THE MORTGAGE SOCIETY OF FINLAND

HALF-YEAR REPORT

1 January–30 June 2026

The Interim Report for the period of 1 January 2026 to 30 September 2026 will be published on 30 October 2026.

Hypo Group's Interim Report can be accessed at https://www.hypo.fi/en/hypo-financial-information/

HYPO GROUP'S JANUARY–JUNE 2026

The home finance specialist Hypo Group's operating profit decreased, but the outlook remained stable despite the uncertain global and Finnish economic environment.

CEO Ari Pauna:

"Focusing on low-risk housing collateralized lending in urbanising Finland still provides stability and returns despite the continuous uncertainty in the operating environment. Capital adequacy and liquidity remained at a strong level. Non-performing loans and impairment losses remained at a very low level. During uncertain times, the services of a specialist organization are in demand. There is a strong demand for home financing from us, and we respond to the demand with more housing finance experts than before."

- Operating profit was EUR 3.6 million (EUR 5.2 million 1–6/2025)
- Net interest income was EUR 7.7 million (EUR 10.1 million 1–6/2025)
- Net fee and commission income was EUR 4.0 million (EUR 2.9 million 1–6/2025)
- Other income was EUR 2.6 million (EUR 1.5 million 1–6/2025)
- Total expenses were EUR 10.7 million (EUR 9.3 million 1–6/2025)
- Non-performing loans were at 0.32% of loan book (0.26% on 31 December 2025)
- Expected credit losses were 0.01% of the loan book (0.01% on 31 December 2025)
- Common Equity Tier 1 (CET1) ratio, calculated with the standardized approach and the basic indicator approach, was 21.9% (22.9% on 31 December 2025)
- Liquidity Coverage Ratio (LCR) was 377.8% (277.4% on 31 December 2025)

Group Key Figures

(1 000 €)	1-6/2026	1-6/2025	4-6/2026	4-6/2025	1-12/2025
Net interest income	7,669	10,058	3,899	5,262	19,284
Net fee and commission income	3,994	2,935	2,334	1,827	5,985
Total other income	2,611	1,514	757	483	3,623
Total expenses	-10,709	-9,315	-5,200	-4,652	-19,805
Operating profit	3,565	5,193	1,791	2,920	9,086
Receivables from the public and public sector entities	2,811,183	2,819,177	2,811,183	2,819,177	2,751,992
Deposits	1,635,957	1,521,716	1,635,957	1,521,716	1,504,008
Balance sheet total	3,779,084	3,570,870	3,779,084	3,570,870	3,645,970
Return on equity (ROE) %	3.5	5.0	3.5	5.8	4.4
Common Equity Tier 1 (CET1) ratio %	21.9	21.8	21.9	21.8	22.9
Cost-to-income ratio %	73.6	63.3	74.1	61.2	68.5
Non-performing loans % of the loan portfolio	0.32	0.39	0.32	0.39	0.26
Loan-to-value ratio (weighted average LTV) %	31.6	30.8	31.6	30.8	31.1
Loans / Deposits %	171.8	185.3	171.8	185.3	183.0
Liquidity Coverage Ratio (LCR) %	377.8	232.2	377.8	232.2	277.4
Net Stable Funding Ratio (NSFR) %	120.1	110.6	120.1	110.6	110.2
Leverage Ratio (LR) %	4.2	4.4	4.2	4.4	4.3

Calculation of key figures and definitions are set out below.

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HYPO-GROUP

The Mortgage Society of Finland Group (hereafter "Hypo Group" or "the Group") is the only domestic expert organization in home financing. Hypo Group grants mortgages as well as renovation loans and consumer loans, both secured by residential property collateral, for first-time and other homebuyers.

Our customer promise – a secure way for better living – guides all our operations. Nearly 23 thousand customers in growth centers have already taken us up on our promise.

The Mortgage Society of Finland, the parent company of the Group, has its domicile and administrative headquarters in Helsinki. The street address of the Mortgage Society of Finland is Yrjönkatu 9 A, 00120 Helsinki and the mail address is P.O. Box 509, 00101 Helsinki. The Mortgage Society of Finland is a mutual company governed by its member customers.

Suomen Asuntohypopankki Oy offers its customers deposit products, loans, apartments for rent and residential land trustee services. Suomen Asuntohypopankki Oy is a member of the Deposit Guarantee Fund and a bank wholly owned by the Mortgage Society of Finland.

S&P Global Ratings has assigned 'BBB/A-2' issuer credit ratings with stable outlook to the Mortgage Society of Finland (10 June 2026).

Rating for the covered bonds of the Mortgage Society of Finland is 'AAA' with stable outlook (S&P Global Ratings Cover pool 1 28 May 2026 and Cover Pool 2 22 December 2025).

OPERATING ENVIRONMENT

Global economic growth continued in the second quarter of the year. The economic outlook, however, remained uncertain due to global crises. Ongoing conflicts continue to pose a risk of slower economic growth and higher inflation. The crisis in the Middle East and Russia's war of aggression against Ukraine have persisted, while uncertainty surrounding international trade policy has remained high. Nevertheless, the global composite purchasing managers' index rose slightly in April–June from its March level. Finland's economic growth strengthened significantly during the second quarter.

