14,452
<b>Net Fee and Commission Income</b>	3,592	4,077	3,675	3,562
<b>Total Other Income</b>	5,766	4,734	4,236	2,689
<b>Total expenses</b>	-17,543	-18,023	-14,429	-12,296
<b>Operating Profit</b>	<b>7,079</b>	<b>8,064</b>	<b>8,044</b>	<b>8,407</b>

- In 2022, net interest income decreased by 11.6% to EUR 15.3 million due to increased interest rates
- Hypo Group's operating profit was EUR 7.1 million in 2022
- Net Fee and Commission Income totaled EUR 3.6 million in 2022
- Total other income (incl. treasury operations and housing and residential land) amounted to EUR 5.8 million in 2022
- Total expenses totaled EUR 17.5 million in 2022
  - Includes the yearly contribution to the Single Resolution Fund EUR 2.1 million

### Net Interest Income



### Profitability



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# Group Key Financial Figures

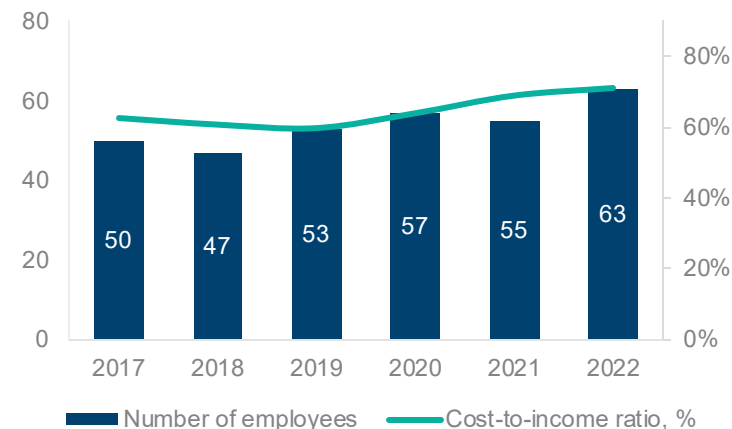


	2022	2021	2020	2019
<b>Return on Equity (ROE), %</b>	4.0	4.7	4.9	5.5
<b>Common Equity Tier 1 (CET1), %</b>	13.8	13.6	13.9	13.4
<b>Cost-to-income, %</b>	71.2	69.0	63.9	59.6
<b>Non-performing loans (NPL), %</b>	0.14	0.14	0.11	0.10
<b>Loan to value (LTV), %</b>	30.8	33.1	33.8	35.3
<b>Loans / deposits, %</b>	187.0	158.8	160.7	158.8
<b>Loan portfolio total (m€)</b>	2,750	2,637	2,511	2,586
<b>Balance sheet total (m€)</b>	3,461	3,325	3,213	3,231

- Total assets were EUR 3.5 billion and loan portfolio EUR 2.8 billion in 2022
- In 2022 CET1 ratio was 13.8% (13.6% as at ye2021) and equity amounted to EUR 150.5 million (143.7 million as at ye2021)
- Group's financial position remained stable throughout the period
- Strong credit profile with both very low NPLs and LTV's

- Cost-to-income ratio was 71.2% in 2022 (69.0% as at ye2021); increase due to core banking system project which is now successfully implemented

