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Ratings

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Bonum Bank PLC

Primary Credit Analyst:
Marcus Kylberg, Stockholm + 46 8 440 5916; marcus.kylberg@spglobal.com

Secondary Contact:
Salla von Steinaecker, Frankfurt (49) 69-33-999-164; salla.vonsteinaecker@spglobal.com

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Bonum Bank PLC

SACP	bbb+	+	Support	0	+	Additional Factors	-1

Anchor	a-	
Business Position	Weak	-2
Capital and Earnings	Very Strong	+2
Risk Position	Moderate	-1
Funding	Average	0
Liquidity	Adequate	

ALAC Support	0
GRE Support	0
Group Support	0
Sovereign Support	0

Issuer Credit Rating
BBB/Negative/A-2

Major Rating Factors

Strengths:	Weaknesses:
• Very strong capitalization, which provides a robust buffer to absorb potential losses. • A solid cooperative business model. • Sound regional franchise in selected rural areas.	• Concentrated business operations focused on lending to individuals and small and midsize enterprises (SMEs). • Weak earnings and cost efficiency.

Outlook: Negative

The outlook is negative because of the deteriorating economic environment related to the COVID-19 turmoil and its potential impact on the wider POP Bank Group's asset quality and profitability over the next two years.

Downside Scenario

A delayed economic recovery in Finland's export-oriented economy could adversely affect the Finnish banking sector's performance. This could lead us to revise down our anchor for Finnish banks, including POP Bank Group, to 'bbb+' from 'a-', which in turn would likely prompt us to lower our long-term rating on POP Bank Group and Bonum Bank.

In addition, we could lower the ratings if lagging efficiency or deteriorating asset quality leads to a weakening of Bonum Bank's combined capital and risk position or if the group's cohesiveness does not further strengthen as we anticipate.

Upside Scenario

We could revise the outlook to stable if the Finnish economy proved more resilient than we expect over the next 12-24 months.

We could also take a positive rating action if the group were to demonstrate significant improvements in its revenue generation and cost efficiency to build an earnings buffer more in line with its peers'.

Rationale

The ratings on Bonum Bank reflect the franchise and creditworthiness of the wider POP Banking Group. The group benefits from the amalgamation in December 2015 that brought together the group's 26 member cooperative banks, POP Bank Alliance, and Bonum Bank to operate as a single entity for regulatory purposes under a joint-liability scheme. That said, we expect bank mergers to lower the amount of member banks in the group. The group also includes specialized institutions, such as the non-life insurance company Finnish P&C Insurance Ltd., which operate outside the amalgamation and joint-liability framework.

The long-term rating on Bonum Bank benefits from the economic environment and low banking sector risks in Finland, which translate into our 'a-' starting point for rating banks operating in Finland. That said, we expect earnings, asset quality, and in some cases capitalization of the Finnish banks including POP Bank Group, to weaken throughout 2020 and into 2021. We expect that POP Bank Group's aim to strengthen earnings generation and improve cost-efficiency could be delayed in the current operating environment, but that its very strong capitalization will continue to provide a robust buffer to absorb potential losses.

In our view, POP Bank Group's key weakness is its concentrated business model as a regionally focused retail mortgage lender in and around small cities with small market share in Finland. That said, concentration risks in its loan book are partly offset by solid collateralization and prudent underwriting standards. In addition, capitalization is robust, as shown by our risk-adjusted capital (RAC) ratio, which we forecast to remain above 15% over the next 12-24 months. The group's funding and liquidity profile compares well with that of other Finnish retail banks. It rests on its dominant customer-deposit base, and comfortable liquidity buffers.

We do not factor in any extraordinary support because we regard POP Bank Group as having low systemic importance in Finland and the Finnish government's supportiveness toward the banking sector as uncertain since the implementation of the EU Bank Recovery and Resolution Directive on Jan. 1, 2016.

We deduct one notch from our 'bbb+' assessment of the group's credit profile (GCP) because we regard POP Bank Group as a weaker performer than its peers, due to its very low operating profitability and efficiency and the group's limited track record under its current structure. Because we continue to view Bonum Bank as integral to the group's operations, we equalize our long-term rating on Bonum Bank with the 'bbb' GCP of POP Bank Group.

Anchor:'a-' for banks operating only in Finland.

We now see economic risk for Finland's Banking Industry Country Risk Assessment to be on a negative trend. If we saw more pronounced economic distress or weaker and delayed recovery, with cost of risk for the banking system exceeding our current expectations, we could negatively reassess economic risk on the Finnish banking sector.