The Governing Council of the ECB raised its key interest rates by 0.25 percentage points in June due to new inflationary pressures caused by the war in the Middle East. The asset purchase programme portfolio is declining at a measured and predictable pace and the principal payments from maturing securities will no longer be reinvested. The long-term risk-free interest rates in the euro area declined moderately in April–June, as expectations of a normalization in energy markets grew. Short-term Euribor rates saw no major changes, and the 12-month Euribor stood at 2.73 percent at the end of the quarter.

The value of renovation building continued to rise moderately at the beginning of the year. Consumer confidence rose in June to its highest level since the start of Russia's war of aggression, with intentions to purchase a dwelling and plans for renovations also improving. Housing starts in new construction projects declined in March–May from the previous year, and the cyclical situation in the construction sector remained very weak.

Finnish companies' deposit stock stood at EUR 47.0 billion at the end of June. Of this total, overnight deposits amounted to EUR 42.1 billion, fixed term deposits to EUR 4.1 billion, and investment deposits to EUR 0.8 billion. The loan stock of housing corporations grew by 2.6% in June compared with a year earlier.

In June, the nationwide stock of housing loans in Finland was close to the level recorded a year earlier. The average interest rate on the housing loan stock was 2.93%, and the average rate on newly drawn housing loans was 3.19%. Finnish households' deposit stock stood at EUR 118.1 billion at the end of June, with an average deposit rate of 0.84%. Of this total, overnight deposits amounted to EUR 72.2 billion, fixed term deposits to EUR 16.8 billion, and investment deposits to EUR 29.1 billion.

Finland's working-day adjusted output increased by 1.8% in June compared with a year earlier. The number of employed persons in June was 29,000 lower than a year ago, and the number of unemployed increased by 39,000 compared with a year earlier.

According to preliminary data, prices of old dwellings in the whole country fell by 3.9% in April–June compared with a year earlier. Prices in the Helsinki metropolitan area declined by 4.2% over the same period, while elsewhere in the country the decrease was 3.5%. Nationwide, the number of transactions in existing apartments declined by about 16% in April–June from a year earlier. The number of homes on the market remained high.

The year-on-year change in consumer prices was 2.1% in June. The gradually improving economic cycle supports households' purchasing power, housing transactions and loan demand in Hypo's operating areas. The need for repairs to residential buildings continues to grow, which supports the demand for housing companies' renovation loans and the growth of the loan stock in Finland. The growth of cities and new construction also create good conditions for the growth of closed plot funds managed by Hypo.

RESULTS AND PROFITABILITY

APRIL–JUNE 2026

Hypo Group's operating profit was EUR 1.8 million (EUR 2.9 million for April–June 2025). Income decreased to EUR 7.0 million (EUR 7.6 million). Expenses increased to EUR 5.2 million (EUR 4.7 million).

JANUARY–JUNE 2026

Hypo Group's operating profit was EUR 3.6 million (EUR 5.2 million for January–June 2025). Income remained at almost the same level as in the comparison period and totaled EUR 14.3 million (EUR 14.5 million).

Net interest income decreased compared to the comparison period and totaled EUR 7.7 million (EUR 10.1 million) due to a higher level of liquidity than in the comparison period and general interest rate developments. Net fee and commission income increased and totaled EUR 4.0 million (EUR 2.9 million). Other income was EUR 2.6 million (EUR 1.5 million) and included net income from investment properties (housing units and residential land) EUR 2.1 million (EUR 1.1 million). The amount also included net income from financial instruments at fair value and fair value through other comprehensive income EUR 0.5 million (EUR 0.4 million).

Expenses increased compared to the reference period, totaling EUR 10.7 million (EUR 9.3 million). Expenses increased as a result of investments in sales and customer service personnel.

Hypo Group's other comprehensive income of EUR 3.3 million (EUR 4.2 million) includes EUR 3.0 million (EUR 4.2 million) of profit for the year and other comprehensive income, after tax items of EUR 0.3 million (EUR -0.02 million).

PERSONNEL

On 30 June 2026, the number of permanent personnel was 91 (71 on 31 December 2025). These figures do not include the CEO and the vice CEO.

ASSETS AND LIABILITIES

Lending

At the end of the financial period, the loan portfolio totaled EUR 2,811.2 million (EUR 2,752.0 million on 31 December 2025).

Hypo Group has an entirely residential property-secured loan portfolio.

The weighted average Loan-to-Value ratio of the loan portfolio remained at a strong level and was 31.6% (31.1%) at the end of the financial period.

The amount of non-performing loans was EUR 8.8 million (EUR 7.1 million), representing 0.32% (0.26%) of the loan portfolio. The amount of expected credit losses recognized on the balance sheet increased slightly compared with the reference period and amounted to EUR 0.4 million (EUR 0.2 million), due to an increase in the Forward Looking Factor (FLF) affecting the amount of Expected Credit Losses (ECL) to level 1. There were no significant ECL-level transitions during the financial period.

Liquid assets and other receivables

At the end of the financial period, cash and cash equivalents in accordance with the cash flow statement, combined with current account and other binding credit facilities, totaled EUR 807.5 million (EUR 752.0 million on 31 December 2025), which corresponds to 21.4% (20.6%) of the total assets. The cash and cash equivalents totaled EUR 806.5 million and consisted of assets distributed widely across various counterparties, and of debt securities tradable on the secondary market. The total amount of debt securities was EUR 213.8 million and 81.5% (72.0%) of debt securities had a credit rating of at least 'AA-' or were of equivalent credit quality and 89.8% (92.5%) were ECB repo eligible. The Liquidity Coverage Ratio remained at a strong level and was 377.8% (277.4%).
The defined benefit plans surplus of EUR 9.0 million (EUR 8.2 million) from the Mortgage Society of Finland's pension fund has been recognized in the Group's other assets.