Cost-to-Income Ratio (%) and Number of Permanent Employees



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# Hypo's Loan Book

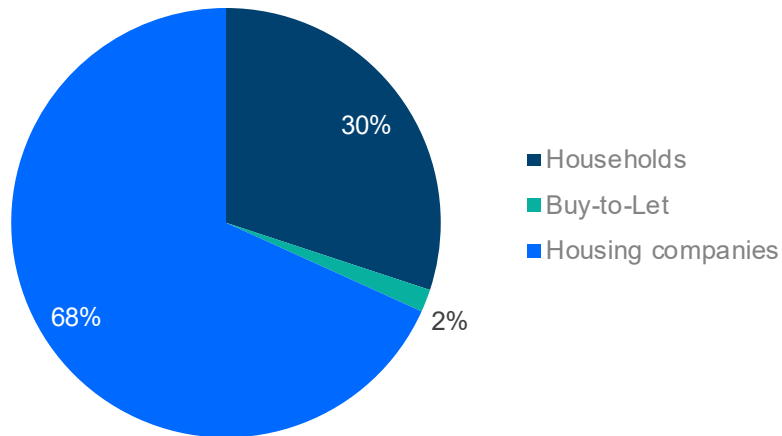


# Loan Book Overview

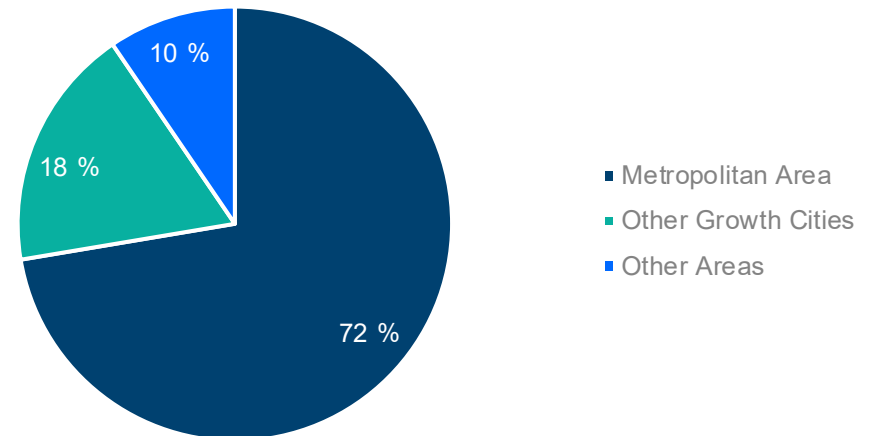


- Hypo's loan book is EUR 2,749.9 million
- Mortgage loans secured by residential property
- Collateral requirement is set in the Finnish Act on Mortgage Societies
- Two main customer groups
  1. Households: home mortgage, buy-to-let
  2. Housing companies: renovation loans

Lending by Customer Type



Loan Book by Customer Domicile

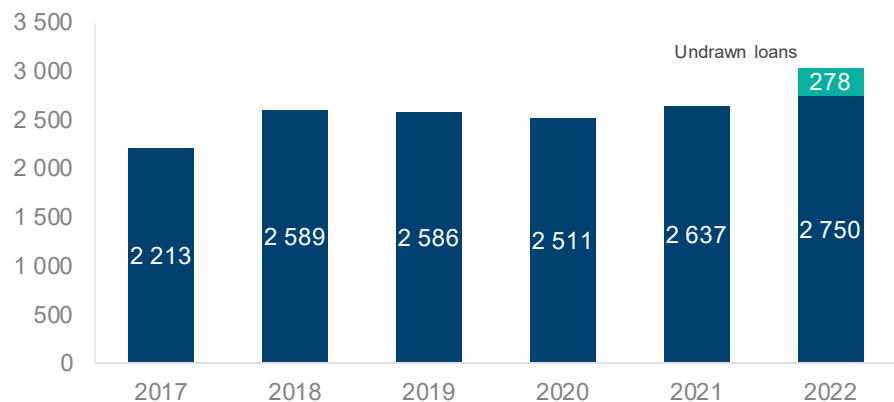


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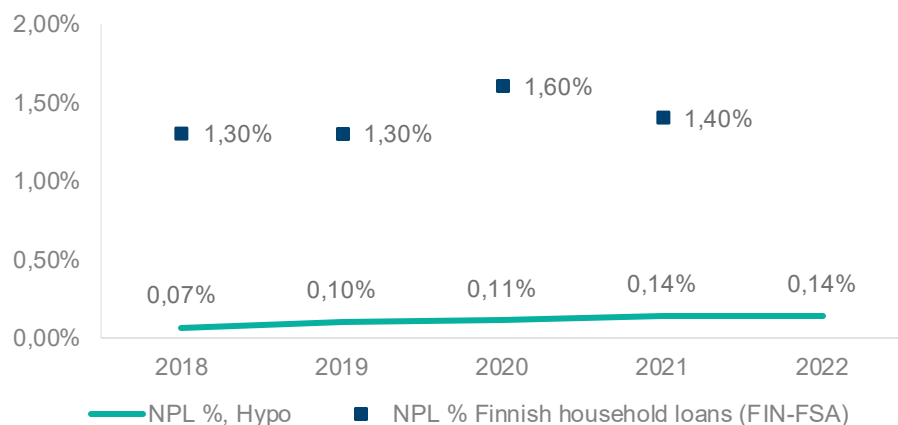
# Loan Book Quality Excellent



Hypo Loan Book Total, m€



Non-performing Loans (%)



- During the financial period, the loan portfolio grew 4.3% to EUR 2,749.9 million
- Currently EUR 278 million undrawn loans
- All lending is against residential collateral
- Only EUR denominated lending
- All collateral is located in Finland
- Strategic concentration in the Helsinki Metropolitan Area and other specified growth areas
- Non-performing loans remained very low at 0.14% of total loans
- The quality of the loan book is well above the Finnish household loans' average NPLs

