BASE PROSPECTUS **15 April 2020**

Bonum Bank Plc

(incorporated with limited liability in the Republic of Finland)

EUR 750,000,000 Programme for the Issuance of Notes

Under this EUR 750,000,000 note issuance programme (the "**Programme**"), Bonum Bank Plc (hereinafter "**Bonum**", the "**Bank**" or the "**Issuer**") may issue senior and unsecured notes ("**Notes**") from time to time. The Notes are issued in a series (each a "**Series of Notes**"). Each Series of Notes may comprise one or more tranches of Notes (each a "**Tranche of Notes**"). The Programme provides that Notes may be listed on the Helsinki Stock Exchange maintained by Nasdaq Helsinki Ltd (the "**Helsinki Stock Exchange**") as specified in the final terms of the relevant Tranche of Notes (the "**Final Terms**"). The Issuer may also issue unlisted Notes.

This base prospectus (the "**Base Prospectus**") supersedes and replaces the previous base prospectus dated 30 November 2018 and any other previous base prospectuses or supplements relating to the Programme. Any Notes issued under the Programme after the date hereof are issued subject to the provisions set out herein. This does not affect any Notes issued prior to the date hereof.

This Base Prospectus should be read and construed together with any supplement hereto and with any other documents incorporated by reference herein, and, in relation to any Tranche of Notes (as defined above) and with the Final Terms of the relevant Tranche of Notes. See "*Information Incorporated by Reference*".

This Base Prospectus is valid for a period of twelve months from the date of approval. The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus, which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes. The obligation to prepare a supplement to this Base Prospectus in the event of any significant new factor, material mistake or inaccuracy does not apply when the Base Prospectus is no longer valid.

Besides filing this Base Prospectus with the Finnish Financial Supervisory Authority (the "**FIN-FSA**"), neither the Issuer nor the Arrangers (as defined below) have taken any action, nor will they take any action, to render the public offer of the Notes or their possession, or the distribution of this Base Prospectus or any other documents relating to the Notes admissible in any other jurisdiction than Finland requiring special measures to be taken for the purpose of a public offer.

The Notes have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state of the United States. This Base Prospectus or the Final Terms are not to be distributed to the United States or in any other jurisdiction where it would be unlawful. The Notes may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to, for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (the "**Regulation S**")), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

As at the date of this Base Prospectus, the Issuer has long- and short-term counterparty credit ratings BBB/A-2 by S&P Global Ratings ("**S&P**"). S&P is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). The Series of Notes issued under the Programme will be rated or unrated. Where a Series of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Series of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investment in the Notes to be issued under the Programme involves certain risks. Prospective investors should carefully acquaint themselves with such risks before making a decision to invest in the Notes. The principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes are discussed under "***Risk Factors***" below.

The distribution of this Base Prospectus may in certain jurisdictions be restricted by law, and this Base Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No actions have been taken to register or qualify the Notes, or otherwise to permit a public offering of the Notes, in any jurisdiction outside of Finland. Bonum, the Arrangers and the lead manager(s) of a specific Tranche of Notes (the "**Lead Manager(s)**") expect persons into whose possession this Base Prospectus comes to inform themselves of and observe all such restrictions. Neither Bonum, the Arrangers nor the Lead Manager(s) accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of the Notes is aware of such restrictions. In particular this Base Prospectus may not be sent to any person in the United States, Australia, Canada, Japan, Hong Kong, South Africa, Singapore or any other jurisdiction in which it would not be permissible to deliver the Notes and the Notes may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any of these countries.

Arrangers

IMPORTANT NOTICES

IMPORTANT – PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**") or in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in point e) of Article 2 of Regulation (EU) 2017/1129 (as amended) (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under Commission Delegated Directive (EU) 2017/593 (the "**MiFID Product Governance Rules**"), any dealer purchasing any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

The Arrangers are acting exclusively for Bonum as the arrangers of the Programme and will not be responsible to anyone other than Bonum for providing the protections afforded to their respective clients nor giving investment or other advice in relation to the Programme or the Notes.

This Base Prospectus has been prepared in accordance with the Prospectus Regulation (EU) 2017/1129 (as amended), the Commission Delegated Regulation (EU) 2019/980, the Finnish Securities Markets Act (746/2012, as amended) (the "**Finnish Securities Markets Act**") and the regulations and guidelines of the FIN-FSA. The FIN-FSA, which is the competent authority for the purposes of the Prospectus Regulation in Finland, has approved this Base Prospectus on 15 April 2020 (journal number FIVA 15/02.05.04/2020). The FIN-FSA has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, but assumes no responsibility for the correctness of the information contained herein. Such approval shall not be considered as an endorsement of the Issuer or of the qualities of the Notes issued under this Base Prospectus.

Bonum will, as deemed necessary, supplement this Base Prospectus with updated information pursuant to Article 23 of the Prospectus Regulation. Otherwise, neither the delivery of this Base Prospectus nor any sale nor delivery made hereunder shall create any implication that there has been no change in the affairs of Bonum since the date of this Base Prospectus or that the information herein is correct as of any time subsequent to the date of this Base Prospectus. The Arrangers expressly do not undertake to review the financial condition or affairs of Bonum during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by Bonum or the Lead Manager(s) that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. In making an investment decision, each investor must rely on their examination, analysis and enquiry of Bonum and the terms and conditions of the relevant Series of Notes, including the risks and merits involved. Neither Bonum, the Arrangers or the Lead Manager(s) nor any of their respective affiliated parties nor representatives, is making any representation to any offeree or subscriber of the Notes regarding the legality of the investment by such person. Investors are required to make their independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes.

Neither the Arrangers nor the Lead Manager(s) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arrangers or the Lead Manager(s) as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by Bonum in connection with the Programme. Notwithstanding the responsibilities and liabilities, if any, which may be imposed on the Arrangers or the Lead Manager(s) by Finnish laws or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, the Arrangers or the Lead Manager(s) do not accept any responsibility whatsoever for the contents of this Base Prospectus or for any statement made or purported to be made by it, or on its behalf, regarding Bonum and the Notes. The Arrangers and the Lead Manager(s) accordingly disclaim any and all liability whether arising in tort, contract, or otherwise (save as referred to above) which they might otherwise have in respect of this Base Prospectus or any such statement.

No person is or has been authorised by Bonum to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by Bonum, the Arrangers or the Lead Manager(s). Nothing contained in this Base Prospectus is, or shall be relied upon as, a promise or representation by the Arrangers or Lead Manager(s) as to the future. Investors are advised to inform themselves of any press release published by Bonum.

The Notes are governed by Finnish law and any disputes arising in relation to the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and in relation to the terms and conditions of any particular Series of Notes and the applicable Final Terms.

This general description of the Programme must be read together with the other information included in this Base Prospectus.

Issuer:	Bonum Bank Plc.
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its respective obligations under the Notes are discussed under "*Risk Factors*".
Arrangers of the Programme:	Danske Bank A/S, Finland Branch, Nordea Bank Plc and Swedbank AB (publ).
Lead Manager(s) of Tranche of Notes and possible other subscription places:	Defined in Final Terms of a Tranche of Notes.
Issuer Agent and Paying Agent:	Defined in Final Terms of a Tranche of Notes.
Maximum amount of the Programme:	750,000,000 euros.
Final Terms:	Notes issued under the Programme will be issued pursuant to this Base Prospectus and associated Final Terms. The terms and conditions applicable to any particular Tranche of Notes will be the General Terms and Conditions combined with the relevant Final Terms.
Form of the Notes:	The Notes are issued in book-entry form in the book-entry system of Euroclear Finland.
Note currencies:	Euro.
Nominal value:	The denomination of each book-entry unit is at least EUR 100,000. Subject thereto, the Notes will be issued in such denominations as specified in the relevant Final Terms.
Priority of the Notes	The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other senior unsecured obligations of the Issuer.
Listing:	The Notes may be applied for listing on the Helsinki Stock Exchange. Also unlisted Notes may be issued.
Term of the Notes:	A minimum of one year (if not prepaid according to AA Put Event).
Interest:	Fixed interest or floating interest tied to a reference interest rate. Notes may also be issued as zero coupon notes which will be

	offered and sold at a discount to their nominal amount and will not bear interest.
Use of Benchmark	Amounts payable under the Notes are calculated by reference to EURIBOR to the extent floating rate interest is applicable according to the Final Terms. As at the date of this Base Prospectus, the administrator of EURIBOR is the European Money Market Institute (EMMI). EMMI is registered in the register of administrators and benchmarks maintained by European Securities and Market Authority (ESMA) pursuant to Article 36 of the Regulation (EU) No 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the **Benchmarks Regulation**). EURIBOR is now considered compliant according to the Benchmarks Regulation and has been added to ESMA's Benchmark Register.
Redemption:	The nominal amount of the Notes.
Optional redemption:	Subject to certain conditions, Notes may be redeemed before their stated Maturity Date at the option of the Noteholder to the extent specified section 13 (Amalgamation Act Put Option) and section 14 (Event of Default) of the General Terms and Conditions of the Programme.
Applicable law:	Finnish law.
Authorization:	The establishment of the Programme was authorised by a duly convened meeting of the Board of Directors of the Issuer passed/given on 12 May 2016 and the update of the programme was authorised by a duly convened meeting of the Board of Directors of the Issuer passed/given on 23 March 2020. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.
Credit rating:	As at the date of this Base Prospectus, the Issuer has a long- and short-term counterparty credit ratings BBB/A-2 (S&P). The outlook is stable. A Series of Notes to be issued under the Programme may be rated or unrated. There is no guarantee that the rating of the Issuer assigned by S&P will be maintained following the date of this Base Prospectus or any Series of Notes is obtained or maintained, and the Issuer may seek to obtain ratings from other rating agencies. A rating is not a recommendation to buy or sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Up-to-date information should always be sought by direct reference to the relevant rating agency.

GLOSSARY OF DEFINED TERMS

The following glossary contains certain defined key terms in relation to the Base Prospectus.

the **Amalgamation Act**	the Act on the Amalgamation of Deposit Banks (*Laki talletuspankkien yhteenliittymästä*, 599/2010, as amended)
the **Amalgamation**	POP Bank Alliance and those entities amalgamated with it from time to time pursuant to the Amalgamation Act, currently comprising the Issuer, the POP Banks and the companies included in their consolidation groups and those credit institutions, financial institutions and service companies in which entities included in the amalgamation jointly hold over 50 per cent of the votes.
the **Arrangers**	Danske Bank A/S, Finland Branch, Nordea Bank Plc and Swedbank AB (publ) in their capacity as the arrangers of the Programme.
the **Central Organisation** or **POP Bank Alliance**	POP Pankkiliitto osk
the **Group**	those POP Bank Group's entities that are consolidated for accounting purposes
the **Lead Manager(s)**	any bank acting as lead manager(s) in a Tranche of Notes
the **Member Credit Institutions**	the Issuer and the POP Banks
Noteholder	an investor that has made an investment in the Notes under the Programme.
the **POP Banks**	the POP banks belonging to the Amalgamation from time to time, as at the date of this Base Prospectus: (1) Hannulan Osuuspankki, (2) Honkajoen Osuuspankki, (3) Isojoen Osuuspankki, (4) Jämijärven Osuuspankki, (5) Kannonkosken Osuuspankki, (6) Keuruun Osuuspankki, (7) Konneveden Osuuspankki, (8) Kosken Osuuspankki, (9) Kurikan Osuuspankki, (10) Kyrönmaan Osuuspankki, (11) Kyrön Seudun Osuuspankki, (12) Kyyjärven Osuuspankki, (13) Lammin Osuuspankki, (14) Lanneveden Osuuspankki, (15) Lappajärven Osuuspankki, (16) Lapuan Osuuspankki, (17) Lavian Osuuspankki, (18) Liedon Osuuspankki, (19) Nivalan Järvikylän Osuuspankki, (20) Piikkiön Osuuspankki, (21) Pohjanmaan Osuuspankki, (22) Reisjärven Osuuspankki, (23) Sievin Osuuspankki, (24) Siilinjärven Osuuspankki, (25) Suupohjan Osuuspankki, and (26) Tiistenjoen Osuuspankki.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider the risk factors associated with any investment in the Notes, the business of the Issuer and the industry(ies) in which it operates together with all other information contained in this Base Prospectus, including, in particular the risk factors described below. Words and expressions defined in the "General Terms and Conditions of the Programme" below or elsewhere in this Base Prospectus have the same meanings in this section.

Set forth below are risk factors that the Issuer believes are the principal risks involved in an investment in the Notes. However, additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that it currently deems immaterial, may individually or cumulatively have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances.

The risk factors presented herein have been divided into six categories based on their nature. Within each category, the risk factor estimated to be the most material on the basis of an overall evaluation of the criteria set out in the Prospectus Regulation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialisation. The order of the risk categories does not represent any evaluation of the materiality of the risk factors within that category, when compared to the risk factors in another category.

Risk factors associated with the Group's operations

The Group is exposed to credit risk

Credit risk is the key risk among the business risks of the Issuer and the Group. Credit risk refers to losses of the Issuer when the Issuer's counterparty, usually the debtor, is not able to fulfil its payment obligations and the value of collateral for the credit is not sufficient to cover the creditor's receivables. The Issuer's most significant source of credit risk are granted loans, but credit risk may also arise from other kinds of receivables, such as bonds, short-term debt securities and off-balance sheet commitments, such as unused credit facilities and overdraft limits and guarantees. In addition, the investment activities of the liquidity reserves generate a credit risk.

The POP Banks' combined loan portfolio grew by 4.7 per cent in 2019 compared to 2018 and amounted to EUR 3,635 million. In the current market environment, the growth of the POP Banks' loan portfolio could subsequently result in losses, if the POP Banks' customers are unable to meet their obligations. Unemployment and interest rate level are the most significant general economic factors, which could adversely affect retail customers' ability to repay their loans. Furthermore, fluctuations in housing prices and general activity in the housing market could adversely affect both customers' debt servicing ability as well as the realisation value of collateral.

The expected decrease of Finland's gross domestic product and employment rate as well as the uncertainty relating to the exports and capital spending could increase defaults in all customer groups and therefore have a negative impact on the Group's result. The POP Banks' key customer groups are Finnish private individuals, small companies and agricultural entrepreneurs. As all of the key customer groups consist of Finnish customers, the POP Banks' business, results of operations and financial condition could be adversely affected by this geographical risk concentration in Finland. The majority of the funds raised by the POP Banks have been granted as housing loans to their customers. The majority of the Group's loans, i.e. 67.1 per cent, have been granted against residential housing serving as collateral for the underlying loan. Therefore, although corporate loans and agriculture customers provide diversification against the credit risk arising from housing loans, the Group's credit risk is mainly dependent on the POP Banks' housing loan portfolio.

If the Group fails to manage its credit risks, it may not be able to generate sufficient interest income to offset any increased financing costs or it might suffer credit losses. Estimating potential write-downs of the loan portfolio is a complicated process in which the final outcome depends on several factors, including the overall economic conditions, credit rating migration of customers and counterparties, changes in customers' ability to repay loans, the realisation value of collateral positions, regulatory requirements and other external factors. When realised, the credit risk is ultimately seen as impairment losses, which may have an adverse effect on the Issuer's financial condition, results of operations and ability to make payments under the Notes. Any failure in the Group's credit risk management could result in substantial losses and could adversely affect the Group's business, results of operations and financial condition and thereby the Issuer's ability to fulfil its obligations under the Notes.

The Amalgamation may be exposed to risk relating to the outflow of deposits and availability of funding, and the Amalgamation may not be able to maintain adequate liquidity

Liquidity risk refers to the Issuer'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 Issuer or other POP Banks are not able to meet their payment obligations at the time they fall due. Structural financing risk, on the other hand, refers to a refinancing risk that arises from the difference in the maturities of balance sheet receivables and liabilities.

Deposits comprise a major share of the POP Banks' funding. Should the current financial situation lead to a significant outflow of deposits, the POP Banks' funding structure would change substantially and the average cost of funding would increase. Furthermore, this could jeopardise the POP Banks' liquidity, and the POP Banks might be unable to meet their current and future cash flow and collateral needs, both expected and unexpected, without affecting their daily operations or overall financial position. Therefore, this could have a negative impact on the POP Banks' business, results of operations and financial conditions.

The Issuer acts as a central credit institution for the POP Banks meaning that the Issuer is responsible for the transfer of the Amalgamation's payments and wholesale funding in money and capital markets. The Issuer supports the POP Banks' liquidity management and provides the POP Banks with refinancing solutions. Thus, the Issuer is responsible for the whole Amalgamation's liquidity and funding from money and capital markets. Should the demand for housing and corporate loans suddenly increase, the Amalgamation may find that its deposits are no longer a sufficient source of funding for the Amalgamation's financing needs, and the Amalgamation would therefore need to seek other forms of funding. In addition, under the current financial market conditions, the availability of funding from debt capital markets has decreased. Consequently, there can be no assurance that alternative sources of funding will be available on competitive terms or at all.

Any failure to acquire sufficient funding or an increase in funding costs could have a material adverse effect on the Group's business, results of operations and financial condition and thereby the Issuer's ability to fulfil its obligations under the Notes.

Long-term or structural funding risk on the balance sheet may threaten the continuity of lending as well as the financing position of the Group

The long-term funding risk, also known as structural funding risk, on the balance sheet refers to uncertainty related to the financing of long-term lending or other long-term commitments, arising from the funding on market terms. If realised, the risk may threaten the continuity of the lending as well as the financing position of the Group and thereby the Issuer's ability to fulfil its obligations under the Notes.

Materialised short-term liquidity risk would cause the Issuer or any Group member's inability to meet their payment obligations

Short-term liquidity risk refers to a quantitative and temporary imbalance of the Issuer's or any Group member's short-term cash flow. If realised, the risk means that the Issuer or other member of the Group will not be able to meet its payment obligations at the time they are falling due. Liquidity risk, if realised, may jeopardise or prevent continuation of the Issuer's business operations and thereby its ability to fulfil its obligations under the Notes.

The Group risk management may not be adequate

Core values, strategic goals and financial targets form the basis for risk and capital adequacy management in the Group. The purpose of the Group's risk management is to identify threats and opportunities affecting strategy implementation. The objective is to help achieve the targets set in the strategy by ensuring that risks are proportional to the Group's risk-bearing capacity. There can be no certainty that the Group's measures would be fully adequate to manage and control risks. Some of the qualitative tools and metrics used by the Group for risk management purposes are based upon the use of observed historical market behaviour as well as future predictions. These tools and metrics may fail to predict or predict incorrectly future risk exposures which could lead to losses for the Group. Factors described above or any other failure in risk management could cause substantial losses and adversely affect the Group's business, results of operations and financial condition and thereby the Issuer's ability to fulfil its obligations under the Notes.

The Amalgamation's strategy or its execution may fail

Each POP Bank has its own strategy based on and aligned with the Group's strategy. Strategic risks refer to losses that may arise from the choice of an incorrect business strategy or business model in view of the developments in the Amalgamation's operating environments. The Amalgamation or individual POP Banks may also be unable to successfully

execute their strategies, and the Amalgamation's strategy may not be competitive or may be insufficient to meet unexpected changes in the competitive environment or customer requirements in the future as competition increases and customer offerings develop in the markets internationally. Any failure in the execution of the Amalgamation's strategy may have a negative impact on its overall financial performance and thereby the Issuer's ability to fulfil its obligations under the Notes.

The Amalgamation may be unable to maintain its desired capital adequacy position

The Issuer's banking license is dependent upon, among other things, the fulfilment of capital adequacy requirements in accordance with the applicable regulations which are the Finnish Act on Credit Institutions (*Laki luottolaitostoiminnasta*, 2014/610, as amended) (the "**Credit Institutions Act**"), the Act on the Amalgamation of Deposit Banks (*Laki talletuspankkien yhteenliittymästä*, 599/2010, as amended) (the "**Amalgamation Act**") and the Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "**CRR**"). Under these acts and regulation, the Issuer is primarily supervised by the FIN-FSA. Additionally, since 4 November 2014, the Issuer has been subject to indirect supervision by the ECB. The Issuer's capital structure and capital adequacy ratio may have an effect on the availability and costs of funding operations. Moreover, the absence of a sufficiently strong capital base may constrain the Issuer's growth and strategic options. Significant unforeseen losses may create a situation under which the Issuer is unable to maintain its desired capital structure.

The Issuer's capital adequacy is related to the availability of additional capital in the future. The capital position is affected by, for example, profit after tax, the distribution of dividends, immaterial rights, changes in fair value reserve as well as the difference between impairments and expected loan losses. Risk-weighted assets are affected by, for example, the amount of lending and risk ratings of the loans and other receivables and assets as well market and operational risks. Negative changes in the capital adequacy position, such as a decrease in equity or an increase in risk-weighted exposures could have an adverse effect on the availability and cost of the Issuer's funding and, consequently, have an adverse effect on the Issuer's business, results of operations and financial condition and thereby the Issuer's ability to fulfil its obligations under the Notes.

