

The Mortgage Society of Finland



# Covered Bond Transparency Information

Information as at December 31, 2025

Published on January 30, 2026

## About the Issuer



# Hypo Group Overview



HYPO

- 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
- Specialized in mortgage financing
- **Residential property always as collateral**
- Strong loan book - NPLs 0.26% (31.12.2025)
- Total assets EUR 3.6 billion (31.12.2025)
- 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

**The Mortgage Society of Finland (Hypo) 1860**

100%  54.6%

**Deposit taking Bank 2002**

**Office Building 1912**

**Pension Fund 'A + M Departments'**

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



## Anchor Rating for Finnish Commercial Banks

a-

1. Hypo business position	-2
<ul style="list-style-type: none"><li>• A narrow business model as a pure residential mortgage financer</li><li>• Expectation of ongoing business stability given selective business underwriting which partly offsets concentrated business profile</li></ul>	
2. Hypo capital and earnings	+2
<ul style="list-style-type: none"><li>• Very strong risk-adjusted capitalization (RAC) underpinned by its mutual status.</li><li>• Net interest margin (NIM) significantly lower than more diversified peers due to low-risk lending profile</li></ul>	
3. Hypo risk position	-1
<ul style="list-style-type: none"><li>• Strong asset quality and exceptional decades-long loan-loss track record</li><li>• Very conservative lending and underwriting standards with a focus on urban areas</li><li>• Real estate concentration in the lending book, entailing cyclical risk</li></ul>	
4. Hypo liquidity and funding	-1
<ul style="list-style-type: none"><li>• Less stable deposit base and higher share of wholesale funding than domestic peers</li><li>• Balanced maturity profile and well-matched funding profile</li></ul>	

**Hypo Credit Rating**

**BBB (stable)**

# Covered Bonds



# Covered Bonds

Bloomberg ticker: SUOHYP Corp



HYPO

- Covered bonds rated 'AAA' (stable) by S&P
- Issues ( $\geq$  250 million) LCR level 2A and ECB repo eligible
- Cover pools consist 100% of Finnish residential property
  - Regulatory risk weight of pool assets mostly 20% (Basel III standardized approach)
  - All collateral located in selected prime growth centers
- Total amount outstanding EUR 1,800 million
- Two cover pools:
  - **Pool 2 for new issuance** under Act 151/2022 (European Covered Bond Premium)
  - Pool 1 for issues done under previous Covered Bond Act 688/2010
- Current WALTV's for **pool 2: 21.2%** and pool1: 32.9%
- Current nominal overcollateralization for **pool 2: 18.0%** and pool 1: 16.3%
  - Commitment to keep the OC, in both pools, all times at a level commensurate with a 'AAA' rating from S&P Global Ratings

Type	ISIN	Issue Date	Maturity Date	Nominal (m€)	Coupon	Pricing
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 2	FI4000541461	15.11.2022	15.11.2027	300	Fixed +3.25	MS +23
Covered – Pool 2	FI4000549605	15.3.2023	15.9.2028	300	Fixed +3.625	MS +32
Covered – Pool 2	FI4000570684	10.4.2024	10.4.2029	300	Fixed +3.125	MS +43
Covered – Pool 2	FI4000592142	18.9.2025	18.9.2030	300	Fixed +2.625	MS +39

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# Simple Structure, High Transparency



HYPO

- 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
- Hypo is a member of ECBC
- Issuer Credit Rating 'BBB/A-2' (stable)
- Covered Bond Ratings 'AAA' (stable)

## The Mortgage Society of Finland (Hypo)

Issuer Credit Rating 'BBB/A-2' (S&P)  
Covered Bond Ratings 'AAA' (S&P)

### Hypo's Loan Portfolio

Cover Asset Pools 1 & 2

100%

54.6%

Suomen  
Asuntohypopankki  
- Deposit Bank

Office Building

# Cover Asset Pool 2

## Act 151/2022

- came into force on July 8, 2022
- all new issuance is done under this Act



# Eligibility Criteria for Cover Pool 2



**HYPO**

<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>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 80% 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 WALT 21.2%</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>

