

POP Mortgage Bank Plc

**BOARD OF DIRECTORS’
REPORT AND FINANCIAL
STATEMENTS**

1 January – 31 December 2025

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This document is a translation of the original Finnish version "POP Asuntoluottopankki toimintakertomus ja tilinpäätös 1.1.-31.12.2025". In case of discrepancies, the Finnish version shall prevail.

BOARD OF DIRECTORS' REPORT FOR THE FINANCIAL PERIOD OF 1 JANUARY – 31 DECEMBER 2025

BOARD OF DIRECTORS' REVIEW

The POP Mortgage Bank Plc (hereinafter 'POP Mortgage Bank') is a member credit institution within amalgamation of the POP Banks. POP Mortgage Bank is responsible for acquiring external funding for the amalgamation in cooperation with Bonum Bank Plc. POP Mortgage Bank is also responsible for issuing secured bonds from its 1.5 billion euros covered bond program and forwarding the acquired funding to member credit institutions belonging to the amalgamation of POP Banks.

POP Mortgage Bank's operations are based on the intermediary loan model. Thus, the mortgage-backed loan portfolio provided as collateral for bonds to be issued is not recognised on POP Mortgage Bank's balance sheet. Instead, it remains on each member credit institution's balance sheet.

POP Mortgage Bank recorded a profit of EUR 1.4 (0.6) million for the reporting period and balance sheet totalled EUR 540.6 (798.3) million at the end of the reporting period. Intermediary loans granted to banks belonging to the amalgamation of POP Banks totalled EUR 500.0 (750.0) million.

The Annual General Meeting of POP Mortgage Bank was held on March 14, 2025. The meeting addressed the statutory matters. Juha Niemelä, Marja Pajulahti and Matti Vainionpää were elected to the Board of Directors. Juha Niemelä has served as Chair of the Board. The Board appointed Jukka Ruotinen as Deputy CEO of POP Mortgage Bank, effective April 25, 2025.

POP BANK GROUP AND AMALGAMATION OF POP BANKS

POP Bank Group is a Finnish financial group that offers retail banking services to private customers and small and medium sized companies. POP Banks are cooperative banks owned by their member customers. POP Bank's vision is to be a

bank with a solid financial standing that provides personalised digital services, achieves the highest level of customer satisfaction and grows its market share profitably.

Structure of the POP Bank Group

The POP Bank Group consists of POP Banks, POP Bank Centre coop and their controlled entities. POP Banks are member credit institutions of POP Bank Centre coop. POP Bank Centre coop and its member credit institutions are mutually liable for their debts and liabilities according to the Act on the Amalgamation of Deposit Banks. POP Banks, POP Bank Centre coop and their controlled service companies constitute the amalgamation of POP Banks.

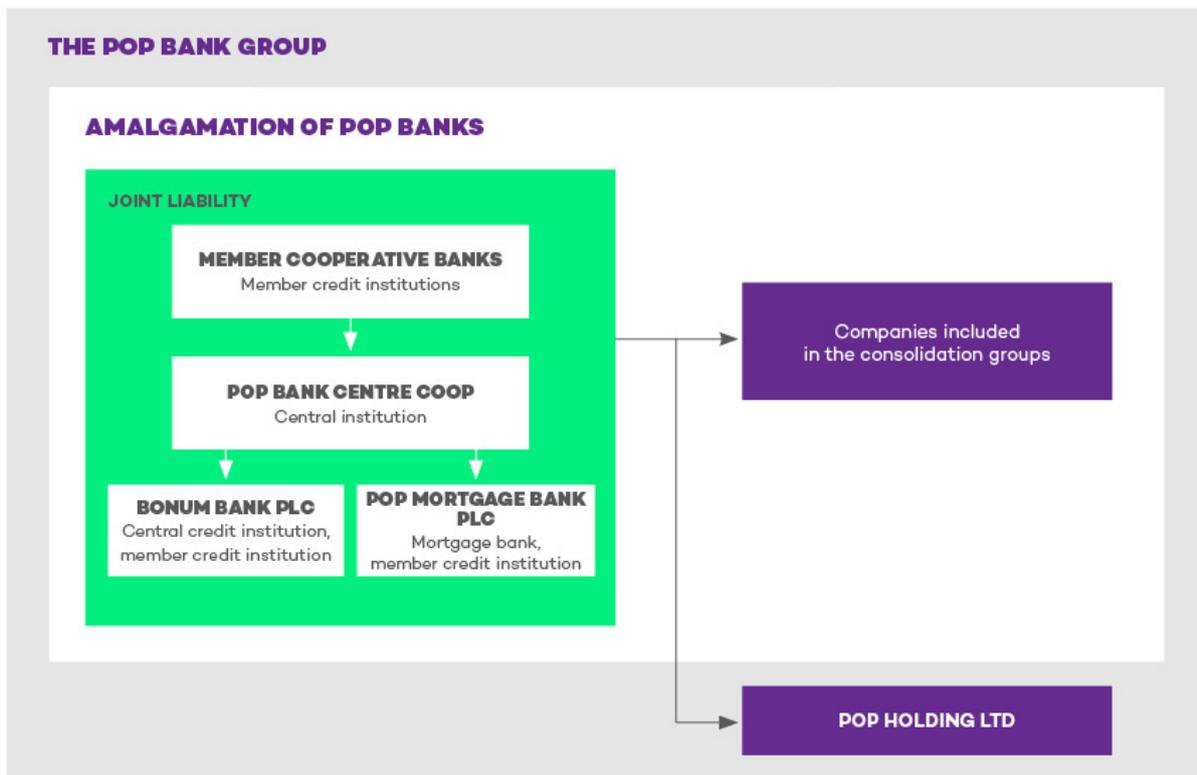
POP Bank Centre coop is the central institution of the amalgamation of POP Banks and is responsible for steering and supervising POP Bank Group. POP Bank Centre coop has two subsidiaries, Bonum Bank Plc and POP Mortgage Bank Plc, which are also its member credit institutions.

Bonum Bank Plc serves as the central credit institution of the POP Banks and acquires external funding for the Group by issuing unsecured bonds. Bonum Bank Plc is also responsible for the POP Banks' card business and the Group's payment transactions and centralised services, in addition to granting credit to retail customers. POP Mortgage Bank Plc is responsible for the Group's mortgage-backed funding, which it acquires by issuing covered bonds.

POP Bank Group also includes POP Holding Ltd owned by POP Banks and POP Bank Centre coop. POP Holding Ltd owns 30 per cent from Finnish P&C Insurance Ltd that belongs to LocalTapiola Group and uses the auxiliary business name of POP Insurance. POP Holding Ltd is not a member of the amalgamation of POP Banks and is included in the scope of joint liability.

The following chart presents the structure of the POP Bank Group and the entities included in the amalgamation and scope of joint liability. There have been no changes in the group structure during reporting period.

POP BANK GROUP STRUCTURE



OPERATING ENVIRONMENT

Global economic growth slowed in 2025 compared with the previous year. Regionally, growth was strongest in Asia, while growth in the euro area remained subdued. In the United States, however, economic growth decelerated year on year. Global growth continued to be weighed down by geopolitical tensions as the war in Ukraine continued, although tensions eased somewhat following the ceasefire reached in the conflict between Israel and Hamas.

Exports of goods to the United States picked up in the first half of the year as companies prepared for the introduction of tariffs. Towards the end of the year, growth in global trade slowed as a result of US trade policy, weakening the outlook for exports from the euro area and Finland to the United States. On the other hand, the trade agreement between the EU and the United States reduced trade policy uncertainty, and overall equity market performance in 2025 was positive. Rising global uncertainty also pushed the price of gold to record highs.

Economic growth in the euro area was slightly faster than in the previous year, but households remained largely cautious and saving levels remained elevated. The automotive industry, which is particularly important for the European economy, faced difficulties as households extended replacement cycles for cars, while lower-priced Chinese electric vehicles rapidly increased their market share. The outlook and order books for the defence industry improved as NATO member states were required to increase investment in maintaining and developing their defence capabilities.

Economic growth in Finland remained weak in 2025. Although household purchasing power improved as a result of tax and wage agreements, consumers were exceptionally cautious in their spending decisions. Cost-cutting measures aimed at halting the growth of public sector debt were felt by many in everyday life, and households were concerned about the ongoing

deterioration of public services. In addition, the rise in unemployment made households even more cautious. This was reflected in consumption behaviour and an increase in savings. Major purchases, such as homes or new cars, continued to be made less frequently than the long-term average.

Households were supported by low inflation and the continued decline in short-term interest rates at the beginning of the year. The European Central Bank cut its key interest rates four times in the first half of 2025, in steps of 0.25 percentage points. The decline in short-term Euribor rates ended in the summer at around 2 per cent. Towards the end of the year, the most common reference rate for mortgage loans, the 12-month Euribor, turned slightly upwards, ending the year at around 2.2 per cent. As in the previous year, mortgage loans were taken out at a moderate level, and the housing market was subdued. Prices of existing homes were generally on a downward trend, although increases in selling prices were observed in some areas.

The number of bankruptcies in Finland remained high in 2025, and unemployment continued to rise rapidly. The year was particularly challenging for sectors dependent on household consumption, such as restaurants, renovation services and specialised retail. The financial difficulties of the wellbeing services counties were reflected as a reduction in the purchase of care services from private providers. Challenges in the construction sector persisted, as sales of new homes remained weak and the number of new residential construction starts was at a low level.

Forestry benefited from strong domestic demand for timber, which was reflected in record-high stumpage earnings. Logging volumes remained high as industrial demand for timber increased and the availability of imported timber was limited. Producer prices in agriculture also rose, with both meat and milk prices increasing compared with the previous year. At the same time, prices of production inputs mostly declined, and the grain harvest was reasonably good.

KEY FIGURES AND THE FORMULAS OF KEY FIGURES

	31 Dec 2025	31 Dec 2024
Cost-to-income ratio, %	38%	59%
ROA, %	0.2%	0.1%
ROE, %	7.9%	3.6%
Capital adequacy ratio (TC) %	326.0%	212.7%
Equity ratio, %	3.5%	2.2%

Alternative Performance Measures (APMs) are key figures other than those specified in the accounting standards or other regulation and are used to describe the company's financial position and development. The key figures presented by the POP Mortgage Bank are based on IFRS Financial Statement Reporting standards, except for the operating expenses ratio and the combined expense ratio for insurance operations. The calculation formulas for the key figures included in the annual report are described below.