The Issuer's joint liability within the Amalgamation involves risks

Under the Amalgamation Act, the central institution (i.e. the POP Bank Alliance) is liable for the debts of its Member Credit Institutions. Furthermore, the Member Credit Institutions, including each of the POP Banks and the Issuer, are jointly liable for each other's debts. As a support measure referred to in the Amalgamation Act, the central institution shall be liable to pay to any of its Member Credit Institutions the amounts necessary to prevent that credit institution from being placed into liquidation. The central institution shall also be liable for the debts of a Member Credit Institution which cannot be paid using the Member Credit Institution's own sources of funding.

In turn, a Member Credit Institution is liable to pay to the POP Bank Alliance its own share of the amount which the POP Bank Alliance has paid to another Member Credit Institution either as support, as described above, or as payment to a creditor of another Member Credit Institution for an unpaid due debt. The total amount of liability of each Member Credit Institution is unlimited in case of the POP Bank Alliance's liquidation or bankruptcy (as set out in Chapter 14, section 11 of the Act on Cooperatives (*Osuuskuntalaki,* 421/2013, as amended) (the "**Cooperatives Act**"). Otherwise, the liability to pay of each Member Credit Institution: (a) is limited to a proportional share of the total liability (each Member Credit Institution's liability for the amount which the POP Bank Alliance has paid on behalf of one Member Credit Institution to its creditors is divided between the Member Credit Institutions in proportion to their last confirmed balance sheet totals); and (b) is only applicable if such Member Credit Institution has at least a minimum capital adequacy (in each case as set out, determined and subject to limitations in accordance with Chapter 5 of the Amalgamation Act). Those entities within the Amalgamation that are not Member Credit Institutions will not be liable for Member Credit Institutions' debts under the Amalgamation Act. Accordingly, the ability of any Noteholder to take action against an individual Member Credit Institution will be limited, and enforcement in respect of an individual claim may require enforcement actions to be brought against several different entities. This will represent an additional administrative burden and expense, and there can be no assurance that all or any of such enforcement actions will be successful.

As a Member Credit Institution of the Amalgamation, the realisation of this risk factor could have a material adverse effect on the Issuer's business, results of operations and financial condition and thereby its ability to fulfil its obligations under the Notes. For more information on the Amalgamation and the joint liability, see "*The Amalgamation Act—Joint liability of the Amalgamation*".

Changes in the composition of the Amalgamation may involve risks

The current composition of the Amalgamation may change, subject to certain restrictions. In accordance with the Amalgamation Act, a Member Credit Institution, such as the Issuer or one of the POP Banks, has the right to withdraw

from its central institution membership, i.e. the membership in the POP Bank Alliance, by deciding to alter its bylaws or articles of association and by notifying the POP Bank Alliance's board of directors in writing thereof, so long as, after such withdrawal, the consolidated capital of the companies within the Amalgamation remains at the level as prescribed by section 19 of the Amalgamation Act. The decision shall be valid only if the related proposal is supported by a two-thirds majority vote given by those at a cooperative meeting or meeting of trustees or if it is supported by at least a two-thirds vote given by those at a general meeting of shareholders and two-thirds of shares represented at the meeting. A calculation certified by the POP Bank Alliance's auditors shall serve as proof of the maintenance of capital adequacy.

A Member Credit Institution may be expelled from the POP Bank Alliance as specified in Chapter 3, section 3 of the Cooperatives Act or in case a Member Credit Institution has failed to comply with the instructions, issued by the POP Bank Alliance by virtue of section 17 of the Amalgamation Act, in a manner that significantly endangers the management of liquidity or capital adequacy or the application of the standardised accounting policies or supervision of compliance with said policies, or in case a Member Credit Institution otherwise acts in material breach of the Amalgamation's general operating principles adopted by the POP Bank Alliance.

Among other things, the Amalgamation Act provides that a precondition for the merger of a Member Credit Institution into a credit institution other than another Member Credit Institution is that the board of directors of the POP Bank Alliance shall be notified in writing of said merger prior to approval of the merger plan and that the consolidated capital of the companies within the Amalgamation remains at the level as prescribed by section 19 of the Amalgamation Act. In accordance with the Finnish Limited Liability Companies Act, a merger must be supported by at least two thirds of the votes cast and the shares represented at the general meeting of the merging credit institution.

The provisions of the Amalgamation Act governing payment liability of a Member Credit Institution shall also apply to a former Member Credit Institution which has withdrawn from the POP Bank Alliance, when a demand regarding payment liability is made on the credit institution, provided that less than five years have passed from the end of the calendar year of the Member Credit Institution's withdrawal from the POP Bank Alliance.

Irrespective of the payment liability described above, it cannot be excluded that possible withdrawals or expulsions from the POP Bank Alliance's membership could adversely affect the Group's reputation and brand and, in turn, its business, results of operations and financial condition and thereby the Issuer's ability to fulfil its obligations under the Notes.

Noteholders are exposed to credit risk relating to the Amalgamation and the Issuer as a part of it

Noteholders take a credit risk on the performance of the Issuer, the Group and the Amalgamation. Receipt of payments under the Notes by a Noteholder is dependent on the Issuer's ability to fulfil its payment obligations, which is in turn dependent upon the development of the Group's and Amalgamation's business. Notwithstanding the joint liability under the Amalgamation Act between the Issuer and the POP Banks, there is no guarantee in place which directly ensures the repayment of Notes issued under this Programme. The payment obligations under the Notes are solely unsecured obligations of the Issuer and are not obligations of, and are not guaranteed by, the POP Bank Alliance nor any POP Bank. For more information on the Amalgamation and the joint liability, see "*The Amalgamation Act—Joint liability of the Amalgamation*".

Risks associated with the Group's operating environment

Uncertain global economic and financial market conditions could adversely affect the Group's business, results of operations, financial condition, liquidity and capital resources

The global economic and financial market conditions have repeatedly undergone significant turmoil due to, among other factors, the ongoing sovereign debt issues in certain European countries, particularly certain eurozone Member States, the decision of the United Kingdom to withdraw from the European Union (commonly referred to as Brexit) and the continuous trade tensions between the United States and China as regards trade tariffs. In addition, the outbreak of the COVID-19 pandemic ("**Coronavirus**") causes substantial uncertainty in the financial markets. The rapid spread of the Coronavirus and the restrictive measures undertaken by governments are likely to have a material adverse effect on global economic and financial market conditions. The uncertainty relating to the financial markets may create economic and financial disruptions and even a financial crisis. As the state debt levels remain high and continue to increase in some countries, including Finland, it is likely that the global economy will fall back into a recession, which could be deeper and last longer than the one experienced in 2008 and 2009. Uncertainty in the operational environment of the Issuer has increased, especially with regards to the predictability of funding available in the capital markets and the future development of impairment of unsecured consumer loans. However, it is still too early to reliably estimate the overall effects of the Coronavirus on the Issuer. Uncertainty has also increased concerning the financial results of the Group. Market volatility is high and estimated to lower the Group's net investment income. Effects of the Coronavirus may also decrease the Group's interest and commission income and increase the impairment of loans. As the situation continues to

evolve, it is difficult to reliably estimate the overall effects of the coronavirus pandemic to the financial results of the Group.

The financial results of the Group are affected by many factors, the most important of which are the general economic conditions in Finland and globally, volatility of interest rates and equity prices, competition as well as the impact of these factors on the demand for banking services, such as housing loans. The development of public finances and inflation, income and employment levels as well as investment activities of SME companies and the savings of households may also have an impact on the Group's business operations and financial condition.

Deterioration in market conditions could result in difficulties for the Group's customers in meeting their payment obligations, which could lead to increased disruptions in repayments of loans, as well as write-downs and loan losses. Deterioration in the general economic situation could also reduce demand for loans, such as housing loans and other products, leading to reduced net interest income from the banking business. Furthermore, the development of housing markets and general economic conditions may vary significantly between different regions in Finland, as the impact of certain structural changes may differ in individual economic regions. The Group's loan portfolio is concentrated in non-capital regions of Finland, and thereby the unfavourable development of housing markets and general economic conditions in such regions could have an adverse impact on the Group's risk position.

Moreover, income generation in the Group's retail banking is significantly affected by changes in the interest rate level. Interest rate risk arises when interest rate fixing periods or interest rate bases for assets and those for liabilities are mismatched. Net interest income comprises a substantial part of the Group's total income. Furthermore, the recent negative interest rate levels have not been beneficial to the Group, since negative interest levels have a negative impact on the Group's net interest income.

The market value of financial assets held by the Issuer or the POP Banks may also be affected. Furthermore, deterioration in the general economic situation could increase the Issuer's or the POP Banks' refinancing costs and hamper the Issuer's or the POP Banks' refinancing options.

There can be no assurance that the Issuer's liquidity and access to financing will not be affected by changes in the financial markets or that its capital resources will, at all times, be sufficient to satisfy the Group's liquidity needs.

The market for the POP Banks' core business areas has a high level of competition

The financial services market remains highly competitive in the local and regional markets where the POP Banks operate. For example, the margins of housing loans are decreasing due to competition. In addition, the operating environment of the financial services market faces significant changes. Innovative competition comes both from established players and a steady stream of new market entrants and may take the form of new products or operating models such as digitalisation. The market is expected to remain highly competitive in the POP Banks' core business areas, which could adversely affect the POP Banks' business, results of operations and financial conditions.

Systemic risks may have negative impacts on markets in which the Group operates

Payment defaults, bank runs and other types of financial distress or difficulties in a foreign or domestic bank or other financial institution may lead to a series of liquidity problems and losses as well as payment and other difficulties in other companies operating in the financial sector, due to the interconnectedness of the domestic and global financial systems and capital markets. If one financial institution experiences difficulties it could have spill-over effects on other institutions through, for example, lending, trading, clearing and other linkages between financial institutions. These types of risks are called 'systemic risks' and they can have a significant negative impact on markets in which the Group operates on a daily basis which can, in turn, adversely affect the Group's business, results of operations and financial condition.

Risk factors associated with the Amalgamation's operations

Operational disturbances and events may affect the Amalgamation's business operations

Operational risks refer to financial losses or other harmful consequences to business that may arise from internal inadequacies or errors in systems, processes, procedures and the actions of personnel, or by external factors affecting the business. All of the Amalgamation's business processes, including credit and investment processes, involve operational risks. The operational risk of the Amalgamation also arises from outsourced operations and major business projects. Operational risk may also materialise in terms of loss or deterioration of reputation or trust.

The Issuer is exposed to operational risks through its business operations and through setting up of the central credit institution services. Operational risk is inherent in the Issuer's processes, systems, outsourcing, services and products.

Operational risk losses and "near miss" -events are reported to the Issuer's Board of Directors and to the POP Bank Alliance's independent risk control unit on a regular basis. Operational risk is one of the key risk categories in ICAAP and risk-based capital allocation. Operational risk losses are also reported to the FIN-FSA according to EU regulations.

Strategic and operational risks, if realised, could have a material adverse effect on the capital adequacy, business operations, financial standing, business results, reputation, prospects and solvency of the Group as well as on the value of the Notes.

The Group is exposed to risks relating to brand, reputation and market rumours

Among other factors, the Group relies on its well-known and respected brand and good reputation in Finland when competing for customers. During the current turbulent market environment, having a good reputation is of particular importance as financial institutions are particularly susceptible to the negative impacts of rumours and speculation regarding their solvency and their ability to access liquidity. The brand and reputation of the Group can be affected by other factors outside the control of the Group. There can be no certainty that rumours or speculation would not arise and that such rumours or speculation, whether founded or not, would not have such an impact in the future. Negative rumours or speculation relating to the Group could have a negative impact on the Group's ability to acquire funding, as major part of the Group's funding comes from retail deposits.

Possible future decisions by the Group concerning its operations and the selection of services and products offered may have a negative effect on the Group brand. Furthermore, if global economic conditions continue to be uncertain and unstable and continue to particularly impact the financial services sector, the Group may suffer from rumours and speculation regarding, among other things, its solvency and liquidity situation. Negative developments in the Group's reputation and brand as well as negative views of consumers concerning the Group's products and services or rumours concerning the Group may have an adverse effect on the Group's business, results of operations and financial condition.

Customers and counterparties may file damages claims against the Member Credit Institutions or the Group

The customers or counterparties, of the companies belonging to the Group, may make claims against the Member Credit Institutions or the Group that may result in legal proceedings. These risks include, among others, potential liability for the sale of unsuitable products to the Member Credit Institutions' customers (misselling) or managing customer portfolios against customer instructions due to, for example, human error or negligence, as well as potential liability for the advice that the Member Credit Institutions provide to participants in securities transactions, or liability under securities or other laws in connection with securities offerings.

Should the Member Credit Institutions or the Group be found to have breached their obligations, they may be obligated to pay damages. Such potential litigation could also have a negative impact on the Group's reputation among its counterparties. Furthermore, the Group may face material adverse consequences if contractual obligations should prove to be unenforceable or be enforced in a manner adverse to the Group or should it become apparent that the Group's intellectual property rights or systems were not adequately protected or in operable condition.

The materialisation of any legal risks such as described above or any potential damages to be paid by the Group or the loss of its reputation may be substantial and could have an adverse effect on the Group's business, results of operations and financial condition.

The Group is exposed to system and information security risks

The Group's daily operations involve a large number of transactions, which rely on the secure processing, storage and transfer of confidential and other information in the Group's IT systems and information networks. Even though the Group utilises protective systems, the Group's IT system, equipment and network may be susceptible to unauthorised use, computer viruses and other harmful factors. The Group has outsourced its bank system, accounting and payment message handling to external parties. In addition, the Group uses a platform service provided by a third party and some of the Group's card and business services have been outsourced to third parties. Consequently, the Group relies to a considerable extent on its outsourcing parties with regards to maintaining IT systems and providing IT services and other agreed services. Any failure by the outsourcing parties to maintain and develop IT systems or deliver agreed services as the Group requires could have a material adverse effect on the Group's business.

The Group is currently renewing the core banking systems for the banking segment of the Group. The investment is one of the largest in the Group's history, and it also requires a significant input from the Group's employees. However, there can be no assurance that the project will be completed within the expected timeline or budget and that the anticipated benefits of the updated system will be realized. Any failure or delay in the renewal project could have a material adverse impact on the Group's business or results of operations.

Furthermore, the Group's operations depend on confidential and secure data processing. As part of its business operations, the Group stores personal and banking specific information provided by its customers which in Finland are subject to certain regulations concerning privacy protection and banking secrecy. The Group may incur substantial costs if information security risks materialise. Resolving system and information security problems may cause interruptions or delays in the Group's customer service, which could have an adverse effect on the Group's reputation and persuade customers to abandon the Group's services or to present the Group with claims for compensation. Furthermore, if the Group fails to effectively implement new IT systems or to adapt to new technological developments, it may incur substantial additional expenses or be unable to compete successfully in the market. Any one of the aforementioned factors could have an adverse effect on the Group's business, results of operations or financial condition.

There may be interruptions in the Group's business operations

The Group's business may be in danger of being interrupted due to sudden and unforeseeable events, such as disruptions to the distribution of power and data communications or water and fire damage. The Group may not be able to control such events within the scope of its present business continuity plans which may cause interruptions to business operations. Unforeseen events can also lead to additional operating costs, such as renovation and repairing costs, damages claims from customers affected by these events, higher insurance premiums and the need for redundant back-up systems. Additionally, insurance coverage for certain unforeseen risks may be unavailable, resulting in an increased risk for the Group. The Group's inability to effectively manage these risks could have a material adverse effect on the Group's business, results of operations or financial condition.

The Group collects and processes personal data as part of its daily business and the leakage of such data or failure to process the data in accordance with applicable regulation could result in fines, loss of reputation and customers

In the ordinary course of operations, the Group collects, stores and uses data that is protected by data protection laws. The protection of customer, employee and company data is critical to the Issuer and it is subject to increasing data security requirements. The EU General Data Protection Regulation (EU) 2016/679 (the "**GDPR**") entered into force 25 May 2018. The GDPR applies to all processing of personal data, meaning any operation performed upon identifiable information of an individual (data subject) within the EU. In addition, the GDPR applies to the offering of goods and services in the EU and to the monitoring of data subjects' behaviour within the EU, regardless of the location of the company. Breaches of the GDPR could result in fines of up to 20 million euro.

It is possible that the personal data systems may be misused or the Group may fail to protect personal data in accordance with the privacy requirements provided under applicable laws, and certain customer data may be used inappropriately either intentionally or unintentionally, or leaked as a result of human error, technological failure or cyber-attack.

The GDPR may limit the Group's possibility to use customer data for example to develop its service offerings or for other purposes. Violation of data protection laws by the Group or one of its partners or suppliers, or any leakage of customer data may result in fines and reputational harm and could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks related to the Issuer's financial position and financing

The Issuer and the Group's banking segment are exposed to interest rate risk and other market risks

Interest rate risk is the most significant market risk in the Issuer's business operations. Interest rate risk refers to the negative effect of changes in interest rates on the market value or net interest income of balance sheet items and off-balance sheet items. Interest rate risk arises from differences in the interest terms of receivables and liabilities and differences in interest reset and maturity dates. Interest rate risk also arises from the investment activity in liquidity reserve and the financial account of the banking business.

The fair value of financial instruments held by the Issuer in investment activities is sensitive to volatility of and correlations between various market variables, including interest rates and credit spreads. Materialised market risks relating to investment activities could require the Issuer and the Group to recognise negative fair value changes, write-downs or realise impairment charges, which may have a material adverse effect on the Issuer's business, financial condition and results of operations.

As a result of the monetary policy of ECB, the EURIBOR-rates, which are central reference rates used for mortgages, are at historically low levels. This might have an adverse effect on the Issuer's and the Group's banking segment's financial position if the situation continues and the interest payments received on issued consumer loans are reduced due to the low reference rates. Accordingly, historically low interest rates and failure to manage this risk could adversely affect the Group's business, results of operations and financial condition.

Risks associated with legal and regulatory environment

Regulation and oversight of the Group's business operations

The Group operates within a highly regulated industry and its activities are subject to extensive supervisory and regulatory regimes including, in particular, regulation in Finland and in the European Union. The Group must meet the requirements set forth in the regulations regarding, *inter alia*, minimum capital and capital adequacy, reporting with respect to financial information and financial condition, marketing and selling practices, advertising, terms of business and permitted investments, liabilities, payment of dividends as well as regulations regarding the Amalgamation (for more information on the Amalgamation, see "*Information on the Group and the Amalgamation*"). In addition, certain decisions made by the Group may require approval or notification to the relevant authorities in advance.

The Group faces the risk that regulators may find it has failed to comply with applicable regulations or has not undertaken corrective action as required. Regulatory proceedings could result in adverse publicity for, or negative perceptions regarding, the Group, as well as diverting management's attention away from the day-to-day management of the business. A significant regulatory action against the Group could have a material adverse effect on the business of the Group, its results of operations and/or financial condition. This may affect the ability of the Issuer to meet its obligations under the Notes.

As regards the supervision of the Issuer, the new Single Supervisory Mechanism ("**SSM"**) commenced its operation in November 2014. The SSM is a system of financial supervision comprising the ECB and the national competent authorities of participating EU countries. The legal basis for the SSM is the Council Regulation (EU) No 1024/2013. The ECB commenced its supervisory role under the SSM on 4 November 2014. Within the SSM, the ECB directly supervises so-called significant credit institutions and has an indirect role in the supervision of less significant credit institutions. Less significant credit institutions continue to be supervised by their national supervisors, in close cooperation with the ECB. Pursuant to the Finnish Credit Institution Act (*Laki luottolaitostoiminnasta*, 610/2014, as amended) and the Council Regulation (EU) No 1024/2013, the Issuer and the Group are currently classified as less significant credit institutions and, therefore, the supervision of the Issuer and the Group under the SSM are primarily carried out by the Finnish Financial Supervisory Authority ("**FIN-FSA**"). However, under the SSM, the ECB can decide to directly supervise any one of the less significant credit institutions to ensure that high supervisory standards are applied consistently.

One of the most significant reforms with respect to the regulation of banks is the capital adequacy requirements imposed on European banks. The Capital Requirement Directive and Regulation (CRD IV Directive/CRR) were published in the EU Official Journal on 27 June 2013. These rules and regulations implement the Basel III standards within the EU and are aimed, for example, at improving the quality of banks' capital base, reducing the cyclic nature of capital requirements, decreasing banks' indebtedness and setting quantitative limits to liquidity risk.