We view Finland as an innovative, wealthy, and small open economy, with mature political and institutional structures. The COVID-19 pandemic however is an unprecedented challenge and will send Finland into deep recession in 2020, in our opinion. After an anemic final quarter of 2019, Finland was already facing a muted growth outlook, with lower exports, weakening consumer confidence, and only moderate credit demand from households. Although we expect recovery in 2021, it is likely going to be less pronounced than in other Nordic countries. That said, the wide-ranging fiscal, monetary, and regulatory support measures will, in our view, partially mitigate this sharp shock to the Finnish economy, and so support the stability of the banking system.

We currently do not see major domestic economic imbalances in the Finnish economy since house prices have stabilized nationwide over the past years and despite the decreased activity amid COVID-19, we do not project a correction in the real estate market. However, we see a risk of weaker private-sector debt-servicing capacity, especially from SMEs, which could lead to materially higher credit losses for banks. The historically high indebtedness of Finnish households could potentially also be a mounting credit risk for the banking sector (if not curbed by macroprudential measures). Still, in our base case, we forecast moderate credit losses from households despite increasing unemployment, increasing use of amortization, and more muted credit demand, before returning to pre-crisis level in 2021-2022.

In our view, regulatory standards and bank supervision in Finland are in line with those of European peers. Despite the concentrated banking sector - dominated by the two major banking groups OP Financial Group and Nordea and underpinned by intense competition and low lending margins - we believe the sector's overall profitability and capitalization will remain resilient and we expect banks to maintain their restrained risk appetite. We therefore expect the Finnish banking sector to be well prepared to weather the current shock although business prospects will weaken through 2021. We believe that the risk of tech disruption remains moderate given the banks' digital customer offerings and ongoing investments in innovation.

In our view, the dependence on external funding makes Finnish banks vulnerable to changes in confidence sensitivity, but they continue to demonstrate good access to capital markets. Additionally, the Nordic banking system remains highly interconnected, which results in potential spillover risks on the Finnish economy from external events.

Table 1

POP Bank Group--Key Figures					
	--Fiscal year ended Dec. 31--				
(Mil. €)	**2019**	**2018**	**2017**	**2016**	**2015**
Adjusted assets	4,517.4	4,398.0	4,265.0	4,173.0	4,021.0
Customer loans (gross)	3,669.3	3,505.0	3,349.0	3,210.0	3,031.0
Adjusted common equity	429.5	416.0	415.0	417.0	410.0
Operating revenues	131.3	112.0	119.0	111.0	104.0
Noninterest expenses	98.6	97.0	90.0	91.0	86.0
Core earnings	21.4	9.0	20.0	8.0	9.0

Business position: A concentrated business model with a high cost structure.

We assess POP Bank Group's business position as the key rating weakness, due to the group's small domestic market share of currently 1.5% of systemwide loans, and its concentrated business model with a regional focus on retail banking and SME lending, mainly in less urban regions in Finland. In our view, due to the limited history of operating as an amalgamation, the group has not yet fully leveraged on synergies in terms of operating efficiency.

The POP Bank Group's assets totaled €4.5 billion as of Dec. 31, 2019. In our view, the amalgamated structure allows the POP banks to act as a unified group for regulatory purposes and compete better in the market. The enhanced common market presence and expected efficiency improvements through shared back-office operations and other services will, in our view, lead to advantages of scale. The group has also continued to develop its digital offering to address changing customer preferences and to operate more cost efficiently.

However, we believe further cost outlays and a difficult capital market environment will weigh on POP Bank Group's bottom-line profits in 2020. We also expect greater efficiency and profitability gains need to be demonstrated in the future.

The POP banks focus on retail banking, mainly residential real estate lending, but they also engage in SME and agricultural lending and service 252,000 customers through 76 branches, mainly in Finland's less urban regions. The group maintained its No. 1 position in terms of customer satisfaction in Finland in 2019, which will, in our view, support the group's business prospects through 2022. In our view, concentration, by customer segments and geography, presents the main weakness of the group's business model. This is because it may expose POP banks to potential volatility in less liquid regional real estate market, or to a downturn in the domestic economy, reflected by our negative outlook on the group.

Although the group lacks a significant position nationwide, most of the POP banks hold sound local franchises in their regions. The group appears to have a loyal customer base, which in our view allows it to generate higher interest margins than larger peers and provides business stability. POP Bank Group earns about 56% of its revenues from net interest income, 28% from fees and commissions, and 16% from its non-life insurance business and other sources (when excluding investment income). We expect fees and commission and net interest income to come under pressure in 2020, but expect reducing funding costs from deposits will somewhat offset increased funding costs from the wholesale sector.