Cost-to-income ratio, %	$\frac{\text{Total operating expenses}}{\text{Total operating income}} \times 100$
Return on equity (ROE), %	$\frac{\text{Profit for the financial year}}{\text{Equity capital and non-controlling interest (average of the beginning and end of period)}} \times 100$
Return on assets (ROA), %	$\frac{\text{Profit for the financial year}}{\text{Balance sheet total (average of the beginning and the end of the period)}} \times 100$
Equity ratio, %	$\frac{\text{Equity capital and non-controlling interest}}{\text{Balance sheet total}} \times 100$
Common Equity Tier 1 capital ratio (CET1), %	$\frac{\text{Common Equity Tier 1 capital (CET1)}}{\text{Risk weighted assets}} \times 100$
Tier 1 capital ratio (T1), %	$\frac{\text{Tier 1 capital (T1)}}{\text{Risk weighted assets}} \times 100$
Capital adequacy ratio (TC), %	$\frac{\text{Total capital (TC)}}{\text{Risk weighted assets}} \times 100$
Leverage ratio, %	$\frac{\text{Tier 1 capital (T1)}}{\text{Leverage ratio exposure}} \times 100$
Liquidity coverage ratio (LCR), %	$\frac{\text{Liquid assets}}{\text{Liquidity outflows - liquidity inflows under stressed conditions}} \times 100$
Net stable funding ratio (NSFR), %	$\frac{\text{Stable funding}}{\text{Required amount of stable funding}} \times 100$

PERFORMANCE AND BALANCE SHEET

Performance

POP Mortgage Bank recorded a profit of EUR 1.4 (0.6) million for the reporting period.

POP Mortgage Bank's net interest income was EUR 2.1 (1.7) million. Interest income EUR 22.3 (25.3) million was entirely generated from interest earnings on receivables from credit institutions. Interest expenses EUR 20.2 (23.6) million consisted of EUR 21.5 (17.5) million in bonds issued to the public, liabilities to credit institutions EUR 0.3 (0.2) million as well as interest income recorded from derivative contracts EUR 1.6 million. In the comparison period, interest expenses of EUR 6.0 million were recorded from derivative contracts.

POP Mortgage Bank's operating expenses totalled EUR 0.9 (0.9) million. Personnel expenses included fees paid to the members of the Board of Directors. Other operating expenses EUR 0.8 (0.8) million include EUR 0.2 (0.2) million in ICT expenses and EUR 0.5 (0.5) million in purchased services. Purchased services include management services purchased from Bonum Bank Plc and POP Bank Centre coop, among other services. Depreciation and amortisation include the amortisation of intangible assets.

Balance sheet and financial position

POP Mortgage Bank's balance sheet totalled EUR 540.6 (798.3) million at the end of the reporting period.

Loans and receivables from credit institutions includes EUR 27.7 (29.7) million in deposits made in Bonum Bank and EUR 500.0 (750.0) million in intermediary loans granted to banks belonging to the Amalgamation of POP Banks.

The bonds issued, at EUR 502.6 (756.1) million, includes secured bonds with a nominal value of EUR 500.0 (750.0) million, and the change in the fair value of the underlying asset in hedge accounting. During the reporting period, a bond

with a nominal value of EUR 250 million matured, and no new bonds were issued.

POP Mortgage Bank's equity was EUR 18.9 (17.5) million at the end of the review period.

CREDIT RATING

In December 2025, the credit rating agency S&P Global Rating confirmed the 'AAA' credit rating with a stable outlook for POP Mortgage Bank's loan program and the issued bonds.

RISK AND CAPITAL ADEQUACY MANAGEMENT AND RISK POSITION

Principles and organisation of risk management

The POP Bank Group's strategy outlines the Group's risk appetite. Business activities are carried out at a moderate risk level so that the risks can be managed in full. The purpose of risk management is to ensure the risk levels are proportionate to bank's and the amalgamation's risk-bearing capacity and capital adequacy position. Risk management processes must be able to identify all significant risks of the business operations and assess, measure and monitor these regularly.

As the central institution, POP Bank Centre coop supervises the sufficiency and functioning of the risk management systems at the level of the member credit institutions and the amalgamation and is liable for the Group's risk and capital adequacy management in accordance with section 17 of the Amalgamation Act. The central institution of the amalgamation issues binding instructions concerning risk and capital adequacy management, corporate governance and internal control to the member credit institutions to secure their solvency and capital adequacy. Furthermore, common business controlling thresholds have been established for the member institutions to ensure that the risks taken by an individual member institution are within acceptable limits.

POP Mortgage Bank's risk management goal is to ensure that the bank complies with laws, decrees, instructions and regulations issued by the authorities, their own rules and the internal binding guidelines issued by the central institution of the amalgamation in its activities.

The purpose of capital adequacy management is to ensure a sufficient amount, type and efficient use of the capital of the POP Mortgage Bank. Capital is held to cover the material risks arising from the amalgamation's business strategy and plan and to secure the uninterrupted operation of the amalgamation in case of unexpected losses. The goal is pursued through a documented and systematic capital adequacy management process which is integrally linked to the amalgamation's and member credit institutions' strategy process and business planning and management. POP Mortgage Bank is responsible for member banks long-term funding by issuing secured bonds. Issuing is based on the funding needs of the amalgamation as an entity due to which POP Mortgage Bank's control process of the capital adequacy is closely connected to the strategy process of the amalgamation as well as the planning and managing of the business operations.

The amalgamation's risk management and capital adequacy management are described in more detail in Note 4 to the POP Bank Group's financial statements. POP Bank Group will deliver the amalgamation's Pillar III information according to EU capital adequacy act to the European Banking Authority (EBA) which will publish the information in a centralised information portal (Pillar 3 data hub).

Business risks

Credit risks

POP Mortgage Bank's credit risk consist of intermediary loans granted to the member banks of the amalgamation of POP Banks and from derivatives.

POP Mortgage Bank engages in mortgage bank operations under an intermediary loan model established by the Act on Mortgage Banks and Covered Bonds (151/2022). Thus, the Bank may

issue secured bonds and use the acquired funds to offer intermediary loans to the member banks of the amalgamation.

Under the intermediary loan model, the mortgage-backed loans provided as collateral for secured bonds remain on the member banks' balance sheets and are not recognised on POP Mortgage Bank's balance sheet. The risks associated with the mortgage-backed loans provided as collateral are not transferred to POP Mortgage Bank. The bonds are recognised as collateral for the secured bonds issued. The intermediary loans granted to member banks are presented under "Receivables from credit institutions" on the balance sheet.

Liquidity risk

Bonum Bank Plc, the central credit institution of the amalgamation, is responsible for liquidity management. Liquidity risks are managed by maintaining a liquidity reserve consisting of LCR-eligible (Liquidity Coverage Ratio) liquid assets, assets eligible as collateral for central bank funding, and short-term bank receivables. Based on an authorization granted by the Financial Supervisory Authority, the member credit institutions of the amalgamation have been exempted from the LCR and NSFR (Net stable funding ratio) requirements by the decision of the central institution. The LCR and NSFR requirements are calculated at the level of the amalgamation of POP Banks.

POP Bank Group's liquidity position remained strong during the financial period. The liquidity coverage ratio (LCR) for the amalgamation of POP Banks was 241.9 (315.1) per cent on 31 December 2025, with the regulatory minimum level being 100 per cent. The amalgamation's Net Stable Funding Ratio (NSFR) was 136.5 (136.9) per cent on 31 December 2025.

Market risk

POP Mortgage Bank's most significant market risk is the interest rate risk associated with the banking book. The interest rate risk refers to the impact of changes in interest rate levels on the market value of balance sheet and off-balance-sheet items, or on net interest income. The banking book consists

of intermediary loans granted to the amalgamation's member banks and market-based financing.

POP Mortgage Bank does not engage in trading activities. The use of derivatives is limited to hedging interest rate risk in the banking book.

POP Mortgage Bank monitors the interest rate risk by using the present value method and the dynamic income risk model. The present value method measures how changes in interest rates affect the constructed market value of the balance sheet. In the present value method, the market value of the balance sheet is calculated as the present value of the expected cash flows of individual balance sheet items. Interest rate sensitivity indicators are used to monitor the market value changes caused by changes in the interest rates and credit spreads of investment items in different interest rate scenarios. The income risk model predicts future net interest income and its changes in various market rate scenarios within a time frame of five years. The amount of interest rate risk taken is assessed with the effect of diverse interest rate shocks on the net interest income and net present value.

Operational risks

The objective of the management of operational risks is to identify essential operational risks in business operations and minimise their materialisation and impacts. The objective is pursued through continuous personnel development and by means of comprehensive operating instructions and internal control measures, such as by segregating preparation, decision-making, implementation and control from one another.

POP Mortgage Bank carries out an annual self-assessment of operational risks based on the risks assessments it performs, in which the monitoring of operational risk incidents is utilised. The risk assessment also aims to evaluate the risks related to POP Mortgage Bank most significant outsourced operations. Some of the potential losses caused by operational risks are hedged through insurance. Risks caused by malfunctions in information systems are prepared for through continuity planning.

Crisis resolution plan

In accordance with the bank resolution act for own funds and eligible liabilities, the Financial Stability Authority has on 25 March 2025 set a minimum requirement of own funds and eligible liabilities (MREL-requirement) for POP Mortgage Bank. The MREL requirement for POP Mortgage Bank is 16.0 per cent of total risk-weighted assets (TREA) or 6.0 per cent of the leverage ratio exposures (LRE). The MREL requirement has been fulfilled with own funds.

Capital adequacy management

At the end of the reporting period, POP Mortgage Bank's capital adequacy was at a good level. Starting from 1 January 2025 POP Mortgage Bank has applied the renewed Capital Requirements Regulation (CRR III). This change has had a positive effect on the bank's capital adequacy position. The Bank's capital ratio was 326.0 (212.7) per cent and the core capital adequacy ratio 326.0 (212.7) per cent. The Bank's own funds totalled EUR 17.3 (16.6) million consisting entirely of CET1 capital adequacy.