The changes brought about by the regulation package may have an impact on the business and productivity of banks. The requirements concerning the amount and nature of acceptable capital will have an impact on the amount of equity that will be recognised in capital adequacy calculations and will drive the business of banks towards long-term, low-yield financing arrangements at the expense of short-term ones and towards searching for new ways to obtain financing. In the medium term, therefore, banks must focus on increasing their capital and liquidity, which will reduce dividends and restrict the distribution of profits. Increasing the capital and liquidity of the banks will have an adverse impact on the productivity of banking. It will also have an impact on capital management, the pricing of products and business, the willingness to grant credit and the rearrangement of liabilities.

The changes brought about by the regulation package may have an impact on the financial position and profitability of banks. As the demand for long-term financing increases, the financing available from institutional investors, which are generally aiming to reduce their holdings in the finance sector, may prove to be insufficient. More than before, small banks will face difficulties in obtaining financing and capital that satisfies the requirements, which will enable larger banks to exert control over the market price of financing. Even if the availability of financing could be secured, financing may not be available at a reasonable price and under reasonable terms. As a result, some current business models may no longer be profitable, and some banks may exit the market, which would reduce competition in the banking sector.

Major parts of the CRD IV Package governing the capital adequacy and liquidity requirements are already in force in Finland and applicable to Finnish credit institutions. However, certain requirements of the CRD IV Package have not yet taken full effect, as these requirements are intended to enter into force gradually. It is not possible to predict all the potential impacts the CRD IV Package may have on the banking sector before it has been fully implemented.

On 16 April 2019, the European Parliament made legislative resolutions on a directive amending the CRD IV (Directive (EU) 2019/878, the "**CRD V**"), a regulation amending the CRR (Regulation (EU) 2019/876, the "**CRR II**"), a regulation amending the regulation (EU) No 806/2014 (the "**SRM Regulation**") and a directive amending the BRRD (Directive

(EU) 2019/879, the "**BRRD II**", and all proposals together the "**Banking Reform Package**"). The Banking Reform Package includes, for example, a leverage ratio requirement for all institutions, a new market risk framework for reporting purposes and a new moratorium power for the resolution authority. On 14 May 2019, the Council of the European Union published a press release announcing that it had adopted the Banking Reform Package. The Banking Reform Package was published in the Official Journal on 7 June 2019 and it entered into force on 27 June 2019. Most of the new rules will start applying in mid-2021. However, the BRRD II must be implemented into national legislation by 28 December 2020.

Other areas where changes could have an impact include, *inter alia*:

- changes in the monetary economy, the interest rate and the policies of central banks or regulatory authorities;
- general changes in government policy or regulatory policy which may have a material impact on investor decisions in specific markets in which the Group operates;
- changes in the maximum loan-to-value ratio for housing loans (loan cap);
- changes in the competitive environment and pricing; and
- changes in the financial statements framework.

Any of the risks detailed above, if realised, could have a material adverse effect on refinancing opportunities, capital adequacy, business operations, financial standing, cost structure, business results, prospects and payment capabilities of the Issuer as well as on the value of the Notes.

Increased capital requirements and standards

The rules applicable to the capital of financial institutions are being changed across the European Union in order to implement the Basel III measures issued by the Basel Committee on Banking Supervision. The European legislative package consists of a fourth capital requirements Directive and a new capital requirements Regulation, collectively known as "**CRD IV**". The directly applicable CRR entered into force in Finland on 1 January 2014. The CRD IV Directive was implemented in Finland through the new Credit Institutions Act, which came into force on 15 August 2014.

CRD IV introduced significant changes in the prudential regulatory regime applicable to banks including: increased minimum capital ratios; changes in the elements of own funds, as well as changes in the calculation of own fund requirements; and the introduction of new measures relating to leverage, liquidity and funding. CRD IV permits a transitional period for certain of the enhanced capital requirements and certain other measures, such as the CRD IV leverage ratio, which are not expected to be finally implemented until 2020. Minimum capital requirements came into force from 1 January 2014 without transitional measures. Finnish regulatory capital and liquidity requirements are determined in accordance with both the directly applicable CRR and the Credit Institutions Act, which implements the requirements of the CRD IV Directive into Finnish legislation.

CRD IV requirements adopted in Finland may change, whether as a result of further changes to CRD IV agreed by EU legislators, binding regulatory technical standards to be developed by the European Banking Authority (the "**EBA**") or changes to the way in which the FIN-FSA interprets and applies these requirements to Finnish banks (including as regards individual model approvals granted under CRD II and III). This may result in a need for further management actions to meet the changed requirements, such as: increasing capital, reducing leverage and risk weighted assets, modifying legal entity structure (including with regard to issuance and deployment of capital and funding for the Member Credit Institutions) and changing the Group's business mix or exiting other business and/or undertaking other actions to strengthen the Group's capital position. The changes brought about by the CRD IV requirements may have an impact on the financial position and profitability of the Issuer or the POP Banks and thereby the Issuer's ability to fulfil its obligations under the Notes. Furthermore, as a result of the implementation of the Directive 2014/59/EU (the directive providing for the establishment of a European-wide framework for the recovery and resolution of credit institutions and investment firms) into Finnish legislation, the FIN-FSA became empowered to apply various early intervention tools to credit institutions (such as the Issuer and the POP Banks) that fail to comply with the capital requirements set out in the CRR. Additionally, the FIN-FSA may cancel the Issuer's or a POP Bank's license as a credit institution if they fail to comply with the requirements concerning their financial positions, calculated according to the regulations for capital adequacy specified in the Credit Institutions Act and CRR.

Pursuant to the Amalgamation Act, the FIN-FSA may grant a central institution a permission to decide that its Member Credit Institutions may be exempted from the applicability of the CRR as regards the capital requirements in respect of the amount of credit institution's own funds. POP Bank Alliance, the central institution of the Amalgamation, applies a permission by the FIN-FSA to decide that the requirements of CRR regarding own funds requirements for intragroup items and large exposures, LCR and future NSFR requirements do not apply to its Member Credit Institutions.

Stock exchange listing brings increased regulation

The stock exchange listing of Notes issued by the Issuer brings with it increased regulation and oversight of its business operations, such as increased requirements concerning the obligation to provide regular and on-going information.

The Market Abuse Regulation (EU) No 596/2014 ("**MAR**") establishes a common regulatory framework on insider dealing, the unlawful disclosure of inside information and market manipulation (market abuse) as well as measures to prevent market abuse to ensure the integrity of the financial market in the European Union and to enhance investor protection and confidence in those markets. MAR imposes a range of regulatory requirements on the Issuer and violations of MAR may result in significant adverse consequences, such as penalties or even criminal sanctions. MAR also contains rules on, among other things, procedures relating to the maintenance of insider lists and the disclosure of managers' transactions.

If the Issuer was deemed to have neglected the obligations incumbent upon issuers of listed notes, this may lead to sanctions under MAR and related regulation as well as to negative publicity, which in turn could have an adverse effect on the Issuer's business operations, its performance or its financial position and have a significant adverse effect on the Issuer's reputation.

Risks associated with abuse of the financial system

In global terms, the risk that banks may become the subject of or be exploited for the purposes of money laundering or the financing of terrorism has increased. The risk of future incidents involving money laundering or financing of terrorism is always in the background for financial institutions. Any breach of the rules that aim to prevent the illegal exploitation of the financial system or even the suspicion of such infringements could have grave legal consequences for the Group and its reputation, which, in turn, could have a significant adverse effect on the Issuer's business operations, its performance or its financial position.

Risks relating to the Notes

Set out below is a description of material risks relating to the Notes generally:

Amendments to the conditions of the Notes bind all Noteholders

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including such Noteholders who did not attend and vote at the relevant meeting and the Noteholders who voted in a manner contrary to the majority.

The Notes are subject to risks related to exchange rates and exchange controls

The Issuer pays the principal and interests on the Notes in the currency determined in the Final Terms. This causes risks relating to currency exchange in case the financial activities of investor are carried out mainly in another currency (the "**Investor's Currency**") than the currency of the Notes. Such risks consist of significant changes in the currency exchange rates, in particular devaluation of the note currency or revaluation of the Investor's currency as well as currency control measures and changes related thereto that are conducted by the home country authorities of either the Investor's currency's country or the note currency country. An increase in the value of the Investor's Currency in relation to the currency of the Notes reduces (i) the investor's counter-value on return received from the Notes, (ii) the counter-value of the principal of the Notes payable to investor and (iii) the counter-value of the market price of the Notes measured in the Investor's Currency.

Governments and authorities responsible for monetary policy may implement currency controls (as some have already done in the past) which can have a negative influence on the exchange rates. As a consequence, the investor may receive less interest or principal than expected – or nothing at all – when measured in the Investor's Currency.

The Issuer may be subject to statutory resolution

The Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**") sets out the necessary steps and powers for authorities to ensure that bank failures across the EU are managed in a way which mitigates the risk of financial instability and minimises the impact of an institution's failure on the economy and financial system costs for taxpayers.

The BRRD contemplates that powers will be granted to supervisory authorities including (but not limited to) the introduction of a statutory "write-down and conversion power" and a "bail-in" power, which will give the relevant resolution authority the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Notes) of a failing financial institution and/or to convert certain debt claims (which could include the Notes) into another security, including equity instruments of the surviving Group entity, if any. The Finnish legislation implementing the BRRD entered into force on 1 January 2015.

The BRRD contains safeguards for shareholders and creditors in respect of the application of the 'write down and conversion' and "bail-in" powers which aim to ensure that they do not incur greater losses than they would have incurred had the relevant financial institution been wound up under normal insolvency proceedings.

The exercise of any such power or any suggestion of such exercise could, therefore, materially adversely affect the value of any Notes subject to the BRRD and could lead to the Noteholders losing some or all of their investment in the Notes.

The Finnish resolution legislation implementing the BRRD Directive

The BRRD Directive was implemented in Finland through, *inter alia*, the Act on Resolution of Credit Institutions and Investment Firms (*Laki luottolaitosten ja sijoituspalveluyritysten kriisinratkaisusta,* 1197/2014, as amended) (the "**Resolution Act**") and the Act on Financial Stability Authority (*Laki rahoitusvakausviranomaisesta*, 1198/2014, as amended), together the "**Finnish Resolution Laws**". Both acts entered into force on 1 January 2015. The latter regulates the Finnish Financial Stability Authority (the "**Stability Authority**"), which will be the national resolution authority having counterparts in all EU member states. Among its key tasks, the Stability Authority draws up resolution plans for institutions, decides whether a failing institution is placed under resolution and applies the necessary resolution tools to an institution under resolution.

Under the regime, credit institutions are generally required to draw up recovery plans or living wills to secure continuation of business in financial distress. In the context of the new legislation, the FIN-FSA became empowered to apply early intervention tools to banks and investment firms if the FIN-FSA has weighty reasons to believe that the institution will fail its licensing conditions, liabilities or obligations under the capital adequacy regulations within the next 12 months. The early intervention tools encompass, among others, rights of the FIN-FSA to require the management to implement measures included in the living will, to convene a general meeting of shareholders to take necessary decisions, to require removal of members of the management and to require changes to the legal and financial structure of the institution.

Pursuant to the Resolution Act, the Stability Authority shall draw up and adopt a resolution plan for the institutions subject to its powers, including the Member Credit Institutions. The resolution plan is ready for execution in the event that the institution in question has to be placed into a resolution process. The Resolution Act vests the Stability Authority with resolution powers and tools as provided in the BRRD. To be able to use the other resolution tools the Stability Authority shall first place the institution in a resolution process. During the process, the institution could be subject to a number of resolution tools: the Stability Authority has the right to mandatory write-down the nominal value of liabilities and convert liabilities into regulatory capital instruments (bail-in), sale of business, bridge institution and asset separation. To continue the operations of the institution, the Stability Authority has the power to decide upon covering losses of the institution by reducing the value of the institution's share capital or cancelling its shares. This (as well as bail-in) is a precondition for any support from a newly established resolution fund administered by the Stability Authority.

The Stability Authority is vested with the power to implement resolution measures with respect to a financial institution where the resolution authority considers that the financial institution in question is failing or likely to fail, and where there is no reasonable prospect that any measures could be taken to prevent the failure of the institution and that the taking of the resolution measures is necessary to protect the significant public interest. An institution will be considered as failing or likely to fail in the following circumstances: when it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances). Neither the Issuer nor any of the Member Credit Institutions have been classified as a systematically important institution domestically or globally or as otherwise a significant credit institution for the financial system in Finland by the FIN-FSA.

The powers set out in the Finnish Resolution Laws will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

The exercise of any resolution power or any suggestion of any such exercise could have a material adverse effect on the value of the Notes and could lead to holders of the Notes losing some or all of the value of their investment in the Notes. In particular, the exercise of the bail-in tool in respect of the Issuer and/or the Notes or any suggestion of any such exercise could materially adversely affect the rights of the holders of the Notes, the price or value of their investment in the Notes

and/or the ability of the Issuer to satisfy its obligations under the Notes and could lead to holders losing some or all of the value of their investment in the Notes. The actual effect on holders of the Notes depends, among other things, on the nature and severity of the crisis.

Minimum requirement for own funds and eligible assets

The BRRD (and consequently the Resolution Act) introduced the requirement for firms to meet the minimum requirement for own funds and eligible liabilities ("**MREL**") designed to ensure sufficient loss absorbing capacity to enable the continuity of critical functions without recourse to public funds. All institutions must meet an individual MREL requirement calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities. Commission Delegated Regulation (EU) 2016/1450 provides for regulatory technical standards on criteria to be considered by resolution authorities when setting MREL on a firm-by-firm basis.

Items eligible for inclusion in MREL will include an institution's own funds (within the meaning of CRD IV), along with "Eligible Liabilities", meaning liabilities which inter alia, are issued and fully paid up, have a maturity of at least one year (or do not give the investor a right to repayment within one year), and do not arise from derivatives. The MREL requirement may also have to be met partially through the issuance of contractual bail-in instruments, being instruments that are effectively subordinated to other eligible liabilities in a bail-in or insolvency of the relevant institution. According to the Stability Authority's memorandum on the application of MREL requirement published in April 2019, the Notes to be issued under the Programme are likely to qualify as Eligible Liabilities.

Before the individual resolution plan for the Amalgamation has been made and all the BRRD related legislation and regulation proposals have been decided and implemented, there is no possibility to give any assurances as to the ultimate scope and nature of any resulting obligations, or the impact that they will have on the Issuer or the Group. On 26 March 2019, the Stability Authority decided to set a minimum requirement for own funds and eligible liabilities (MREL) for the Amalgamation. The decision was based on the resolution plan for the Amalgamation and the Act on the Resolution of Credit Institutions and Investment Firms (*Laki luottolaitosten ja sijoituspalveluyritysten kriisinratkaisusta,* 1194/2014, as amended). The requirement became effective on 31 December 2019. In accordance with this decision, the MREL requirement is 19.8% of the total risk exposure. The POP Bank Group has met the requirement through its own funds.

In the current form of the MREL regulation, however, it is possible that the Issuer and/or other members of the Group may have to issue a considerable amount of additional MREL eligible liabilities in order to meet the new requirements within the required timeframes. If the Issuer or the Group were to experience difficulties in raising MREL eligible liabilities, it may have to reduce its lending or investments in other business operations.

The domestic implementation of the Insolvency Hierarchy Directive creates a new asset class of "senior non-preferred" debt, and a specific ranking order for a credit institution's debt, which might affect the Issuer or the Notes

The European Commission published on 12 December 2017 Directive (EU) 2017/2399 regarding the ranking of unsecured debt instruments in insolvency hierarchy (the "**Insolvency Hierarchy Directive**"). The Insolvency Hierarchy Directive creates a new category of "senior non-preferred" debt. The Issuer may need to amend its debt structure due to the new category of "senior non-preferred" debt, and such debt is likely more expensive for the Issuer compared to the issuance of the Notes due to the junior ranking of such "senior non-preferred" debt. Amendments to domestic legislation to implement the Insolvency Hierarchy Directive have entered into force in November 2018. Pursuant to the domestic implementation of the Insolvency Hierarchy Directive, credit institutions such as the Issuer have a specific debt ranking order in an insolvency situation. In addition, the amendment entitles credit institutions to agree on the ranking of non-preferred financial instruments in accordance with the EU legislation. Categorization as "senior non-preferred" debt requires a specific reference in the terms and conditions of a debt instrument. Until the domestic regulatory practice concerning the new ranking order is developed, it is uncertain how the amendment will affect the Issuer or the evaluation of the Notes. Although the Programme does not cover the issuance of senior non-preferred debt instruments, the Issuer may decide to issue senior non-preferred debt instruments in the future, which may affect the Issuer or the evaluation of the Notes.

There may not be an active trading market for the Notes

The Notes are new securities which may not be widely distributed and for which there may not be an active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and the Group. Although applications may be made for the Notes to be listed on the Helsinki Stock Exchange, there is no assurance that such applications will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

The Issuer may have an obligation to redeem the Notes prior to maturity

Subject to the conditions specified in section 13 (Amalgamation Act Put Option) and section 14 (Event of Default) of the General Terms and Conditions of the Programme, the Noteholders may require the prepayment of the Notes in case of an AA Put Event or an Event of Default as defined in the aforementioned sections of the General Terms and Conditions of the Programme. Such premature prepayment may have an adverse effect on the Issuer's financial condition, results of operations and, thereby, on the Issuer's ability to make payments under the Notes of such Noteholders who elect not to exercise their right to get their Notes prematurely repaid as well as the market price and value of such Notes.

The completion of transactions relating to the Notes is dependent on Euroclear Finland Ltd.'s operations and systems

The Notes are issued in the book-entry securities system of Euroclear Finland Ltd ("**Euroclear Finland**"). Pursuant to the Act on the Book-Entry System and Clearing and Settlement (*Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta*, 348/2017, as amended), the Notes will not be evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator. The Notes are dematerialised securities and title to the Notes is recorded and transfers of the Notes are effected only through the relevant entries in the book-entry system and registers maintained by Euroclear Finland and its account operators. Therefore, timely and successful completion of transactions relating to the Notes, including but not limited to transfers of, and payments made under, the Notes, depend on the book-entry securities system being operational and that the relevant parties, including but not limited to the payment transfer bank and the account operators of the Holders, are functioning when transactions are executed. Any malfunction or delay in the book-entry securities system or any failure by any relevant party may result in the transaction involving the Notes not taking place as expected or being delayed, which may cause financial losses or damage to the Noteholders whose rights depended on the timely and successful completion of the transaction.

The Issuer and third parties will not assume any responsibility for the timely and full functionality of the book-entry securities system. Payments under the Notes will be made in accordance with the laws governing the book-entry securities system, the rules of Euroclear Finland and the Terms and Conditions of the Notes. For purposes of payments under the Notes, it is the responsibility of each Noteholder to maintain with its respective book-entry account operator up to date information on applicable bank accounts.

The value of the Notes may be adversely affected by movements in market interest rates

Investment in fixed-interest Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Risks related to floating interest rate Notes (should such an instrument be issued by the Issuer) involves a risk that subsequent changes in the market interest rates may decrease the market value of the Notes until the date of the ongoing interest period in question.

Change in credit rating

Any material deterioration in the Issuer's existing credit ratings may significantly reduce its access to the debt markets and result in increased interest rates on future debt. A downgrade in the Issuer's credit ratings may result from factors specific to the Issuer or from other factors such as general economic weakness or sovereign credit rating ceilings. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to such "benchmarks"

The Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed to be "benchmarks" are the subject of recent EU, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a "benchmark".

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and came into force on 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or

endorsed). EURIBOR has been authorised under the Benchmarks Regulation and added to the benchmark register maintained by ESMA in July 2019.

The Benchmarks Regulation could have a material impact on any Notes linked to a rate or index deemed to be a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to such "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmarks" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Notes linked to a "benchmark".

GENERAL INFORMATION

Responsibility statement

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Bonum Bank Plc
Hevosenkenkä 3
FI-02600 Espoo
Finland

The POP Bank Alliance accepts responsibility for the information on the POP Bank Alliance, the Amalgamation, and the Group. To the best knowledge of the POP Bank Alliance, the information on the POP Bank Alliance, the Amalgamation, and the Group contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

POP Bank Alliance
Hevosenkenkä 3
FI-02600 Espoo
Finland

Auditors

The consolidated financial statements of the Issuer for the financial years ended 31 December 2019 and 31 December 2018 incorporated in this Base Prospectus by reference have been audited by Tiia Kataja, Authorised Public Accountant, KPMG Oy Ab. The business address of the auditor and the KPMG Oy Ab is Töölönlahdenkatu 3 A, 00100 Helsinki.

The consolidated financial statements of the Group for the financial years ended 31 December 2019 and 31 December 2018 incorporated in this Base Prospectus by reference have been audited by Tiia Kataja, Authorised Public Accountant, KPMG Oy Ab. The business address of the auditor and the KPMG Oy Ab is Töölönlahdenkatu 3 A, 00100 Helsinki.

