

Bonum Bank PLC

December 30, 2025

This report does not constitute a rating action.

Ratings Score Snapshot

SACP: bbb

Support: 0

Additional factors: 0

| | | |
|----------------------|-------------|----|
| Anchor | a- | |
| Business position | Constrained | -2 |
| Capital and earnings | Very Strong | 2 |
| Risk position | Moderate | -1 |
| Funding | Adequate | 0 |
| Liquidity | Adequate | |
| CRA adjustment | -1 | |

| | |
|-------------------|---|
| ALAC support | 0 |
| GRE support | 0 |
| Group support | 0 |
| Sovereign support | 0 |

| |
|---------------------------------------|
| Issuer credit rating |
| BBB/Positive/A-2 |
| Resolution counterparty rating |
| BBB+/-/A-2 |

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths

Very strong capital position underpinned by improved earnings and high earnings retention.

Deposit-funded regional franchise based on a cooperative business model.

Focus on low-risk collateralized lending to households and small and midsize enterprises (SMEs).

Key risks

Concentrated business operations and sensitivity to the domestic real estate market.

High development spending, burdening the cost base.

Somewhat weaker asset quality than that of peers.

The ratings on Bonum Bank reflect the franchise and creditworthiness of the wider POP Bank Group.

The group brings together 18 independent member cooperative banks, POP Bank Center Coop (central institution), Bonum Bank PLC (the central credit institution of the amalgamation), and POP Mortgage Bank, to operate as a single entity for regulatory purposes under a joint-liability scheme. S&P Global Ratings expects that POP Bank Group's regional member banks will

Primary Contact

Niklas Dahlstrom
Stockholm
46-84405358
niklas.dahlstrom
@spglobal.com

Secondary Contacts

Paula Dahlman
Stockholm
paula.dahlman
@spglobal.com

Salla von Steinaecker
Frankfurt
49-69-33999-164
salla.vonsteinaecker
@spglobal.com

maintain their sound regional franchises in household and SME lending and payments. We also foresee ongoing resilient business performance due to customer loyalty, increased operating efficiency, and a macro environment that is likely to support credit growth and credit risk. Member banks operate mainly in and around smaller cities and have a modest deposit market share of 2.2% in Finland.

After historical highs in 2023-2024, earnings should stabilize in 2026 and grow in 2027, in our view, further supporting already ample capitalization. We project net income to bottom out at €48 million-€50 million in 2025-2026, down from €73 million in 2024, and reach €60 million-€65 million in 2027. This translates into a healthy projected return on assets of 0.77%-0.93% over our forecast horizon. This is lower than the peaks of 2.0% and 1.2% in 2023 and 2024, but materially above the 2015-2022 average of 0.4%. In our base case we assume sound lending growth of 3%-6% per year over 2025-2027, compared to 1.3% as of first-half 2025, and reduced costs in second-half 2026 and in 2027 following the delivery of its core banking renewal project. Owing to full earnings retention, we forecast this will further strengthen the group's robust risk-adjusted capital (RAC) ratio to 21.5%-23.5% through 2027, from 21.2% as of Dec. 31, 2024.

We expect challenging operating conditions will weigh on near-term asset quality, but the anticipated economic recovery should provide support over 2026-2027. Similar to domestic midsize peers, we expect the persistently muted macroeconomic environment and high unemployment in Finland will lead to a weakening of the nonperforming assets (NPA) ratio to 3.4%-3.6% in 2025. Our base case sees a gradual improvement in economic activity over 2026-2027, which should support POP Bank Group's asset quality, with the NPA ratio reaching 2.8%-3.0% by end-2027. Similarly, we project that the group's loan loss provisioning needs will lower to 30 basis points (bps)-40 bps in 2026-2027, compared with 48 bps in 2024. Although this compares unfavorably to most domestic and Nordic peers, we maintain our view of POP Bank Group's high share of collateralized lending (close to 90%), adequate loan loss coverage, and generally smaller ticket sizes as mitigating factors.

