



Investor Presentation

The Mortgage Society of Finland - 3Q2026

Published on October 30, 2026



HYPO

Secure Way for Better Living.

Content

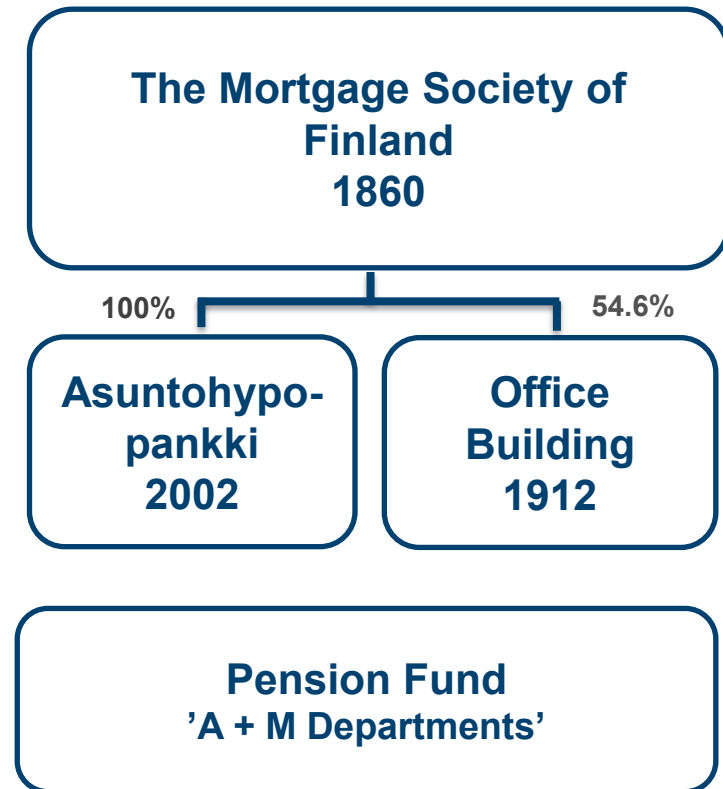
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Hypo Group - Overview



- 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
- Specialized in mortgage financing
- **Residential property always as collateral**
- Strong loan book - NPLs 0.47% (30.9.2026)
- Total assets EUR 3.8 billion (30.9.2026)
- 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



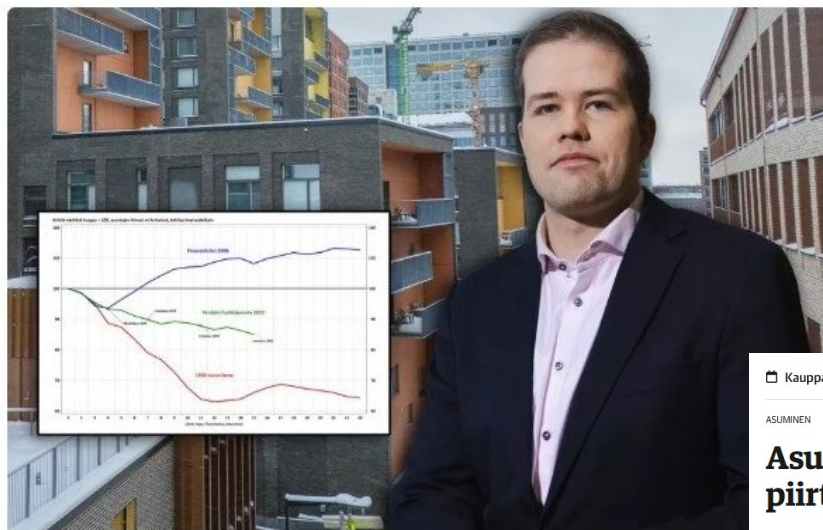
S&P Issuer Credit Rating of Hypo: 'BBB/A-2' (stable)



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

S&P Research Update 24.11.2025

Leading the Debate on Finnish Mortgage Market



Karu kuva julki: Tällaista laskua ei ole Suomen asuntohinnoissa nähty ikinä

ASUMISARTIKKELIT 13:29

TALOUS KIINTEISTÖT UUTISET

Hypo ennakoi asuntohintojen nousua ensi vuonna

Epävarmuus pitää edelleen monella ostajalla jalan jarrulla.