Special cautionary notice regarding forward looking statements

Certain statements in this Base Prospectus, including but not limited to certain statements set forth under the captions "*Risk Factors*", "*Information on Bonum Bank Plc*" and "*Information on the Group and the Amalgamation*" are based on the beliefs of the Issuer's management as well as assumptions made by and information currently available to it, and such statements may constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Issuer, of the Amalgamation, or of the Group, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among other things, the risks described in the section "*Risk Factors*". The forward-looking statements are not guarantees of the future operational or financial performance of the Company. In addition to factors that may be described elsewhere in this Base Prospectus, the factors discussed under "*Risk Factors*" could cause the Issuer's, the Amalgamation or the Group's actual results of operations or their financial conditions to differ materially from those expressed in any forward-looking statement. Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Issuer's, the Amalgamation, or the Group's actual results of operations, their financial conditions or the Issuer's ability to fulfil its obligations under the Notes could differ materially from those described herein as anticipated, believed, estimated or expected. The Issuer does not intend and does not assume any obligation to update any forward-looking statements contained herein unless required by applicable legislation. For additional information that could affect the results, performance or achievements of the Issuer, see "*Risk Factors*".

No incorporation of website information

This Base Prospectus will be published on Bonum's website at https://www.poppankki.fi/en/pop-pankki-ryhma/bonum-bank-plc/investor-relations. However, the contents of Bonum's website (excluding the Base Prospectus, any supplements thereto, the Final Terms and the documents incorporated by reference) or any other website do not form a part of this Base Prospectus, and prospective investors should not rely on such information in making their decision to invest in the Notes.

Public offer selling restriction under the Prospectus Regulation

Each Lead Manager appointed for each issuance will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus, as completed by the Final Terms in relation thereto, to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of the Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) if the Notes have a denomination of less than 100,000 euro (or its equivalent in another currency), not a qualified investor as defined in Prospectus Regulation (EU) 2017/1129 (as amended including by the Delegated Regulation (EU) 2019/980); and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Notice to prospective investors in the United Kingdom

In the United Kingdom, this Base Prospectus may be distributed only to, and may be directed at:

(a) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or

(b) high net worth entities falling within Article 49(2)(a) to (d) of the Order, and other persons to whom it may be lawfully communicated, falling within Article 49(1) of the Order (all such persons together being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this document or any of its contents.

Notice to prospective investors in the United States, Australia, Canada, Japan, Hong Kong, South Africa, Singapore and certain other jurisdictions

No offering will be made to persons who are residents of the United States, Australia, Canada, Japan, Hong Kong, South Africa or Singapore or in any jurisdiction in which such offering would be unlawful.

Other information to subscribers

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances.

Investment in the Notes to be issued under the Programme involves certain risks. Prospective investors should carefully acquaint themselves with such risks before making a decision to invest in the Notes. The principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes are discussed under "*Risk Factors*".

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Secondary market of the Notes

If the Final Terms indicate that a Series of Notes will be listed, the application for stock listing shall be delivered to the Helsinki Stock Exchange provided that the subscribed amount of the Notes in such Series of Notes is 200,000 euros at minimum.

Effective yield of the Notes

The effective interest yield percentage of the Notes shall be notified in the Final Terms. The effective yield of the Notes depends on the current issue rate and the interest paid on the Notes, increasing when the issue rate is decreased and decreasing when the issue rate is increased. The effective yield has been calculated by using the current value method, widely in use in the securities market.

GENERAL TERMS AND CONDITIONS OF THE PROGRAMME

The following General Terms and Conditions of the Programme must be read in their entirety together with the relevant Final Terms for the relevant Notes.

1. Notes and their form

Bonum Bank Plc (the "**Issuer**") has established a 750,000,000 euros note issuance programme (the "**Programme**") for the issuance of senior unsecured notes that (save for certain obligations required to be preferred by law) rank *pari passu* without any preference among themselves and at least *pari passu* with all other present or future senior unsecured commitments of the Issuer (the "**Notes**" and each, a "**Note**"). The Notes are issued in a series (each a "**Series**"). Each Series may comprise one or more tranches (each a "**Tranche**") of Notes. The terms and conditions of a Tranche of Notes are formed by combining these general terms and conditions (the "**General Terms and Conditions**") and a document specific to such Tranche of Notes called final terms ("**Final Terms**").

Notes can be issued to be subscribed for by professional investors and eligible counterparties. No Notes can be issued to retail investors. The minimum subscription amount is at least EUR 100,000 and the denomination of a book-entry unit is at least EUR 100,000.

The Notes will be issued in the Infinity book-entry securities system of Euroclear Finland Oy, incorporated in Finland with Reg. No. 1061446-0, address Urho Kekkosen katu 5 C, FI-00100 Helsinki, Finland ("**Euroclear Finland**") (or any system replacing or substituting the Infinity book-entry securities system in accordance with the Finnish laws, regulations and operating procedures applicable to and/or issued by Euroclear Finland for the time being (the "**Euroclear Finland Rules**")), in accordance with the Act on the Book-Entry System and Clearing and Settlement (348/2017, as amended) and other Finnish legislation governing book-entry system and book-entry accounts as well as the Euroclear Finland Rules. The registrar in respect of the Notes will be Euroclear Finland.

The issuer agent (in Finnish: *liikkeeseenlaskijan asiamies*) for a Series of Notes referred to in the regulations of Euroclear Finland as well as the issuer and paying agent of the Notes (the "**Issuer Agent**" and/or where applicable, the "**Paying Agent**") are defined in the Final Terms. The Issuer may appoint one or more Lead Manager(s) (the "**Lead Manager(s)**") for a Tranche of Notes as specified in the Final Terms. The Issuer may appoint a calculation agent for a Series of Notes or the Issuer may act as the calculation agent, in each case as specified in the Final Terms.

Notes subscribed and paid for shall be entered to the respective book-entry accounts of the subscriber(s) on a date set out in the Final Terms in accordance with the Finnish legislation governing the book-entry system and book-entry accounts as well as the Euroclear Finland Rules. Each Note is freely transferable after it has been registered into the respective book-entry account.

2. Nominal value

The denomination of each book-entry unit is at least EUR 100,000. Subject thereto, the Notes will be issued in such denominations as specified in the relevant Final Terms.

3. Maximum amount of the Notes and principal as well as currency

The total equivalent value of outstanding Notes issued under the Programme at one time can be a maximum of seven hundred and fifty million (750,000,000) euros. The Issuer may decide on raising or lowering the maximum amount.

The principal and the currency (euro) of a specific Tranche of Notes are defined in the Final Terms. The Issuer may decide on raising or lowering the aggregate principal of each Series and Tranche of Notes during the subscription period.

Each Series of Notes is numbered annually in numerical order. Each Tranche of Notes under each Series of Notes is numbered in numerical order.

4. The term of the Notes and redemption

The term of the Notes is at least one year from the issue date. The outstanding principal of the Notes is to be repaid on the Maturity Date as defined in the Final Terms. The principal of the Notes is to be repaid in instalments if so defined in the Final Terms. The business day convention defined in the Final Terms is applicable to the Maturity Date. The redemption amount is the nominal amount of the principal. The redemption payment is to be paid according to Finnish law regarding the book-entry system and book-entry accounts and according to the rules and decisions of Euroclear Finland to the Noteholder, who is entitled to receive the payment according to the book-entry account information.

5. Subscription of Notes

5.1 Subscription manner and subscription price and the payment of subscriptions

Each Tranche of Notes is offered for subscription during the subscription period at the subscription places defined in the Final Terms of each Tranche of Notes. The Issuer may decide on shortening or lengthening the subscription period.

The subscription amount is the nominal value of the subscription multiplied by the issue price of the moment of subscription. When subscription takes place after the first interest period begins, as specified in the applicable Final Terms in accordance with Condition 9., the accrued unpaid interest in accordance with the Final Terms for the subscribed amount for the period between the beginning of the current interest period and the payment date of the subscription must also be paid (except in case of zero coupon notes).

When Notes are subscribed for on any other day than on an interest payment day but after the first interest payment day, the subscriber must pay the accrued interest for the period between the beginning of the current interest period and the subscription payment day.

None of the Issuer or the Lead Manager(s) does charge any fees or costs related to the issue or offering of the Notes from the Noteholders. Approved subscriptions are confirmed after the termination of the subscription period. Subscriptions are to be paid in a manner informed in the Final Terms. Subscriptions shall be paid for as instructed in connection with the subscription or at the time of the subscription, in each case as stipulated in the relevant Final Terms.

5.2 Measures in oversubscription and under-subscription situations

The Issuer has the right to determine separately on the measures in a situation of oversubscription and under-subscription of a Tranche of Notes. In the event of oversubscription, such measure may include, for example, reducing subscriptions in part or in whole. In case the minimum amount of subscriptions is not fulfilled (undersubscription), the issue of the Tranche of Notes may be cancelled. It can be stipulated in the Final Terms that the issue of a certain Tranche of Notes requires a defined minimum amount of subscriptions or fulfilment of another condition.

The Issuer has the right to raise the amount of an offered Series of Notes during the subscription period or to discontinue the subscription of Notes.

Notice of cancellation of the issue or suspension of the subscription due to oversubscription is available at the subscription places.

5.3 Issue price

The issue price of the Notes is fixed and is determined in the Final Terms.

5.4 Subscriber's cancellation right and discontinuance of acceptance of subscriptions in certain cases

If the Issuer, during the subscription period of Notes, or before the Notes have been admitted for public trading, supplements the Base Prospectus due to an error, deficiency or material new information in it or publishes a completely updated Base Prospectus during the above-mentioned period, a subscriber, who has made a subscription before the publication of a supplement or before the publication of the updated base prospectus, has the right, according to Chapter 4 Section 14 of the Finnish Securities Markets Act (746/2012; hereinafter the "**Securities Markets Act**"), to cancel his subscription within at least two (2) Business Days from the publication of the supplement or the update. However, the cancellation right only exists if the error, deficiency

or material new information arose or was noted before the delivery of the Notes to the subscribers in accordance with Condition 6 *(Delivery of Notes)* below. The supplemented Base Prospectus or a completely updated prospectus and information on the time limit for cancellation and the procedure relating to it are available at subscription places and on the Issuer's website https://www.poppankki.fi/en/pop-pankki-ryhma/bonum-bank-plc/investor-relations.

The Issuer has the right to discontinue the acceptance of subscriptions immediately when a need to supplement the Base Prospectus has become evident. The discontinuance will be announced in the subscription places.

6. Delivery of Notes

Book-entries are registered in the book-entry account informed by the subscriber in a manner announced in connection with the subscription and during the time period defined in the Final Terms in accordance with Finnish law regarding the book-entry system and book-entry accounts and the Euroclear Finland Rules.

7. Security and guarantee

No security or guarantee has been granted for the Notes.

8. Interest

Either a fixed rate or floating rate interest based on a reference rate is paid from time to time on the outstanding principal of the Notes. Interest is paid on due dates of payment of interest defined in the Final Terms.

Notes can also be issued as zero coupon notes which will be offered and sold at a discount to their nominal amount and will not bear interest.

8.1 Fixed rate interest

Annual interest, specified in the Final Terms, is paid on the outstanding principal of a Note to which this provision is applicable according to the Final Terms.

8.2 Floating reference rate interest

Floating interest, which consists of a floating reference rate interest and a margin, is paid on the outstanding principal of a Note to which this provision is applicable according to the Final Terms.

The floating reference rate interest is EURIBOR which appears or appear, as the case may be, on the relevant screen page of a designated distributor (currently Thomson Reuters), or such replacement page on a service which displays the information, as at 11.00 a.m. (Brussels time) two (2) Business Days (as specified in the applicable Final Terms) prior to the beginning of the interest period. If the interest period does not correspond to any time period provided on the designated distributor's page, the interest is calculated by interpolating the ratio of time with two reference interest rates closest to the above-mentioned interest period, between which the interest period settles.

If a EURIBOR quotation or a quotation replacing it is not available, a reference rate for the closest corresponding interest period agreed on by the Lead Manager(s) and the Issuer, and based on the prevailing EURIBOR interest rate level in Finland is used. The margin will be added to the reference rate.

8.3 Minimum and/or the maximum amount of interest

A minimum or a maximum amount or both for the interest mentioned in Condition 8.2 *(Floating reference rate interest)* above, can be determined in the Final Terms.

9. Interest period

Interest period means each period of time, for which the interest is calculated. The first interest period begins on the issue date or on any other date as specified in the applicable Final Terms and ends on the following interest payment date specified in the Final Terms. Each following interest period begins on the previous interest payment date and ends on the following interest payment date. Interest accrues for each interest period including the first day of the interest period and excluding the last day of the interest period.

10. The Day Count Fraction

The Day Count Fraction applied to the Notes is defined in the Final Terms and it can be:

(a) "**Actual/Actual (ICMA)**", where the actual days of the interest period are divided by the number which is received by multiplying the actual days of the interest period with the amount of interest periods included in a year (possible irregular interest periods form an exception);

(b) "**Actual/Actual (ISDA)**", where the actual days of the interest period are divided on other years than leap years by 365 and on leap years by 366. If the interest period is only partially extended to a leap year, the interest period is divided into two parts, to which the previously explained principles will be applied and the total amount of interests are combined;

(c) "**Actual/365**", where the actual days of an interest period are divided by 365;

(d) "**Actual/360**", when the actual days of an interest period are divided by 360;

(e) "**30E/360**" or "Eurobond rule", where the interest year is combined of 12 months of 30 days each (however so, that when the last day of the last interest period is the last day of February, February is not changed to a 30 day month), which are divided by 360; or

(f) "**30/360**", where the interest year has 360 days and the interest month has 30 days.

11. Business Day Convention

The business day convention is defined in the Final Terms, according to which the interest payment date will be postponed if it is not a Business Day, by choosing one of the following:

(a) "**Following**", where the interest payment date is the nearest following business day;

(b) "**Modified Following**", where the interest payment date is the nearest following business day, except if the following business day is in the next calendar month, then the interest payment date is the previous business day; or

(c) "**Preceding**", where the interest payment date is the previous business day.

Consequently, the amount payable will be either:

(a) "**Adjusted**", where the postponement of the payment date shall have an impact on the amount payable; or

(b) "**Unadjusted**", where the postponement of the payment date shall not have an impact on the amount payable.

The change of the payment date of the interest of a fixed interest note does not affect the amount of interest to be paid on the share of the note.

The change of the payment date of the interest of a floating interest note influences the length of the interest period and, by implication, the amount of the interest to be paid on the share of the note.

"**Business Day"** means a day when commercial banks and foreign exchange markets settle payments and are open for general business in Finland and the Trans-European Automated Real-Time Gross Settlement Express (TARGET 2) System is open.

12. Payment of interest

Interest is paid on the days which are defined in the Final Terms by applying the relevant business day convention mentioned therein. The payment is to be paid according to Finnish law regarding the book-entry system and book-entry accounts and according to the rules and decisions of Euroclear Finland to the Noteholder, who is entitled to receive the payment according to the book-entry account information.

13. Amalgamation Act Put Option

If at any time while any Note remains outstanding, either of the following events shall occur (each, as applicable, an "**AA Put Event**"):

(i) an AA Event occurs and, if at the start of the AA Period, the Issuer is rated by any Rating Agency, a Rating Downgrade in respect of that AA Event occurs within such AA Period; or

(ii) an AA Event occurs and, on the occurrence of the AA Event, the Issuer is not rated by any Rating Agency,

then any Noteholder will have the option (the "**AA Put Option**") to require the Issuer to prepay or, at the Issuer's option, to purchase or procure the purchase of that Note on the Optional Redemption Date (AA Put) (as defined below), at the principal amount of the Notes then outstanding, together with (or, where purchased, together with an amount equal to) accrued interest up to but excluding the Optional Redemption Date (AA Put) provided that an AA Put Event exists at the start of the Put Period.

Promptly upon the Issuer becoming aware that an AA Put Event has occurred, the Issuer shall give notice (an "**AA Put Event Notice**") to the Noteholders in accordance with Condition 20 (*Notices*) below specifying the nature of the AA Put Event and the circumstances giving rise to it and the procedure for exercising the AA Put Option contained in this Condition 13 *(Amalgamation Act Put Option)*.

The Issuer shall on the Optional Redemption Date (AA Put) (as defined below in this Condition 13 *(Amalgamation Act Put Option)*) prepay the nominal principal amount of and accrued interest on the Notes, but without any premium or penalty, held by the Noteholders who have required prepayment of the Notes held by them by a written notice to be given to the Issuer within the Put Period.

If Notes representing more than seventy-five (75) per cent of the aggregate nominal principal amount of the Notes have been prepaid pursuant to this Condition 13 *(Amalgamation Act Put Option)* on the Optional Redemption Date (AA Put), the Issuer is entitled to prepay also the remaining outstanding Notes at their nominal principal amount with accrued interest but without any premium or penalty by notifying the Noteholders in accordance with Condition 20 (*Notices*) below no later than fifteen (15) Business Days after the Optional Redemption Date (AA Put). Such prepayment may occur at the earliest on the tenth (10^{th}) Business Day following the date of publication of such notice.

For the purposes of this Condition 13 *(Amalgamation Act Put Option)*:

"**AA Event**" shall be deemed to have occurred (i) if the Amalgamation Act ceases to apply as a result of cancellation of the central institution's licence granted to the Central Organisation or (ii) if the Issuer or any Material Entity withdraws (for the sake of clarity other than as a result of a merger or an equivalent transaction into another member of the Amalgamation) or is expelled from the Amalgamation (as provided in Section 8 of the Amalgamation Act);

"**AA Period**" means the period (i) commencing on the date that is the earlier of (A) the date of the AA Put Event Notice and (B) the date of the earliest Potential AA Event Announcement (as defined below), if any, and (ii) ending on the date which is the 120^{th} day after the date of the first public announcement of the relevant AA Event (such 120^{th} day, the "**Initial Longstop Date**"); **provided that**, unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Downgrade in respect of its rating of the Issuer, if a Rating Agency publicly announces, at any time during the period commencing on the date which is 60 days prior to the Initial Longstop Date and ending on the Initial Longstop Date, that it has placed its rating of the Issuer under consideration for rating review either entirely or partially as a result of the relevant AA Put Event Notice or Potential AA Event Announcement, the AA Period shall be extended to the date which falls 90 days after the date of such public announcement by such Rating Agency;

"**Amalgamation**" means (a) the Central Organisation, (b) the companies belonging to the Central Organisation's consolidation group, (c) the POP Banks which are Member Credit Institutions of the Amalgamation, (d) the Issuer, (e) companies belonging to the POP Banks' and the Issuer's consolidation groups, as well as (f) such credit institutions, finance institutions and service companies where the institutions in (a) to (e) combined own more than half of the voting rights;

"**Material Entity**" means (a) the Central Organisation, (b) any entity acting on behalf of the Amalgamation (as a whole), or (c) one or more member(s) (taken the previous 12 months period) of the Amalgamation, in

each case the gross assets of which represent more than 10 per cent of the consolidated gross assets of the Group;

"**Optional Redemption Date (AA Put)**" means the fifteenth (15th) day after the date of expiry of the Put Period;

"**POP Banks**" refer to the following POP banks belonging to the Amalgamation from time to time, as at the date of the General Terms and Conditions: (1) Hannulan Osuuspankki, (2) Honkajoen Osuuspankki, (3) Isojoen Osuuspankki, (4) Jämijärven Osuuspankki, (5) Kannonkosken Osuuspankki, (6) Keuruun Osuuspankki, (7) Konneveden Osuuspankki, (8) Kosken Osuuspankki, (9) Kurikan Osuuspankki, (10) Kyrönmaan Osuuspankki, (11) Kyrön Seudun Osuuspankki, (12) Kyyjärven Osuuspankki, (13) Lammin Osuuspankki, (14) Lanneveden Osuuspankki, (15) Lappajärven Osuuspankki, (16) Lapuan Osuuspankki, (17) Lavian Osuuspankki, (18) Liedon Osuuspankki, (19) Nivalan Järvikylän Osuuspankki, (20) Piikkiön Osuuspankki, (21) Pohjanmaan Osuuspankki, (22) Reisjärven Osuuspankki, (23) Sievin Osuuspankki, (24) Siilinjärven Osuuspankki, (25) Suupohjan Osuuspankki, and (26) Tiistenjoen Osuuspankki;

"**Potential AA Event Announcement**" means any public announcement or statement by the Issuer, any actual or potential bidder or any designated advisor thereto relating to any specific and near-term potential AA Event (where "near-term" shall mean that such potential AA Event is reasonably likely to occur, or is publicly stated by the Issuer, any such actual or potential bidder or any such designated advisor to be intended to occur, within 120 days of the date of such announcement or statement);

"**Put Period**" means 45 days after the day on which the AA Put Event Notice is given by the Issuer;

"**Rating Agency**" means S&P Global Ratings or any other rating agency of equivalent international standing specified from time to time by the Issuer, and, in each case, their respective successors or affiliates; and

a "**Rating Downgrade**" shall be deemed to have occurred in respect of an AA Event if, within the AA Period, the long-term counterparty credit rating previously assigned to the Issuer by any Rating Agency is (i) withdrawn (for the sake of clarity other than as a result of a replacement of one Rating Agency with another Rating Agency) or (ii) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade long-term counterparty credit rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (iii) if such long-term counterparty credit rating previously assigned to the Issuer by any Rating Agency was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from BB+ to BB or their respective equivalents).