POP Mortgage Bank's own funds are comprised of share capital, retained earnings and other non-restricted reserves, less the deductible items in accordance with the CRR. Member credit institutions of the amalgamation have been exempted from the own funds requirements for intragroup items and large exposures limits for exposures between the central credit institution and the member credit institutions based on a permission granted by the FIN-FSA.

POP Mortgage Bank's leverage ratio on 31 December 2025 was 341.9 (235.5) per cent. The minimum level of regulation is 3 per cent.

The statutory minimum is 8 per cent for the capital adequacy ratio and 4.5 per cent for CET1 capital. In addition to the minimum capital adequacy ratio, POP Mortgage Bank is subject to the fixed additional capital requirement, which is 2.5 per cent in accordance with the Act on Credit Institutions, and to the variable country-specific additional capital requirements for foreign exposures.

Summary of capital adequacy

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Own funds		
Common Equity Tier 1 capital before deductions	17,481	16,855
Deductions from Common Equity Tier 1 capital	-180	-304
Total Common Equity Tier 1 capital (CET1)	17,301	16,551
Additional Tier 1 capital before deductions	-	-
Deductions from Additional Tier 1 capital	-	-
Additional Tier 1 capital (AT1)	-	-
Tier 1 capital (T1 = CET1 + AT1)	17,301	16,551
Tier 2 capital before deductions	-	-
Deductions from Tier 2 capital	-	-
Total Tier 2 capital (T2)	-	-
Total capital (TC = T1 + T2)	17,301	16,551
Total risk weighted assets	5,306	7,780
of which credit risk	1,248	1,465
of which credit valuation adjustment risk (CVA)	1,146	4,554
of which market risk (exchange rate risk)	-	-
of which operational risk	2,913	1,761
Fixed capital conservation buffer according to Act on Credit institutions (2.5%)	133	195
Countercyclical capital buffer	-	-
CET1 Capital ratio (%)	326.0%	212.7%
T1 Capital ratio (%)	326.0%	212.7%
Total capital ratio (%)	326.0%	212.7%
Capital requirement		
Total capital	17,301	16,551
Capital requirement*	557	817
Capital buffer	16,744	15,734
Leverage ratio		
Tier 1 capital (T1)	17,301	16,551
Leverage ratio exposure	5,060	7,034
Leverage ratio, %	341.9%	235.3%

*The capital requirement comprises the minimum requirement of 8%, the capital conservation buffer of 2.5% and the country-specific countercyclical capital requirements of foreign exposures.

INTERNAL CONTROL

The purpose of POP Mortgage Bank's internal control is to ensure that the Bank, in a systematic and effective manner, works towards the goals and implements the procedures confirmed by senior management. Internal control aims to ensure that the organisation complies with regulations and manages risks comprehensively, and that its operations are efficient and reliable.

Internal control is implemented at all levels of the organisation. Internal control is implemented by the Board of Directors, the CEO and other management and personnel, as well as the risk management and compliance functions independently of business operations. As part of internal control, the amalgamation has implemented a whistleblowing mechanism that enables the Bank's employees to report, internally through an independent channel, suspected violations of rules and regulations concerning the financial market in the central institution or a member credit institution.

INTERNAL AUDIT

Within the amalgamation, POP Bank Centre coop is centrally responsible for the steering and organisation of internal audit in the bank centre, member credit institutions and other companies of the amalgamation. POP Mortgage Bank's internal audit is based on the internal audit guidelines confirmed by the Board of Directors and the Supervisory Board of POP Bank Centre coop as well as on the audit plan approved by the Board of Directors of POP Bank Centre coop.

The purpose of internal audit is to assess the scope and sufficiency of the internal control of the Bank's operational organisation and to monitor and assess the functionality of risk management systems. Internal audit reports its observations primarily to the Bank's Board of Directors. After audits, the Bank's Board of Directors discusses the summaries prepared as a result of the internal audit. Internal Audit reports of its activity and observations regularly to central institution's Supervisory Board, central institution's Board of Directors and CEO.

MANAGEMENT AND PERSONNEL

POP Mortgage Bank's Board of Directors during the financial year included:

- Juha Niemelä, Chairman of the Board
- Matti Vainionpää, Vice Chairman of the Board
- Marja Pajulahti, Member of the Board

POP Mortgage Bank does not have personnel. The Deputy CEO of Bonum Bank Timo Hulkko has acted as the CEO of POP Mortgage Bank. Jukka Ruotinen has acted as the CEO's deputy.

THE BANK'S CORPORATE AND GOVERNANCE SYSTEM

POP Mortgage Bank's functions are controlled by its shareholder, which exercises its decision-making power at the General Meeting in accordance with the Finnish Limited Liability Companies Act and the Articles of Association. The Annual General Meeting decides on the distribution of the Bank's profit and elects the members of the Board of Directors.

The Bank is represented by and directed by the Board of Directors. Operational decisions concerning the Bank's business operations and strategic issues are made by the Bank's Board of Directors. The work of the Board of Directors is based on the Bank's Articles of Association, decisions of the General Meeting and applicable legislation. The Bank's CEO manages the Bank's operational activities in accordance with the instructions provided by the Board of Directors.

The investigation of the independence of Board members and the CEO takes place in accordance with regulations issued by the Finnish Financial Supervisory Authority. Board members and the CEO shall provide an account of the entities in which they operate when they are elected to their office. In addition, Board members and the CEO shall provide an account of fitness and propriety according to the regulation by the Financial Supervisory Authority when they accept their duties.

POP Mortgage Bank's Corporate Governance Report is available online at www.poppankki.fi/en.

AUDIT

The company's auditor was KPMG Oy Ab, authorised public accountants, with Henrik Snellman, authorised public accountant, as the principal auditor.

SOCIAL RESPONSIBILITY

POP Mortgage Bank operates as part of the POP Bank Group and supports the responsibility efforts of the local POP Banks. The POP Bank Group publishes a sustainability report as part of its management report. The POP Bank Group's management report and consolidated IFRS financial statements are published on the website at www.poppankki.fi.

EVENTS AFTER THE CLOSING DATE

Board of Directors of POP Mortgage Bank is not aware of events after the closing date that would have a material impact on the information presented in the financial statements.

OUTLOOK FOR 2026

Finland's economy has long been expected to return to growth, but despite positive signals, the turnaround has been delayed. Despite a recovery in exports, economic development continues to be constrained by low levels of domestic consumption and investment. Uncertainty related to the value of household assets has supported saving and increased deposits to record levels. No significant change is expected until the housing market normalises and economic growth picks up. Geopolitical instability complicates the outlook for global markets, which is also reflected in the uncertainty surrounding Finland's economic outlook.

POP Mortgage Bank's core business is expected to generate positive results and the capital adequacy is expected to stay strong.

BOARD OF DIRECTORS' PROPOSAL ON THE DISPOSAL OF THE RESULT FOR THE PERIOD

POP Mortgage Bank's distributable funds were EUR 8.9 million. POP Mortgage Bank's Board of Directors proposes to the Annual General Meeting that the profit for the period EUR 1.4 million be recognised in retained earnings and that no dividends be paid.

POP MORTGAGE BANK'S FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2025 (IFRS)

POP MORTGAGE BANK'S INCOME STATEMENT

(EUR 1,000)	Note	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Interest income		22,302	25,288
Interest expenses		-20,224	-23,567
Income statement	3	2,077	1,721
Net income from hedge accounting	4	262	-204
Total operating income		2,339	1,517
Personnel expenses	5	-16	-18
Other operating expenses	6	-767	-757
Depreciation	7	-116	-116
Total operating expenses		-899	-891
Profit before taxes		1,440	626
Income taxes	8	-	-
Result for the period		1,440	626

POP Mortgage Bank has no items to be presented in the statement of other comprehensive income.

POP MORTGAGE BANK'S BALANCE SHEET

(EUR 1,000)	Note	31 Dec 2025	31 Dec 2024
Assets			
Loans and receivables from credit institutions	10, 11, 12	527,689	779,737
Derivatives	10, 11, 12	4,643	7,872
Intangible assets	13	165	281
Other assets	14	8,095	10,363
Total assets		540,593	798,254
Liabilities			
Liabilities to credit institutions	10	9,840	13,440
Derivatives	10, 11, 15, 17	1,023	587
Debt securities issued to the public	10, 11, 16	502,633	756,069
Other liabilities	18	8,176	10,677
Total liabilities		521,672	780,773
Equity capital			
Share capital	19	10,000	10,000
Reserves	19	9,000	9,000
Retained earnings	19	-79	-1,519
Total equity capital		18,921	17,481
Total liabilities and equity capital		540,593	798,254

POP MORTGAGE BANK'S STATEMENT OF CHANGES IN EQUITY CAPITAL

(EUR 1,000)	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total equity
Balance at 1 Jan 2025	10,000	9,000	-1,519	17,481
Profit for the financial year	-	-	1,440	1,440
Profit for the financial year	-	-	1,440	1,440
Balance at 31 Dec 2025	10,000	9,000	-79	18,921

(EUR 1,000)	Share capital	Reserve for invested non-restricted equity	Retained earnings	Total equity
Balance at 1 Jan 2024	10,000	9,000	-2,145	16,855
Profit for the financial year	-	-	626	626
Profit for the financial year	-	-	626	626
Balance at 31 Dec 2024	10,000	9,000	-1,519	17,481

Breakdowns of equity are presented in more detail in Note 19.

POP MORTGAGE BANK'S CASH FLOW STATEMENT

(EUR 1,000)	Note	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Cash flow from operating activities			
Profit for the financial year		1,440	626
Adjustments to profit for the financial year		345	675
Increase (-) or decrease (+) in operating assets		252,268	-236,476
Loans and receivables from credit institutions	10,11,12	250,000	-236,800
Other assets	14	2,268	324
Increase (+) or decrease (-) in operating liabilities		-6,101	2,784
Liabilities to credit institutions	10	-3,600	2,790
Other liabilities	18	-2,501	-6
Total cash flow from operating activities		247,952	-232,391
Cash flow from financing activities			
Debt securities issued, increase	16	-	249,048
Debt securities issued, decrease	16	-250,000	-
Total cash flow from financing activities		-250,000	249,048
Change in cash and cash equivalents			
Cash and cash equivalents at period-start		29,737	13,080
Cash and cash equivalents at the end of the period		27,689	29,737
Net change in cash and cash equivalents		-2,048	16,657
Cash and cash equivalents			
Receivables from credit institutions payable on demand	12	27,689	29,737
Total		27,689	29,737
Additional information of the cash flow statement			
Interest received		24,599	25,298
Interest paid		22,571	23,886
Adjustments to result for the financial year			
Changes in fair value		-259	203
Depreciation	7	116	116
Other		488	356

POP Mortgage Bank had no items to present in the cash flow from investing activities during the review period.