Merja Mannila 11.12.2025 EI KOMMENTTEJA



Kauppalehti 2.6.2026

ASUMINEN

Asuntomarkkinoilla outo ristiriita: "Ne piirtävät, joilla on liitua"



Huomio. Hypon toimitusjohtaja Ari Paunan mukaan on hyvä huomata, että asunnonostoaikeita ei erotella oman kodin ja sijoitusasunnon ostamisen kesken. "Jälkimmäisten kaikkoinen markkinoilta on näkynyt vahvasti", Pauna kertoo. KUVA: JOUNI PORSANGER

Suomalaisten asunnonostoaikeet matelevat tuoreen

29.5.2026 12:30 | Päivitetty 1.6.2026 10:33

Kauppalehti 8.5.2026

YHTEISKUNTA

Nyt on kiire - Suomella on enintään kaksi vuotta aikaa, manaa Hypon Ari Pauna

Suomi on matkalla keskuspankin käsiohjaukseen vai kohti yllättävää talouskasvua? OP Pohjolan pääjohtaja Timo Ritakallio ja Hypon toimitusjohtaja Ari Pauna kertovat, miltä maan tulevaisuus näyttää.

ksi myös arktisen alu
(htikuva)

vuonna
nyystilant



Suunnanmuutos. Hypon toimitusjohtaja Ari Pauna sanoo, että Suomi on nyt saanut viimeisen varoituksen. Arkistokuva. KUVA: JOUNI PORSANGER

"Suomi sai viimeisen varoituksen. Minun täytyy

8.5.2026 06:00 | Päivitetty 8.5.2026 08:37

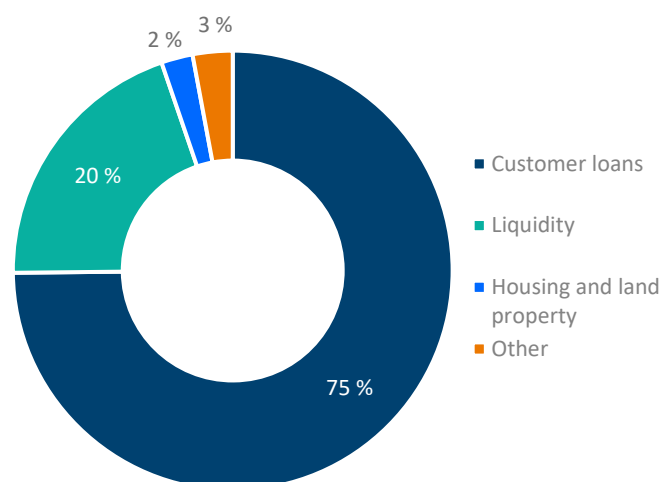
PAREMPAAN ASUMISEEN. TURVALLISESTI.