14. Event of Default

If an Event of Default (as defined below) occurs, any Noteholder of the relevant Series of Notes may by a written notice to the Issuer declare the principal amount of such Note together with the interest then accrued on such Note to be due and payable at the earliest on the 10th day from the date such claim was presented provided that an Event of Default exists on the date of receipt of the notice and on the specified early maturity date specified in such claim.

Each of the following events shall constitute an Event of Default:

(a) **Non-Payment**: Any amount of interest on or principal of a Series of Notes has not been paid within seven (7) Business Days from the relevant due date, unless the failure to pay is caused by a reason referred to in Condition 17 *(Force Majeure)* below;

(b) **Cross Default**: (Any outstanding Indebtedness is declared due or repayable prematurely by reason of an event of default (howsoever described); **(i)** the Issuer or any Material Entity fails to make any payment in respect of Indebtedness on the relevant due date as extended by any originally applicable grace period; **(ii)** any security given by the Issuer or any Material Entity in respect of such Indebtedness becomes enforceable by reason of an event of default; or **(iii)** the Issuer defaults in making any payment when due (as extended by any applicable grace period) under any guarantee in relation to such Indebtedness. However, no Event of Default will occur under **(i)** - **(iii)** above if the aggregate amount of such payment or Indebtedness is less than ten million (10,000,000) euros or its equivalent in foreign currency;

"**Indebtedness**" means for the purposes of these General Terms and Conditions, indebtedness (whether being principal, premium, interest or other amounts) in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit of the Issuer.

A Noteholder shall not be entitled to demand repayment under this sub-condition (b) if the Issuer has bona fide disputed the existence of the occurrence of an Event of Default under this sub-condition (b) in the relevant court or in arbitration as long as such dispute has not been finally and adversely adjudicated against the Issuer.

(c) **Breach of other obligations**: The Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes, such default has a detrimental effect on the interests of the Noteholders and such default remains un-remedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer.

(d) **Cessation of Business**: The Issuer or any Material Entity ceases to carry on its current business in its entirety.

(e) **Winding-up**: An order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer or any Material Entity.

(f) **Insolvency**: (i) The Issuer or any Material Entity becomes insolvent or is unable to pay its debts as they fall due; (ii) the Issuer or any Material Entity makes a general assignment or an arrangement or composition with or for the benefit of its creditors; or (iii) an application is filed for it being subject to bankruptcy or re-organization proceedings, or for the appointment of an administrator or liquidator of any of the Issuer's assets and such application is not discharged within 45 days.

(g) **Unlawfulness**: It is or will become unlawful for the Issuer or any Material Entity to perform or comply with any of its obligations under or in respect of the Notes.

(h) **Loss of licence**: Any necessary consent, approval, licence, order or other authority required at any time by the Issuer or any Material Entity to carry on its business, including inter alia, a banking licence, or the central institution licence granted to the Central Organisation under the Amalgamation Act, is cancelled, suspended or revoked for any reason (for the sake of clarity other than as a result of a merger or an equivalent transaction into another member of the Amalgamation) by the Finnish Financial Supervisory Authority or such other relevant regulatory authority.

(i) **Government intervention**: (A) all or any substantial part of the undertaking, assets and revenues of the Issuer or any Material Entity is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or (B) the Issuer or any Material Entity is prevented by any such person from exercising normal control over all or any substantial part of its undertaking, assets and revenues.

15. Noteholders' Meeting and Procedure in Writing

a) The Issuer may convene a meeting of Noteholders (a "**Noteholders' Meeting**") or request a procedure in writing among the Noteholders (a "**Procedure in Writing**") to decide on amendments of these terms and conditions or other matters as specified below. Euroclear Finland and the Issuer Agent must be notified of a Noteholders' Meeting or a Procedure in Writing in accordance with the Euroclear Finland Rules.

b) Notice of a Noteholders' Meeting and the initiation of a Procedure in Writing shall be published in accordance with Condition 20 *(Notices)* no later than ten (10) calendar days prior to the Noteholders' Meeting or the last day for replies in the Procedure in Writing. Furthermore, the notice or the initiation shall specify the time, place and agenda of the Noteholders' Meeting or the last day and address for replies in the Procedure in Writing (or if the voting is to be made electronically, instructions for such voting) as well as any action required on the part of a Noteholder to attend the Noteholders' Meeting or to participate in the Procedure in Writing. No matters other than those referred to in the notice of Noteholder's Meeting

or initiation of the Procedure in Writing may be resolved upon at the Noteholders' Meeting or the Procedure in Writing.

c) Only those who, according to the register kept by Euroclear Finland in respect of the Notes, were registered as Noteholders on the fifth (5th) Business Day prior to the Noteholders' Meeting or on the last day for replies in the Procedure in Writing on the list of Noteholders to be provided by Euroclear Finland in accordance with Condition 20 *(Notices)*, or proxies authorized by such Noteholders, shall, if holding any of the principal amount of the Notes at the time of the Noteholders' Meeting or the last day for replies in the Procedure in Writing, be entitled to vote at the Noteholders' Meeting or in the Procedure in Writing and shall be recorded in the list of the Noteholders present in the Noteholders' Meeting or participating in the Procedure in Writing.

d) A Noteholders' Meeting shall be held in Helsinki, Finland, and its chairman shall be appointed by the board of directors of the Issuer.

e) A Noteholders' Meeting or a Procedure in Writing shall constitute a quorum only if two (2) or more Noteholders holding in aggregate at least fifty (50) per cent of the principal amount of the Series of Notes outstanding or one (1) Noteholder holding one hundred (100) per cent of the principal amount of the Series of Notes outstanding are/is present (in person or by proxy) in the Noteholders' Meeting or provide/provides replies in the Procedure in Writing. Any holdings of the Notes by the Issuer and any companies belonging to its Group are not included in the assessment whether or not a Noteholders' Meeting or a Procedure in Writing shall constitute a quorum.

f) If, within thirty (30) minutes after the time specified for the start of the Noteholders' Meeting, a quorum is not present, any consideration of the matters to be dealt with at the Noteholders' Meeting may, at the request of the Issuer, be adjourned for consideration at a Noteholders' Meeting to be convened on a date no earlier than ten (10) calendar days and no later than forty-five (45) calendar days after the original Noteholders' Meeting at a place to be determined by the Issuer. Correspondingly, if by the last day to reply in the Procedure in Writing no quorum is reached, the time for replies may be extended as determined by the Issuer, however not less than ten (10) and no more than forty-five (45) calendar days. The adjourned Noteholders' Meeting or the extended Procedure in Writing shall constitute a quorum if two (2) or more Noteholders holding in aggregate at least ten (10) per cent of the principal amount of the Series of Notes outstanding or one (1) Noteholder holding one hundred (100) per cent of the principal amount of the Series of Notes outstanding are/is present in the adjourned Noteholders' Meeting or provide/provides replies in the extended Procedure in Writing.

g) Notice of an adjourned Noteholders' Meeting or the extension of the time for replies in the Procedure in Writing, shall be given in the same manner as notice of the original Noteholders' Meeting or the Procedure in Writing. The notice shall also state the conditions for the constitution of a quorum.

h) Voting rights of the Noteholders shall be determined according to the principal amount of the Series of Notes held on the date referred to in Condition 15c) above. The Issuer and any companies belonging to its Group shall not hold voting rights at the Noteholders' Meeting or in the Procedure in Writing.

i) Subject to Condition 15j) below, resolutions shall be carried by a majority of more than fifty (50) per cent of the votes cast.

j) A Noteholders' Meeting or a Procedure in Writing is entitled to make the following decisions that are binding on all the Noteholders:

    (i) to amend these terms and conditions of the Notes; and

    (ii) to grant a temporary waiver on these terms and conditions of the Notes.

However, consent of at least seventy-five (75) percent of the aggregate principal amount of the outstanding Series of Notes is required to:

    (i) decrease the principal amount of or interest on the Series of Notes;

    (ii) extend the maturity of the Series of Notes;

(iii) amend the requirements for the constitution of a quorum at a Noteholders' Meeting or Procedure in Writing; or

(iv) amend the majority requirements of the Noteholders' Meeting or Procedure in Writing.

The consents can be given at a Noteholders' Meeting, in the Procedure in Writing or by other verifiable means.

The Noteholders' Meeting and the Procedure in Writing can authorise a named person to take necessary action to enforce the decisions of the Noteholders' Meeting or of the Procedure in Writing.

k) When consent from the Noteholders representing the requisite majority, pursuant to Condition 15i) or Condition 15j), as applicable, has been received in the Procedure in Writing, the relevant decision shall be deemed to be adopted even if the time period for replies in the Procedure in Writing has not yet expired, provided that the Noteholders representing such requisite majority are registered as Noteholders on the list of Noteholders provided by Euroclear Finland in accordance with Condition 20 *(Notices)* on the date when such requisite majority is reached.

l) A representative of the Issuer and a person authorized to act for the Issuer may attend and speak at a Noteholders' Meeting.

m) Resolutions passed at a Noteholders' Meeting or in the Procedure in Writing shall be binding on all Noteholders irrespective of whether they have been present at the Noteholders' Meeting or participated in the Procedure in Writing, and irrespective of how and if they have voted.

n) Resolutions passed at a Noteholders' Meeting or in the Procedure in Writing shall be notified to the Noteholders in accordance with Condition 20 *(Notices)*. In addition, Noteholders are obliged to notify subsequent transferees of the Notes of the resolutions of the Noteholders' Meeting or the Procedure in Writing. Furthermore, Euroclear Finland must be notified of the resolutions passed at the Noteholders' Meeting or in the Procedure in Writing in accordance with the Euroclear Finland Rules.

The Issuer shall have the right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders, a Noteholders' Meeting or a Procedure in Writing. For the sake of clarity, any resolution at a Noteholders' Meeting or in a Procedure in Writing, which extends or increases the obligations of the Issuer, or limits, reduces or extinguishes the rights or benefits of the Issuer, shall be subject to the consent of the Issuer.

16. Repurchases

The Issuer or any of its subsidiary may at any time purchase Notes at any price in the open market or otherwise. Such Notes may be held, reissued, resold or cancelled.

17. Force majeure

Neither the Issuer, the subscription place, the Issuer Agent, the Paying Agent nor the account operator is responsible for any damage arising out of:

(a) an act of an authority, war or threat of war, revolt, civil disturbance, or any act of terror or any pandemic or global disease;

(b) disturbance in postal or telephone traffic, electronic communication, or supply of electricity that is beyond the control of and that has an essential impact on the operations of the Issuer, other subscription place, the Issuer/Paying Agent or the account operator;

(c) interruption or delay of action or measure of the Issuer, other subscription place, the Issuer/Paying Agent or the account operator that is caused by fire of equivalent accident;

(d) strike or other industrial action which has an essential impact to the operations of the Issuer, other subscription place, the Issuer/Paying Agent or the account operator, even when it only concerns a part of the personnel of the above-mentioned entities and irrespective of whether the above-mentioned entities are involved in it or not;

(e) an act of God (such as, but not limited to, fires, explosions, earthquakes, drought, tidal waves and floods); or

(f) other equivalent force majeure or any similar reason that causes unreasonable difficulty for the operations of the Issuer, other subscription place, the Issuer/Paying Agent or the account operator.

18. Statute of limitations

If a payment due and payable has not been demanded to be paid within three (3) years of its due date, the right to receive payment has lapsed.

19. Further Issues

The Issuer may from time to time, without the consent of and notice to the Noteholders, create and issue further Tranches of Notes having the same terms and conditions as any of the previous Tranches under the same Series of the outstanding Notes in all respects (or in all respects except for the first payment of interest on them, the issue price and/or the minimum subscription amount thereof) by increasing the principal amount of such Series of Notes or otherwise.

20. Notices

All notices to Noteholders will be sent in writing, by mail, and addressed to such Noteholders at the address appearing in the register maintained by Euroclear Finland, and will be deemed to have been validly given on the fourth Business Day after the date such notice is mailed or otherwise sent in accordance with the Euroclear Finland Rules. In addition, as an alternative to the procedure described above, notices concerning the Notes may be published by way of a stock exchange release and additionally by way of website information. Any disclosures required by the Market Abuse Regulation (EU) No 596/2014 ("**MAR**") shall be made by way of a stock exchange release.

The address for notices to the Issuer is as follows:

Bonum Bank Plc

Hevosenkenkä 3, 02600 Espoo, Finland

21. Other provisions

The Issuer is entitled to, without the consent of a Noteholders' meeting under Condition 15 *(Noteholders' Meeting)* above, to make appropriate changes to the Final Terms if such changes do not weaken the position of the Noteholders. The Issuer must notify the Noteholders of the amendments to the Notes in accordance with Condition 20 *(Notices)* above.

Such changes can be for example:

(a) changes resulting from the development of the book-entry system; or

(b) correcting minor typing errors.

22. Right to receive information

Notwithstanding any secrecy obligation, the Issuer shall, subject to the Euroclear Finland Rules and applicable laws, be entitled to obtain information of the Noteholders from Euroclear Finland and Euroclear Finland shall be entitled to provide such information to the Issuer. Furthermore, the Issuer shall, subject to the Euroclear Finland Rules and applicable laws, be entitled to acquire from Euroclear Finland a list of the holders of the Notes. Further, the Issuer may provide the FIN-FSA with the information of the Noteholders, if required by applicable laws.

23. Applicable law and jurisdiction

The Notes and any non-contractual obligations arising out of or in connection herewith, are governed by, and will be construed in accordance with, Finnish law.

Any disputes relating to the Notes shall be settled in the first instance at the District Court of Helsinki (in Finnish: *Helsingin käräjäoikeus*).

If the claimant is a consumer, he/she may take legal action in a district court which has jurisdiction where he/she has a place of residence.

FORM OF FINAL TERMS

Bonum Bank Plc

EUR [●] [Floating/Fixed] Rate Notes Due [●]

under the EUR 750,000,000 Programme for the Issuance of Notes

Terms and Conditions

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**") or in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in point e) of Article 2 of Regulation (EU) 2017/1129 (as amended) (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

[**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate [and (iii) the negative target market for the Notes is clients that seek full capital protection or full repayment of the amount invested, are fully risk averse/have no risk tolerance or need a fully guaranteed income or fully predictable return profile]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the Lead Manager(s) target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Lead Manager(s) target market assessment) and determining appropriate distribution channels.]

These Final Terms have been drawn in accordance with the Prospectus Regulation (EU) 2017/1129 and they are to be read together with the Base Prospectus regarding programme for the Issuance of Notes by the Bonum Bank Plc (the "**Issuer**") dated [●] [and the supplement[s] to it dated [●] and [●]] (the "**Base Prospectus**") (the "**Programme**"). Unless otherwise stated in these Final Terms, the General Terms and Conditions of the Programme shall apply.

The complete information regarding the Issuer and the Notes can be found in the Base Prospectus, including documents incorporated into it by reference, and in these Final Terms.

The Base Prospectus [, the supplement[s] dated [●] and [●]] and the Final Terms are available at the web page of the Issuer at https://www.poppankki.fi/en/pop-pankki-ryhma/bonum-bank-plc/investor-relations and at request from the Issuer or at the subscription places mentioned in the Final Terms.

[EVEN THOUGH THE AMOUNT TO BE REPAID IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE NOTES IS THE NOMINAL VALUE OF THE NOTES, THE INVESTOR MAY LOSE PART OF THE SUBSCRIPTION PRICE, IF THE NOTES ARE SUBSCRIBED ABOVE NOMINAL VALUE AND THE AMOUNT OF THE SUBSCRIPTION FEE, IF APPLICABLE.]

Name and number of the Series of Notes:	[●]
Notes and their form:	Senior unsecured notes.
Tranche number:	[●] / [Not applicable]
Lead Manager(s):	[Name and Address]

Subscription place(s) of this [Series of Notes / Tranche of Notes]:	[Name and Address / Not applicable]
Issuer Agent [and Paying Agent]:	[Name and Address]
[Calculation Agent]	[Name and Address] / [The Issuer acts as the calculation agent]
Interests of the Lead Manager(s)/other subscription place/other parties taking part in the issue:	[The customary sector connected commercial interest / possible other interest]
Principal and currency of the Notes:	[EUR] [●] / [EUR] [●]. [Final Principal is to be confirmed by the Issuer]
Number of book-entry units:	[●]
Priority of the Notes:	The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other senior unsecured obligations of the Issuer.
Form of the Notes:	Book-entry securities of Euroclear Finland's Infinity book-entry security system
Denomination of book-entry unit:	[●]
The minimum amount of Notes to be offered for subscription:	[●]/ [Not applicable]
Subscription fee:	[The Lead Manager(s) [and potential other subscription places] do not charge the costs related to issuing the Notes from the Noteholders / [●] charges [●] from the Noteholders as a cost related to offering the Notes]
Payment of subscription:	[Subscriptions shall be paid for as instructed in connection with the subscription] / [The subscription shall be paid at the time of the subscription]
Issue date:	[●]
Issue price:	The issue price is fixed: [●]
Amount and manner of redemption:	The nominal amount of principal of the Note [The Notes will be repaid in one instalment on the Maturity Date.] [The Notes will be repaid in several instalments [define the amounts of the instalments]. On the Maturity Date, the Notes then outstanding will be repaid in full.]
Maturity Date:	[●]

Interest:	[Define here, if the Notes are so-called zero-coupon Notes, or which general note terms, either Condition 8.1 (Fixed interest rate) or Condition 8.2 (Floating reference interest rate), is applied and include required details as follows: Condition 8.1 (Fixed interest rate): Interest rate [●] [The date when the first interest period starts, if not the same as the issue date] Interest payment date(s) [●] each year commencing on [ ] until the Maturity Date Condition 8.2 (Floating reference interest rate): EURIBOR of [●] months Margin [●] [The date when the first interest period starts, if not the same as the issue date] Interest payment date(s): [●] each year commencing on [●] until the Maturity Date.
Day Count Fraction	[Actual/Actual (ICMA / ISDA); Actual/365; Actual/360, Eurobond rule or 30/360] / [Not applicable]
Minimum/maximum amount of interest:	[Applicable / Not applicable. If applicable, define minimum/maximum amount]
Business day convention:	[Following / Modified Following / Preceding], [Adjusted] / [Unadjusted]
Business day:	a day on which Helsinki and TARGET2 is operating.
Delivery of book-entry securities:	The time when the book-entry securities are recorded in the book-entry security accounts specified by the subscribers is estimated to be [●]
Relevant benchmark[s]	[EURIBOR is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation]]/[Not Applicable]
ISIN code of the Series of Notes:	[●]

Other Information

This information of the Series of the Notes is presented in connection with the issue of each Tranche of Notes under the same Series of Notes.

Decisions and authority based on which Notes are issued:	[Based on the authorization dates [●] of the Issuer's board of director's / Based on the resolution of the Issuer's board or directors dated on [●]]
Subscription period:	[●]
Condition for executing the issue:	[●] / [Not applicable]
Yield:	[The effective interest yield to the investor on the issue date, when the issue price is 100 per cent, is [●] per cent] / [zero coupon] / [Not applicable]
An estimate of the principal accruing to the Issuer under the Notes and the planned use of proceeds:	[●] per cent of the principal of the Notes, at maximum. The Notes are a part of the funding of the Issuer.
Credit rating of the Notes:	[●] / [Not applicable] / [The Notes are expected to be rated [●] by [●]]
Listing:	[Shall] / [Shall not] be applied for listing on the Helsinki Stock Exchange]
Estimated time of listing:	[●]/ [Not applicable]

In Helsinki, on [date]

BONUM BANK PLC

TAXATION IN FINLAND

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, and prospective subscribers of Notes should consult their own tax advisers as to the tax consequences of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes under the individual circumstances and laws applicable to each subscriber. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law and/or tax practice that may take place also retroactively.

The Issuer shall withhold the Finnish taxes imposed on the interest paid, to the extent required by the relevant tax laws, practices and tax authorities' regulations and instructions in force from time to time.

Finnish Resident Individuals and Estates

Unless otherwise indicated in the following paragraph, a tax at source, in accordance with the Act on Tax at Source of Interest Income (1341/1990, as amended), has to be withheld from the interest paid to natural persons resident in Finland for tax purposes and Finnish estates of deceased persons. The tax at source is currently 30 per cent of the amount of interest paid.