NOTES

NOTE 1 ACCOUNTING POLICIES

General

POP Mortgage Bank Plc and POP Bank Group

POP Mortgage Bank Plc (hereinafter 'POP Mortgage Bank') is a subsidiary wholly owned by POP Bank Centre coop and a member credit institution in the amalgamation of POP Banks, acting as the mortgage bank for the member banks of the POP Bank Centre coop (POP Banks). POP Mortgage Bank has been established on September 2, 2021. On 25 May 2022, POP Mortgage Bank Plc was authorised by the European Central Bank to engage in mortgage banking operations and it was granted an operating license pursuant to the Act on Mortgage Banks and Covered Bonds on 30 June 2022.

POP Mortgage Bank belongs to the POP Bank Group. The POP Bank Group consists of the amalgamation of POP Banks and companies over which it has control. The Group is engaged in banking business. The central institution for the amalgamation of POP Banks is POP Bank Centre coop. Its members consist of POP Mortgage Bank, Bonum Bank Plc and 18 co-operative banks. The amalgamation of POP Banks is an economic entity specified in the Act on the Amalgamation of Deposit Banks, the members of which are jointly liable for each other's debts and commitments.

POP Mortgage Bank and Bonum Bank Plc are responsible for acquiring external funding for the amalgamation. POP Mortgage Bank engages in mortgage bank operations under an intermediary loan model established by the Act on Mortgage Banks and Covered Bonds (151/2022). In the intermediary loan model, POP Mortgage Bank distributes the capital originating from the issued bond to the member banks of amalgamation as an intermediary loan. POP Mortgage Bank underwrites intermediary loans on member banks balance sheets in security for issued bonds. In the intermediary loan model, member banks mortgage-backed loans capital and associated risks are not transferred

to POP Mortgage Bank. Intermediary loans will be stated to balance sheet item "Loans and receivables from credit institutions".

POP Mortgage Bank's registered office is Espoo. Copy of POP Mortgage Bank's financial statements are available from its office at Hevosenkä 3, 02600 Espoo, Finland and online at www.poppankki.fi/en.

POP Bank Centre coop has prepared the POP Bank Group's consolidated financial statements in accordance with the Act on the Amalgamation of Deposit Banks. Copies of the financial statements of the POP Bank Group are available online at www.poppankki.fi/en or from the office of the central institution, address Hevosenkä 3, 02600 Espoo, Finland. POP Bank Group will deliver the amalgamation's Pillar III information according to EU capital adequacy act to the European Banking Authority (EBA) which will publish the information in a centralised information portal (Pillar 3 data hub).

Basis of preparation

POP Mortgage Bank's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) approved in the EU and the related Interpretations (IFRIC) effective as of December 31, 2025. The applicable Finnish accounting and corporate legislation and regulatory requirements have also been taken into account when preparing the notes to the financial statements.

The figures in the financial statements are in thousand euros, unless otherwise stated. The figures in the calculations and tables are rounded, whereby the sum total of individual figures may deviate from the sum total presented. POP Mortgage Bank's accounting and operational currency is euro.

POP Mortgage Bank has no subsidiaries or associated companies.

Accounting policies requiring management's judgement and uncertainty factors affecting estimates

The application of the IFRS requires the management to make estimates and assumptions concerning the future that affect the reported amounts in the financial statements, as well as the information included in the notes. The management's main estimates concern the future and key uncertainties related to the amounts at the balance sheet date. Such key estimates are related to fair value measurement, as well as the impairment of financial assets and intangible assets. The management's estimates and assumptions are based on the best view at the balance sheet date, which may differ from the actual result.

The management must assess whether the markets for financial instruments are active or not. Furthermore, the management must assess whether an individual financial instrument is subject to active trading and whether the price information obtained from the market is a reliable indication of the instrument's fair value.

When the fair value of financial instruments is determined using a valuation technique, the management's judgement is needed in the choice of the valuation technique to be applied. Insofar as there is no market input available for the techniques, management must evaluate how other data can be used for the valuation.

In the calculation of expected credit losses, the management's assessment has been used in deciding that the probability of default of the POP Banks Group's internal items is to be zero. The assessment was made based on the structure of the Group and the principles of risk management. The most significant item within the amalgamation to which the principle is applied is the interim loans granted to POP Banks, which are presented in Note 12.

Financial Instruments

Classification and recognition

Financial assets are classified on initial recognition into following measurement categories based on the business model followed in their management and the debt instruments' cash flow characteristics:

- Financial assets at amortised cost
- Financial assets at fair value through profit

In accordance with the IFRS 9 Financial instruments, financial liabilities are classified on initial recognition into following measurement categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss

Purchases and sales of financial instruments are recognised on transaction date. Instruments issued are recognised in the balance sheet on the date when the customer makes the subscription.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the rights have been transferred to another party so that substantially all the risks and rewards of ownership of the financial asset are transferred. In addition, an agreement included in financial assets is derecognised on the balance sheet if the rights to cash flows that are based on the agreement are transferred to another party or if the agreement includes an obligation to pay the cash flows in question to one or several recipients. If a consideration is received, but all the risks and rewards of ownership of the transferred asset are substantially retained, the transferred asset is recognised in its entirety and a financial liability is recognised for the consideration received.

Impaired financial assets are derecognised when no further payments are expected and the actual final loss can be determined. In connection to derecognition, the previously recognised expected credit loss is cancelled and the final credit loss is recognised. Payments on derecognised receivables received later are recognised in the income statement as an adjustment of impairment losses.

Financial liabilities are derecognised when the related obligations have been fulfilled and they have been extinguished. An exchange of a debt instrument with substantially different terms or substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Business models for managing financial assets and measurement

According to IFRS 9, an entity's business model refers to how an entity manages its financial assets in order to generate cash flows. That is, entity's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The business model is determined at a level that reflects how financial asset groups are managed together to achieve a particular business objective.

POP Mortgage Bank's financial assets are managed according to one business model: financial assets held (objective to collect contractual cash flows).

Financial assets held -business model includes loans and receivables and debt instruments held to maturity, which pass the SPPI-test (Solely Payments of Principal and Interest) for their cash flow characteristics. In the SPPI-test, it is determined whether the asset's contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

POP Mortgage Bank does not actively trade financial assets.

Financial instruments measured at amortised cost

Financial assets measured at amortised cost includes loans and receivables and the debt instruments, which are, according to the investment policy, intended to be held to maturity with terms of regular payments of interest and principal either in part or entirety (SPPI-test). In addition, liquid assets, in which the liquidity does not have to be tested by regular sales, may be classified to this measurement class.

POP Mortgage Bank's financial liabilities are measured at amortised cost according to the effective interest rate method. Financial liabilities measured at amortised cost includes deposits and debt securities issued to the public, liabilities to credit institutions as well as other financial liabilities.

Determining fair value

Fair value is the price that would be attained if the asset was sold or would be paid to transfer the liability from one market party to another in a standard business transaction taking place on a valuation day.

A financial instrument's fair value is based on price quotations obtained from active markets or, if active markets do not exist, via company's own valuation methods. A market is considered active if price quotations are readily and regularly available and if they reflect real and regularly occurring arm's-length market transactions. Current bid price is used as the quoted market price of financial assets.

If the market has a well-established valuation technique for a financial instrument for which there is no direct market price available, the fair value is based on the commonly used valuation model and on the market quotations of the input data used in the model.

If there is no well-established valuation technique in the market, fair value is determined based on a specific valuation model created for the prod-

uct in question. The valuation models are based on widely used measuring techniques, incorporating all the factors that market participants would consider when setting a price. The valuation prices used include market transaction prices, the discounted cash flow method, as well as the fair value of another substantially similar instrument at the reporting date. The valuation methods take into account an estimate of the credit risk, applicable discount rates, early repayment options, and other such factors that may impact reliable determination of the fair value of the financial instrument.

The fair values of financial instruments are divided into three hierarchical levels depending on how the fair value is defined:

- Fair values quoted in the active markets for identical assets or liabilities (Level 1)
- Fair values that are determined using other input data than the quoted prices at Level 1, which are observable for the assets or liabilities either directly (e.g., prices) or indirectly (e.g., derived from prices) (Level 2)
- Fair values determined by the input data, which is essentially not based on the observable market data (Level 3).

The fair value hierarchy level into which an item measured at fair value is fully classified is determined by the input data, which is at the lowest level and is significant in respect to the whole item. The significance of the input data is evaluated considering the whole item, which is valued at fair value.

Impairment of financial assets

A loss allowance on financial assets measured at amortized cost or fair value through other comprehensive income and off-balance sheet credit commitments is recognised on the basis of expected credit losses. The expected credit loss of a financial instrument is determined as the difference between the contractual cash flows that the entity is entitled to receive under the contract and the cash flows expected to be received by the entity at the original effective interest rate at the time of reporting.

To determine expected credit losses, financial instruments are classified in stages from 1 to 3. Stage 1 represents financial instruments whose credit risk has not increased significantly since the initial recognition. Expected credit losses are determined for such financial instruments based on expected loan losses for 12 months. Stage 2 represents financial instruments whose credit risk has increased significantly after the initial recognition on the basis of qualitative or quantitative criteria and, for stage 3, financial instruments whose counterparty has been declared as default. Expected credit losses are determined for financial instruments classified in Stage 2 and 3 based on the expected credit losses over the entire life of the instrument.

POP Mortgage Bank's financial assets consist of internal deposits of the POP Banks Group. In the calculation of expected credit losses (ECL), the probability of default (PD) of the group's internal items has been considered to be zero, based on the group's structure and risk management principles. Calculation principles for expected credit losses are described in more detail in Note 2 to the POP Bank Group's financial statements.

