

# RatingsDirect®

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## Mortgage Society of Finland (The)

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# Mortgage Society of Finland (The)

## Ratings Score Snapshot

**Issuer Credit Rating**  
BBB/Stable/A-2

SACP: bbb → Support: 0 → Additional factors: 0

Anchor	a-		ALAC support	0	<table border="1"> <tr> <th colspan="2">Issuer credit rating</th> </tr> <tr> <td colspan="2" style="text-align: center; vertical-align: middle;"> <b>BBB/Stable/A-2</b> </td> </tr> </table>	Issuer credit rating		<b>BBB/Stable/A-2</b>	
Issuer credit rating									
<b>BBB/Stable/A-2</b>									
Business position	Constrained	-2	GRE support	0					
Capital and earnings	Very strong	+2	Group support	0					
Risk position	Moderate	-1	Sovereign support	0					
Funding	Moderate	-1							
Liquidity	Adequate								
CRA adjustment	0								

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

## Credit Highlights

### Overview

Key strengths	Key risks
Very strong risk-adjusted capitalization (RAC) underpinned by Hypo's mutual status.	Concentration in Finland's property market as pure residential mortgage financier.
Strong asset quality and exceptional loan-loss track record, lasting decades.	Business model with limited product and revenue diversification.
Lending focuses on urban areas and underwriting standards are very conservative.	Less-stable deposit base and higher share of wholesale funding than domestic peers'

**S&P Global Ratings expects The Mortgage Society of Finland (Hypo) to maintain its superior asset quality and exceptional loan-loss track record.** Asset quality in Hypo's portfolio, which consists solely of residential real estate loans, remains robust. As of June 30, 2024, it had a nonperforming loan (NPL) ratio of 0.18% and limited credit losses. We attribute this to Hypo's conservative and selective underwriting standards and narrow focus on collateralized residential mortgage lending in Finland's expanding urban regions. In our view, the company is unlikely to compromise on its prudential approach or see a material increase in NPLs over the next two years.

**Despite Hypo's modest earnings capacity, it has a solid capital position.** We anticipate that this would enable it to withstand potential shocks and project a RAC ratio of 18%-19% through 2026 (18.7% as of year-end 2023). The bank chose to focus its resources on overhauling its core banking IT system in 2022. Combined with weak demand in Finnish housing markets, this decision temporarily muted its loan growth. However, in 2024, Hypo's loan book started

expanding again. We expect its operating efficiency to improve over the next few years as it harnesses new technologies and benefits from the recovery in the housing demand.

**Hypo's funding profile remains more confidence-sensitive than those of domestic universal banks.** Careful liquidity management is key to managing its higher reliance on wholesale funding and its primarily institutional deposit base. Following a dip in 2023, its deposit base expanded in 2024--customer deposits constituted 49% of the funding base as of June 30, 2024, with covered bond funding comprising much of the remainder. We take comfort from Hypo's prudent approach to prefunding upcoming maturities; its demonstrated good access to capital markets; and the proven stability of covered bond markets, even in times of stress. Given its reliance on wholesale funding, we expect it to maintain a sound liquidity buffer through 2026.

## Outlook

The stable outlook indicates that Hypo's creditworthiness is expected to remain resilient over the next two years, supported by the bank's conservative underwriting standards, high and stable asset quality, and very strong capitalization. We do not anticipate significant changes in the bank's capital management over the next two years.

### Downside scenario

We could lower the rating on Hypo in the next 12-24 months if it unexpectedly changes its current conservative lending policies or fails to maintain very strong capital. This could occur if it pursued more-ambitious business growth, without a corresponding improvement in earnings.

### Upside scenario

We could raise the rating if the bank were to improve its funding profile so that it had a more-diversified funding mix and its funding metrics were in line with those of domestic peers. We could reassess the bank's capital and earnings and risk positions if it continues to demonstrate greater resilience than similarly rated peers.