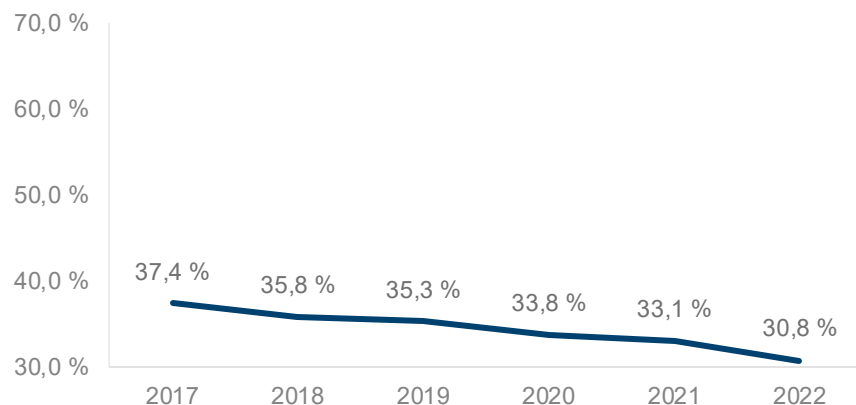
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# Loan Book Securely Collateralised

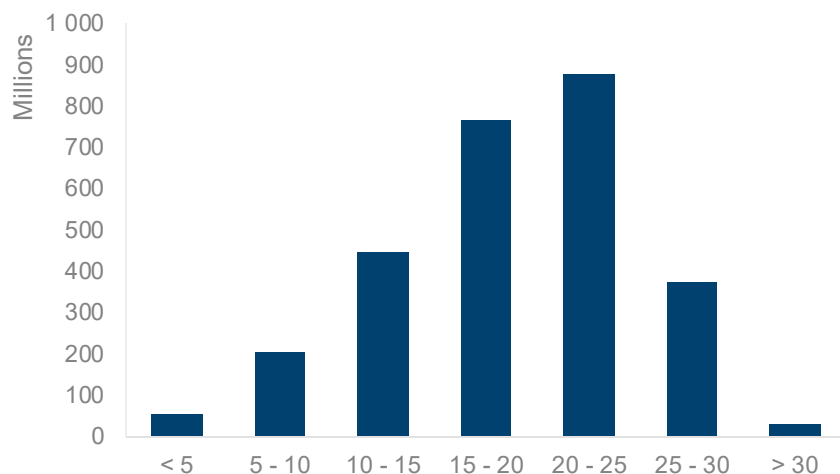


Hypo Loan Book Average LTV



- Low LTV combined with conservative collateral valuation makes Hypo's loan book very strong even in times of stress
- Hypo's loan portfolio is entirely secured by residential property
- The average LTV (loan-to-value) is strong at 30.8%
- Around 99% of the loans are amortizing and 1% bullets
- >90% of loan book is risk weighted at 35% or lower
- The average maturity of a loan at the time of withdrawal is 23.4 years
- Financed properties are mainly located in the densely populated Helsinki Metropolitan Area

Loan Book by Remaining Maturity (years)

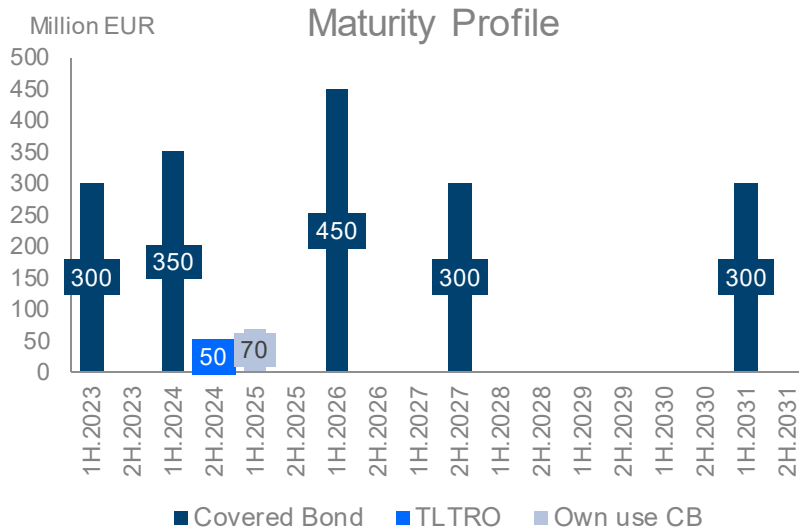


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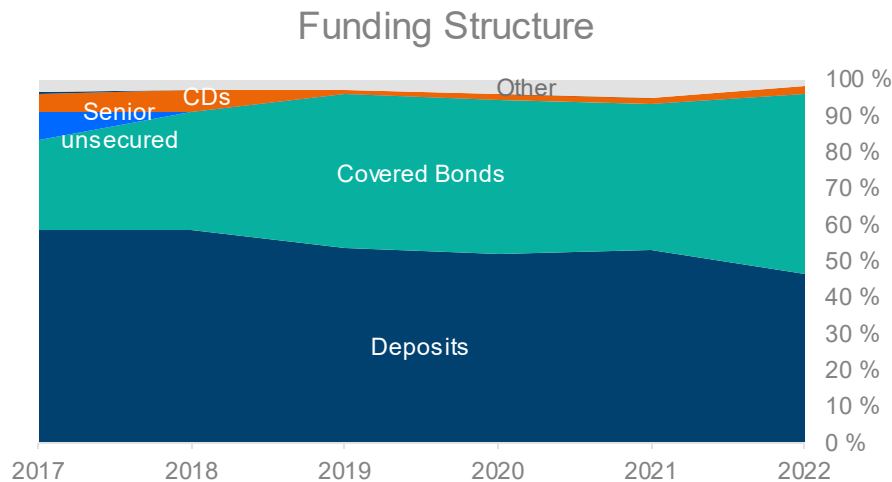
# Funding and Liquidity