Financial Results

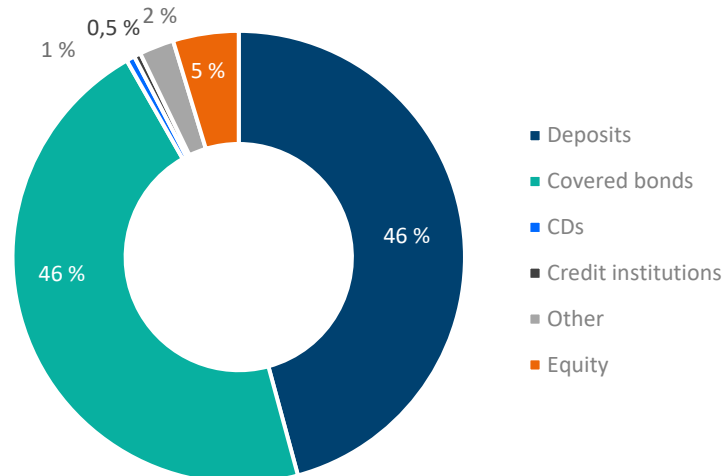


Balance Sheet – Strong and Stable Structure

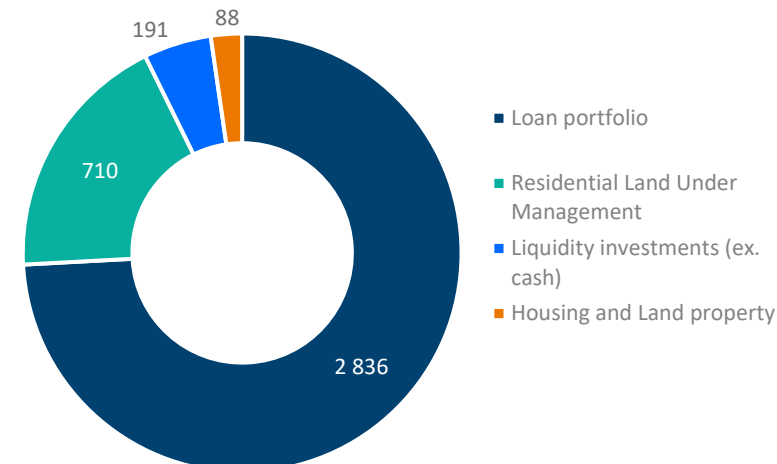
Total Assets



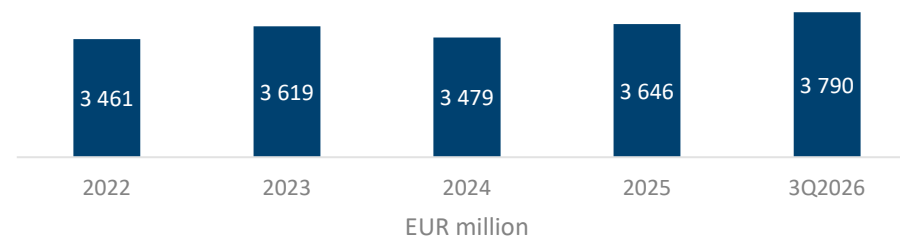
Liabilities and Equity



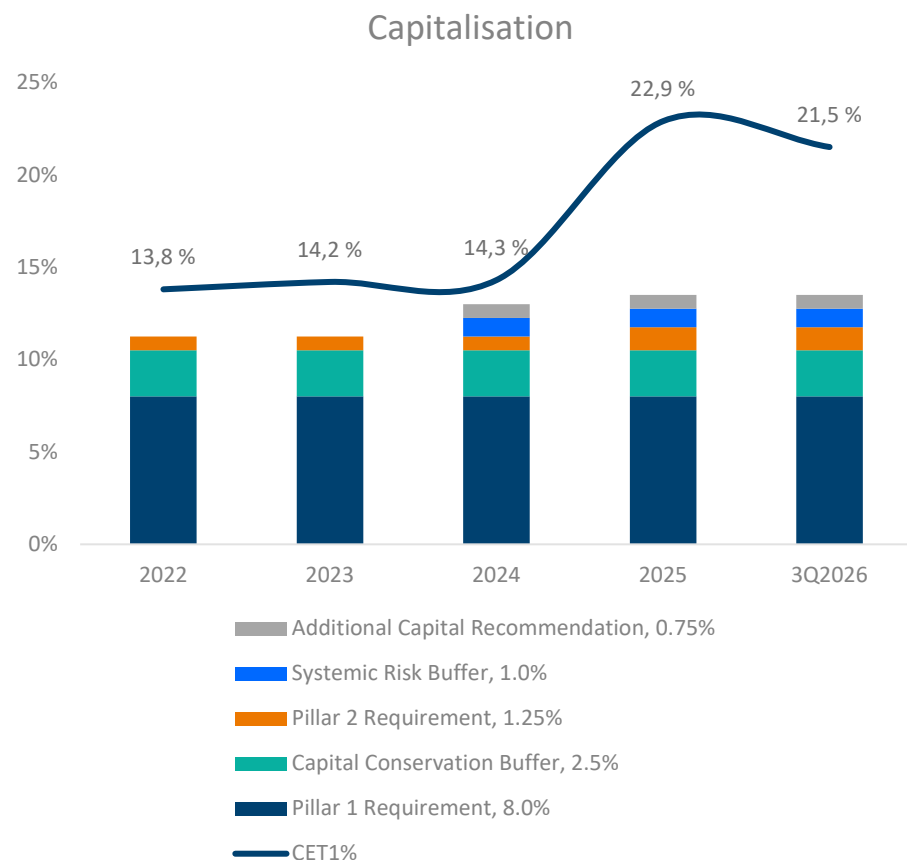
Revenue generating assets (m€), on and off balance sheet