In our view, the legal set-up as a cooperative group will continue to support the group's long-term financial targets and aligns well with its strategy and prudent approach in managing risks. We also believe that the group has implemented appropriate risk management and governance policies and processes for all 26 member banks, but are mindful that it has not been tested through a full business cycle.

We view the possibility of member banks leaving the group, curbing the benefits of the remaining group, as remote, not least due to the joint-liability obligation that runs for five years after a member exits. That said, we expect increased efficiencies among banks and cannot exclude further mergers of POP banks within the group.

Table 2

POP Bank Group--Business Position					
	--Fiscal year ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Total revenues from business line (Mil. €)	131.3	112.0	119.0	115.0	104.0
Loan market share in country of domicile	1.5	1.5	1.5	1.5	1.4
Deposit market share in country of domicile	2.3	2.3	2.3	2.3	2.8
Commercial and retail banking/total revenues from business line	89.4	90.9	91.7	93.0	94.9
Insurance activities/total revenues from business line	10.6	9.1	8.3	7.0	5.0
Return on equity	4.3	1.9	3.3	2.3	2.3

Capital and earnings: Very strong capitalization, but subpar profitability.

We expect POP Bank Group's capital and earnings to remain very strong. This is mainly based on our projection of the group's RAC ratio remaining above 15% within the next two years, after 16.4% as of Dec. 31, 2019.

In our view, the group benefits from relatively predictable revenues, based on POP banks' sound regional positions in household lending and payments. In addition, the POP banks' average margins are higher than most peers', which partly reflect less competition in the local regions. Net interest margins increased slightly in 2019. This was mainly attributed to loan growth in the group's digital consumer finance offering and secondly to reduced funding costs from deposits, a trend we expect to continue through 2022. The group's capitalization is supported by profit retention because member banks, as cooperatives, do not pay dividends. A risk of capital erosion remains if the cost of risk were to increase more than we currently expect in the recessionary environment.

Positively, the cost-to-income ratio decreased in 2019 to 75%, from 87% in the previous year. That said, bottom-line profits and the group's return on equity are still in the lower range compared with peers, and we expect them to worsen in 2020, due to the weaker business prospects and increased market volatility amid the COVID-19 crisis. We expect the main negative impact to result from net investment income related to the group's investment portfolio.

We expect the cost-to-income ratio to gradually improve in 2021-2022, as the bank slowly realizes some of the efficiencies from its initial cost outlays. We do not regard the current cost base as particularly flexible, due to the group's decentralized structure and overlapping functions, which we believe the group will address over time.

POP Bank Group's quality of capital is adequate, in our view, because its core capital--according to our total adjusted capital metric--comprises solely equity that can be used to absorb losses. That said, the group's financial flexibility is somewhat limited because of its small size and limited potential to build up capital. However, individual member banks could issue additional cooperative capital in the form of POP shares, if needed. As of year-end 2019, member banks had an outstanding amount of €57.3 million in POP shares, which is roughly 11% of total equity capital.

Table 3

POP Bank Group--Capital And Earnings

	--Fiscal year ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Criteria reflected in RAC ratios	2017	2017	2017	2010	2010
Tier 1 capital ratio	19.9	20.7	21.1	21.2	20.7
S&P Global Ratings' RAC ratio before diversification	16.4	16.3	16.7	17.3	N/A
S&P Global Ratings' RAC ratio after diversification	12.5	12.3	12.8	12.9	N/A
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	52.8	58.6	52.9	56.3	59.0
Fee income/operating revenues	22.9	26.7	23.7	25.6	29.1
Market-sensitive income/operating revenues	11.9	1.0	12.3	7.2	3.6
Noninterest expenses/operating revenues	75.1	86.8	76.0	82.2	82.8
Preprovision operating income/average assets	0.7	0.3	0.7	0.5	0.5
Core earnings/average managed assets	0.5	0.2	0.5	0.2	0.2

N/A--Not applicable. RAC--Risk-adjusted capital.