# Diversified Funding Profile



- Covered bond program was inaugurated in 2016
  - Issuer is the group parent, no separate entity
  - Larger issues ( $\geq 250$  million) LCR level 2A eligible
- All Hypo's bonds are
  - Listed on the NASDAQ OMX Helsinki Oy trading list
  - Issued under Finnish legislation and Domestic programmes
- Deposit funding collected through 100% subsidiary bank "Suomen AsuntoHypoPankki"
- Other funding sources
  - Domestic Certificate of Deposit programme
  - ECB repo counterparty
  - Bilateral loans
- NSFR 106.5% (114.1 % as at ye2021)
- Deposits through the AsuntoHypoPankki subsidiary form currently ~46% of total funding
- Covered bonds currently ~50% of total funding
- Domestic CD program supports short term funding needs

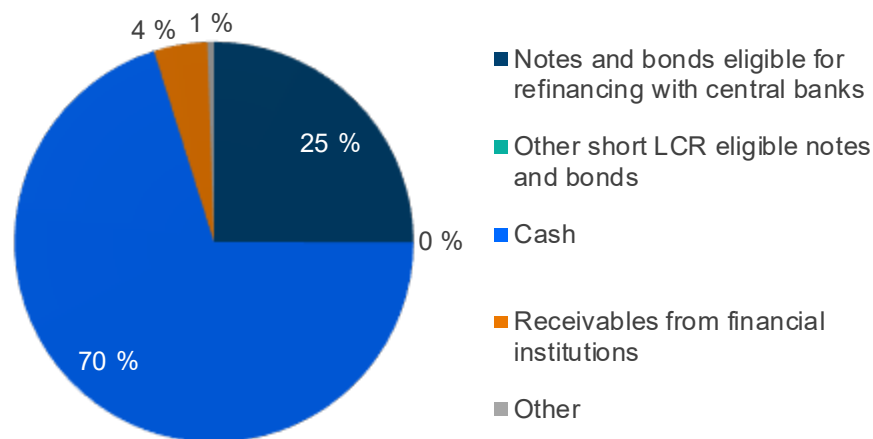


# Solid Liquidity Position



## Liquidity portfolio EUR 560.8 million as of 31.12.2022

- Equaling 16.2% of total assets
- Conservative investment policy
  - 100% of debt securities invested in at least 'AA-' rated instruments
  - 100% of debt securities are ECB repo eligible
- Only EUR denominated exposure
- Hypo's domestic MTN and CD programmes support liquidity
- LCR 201.6% (179.9% as at ye2021)
- Liquidity covers wholesale funding cash flows for the following 17 months.



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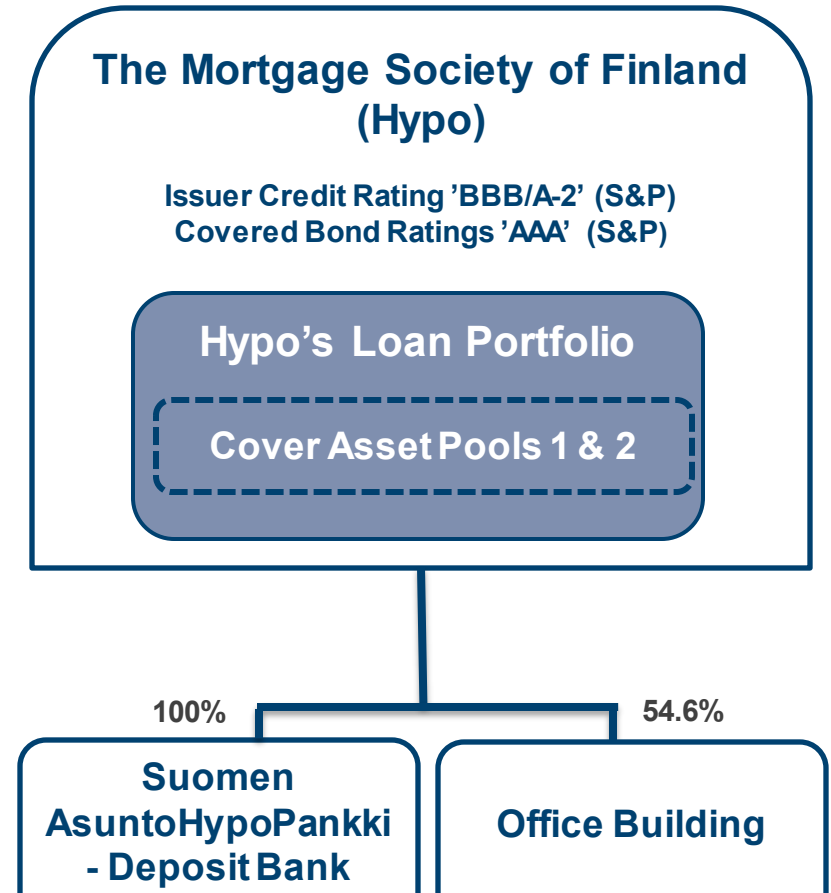
# Covered Bonds