## Key Metrics

### Mortgage Society of Finland (The)--Key ratios and forecasts

	--Fiscal year ended Dec. 31--				
(%)	2022a	2023a	2024f	2025f	2026f
Growth in operating revenue	(5.6)	1.6	(3.9)-(4.8)	6.8-8.3	6.3-7.7
Growth in customer loans	4.3	1.3	2.2-2.7	4.5-5.5	4.5-5.5
Growth in total assets	4.1	4.6	3.4-4.1	3.4-4.2	3.5-4.2
Net interest income/average earning assets (NIM)	0.5	0.6	0.6-0.6	0.6-0.6	0.6-0.6
Cost-to-income ratio	71.2	65.5	69.5-73.0	66.0-70.0	62.0-68.0
Return on average common equity	3.9	4.5	3.2-3.5	3.5-4.3	4.2-4.8
Return on assets	0.2	0.2	0.1-0.2	0.2-0.2	0.2-0.3

**Mortgage Society of Finland (The)--Key ratios and forecasts (cont.)**

(%)	--Fiscal year ended Dec. 31--				
	2022a	2023a	2024f	2025f	2026f
New loan-loss provisions/average customer loans	0.0	0.0	0.0-0.0	0.0-0.0	0.0-0.0
Gross nonperforming assets/customer loans	0.1	0.2	0.2-0.2	0.2-0.2	0.2-0.2
Risk-adjusted capital ratio	18.0	18.7	18.0-19.0	18.0-19.0	18.0-19.0

All figures are S&P Global Ratings-adjusted. a--Actual. f--Forecast. NIM--Net interest margin.

**Anchor: 'a'- For Banks Operating Purely In Finland**

Under our bank criteria, we use our Banking Industry Country Risk Assessment (BICRA) economic risk and industry risk scores to determine the anchor, the starting point for our bank rating. The anchor for Hypo is 'a-', in line with that for commercial banks based in Finland. Finland's banking sector is assessed as being in group '2' under our BICRA methodology, alongside the banking sectors of Sweden, Norway, Belgium, and Switzerland. We see stable economic and industry risk trends for Finland's BICRA.

We view Finland as an innovative, wealthy, small, and open economy that has mature political and institutional structures. Following a recession in 2023, the economy is likely to stagnate in 2024. However, we expect domestic demand to gradually improve in the latter part of the year as inflation eases and interest rates gradually moderate. We project moderate economic growth of 1.5% on average in 2025-2026--this is in line with growth rates for other wealthy economies. If consumer and business confidence prove to be more muted, the economic recovery could be delayed, weakening the banking sector's growth prospects and leading to credit losses above our base case of 20-25 basis points in 2024-2025.

In our view, regulatory standards and bank supervision in Finland are in line with those of European peers. The banking sector is dominated by two major banking groups, OP Financial Group and Nordea, and characterized by intense competition and low lending margins. That said, we anticipate that overall profitability and capitalization will remain resilient. The recent rise in interest rates boosted Finnish banks' profitability, so that return on equity averaged 13.8% in 2023, and allowed them to continue to build up capital. We expect banks to maintain their restrained risk appetites. Given that Finnish banks are at the forefront of digitalization and continue to invest in innovation and digital capabilities, we see only a moderate risk of technology disruption.

Finnish banks continue to demonstrate good access to capital markets but their dependence on external funding makes them vulnerable to changes in confidence sensitivity and higher interest rates. In addition, the highly interconnected Nordic banking system remains vulnerable to potential spillover risks from external events.

**Business Position: Niche Residential Mortgage Financer In Finland**

Hypo had total assets of €3.7 billion and a loan portfolio of €2.8 billion, as of June 30, 2024. Therefore, we view it as a small player in the Finnish banking sector, where it had a market share of 1% in 2023. Its focuses purely on low-risk mortgage lending to households and housing companies, secured by residential property collateral. Finnish households