Derivative contracts and hedge accounting

POP Mortgage Bank hedges its interest rate risk against changes in fair value, primarily using interest rate swaps. Hedge accounting is applied for fair value hedging. The hedged instrument of fair value hedging is fixed-rate bonds issued. Derivative contracts are not made for trading purposes.

All derivative contracts are recognised and measured at fair value through profit or loss. The positive fair values of derivative contracts are presented as assets under Derivatives and negative fair values as liabilities under Derivatives. Changes in the value of derivatives in hedge accounting are recorded in the income statement under Net income from Hedge accounting. The interest on hedging derivative contracts is recorded on a net basis, with the interest on derivatives hedging liabilities presented under interest expenses. The interest on derivative con-

tracts is presented on the balance sheet as a net amount under either other assets or other liabilities, depending on the interest payment position at each reporting date.

The hedging relationship between the hedging derivative contract and the hedged instrument and the objectives of risk management are documented before hedge accounting is applied. If there is a high correlation between the change in the value of the hedging derivative and the hedged instrument, the hedging is considered effective.

POP Mortgage Bank applies IFRS 9 Financial Instruments to hedge accounting for all hedging relationships.

Intangible assets

Intangible assets comprise the implementation cost of information system. An intangible asset is recognised in the balance sheet at acquisition cost if it is probable that the expected economic benefits associated, and the acquisition cost of the asset can be measured reliably. Acquisition cost includes all costs that are directly attributable to bringing the asset to its working condition for its intended use.

Intangible assets have a limited useful life. The acquisition cost of intangible assets is amortised in the income statement on the basis of the estimated useful lives of assets. The estimated useful life is 3–5 years for information systems and licenses.

The amortisation of the acquisition cost of intangible assets begins when the asset is ready to be taken into use. Indications of impairment of intangible assets are examined annually and intangible assets are tested for impairment when necessary.

Employee benefits

Employee benefits are short-term employee benefits, such as remunerations for positions of responsibility, which are expected to be paid in

connection with the work performance they are related to or within the following 12 months.

POP Mortgage Bank does not have employees. The company purchases the administrative and management services needed from its parent company POP Bank Centre coop and its sister company Bonum Bank Plc.

Income Tax

The income statement includes taxes on income for the financial year and changes in deferred taxes.

Deferred tax liabilities and assets are calculated on taxable and deductible temporary differences between the carrying amount and the tax basis. Deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply at the time when the temporary difference is reversed.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that future taxable profit will be probable and unused tax credits can be utilised.

Segment reporting

POP Mortgage Bank engages in mortgage banking operations. As the bank has only one business segment, it does not present segment reporting in its financial statements.

Changes in accounting policies

Adoption of new IFRS standards, amendments to standards and interpretations

The amendments to standards and interpretations that came into effect in 2025 had no impact on POP Mortgage Bank's financial statements.

Adoption of new IFRS standards, amendments to standards and interpretations in future financial years

The standard amendments approved for application in the financial year beginning 1 January 2026 are not estimated to have an impact on POP Mortgage Bank's financial statements.

POP Mortgage Bank intends to adopt IFRS 18 Presentation and Disclosures standard for the financial year commencing 1 January 2027, if the standard has been approved for application in

the EU. The Standard shall be applied in periods beginning on or after 1 January 2027, but its earlier application is permitted. IFRS 18 supersedes IAS 1 Presentation of Financial Statements. The adoption of the standard will have an impact on the presentation of POP Mortgage Bank's financial statements. POP Mortgage Bank continues to assess the impact of the standard during the financial year 2026.

Other standard amendments to be adopted later are not expected to have a material impact on POP Mortgage Bank's financial statements.

NOTE 2 RISK MANAGEMENT

Principles of risk management and capital adequacy management

POP Mortgage Bank is the mortgage bank and a member credit institution of the amalgamation of POP Banks and a subsidiary of the POP Bank Centre coop. The central institution issues binding instructions concerning risk and capital adequacy management, corporate governance, and internal control to the member credit institutions to secure their solvency and capital adequacy. Furthermore, common business controlling thresholds have been established for the member institutions to ensure that the risks taken by an individual member institution are within acceptable limits.

Risk and capital adequacy management is regulated by EU legislation, Act on Credit Institutions (610/2014), Act on the Amalgamation of Deposit Banks (2010/599; hereinafter referred to as the "Amalgamation Act") and the standards, regulations and guidelines issued by the Financial Supervisory Authority. POP Mortgage Bank also complies with the Act on Mortgage Banks and Covered Bonds (151/2022).

The purpose of risk management is to ensure that the bank does not take such risks in its operations that would result in a material threat to the capital adequacy or solvency. The purpose of the risk management process is to ensure that all significant risks resulting from business activities are identified, assessed, measured, and monitored on a regular basis and that they are proportionate to the risk appetite capacity of POP Mortgage Bank.

The purpose of capital adequacy management is to ensure the sufficient amount, type and efficient use of the capital of POP Mortgage Bank. Capital is held to cover the material risks arising from POP Mortgage Bank's business strategy and plan and to secure the uninterrupted operation of POP Mortgage Bank in case of unexpected losses. The goal is pursued through a documented and systematic capital adequacy management process that is integrally linked to the amalgamations and other member credit institutions' business planning and management.

The central institution is responsible for the risk and capital adequacy management of the POP Bank Group. The central institution provides guidance to the member credit institutions to ensure risk management and supervises that the member institutions operate in accordance with regulation, their own rules, guidelines issued by the central institution and in accordance with appropriate and ethically acceptable procedures. The special regulations related to the operations of a mortgage bank have been taken into account in the guidance of the central cooperative and in the steering limits and process requirements set for the business operations of POP Mortgage Bank. The bank, within limits set by confirmed business risk thresholds, carries its business risks independently in its operations and is liable for its capital adequacy. The capital adequacy, liquidity coverage ratio and customer risks of POP Mortgage Bank are supervised both at the level of individual member institutions and at the consolidated amalgamation level. Violations of the risk management principles are addressed in accordance with the agreed operating models.

POP Mortgage Bank conducts an extensive identification and evaluation of risks related to its operations and sets risk-bearing capacity to match the total amount of the risks. In order to secure the capital adequacy, bank sets risk-based capital objectives and prepares a capital plan to achieve these objectives. Calculation methods defined by the central institution's risk monitoring function are used when preparing the capital plan.

The most significant risks associated with POP Mortgage Bank's operations are credit risk, liquidity risk, interest rate risk and operational risk. The risk strategy confirmed by the Board of Directors of the central institution outlines the risk appetite of the operations, within which the Board of Directors of the POP Mortgage Bank sets its own guidelines and restrictions. Business activities are carried out at a moderate risk level so that the risks can be managed in full.

Risk management is an essential part of the internal controls of POP Mortgage Bank. The purpose of internal controls is to ensure that the institution complies with regulations, carries out comprehensive risk management and operates efficiently and reliably. Moreover, internal controls serve to ensure that the objectives and goals set for different levels of the amalgamation are achieved in accordance with internal guidelines.

Organisation of risk and capital adequacy management

POP Mortgage Bank's Board of Directors confirms the objectives of the business operations, guidelines, limits to the risk levels of the operations as well as the risk-taking authorities. The Board of Directors is also responsible for proactive capital planning and adapting the capital adequacy management planning and proactive capital planning into reliable governance and guidance. The Board of Directors assesses the appropriateness, extent and reliability of capital adequacy management. The Board of Directors sets the target level for capital adequacy and confirms the level and structure of capital required by the risk profile. The executive management is responsible for the risk management of the daily operations within the scope of the risk limits and risk-taking authority.

The executive management is responsible for the practical implementation, continuous monitoring, supervision and reporting of capital adequacy and risk management to the Board of Directors of the amalgamation. The executive management also ensures that the responsibilities, authorizations, processes and reporting relationships related to capital adequacy management have been clearly defined and sufficiently described and that the employees are familiar with capital adequacy management and the related processes and methods to the extent required by their duties.

POP Mortgage Bank's independent risk monitoring is responsible for monitoring the risk limits and capital adequacy in the business operations as well as reporting them to the Board of Directors

and the independent risk management function of the central institution of the amalgamation. The assignment of Bonum Bank's risk monitoring function is to form a comprehensive view of the risks included in the bank's operations, develop risk management methods and processes for identifying, measuring, and monitoring risks in accordance with the principles issued by the central institution.

The centralized compliance function of the central institution supervises that the bank complies with applicable laws, decrees, instructions and regulations issued by the authorities, their own rules and the internal binding guidelines issued by the central institution of the amalgamation in its activities. As the central institution, POP Bank Centre coop supervises the sufficiency and functioning of the risk management systems in all the member credit institutions in accordance with section 17 of the Amalgamation Act. In addition, the supervision of a mortgage bank takes into account the requirements and special features of the regulation related to the mortgage banking business.

The principles, organisation and internal control measures of amalgamation's risk and capital adequacy management are described in more detail in Note 4 to the POP Bank Group's financial statements. Material information regarding capital adequacy as specified in the Capital Requirements Regulation (EU575/2013) is presented in a separate Pillar III report. Copies of the financial statements of the POP Bank Group are available from the office of the central institution, address Hevosenkentä 3, 02600 Espoo, Finland, and online at www.poppankki.fi.

Capital adequacy management

The objective of capital adequacy management is to ensure that POP Mortgage Bank has an adequate capital buffer to achieve its business strategy and to cover the material risks arising from them in all circumstances. In solvency management, POP Mortgage Bank complies with the solvency management principles set by the central cooperative of the amalgamation.

Capital adequacy management is pursued through a systematic capital adequacy management process that is integrally linked to the amalgamation's and other member credit institutions' business planning and management. As part of the capital adequacy management process the aim is to identify all material risks and assess their magnitude and required capital levels.

Under the supervision of the central institution, POP Mortgage Bank prepares its own capital plan and stress tests on an annual basis using harmonized principles defined by the central institution. The process ensures that POP Mortgage Bank's growth, profitability and risk-bearing capacity objectives are appropriate and consistent.