# Simple Structure, High Transparency



- Covered bonds issued directly from Hypo's balance sheet
  - Issuer the group parent Hypo
  - No separate covered bond entity
  - The assets are segregated by covered bond registers
- Issuer Credit Rating 'BBB/A-2' (stable)
- Covered Bond Ratings 'AAA' (stable)



# Hypo Covered Bonds Executive Summary – 31.12.2022



- Issuer is the Group parent, no separate covered bond issuer
- Hypo is a member of ECBC
- Covered bonds rated 'AAA' (stable) by S&P
- Cover pools consist 100% of Finnish residential property
  - Regulatory risk weight of pool assets 35% (Basel III standard method)
  - All collateral located in selected prime growth centers
- Total amount outstanding EUR 1,770 million
- Total amount of cover pools EUR 2,288 million
  - Pools are dynamic
- Current WALTV's for pools 29.4% and 20.8%
- Current nominal overcollateralization for pools 30.5% and 23.3%
  - Commitment to keep the OC, in both pools, all times at a level commensurate with a 'AAA' rating from S&P Global Ratings
  - Legally binding OC requirement: 2% of the net present value
- Hedging agreements in place to mitigate interest rate risk

Type	ISIN	Issue Date	Maturity Date	Nominal (m€)	Coupon	Pricing
Covered – Pool 1	FI4000266903	28.6.2017	28.6.2024	250	Fixed +0.375	MS +9
Covered – Pool 1	FI4000266903 (tap)	25.10.2017	28.6.2024	50	Fixed +0.375	MS +4
Covered – Pool 1	FI4000315841	24.4.2018	24.4.2023	250	Fixed +0.375	MS +6
Covered – Pool 1	FI4000315841 (tap)	14.11.2018	24.4.2023	50	Fixed +0.375	MS +9
Covered – Pool 1	FI4000375092	13.3.2019	13.3.2026	300	Fixed +0.5	MS +15
Covered – Pool 1	FI4000496344	24.3.2021	24.3.2031	300	Fixed +0.01	MS +6
Covered – Pool 1	FI4000522420 (own use)	20.4.2022	20.4.2025	70	Float EUB 3M +7 bps	
Covered – Pool 1	FI4000375092 (tap)	26.4.2022	13.3.2026	150	Fixed +0.5	private placement
Covered – Pool 1	FI4000266903 (tap)	9.9.2022	28.6.2024	50	Fixed +0.375	private placement
Covered – Pool 2	FI4000541461	15.11.2022	15.11.2027	300	Fixed +3.25	MS +23

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# New Act on Mortgage Credit Banks and Covered Bonds (151/2022)



- The New Finnish Act came into force on July 8th, 2022
  - New Act repealed the old Act on Mortgage Credit Bank Operations (688/2010)
  - All future new issuance will be done under the new Act
  - Hypo will have two pools: one for issuance under the old Act and one for issuance under the new Act
  - All issues compliant with the new Act can use the label "European Covered Bond (Premium)"
- The Mortgage Society of Finland was granted a licence to issue covered bonds under the new Act by the Finnish Financial Supervisory Authority



**Cover Asset Pool 2**

**Act 151/2022**



# Eligibility Criteria for Cover Pool 2



<b>Origination</b>	<ul style="list-style-type: none"><li>• Issuer the Mortgage Society of Finland (Hypo)</li><li>• Only mortgage loans originated by Hypo</li></ul>
<b>Applicable law</b>	<ul style="list-style-type: none"><li>• Act 151/2022</li></ul>
<b>Assets Categories</b>	<ul style="list-style-type: none"><li>• 100% Finnish residential assets<ul style="list-style-type: none"><li>• Retail mortgages</li><li>• Housing company residential mortgages (common debt between multiple individuals)</li></ul></li></ul>
<b>Customer Credit Quality</b>	<ul style="list-style-type: none"><li>• No arrears (&gt;30 days)</li><li>• No negative credit history</li><li>• Over 70% of the pool loans have the best internal credit class 'A'</li></ul>
<b>Collateral</b>	<ul style="list-style-type: none"><li>• Maximum LTV limit 80%</li><li>• Current Pool WALTV 20.8%</li><li>• Finnish residential collateral, located in prime growth centers</li><li>• Collateral valuations updated quarterly</li><li>• Commitment to keep OC all times at the level commensurate with S&amp;P rating 'AAA'</li></ul>
<b>Type of Properties</b>	<ul style="list-style-type: none"><li>• Primary residences</li><li>• Limited liability housing companies (multiple individuals)</li></ul>
<b>Type of Products</b>	<ul style="list-style-type: none"><li>• Principal repayment mortgages<ul style="list-style-type: none"><li>• 99% floating interest rate</li></ul></li><li>• No revolving/flexible loans</li></ul>

SECURE WAY FOR BETTER LIVING.