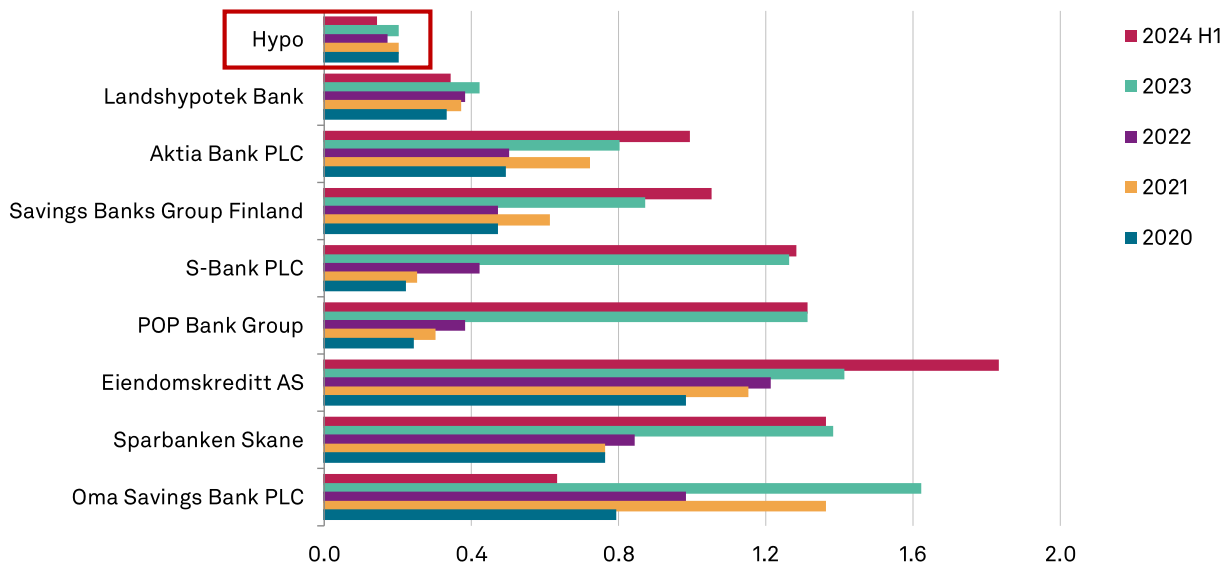
account for 29% of the portfolio, housing companies for 69%, and buy-to-let investors for the remaining 2%. Hypo underwrites primarily in urban areas in Finland that benefit from population growth, such as Helsinki, southern Finland, and other growth centers.

We view Hypo's narrow product focus on residential mortgage lending as the main constraint on its business model because it could expose the bank to potential volatility in the Finnish real estate market. That said, given Hypo's selective business underwriting, which partly offsets this concentration, we expect it to maintain its business stability. Its business profile is also underpinned by its mutual legal structure, which prioritizes providing long-term value to customers while maintaining conservative capital management over short-term financial profitability targets.

**Chart 1**

**Hypo's low-risk lending translates into low core profitability compared with peers**

Core earnings to average adjusted assets (%)



H1--First half. Source: S&P Global Ratings.

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Following the successful renewal of the core banking IT system in early 2022, we consider Hypo well positioned for further loan growth. Two years after deploying this system, Hypo now aims to enhance the system to improve automation and increase operational efficiency. For example, it plans to add new features to its mobile app and a corporate web portal to streamline the customer onboarding process.

In our view, the downward trend in interest rates will bolster households' purchasing power and accelerate loan demand this year. We project that Hypo's loan portfolio will expand to €3.0 billion-€3.3 billion through 2026, from €2.8 billion in the first half of 2024. Combined with the expected improvement in operating efficiency, this will support Hypo's plans to improve its modest profitability to a level more in line with small and midsize peers over the medium

to long term.

## Capital And Earnings: Robust Capitalization Supported By Profit Retention As A Mutual Company

Hypo's capitalization should remain very strong over the next two years, based on our projected RAC ratio of 18%-19% through 2025 (18.7% at year-end 2023).

We do not foresee Hypo's management strategy changing. We project loan growth of 3%-5% over the next two years, depending on overall market activity, and we believe management will focus on maintaining relatively stable but low margins. Loan growth will be balanced between retail and housing company loans, underlining Hypo's low risk appetite.

Hypo's revenue largely stems from net interest income (65% in first half of 2024) and net fee and commission income (25%) from lending operations and land trustee services. Unusually, it also has a small, but stable income from property holdings, mainly buy-to-let residences, plots, and parking spaces. These assets are high quality and the bank does not take an opportunistic approach to achieving quick market-value gains.

Hypo's net interest margin (NIM) declined to 0.52% because of the one-off interest expense recorded in the first half of 2024. This ratio is significantly below that of its more-diversified peers. Given that its low-margin business and wholesale funding profile weigh on funding costs, the spike in interest rates has not benefitted Hypo to the same extent as its domestic peers and we expect NIM to remain fairly stable around 0.60% through 2026. Under our base case, operating income will remain above historical levels and net income will be €8 million-€9 million in 2025-2026 (€6.9 million in 2023). This translates into a return on equity of below 5.0% (3.3% in the first half of 2024) and cost to income of about 65% (73% in the first half of 2024). These ratios compare poorly with those of commercial banks operating in Finland.