Hypo Group offers apartments and residential land for rent for its customers. The total number of properties was EUR 87.0 million (EUR 79.5 million) representing 2.3% (2.2%) of the total balance. Hypo Group's properties are located in selected growth centers, mainly in the Helsinki Metropolitan Area. The difference between the fair value and the book value of the properties totaled EUR 3.1 million (EUR 3.0 million).

Derivative contracts

The balance sheet values of derivative assets and margin call receivables were EUR 50.4 million (EUR 42.3 million on 31 December 2025), and the value of derivative liabilities was EUR 51.0 million (EUR 43.3 million). The amount of derivative liabilities consists of the values of hedging derivatives for covered bonds and collateral arrangements for derivatives.

Deposits and other funding

The total amount of deposits increased slightly and was EUR 1,636.0 million at end of the financial period (EUR 1,504.0 million on 31 December 2025). The share of depo

sits accounted for 47.0% (44.3%) of total funding.

The total nominal amount of covered bonds was EUR 1,800.0 million (EUR 1,800.0 million). The total nominal value of certificates of deposit was EUR 41.0 million (EUR 86.0 million).

The Group's NSFR-ratio at the end of the financial period was 120.1% (110.2%).

The total funding was EUR 3,480.4 million at the end of the financial period (EUR 3,396.2 million).

CAPITAL ADEQUACY AND RISK MANAGEMENT

At the end of the financial period, Hypo Group's equity amounted to EUR 176.5 million (EUR 173.2 million on 31

CAPITAL ADEQUACY

	Minimum capital requirement*	Discretionary capital add-on*	Capital conservation buffer	Countercyclical buffer**	Systemic risk buffer	Indicative capital add-on	Total capital requirement
Common Equity Tier 1 capital (CET1)	4.50%	0.70%	2.50%	0.01%	1.00%	0.75%	9.47%
Additional Tier 1 capital (AT1)	1.50%	0.23%					1.73%
Tier 2 capital (T2)	2.00%	0.31%					2.31%
Total	8.00%	1.25%	2.50%	0.01%	1.00%	0.75%	13.51%

* AT1 and T2 capital requirements are possible to fill with CET1 capital.

** Taking into account the geographical distribution of the Group's exposures.

December 2025). The changes in equity during the financial period are presented in the Group's statement of changes in equity attached to this report.

The Group's Common Equity Tier 1 capital (CET1) in relation to risk-weighted assets was 21.9% (22.9%). Profit for the financial period is included in the CET1 capital, with the permission of the Finnish Financial Supervisory Authority (the Finnish FSA). In measuring credit risk, the standardized approach is used. The Group's own funds are quantitatively and qualitatively adequate in relation to the Group's current and future business. At the end of the financial period, the Group's Leverage Ratio was 4.2% (4.3%).

The Group's total capital requirement at the end of the financial period was 13.5%, consisting of minimum capital requirement 8.0%, capital conservation buffer requirement 2.5%, discretionary capital add-on 1.25%, indicative capital add-on 0.75%, systemic risk buffer 1.0% and countercyclical buffer requirements of foreign exposures 0.01%.

The Finnish Financial Supervisory Authority has set, on 23 May 2025, discretionary additional capital requirement of 1.25 percent (Pillar 2 requirement) for The Mortgage Society of Finland group. The new requirement came into force on 31 December 2025 and remains effective until no later than 31 December 2028.

SUMMARY OF CAPITAL ADEQUACY

(1 000 €)	30.6.2026	31.12.2025
Common Equity Tier 1 capital before deductions	176,533	173,183
Deductions from Common Equity Tier 1 capital	-15,971	-14,579
Total Common Equity Tier 1 capital (CET1)	160,562	158,604
Additional Tier 1 capital before deductions	-	-
Deductions from Additional Tier 1 capital	-	-
Total Additional Tier 1 capital (AT1)	-	-
Tier 1 capital (T1 = CET1 + AT1)	160,562	158,604
Tier 2 capital before deductions	-	-
Deductions from Tier 2 capital	-	-
Total Tier 2 capital (T2)	-	-
Total capital (TC = T1 + T2)	160,562	158,604
Total risk weighted assets	734,802	694,004
of which credit risk	689,781	648,813
of which market risk (foreign exchange risk)	-	-
of which operational risk	44,255	44,255
of which other risks	766	935
CET1 Capital ratio (CET1-%)	21,9	22.9
T1 Capital ratio (T1-%)	21,9	22.9
Total capital ratio (TC-%)	21,9	22.9
Minimum capital	5,000	5,000

The Finnish FSA has set, on 12 December 2025, an indicative additional capital recommendation of 0.75% of total risk for the Mortgage Society of Finland. The recommendation came into force on 31 March 2026.

The Mortgage Society of Finland is one of several Finnish credit institutions for which the Finnish FSA has set, on 26 June 2025, a systemic risk buffer amounting to 1.0%. The buffer requirement is applied at group level. The decision will enter into force on 1 July 2026 and will remain in force until further notice. The current systemic risk buffer is 1.0%.