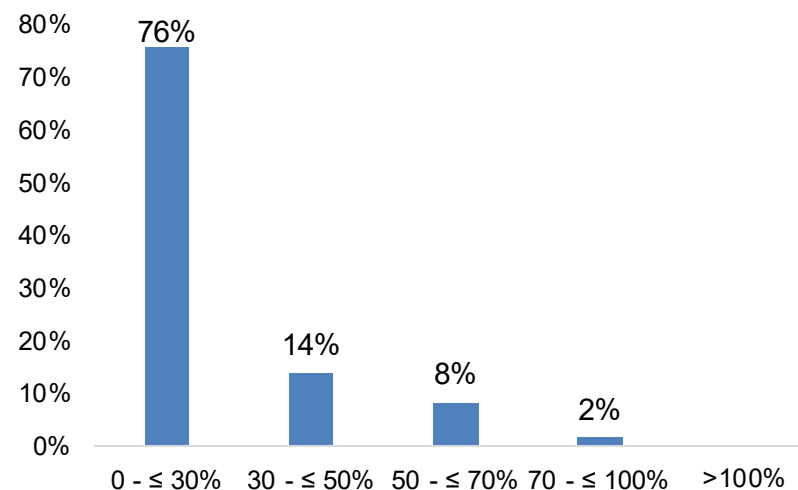
# Cover Asset Pool 2 Data (1/3)



## Pool Data as at 31.12.2022

Applicable law	Act 151/2022
Total Cover Pool (nominal)	EUR 370 014 589
Eligible Cover Pool	EUR 369 913 440
Average Loan Balance	EUR 235 618
Number of loans	2 076
Number of properties	1 587
Number of clients	1 810
WA seasoning (months)	90
WA remaining term (months)	190
WA LTV (indexed)	20.8%
WA LTV total (indexed)	20.8%
Interest	Variable 99% Fixed 1%
Loans in arrears (>30 days)	0.00%
OC level (nominal)	23.3%
OC level (eligible)	23.3%
Pool Type	Dynamic

## LTV Distribution

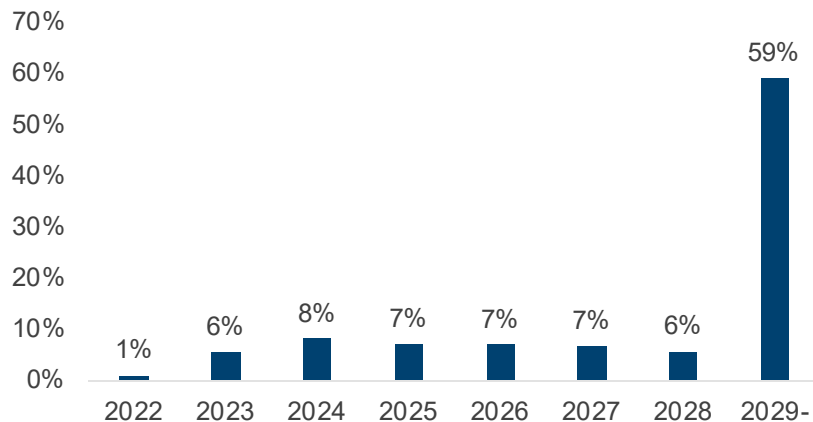


- The weighted average indexed LTV of the pool is 20.8%
- No non-performing loans in the cover pool
- No arrears
- Well-seasoned mortgage cover pool

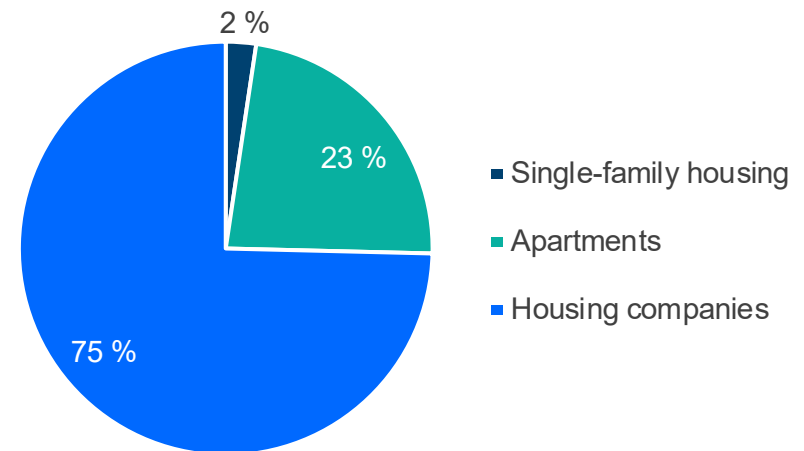
# Cover Asset Pool 2 Data (2/3)