Because of Hypo's mutual legal status, it makes no dividend distributions. Retained profits are only used to build capital, which we anticipate will remain reasonably predictable over the next two years.

Hypo's regulatory capital position remains strong and it has significant headroom above the regulatory requirements. At the end of June 2024, the CET1 and total capital ratio stood at 14.1%, against a total capital requirement of 13.0%. Hypo's capital base consists solely of core capital, which supports its quality of capital. However, its status as a mutual company may pose a constraint if it needs to raise additional core capital in the market. We captured this weakness in our combined view of Hypo's capital and risk position.

## Risk Position: Concentration Risk Is Somewhat Mitigated By Unparalleled Asset Quality And Loan-Loss Track Record

In our view, Hypo's regionally focused mortgage loan book and the size of its exposure to some of the larger housing companies make it vulnerable to real estate price developments in some areas of Finland. This concentration risk is partly mitigated by Hypo's prudent underwriting standards, which we do not expect it to compromise. Its loan-to-value

ratio is very low at 30.3% as of June 30, 2024.

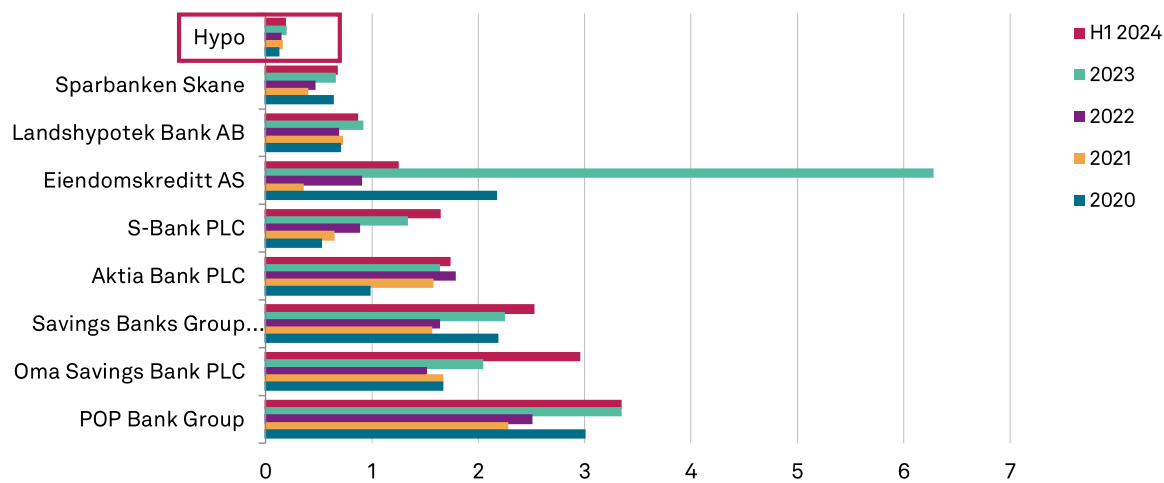
The bank clearly distinguishes itself through its historically superior asset quality and its high level of collateralization. As of June 30, 2024, its NPLs (measured as Stage 3 loans) were just 0.18% and its new loan-loss provisions were negligible.

The bank's risk approach is exemplified by its strong record on credit losses, which it has maintained for decades. Hypo has experienced no credit losses from housing companies, housing companies that have properties under construction, or housing investors since the Finnish banking crisis in the 1990s. Even the downturn triggered by the pandemic didn't shake Hypo's loan-loss record.

**Chart 2**

**Hypo demonstrates superior asset quality**

Gross nonperforming assets to customer loans and other real estate owned (%)



H1--First half. Source: S&P Global Ratings.

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We do not expect the bank to abandon its conservative credit policies and high collateralization for targeted loan growth. As a result, we anticipate that Hypo will maintain its exceptional loan-loss track record until 2026. For 2024-2026, we forecast a loss experience (that is, new loan loss provisions to average customer loans) of 1 basis point and NPLs of 0.20%. Both measures are well below the peer average.