There have been no significant changes in the risk levels during the financial period. More detailed information on risk management practices and on capital adequacy is published with the Annual Financial Statements.

OTHER KEY EVENTS

During the year 2026, Hypo Group focuses on strengthening its core businesses and profitability.

During the financial period, efforts were made to strengthen the number of personnel working in the customer interface.

During the review period, Suomen Asuntohypopankki Oy (AHP) commenced lending operations following the completion of the technical implementation required for loan origination within its core banking system. Although AHP had previously been authorized to grant loans under its banking licence, lending activities were launched now as part of a strategic development initiative of the Hypo Group. The commencement of lending operations supports the Group's long-term competitiveness and growth opportunities and strengthens the Hypo Group's ability to compete on equal terms with other market participants.

At the end of March, the Finnish Government submitted a proposal to Parliament concerning amendments to sustainability reporting. According to the proposal, the scope of entities subject to sustainability reporting would be narrowed and the reporting requirements eased as a result of increased threshold values. The Finnish Parliament approved the proposal on 16 June 2026. The new provisions entered into force on 30 June 2026, and as a result, the Hypo Group falls outside the scope of the sustainability reporting obligation and will not be required to prepare a sustainability report for the financial year beginning on 1 January 2027 or subsequent financial years.

KEY EVENTS SINCE THE END OF THE FINANCIAL PERIOD

Since the end of the financial period of 1 January – 30 June 2026, no significant changes have occurred in the outlook or financial standing of the Mortgage Society of Finland or its Group.

FUTURE OUTLOOK

Finland's economy is growing despite global uncertainty. Labor market is still cool and foreign trade stagnates, but the economic outlook will improve during 2026. The construction sector is in a weak phase, construction investments are lower than before, and risks related to real estate funds are elevated. Rising wages support consumers' purchasing power. The housing market is recovering and renovation construction is increasing moderately, but interest rate development remains highly uncertain. Housing starts will remain low, and housing prices will turn upward as uncertainty eases. Differences between housing market areas and units become more important and urbanization continues supported by the supply of housing, which increases housing sales and the demand for mortgages and housing company loans, especially in Hypo's most important operating areas.

Hypo focuses on strengthening its core business operations and improving profitability. Hypo reiterates the outlook published in its financial statements release on 30 January 2026. Operating profit for 2026 is expected to be at the same level as operating profit for 2025. The outlook includes significant uncertainties arising from economic and interest rate development, the wars in Ukraine and the Middle East, and the unstable global situation.

Helsinki, 10th of August 2026

The Board

CONSOLIDATED INCOME STATEMENT

(1 000 €)	1-6/2026	1-6/2025	4-6/2026	4-6/2025	1-12/2025
Interest income	52,960	56,831	26,158	27,568	109,862
Interest expenses	-45,291	-46,773	-22,259	-22,306	-90,578
NET INTEREST INCOME	**7,669**	**10,058**	**3,899**	**5,262**	**19,284**
Fee and commission income	4,124	3,044	2,400	1,881	6,206
Fee and commission expenses	-130	-109	-66	-54	-222
Net income from financial instruments at FVPL	521	419	-584	52	1,340
Net income from financial instruments at FVOCI	1	11	0	0	11
Net income from investment properties	2,075	1,071	1,334	406	2,243
Other operating income	15	14	7	25	28
Personnel expenses	-5,704	-4,719	-2,739	-2,463	-10,458
Administrative expenses	-3,244	-2,865	-1,700	-1,406	-6,212
Total personnel costs and administrative expenses	-8,947	-7,584	-4,440	-3,869	-16,670
Depreciation and impairment losses on tangible and intangible assets	-879	-830	-445	-421	-1,677
Other operating expenses	-684	-763	-295	-346	-1,440
Final and expected credit losses	-198	-138	-20	-17	-17
OPERATING PROFIT	**3,565**	**5,193**	**1,791**	**2,920**	**9,086**
Income taxes	-530	-970	-245	-458	-1,561
PROFIT AFTER TAXES	**3,035**	**4,223**	**1,546**	**2,462**	**7,526**
PROFIT FOR THE PERIOD	**3,035**	**4,223**	**1,546**	**2,462**	**7,526**

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(1 000 €)	1-6/2026	1-6/2025	4-6/2026	4-6/2025	1-12/2025
Profit for the period	3,035	4,223	1,546	2,462	7,526
Other comprehensive income, after tax					
Items that may in the future be recognized through profit or loss					
Change in fair value reserve					
Financial assets at FVOCI	-177	-1	303	23	-96
Total	-177	-1	303	23	-96
Items that may not be included in the income statement at a later date					
Revaluation of defined benefit pension plans	492	-17	730	72	71
Total	492	-17	730	72	71
Other comprehensive income, after tax, total	314	-18	1,033	94	-25
COMPREHENSIVE INCOME FOR THE PERIOD	**3,350**	**4,205**	**2,579**	**2,556**	**7,501**