# Cover Asset Pool 2 Data (1/3)

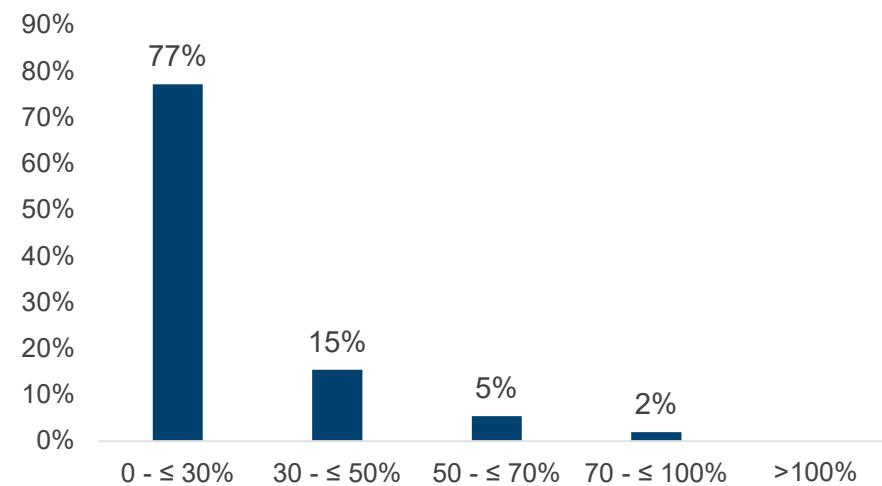


**HYPO**

## Pool Data as at 31.12.2025

<b>Applicable law</b>	Act 151/2022
<b>Total Cover Pool (nominal)</b>	EUR 1 416 256 591
<b>Eligible Cover Pool</b>	EUR 1 415 057 000
<b>Average Loan Balance</b>	EUR 264 374
<b>Number of loans</b>	5 357
<b>Number of properties</b>	3 881
<b>Number of clients</b>	4 118
<b>WA seasoning (months)</b>	70
<b>WA remaining term (months)</b>	210
<b>WA LTV (indexed)</b>	21.2%
<b>WA LTV total (indexed)</b>	21.2%
<b>Interest</b>	Variable 99% Fixed 1%
<b>Loans in arrears (&gt;30 days)</b>	0.00%
<b>OC level (nominal)</b>	18.0%
<b>OC level (eligible)</b>	17.9%
<b>Pool Type</b>	Dynamic

## LTV Distribution



- The weighted average indexed LTV of the pool is 21.2%
- No non-performing loans in the cover pool
- No arrears
- Well-seasoned mortgage cover pool

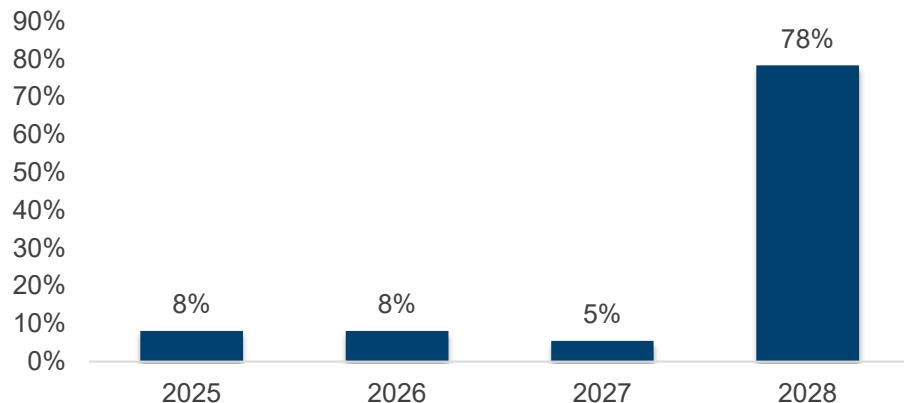
# Cover Asset Pool 2 Data (2/3)