**Funding And Liquidity: Elevated Dependence On Wholesale Funding Requires Prudent Liquidity Management**

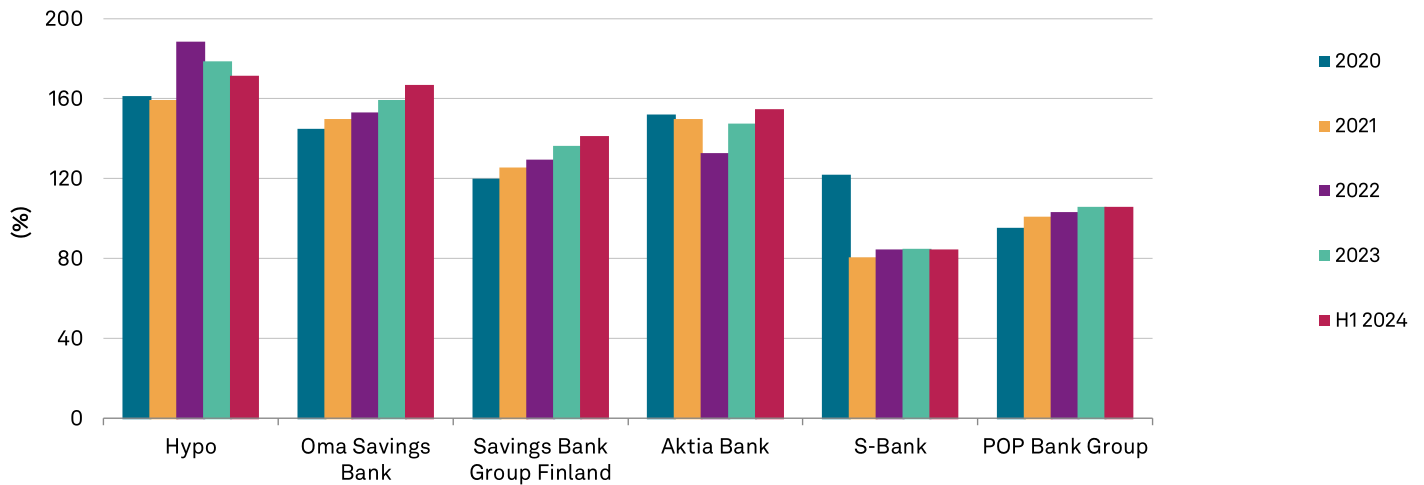
Hypo's funding profile remains more confidence-sensitive and prone to volatility during adverse market and economic conditions than domestic peers'. This reflects Hypo's heavy use of wholesale markets--covered bonds represented 44%



of total funds on June 30, 2024. Despite capital market volatility in early 2024, Hypo retained its access to the bond market and successfully issued a €300 million covered bond in April, to replace a maturing issuance. Hypo has improved its funding maturity by issuing covered bonds and its funding profile is well-matched.

**Chart 3**

**Hypo has a higher funding gap to fill than its domestic peers**  
 Net customer loans to customer deposits



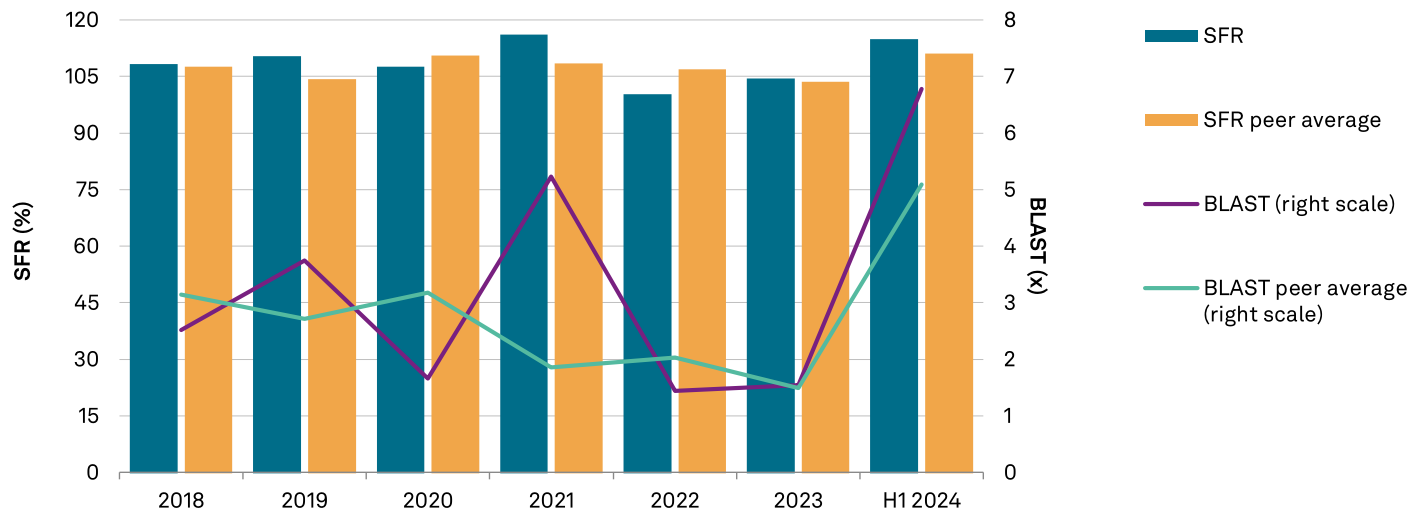
H1--First half. Source: S&P Global Ratings.  
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Customer deposits are collected through 100% subsidiary Suomen AsuntoHypoPankki. They comprised about 45% of funding as of June 30, 2024, indicating an improving trend in the first half of the year. However, most deposits are from institutional clients, which we consider to be less stable in times of stress, and only 13% of total deposits are covered by the Finnish deposit guarantee scheme. Hypo's loan-to-deposit ratio was elevated at 170% on June 30, 2024--this is weaker than domestic and Nordic peers'.