Balance Sheet Total



Solid Capital with Basel III Standardized Approach



- Mutual company: all profits are retained and added to the core capital
- S&P's Risk Adjusted Capital 20.0% (very strong) on 31.12.2025
- Total Capital Ratio 21.5%, all CET1 capital
 - Total Capital Requirement 13.5%
- EUR 3.1 million of hidden reserves in housing property (not marked-to-market) and EUR 9.1 million of surplus in Pension Fund
 - Inclusion into CET1 would raise the ratio to 22.8%
- Basel III finalization as of 1.1.2025 lowered risk weights used in standardized approach
 - Lending with residential collateral: mostly 20% risk weight
 - Housing and land investments: 100% risk weight

Group Key Financial Figures 3Q2026



Group Key Figures

(1 000 €)	1-9/2026	1-9/2025	7-9/2026	7-9/2025	1-12/2025
Net interest income	11,694	14,686	4,025	4,627	19,284
Net fee and commission income	5,699	4,400	1,705	1,465	5,985
Total other income	4,175	2,551	1,564	1,037	3,623
Total expenses	-15,720	-13,646	-5,011	-4,331	-19,805
Operating profit	5,848	7,990	2,283	2,798	9,086
Receivables from the public and public sector entities	2,836,388	2,803,314	2,836,388	2,803,314	2,751,992
Deposits	1,735,365	1,554,170	1,735,365	1,554,170	1,504,008
Balance sheet total	3,790,139	3,670,991	3,790,139	3,670,991	3,645,970
Return on equity (ROE) %	3.8	5.2	4.3	5.5	4.4
Common Equity Tier 1 (CET1) ratio %	21.5	22.1	21.5	22.1	22.9
Cost-to-income ratio %	72.1	62.2	69.2	60.0	68.5
Non-performing loans % of the loan portfolio	0.47	0.39	0.47	0.39	0.26
Loan-to-value ratio (weighted average LTV) %	31.8	30.8	31.8	30.8	31.1
Loans / Deposits %	163.4	180.4	163.4	180.4	183.0
Liquidity Coverage Ratio (LCR) %	295.0	212.1	295.0	212.1	277.4
Net Stable Funding Ratio (NSFR) %	119.9	110.2	119.9	110.2	110.2
Leverage Ratio (LR) %	4.2	4.3	4.2	4.3	4.3

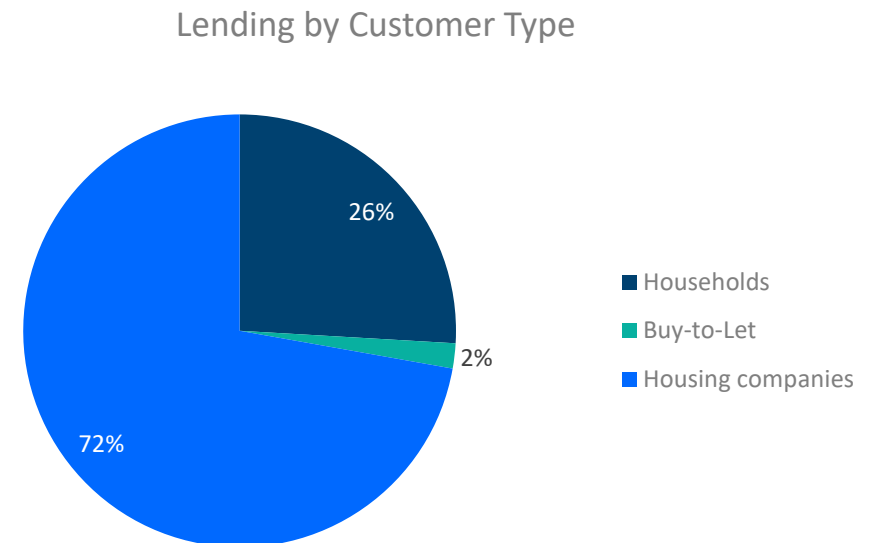
- Net interest income decreased to EUR 11.7 million (EUR 14.7 million 3Q2025)
- Total expenses increased to EUR 15.7 million (EUR 13.6 million 3Q2025)
 - Investments in sales and customer service personnel
- Group's financial position remained stable throughout the period
 - NPL's 0.47% (0.26% ye2025)
- Outlook: operating profit for year 2026 is expected to be at the same level as in 2025