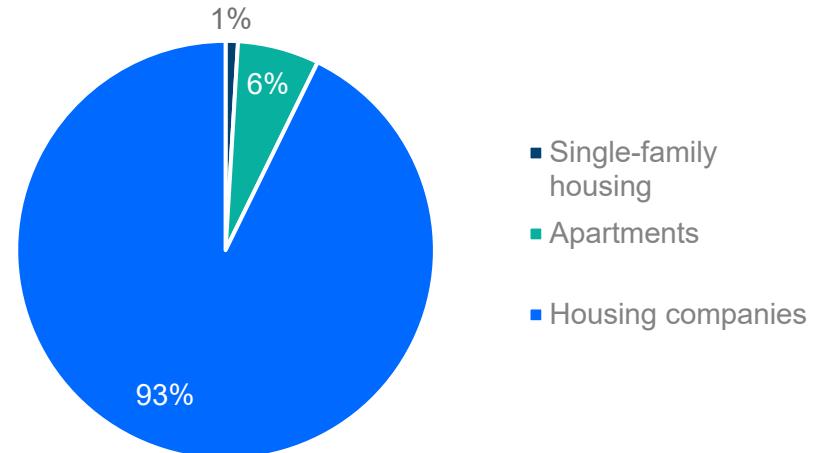
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## Pool Loan Maturity Profile

### Contractual Amortizations



## Pool Collateral Types



- Pool composition: 7% of retail mortgages and 93% 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

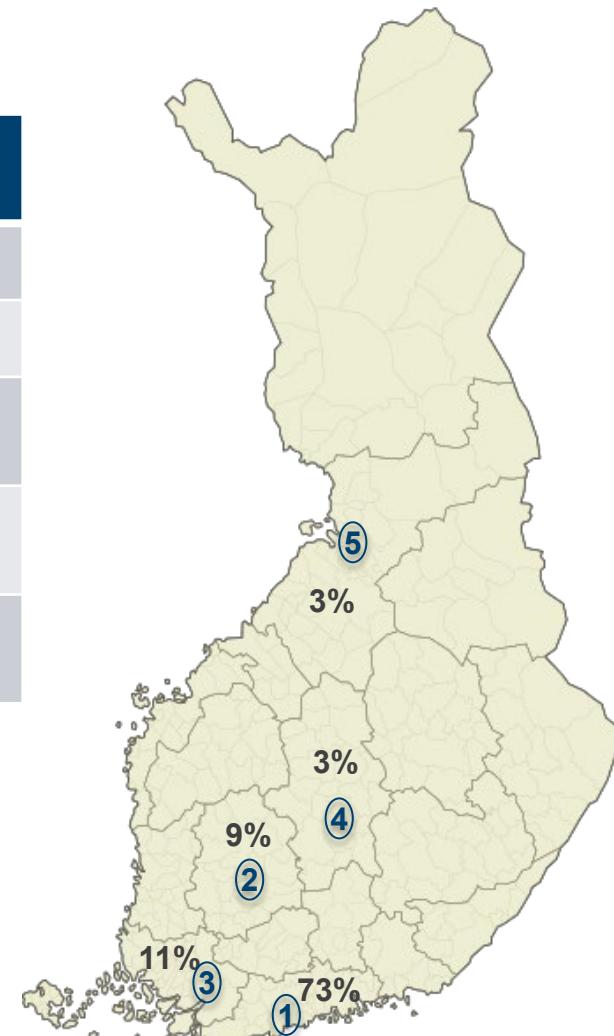
# Cover Asset Pool 2 Data (3/3)



## Geographical Distribution as at 31.12.2025

	Region	Major City	Share of the Pool
1	Uusimaa	Helsinki	73%
2	Pirkanmaa	Tampere	9%
3	Varsinais-Suomi (Southwest Finland)	Turku	11%
4	Keski-Suomi (Central Finland)	Jyväskylä	3%
5	Pohjois-Pohjanmaa (North Ostrobothnia)	Oulu	3%