The most significant capital requirements of POP Mortgage Bank arise from receivables from intermediary loans granted to the member banks of the amalgamation of POP Banks. The amalgamation applies the standardised approach for the calculation of the capital requirement for credit risk, and the basic indicator approach for calculating the capital requirement to the operational risk. POP Mortgage Bank does not engage in trading activities.

POP Mortgage Bank's own funds consist of share capital, retained earnings and other non-restricted reserves, less the deductible items in accordance with the EU's Capital Requirements Regulation (No. 575/2013).

POP Mortgage Bank releases the essential information in terms of capital adequacy calculation annually as part of its Board of Directors' report and notes to the financial statements.

Business risks

Credit risk

POP Mortgage Bank's most significant risk is credit and counterparty risk. Credit risk refers to a situation in which a counterparty cannot fulfil its contractual obligations. POP Mortgage Bank's credit risk consist of intermediary loans granted to the member banks of the amalgamation of POP Banks and from derivatives.

POP Mortgage Bank engages in mortgage bank operations under an intermediary loan model established in accordance with the Act on Mortgage Credit Banks and Covered Bonds (151/2022). Thus, the bank may issue secured bonds and use the acquired funds to offer intermediary loans to the member banks of the amalgamation. Under the intermediary loan model, the mortgage-backed loans provided as collateral for secured bonds remain on the member banks' balance sheets and are not recognised on POP Mortgage Bank's balance sheet. The risks associated with the mortgage-backed loans provided as collateral are not transferred to POP Mortgage Bank. The loans are recognised as collateral for the secured bonds issued. The intermediary loans granted to member banks are presented under "Receivables from credit institutions" on the balance sheet.

POP Mortgage Bank is responsible for monitoring the amount and adequacy of the eligible loan portfolio in the POP Bank Group's mortgage banking operations. The pool eligibility of collateral is reviewed on a daily basis, based on the criteria of the business operations and the Act on Mortgage Credit Banks. POP Mortgage Bank has a framework agreement with the member credit institutions of the POP Bank Group on the issue of secured bonds and the use of mortgage-backed loans on the balance sheets of the member banks as collateral for the bonds to be issued. Credit decisions, credit management and collateral assessment are carried out locally by the member banks, based on the guidelines issued by the central institution. Loan collateral is prudently valued at fair value, and market valuations are monitored regularly using both statistical models and good industry knowledge. The valuation factors applied to collateral are consistent across all the member credit institutions of the amalgamation.

The amalgamation's risk management and capital adequacy management are described in more detail in Note 4 to POP Bank Group's financial statements. Copies of the financial statements of the POP Bank Group are available online at www.poppankki.fi/en or from the office of the POP Bank Centre coop, address Hevosenkenkä 3, 02600 Espoo, Finland.

Market risks

Market risk refers to the effect of changes in interest rates or other market prices on the bank's result and capital adequacy. The market risk classes are interest rate, currency, equity and commodity risk.

The objective of market risk management is to identify and assess market risks related to the business operations, mitigate the risks to an acceptable level and timely monitoring of the risk exposures. Within the amalgamation of POP Banks, the central institution's Board of Directors confirms the market risk strategy and market risk management guidelines, which create the foundation for market risk management at POP Mortgage Bank.

In accordance with the Act on Mortgage Credit Banks and Covered Bonds, the business of POP Mortgage Bank is to issue euro-denominated secured bonds and to grant intermediate loans to the member credit banks of the Amalgamation of POP Banks. POP Mortgage Bank does not have a trading book, and it invests its excess liquid assets as deposits in Bonum Bank Plc, a member of the Amalgamation of POP Banks.

POP Mortgage Bank does not take stock risk, commodity risk or currency risk in its operations. Both the secured bonds and intermediary loans issued are denominated in euros. In its operations, POP Mortgage Bank uses interest rates derivatives, where necessary, to match the interest cash flows of issued bonds and intermediary loans to reduce the interest rate risk.

The interest rate risk is the most significant market risk in POP Mortgage Bank's business operations. Interest rate risk refers to the effect of changes in interest rate levels on the market value or net inter-

est income of balance sheet items and off-balance sheet items. The banking book consists of loans and receivables from credit institutions and market-based financing.

Interest rate risk arises from differences in the interest terms of receivables and liabilities and mismatches in interest rate repricing and maturity dates. The objective of interest rate risk management is to stabilise the interest rate risk involved in the bank's balance sheet to a level at which the effect of open risk is minor in all circumstances and meet the regulatory requirements set for mortgage banks as well as stricter internal risk limits. Interest rate risk is managed primarily by planning the balance sheet structure, such as the interest rate fixing or maturity of assets and liabilities or alternatively by using interest rate derivatives for hedging purposes. The information on the derivatives have been disclosed in Note 15.

Interest rate risk in POP Mortgage Bank is monitored using the net present value method and the net interest income model. The net present value method measures how changes in interest rates change the calculated market value of balance sheet items. In the net present value method, the market values of each balance sheet item are expected to be formed as the present value of the cash flows generated by the instrument in question. The net interest income model predicts the future net interest income as market interest rates change. The net interest income forecast is calculated at the reporting date using forward interest rates available in the market for the following five years. The amount of interest rate risk taken is assessed with the effect of diverse interest rate shocks on the net interest income and net present value.

The interest rate sensitivity analysis of the banking book

Impact to interest margin (EUR 1,000)	Change	31 Dec 2025 1-12 mo.	31 Dec 2024 1-12 mo.
Interest rate risk	+2% -point	-216	-242
Interest rate risk	-2% -point	218	246

The impact of the interest rate risk on operating income has been calculated as a change to the 12-month forecast of the net interest income, assuming two percentage point upward or downward parallel interest rate level shift. The effect on own funds has been determined through present value change in balance sheet with the same interest rate shocks.

Liquidity risks

Liquidity risk refers to the POP Mortgage Bank's ability to fulfil its commitments. Liquidity risk can be divided into short-term liquidity risk and long-term structural financing risk. Short-term liquidity risk refers to a situation in which the bank cannot without difficulty fulfil its liabilities to pay. Structural financing risk refers to a refinancing risk that arises from the difference in the maturities of balance sheet receivables and liabilities.

The central institution of amalgamation applies a permission by the Finnish Financial Supervisory Authority to decide that the requirements laid down in the sixth part of the EU Capital Requirements Regulation and EU's statutory orders based on the Regulation are not applied to its member credit institutions. According to the permission, the regulatory requirements for liquidity risk are met at the amalgamation level only. The central credit institution, Bonum Bank Plc, is responsible for meeting the regulatory requirements.

Bonum Bank as the central credit institution is responsible for coordinating the implementation of the liquidity strategy at the amalgamation level, and it monitors and supervises the liquidity strategy implemented by the member credit institutions. The central credit institution coordinates the payment transactions of the member credit institutions and the acquisition and balancing of liquidity in the amalgamation. The task of the amalgamation's independent risk control function is to supervise and monitor the liquidity risk.

Maturity of financial liabilities 31 Dec 2025

(EUR 1,000)	Less than 3 months	3-12 months	1-5 years	Over 5 years	Total
Debt securities issued to the public	-	-	502,633	-	502,633
Derivatives	-	-	1,023	-	1,023
Total	-	-	503,656	-	503,656

Maturity of financial liabilities 31 Dec 2024

(EUR 1,000)	Less than 3 months	3-12 months	1-5 years	Over 5 years	Total
Debt securities issued to the public	-	249,329	506,741	-	756,069
Derivatives	-	587	-	-	587
Total	-	249,915	506,741	-	756,656

Operational risks

Operational risks refer to financial losses or other harmful consequences to business that may be caused by internal inadequacies or errors in systems, processes, procedures and the actions of personnel, or by external factors affecting the business. The operational risk of POP Mortgage Bank also arises from outsourced operations and major business projects.

The objective of the management of operational risks is to identify essential operational risks in the business operations and minimise their materialisation and effects. The objective is pursued by continuous personnel development, as well as comprehensive operating instructions and internal control measures, such as by segregating preparation, decision-making, implementation and control from each other, whenever possible.

The operational risks associated with the key products, services, functions, processes and systems are identified in the assessment process concerning a new product or service carried out by the business function and reviewed by the compliance and risk control function. The bank carries out annual self-assessment of operational risks on the basis of the risk assessments it performs, in which the monitoring of operational risk incidents is applied. Some of the losses caused by operational risks are hedged through insurance. Risks caused by malfunctions of information systems are prepared for by continuity planning.

Operational risks are monitored by collecting information on operational risk events, financial losses and any malpractices encountered. The executive management utilises reporting produced by internal control on compliance with instructions and information on changes in the operating environment.

Strategic risk

Strategic risk refers to losses caused by choosing wrong strategy or business model in relation to the development of the bank's operating environment. The losses may also be caused by unsuccessful implementation of strategy, unexpected changes in the competitive environment or responding too slowly to changes.

In accordance with the strategic objectives specified in the business plan, POP Mortgage Bank must be able to secure the long-term funding needed by the banks within the amalgamation. Potential strategic threats have been considered when estimating capital needs.

POP Mortgage Bank aims to minimise strategic risks by means of regular updates of its strategic and annual plans. Analyses of the condition and development of the POP Bank Group, as well as other analyses and estimates concerning the development of the sector, competition and financial operating environment are utilized in the planning.

NOTE 3 INTEREST INCOME AND EXPENSES

(EUR 1,000)	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Interest income		
Loans and receivables from credit institutions	22,302	25,288
Total interest income	22,302	25,288
Interest expenses		
Liabilities to credit institutions	-333	-221
Debt securities issued to the public	-21,457	-17,520
Hedging derivatives of liabilities	1,566	-5,826
Total interest expenses	-20,224	-23,567
Net interest income	2,077	1,721

NOTE 4 NET INCOME FROM HEDGE ACCOUNTING

(EUR 1,000)	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Change in hedging instruments' fair value	-3,665	3,204
Change in hedged items' fair value	3,927	-3,408
Net income from hedge accounting	262	-204

Derivatives and hedge accounting are explained in more detail in Note 15.

NOTE 5 PERSONNEL EXPENSES

(EUR 1,000)	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Wages and salaries	-16	-18
Total personnel expenses	-16	-18

Personnel costs consist of administrative fees. POP Mortgage Bank has no employees.