Loan Book



Loan Book – Secured by Residential Property

- Hypo's loan book is EUR 2,836 million
- Mortgage loans are secured by **residential property**
- Collateral requirement is set in the Finnish Act on Mortgage Societies
- Two main customer groups
 - Housing companies: renovation loans
 - Households: home mortgage, buy-to-let

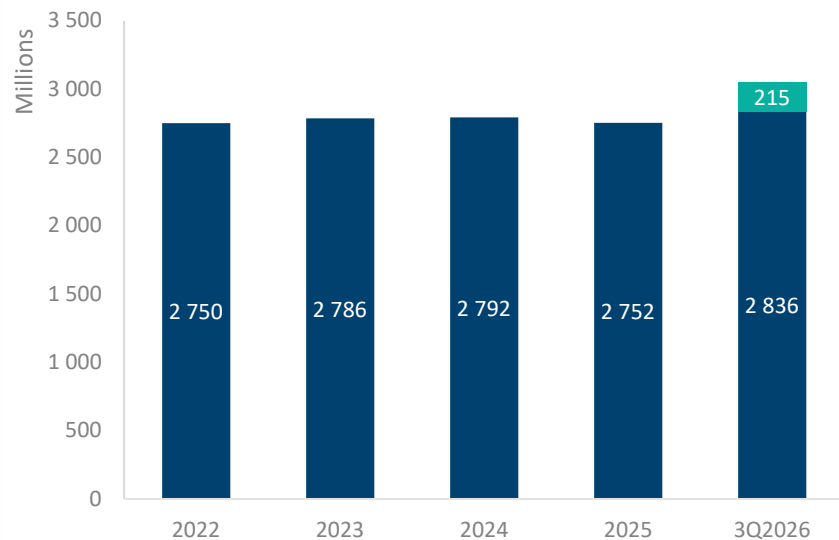


Loan Book - Structure

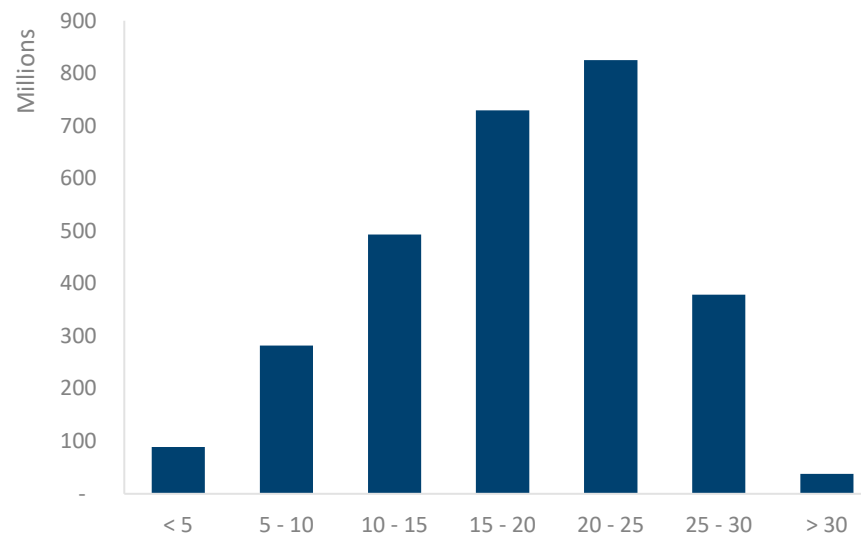


- At the end of the financial period, the loan portfolio totaled EUR 2,836 million
 - Currently EUR 215 million undrawn loans
- Approx. 99% of the loans are amortizing and 1% bullets
- The weighted average maturity of a loan at the time of withdrawal is 23.4 years
- Financed properties are mainly located in the densely populated Helsinki Metropolitan Area