CONSOLIDATED BALANCE SHEET

(1 000 €)	30.6.2026	31.12.2025	30.6.2025
ASSETS			
Cash	575,860	580,547	434,909
Debt securities eligible for refinancing with central banks	192,046	144,102	139,360
Receivables from credit institutions	16,905	14,890	11,116
Receivables from the public and public sector entities	2,811,183	2,751,992	2,819,177
Debt securities	21,731	11,700	6,223
Shares and holdings	37	31	31
Derivative contracts	16,573	13,534	29,226
Intangible assets	10,514	9,547	9,696
Tangible assets			
Investment properties	86,192	78,667	77,779
Other tangible assets	1,057	992	1,038
Tangible assets, total	87,249	79,658	78,817
Other assets	45,275	38,421	41,113
Deferred income and advances paid	1,628	1,509	1,179
Deferred tax receivables	83	38	22
TOTAL ASSETS	**3,779,084**	**3,645,970**	**3,570,870**
LIABILITIES			
LIABILITIES			
Liabilities to credit institutions			
To credit institutions	17,789	20,008	19,998
Liabilities to credit institutions, total	17,789	20,008	19,998
Liabilities to the public and public sector entities			
Deposits	1,635,957	1,504,008	1,521,716
Other liabilities	0	0	2,923
Liabilities to the public and public sector entities, total	1,635,957	1,504,008	1,524,639
Debt securities issued to the public	1,826,701	1,872,206	1,711,575
Derivative contracts	34,454	29,409	33,412
Other liabilities	74,422	33,365	98,425
Deferred expenses and advances received	2,967	3,676	2,853
Deferred tax liabilities	10,259	10,115	10,080
EQUITY			
Basic capital	5,000	5,000	5,000
Other restricted reserves			
Reserve fund	41,236	38,645	38,645
Fair value reserve			
From valuation at fair value	-168	10	105
Defined benefit pension plans			
Actuarial gains/losses	6,804	6,313	6,224
Unrestricted reserves			
Other reserves	22,924	22,924	22,924
Retained earnings	97,702	92,768	92,768
Profit for the period	3,035	7,526	4,223
Total equity	176,533	173,183	169,888
TOTAL LIABILITIES AND EQUITY	**3,779,084**	**3,645,970**	**3,570,870**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(1 000 €)	30.6.2026 Basic capital	Reserve fund	Fair value reserve	Other reserves	Retained earnings	Total
Equity 1 Jan	**5,000**	**38,645**	**6,322**	**22,924**	**100,293**	**173,184**
Profit for the period					3,035	3,035
Other comprehensive income, after tax						
Financial assets at FVOCI						
Change in fair value			-227			-227
Amount transferred to the income statement			1			1
Change in deferred taxes			48			48
Defined benefit pension plans						
Actuarial gains / losses			615			615
Change in deferred taxes			-123			-123
Total other comprehensive income, after tax	0	0	314	0	0	314
Transactions with owners of the bank						
Distribution of profits		2,591			-2,591	0
Equity 30 June	**5,000**	**41,236**	**6,637**	**22,924**	**100,737**	**176,533**

(1 000 €)	31.12.2025 Basic capital	Reserve fund	Fair value reserve	Other reserves	Retained earnings	Total
Equity 1 Jan	**5,000**	**37,712**	**6,347**	**22,924**	**93,700**	**165,683**
Profit for the period					7,526	7,526
Other comprehensive income						
Financial assets at fair value through other comprehensive income						
Change in fair value			-128			-128
Amount transferred to the income statement			11			11
Change in deferred taxes			21			21
Revaluation of defined benefit plans						
Actuarial gains / losses			89			89
Change in deferred taxes			-18			-18
Total other comprehensive income	0	0	-25	0	0	-25
Transactions with owners of the bank						
Distribution of profits		933			-933	0
Equity 31 Dec	**5,000**	**38,645**	**6,322**	**22,924**	**100,293**	**173,184**

(1 000 €)	30.6.2025 Basic capital	Reserve fund	Fair value reserve	Other reserves	Retained earnings	Total
Equity 1 Jan	**5,000**	**37,712**	**6,347**	**22,924**	**93,700**	**165,683**
Profit for the period					4,223	4,223
Other comprehensive income						
Financial assets at fair value through other comprehensive income						
Change in fair value			1			1
Change in deferred taxes			-2			-2
Revaluation of defined benefit plans						
Actuarial gains / losses			-21			-21
Change in deferred taxes			4			4
Total other comprehensive income	0	0	-18	0	0	-18
Transactions with owners of the bank						
Distribution of profits		933			-933	0
Equity 30 June	**5,000**	**38,645**	**6,329**	**22,924**	**96,991**	**169,888**