Table 4

POP Bank Group--Risk-Adjusted Capital Framework Data

(Mil. €)	**EAD**	**Basel III RWA**	**Average Basel III RW (%)**	**S&P Global Ratings' RWA**	**Average S&P Global Ratings' RW (%)**
Credit risk					
Government and central banks	293,137,599.9	4,941,735.0	1.7	9,520,772.1	3.2
Of which regional governments and local authorities	61,055,951.9	927,683.0	1.5	2,198,014.3	3.6
Institutions and CCPs	81,070,140.0	15,533,591.0	19.2	13,209,508.0	16.3
Corporate	664,724,245.0	606,682,753.0	91.3	418,533,740.5	63.0
Retail	3,146,634,777.0	1,225,072,903.0	38.9	926,712,189.6	29.5
Of which mortgage	2,538,286,424.0	902,726,839.0	35.6	588,718,926.4	23.2
Other assets	125,456,309.0	114,459,131.0	91.2	127,546,236.0	101.7
Of which deferred tax assets	1,560,000.0	--	--	5,850,000.0	3.8
Of which amount of over (-) or under (+) capitalization of insurance subsidiaries	--	--	--	--	--
Total credit risk	4,311,023,070.9	1,966,690,113.0	45.6	1,495,522,446.3	34.7
Credit valuation adjustment					
Total credit valuation adjustment	--	--	--	--	--
Market Risk					
Equity in the banking book	218,337,159.2	260,883,247.1	119.5	898,344,405.6	411.4

Table 4

POP Bank Group--Risk-Adjusted Capital Framework Data (cont.)					
Trading book market risk	--	24,633,377.9	--	36,950,066.8	--
Total market risk	--	285,516,625.0	--	935,294,472.4	--
Operational risk					
Total operational risk	--	206,122,570.1	--	191,748,970.3	--
Diversification adjustments					
RWA before diversification	--	2,531,685,436.6	--	2,622,565,889.0	100.0
Single name (on corporate portfolio)	--	--	--	22,493,459.0	5.4
Sector(on corporate portfolio)	--	--	--	(39,247,577.3)	(8.9)
Geographic	--	--	--	417,630,896.3	17.6
Business and risk type	--	--	--	414,933,236.1	13.7
Total diversification/concentration adjustments	--	--	--	815,810,014.1	31.1
RWA after diversification	--	2,531,685,436.6	--	3,438,375,903.1	131.1
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings' RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		503,117,000.0	19.9	429,494,357.0	16.4
Capital ratio after adjustments		503,117,000.0	20.6	429,494,357.0	12.5

CCP--Central clearing counterparty. EAD--Exposure at default. RWA--Risk-weighted assets. Other assets inlcudes deferred tax assets not deducted from ACE. For Public-Sector Funding Agencies, the single name adjustment is calculated on the regional government and local authorities portfolio. For Tier 1 ratio, adjustments are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). Sources: Company data as of Dec. 31 2019, S&P Global Ratings.

Risk position: Concentration risk, due to focus on retail lending in sparsely populated areas.

We expect POP Bank Group's risk position to remain moderate, because the regional concentration of households and SMEs in selected Finnish regions exposes the group to potential economic shocks. We expect the credit conditions in Finland to weaken in 2020-2021, due to our expectation of deep recession leading to increased unemployment, weaker private-sector debt-servicing capacity, especially from SMEs. That said, we expect the credit losses from the private household sector to remain moderate.

POP Bank Group focuses mainly on low-risk lending to private customers (67% of the loan portfolio in 2019), lending to SMEs (17.5%) and small agricultural and forestry clients (15.5%). We believe this concentration is partly mitigated by the loan book's high granularity and adequate collateralization, while mortgage lending is mainly focused on less urbanized low-growth areas with moderate loan sizes in the retail portfolio. In addition, the group's SME lending--targeted principally to small businesses across different sectors--shows a conservative approach to loan sizes and collateralization, in our view. For example, the top 20 largest customer exposures represent less than 2% of its total loan book. That said the asset quality of the SME portfolio will be tested in the crises.

We consider that POP Bank Group's loan portfolio is well collateralized and the majority of mortgage loans have loan-to-value ratios below 60%. We note that member banks do not have trading books and take no currency risk.

We expect POP Bank Group to maintain its prudent risk culture and underwriting standards. Throughout 2018 and

2019, the group continued to strengthen its internal governance standards, unified risk policies, limits, and guidelines at the group level. We understand that there is monthly monitoring of targets and performance to adhere to risk limits and accelerate efficiency of member banks. We expect the group to continue harmonizing its products, processes, and operating models through automation.