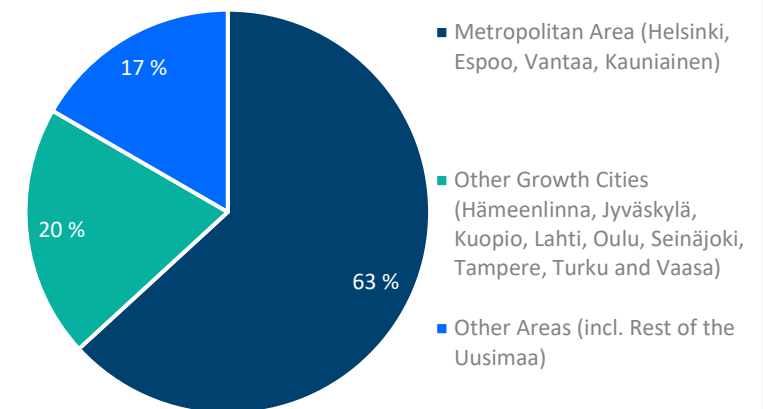
Hypo Loan Book Total, m€



Loan Book by Remaining Maturity



Loan Book by Customer Domicile

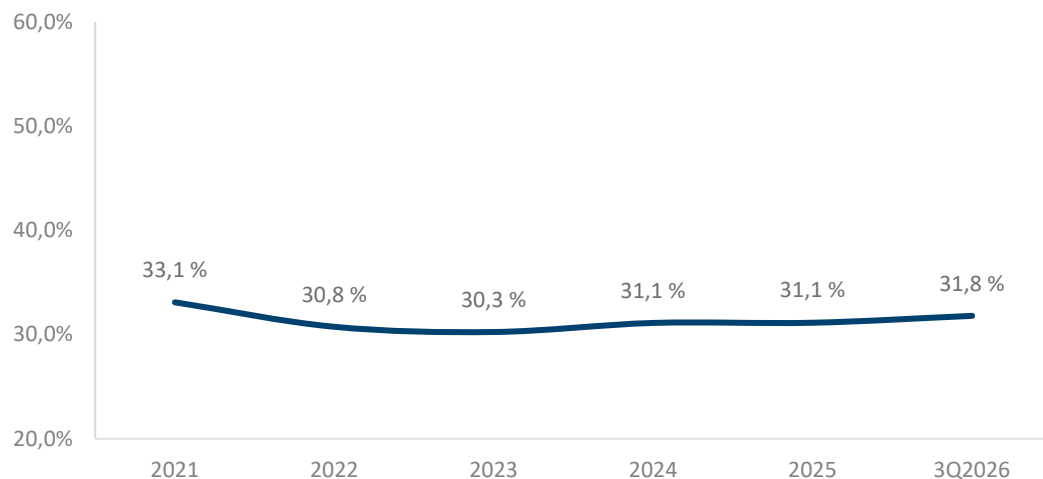


Loan Book – Excellent Quality

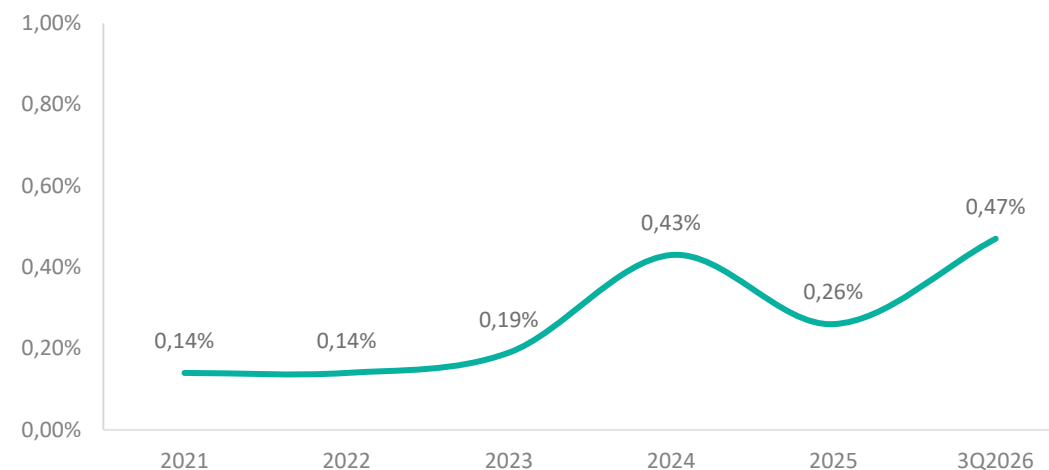


- The average LTV (loan-to-value) is stable at 31.8%
 - Low LTV combined with conservative collateral valuation makes Hypo's loan book very strong even in times of stress
- Non-performing loans were at 0.47% of total loans
 - Whole Finland - non-performing loans at ye2025
 - Households 2.3% (Bank of Finland's press release 30.1.2026)
 - Housing corporations* 0.7% (6 largest cities) and 2.0% (rest of the country) (Bank of Finland's dashboard)