The Act on Tax at Source of Interest Income is not applicable, *inter alia,* if a prospectus does not have to be prepared with respect to the notes due to (1) the notes being offered for a consideration of less than EUR 100,000 per investor and for each separate offer or in denomination of less than EUR 100,000 per unit; (2) the offer being addressed solely to qualified investors as defined in the Finnish Securities Markets act (746/2012, as amended); or (3) the offer being addressed in each country belonging to the EEC to a maximum number of under 150 investors who are not qualified investors as defined in the Finnish Securities Markets Act, even if the notes are issued, e.g. under the a base programme. When the Act on Tax at Source of Interest Income is not applicable, a tax withholding at the current rate of 30 per cent is operated from the interest paid to natural persons resident in Finland for tax purposes and Finnish estates of deceased persons in accordance with the Act on Tax Withholding (1118/1996, as amended). Interests are subject to final taxation as capital income in accordance with the Income Tax Act (1535/1992, as amended). The tax rate applicable to taxable capital income of up to 30,000 euros is 30 per cent and for the amount exceeding this threshold, 34 per cent.

Taxable capital gains and losses are calculated as the difference between the sales proceeds and the aggregate of the actual acquisition cost and the sales related expenses. When calculating capital gains, Finnish resident individuals and estates may choose to apply the so-called presumptive acquisition cost instead of the actual acquisition cost. The presumptive acquisition cost is 20 per cent of the sales proceeds, or 40 per cent if the Notes have been held by the Finnish resident individual or estate for a period of at least ten years. If the presumptive acquisition cost is applied, sales related expenses are not deductible.

Possible capital gains received from disposal of the Notes are subject to final taxation as capital income in accordance with the Income Tax Act. Capital gains are exempted from tax if the total amount of the sales prices of all assets disposed by a taxpayer does not exceed 1,000 euro in a tax year (excluding tax-exempt disposals and disposals of ordinary household effects or other corresponding assets utilized for the personal use). The possible capital loss is deductible from other capital income the year during which the sale took place and during five subsequent tax years. Capital losses are similarly not tax deductible if the total amount of the acquisition prices does not exceed 1,000 euro in a tax year.

Should Notes be sold prior to maturity, any accrued and unpaid interest (secondary market compensation, in Finnish "*jälkimarkkinahyvitys*") is taxable as capital income in accordance with the Income Tax Act. The Issuer or paying agent shall withhold the tax from the secondary market compensation received in accordance with the Act on Tax Withholding as described above concerning interests.

When purchasing notes in the secondary market, the secondary market compensation paid is a deductible item in capital income taxation and, if the deductions exceed the amount of capital income, in earned income taxation to the limited extent allowed in the Income Tax Act.

The Issuer or paying agent reports the secondary market compensation paid to the Finnish tax authorities. Inter alia, credit institutions, investment service companies and account holders generally report to the Finnish tax authorities also the information regarding the sale and other transfers of notes. Information on secondary market compensation received by an investor and information on possible capital gains or losses stated on the investor's pre-completed tax return must be verified and, when necessary, corrected.

Finnish Resident Corporate Bodies

Interest is generally taxable income to corporate bodies and subject to final taxation as corporate income in accordance with the Business Income Tax Act (360/1968, as amended) or the Income Tax Act, and such interest is not subject to any preliminary withholding tax. The current rate of corporate income tax is 20 per cent.

Capital gains and possible secondary market compensation are also subject to final taxation as corporate income in accordance with the Business Income Tax Act or the Income Tax Act, at the corporate income tax rate of 20 per cent.

The deductibility of capital losses derived from the disposal of the Notes depends on whether they are taxed under the Business Income Tax Act or the Income Tax Act. Generally, limited liability companies are taxed in accordance with the Business Income Tax Act. Capital losses taxable under the Business Income Tax Act are generally deductible from a corporate body's income taxable under the Business Income Tax Act in the same tax year and the ten subsequent tax years, whereas capital losses under the Income Tax Act are only deductible from capital gains taxable under the Income Tax Act on the year of the sale and during five subsequent tax years.

Non-residents

Payments made by or on behalf of the Issuer to persons not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland are not taxable in Finland and may be made without tax withholding.

Transfer Tax

Generally, the transfer tax amounting 1.6 per cent is payable on transfers of the securities. However, the Notes should not be classified as securities within the meaning of Finnish Transfer Tax Act (29.11.1996/931, as amended) (the Finnish Transfer Tax Act) and, thus, transfer tax should not be payable, provided that the yield of Notes is not determined by the profit of the Issuer or by the amount of dividend or otherwise is deemed to entitle to the share of annual profit or surplus of the Issuer.

No transfer tax is generally payable in Finland on transfers or sales of the securities admitted to trading on the regulated market or other multi-lateral trading facility.

USE OF PROCEEDS

The proceeds of the issue of each Series of Notes will be used by the Bank for general corporate purposes including to act as a central credit institution of the Amalgamation for funding of the POP Banks.

INFORMATION ON BONUM BANK PLC

Bonum Bank Plc (formerly known as ACH Finland Oyj) was established for an indefinite period on 12 May 2008 in Espoo. ACH Finland Oyj was renamed ACH Finland Oy on 20 July 2010 and further renamed Bonum Bank Ltd on 23 December 2013. The corporate form of the Bank was changed from a limited liability company to a public limited company on 6 April 2016. The Bank's registration number in the Finnish Patent and Registration Office is 2192977-5 and its domicile is in Espoo, therefore Finnish legislation applies to the Bank. The Bank's accounting period is one calendar year. The Bank's registered address is Bonum Bank Plc, Hevosenkenkä 3, 02600 Espoo, Finland and its telephone number is +358 10 4233710. The Issuer's legal entity identifier code (LEI) is 743700RFAN8QA5JFA150.

The Bank is a wholly owned subsidiary of the POP Bank Alliance (see section "*The Bank as a Part of POP Bank Group*").

The Bank has long- and short-term counterparty credit ratings BBB/A-2 by S&P. The outlook is stable. S&P is established in the EEA and registered under the CRA Regulation.

According to Article 2 of its articles of association, the Bank engages in the business operations permissible for a deposit bank under the Credit Institutions Act. In addition, the Bank provides investment services as defined in Chapter 1 Section 4 of the Finnish Act on Investment Services (*Sijoituspalvelulaki*, 747/2012, as amended). The Bank was granted a credit institution license on 19 December 2013 by the FIN-FSA.

The FIN-FSA supervises the Issuer's activities in accordance with Finnish law. As regards the supervision of the Issuer, the SSM (as defined in the Risk Factors) commenced its operations in November 2014. The SSM is a system of financial supervision comprising the ECB and the national competent authorities of participating EU countries. Pursuant to the Credit Institution Act and Council Regulation (EU) No 1024/2013, the Issuer is currently classified as a less significant credit institution and, therefore, the supervision of the Issuer under the SSM is primarily carried out by the FIN-FSA. However, under the SSM, the ECB can decide to supervise any one of the less significant credit institutions directly to ensure that high supervisory standards are applied consistently.

Description of operations

Main operating areas and main markets

The Bank has been the central credit institution of the POP Banks since 7 February 2015, and as a commercial bank it engages in the business operations set forth in the Credit Institutions Act. As at the date of this Base Prospectus, the Bank is responsible for providing 26 POP Banks central credit institution services, obtaining external funding for the POP Bank Group, handling payments and issuing payment cards to the customers of the POP Banks. In addition, the Bank grants unsecured consumer credits and secured debt securities to retail customers.

The purpose of the Bank's internal service production is to limit the Group's dependence on external service providers and enhance the efficiency of the whole Group's cost structure. In its external business operations, the Bank provides services that are in line with the Group's strategy and supplement its offering.

In addition to the central credit institution services, the Bank is also responsible for issuing and maintaining POP Banks' customers' payment and credit cards. Bonum is a shareholder of Visa Europe and provides card products under the Visa brand.

The Bank was one of the first banks in Finland to adopt SEPA Instant Credit Transfers, and the first such transfers were received in May 2019. Additionally, the Bank has prepared for compliance with the requirements of the Payment Services Directive (PSD2). Improving the efficiency of anti-money laundering measures and systems is currently one of the key focus areas for the Bank.

In December 2015, the Bank became a member of the POP Bank Alliance and part of the Amalgamation. Within the Amalgamation, the Bank is responsible for external wholesale funding of the Group, both in Finland and internationally.

As at 31 December 2019, the Bank had 32 employees.

The Bank as a Part of POP Bank Group

The Bank is the most significant and wholly owned subsidiary of POP Bank Alliance.

In accordance with applicable law, the Group comprises (a) the POP Bank Alliance as the Group's central institution, (b) POP Banks, the 26 independent co-operative banks, (c) the Issuer as central credit institution, (d) credit institutions,

financial institutions and service companies in which entities included in the Amalgamation jointly hold a control of over 50 per cent. The Group differs from the Amalgamation in that the Group also includes other institutions apart from credit and finance institutions and service companies. The most notable of these are POP Holding Ltd and Finnish P&C Insurance Ltd.

The Issuer is part of the Amalgamation together with the POP Bank Alliance, POP Banks and those entities amalgamated with it from time to time pursuant to the Amalgamation Act.

The Amalgamation's operations are covered by the Amalgamation Act and the POP Bank Alliance's bylaws. Primarily, the members of the Amalgamation carry out their business independently within the scope of their resources, and thus the Issuer and the other members of the Amalgamation are primarily responsible for their own obligations. However, the Amalgamation Act prescribes that the POP Bank Alliance must pay to each Member Credit Institution an amount that is necessary in order to prevent such Member Credit Institution's liquidation and the POP Bank Alliance is responsible for the payments of any debts of a Member Credit Institution that cannot be paid using such Member Credit Institution's own funds. At the same time, a Member Credit Institution must pay to the POP Bank Alliance a proportionate share of the amount which the POP Bank Alliance has paid either to another Member Credit Institution as part of the support action described above, or to a creditor of such Member Credit Institution as payment of a due debt for which the creditor has not received payment from its debtor. The amount paid in accordance with the joint liability is divided between the liable parties in proportion to their last confirmed balance sheets. For more information on the joint liability, see "*The Amalgamation Act – Joint liability of the Amalgamation*".

Those entities within the Amalgamation that are not Member Credit Institutions will not be liable for Member Credit Institutions' debts under the Amalgamation Act. Due to the joint liability within the Amalgamation and the Issuer's role as the central bank for the POP Banks, prospective investors should examine both the Issuer's and the Group's financial statements. However, investors should note that the Group consists of the Amalgamation, as well as other companies and institutions owned by the POP Banks. The activities of the Group or companies belonging to the Group that are not part of the Amalgamation and the joint liability may have a negative impact on the Amalgamation. For more information on the Group's consolidated financial statements and the Issuer's financial statements, see "*Information Incorporated by Reference*".

Management of the Bank

The Bank's highest decision-making authority rests with the annual general meeting (the "**General Meeting**"). However, according to Chapter 5, Subsection 1(2) of the Finnish Limited Liability Companies Act, the POP Bank Alliance, as the only shareholder of the Bank, may make a unanimous shareholders' decision in a matter within the competence of the General Meeting without holding a meeting. The operational decision-making authority is exercised by the board of directors (the "**Board of Directors**") which is formed by election in the General Meeting.

The activities of the Issuer comply with the provisions of current legislation, including but not limited to the Finnish Limited Liability Companies Act. In addition, the Issuer complies with orders issued by the authorities, good banking practice regulations approved by the Federation of Finnish Financial Services, as well as the Group's corporate governance policies and other internal guidelines, and its articles of association. The Issuer also complies with the Insider Guidelines issued by Nasdaq Helsinki Ltd.

Board of Directors of the Bank

It is the duty of the Board of Directors to attend to the Bank's and its subsidiaries' administration, ensure the appropriate arrangement of its operations and supervise the Bank's accounting and financial management. The Board of Directors has general competence to decide on all matters related to the Bank's management and other issues, which, according to legislation or to the Bank's articles of association, are not the domain of the General Meeting, or the CEO. The Board of Directors decides on the Bank's strategy and main business objectives and also confirms the management structure and policies.

At the date of this Base Prospectus, the Chairman and members of the Board of Directors were:

Pekka Lemettinen (born 1972) has been a member of the Bank's Board of Directors since 2017 and the Chairman of the Bank's Board of Directors since 2018. Mr. Lemettinen has been the Chairman of the Board of Finnish P&C Insurance Ltd since 2017. Mr. Lemettinen has been the CEO of the Pop Bank Alliance since 2017, the CEO of Finnish P&C Insurance Ltd in 2014–2017 and the COO of Finnish P&C Insurance Ltd in 2011–2014. Mr. Lemettinen holds a BBA degree.

Hanna Linna (born 1982) has been a member of the Bank's Board of Directors since 2016 and the Deputy Chairman of the Bank's Board of Directors since 2017. Ms. Linna has been the CEO of Pohjanmaan Osuuspankki since 2016 and the CEO of Lappajärven Osuuspankki in 2014–2016. Ms. Linna has practised as Legal Officer in Reisjärven Osuuspankki in 2008–2014. Ms. Linna holds a Master of Laws degree (trained on the bench).

Ilkka Lähteenmäki (born 1963) has been a member of the Bank's Board of Directors since 2020. Mr. Lähteenmäki holds a Doctor of Science (Economics) degree.

Arvi Helenius (born 1981) has been a member of the Bank's Board of Directors since 2018. Mr. Helenius has practised as the Chief Legal Officer of POP Bank Alliance since 2017. Mr. Helenius has been the Chief Legal Officer of Finnish P&C Insurance Ltd in 2014–2017 and prior to that practised as Leading Legal Counsel of Finnish P&C Insurance Ltd and POP Holding Ltd 2011–2013. Mr. Helenius holds a Master of Laws degree.

The business address of each of the members of the Board of Directors and the Bank is Hevosenkenkä 3, 02600 Espoo, Finland.

CEO of the Bank

The Board of Directors appoints the CEO of the Bank. The duty of the CEO is to administer the Bank's day-to-day administration in accordance with the rules and regulations set by the Board of Directors.

The Bank's CEO is Pia Ali-Tolppa and Deputy CEO is Timo Hulkko.

The business address of the CEO and Deputy CEO is Hevosenkenkä 3, 02600 Espoo, Finland.

Conflicts of Interests

Except for the joint liability under the Amalgamation Act, there are no conflicts of interest between the duties of the members of the Bank's Board of Directors, the CEO and the Deputy CEO to the Bank and their other duties and private interests.

Ownership

As at the date of this Base Prospectus, the POP Bank Alliance held 100.0 per cent of the Bank's shares and 100.0 per cent of the votes. As at the date of this Base Prospectus, entities belonging to the Group own 100.0 per cent of the shares and hold 100.0 per cent of the votes of the POP Bank Alliance.

Auditors

The consolidated financial statements of the Issuer for the financial years ended 31 December 2019 and 31 December 2018 incorporated in this Base Prospectus by reference have been audited by Tiia Kataja, Authorised Public Accountant, KPMG Oy Ab. The business address of the auditor and the KPMG Oy Ab is Töölönlahdenkatu 3 A, 00100 Helsinki.

Material Contracts

There are no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in Bonum being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Noteholders.

Legal Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware), during the previous 12 months which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

No significant changes

The most recent audited annual report of the Bank concerns the financial year that ended on 31 December 2019. Since that date the financial position of the Bank has not changed significantly and there has not been any significant negative change regarding the future developments, other than as explained below under "*Recent Events*".

Recent Events

In January 2019, the Bank and the Nordic Investment Bank (NIB) established a EUR 35 million loan programme for financing SMEs and environmental projects. The period of the loan programme is seven years.

The Bank's certificate of deposit programme was renewed in January 2019 and the size of the programme was increased to EUR 250 million.

In January 2019, the Bank issued a EUR 20 million, two-year directed bond.

In April 2019, the Bank issued a three-year unsecured senior bond of EUR 75 million under the Bank's EUR 750 million programme for the issuance of Notes.

The POP Bank Group is currently renewing its core banking system, which will enable the more efficient development of digital services in the future. The investment is one of the largest in POP Bank Group's history. The project was launched in the spring of 2019 and is expected to continue until 2022. The project also requires a significant input from the Bank's employees.

The worldwide crisis caused by the Coronavirus has weakened the global economic outlooks. Uncertainty in the operational environment of the Bank has increased, especially with regards to the predictability of funding available in the capital markets and the future development of impairment of unsecured consumer loans. It is still too early to reliably estimate the overall effects.

The Board of Directors of the Bank is not aware of any other factors which would materially influence the financial position of the Bank after the latest financial year ended on 31 December 2019.

The interests of the Arrangers, Lead Manager(s) and possible other subscription places

Customary business interests in the financial market.

Credit Rating of the Issuer and the Notes

The Bank has been rated with long-term counterparty credit rating BBB and short-term counterparty credit rating A-2 with stable outlook by S&P. S&P is established in the EEA and registered under the CRA Regulation. The Bank has been rated as an independent company, but the ratings reflect the wider Group's franchise and creditworthiness of the Group.

Series of Notes to be issued under the Programme may be rated or unrated. Where a Series of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Such rating will not necessarily be the same as the rating(s) assigned to the Issuer or to Notes already issued (if applicable). Whether or not a credit rating applied for in relation to a relevant Series of Notes will be issued by a credit rating agency established in the EEA and registered under the CRA Regulation will be disclosed in the Final Terms.

Accounting policies

The Issuer's audited financial statements for 1 January – 31 December 2019 and 1 January – 31 December 2018 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") approved in the EU and the related interpretations (IFRIC). 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 Issuer has applied the standard IFRS 9 Financial Instruments ("**IFRS 9**") from 1 January 2018. The accounting policies of the Issuer have been presented in note 1 of the Issuer's Board of Director's and Financial Statements Report for 1 January – 31 December 2019 incorporated herein by reference.

INFORMATION ON THE GROUP AND THE AMALGAMATION

General

The Group is a Finnish financial group that offers retail banking services to private customers, small companies and agricultural and forestry companies, as well as non-life insurance services to private customers. In addition to healthy and profitable business, the objectives of the cooperative-based Group emphasize the development of the customer experience. In addition to retail banking services, the Group offers non-life insurance services to private customers.

The POP Bank Alliance was authorised by the FIN-FSA to function as the central institution of the Amalgamation on 14 December 2015. The Amalgamation began its operations on 31 December 2015. In accordance with the Amalgamation Act, the central institution (i.e. the POP Bank Alliance) shall prepare the financial statements as a combination of the financial statements of the central institution and its Member Credit Institutions or the Group financial statements in accordance with the International Financial Reporting Standards (IFRS).

The operational segments of the Group are banking and insurance. At the end of 2019, the Group had 735 employees (2018: 726), of whom 538 (2018: 538) in banking, 114 (2018: 128) in non-life insurance and 83 (2018: 60) in other functions. Due to the new strategy of the Group, the central institution's control will increase as the Group will combine control practices and clarify guidelines within the Amalgamation. The purpose is to ensure proactively that the POP Banks' quality and business development is in line with the Group's target.

The POP Banks are co-operative banks established in the early 1900s, which were organised into a bank group comprised of the member banks of POP Bank Alliance and the POP Bank's Guarantee Fund in 1997–1998. The POP Bank Alliance's extraordinary cooperative meeting decided on 19 December 2014 to make an amendment to the rules of the POP Bank Alliance to establish the Amalgamation. The 26 POP Banks decided on the corresponding amendments to the banks' rules in spring 2015 and decided to join the Amalgamation. The Issuer also became a Member Credit Institution after it joined the POP Bank Alliance as its member in December 2015.

The structure of the Group and the Amalgamation

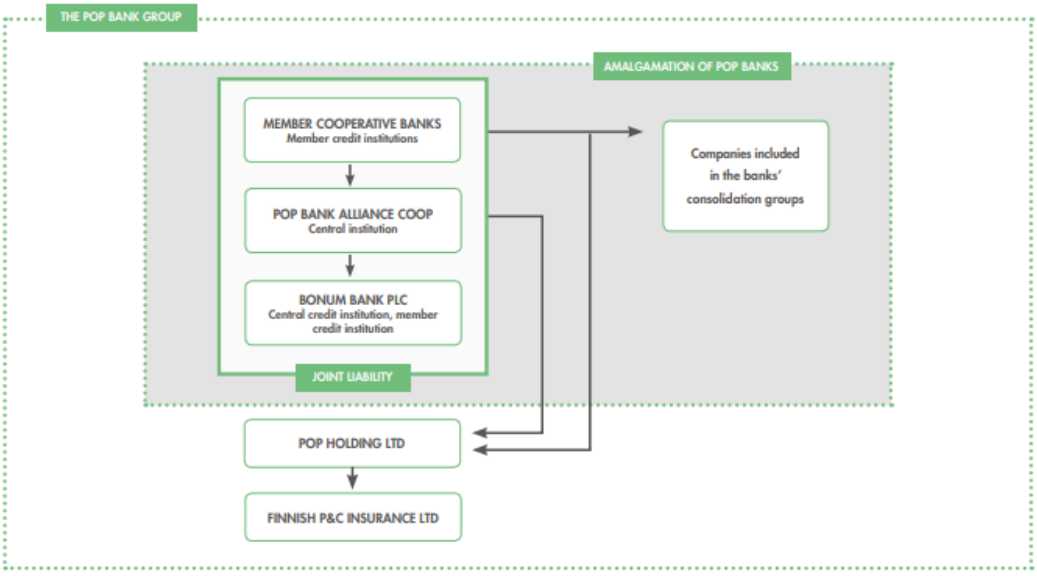
The Amalgamation comprises the POP Bank Alliance, which acts as the central institution of the Amalgamation, the 26 POP Banks (as at the date of this Base Prospectus), and the Issuer, as well as the companies within the consolidation groups of the above-mentioned entities. The POP Bank Alliance, the POP Banks and the Issuer share joint liability under the Amalgamation Act.