Consequently, we believe that over the next 12-24 months the group's asset quality measured as share of nonperforming loans will weaken somewhat from 0.8% at year-end 2019 because of the COVID-19 turmoil. We expect loan loss provisions to increase on the back of the weakening economic environment, but expect the group's conservative provisioning level and its very strong capitalization to continue to provide a robust buffer to absorb potential losses. The group's cost of risk was somewhat elevated in 2019, and we forecast it to increase further to about 40 basis points by 2020.

Table 5

POP Bank Group--Risk Position					
	--Fiscal year ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Growth in customer loans	4.7	4.7	4.3	5.9	3.0
Total diversification adjustment / S&P Global Ratings' RWA before diversification	31.1	32.8	31.4	33.9	N/A
Total managed assets/adjusted common equity (x)	10.6	10.6	10.3	10.1	9.9
New loan loss provisions/average customer loans	0.2	0.1	0.2	0.2	0.2
Gross nonperforming assets/customer loans + other real estate owned	0.8	0.9	0.9	0.8	0.8
Loan loss reserves/gross nonperforming assets	116.2	101.2	78.8	90.0	73.4

N/A--Not applicable. RWA--Risk-weighted assets.

Funding and liquidity: A granular deposit base and adequate liquidity buffers.

We think POP Bank Group's funding compares well with domestic peers', reflecting the group's stable and granular deposit base rooted in a sound retail franchise and proximity to customers. The liquidity buffers are also similar to many rated small banks' in the country and are not indicative of large liquidity risks.

The group maintains a stable customer deposit base, which represents 94% of its total funding, owing to its steady market share of about 2.3% of domestic customer deposits. About 75% of customer deposits stem from retail customers, 17% from SMEs, and 8% from agricultural clients. In addition, the group has started receiving wholesale deposits in 2020, which totaled EUR35 million in Q1 2020.

As a result of the group's improved market access under the amalgamation structure (owing to joint liability within the amalgamation), and its loan growth targets, we anticipate an increase in the share of wholesale funding. We understand that the group is in a position to use its mortgage pool for covered bond issuances in the future, which we consider to be positive for POP Bank Group's funding diversification and refinancing costs. The bank's stable funding ratio was at a comfortable 108% as of Dec. 31, 2019, and in line with that of rated peers in Finland.

We think the group's liquidity profile remains broadly in line with other rated banks' in Finland. At Q1 2020, the group's liquidity totaled about €355 million (roughly 8% of balance-sheet assets), consisting mainly of cash at the Finnish central bank and highly liquid certificates of deposit from Finnish regional governments. We believe that, under stressful conditions involving the closure of access to capital market funding and a significant deposit outflow, POP Bank Group could survive for more than six months.

Also, the amalgamation structure and exemption from LCR requirements at individual bank level implies improved transferability of liquidity across member banks and downsizing of liquidity holdings at member banks. As anticipated the group's one-year liquidity ratio (broad liquid assets to short-term funding) decreased in 2019 to 9x as of Dec. 31, 2019, due to increased wholesale market funding. More importantly, because of the gradual shift from term to sight deposits, the group's net broad liquid assets covered 12.5% of the short-term customer deposits. POP Bank Group's adequate liquidity profile is also demonstrated by its sound liquidity coverage ratio (LCR) of 140% as of Q1 2020.

Table 6

POP Bank Group--Funding And Liquidity

	--Fiscal year ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Core deposits/funding base	95.5	95.7	96.1	95.9	94.5
Customer loans (net)/customer deposits	97.0	94.7	93.6	91.0	90.2
Long term funding ratio	98.7	98.9	99.6	99.7	97.1
Stable funding ratio	108.4	111.4	111.8	113.7	111.0
Short-term wholesale funding/funding base	1.5	1.2	0.5	0.3	3.2
Broad liquid assets/short-term wholesale funding (x)	8.9	12.9	33.0	48.2	5.0
Net broad liquid assets/short-term customer deposits	12.5	15.0	16.0	22.3	18.9
Short-term wholesale funding/total wholesale funding	32.7	27.2	11.8	8.1	58.2

Support: No uplift for external support.

We do not factor any external support into our assessment of the group's credit profile. We believe the prospect of extraordinary government support for Finnish banks is uncertain, following the full implementation of the EU Bank Recovery and Resolution Directive, including bail-in powers in case of resolution. We assess the POP Bank Group to have low systemic importance in Finland, and the Finnish authorities have not identified POP Bank Group as one subject to a well-defined bail-in process.

Additional rating factors: A poor performer in its peer group.