Hypo Loan Book Average LTV



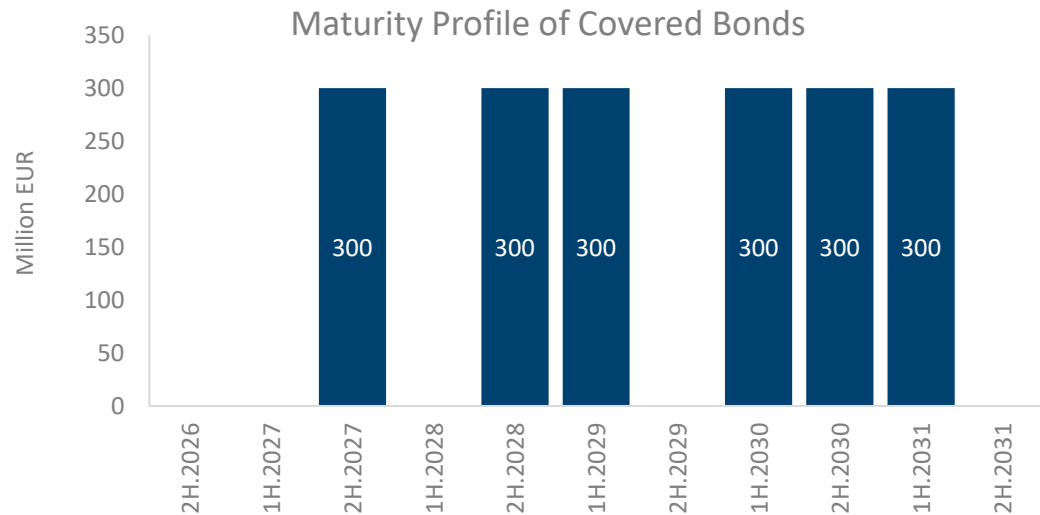
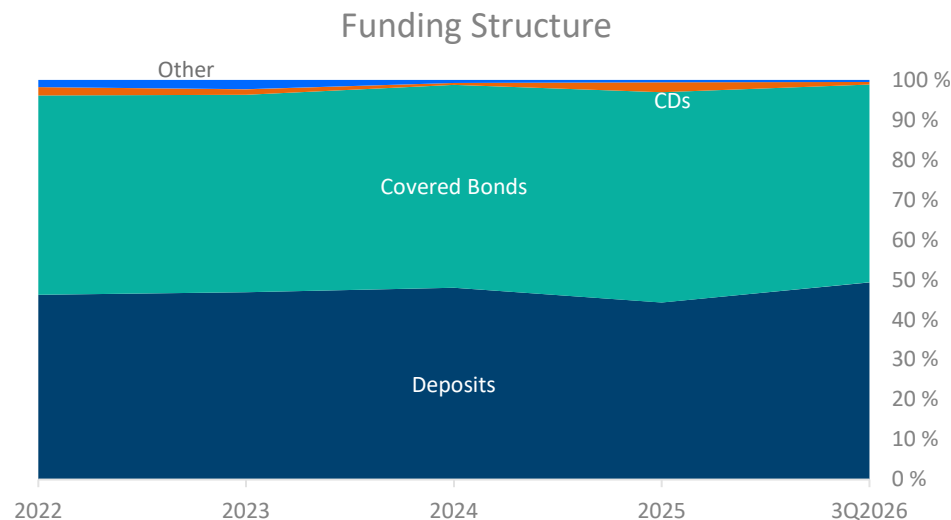
Non-performing Loans (%)



Funding and Liquidity



Funding Profile – Stable with Diversified Maturities



- Covered bonds ~50% of total funding
 - Program was inaugurated in 2016
 - Issuer is the group parent, no separate entity
 - Hypo is a member of ECBC
- Deposits ~49% of total funding
 - collected through 100% subsidiary bank "Suomen Asuntohypopankki"
- Other funding sources
 - Domestic CD program
 - ECB's monetary policy operations
 - Bilateral loans
- NSFR 119.9% (110.2% as at ye2025)