NOTE 6 OTHER OPERATING EXPENSES

(EUR 1,000)	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Purchased services	-540	-515
ICT expenses	-153	-169
Audit fees	-22	-18
Other operating expenses	-52	-54
Total other operating expenses	-767	-757
Audit fees		
Statutory audit	-22	-18
Total audit fees	-22	-18

NOTE 7 DEPRECIATION

(EUR 1,000)	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Intangible assets	-116	-116
Total depreciation	-116	-116

NOTE 8 INCOME TAX

Reconciliation between tax expense in the income statement and tax expense calculated using the applicable tax rate

(EUR 1,000)	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Profit before tax	1,440	626
Income tax rate	20%	20%
Tax calculated at the tax rate	-288	-125
+ Use of tax losses carried forward from previous years	288	125
Tax expense in the income statement	-	-

The bank has unused tax losses totalling EUR 52,3 (1,519) thousand after deducting the fiscal year's result, which will expire in 2031. No deferred tax assets have been recognised for these losses.

NOTE 9 NET INCOME AND EXPENSES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY MEASUREMENT CATEGORY

(EUR 1,000)	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Financial assets		
At amortised cost		
Interest income and expenses	22,302	25,288
Total	22,302	25,288
(EUR 1,000)	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Financial liabilities		
At amortised cost		
Interest income and expenses	-21,790	-17,741
Total	-21,790	-17,741
At fair value through profit or loss		
Derivatives and hedge accounting		
Fair value gains and losses	262	-204
Interest income and expenses	1,566	-5,826
Total	1,828	-6,030

NOTE 10 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets 31 Dec 2025

(EUR 1,000)	At amortised cost	Hedging derivatives	Total carrying amount
Loans and receivables from credit institutions	527,689	-	527,689
Derivative contracts	-	4,643	4,643
Financial assets total	527,689	4,643	532,332
Other assets			8,260
Total assets			540,593

Financial assets 31 Dec 2024

(EUR 1,000)	At amortised cost	Hedging derivatives	Total carrying amount
Loans and receivables from credit institutions	779,737	-	779,737
Derivative contracts	-	7,872	7,872
Financial assets total	779,737	7,872	787,609
Other assets			10,645
Total assets			798,254

Financial liabilities 31 Dec 2025

(EUR 1,000)	At amortised cost	Hedging derivatives	Total carrying amount
Liabilities to credit institutions	9,840	-	9,840
Derivative contracts	-	1,023	1,023
Debt securities issued to the public*	502,633	-	502,633
Financial liabilities total	512,473	1,023	513,496
Other liabilities			8,176
Total liabilities			521,672

*Debt securities issued to the public include hedge adjustments of EUR 3,806 thousand. The hedged items included in the balance sheet items are presented in more detail in Note 15.

Financial liabilities 31 Dec 2024

(EUR 1,000)	At amortised cost	Hedging derivatives	Total carrying amount
Liabilities to credit institutions	13,440	-	13,440
Derivative contracts	-	587	587
Debt securities issued to the public*	756,069	-	756,069
Financial liabilities total	769,509	587	770,096
Other liabilities			10,677
Total liabilities			780,773

*Debt securities issued to the public include hedge adjustments of EUR 7,734 thousand. The hedged items included in the balance sheet items are presented in more detail in Note 15.

NOTE 11 FAIR VALUES AND VALUATION TECHNIQUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value hierarchy levels of items recurrently recognised at fair value

Financial assets measured at fair value 31 Dec 2025

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Derivatives	-	4,643	-	4,643	4,643
Total	-	4,643	-	4,643	4,643

Financial assets measured at fair value 31 Dec 2024

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Derivatives	-	7,872	-	7,872	7,872
Total	-	7,872	-	7,872	7,872

Financial liabilities measured at fair value 31 Dec 2025

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Derivatives	-	1,023	-	1,023	1,023
Total	-	1,023	-	1,023	1,023

Financial liabilities measured at fair value 31 Dec 2024

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Derivatives	-	587	-	587	587
Total	-	587	-	587	587

Fair value hierarchy levels of items recognised at amortised cost

Assets measured at amortised cost 31 Dec 2025

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Loans and receivables from credit institutions	-	541,659	-	541,659	527,689
Total	-	541,659	-	541,659	527,689

Assets measured at amortised cost 31 Dec 2024

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Loans and receivables from credit institutions	-	801,317	-	801,317	779,737
Total	-	801,317	-	801,317	779,737

Liabilities measured at amortised cost 31 Dec 2025

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Debt securities issued to the public	-	504,775	-	504,775	502,633
Total	-	504,775	-	504,775	502,633

Liabilities measured at amortised cost 31 Dec 2024

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Debt securities issued to the public	-	767,622	-	767,622	756,069
Total	-	767,622	-	767,622	756,069

Fair value determination of financial assets and financial liabilities

Financial assets and liabilities are recognised in balance sheet at fair value or amortised cost. Classification and valuation of financial instruments are described in more detail in Note 1.

Fair value hierarchies

Level 1 includes financial instruments that are measured on the basis of quotations obtained from liquid markets. A market is considered as liquid if quotations are regularly available. This group included all securities with publicly quoted prices.

Level 2 includes financial instruments measured using generally approved measurement techniques or models which are based on assumptions made on the basis of observable market prices. For example, the fair value of a financial instrument allocated to Level 2 may be based on the value derived from the market quotation of components of an instrument. This group includes, among other things, interest rate derivatives, including interest rate swaps, as well as other instruments not traded in liquid markets. Publicly available valuation curves are used for the valuation of interest rate derivatives.

Level 3 includes financial instruments and other assets that are not measured using market quotations or values determined on the basis of observable market prices using measurement techniques or models. The assumptions applied in the measurement techniques often involve insecurity. The fair value of assets allocated to Level 3 is often based on price information obtained from a third party.

Transfers between fair value hierarchy levels

Transfers between hierarchy levels are considered to have taken place on the date of the occurrence of the event that caused the transfer or the date when the circumstances changed. There were no transfers between levels during the reporting period.

NOTE 12 LOANS AND RECEIVABLES FROM CREDIT INSTITUTIONS

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Deposits		
Repayable on demand	27,689	29,737
Intermediary loans	500,000	750,000
Total	527,689	779,737

NOTE 13 INTANGIBLE ASSETS

Changes in intangible assets 2025

(EUR 1,000)	Information systems	Total
Acquisition cost 1 Jan	582	582
+ Increases	-	-
+/- Transfers	-	-
Acquisition cost 31 Dec	582	582
Accumulated depreciation 1 Jan	-301	-301
- Depreciation	-116	-116
Accumulated depreciation 31 Dec	-417	-417
Carrying amount 1 Jan	281	281
Carrying amount 31 Dec	165	165

Changes in intangible assets 2024

(EUR 1,000)	Information systems	Total
Acquisition cost 1 Jan	582	582
Acquisition cost 31 Dec	582	582
Accumulated depreciation 1 Jan	-184	-184
- Depreciation	-116	-116
Accumulated depreciation 31 Dec	-301	-301
Carrying amount 1 Jan	398	398
Carrying amount 31 Dec	281	281

NOTE 14 OTHER ASSETS

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Accrued income and prepaid expenses		
Interest	7,994	10,291
Other	101	72
Other assets total	8,095	10,363

NOTE 15 DERIVATIVES CONTRACTS AND HEDGE ACCOUNTING

POP Mortgage bank hedges its interest rate risk against fair value changes primarily using interest rate swaps. With interest rate swaps, the interest rates of variable-rate intermediate loans and fixed-rate issued bonds are swapped to the same interest basis. As a result of the hedging, changes in market interest rates have a minimal impact on net interest income.

Hedge accounting is applied to fair value hedging. During the period, there were no new issuances.

Derivatives and hedged items covered by hedge accounting

Hedging interest rate derivatives

(EUR 1,000)	Fair value 31 Dec 2025		Fair value 31 Dec 2024	
	Assets	Liabilities	Assets	Liabilities
Derivatives				
Fair value hedging	4,643	1,023	7,872	587
Derivatives total	4,643	1,023	7,872	587

Effects of hedge accounting on financial position and result

Fair value hedge

(EUR 1,000)	Interest rate risk 31 Dec 2025		Interest rate risk 31 Dec 2024	
	Carrying amount of hedged liabilities	of which accumulated amount of fair value hedge adjustment	Carrying amount of hedged liabilities	of which accumulated amount of fair value hedge adjustment
Micro hedge				
Hedged debt securities issued to the public	503,806	3,806	757,734	7,734
Liabilities	503,806	3,806	757,734	7,734

The nominal value of the fixed-rate bond subject to fair value hedging at the end of reporting period was EUR 500,000 (750,000) thousand. This item is included on the balance sheet under "Debt securities issued to the public". The nominal values of derivative instruments correspond to the nominal values of the objects to be hedged.

Profits and losses from hedge accounting and hedge ineffectiveness

(EUR 1,000)	Interest rate risk	
	Fair value hedging	
	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Change in the fair value of the derivative contract	-3,668	3,205
Change in the fair value of the hedged item	3,927	-3,408
Hedge ineffectiveness recognized in the income statement	259	-203

Maturity profile of the nominal amount of hedging interest rate risk

31 Dec 2025

(EUR 1,000)	Nominal value / Remaining maturity			Total
	Less than 1 year	1-5 years	More than 5 years	
Instruments hedging interest rate risk	-	500,000	-	500,000

31 Dec 2024

(EUR 1,000)	Nominal value / Remaining maturity			Total
	Less than 1 year	1-5 years	More than 5 years	
Instruments hedging interest rate risk	250,000	500,000	-	750,000

The maturities of the hedged items fully correspond to the maturities of the hedging contracts.

NOTE 16 DEBT SECURITIES ISSUED TO THE PUBLIC

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Covered bonds	498,826	748,336
Change in fair value due to hedge accounting	3,806	7,734
Total debt securities issued to the public	502,633	756,069

Debt securities issued to the public

Bond	Issue date	Due date	Interest	Nominal (EUR 1,000)	Currency
POPA 26042028	26 Apr 2023	26 Apr 2028	3.625% / fixed	250,000	EUR
POPA15102029	15 Oct 2024	15 Oct 2029	2.875% / fixed	250,000	EUR

Amounts recognised in statement of cash flows

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Balance 1 Jan	756,069	503,259
Debt securities issued, increase	-	249,048
Total increase	-	249,048
Debt securities issued, decrease	-250,000	-
Total decrease	-250,000	-
Total changes in cash flow	-250,000	249,048
Valuation	-3,437	3,762
Balance at the end of period	502,633	756,069

NOTE 17 OFFSETTING

Offsetting of financial assets and liabilities

The table below presents items that, in certain circumstances, can be settled on a net basis, even though they are presented on a gross basis in the balance sheet. The netting arrangement is based on a mutually enforceable general netting agreement (ISDA).