## Pool Loan Maturity Profile Contractual Amortizations



## Pool Collateral Types



- Balanced pool composition: 25% of retail mortgages and 75% of housing company residential mortgages
- All loans with contractual repayment schedule
- Stable amortization profile
- No public sector loans in the pool
- Currently no substitute assets in the pool

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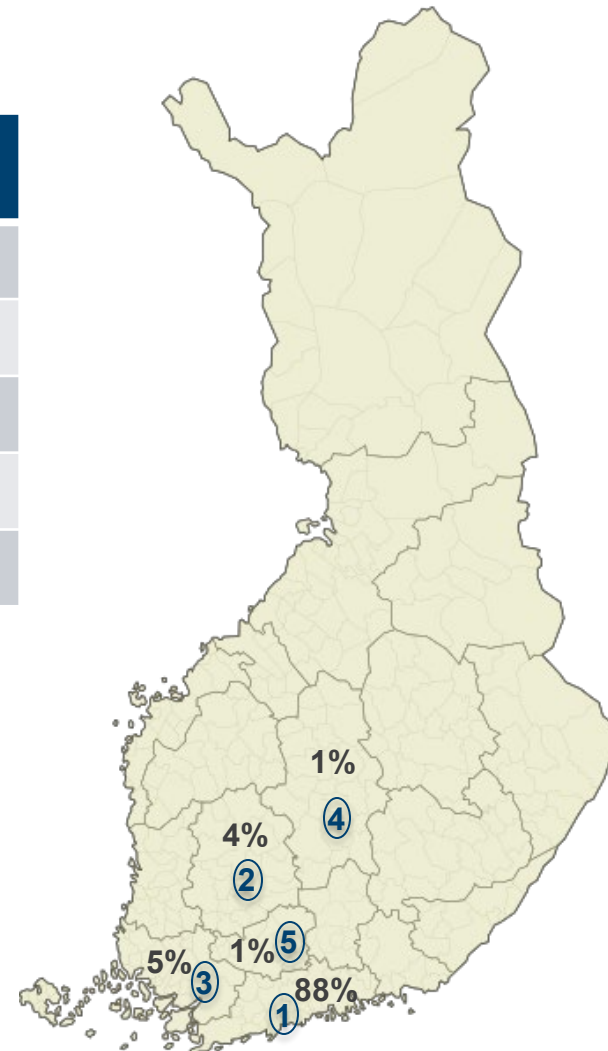
# Cover Asset Pool 2 Data (3/3)



## Geographical Distribution as at 31.12.2022

	Region	Major City	Share of the Pool
1	Uusimaa	Helsinki	88%
2	Pirkanmaa	Tampere	4%
3	Varsinais-Suomi	Turku	5%
4	Central Finland	Jyväskylä	1%
5	Kanta-Häme	Hämeenlinna	1%

Hypo's strategic choice is to operate only in prime growth centers.

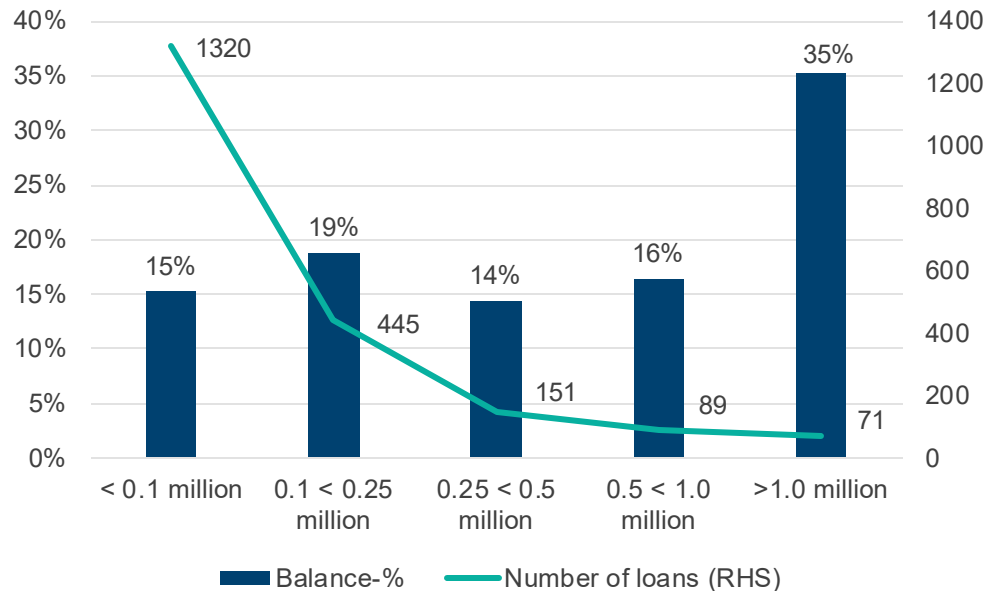


SECURE WAY FOR BETTER LIVING.