CONSOLIDATED CASH FLOW STATEMENT

(1 000 €)	1-6/2026	1-6/2025	1-12/2025
Cash flow from operating activities			
Interest income and fees received	46,176	47,410	116,672
Interest and fees paid	-40,953	-53,130	-91,761
Credit losses	2	2	-111
Personnel, administrative and other operating expenses paid	-9,439	-8,190	-17,467
Income taxes paid	-1,419	-457	-1,224
Total net cash flow from operating activities	**-5,632**	**-14,364**	**6,109**
Operating assets increase (-) / decrease (+)			
Receivables from customers	-10,346	40,700	44,404
Operating assets increase (-) / decrease (+) total	**-10,346**	**40,700**	**44,404**
Operating liabilities increase (+) / decrease (-)			
Liabilities to the public and public sector organisations (deposits)	128,438	-28,660	-43,650
Other operating liabilities	106	-584	245
Operating liabilities increase (+) / decrease (-) total	**128,544**	**-29,244**	**-43,405**
NET CASH FROM/USED IN OPERATING ACTIVITIES	**112,566**	**-2,908**	**7,108**
Cash flows from investing activities			
Income received from financial instruments measured at fair value	27	61	11
Expenses paid from financial instruments and measured at fair value	-8	0	0
Payments received from investment properties	2,628	1,898	4,735
Expenses paid from investment properties	-7,847	-3,397	-5,234
Cash flows from acquisition of fixed assets	-1,921	-276	-923
NET CASH FROM /USED IN INVESTING ACTIVITIES	**-7,121**	**-1,713**	**-1,412**
Cash flows from financing activities			
Financial liabilities, new withdrawals	307,323	76,292	441,310
Financial liabilities, repayments	-357,345	-18,245	-233,506
NET CASH FROM/USED IN FINANCING ACTIVITIES	**-50,022**	**58,047**	**207,805**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**55,424**	**53,426**	**213,500**
Cash and cash equivalents at the beginning of the period	**750,049**	**536,549**	**536,549**
Cash and cash equivalents at the end of the period	**805,473**	**589,975**	**750,049**
CHANGE IN CASH AND CASH EQUIVALENTS	**55,424**	**53,426**	**213,500**
Cash and cash equivalents in the balance sheet			
Cash and cash equivalents in the cash flow statement at the end of the financial period	805,473	589,975	750,049
Changes that do not involve payment	1,068	-1,634	1,190
Balance sheet value at the end of the financial period	806,541	591,608	751,239

NOTES

1. Key accounting policies

This Half-year Report applies the same IFRS Accounting Standards as the Group's Financial Statements on 31 December 2025. The Financial Statements Release has been prepared in accordance with the IAS 34 standard (Interim Financial Reporting) approved in the EU. No other new standards or interpretations with material effect on Hypo Group's financial position, profit or equity, entered into force in the financial period beginning 1 January 2026.

The Half-year Report does not contain all information nor notes that are required in the Annual Financial Statements. The Financial Statements Release should be read in conjunction with the Group's Financial Statements 2025 and Stock Exchange Releases published during 1 January to 30 June 2026. The figures in the tables are presented in thousands of euros. Comparatives for the income statement items are based on the corresponding figures in 2025. Unless otherwise specified, figures from 31 December 2025 are used as comparatives for balance-sheet and other cross-sectional items.

Parent company of the Group, the Mortgage Society of Finland has its domicile and administrative headquarters in Helsinki. The street address of the Mortgage Society of Finland is Yrjönkatu 9 A, 00120 Helsinki and the mail address is P.O.Box 509, 00101 Helsinki. Hypo is a mutual company governed by its member customers.

The Half-year Report has not been audited.

Hypo Group's business operations constitute a single segment, retail banking.

Hypo Group's consolidated Financial Statements cover the Mortgage Society of Finland as well as the deposit bank Suomen Asuntohypopankki Oy, of which the Mortgage Society of Finland owns 100 percent, and Bostadsaktiebolaget Taos, of which the Group companies own 54.6 percent. The Financial Statements of Asuntohypopankki have been consolidated using the acquisition cost method. Ownership in Bostadsaktiebolaget Taos is accounted for using IFRS 11 Joint Arrangements -standard. Assets, liabilities, revenue and expenses of the joint operations are recognized in relation to Hypo Group's interest in the joint operation. Intercompany transactions and balances between the Group companies are eliminated.

2. New standards and interpretations

During the 2026 financial year, no new IFRS standards, interpretations or amendments have entered into force that would have had a material impact on the group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements. The standard introduces new requirements for the presentation of financial statements and disclosures and aims to enhance the consistency and comparability of financial reporting. The key changes relate particularly to the structure of the statement of profit or loss, in which income and expenses are classified into five categories: operating, investing, financing, income taxes, and discontinued operations. In addition, the standard introduces new requirements regarding the aggregation and disaggregation of items in the financial statements and notes, as well as the presentation of management-defined performance measures. IFRS 18 becomes effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively to comparative periods.

The Hypo Group is currently assessing the impact of adopting IFRS 18 on its financial statements. The assessment focuses particularly on the classification of items in the statement of profit or loss into the categories required by the standard, as well as on potential changes to the presentation of the financial statements and disclosures. IFRS 18 does not change the Group's recognition or measurement principles and, therefore, the adoption of the standard is not expected to have a significant impact on the Group's financial position, results of operations, or capital adequacy. The expected changes relate primarily to the structure of the statement of profit or loss and the presentation of disclosures in the notes to the financial statements.

Other future new standards or standard amendments published by the IASB are not expected to have a material effect on the consolidated financial statements.

3. Issuances and repayments of debt securities and equity instruments

Issuances, repayments and repurchases of debt securities appear on cash flow statement for the period from 1 January to 30 June 2026. Equity instruments have not been issued nor repaid during the period from 1 January to 30 June 2026.