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



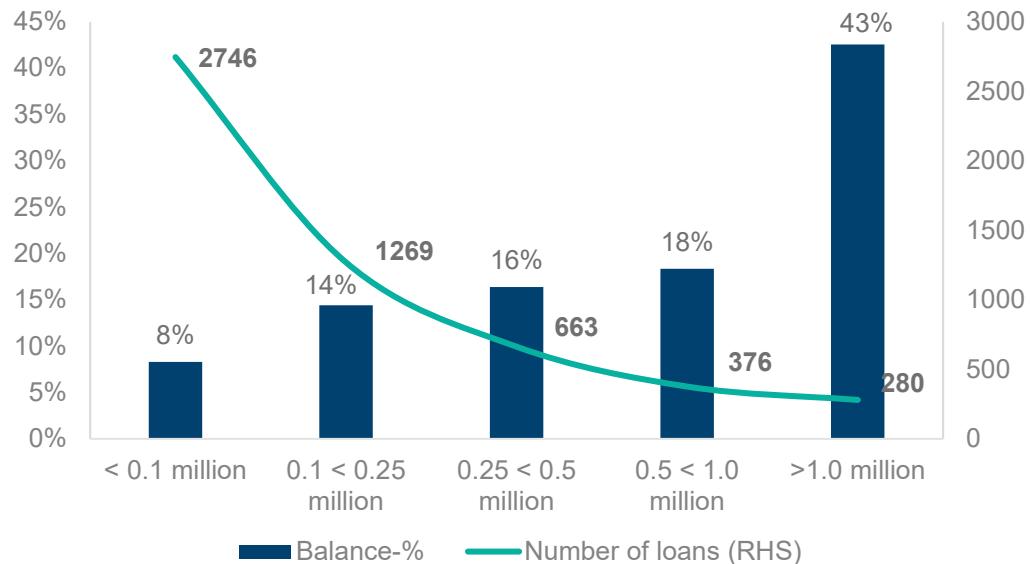
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# Cover Pool 2 Loan Size Distribution



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## Loan Size Distribution: Share and Number of Loans



- 23% 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



**HYPO**

## 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%
<b>0- ≤ 40%</b>	1,225	1,187	1,146	1,052	974
<b>40- ≤ 70%</b>	164	187	207	248	267
<b>70- ≤100%</b>	27	37	51	89	121
<b>&gt;100%</b>		4	12	27	54
<b>Pool total (nominal), EUR million</b>	1,416	1,412	1,404	1,389	1,363
<b>OC (nominal)</b>	18.0%	17.6%	17.0%	15.7%	13.5%

- 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 1,200 million (the total outstanding amount of bonds).

# Cover Asset Pool 1

**Act 688/2010**

- repealed on July 8, 2022



# Eligibility Criteria for Cover Pool 1



**HYPO**

<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>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 70%</li><li>Current Pool WALT 32.9%</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>98% floating interest rate</li></ul></li><li>No revolving/flexible loans</li></ul>

# Cover Asset Pool 1 Data (1/3)

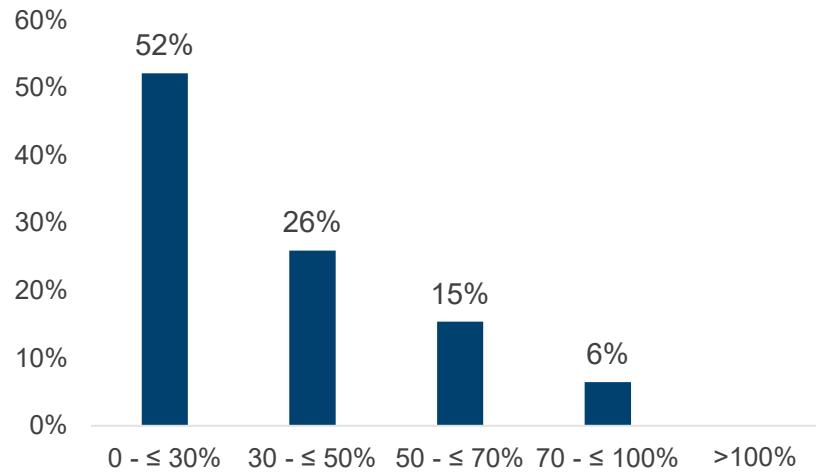


**HYPO**

## Pool Data as at 31.12.2025

<b>Applicable law</b>	Act 688/2010
<b>Total Cover Pool (nominal)</b>	EUR 697 614 679
<b>Eligible Cover Pool</b>	EUR 689 943 000
<b>Average Loan Balance</b>	EUR 189 723
<b>Number of loans</b>	3 677
<b>Number of properties</b>	3 149
<b>Number of clients</b>	3 520
<b>WA seasoning (months)</b>	47
<b>WA remaining term (months)</b>	226
<b>WA LTV (indexed)</b>	32.2%
<b>WA LTV total (indexed)</b>	32.9%
<b>Interest</b>	Variable 98% Fixed 2%
<b>Loans in arrears (&gt;30 days)</b>	0.00%
<b>OC level (nominal)</b>	16.3%
<b>OC level (eligible)</b>	15.0%
<b>Pool Type</b>	Dynamic