POP Bank Group's granular retail-deposit franchise will ensure funding stability. We expect core retail deposits, accounting for 82% of total funding as of June 30, 2025, will remain the group's main source of funding. We foresee limited downside pressures on deposit volumes given member banks' sound regional franchises and reasonably low competition. The funding profile is further supported by POP Bank Group's adequate liquidity holdings, which, as of June 30, 2025, covered 17% of assets and 24% of customer deposits net of maturing short-term wholesale funding. We believe Bonum Bank could be eligible for additional loss-absorbing capacity (ALAC) uplift if the group were to build a sufficient buffer of subordinated debt over time. Because POP Bank Group, to date, has met its minimum requirement for own funds and eligible liabilities (MREL) with other liabilities, including senior preferred notes, we do not expect the group will build a sufficient ALAC buffer over the next two years.

Outlook

The positive outlook on Bonum Bank reflects our base-case expectation that in the next 12-24 months the wider POP Bank Group will maintain sound earnings generation capacity even as interest rates decline. This would provide improved resilience to absorb a marked uptick in credit or other unexpected costs and support its investment capacity and growth ambitions.

Downside scenario

We could revise the outlook to stable if the group's earnings improvement is not durably sustained as expected. A negative rating action could also follow if weaker-than-peers' asset quality metrics further deteriorated beyond our base case, weakening the combined capital and risk profile.

Upside scenario

We could upgrade Bonum Bank if POP Bank Group's improved revenue generation and cost efficiency proves sustainable over time, enabling it to maintain an earnings buffer more in line with that of its peers. In such a scenario, we would no longer apply a one-notch negative comparable ratings analysis adjustment. An upgrade would also need to be supported by improving and resilient asset quality.

Key Metrics

POP Bank Group Key Ratios And Forecasts

| --Fiscal year ended Dec. 31-- | | | | | |
|--|-------|-------|-------------|-------------|-----------|
| (%) | 2023a | 2024a | 2025f | 2026f | 2027f |
| Growth in operating revenue | 47.1 | 8.0 | (8.0)-(9.8) | (1.7)-(2.0) | 4.5-5.5 |
| Growth in customer loans | 2.8 | 4.0 | 2.3-2.8 | 4.5-5.5 | 5.4-6.6 |
| Growth in total assets | 5.1 | 3.0 | 1.6-2.0 | 3.4-4.2 | 4.2-5.1 |
| Net interest income/average earning assets (NIM) | 3.3 | 3.4 | 2.8-3.1 | 2.7-3.0 | 2.7-3.0 |
| Cost to income ratio | 52.7 | 53.9 | 61.1-64.3 | 62.3-65.5 | 56.4-59.3 |
| Return on average common equity | 18.7 | 10.0 | 6.0-6.6 | 5.4-6.0 | 6.7-7.4 |
| Return on assets | 2.0 | 1.2 | 0.7-0.9 | 0.7-0.8 | 0.8-1.0 |
| New loan loss provisions/average customer loans | 0.38 | 0.48 | 0.40-0.45 | 0.30-0.40 | 0.30-0.40 |
| Gross nonperforming assets/customer loans | 3.3 | 3.3 | 3.4-3.6 | 3.2-3.4 | 2.8-3.0 |
| Risk-adjusted capital ratio | 19.4 | 21.2 | 21.5-22.5 | 22.0-23.0 | 22.5-23.5 |

All figures are S&P Global Ratings-adjusted. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

Anchor: 'a'- For Banks Operating Purely In Finland

Under our bank criteria, we use our Banking Industry Country Risk Assessment (BICRA) economic and industry risk scores to determine the anchor, the starting point for our rating. The anchor for Bonum Bank PLC is 'a-', in line with that for commercial banks based in Finland. We classify Finland's banking sector in group '2' under our BICRA, alongside Sweden, Norway, Belgium, and Switzerland. The economic and industry risk trends for Finland's BICRA are stable.