In the Group, Amalgamation-level executive decision-making and steering influence the decision-making in the individual companies of the Amalgamation. Additionally, Amalgamation-level executive decisions form the basis of the individual company's board decisions as necessary. As well as executive steering, individual companies must take into account legal and administrative requirements.

The operations of the Amalgamation are regulated by the European Union's regulations, national legislation and regulations issued by the authorities. The Credit Institutions Act, the Amalgamation Act, the Act on Cooperatives, the Act on Cooperative Banks and Other Credit Institutions in the Form of a Cooperative (*Laki osuuspankeista ja muista osuuskuntamuotoisista luottolaitoksista*, 423/2013, as amended) (the "**Cooperative Bank Act**"), the Limited Liability Companies Act (*Osakeyhtiölaki,* 624/2006, as amended) and the Act on Insurance Companies (*Vakuutusyhtiölaki,* 521/2008, as amended) establish the main legal framework for cooperative banking applicable to the Group. In addition, the Amalgamation complies with good banking practice and policies concerning the processing of personal data in its operations. The Group does not constitute a company in the sense defined in the Accounting Act (*Kirjanpitolaki* 1336/1997, as amended) or a consolidation group as defined in the Credit Institutions Act. The POP Bank Alliance or its Member Credit Institutions do not exercise control pursuant to IFRS accounting standards on each other, and therefore no parent company can be determined for the Group.

The Group (entities shown in the green dash line below) is comprised of the Amalgamation and other institutions belonging to the Group. The Group differs from the Amalgamation in that the Group also includes other institutions apart from credit and finance institutions and service companies. The most notable of these are POP Holding Ltd and Finnish P&C Insurance Ltd. POP Bank's Guarantee Fund was dissolved in June 2016.

The POP Bank Group, amalgamation of POP Banks and joint liability



The POP Banks

The POP Banks are independent, local deposit banks that are engaged in retail banking. The POP Banks offer banking services to private customers, small companies and agriculture and forestry companies. The POP Banks are cooperatives (cooperative banks) in terms of company form. The cooperative meeting of the members of the bank or an elected representatives' meeting is the supreme decision-making body of the POP Banks. The cooperative meeting or representatives' meeting elects a Supervisory Board for the bank, which elects the Board of Directors. The Managing Director is appointed by the Supervisory Board or the Board of Directors, depending on the rules of the bank in question.

At the end of 2019, the Group had 252,000 (2018: 251,000) banking customers and 143,000 (2018: 124,600) insurance customers. Of the banking segment's customers, 85.4 per cent (2018: 85.0 per cent) were private customers, 8.4 per cent (2018: 8.3 per cent) corporate customers and 2.9 per cent (2018: 3.4 per cent) agriculture and forestry customers.

At the end of 2019, the Group's banking segments assets totalled EUR 4,558.9 million (2018: EUR 4,444.2 million), deposits totalled EUR 3,751.7 million (2018: EUR 3,672.3 million) and the loan portfolio totalled EUR 3,637.6 million (2018: EUR 3,475.8 million).

At the end of 2019, the banking segment's earnings before taxes grew EUR 11.5 million, to EUR 23.8 million (2018: EUR 12.3 million). The cost-to-income ratio was 73.1 per cent (2018: 84.0 per cent). The increase in investment income had a significant impact on the improved result.

At the end of 2019, the net operating income totalled EUR 117.4 million (2018: EUR 101.5 million), an increase of 15.7 per cent. Net interest income strengthened, totalling EUR 68.9 million (2018: EUR 65.1 million). The amount of net income and expenses were EUR 30.5 million (2018: EUR 30.4 million) remaining on level with the previous year. Net investment income grew by EUR 11.1 million, to EUR 13.2 million (2018: EUR 2.1 million). Other operating income totalled EUR 4.8 million (2018: EUR 3.9 million).

During 2019, operating expenses amounted to EUR 87.1 million (2018: EUR 86.0 million). Personnel expenses amounted to EUR 31.3 million (2018: EUR 30.6 million). Other operating expenses were EUR 51.1 million (2018: EUR 50.9 million). Depreciation and impairment on tangible and intangible assets amounted to EUR 4.8 million (2018: EUR 4.5 million).

During 2019, EUR 6.5 million (2018: EUR 3.2 million) of the impairment of financial assets was recognised as expenses. The impairment losses include the deductions of the expected credit losses of EUR 3.5 million (2018: EUR -1.6 million) and the incurred credit losses of EUR 3.0 million (2018: EUR 4.7 million).

The total assets of the Group as of 31 December 2019 were the following:

Bonum Bank Plc	588,631
POP Bank Alliance	38,201
Total Assets of the Amalgamation*	4,528,086
Total Assets of the Group	**4,535,557**

*Total Assets of the Amalgamation is prepared under IFRS and they consist of the assets of the Member banks, POP Bank Alliance, Bonum Bank Plc and the companies under their control according to the Amalgamation Act. The figure is not based on audited financial statements.

The POP Banks share joint and several liability for each others' debts and those of the Issuer (subject to the limitations of the Amalgamation Act, see section "*The Amalgamation Act*").

Other entities belonging to the Amalgamation

Other entities than the POP Bank Alliance and the Member Credit Institutions belonging to the Amalgamation include the companies included in the consolidation groups of the Member Credit Institutions. Those entities are primarily real estate companies. In addition, the Amalgamation includes those credit institutions, financial institutions and service companies in which entities included in the Amalgamation jointly hold over 50% of the votes.

Group entities not belonging to the Amalgamation

Group entities not included in the Amalgamation are entities other than credit and financial institutions or service companies. The most significant of them are POP Holding Ltd and Finnish P&C Insurance Ltd.

POP Holding Ltd is the Group's holding company. As at 31 December 2019, the companies belonging to the Group owned 100.0 per cent of the shares in POP Holding Ltd. POP Holding Ltd's subsidiary Finnish P&C Insurance Ltd has been consolidated in the POP Holding group. The POP Holding group consists of POP Holding Ltd and Finnish P&C Insurance Ltd.

Finnish P&C Insurance Ltd began its customer business operations in late 2012. The Group's Non-Life Insurance segment includes Finnish P&C Insurance Ltd. The company offers the most common insurance policies to private customers: vehicle, home, boat, travel and accident insurance policies. The company focuses on private customers. At the end of 2019, the company had 143,000 customers. Insurance policies are sold under the auxiliary business name POP Insurance. Finnish P&C Insurance Ltd is a wholly owned subsidiary of POP Holding Ltd.

The POP Bank Alliance

The POP Bank Alliance (POP Pankkiliitto osk) was established in 1996 (at that time: POP Pankkiliitto ry and later: Paikallisosuuspankkiliitto osk) and is organised under the laws of the Republic of Finland. The POP Bank Alliance's financial year is one calendar year. The POP Bank Alliance is domiciled in Helsinki, Finland, and registered in the Finnish Trade Register under the business identity code 1090961-3. Its registered address is Hevosenkenkä 3, 02600 Espoo, Finland. The members of the Group own 100.0 per cent of the shares and hold 100.0 per cent of the votes in the POP Bank Alliance.

The POP Bank Alliance is the central institution for the Amalgamation. The POP Bank Alliance's bylaws supplement the Amalgamation Act. Decisions on amendments to the POP Bank Alliance's bylaws shall be made by the cooperative meeting in accordance with the Cooperatives Act and the POP Bank Alliance's bylaws. The POP Bank Alliance's bylaws retain, among other things, information on the POP Bank Alliance's purpose, the control and supervision of the Amalgamation, withdrawal and expulsion of members, information on the cooperative meetings, information on the duties and the election of the POP Bank Alliance's management, representation of the POP Bank Alliance, information on the shares and cooperative contribution, fees for the services provided to the POP Bank Alliance's members, information on the POP Bank Alliance's responsibility for debts of the Member Credit Institutions and information on the joint liability under the Amalgamation Act.

Pursuant to the Amalgamation Act, the POP Bank Alliance is responsible among other things for issuing guidelines on risk management, good corporate governance, internal control and guidelines for the application of uniform accounting principles in preparing the consolidated financial statements of the Group. For further information on the POP Bank Alliance's role and its responsibility under the Amalgamation Act, see "*The Amalgamation Act*".

According to Article 2 of its bylaws, the POP Bank Alliance's objective is to promote and support the progress and co-operation of the entities belonging to the Group. To accomplish the objective, the POP Bank Alliance e.g. steers the Group's centralized services and is responsible for the Group's strategic steering. The POP Bank Alliance may hold shares and participations in the companies belonging to the Amalgamation and to engage in other investment activities that may be justified from the perspective of the Amalgamation. The POP Bank Alliance may not engage in any other material business. The POP Bank Alliance may arrange the services it is to provide through subsidiaries or other companies.

In accordance with the Amalgamation Act, a credit institution may be accepted as the POP Bank Alliance's member, provided that the credit institution's bylaws or articles of association under section 6 of the Amalgamation Act have been adopted. The decision on the adoption of the bylaws or the articles of association shall be valid only if the related proposal is supported by at least a two-thirds vote given by those at a cooperative meeting or meeting of trustees of the credit institutions or if it is supported by at least a two-thirds vote given by those at a general meeting of shareholders of the credit institutions and two-thirds of shares represented at the meeting.

At 31 December 2019, the POP Bank Alliance employed a staff of 54.

Management of the POP Bank Alliance

In the POP Bank Alliance, the central institution of the Amalgamation, the highest decision-making authority rests with the annual cooperative meeting. The cooperative meeting confirms the rules and adopts the financial statements and balance sheet of the POP Bank Alliance, decides on the Group's strategy and elects the members of the Supervisory Board and the auditor of the POP Bank Alliance. One member shall be elected to the Supervisory Board from each Member Credit Institution; however, not from a subsidiary of the central institution acting as a Member Credit Institution.

Supervisory Board of the POP Bank Alliance

The Supervisory Board consists of no less than three (3) and no more than thirty-four (34) members. The Supervisory Board is responsible for supervising the management of the POP Bank Alliance, as carried out by the Board of Directors and the CEO, as well as supervising the diligent management of the POP Bank Alliance's activities in accordance with the Cooperatives Act and the interests of the POP Bank Alliance and the Group.

The Supervisory Board issues a statement on the Amalgamation's strategy and financial statements prepared by the Board of Directors of the POP Bank Alliance to the cooperative meeting. The supervisory board also annually confirms the principles of capital adequacy management of the Amalgamation. The Supervisory Board ratifies the general operating principles of the Group and the principles of bank-specific management.

The Supervisory Board elects and discharges the members of the Board of Directors, the Managing Director and head of audit and elects Managing Director's deputy. The Supervisory Board decides on the fees of the Board of Directors and the emolument of the head of audit. The Supervisory Board has established two permanent committees, the Executive and Nomination Committee and the Audit Committee.

As at the date of this Base Prospectus, the members of the Supervisory Board were:

Name and education	***Company and address***	***Role***
Hannu Saarimäki Chairman Agriculture technician	Metsämäen maatila ja Saarimäki Consulting Oy Nevalantie 103 FI-42700 Keuruu	Entrepreneur
Harri Takala Vice Chairman	Ylistarontie 139 FI-62375 Ylihärmä	Agricultural entrepreneur
Johan Björkenheim	Orisbergintie 382 FI-61560 Orisberg	Agricultural entrepreneur
Heikki Honkaniemi Forestry technician	Metsä Group / Metsäliitto Osuuskunta Seinäjoen palvelutoimisto Itikanmäenkatu 3 FI-60100 Seinäjoki	Forestry expert

Pentti Huostila	Simolan tila Oitentie 142 FI-16900 Lammi	Agricultural entrepreneur
Timo Jäntti Master of Arts	Reisjärven Osuuspankki Kirkkotie 8 A FI-85900 Reisjärvi	CEO
Marjut Järvinen Vocational Qualification in Business and Administration	Jämijärven Osuuspankki Jämijärventie 22 B FI-38800 Jämijärvi	CEO
Lasse Kalliomäki Bachelor of Agriculture	Suurpohjan koulutuskuntayhtymä Oppitie 4 FI-61800 Kauhajoki	Head of Department
Timo Kivikoski Bachelor of Agriculture	Kyrön Seudun Osuuspankki Kyröntie 31 FI-21800 Kyrö	CEO
Aaro Koljonen Bachelor of Agriculture	Koljosentie 21 FI-64760 Peltola	Agricultural entrepreneur
Petri Kotilainen Carpenter	Tilausmatka Kotilainen Saarijärventie 642 FI-43300 Kannonkoski	Entrepreneur
Pekka Liimatainen	Pyhälahdentie 981 44370 Konnevesi	Agricultural entrepreneur
Juhani Laurikainen Master of Laws, trained on the bench	Asianajotoimisto Kivikoski & Haavisto Oy Yliopistonkatu 29 C B FI-20100 Turku	Attorney
Pekka Niinistö Engineer	APX-Metalli Oy Autoilijankatu 30 FI-20780 Kaarina	CEO
Kari Ollikkala Acriculture technician	Ollikkalantie 10 61300 Kurikka	Agricultural entrepreneur
Urpo Ojala Secondary School Graduate and Vocational Qualification in Business and Administration	Kyyjärven Osuuspankki Tuliharjuntie 4 PL 5 FI-43700 Kyyjärvi	CEO
Eija Rajaniemi Secondary School Graduate and Vocational Qualification in Business and Administration	Nivalan Järvikylän Osuuspankki Kalliontie 27 FI-85500 Nivala	CEO
Juha Rampa Horticulturalist	Satakunnan Taimitukku Kivijärventie 386 FI-38600 Lavia	Entrepreneur
Tuija Riikonen Master of Science in Economics	Hannulan Osuuspankki Keskustie 30 FI-41520 Hankasalmi	CEO

Veijo Sandholm Automotive technician	Vahtelo oy Myllyojantie 102 FI-85470 Kiiskilampi	Forest Entrepreneur and Real Estate Investor
Marja Savioja Bachelor of Agriculture	Isojoen Osuuspankki Honkajoentie 4 FI 64900 Isojoki	CEO
Jorma Suvanto	Hiipakantie 41 FI-62165 Tiistenjoki	Agricultural Entrepreneur
Pekka Takkinen Master of Science in Technology	Siilinjärven kunta Kasurilantie 1 FI-71800 Siilinjärvi	Finance Director
Raili Turpeinen Vocational Qualification in Business and Administration	Lanneveden Osuuspankki Kauppakatu 10 FI-43100 Saarijärvi	CEO
Jussi Vaahtoniemi Police officer's degree	Pohjanmaan poliisilaitos Juhonkatu 4 FI-60100 Seinäjoki	Police Sergeant
Pirjo Vuokko Doctor of Economic Sciences	Kivitie 1 FI-21500 Piikkiö	Docent

Board of Directors of the POP Bank Alliance

The Board of Directors is responsible for the appropriate and reliable organisation of the governance and operations of the POP Bank Alliance.

At the date of this Base Prospectus, the Chairman and members of the Board of Directors were:

Juha Niemelä (born 1964) has been a member of the POP Bank Alliance's Board of Directors since 2016 and the Chairman of the POP Bank Alliance's Board of Directors since 2018. Mr. Niemelä has been a member of the POP Bank Alliance's Management Board in 2012–2015. Mr. Niemelä has been a member of the POP Bank's Guarantee Fund's Board of Directors in 2006–2012. Mr. Niemelä has been the CEO of Liedon Osuuspankki since 1998. Mr. Niemelä holds a diploma in business administration.

Soile Pusa (born 1971) has been a member of the POP Bank Alliance's Board of Directors since 2010 and the Vice Chairman of the POP Bank Alliance's Board of Directors since 2018. Ms. Pusa was the Chairman of the POP Bank Alliance's Board of Directors in 2015. Ms. Pusa has been a member of the POP Bank's Guarantee Fund's Board of Directors in 2010–2016 and a member of the POP Holding Ltd's Board of Directors in 2011–2014. Ms. Pusa has been the CEO of Lappajärven Osuuspankki in 2007–2014 and CEO of Siilinjärven Osuuspankki since 2014. Ms. Pusa holds Master of Laws degree (trained on the bench).

Ari Heikkilä (born 1955) has been a member of the POP Bank Alliance's Board of Directors since 2011. Mr. Heikkilä has been the CEO of Konneveden Osuuspankki since 1998. Mr. Heikkilä holds a diploma in natural resources (agrologist).

Petri Jaakkola (born 1963) has been a member of the POP Bank Alliance's Board of Directors since 2014 and the Chairman of the POP Bank Alliance's Board of Directors in 2016. Mr. Jaakkola has been a member of Lapuan Osuuspankki's Board of Directors in 2001–2014. Mr. Jaakkola has been CEO of Lapuan Osuuspankki since 2001, Lawyer and Director in Sampo Bank in 1990–2001. Mr. Jaakkola holds a Master of Laws degree (trained on the bench).

Timo Kalliomäki (born 1976) has been a member of the POP Bank Alliance's Board of Directors and the CEO of Suupohjan Osuuspankki since 2019. Mr. Kalliomäki has been a Director in Nordea in 2002–2019. Mr. Kalliomäki holds a Bachelor of Agriculture degree.

Ilkka Lähteenmäki (born 1963) has been a member of the POP Bank Alliance's Board of Directors since 2019. Mr. Lähteenmäki has been an Adjunct Professor in Aalto University since 2017. Mr. Lähteenmäki has been a Director in

Danske Bank in 2012–2016 and a researcher at Tampere University in 2011–2012. Mr. Lähteenmäki holds a Doctor of Science (Economics) degree.

Marja Pajulahti (born 1966) has been a member of the POP Bank Alliance's Board of Directors since 2016. Ms. Pajulahti is currently the CEO of Invalidisäätiö. Ms. Pajulahti has been the CEO of SOS-Children's Villages Foundation in 2016–2019, the Deputy Managing Director in S Bank in 2014–2015 and the CEO in Local Tapiola Bank in 2011–2014. Ms. Pajulahti holds a Master of Laws degree.

The business address of each of the members of the Board of Directors and the Bank is Hevosenkenkä 3, 02600 Espoo, Finland.

CEO and Deputy CEO of the POP Bank Alliance

The central institution has a CEO who is responsible for the day-to-day management and administration of the central institution in accordance with the instructions and orders issued by the Board of Directors. The CEO prepares the matters presented to the Board of Directors and assists the Board of Directors in the preparation of matters presented to the Supervisory Board and the cooperative meeting. The CEO of the POP Bank Alliance is Pekka Lemettinen and his deputy is Chief Commercial Officer Jaakko Pulli.

Pekka Lemettinen (born 1972) has been the CEO of the POP Bank Alliance since 2017. Mr. Lemettinen has been a member of Bonum's Board of Directors since 2017 and the Chairman of Bonum's Board of Directors since 2018, the Chairman of the Board of Finnish P&C Insurance Ltd since 2017. Mr. Lemettinen has been the CEO of Finnish P&C Insurance Ltd in 2014–2017 and the COO of Finnish P&C Insurance Ltd in 2011–2014. Mr. Lemettinen holds a BBA degree.

Jaakko Pulli (born 1978) has been the deputy CEO of the POP Bank Alliance since 2017. Mr. Pulli was the Chief Risk Officer of POP Bank Group in 2015–2017 and the Head of Risk Management Services in PP-Laskenta Oy in 2009–2015. Mr. Pulli holds a Master of Science in Economics.

The business address of the CEO and Deputy CEO is Hevosenkenkä 3, 02600 Espoo, Finland.

Conflicts of Interest

Except for the joint liability under the Amalgamation Act, there are no conflicts of interest between the duties of the members of the POP Bank Alliance's administrative and management bodies to the POP Bank Alliance and their other duties and private interests.