## LTV Distribution



- The weighted average indexed LTV of the pool is 32.9%
- No non-performing loans in the cover pool
- No arrears
- Well-seasoned mortgage cover pool

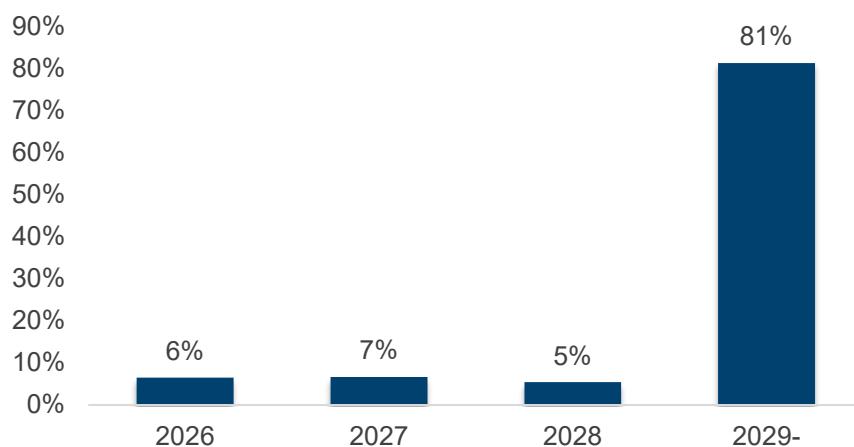
# Cover Asset Pool 1 Data (2/3)



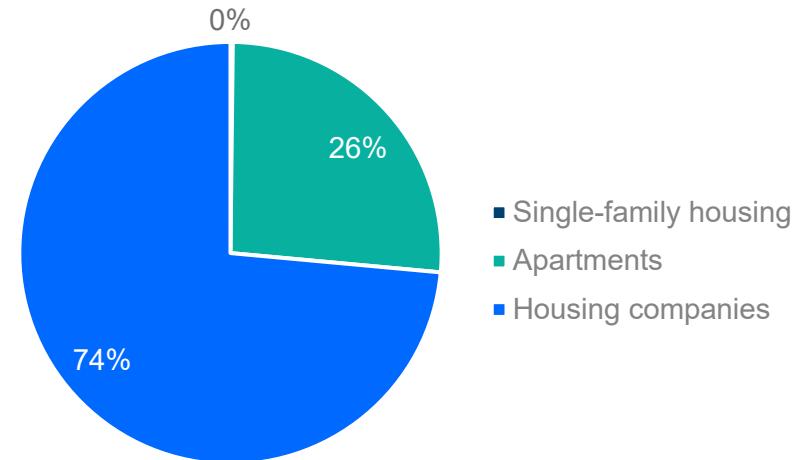
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## Pool Loan Maturity Profile

### Contractual Amortizations



## Pool Collateral Types



- Pool composition: 26% of retail mortgages and 74% 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