# Cover Pool 2 Loan Size Distribution



## Loan Size Distribution: Share and Number of Loans



- 34% of loans in the pool have remaining balance below EUR 250,000.
- Loans with remaining balance > 1 million are housing company loans (= common debt between multiple individuals)
- Loans with remaining balance < 5,000 excluded from the cover pool

# Cover Pool 2 Stress Test



## Pool Resilient to House Price Decline

LTV	House price decline 0%	House price decline 10%	House price decline 20%	House price decline 30%	House price decline 40%
0- ≤ 40%	308	295	288	268	247
40- ≤ 70%	55	58	54	61	69
70- ≤ 100%	7	17	27	34	33
>100%			1	7	22
<b>Pool total (nominal), EUR million</b>	370	370	369	363	348
<b>OC (nominal)</b>	23.3%	23.3%	22.9%	21.2%	15.9%

- The stress test assumes that no action is taken to include new loans into the pool.
- Even in an extreme stress scenario, where house prices decline by 40% overnight, the pool of loans total still exceeds EUR 300 million (the total outstanding amount of bonds).

ESG





# ESG – natural part of Hypo's operations



- Hypo's basic purpose as a mortgage lender is to increase responsibly wellbeing through building wealth via home ownership
- Hypo participates actively in public conversation concerning housing markets and the economy
  - Our aim is to promote best practices and point observed defects
- Hypo Regional Rating takes also environmental risks related to housing into account (since September 2021)
  - Included topics: risk of flooding, energy efficiency and quality of building
- Environmental goals have also been integrated into lending
  - Housing company loans granted to renovation purposes make up two thirds of total lending
    - Renovations prolong the life of the building

# ESG – social responsibility through employer and taxpayer roles



- Employer responsibility
  - Well-being of the personnel is actively taken care of by investing in health care services and other benefits
    - Employee turnover is small, and Hypo has a lot of long-term, committed personnel
  - Hypo has an Employee equality plan, that is monitored yearly
    - No discrimination tolerated
  - Hypo operates from one office with possibility of working remotely
- Taxpayer
  - In 2022 Hypo paid over 2 million euros to deposit guarantee and resolution funds to protect depositors and taxpayers
  - 6.1 million euros was paid in salaries, and 3.2 million euros in pension expenses, other side expenses and taxes.
- Donations to non-profit organisations, e.g. UNICEF's support for Ukraine, Baltic Sea Action Group and Save the Children

# Outlook



# Future Outlook



“Economic growth will slow down, and recession is likely in the beginning of the year due to high inflation, rising rates and uncertainty linked to Russia’s war in Ukraine continues. Employment remains strong which is the most important factor supporting the economy and the housing market. Housing sales are expected to recover in the spring, but prices will decline for longer. Housing starts will go down but number of completed new homes will stay high in the year 2023. Differences between housing market areas and units will deepen. Urbanization will increase due to the strong newbuilding to Helsinki-Tampere-Turku -areas.

Hypo Group focuses on strengthening its core business and profitability. The Group expects net interest income, net fee and commission income, capital adequacy and liquidity to remain on a strong level.

The operating profit for 2023 is expected to be at least on the same level than in 2022. The expectation contains uncertainties due to the development in economy and interest rates as well as uncertainties related to the war in Ukraine.”

# Planned transaction



# Indicative terms of the planned transaction:



Issuer .....	The Mortgage Society of Finland (Bloomberg: SUOHYP)
Issue Type .....	Covered Bond ('European Covered Bond Premium'), Pool 2
Issuer Rating .....	BBB (stable) by S&P
Expected Issue Rating .....	AAA (stable) (S&P)
Maturity .....	5.5 years (soft bullet)
Size & Currency .....	EUR 300 million
Coupon .....	Fixed
Documentation .....	The Issuer's Program for the Issuance of Senior Preferred Notes, Subordinated Debentures and Covered Bonds dated 12 September 2022
Law .....	Finnish Law, Act 151/2022
Listing .....	NASDAQ Helsinki
Denominations .....	EUR 100,000 + 100,000
Clearing .....	Euroclear Finland (Infinity)
MiFID II target market .....	MiFID II professionals/ECPs-only (all distribution channels). No PRIIPs key information document (KID) will be prepared as not available to retail in EEA or United Kingdom
Lead Managers .....	Danske Bank, Deka Bank, Natixis, Nordea



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