Covered Bonds

Bloomberg ticker: SUOHYP Corp



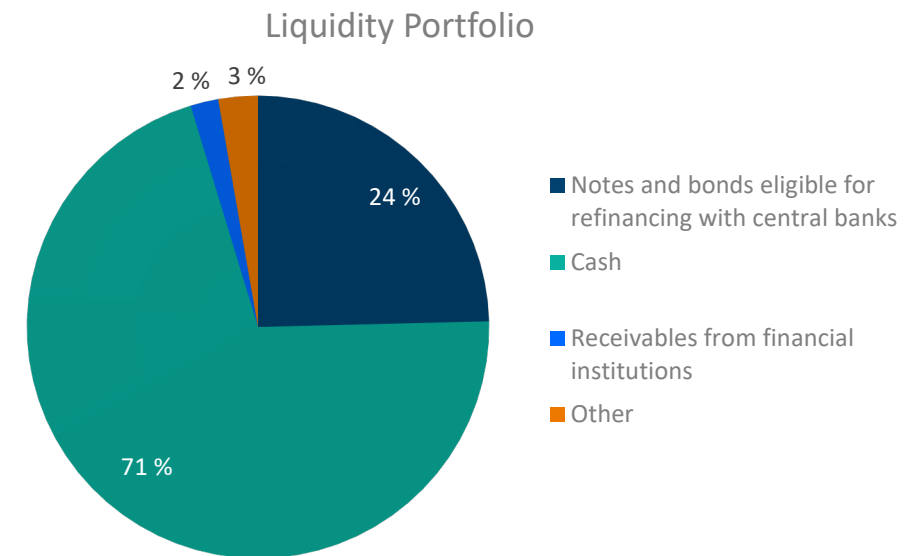
- Covered bonds rated 'AAA' (stable) by S&P
- Issues (≥ 250 million) LCR level 2A and ECB repo eligible
- Cover pools consist 100% of Finnish residential property
 - Regulatory risk weight of pool assets mostly 20% (Basel III standardized approach)
 - Collateral located mostly in prime growth centers
- Total amount outstanding EUR 1,800 million
- **Pool 2: new issuance** under Act 151/2022 - European Covered Bond Premium
 - Current WALTV's **24.4%**
 - Current nominal overcollateralization **18.2%**
- Pool 1: issues done under previous Covered Bond Act 688/2010
 - Current WALTV's 32.7%
 - Current nominal overcollateralization 16.0%
- 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	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
Covered – Pool 2	FI4000599006	11.2.2026	11.2.2030	300	Fixed +2.625	MS +24

Liquidity – Prudently Managed

Liquidity totaled EUR 776.3 million as of 30.9.2026

- Liquidity comprises 20.6% of total assets
- Conservative investment policy
 - 85.6% of debt securities invested in at least 'AA-' rated instruments
 - 89.9% of debt securities are ECB repo eligible
- Only EUR denominated exposure
- LCR 295.0% (277.4% as at ye2025)



Outlook



Outlook for 2026 in Brief



- Finland's economic growth is strengthening despite global uncertainty, the labour market recovery is progressing with a lag, but the economic outlook has improved during 2026
- The housing market is recovering, and renovation building is growing
- Regional and property-specific differences remain pronounced
- Urbanization continues
 - These increase housing sales and the demand for mortgages and housing company loans, especially in Hypo's key operating areas
- Hypo Group focuses on strengthening its core business operations and improving profitability
- Operating profit for year 2026 is expected to be at the same level as operating profit for 2025 (reiteration from 30 January 2026)
 - The outlook includes significant uncertainties arising from economic and interest rate developments, the wars in Ukraine and the Middle East, and the unstable global situation



CEO
Mr Ari Pauna
Tel. +358 50 353 4690
ari.pauna@hypo.fi

Head of Treasury
Ms Outi Wasenius
Tel. +358 44 349 1433
outi.wasenius@hypo.fi

Chief Economist
Mr Juho Keskinen
Tel. +358 40 165 9582
juho.keskinen@hypo.fi

www.hypo.fi/en/investor-relations

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