# Cover Asset Pool 1 Data (3/3)

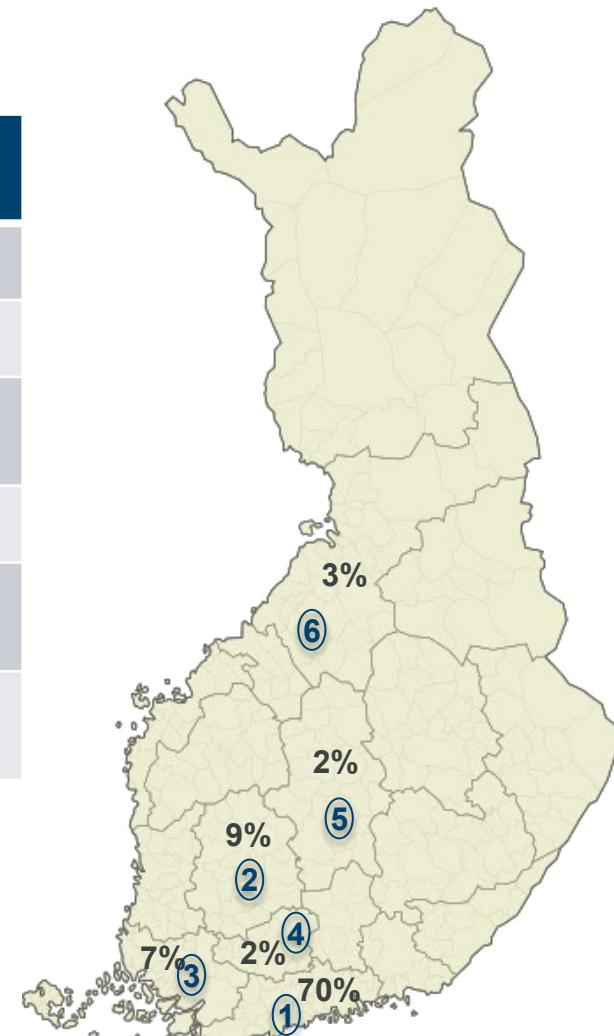


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## Geographical Distribution as at 31.12.2025

	Region	Major City	Share of the Pool
1	Uusimaa	Helsinki	70%
2	Pirkanmaa	Tampere	9%
3	Varsinais-Suomi (Southwest Finland)	Turku	7%
4	Kanta-Häme	Hämeenlinna	2%
5	Keski-Suomi (Central Finland)	Jyväskylä	2%
6	Pohjois-Pohjanmaa (North Ostrobothnia)	Oulu	3%

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



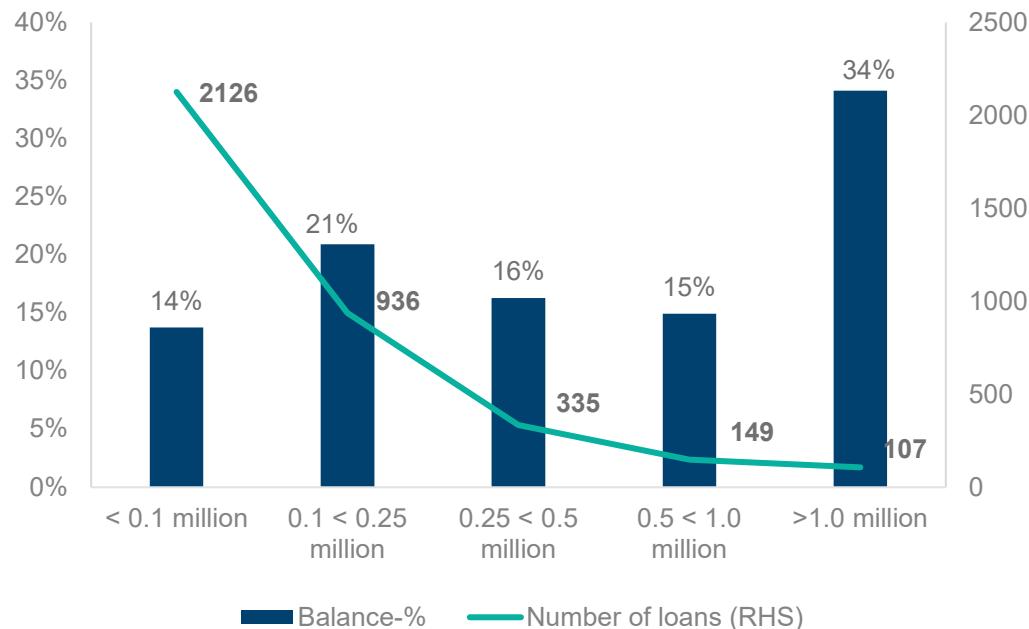
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# Cover Pool 1 Loan Size Distribution



HYPO

## Loan Size Distribution: Share and Number of Loans



- 37% 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 1 Stress Test



**HYPO**

## 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%
<b>0- ≤ 40%</b>	474	435	381	339	311
<b>40- ≤ 70%</b>	179	191	217	201	182
<b>70- ≤100%</b>	45	56	70	112	121
<b>&gt;100%</b>		15	30	45	83
<b>Pool total (nominal), EUR million</b>	698	682	668	652	614
<b>OC (nominal)</b>	16.3%	13.7%	11.3%	8.7%	2.4%

- 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 600 million (the total outstanding amount of bonds).

# Contact

[www.hypo.fi/en/investor-relations/](http://www.hypo.fi/en/investor-relations/)



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