31 Dec 2025

(EUR 1,000)	Carrying amount in balance sheet, gross	Recognised financial liabilities offset in balance sheet, gross	Carrying amount in balance sheet, net	Amounts which are not offset but are subject to enforceable master netting arrangements or similar agreements			Net amount
				Enforceable master netting arrangement	Financial instruments held as collateral*	Cash held as collateral	
Assets							
Derivatives	9,805	-	9,805	-126	-9,679	-	-
Total	9,805	-	9,805	-126	-9,679	-	-
Liabilities							
Derivatives	1,023	-	1,023	-126	-	-	898
Total	1,023	-	1,023	-126	-	-	898

*The total amount of cash received as collateral is EUR 9,840 thousand. The table does not take into account overcollateralization.

31 Dec 2024

(EUR 1,000)	Carrying amount in balance sheet, gross	Recognised financial liabilities offset in balance sheet, gross	Carrying amount in balance sheet, net	Amounts which are not offset but are subject to enforceable master netting arrangements or similar agreements			Net amount*
				Enforceable master netting arrangement	Financial instruments held as collateral	Cash held as collateral	
Assets							
Derivatives	14,172	-	14,172	-1,086	-13,440	-	-
Total	14,172	-	14,172	-1,086	-13,440	-	-
Liabilities							
Derivatives	1,086	-	1,086	-1,086	-	-	-
Total	1,086	-	1,086	-1,086	-	-	-

*The total in the "Net" column of the table does not equal the sum of the preceding columns due to differences between the valuation and collateral review dates. The collateral is determined such that, at the time of the review, the collateral received fully neutralises the counterparty risk.

NOTE 18 PROVISIONS AND OTHER LIABILITIES

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Accrued expenses		
Interest payable	7,649	9,995
Other accrued expenses	527	681
Total provisions and other liabilities	8,176	10,677

NOTE 19 EQUITY CAPITAL

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Share capital	10,000	10,000
Reserve for invested non-restricted equity	9,000	9,000
Retained earnings		
Profit (loss) for previous financial years	-1,519	-2,145
Profit (loss) for the period	1,440	626
Total equity	18,921	17,481

Share capital

POP Mortgage Bank has one class of shares, and each share has one vote and equal rights to dividend. Shares have no nominal value. All issued shares have been fully paid. The total number of shares issued is 500.

There are no restrictions on the use of equity items.

The share subscription price received in connection with the share issues is entered in share capital to the extent that it has not been recorded in the invested unrestricted equity reserve according to the share issue decision.

Invested unrestricted equity reserve

The invested unrestricted equity reserve includes the subscription price of shares to the extent that it has not been recorded in share capital according to specific resolution.

Retained earnings

Retained earnings are earnings accrued in previous financial years that have not been transferred to equity reserves or distributed to shareholders.

NOTE 20 COLLATERAL GIVEN AND RECEIVED

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Given on behalf of own liabilities and commitments		
Mortgage-backed loan portfolio*	681,134	1,028,621
Total collateral given	681,134	1,028,621
Collateral received		
Collateral received from member banks of the amalgamation*	675,134	1,022,621
Other	9,840	13,440
Total collaterals received	684,974	1,036,061

*The collateral provided and received by POP Mortgage Bank is related to secured bonds issued under the EUR 1.5 billion issuance programme, as well as the interim loans based on it. The collateral given and received consists of loans secured by real estate.

Other collateral is related to derivatives and are collateral given and received in cash.

NOTE 21 DISTRIBUTABLE FUNDS

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Profit (loss) for the period	1,440	626
Profit (loss) for previous financial years	-1,519	-2,145
Reserve for invested non-restricted equity	9,000	9,000
Distributable funds total	8,921	7,481

NOTE 22 RELATED PARTY DISCLOSURES

The related parties of POP Mortgage Bank comprise the members of the company's Board of Directors and Executive Group and members of their immediate families. In addition, related parties include POP Mortgage Bank's parent entity POP Bank Centre coop, as well as its managing director and deputy managing director. Furthermore, related parties include those entities over which key persons included in the management and/or members of their immediate families have control or joint control. The related parties also include the entities belonging to the POP Bank Centre Group, specifically POP Bank Centre coop and Bonum Bank Plc.

Business transactions with related party companies

(EUR 1,000)	31 Dec 2025	31 Dec 2024
Assets		
Loans	27,684	29,733
Liabilities		
Debt securities issued to the public	-	8,000
Income statement		
Income statement	648	535
Other operating expenses	191	186

Compensation to members of the Board

(EUR 1,000)	Salaries and remuneration	
	31 Dec 2025	31 Dec 2024
Juha Niemelä, Chairman of the Board	5	6
Matti Vainionpää, Vice Chairman of the Board	5	6
Marja Pajulahti, Member of the Board	5	6
Total	16	18

NOTE 23 EVENTS AFTER THE CLOSING DATE

POP Mortgage Bank's Board of Directors is not aware of other events having taken place after the closing date that would have a material impact on the information presented in the financial statements.

SIGNATURES TO THE FINANCIAL STATEMENTS AND BOARD OF DIRECTORS' REPORT

The financial statements, prepared in compliance with the applicable financial statement framework give a true and fair view of POP Mortgage Bank's assets, liabilities, financial position, and profit or loss.

The Board of Directors' report contains an account giving a true view of the business development and performance of the POP Mortgage Bank, as well as a description of the most significant risks, uncertainties, and other relevant aspects of the company's status.

Espoo 13 February 2026

Board of Directors of POP Mortgage Bank

Juha Niemelä
Chairman of the Board

Matti Vainionpää
Vice Chairman of the Board

Marja Pajulahti
Member of the Board

Timo Hulkko
CEO

Auditor's note

A report on the audit performed has been issued today.
Helsinki 13th February 2026

KPMG Oy Ab
Audit Firm

Henrik Snellman
Authorised Public Accountant, APA

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

AUDITOR'S REPORT

To the Annual General Meeting of POP Mortgage Bank Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of POP Mortgage Bank Plc (business identity code 3236645-3) for the year ended 31 December 2025. The financial statements comprise balance sheet, income statement, statement of changes in equity, cash flow statement and notes, including a material accounting policy information.

In our opinion the financial statements give a true and fair view of the bank's financial performance, financial position and cash flows in accordance with IFRS Accounting Standards as adopted by the EU and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We have not provided any non-audit services to POP Mortgage Bank Plc.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgment and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

The key audit matter

How the matter was addressed in the audit

Receivables from credit institutions, Debt securities issued to the public (accounting policies, notes 10, 11, 12, 16 and 20 to financial statements)

- Receivables from credit institutions, EUR 528 million, and Debt securities issued to the public, EUR 503 million, are significant items on the POP Mortgage Bank's balance sheet. Receivables from credit institutions mainly include intermediary loans issued to POP Bank Group's member banks, and Debt securities issued to the public comprise covered bonds.
- In the intermediary loan model, POP Mortgage Bank issues covered bonds and provides POP banks with intermediary loans against property mortgages. The mortgage-backed loans included in the cover pool constituting the collateral for the covered bonds are recorded on the balance sheets of POP banks.
- POP Mortgage Bank manages the bond register, which includes not only bonds but also collaterals given and received, as well as intermediary loans. The company is responsible for ensuring that the collaterals comply with the regulatory requirements at all times.
- Due to the significance of the carrying amounts of Receivables from credit institutions and Debt securities issued to the public, Receivables from credit institutions and Debt securities issued to the public are addressed as a key audit matter.

- We evaluated the intermediary loan process of POP Mortgage Bank, including provision of loans to POP banks, collateral management for intermediary loans (cover pool) and bond register management.
- The main areas of the audit were the assessment of the monitoring process of collateral valuations for covered bonds using data analyses, and inspection of intermediary loan contracts on a sample basis.
- Furthermore, we considered the appropriateness of the notes provided by POP Mortgage Bank in respect of Receivables from credit institutions and Debt securities issued to the public.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and that financial statements comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation

of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence

obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting in 2021 and our appointment represents a total period of uninterrupted engagement of 5 years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to

be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 13 February 2026

KPMG OY AB
Audit Firm

Henrik Snellman
Authorised Public Accountant, APA

INDEPENDENT AUDITOR'S REPORT ON THE ESEF FINANCIAL STATEMENTS OF POP MORTGAGE BANK PLC

Translation of the Finnish original

To the Board of Directors of POP Mortgage Bank Plc

We have performed a reasonable assurance engagement on the financial statements 743700I7HTCNLUBZTZ74-2025-12-31-0-fi.html of POP Mortgage Bank Plc (Business ID 3236645-3) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 31.12.2025.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of the Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard and
- ensuring the consistency between the ESEF financial statements and the audited financial statements.

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance with the requirements of the Commission's regulatory technical standard.

Auditor's independence and quality management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the

engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The auditor applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the financial statements that are included in the ESEF financial statements are, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether there is consistency between the ESEF financial statements and the audited financial statements.

The nature, timing and extent of the selected procedures depend on the auditor's judgment. This includes an assessment of the risk of a material deviation due to fraud or error from the requirements of the Commission's regulatory technical standard.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the company's financial statements that are included in the ESEF financial statements of POP Mortgage Bank Plc 743700I7HTCNLUBZTZ74-2025-12-31-0-fi.html for the financial year ended 31.12.2025 have been prepared, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the financial statements of POP Mortgage Bank Plc for the financial year ended 31.12.2025 has been expressed in our auditor's report dated 13.2.2026. With this report we do not express an opinion on the audit of the financial statements nor express another assurance conclusion.

Helsinki 12 March 2026

KPMG OY AB
Audit Firm

Henrik Snellman
Authorised Public Accountant, APA