## Chart 4

## Hypo's funding and liquidity metrics reflect the dependence on wholesale funding

SFR and BLAST of Hypo and its domestic peers



SFR--Stable funding ratio. BLAST--Broad liquid assets/short-term wholesale funding. H1--First half. Source: S&P Global Ratings.

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As of June 30, 2024, the bank had a stable funding ratio of 114.7%, covering the loan book and other stable funding needs. In terms of covered issuance, Hypo is committed to sound overcollateralization and maintains lower cover pool LTV than other specialized mortgage lenders in the Nordics. That said, asset encumbrance is relatively high at close to 50%.

Hypo holds adequate liquidity reserves to withstand stress--its S&P Global Ratings-adjusted liquidity portfolio stood at about €681 million (19% of total assets) on June 30, 2024. Some 87% of cash is at the Finnish Central Bank and in European Central Bank-eligible debt securities rated at least 'AA-'. Moreover, Hypo's multiple of broad liquid assets to short-term wholesale funding equaled 1.5x at year-end 2023 (6.8x as of June 30, 2024, boosted by the recent covered bond issuance) indicating an adequate ability to cover maturing short-term wholesale debt. The strength of Hypo's liquidity buffer is also demonstrated by its regulatory liquidity coverage ratio, which was 328% as of June 30, 2024, compared with a regulatory minimum of 100%.

In our view, Hypo's niche business model, small size, and less stable funding profile (compared with more-diversified peers) may mean it needs stronger liquidity buffers in a stress event. We could therefore take a more negative view of Hypo's liquidity profile if the bank manages its liquidity buffers more aggressively, leading to a substantial weakening of its liquidity ratios.

## Support: No Uplift For External Support And No Resolution Counterparty Ratings

Finland has had a fully-fledged resolution regime in place since January 2016. Because Hypo has low systemic importance and a market share of less than 1% of systemwide customer deposits, we consider that, were Hypo to become nonviable, the regulator would not implement a bail-in resolution in response. Therefore, we do not apply our additional loss-absorbing criteria, nor do we view Hypo as eligible for our resolution counterparty rating (RCR). RCRs recognize the default risk of certain bank liabilities that rank senior to other liabilities in a resolution.

## Environmental, Social, And Governance

We consider ESG factors for Hypo to be broadly in line with those of industry and domestic peers.

In our view, Hypo's focus on providing purely residential mortgages and housing company loans, primarily for renovation purposes, will help extend the life of buildings and thereby support general environmental goals.

Social factors are neutral to our credit assessment of Hypo. Maintaining sound, reliable corporate governance is critical for the bank. As a mutual company operating under the Act on Mortgage Societies, it is governed by its member customers and provides financing and other services for the benefit of its owners. Overall, we consider the bank to have a stable senior management team and business strategy, with effective execution and internal controls.