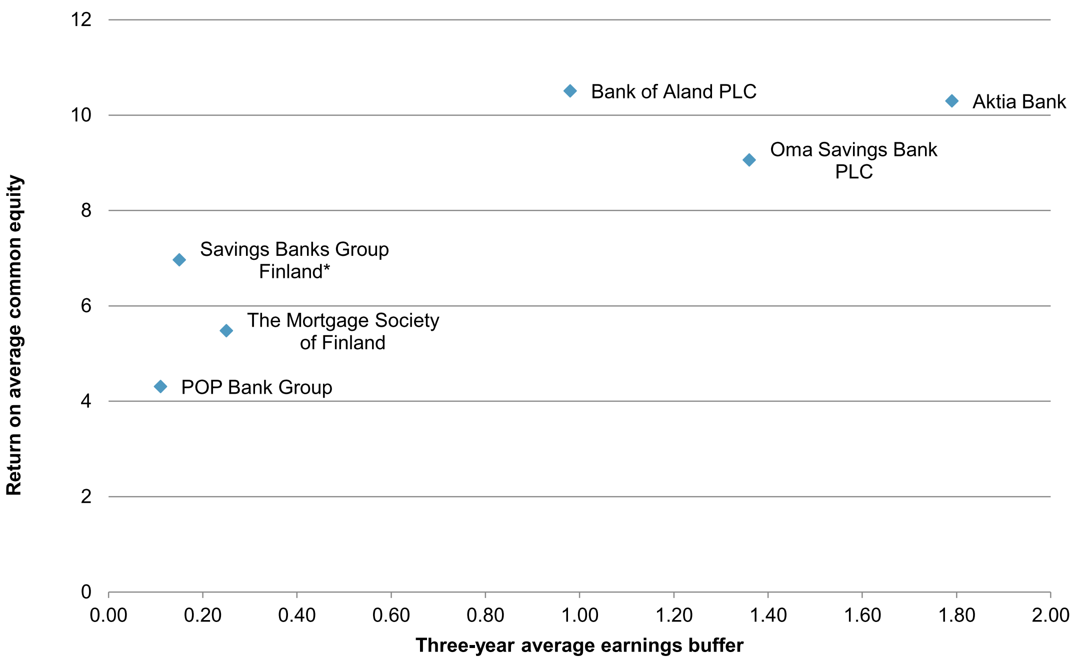
We deduct one notch from our long-term issuer credit rating on Bonum Bank because we expect the group will continue to demonstrate a weaker earnings profile than most of its peers in the medium term (see chart). Because of POP Bank Group's high cost base in combination with a weaker economic prospects, we expect its three-year average earnings buffer to remain at a low range until 2022.

Although the group's harmonization has led to an improvement in the return on equity and cost to income, both metrics still lag those of rated peers. The group's return on average common equity improved to 4.3% in 2019, from 1.9% in 2018, while its cost-to-income ratio decreased to 75% from a high of 87% in 2018. That said, the increase in return on average common equity was mainly related to a positive sentiment in the capital market, which had a positive impact on investment income rather than underlying/structural improvement.

That said, the structure and governance will likely continue to improve over the coming years and will now be tested in a more stressed environment. In our view, these uncertainties translate into overall risks that are more comparable with banks rated 'BBB'.

Chart 1

POP Bank Group Three-Year Average Earnings Buffer And Return On Equity Versus Finnish Peers (Year-End 2019)



*2019 earnings buffer. Source: S&P Global Ratings.

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, November 9, 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, November 9, 2011
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017

- General Criteria: Use Of CreditWatch And Outlooks, September 14, 2009

Related Research

- Banking Industry Country Risk Assessment Update: May 2020, May 27, 2020
- Seven Finnish Banks Outlooks Revised To Negative On Deepening COVID-19 Downside Risks, May 19, 2020
- EMEA Financial Institutions Monitor 2Q2020: Resilient But Not Immune To COVID-19, May 14, 2020
- How COVID-19 Risks Prompted European Bank Rating Actions, April 29, 2020
- European Banks' First-Quarter Results: Many COVID-19 Questions, Few Conclusive Answers, April 1, 2020

Anchor Matrix

Industry Risk	Economic Risk									
	1	**2**	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	**a-**	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of June 24, 2020)*

Bonum Bank PLC	
Issuer Credit Rating	BBB/Negative/A-2
Issuer Credit Ratings History	
19-May-2020	BBB/Negative/A-2
23-May-2016	BBB/Stable/A-2
Sovereign Rating	
Finland	AA+/Stable/A-1+

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

Additional Contact:
Financial Institutions Ratings Europe; FIG_Europe@spglobal.com