Ownership

The POP Banks own 100.0 per cent of the shares and hold 100.0 per cent of the votes in the POP Bank Alliance. The ownership is split in proportion to the balance sheets of the owners and is revised annually. According to the bylaws of the POP Bank Alliance, each owner is subject to a voting restriction that limits the voting rights to 12.0 per cent of the votes present in each cooperative meeting of the POP Bank Alliance.

Auditors

The consolidated financial statements of the Group for the financial years ended 31 December 2019 and 31 December 2018 incorporated in this Base Prospectus by reference have been audited by Tiia Kataja, Authorised Public Accountant, KPMG Oy Ab. The business address of the auditor and the KPMG Oy Ab is Töölönlahdenkatu 3 A, 00100 Helsinki.

Material Contracts

There are no material contracts that are not entered into in the ordinary course of the Group's, the POP Bank Alliance's or the Amalgamation's business, which could result in the Group, the POP Bank Alliance or the Amalgamation being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Noteholders.

Legal Proceedings

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the POP Bank Alliance is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the POP Bank Alliance, the Amalgamation or the Group.

No significant changes

The most recent audited annual report of the Group concerns the financial year ended on 31 December 2019. Since that date the financial position of the Group has not changed significantly and there has not been any significant negative change regarding the future developments, other than as explained below under "*Recent Events*".

Recent Events

The POP Bank Group is focusing strongly on renewing its core banking system in cooperation with the Savings Bank Group and Oma Savings Bank Plc. The system reform project of the three banking groups was launched in spring 2019 and is expected to continue until 2022. The project aims to upgrade the banks' current banking systems, which will enable digital services to be developed more efficiently in the future.

The system will be delivered by Cognizant, a US company with extensive experience in the implementation of banking systems in various countries. As part of the core banking system overhaul, the POP Bank Group sold its shares in the IT service provider Samlink to Cognizant. The sale did not impact the POP Bank Group's result for 2019, since the shares were classified as assets recognised at fair value through other comprehensive income.

The worldwide crisis caused by the Coronavirus has weakened the global economic outlooks. Uncertainty has also increased in the operational environment of the POP Bank Group. Market volatility is high and estimated to lower the net investment income. Effects of the pandemic may also decrease the interest and commission income and increase the impairment of loans. As the situation continues to evolve, it is difficult to reliably estimate the overall effects of the coronavirus pandemic to the result of the POP Bank Group.

The Board of Directors of the POP Bank Alliance is not aware of any other factors which would materially influence the financial position of the Group after the latest financial year that ended on 31 December 2019.

Capital Adequacy

The Issuer and other Member Credit Institutions are subject to what is provided in Chapter 10 of the Credit Institutions Act and Parts 2-4 of the CRR concerning the requirements to be set for credit institutions' own funds.

Pursuant to the CRR, credit institutions must have a common equity Tier 1 capital ratio of at least 4.5 per cent, a Tier 1 capital ratio of 6 per cent and a total capital ratio of 8 per cent (each ratio expressed as a percentage of the total risk exposure amount). Furthermore, pursuant to the Credit Institutions Act, an additional capital conservation buffer of 2.5 per cent has been applicable from 1 January 2015 to all credit institutions. The FIN-FSA is also authorised to set a countercyclical buffer of zero to 2.5 per cent based on macroprudential analysis. As from 1 January 2018, the FIN-FSA has been authorised to set a systemic risk buffer of 1 to 5 per cent. The systemic risk buffer requirement may be set to cover long-term non-cyclical risks to the financial system. The FIN-FSA has not imposed the countercyclical buffer as at the date of this Base Prospectus. On 29 June 2018, the FIN-FSA decided to impose the systemic risk buffer for three credit institutions at a higher level and for other credit institutions, including the Amalgamation, at 1 per cent as of 1 July 2019. The additional capital conservation buffer and the countercyclical buffer must be satisfied with common equity Tier 1 capital. In January 2019, the FIN-FSA decided to impose an additional capital buffer requirement of 1.25 per cent on the Amalgamation. The additional capital buffer requirement came into force on 30 September 2019.

However, due to the outbreak of the Coronavirus pandemic, the FIN-FSA made a decision on 6 April 2020 to remove the systemic risk buffer from certain credit institutions, including the Amalgamation, in order to support credit institutions' ability to provide credit and ease the funding conditions for households and businesses during the pandemic.

Finally, there is an additional capital buffer requirement for "other systemically important institutions" (O-SIIs) whose failure or other malfunction would be expected to jeopardise the stability of the national financial system. The O-SII buffer for credit institutions operating in Finland may be set at zero to 2 per cent of the total risk exposure amount and must also be satisfied with common equity Tier 1 capital. As at the date of this Base Prospectus, neither the Issuer, the Group or any POP Banks are designated as O-SIIs.

Management and reporting of liquidity risk is based on separate Principles of Liquidity Risk Management. Said principles also take into account existing and future mandatory requirements relating to Liquidity Coverage Ratio ("**LCR**") and Net Stable Funding Ratio ("**NSFR**"). Both principles have been introduced by the Basel Committee on Banking Supervision. The LCR was implemented in 2015, pursuant to which the liquidity buffer comprised of high-quality liquid assets must amount at least 100 per cent as of 1 January 2018 of the stress-tested amount of monthly net cash outflows. In line with Basel III, the EU's Capital Requirements Regulation (EU) 575/2013 ("**CRR**") imposes a liquidity coverage requirement on credit institutions to improve the resilience of credit institutions to liquidity risks over a short-term period (i.e. thirty

days). The general liquidity coverage requirement applicable to EU credit institutions is set out in Article 412 of the CRR. Furthermore, on 10 October 2014, the European Commission published a Commission Delegated Regulation (EU) 2015/61 ("**Delegated Regulation**") to supplement CRR with regard to the liquidity coverage requirement for credit institutions. Finnish credit institutions must comply with the liquidity requirement set forth in the CRR and as further specified by the Delegated Regulation.

The NSFR aims to ensure that a firm has an acceptable amount of stable funding to support its assets and activities over a one-year horizon. Although the Basel Committee had scheduled the NSFR to become a minimum standard internationally by 1 January 2018, in the EU the ratio is still subject to national implementation. On 23 November 2016, the European Commission published its proposed amendment to the CRR (COM(2016) 850 final) in relation to certain amendments of the NSFR and other definitions of the CRR, but the final effects of the proposal are unclear as at the date of this Base Prospectus.

Accounting policies

The audited consolidated financial statements of the Group for 1 January – 31 December 2019 and 1 January – 31 December 2018 have been prepared in accordance with IFRS approved in the EU and the related interpretations (IFRIC). The applicable Finnish accounting and corporate legislation and regulatory requirements have also been taken into account when preparing the notes to the financial statements.

Information pursuant to the CRR about the capital adequacy of the Amalgamation in the Group's consolidated financial statements for 1 January – 31 December 2019 and 1 January – 31 December 2018 ("**Pillar III disclosures**") is presented based on the capital adequacy of the Amalgamation. Therefore, the Pillar III disclosures are not directly comparable with other figures pertaining to Group presented in the balance sheet of the consolidated financial statements.

THE AMALGAMATION ACT

*The following is a brief overview of certain features of the Act on the Amalgamation of Deposit Banks (599/2010, as amended) (*in Finnish: *laki talletuspankkien yhteenliittymästä), (the "**Amalgamation Act**") as of the date hereof. The overview does not purport to be, and is not, a complete description of all aspects of the Finnish legislative and regulatory framework for the Amalgamation.*

General

The Amalgamation Act lays down requirements set for the operations of the POP Bank Alliance acting as a central institution for the Amalgamation and the companies belonging to the Amalgamation.

The Amalgamation is formed by the Issuer, the POP Banks, the POP Bank Alliance and the companies included in their consolidation groups and those credit institutions, financial institutions and service companies in which entities included in the amalgamation jointly hold over 50 per cent of the votes. The POP Bank Alliance acts as the central institution of the Amalgamation.

Supervision

The FIN-FSA shall supervise the POP Bank Alliance as laid down in the Amalgamation Act and the Act on the Financial Supervision Authority. The POP Bank Alliance's Member Credit Institutions and other companies within the Amalgamation shall be supervised by the FIN-FSA as laid down in the Amalgamation Act and the Act on the Financial Supervision Authority, and by the POP Bank Alliance as laid down herein.

The POP Bank Alliance shall exercise oversight to ensure that the companies within the Amalgamation operate in accordance with the laws, decrees and regulations issued by the relevant authorities governing financial markets, and their own bylaws or articles of association and the instructions issued by the POP Bank Alliance by virtue of the Amalgamation Act. It is the POP Bank Alliance's duty to supervise the financial position of the companies within the Amalgamation.

The FIN-FSA oversees the POP Bank Alliance so that it controls and supervises the operations of its Member Credit Institutions in accordance with the provisions of the Amalgamation Act.

License of the POP Bank Alliance

The FIN-FSA issued a central institution's license to the POP Bank Alliance on 14 December 2015.

The FIN-FSA may cancel the central institution's license unless the POP Bank Alliance fulfils the capital requirements laid down in section 19 of the Amalgamation Act. Section 19 of the Amalgamation Act sets forth the requirements for the financial position of the Amalgamation and requires, *inter alia*, that the companies within the Amalgamation must together have own funds of the minimum amount provided for in Chapter 10, section 1 of the Credit Institutions Act, The amount shall be calculated in accordance with what is provided for the calculation of consolidated own funds in CRR. Additionally, pursuant to section 26 of the Act on the Financial Supervision Authority, the FIN-FSA may cancel the license for example if the essential statutory conditions under which authorisation was granted or business was taken up no longer exist, or if the operations of the POP Bank Alliance constitute a material breach of the provisions governing financial markets or the regulations issued thereunder by the authorities, the terms of authorisation or the rules applicable to the operations of the POP Bank Alliance.

The rights and obligations of the POP Bank Alliance, based on the provisions of Chapter 5 of the Amalgamation Act, which have been established prior to cancellation of the license, shall not expire owing to said cancellation.

Joint liability of the Amalgamation

In summary, the Amalgamation Act prescribes the following with respect to the joint liability of the Amalgamation:

a. POP Bank Alliance's liability for debt: The POP Bank Alliance must pay to each Member Credit Institution an amount that is necessary in order to prevent such Member Credit Institution's liquidation. The POP Bank Alliance is responsible for the payments of any debts of a Member Credit Institution that cannot be paid using such Member Credit Institution's own funds.

b. Joint liability of Member Credit Institutions: A Member Credit Institution must pay to the POP Bank Alliance a proportionate share of the amount which the POP Bank Alliance has paid either to another Member Credit Institution as part of the support action described above, or to a creditor of such Member Credit Institution as

payment of a due debt for which the creditor has not received payment from his debtor. Furthermore, upon the insolvency of the POP Bank Alliance a Member Credit Institution has an unlimited liability to pay the debts of the POP Bank Alliance as set out in Chapter 14 of the Act on Cooperatives.

c. Each Member Credit Institution's liability, for the amount which the POP Bank Alliance has paid on behalf of one Member Credit Institution to its creditors, is divided between the remaining Member Credit Institutions in proportion to their last confirmed balance sheet totals.

d. Member Credit Institution's obligation to participate in support actions: If the funds of any Member Credit Institution fall below the minimum threshold set out in the Credit Institutions Act or the Amalgamation Act, as the case may be, the POP Bank Alliance is entitled to receive credit from the other Member Credit Institutions by collecting additional repayable payments from them to be used to support actions to prevent liquidation of the Member Credit Institution whose funds have fallen below the minimum threshold. The annual aggregate amount of the payments collected from the Member Credit Institutions on this basis may in each accounting period be a maximum amount of 0.5 per cent of the last confirmed balance sheet total of each Member Credit Institution.

e. POP Bank Alliance's liability to pay a Member Credit Institution's overdue debt: A creditor who has not received payment from a Member Credit Institution on a due receivable (principal debt) may demand payment from the POP Bank Alliance, when the principal debt falls due. As a result, pursuant to the Amalgamation Act, the POP Bank Alliance is responsible for the payment of such debts. Having made such payment, the POP Bank Alliance has a right to collect proportionate shares of the payment from Member Credit Institutions as described above in paragraph (b).

The Amalgamation Act is based on the principle that the Amalgamation is structurally stable and permanent. Therefore, it is a prerequisite for leaving the membership that the solvency calculated for the Amalgamation will remain above the minimum level required by applicable regulation irrespective of such member leaving and after taking into consideration any related liabilities. A member that has left the cooperative will be subject to joint liability even after this, if a Member Credit Institution or central cooperative are placed into liquidation within five years from the end of the financial year following the departure. This period of time is designed to ensure that the Member Credit Institution cannot intentionally avoid its joint liability in accordance with law by leaving the central cooperative if another Member Credit Institution is threatened by liquidation.

Entities other than the Member Credit Institutions do not fall within the scope of the joint liability.

Responsibilities of the POP Bank Alliance

Under the Amalgamation Act, the POP Bank Alliance is responsible for issuing guidelines on risk management, good corporate governance, internal control and guidelines for the application of uniform accounting principles in preparing the consolidated financial statements of the Amalgamation to the Member Credit Institutions, with the aim of ensuring its liquidity and capital adequacy. The POP Bank Alliance also supervises the Member Credit Institutions' compliance with applicable rules and regulations in respect of their financial position, any regulations issued by the relevant supervising authorities, their statutes and articles of association. The obligation to issue guidelines and exercise supervision does not however give the POP Bank Alliance the power to direct the business operations of the Member Credit Institutions. Each Member Credit Institution carries on its business independently within the scope of its own resources.

Responsibilities of the Member Credit Institutions

According to section 18 of the Amalgamation Act, a company within the Amalgamation may not, in the course of its operations, take any risk of such magnitude that it poses a substantial danger to the consolidated capital adequacy or liquidity of the companies within the Amalgamation.

According to section 19 of the Amalgamation Act, companies within the Amalgamation must together have own funds of the minimum amount provided for in Chapter 10, section 1 of the Credit Institutions Act. The amount shall be calculated in accordance with what is provided for the calculation of consolidated own funds in the CRR.

On joint liability of the Member Credit Institutions, see "*The Amalgamation Act—Joint liability*".

Consolidated accounts of the POP Bank Alliance and the Member Credit Institutions

The provisions of the Credit Institutions Act apply to the preparation of the POP Bank Alliance's financial statements and consolidated financial statements and audit. A Member Credit Institution is not subject to provisions governing interim and annual reports prescribed by Chapter 12, section 12 of the Credit Institutions Act.

The POP Bank Alliance shall prepare its financial statements based on the accounts of its Member Credit Institutions consolidated into those of the POP Bank Alliance or on the consolidated financial statements, complying with the IFRS. The consolidated financial statements also include institutions over which the above-mentioned institutions jointly have control as prescribed in the Accounting Act. The Group's financial statements, prepared by the POP Bank Alliance, are prepared in accordance with the requirements set forth in the Amalgamation Act. In the event that IFRS cannot be applied owing to the special structure of the Amalgamation, the POP Bank Alliance's board of directors shall adopt comparable accounting standards suited to the structure of the Amalgamation.

The POP Bank Alliance's auditors shall audit the consolidated financial statements, by complying with the provisions of the Credit Institutions Act where applicable, which must be presented and notified to the annual cooperative meeting of the POP Bank Alliance.

The Member Credit Institutions shall keep a copy of the financial statements available for public inspection and provide copies thereof in compliance with the provisions under Chapter 12, section 11, subsections 2 and 4 of the Credit Institutions Act. The financial statements of the POP Bank Alliance and its Member Credit Institutions as well as their subsidiaries must be combined to form the consolidated interim and annual reports pursuant, as appropriate, to the provisions of subsection 2 of the Amalgamation Act and Chapter 12, section 12 of the Credit Institutions Act. The POP Bank Alliance's Member Credit Institutions must give a copy of the consolidated interim report to anyone who requests it.

A Member Credit Institution shall provide the POP Bank Alliance with the information necessary for the consolidation of accounts. In addition, the POP Bank Alliance and its auditor shall have the right to obtain a copy of the documents relating to the Member Credit Institution's audit for carrying out the audit of the consolidated financial statements, notwithstanding provisions elsewhere in the law governing confidentiality in respect of the credit institution and its auditor.

Withdrawal and/or expulsion of POP Banks

In accordance with the Amalgamation Act, a Member Credit Institution may leave the central cooperative by making amendments to the relevant provisions of its bylaws or articles of association and by notifying the board of directors of the central cooperative of this in writing, provided the combined amount of the owned assets of the companies remaining in the Amalgamation remains in compliance with section 19 of the Amalgamation Act after the departure of the Member Credit Institution. The decision is only valid if supported by a two thirds majority of the shareholders. Section 19 of the Amalgamation Act provides that the amount of own assets required for companies within the Amalgamation is set forth in the Credit Institutions Act and calculated in accordance with the CRR. The preservation of solvency must be demonstrated with a calculation verified by the central cooperative's auditors.

A Member Credit Institution may be expelled from the POP Bank Alliance if it has neglected its duties arising from the membership or in case it has, irrespective of a warning issued by the board of directors, failed to comply with the instructions issued by the POP Bank Alliance by virtue of the Amalgamation Act in a manner that significantly endangers the management of liquidity or capital adequacy or the application of the standardised accounting policies or supervision of compliance with said policies, or in case a Member Credit Institution, otherwise acts in material breach of the Amalgamation's general operating principles adopted by the POP Bank Alliance. The decision on the expulsion of a Member Credit Institution shall be decided by a general meeting of the POP Bank Alliance. The expulsion decision shall be valid only if supported by at least a two-thirds vote given by those at a cooperative meeting.

The provisions of the Amalgamation Act on the payment liability of a Member Credit Institution also apply to a credit institution which has left the membership of the central cooperative, if the payment claim is made to the credit institution less than five years from the end of the calendar year when the credit institution left the membership.

AVAILABLE DOCUMENTS

Bonum's articles of association (in Finnish) and audited financial statements as well as the auditor's reports regarding the last two financial years are available during the period of validity of the Base Prospectus at https://www.poppankki.fi/en/pop-pankki-ryhma/bonum-bank-plc/investor-relations and at the registered address of Bonum, Hevosenkenkä 3, 02600 Espoo.

The POP Bank Alliance's bylaws (in Finnish) and the Group's audited financial statements as well as the auditor's report regarding the last two financial years are available during the period of validity of the Base Prospectus at https://www.poppankki.fi/en/pop-pankki-ryhma/bonum-bank-plc/investor-relations and at the registered address of the POP Bank Alliance, Hevosenkenkä 3, 02600 Espoo.

Bonum's stock exchange releases are published on Bonum's website at https://www.poppankki.fi/en/pop-pankki-ryhma/bonum-bank-plc.

INFORMATION INCORPORATED BY REFERENCE

The following documents have been incorporated by reference to this Base Prospectus. They are available at Bonum's website at https://www.poppankki.fi/en/pop-pankki-ryhma/bonum-bank-plc/investor-relations and upon request from Bonum.

Document	Referred information
Bonum Bank Plc Base Prospectus dated 30 November 2018, pages 24–34	General Terms and Conditions of the Programme dated 30 November 2018
Bonum Bank Plc Board of Directors' Report and Financial Statements for the period 1 January – 31 December 2019	Financial Statements of the Issuer for the period 1 January – 31 December 2019, except for the section entitled "*Outlook for 2020*" on page 17.
Bonum Bank Plc Auditor's Report 2019	Auditor's Report for the year ended 31 December 2019
Bonum Bank Plc Board of Directors' Report and Financial Statements for the period 1 January – 31 December 2018	Financial Statements of the Issuer for the period 1 January – 31 December 2018, except for the section entitled "*Outlook for 2019*" on page 16.
Bonum Bank Plc Auditor's Report 2018	Auditor's Report for the year ended 31 December 2018
POP Bank Group Board of Directors' Report and Consolidated IFRS Financial Statements Report 1 January – 31 December 2019	Financial Statements of the Group for the period 1 January – 31 December 2019, except for the section entitled "*Outlook for 2020*" on page 21.
POP Bank Group Board of Directors' Report and Consolidated IFRS Financial Statements 2019, pages 120–125	Auditor's report for the year ended 31 December 2019
POP Bank Group Board of Directors' Report and Consolidated IFRS Financial Statements 2018	Financial statements of the Group for the period 1 January – 31 December 2018, except for the section entitled "*Outlook for 2019*" on page 21.
POP Bank Group Board of Directors' Report and Consolidated IFRS Financial Statements 2018, pages 120–123	Auditor's report for the year ended 31 December 2018

REGISTERED AND PRINCIPAL OFFICE OF THE BANK

Bonum Bank Plc
Hevosenkenkä 3
FI-02600 Espoo
Finland

AUDITORS TO THE BANK AND THE GROUP

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Helsinki
Finland

ARRANGERS

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Finland

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Finland

LEGAL ADVISER

To the Bank and to the Group

Castrén & Snellman Attorneys Ltd
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FI-00130 Helsinki
Finland