## Key Statistics

**Table 1**

Mortgage Society of Finland (The)--Key figures						
--Fiscal year-ended Dec. 31--						
(Mil. €)	2024*	2023	2022	2021	2020	2019
Adjusted assets	3,654.8	3,608.9	3,450.8	3,315.7	3,206.2	3,227.0
Customer loans (gross)	2,819.1	2,786.3	2,750.1	2,637.2	2,511.2	2,586.4
Adjusted common equity	151.2	148.0	140.1	134.1	129.2	125.4
Operating revenues	11.8	25.0	24.6	26.1	22.5	20.7
Noninterest expenses	8.6	16.4	17.5	18.0	14.4	12.3
Core earnings	2.6	6.9	5.8	6.6	6.6	6.8

\*Data as of June 2024

**Table 2**

Mortgage Society of Finland (The)--Business position						
--Fiscal year-ended Dec. 31--						
(%)	2024*	2023	2022	2021	2020	2019
Loan market share in country of domicile	N/A	1.0	1.0	1.0	1.0	1.0
Deposit market share in country of domicile	N/A	0.8	0.7	0.8	0.8	1.0
Total revenues from business line (currency in millions)	11.8	25.0	24.6	26.1	22.5	20.7

Table 2

Mortgage Society of Finland (The)--Business position (cont.)						
	--Fiscal year-ended Dec. 31--					
(%)	2024*	2023	2022	2021	2020	2019
Commercial and retail banking/total revenues from business line	100.0	100.0	100.0	100.0	100.0	100.0
Return on average common equity	3.3	4.5	3.9	4.7	4.9	5.5

\*Data as of June 2024. N/A--Not applicable.

Table 3

Mortgage Society of Finland (The)--Capital and earnings						
	--Fiscal year-ended Dec. 31--					
(%)	2024*	2023	2022	2021	2020	2019
Tier 1 capital ratio	14.1	14.2	13.8	13.6	13.9	13.4
S&P Global Ratings' RAC ratio before diversification	N/A	18.7	18.0	17.9	18.3	16.9
S&P Global Ratings' RAC ratio after diversification	N/A	10.9	10.8	10.6	10.2	10.0
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	65.0	72.8	62.0	66.2	64.8	69.8
Fee income/operating revenues	24.9	18.8	14.6	15.6	16.4	17.2
Market-sensitive income/operating revenues	1.8	(10.1)	11.4	6.7	4.1	(0.5)
Cost to income ratio	72.5	65.5	71.2	69.0	63.9	59.6
Preprovision operating income/average assets	0.2	0.2	0.2	0.2	0.3	0.3
Core earnings/average managed assets	0.1	0.2	0.2	0.2	0.2	0.2

\*Data as of June 2024. RAC--Risk-adjusted capital.

Table 4

Suomen Hypoteekkiyhdistys--Risk-adjusted capital framework						
€	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings' RWA	Average S&P Global Ratings' RW (%)	
<b>Credit risk</b>						
Government and central banks	631,965,895	0	0	3,535,099		1
Of which regional governments and local authorities	32,704,962	0	0	1,177,379		4
Institutions and CCPs	94,125,544	32,508,279	35	14,772,649		16
Corporate	37,812,907	78,500	0	1,199,249		3
Retail	2,836,752,546	831,398,141	29	658,854,241		23
Of which mortgage	2,786,562,231	819,238,949	29	646,203,781		23
Securitization§	0	0	0	0		0
Other assets†	69,480,167	69,423,564	100	68,735,736		99
Total credit risk	3,670,137,059	933,408,483	25	747,096,974		20
<b>Credit valuation adjustment</b>						
Total credit valuation adjustment	--	19,755,332	--	0		--

Table 4

Suomen Hypoteekkiyhdistys--Risk-adjusted capital framework (cont.)					
Market Risk					
Equity in the banking book	23,875	23,875	100	238,750	1,000
Trading book market risk	--	0	--	0	--
Total market risk	--	23,875	--	238,750	--
Operational risk					
Total operational risk	--	47,743,111	--	42,645,054	--
	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global RWA	% of S&P Global RWA
Diversification adjustments					
RWA before diversification	--	1,000,930,802	--	789,980,778	100
Total Diversification/ Concentration Adjustments	--	--	--	569,096,711	72
RWA after diversification	--	1,000,930,802	--	1,359,077,489	172
	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global RAC ratio (%)	
Capital ratio	S&P Global Ratings' RWA	S&P Global Ratings' RWA	S&P Global Ratings' RWA	S&P Global Ratings' RWA	
Capital ratio before adjustments	142,233,667	14	147,975,000	19	
Capital ratio after adjustments†	142,233,667	14	147,975,000	11	

\*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions.

‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g., transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31, 2023, and S&P Global Ratings.

Table 5

Mortgage Society of Finland (The)--Risk position	--Fiscal year-ended Dec. 31--					
	2024*	2023	2022	2021	2020	2019
(%)						
Growth in customer loans	2.4	1.3	4.3	5.0	(2.9)	(0.1)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	72.0	65.9	69.3	78.6	68.2
Total managed assets/adjusted common equity (x)	24.2	24.5	24.7	24.8	24.9	25.8
New loan loss provisions/average customer loans	0.0	0.0	0.0	0.0	0.0	0.0
Gross nonperforming assets/customer loans + other real estate owned	0.2	0.2	0.1	0.1	0.1	0.1
Loan loss reserves/gross nonperforming assets	6.6	5.9	6.0	5.4	11.3	9.1

\*Data as of June 2024. N/A--Not applicable. RWA--Risk-weighted assets

Table 6

Mortgage Society of Finland (The)--Funding and liquidity						
Mortgage Society of Finland (The)--Funding and liquidity	--Fiscal year-ended Dec. 31--					
	2024*	2023	2022	2021	2020	2019
(%)						
Core deposits/funding base	48.9	46.9	46.3	53.0	51.9	53.6
Customer loans (net)/customer deposits	170.9	178.2	187.9	158.8	160.7	158.8
Long-term funding ratio	97.2	87.3	89.0	96.6	88.7	96.2
Stable funding ratio	114.7	104.2	100.1	115.8	107.3	110.2

Table 6

Mortgage Society of Finland (The)--Funding and liquidity (cont.)						
--Fiscal year-ended Dec. 31--						
(%)	2024*	2023	2022	2021	2020	2019
Short-term wholesale funding/funding base	2.9	13.3	11.5	3.6	11.8	3.9
Regulatory net stable funding ratio	115.9	112.0	106.5	114.1	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	6.8	1.5	1.4	5.2	1.7	3.7
Broad liquid assets/total assets	18.2	18.9	15.2	17.7	18.3	13.8
Broad liquid assets/customer deposits	40.6	43.7	35.9	35.4	37.7	27.4
Net broad liquid assets/short-term customer deposits	34.7	15.7	11.0	28.5	14.9	20.1
Regulatory liquidity coverage ratio (LCR) (x)	328.0	326.4	201.6	179.9	N/A	N/A
Short-term wholesale funding/total wholesale funding	5.7	24.9	21.4	7.6	24.5	8.5
Narrow liquid assets/3-month wholesale funding (x)	7.3	N/A	9.9	20.3	21.1	77.7

\*Data as of June 2024. N/A--Not applicable

### The Mortgage Society of Finland--Rating component scores

Issuer credit rating	BBB/Stable/A-2
SACP	bbb
Anchor	a-
Economic risk	2
Industry risk	3
Business position	Constrained
Capital and earnings	Very strong
Risk position	Moderate
Funding	Moderate
Liquidity	Adequate
Comparable ratings analysis	0
Support	0
ALAC support	0
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

## Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021

- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

## Related Research

- Finnish Banks Show Resilience As Economic Risks Recede; BICRA Group '2' Maintained, Sept 10, 2024
- Banking Industry Country Risk Assessment Update: August 2024, Aug. 29, 2024
- Transaction Update: The Mortgage Society of Finland (Mortgage Covered Bond Program), June 4, 2024
- Norwegian And Finnish Covered Bond Market Insights 2024, March 11, 2024
- SLIDES: Nordic Banks In 2024 Ploughing On Through Tough Terrain, Feb. 7, 2024
- Banking Industry Country Risk Assessment: Finland; Nov. 28, 2023
- Mortgage Society of Finland (The), Sept. 21, 2023

Ratings Detail (As Of October 4, 2024)*	
<b>Mortgage Society of Finland (The)</b>	
Issuer Credit Rating	BBB/Stable/A-2
Senior Secured	AAA/Stable
<b>Issuer Credit Ratings History</b>	
22-Jan-2021	BBB/Stable/A-2
19-May-2020	BBB/Negative/A-2
26-Apr-2017	BBB/Stable/A-2
<b>Sovereign Rating</b>	
Finland	AA+/Stable/A-1+

\*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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