4. Contingent liabilities and other off-balance sheet commitments

(1 000 €)	30.6.2026	31.12.2025
Commitments given on behalf of a customer for the benefit of a third party		
Guarantees and other liabilities	2,560	3,200
Irrevocable commitments given on behalf of a customer		
Granted but unclaimed loans	249,877	182,074
Total	252,437	185,274

5. Fair values of financial assets and liabilities

(1 000 €)	Classification	Fair value determination principle	30.6.2026 Book value	30.6.2026 Fair value	31.12.2025 Book value	31.12.2025 Fair value
Publicly quoted						
Debt securities	Fair value through other comprehensive income (FVOCI)	1	95,859	95,859	54,972	54,972
Debt securities	Option to designate a financial asset at fair value	1	112,943	112,943	100,831	100,831
Total			208,802	208,802	155,803	155,803
Debt securities issued to the public	Amortised cost	1	1,785,782	1,785,782	1,786,834	1,786,834
Total			1,785,782	1,785,782	1,786,834	1,786,834
Other						
Liquid assets	Amortised cost	1	575,860	575,860	580,547	580,547
Receivables from credit institutions	Amortised cost	2	16,905	16,905	14,890	14,890
Receivables from the public and public sector entities	Amortised cost	2	2,811,183	2,811,183	2,751,992	2,751,992
Debt securities	Fair value through other comprehensive income (FVOCI)	2	4,975	4,975		
Shares and holdings	Fair value through other comprehensive income (FVOCI)	2	37	37	31	31
Derivative contracts	Fair value through profit or loss (FVPL)	2	16,573	16,573	13,534	13,534
Total			3,425,532	3,425,532	3,360,994	3,360,994
Liabilities to credit institutions	Amortised cost	2	17,789	17,789	20,008	20,008
Liabilities to the public and public sector entities	Amortised cost	2	1,635,957	1,635,957	1,504,008	1,504,008
Debt securities issued to the public	Amortised cost	1	40,919	40,919	85,372	85,372
Derivative contracts	Fair value through profit or loss (FVPL)	2	34,454	34,454	29,409	29,409
Total			1,729,120	1,729,120	1,638,798	1,638,798

Level 3 financial assets do not carry any unrealized gains or losses. Book values and fair values of financial instruments contain accrued interest. Derivative contracts consist of interest rate and currency swaps with various counterparties for hedging purposes. Liabilities to financial institutions mainly consist of unsecured long-term promissory note loans with floating interest rates with various counterparties. Liabilities to the public and public sector entities consist of deposits from the public and long-term financing contracts concluded with certain counterparties. The fair values of debt securities (financial assets) are presented based on public quotes from active markets. The fair values of derivatives are calculated by discounting the future cash flows of the contracts using the market interest rates of the closing date.

There have been no transfers between the stages (1,2,3).

The fair value determination principles are as follows:

1: Quoted prices in active markets

2: Verifiable price, other than quoted

3. Unverifiable market price

6. Related party information

Hypo Group's related parties include its subsidiary, members of the Board of Directors and the Supervisory Board, CEO and vice CEO, members of the Management Group and close family members of the aforementioned as well as related party entities. In addition, The Mortgage Society of Finland's pension fund and joint operations are included in related parties. Those related party transactions that have not been eliminated in the consolidated financial statements are presented.

In June, Suomen Asuntohypopankki Oy acquired from Suomen Hypoteekkiyhdistys 10 shares in Erottajan Pysäköintilaitos Oy together with the related subordinated loan for a total purchase price of EUR 794 thousand.

7. Expected credit loss allowance by level

	30.6.2026		31.12.2025	
(1000 €)	Book value	Expected credit loss allowance	Book value	Expected credit loss allowance
Debt instruments, FVOCI				
Level 1, performing loans, no significant increase in credit risk	84,007	-26	54,331	-11
Receivables from the public and public sector entities				
Level 1, performing loans, no significant increase in credit risk	2,748,565	-16	2,704,096	-9
Level 2, performing loans with a significant increase in credit risk	37,055	-217	34,203	-94
Level 3, non-performing loans	8,828	-179	7,141	-125
Total	**2,794,448**	**-412**	**2,745,440**	**-228**
Off-balance sheet commitments				
Level 1, performing receivables, no significant increase in credit risk	251,892	0	182,074	0
Level 2, performing loans with a significant increase in credit risk	540			
Level 3, non-performing loans	5			
Total	252,437	0	**182,074**	**0**

There were no significant ECL-level transitions during the financial period. New loans were originated to level one. The Forward Looking Factor (FLF) of the ECL model increased to level 1 during the financial period. The level of FLF is evaluated monthly. The book value contains contract principal amounts but not accrued interests.

8. Income distribution

(1000 €)	1–6/2026	1–6/2025	4-6/2026	4-6/2025	2025
Interest income	52,960	56,831	26,158	27,568	109,862
Interest expense	-45,291	-46,773	-22,259	-22,306	-90,578
Net interest income	7,669	10,058	3,899	5,262	19,284
Net fee income					
from lending operations	2,223	1,596	1,486	1,111	3,191
from land trustee services	1,727	1,297	827	693	2,699
from other operations	44	43	22	22	94
Total net fee income	3,994	2,935	2,334	1,827	5,985
Net income from Financial instruments at FVPL and FVOCI	522	430	-584	52	1,351
Net income from investment properties	1,743	1,071	1002	406	2,235
Capital gains on investment properties	332		332		8
Other income	15	14	7	25	28
Total other operating income	2,611	1,514	757	483	3,623
Total income	14,274	14,508	6990	7,572	28,891

9. Information concerning asset encumbrance

	30.6.2026			31.12.2025		
(1000 €)	Encumbered assets	Unencum-bered assets	Total	Encumbered assets	Unencum-bered assets	Total
Debt securities	24,829	188,948	213,777	15,099	140,704	155,803
Receivables from the public and public sector entities	2,126,256	684,927	2,811,183	2,102,859	649,133	2,751,992
Other	44,866	709,257	754,124	39,789	698,387	738,176
Total	2,195,952	1,583,132	3,779,084	2,157,747	1,488,223	3,645,970

	30.6.2026		31.12.2025	
(1000 €)	Liabilities associated with encumbered asset	Encumbered assets	Liabilities associated with encumbered asset	Encumbered assets
Debt securities issued to the public	1,785,782	2,137,256	1,786,834	2,113,859
Derivative contracts	34,455	58,696	29,152	43,888
Total	1,820,236	2,195,952	1,815,986	2,157,747

Group's encumbered assets consist of loans in cover pools and collateral for derivative contracts. Encumbered assets totaled EUR 2,196.0 million (2,157.7 million), of which EUR 2,137.3 (2,113.9 million) million was in cover pools on 30 June 2026.

Unencumbered debt securities, that are tradable on the secondary market and eligible as ECB collateral, totaled EUR 167.2 million, and of the unencumbered loans EUR 436.7 million are eligible as collateral for covered bonds.

Definitions of Alternative Performance Measures:

Operating profit/profit before appropriations and taxes	Net interest income +net fee income + net income from financial assets at fair value through other comprehensive income + net income from financial instruments at FVPL + net income from investment properties + other operating income – (personnel expenses + administrative expenses + depreciation and impairment losses on tangible and intangible assets + other operating expenses+ expected credit losses on loans and other assets)	
Return on equity (ROE) %	Operating profit - income taxes / Equity + accumulated appropriations after deferred tax liabilities (average total at the beginning and end of the period)	x 100
Loan-to-value ratio (weighted average LTV) %	Receivables from the public and public sector entities / Fair value of collateral received against the receivables from the public and public sector entities	x 100
	Loan-to-value ratio is calculated by dividing the outstanding loan balance with the fair value of the total amount of the collaterals allocated to the loan. Only housing and residential property collaterals are taken into account. The average LTV ratio is the weighted average of individual loan-to-value ratios.	
Expected credit losses %	Expected credit losses from loans to the public in P&L / Lending to the public at the end of the period	x 100
Loans / Deposits %	Receivables from the public and public sector entities / Deposits	x 100
Deposits out of total funding %	Deposits / Total funding	x 100
	Total funding includes liabilities to credit institutions, liabilities to the public and public sector entities and debt securities issued to the public.	

Definitions of Key Financial Indicators set out in EU's Capital Requirements Regulation:

Non-performing loans % of the loan portfolio	Receivables from the public and public sector entities deemed unlikely to be paid + receivables past due and unpaid over 90 days / Receivables from the public and public sector entities	x 100
Liquidity Coverage Ratio (LCR) %	Liquid assets / Outflow of liquidity – Inflow of liquidity (within 30 days)	x 100
Net Stable Funding Ratio (NSFR) %	Available stable funding / Required stable funding	x 100
Leverage Ratio (LR) %	Tier 1 Capital / Total exposure	x 100
Common Equity Tier 1 (CET1) ratio %	Common Equity Tier 1 (CET1) / Total risk	x 100
	The capital requirement for total risk is calculated using the standard method. The capital requirement for operational risk is calculated using the basic method.	

Risk-absorbing key figures are presented in accordance with the EU's Capital Requirements Regulation (EU 575/2013).

Key indicators and alternative performance measures are reported together with indicators defined and named in the IFRS standards in order to give useful additional information on the business operations. Key indicators and alternative performance measures describe the economic profit, financial standing or cash flows from business operations, but are other than the indicators defined and named in the IFRS standards. The indicators defined in the Capital Requirements Regulation (EU 575/2013) CRR, describe the risk-absorbing capacity of a credit institution.

Description of Alternative Performance Measures:

Operating profit, profit before appropriations and taxes is an indicator of profitability in the financial statement describing the net revenues from business operations after taking into account expenses, expected credit losses/impairment losses and depreciations.

Return on equity % (ROE) measures profitability of business operations by revealing how much profit is generated in relation to the equity accrued over a financial period. The Mortgage Society of Finland is a mutual company and thus it does not pay dividends.

Cost-to-income ratio % describes business performance by comparing total costs to total income. The less input is used to accumulate revenue, the better the efficiency.

Loan-to-value ratio (weighted average LTV) % compares the outstanding balance of credit owed by a customer to the fair value of the collaterals provided by the customer. The ratio reflects a credit institution's lending in relation to its collateral position.

Loans / Deposits % describes the relation of lending to deposit funding. A ratio exceeding 100 per cent indicates that in addition to deposit funding, wholesale funding and equity are used as funding sources.

Deposits out of total funding % indicator describes the structure of funding.

Expected credit losses, % compares expected credit losses in P&L from the loan portfolio to the loan portfolio in total. The smaller the ratio the less credit losses are expected in the future.

Sources:

Loans and deposits; Bank of Finland

Housing prices; Statistics Finland

The Half-year Report uses the most recent available statistical data.

This is an unofficial English language translation of the original Finnish language release (Half-year Report) and it has not been approved by any competent authority. Should there be any discrepancies between the Finnish language and the English language versions, the Finnish version shall prevail.