We view Finland as an innovative, wealthy, small, and open economy that has mature political and institutional structures. Still, it remains vulnerable to external shocks--and the high-interest-rate environment combined with inflation has pushed the economy to stagnation. Despite the economic challenges and heightened unemployment, we consider the risks Finnish banks face will be manageable over the next two years. We expect credit losses will remain contained because of Finnish banks' prudent underwriting standards, their focus on collateralized lending, the private sector's sound financial buffers, and Finland's strong social security system.

Thanks to robust capitalization, banks' resilience is unlikely to wane. Despite the sector's reliance on external wholesale funding, we think good access to capital markets and the increasing share

of covered bond funding partly mitigate the risk. Also, we expect the deposit base will remain largely stable and the most important funding source for the wider sector. In our view, regulatory standards and bank supervision in Finland are in line with those of European peers. The banking sector is dominated by two major banking groups, OP Pohjola and Nordea Bank Abp, and underpinned by intense competition and low lending margins. Even if the policy rates have declined, we think overall sector profitability will remain strong, and banks' risk appetites restrained. In our view, the risk of technology disruption is moderate given banks' advanced digital customer offerings, high use of automation, and ongoing investment in innovation.

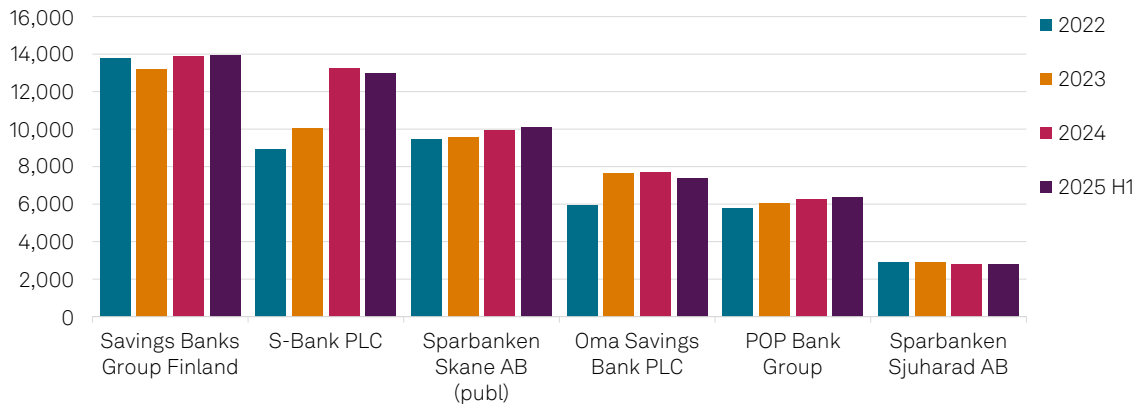
Business Position: Sound Local Retail Franchise With Improved Profitability

With total assets of €6.4 billion as of June 30, 2025, POP Bank Group is a small regional player in the Finnish banking sector with a market share of approximately 2.4% in housing loans and 2.2% in deposits. Lending is concentrated in retail and small businesses with customers distributed across Finland, mainly in smaller cities and less urbanized areas. Following the strong urbanization trend in Finland, POP Bank Group has, like peers, shifted its focus in recent years toward cities and growth areas. Moreover, we expect the group will continue to target SME customers to reach its growth ambitions.

Chart 1

POP Bank Group has a small regional retail franchise

Total assets (mil. €)



Source: S&P Global Ratings.

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

POP Bank Group's leading position in private and SME customer satisfaction is, in our view, a testament to its loyal customer base, which we expect will facilitate the group's repricing strategy and provide continued access to cost-efficient funding. We also consider the partnership with LocalTapiola Group, to which POP Bank Group sold its majority stake in Finnish P&C Insurance in 2023, will allow POP Bank Group to broaden its insurance offering in a cost-efficient manner. Even so, we project insurance income will make a limited contribution to group earnings over our forecast horizon. POP Bank Group retains the remaining 30% stake and Finnish P&C Insurance will continue to operate as an independent company under the POP Insurance brand.

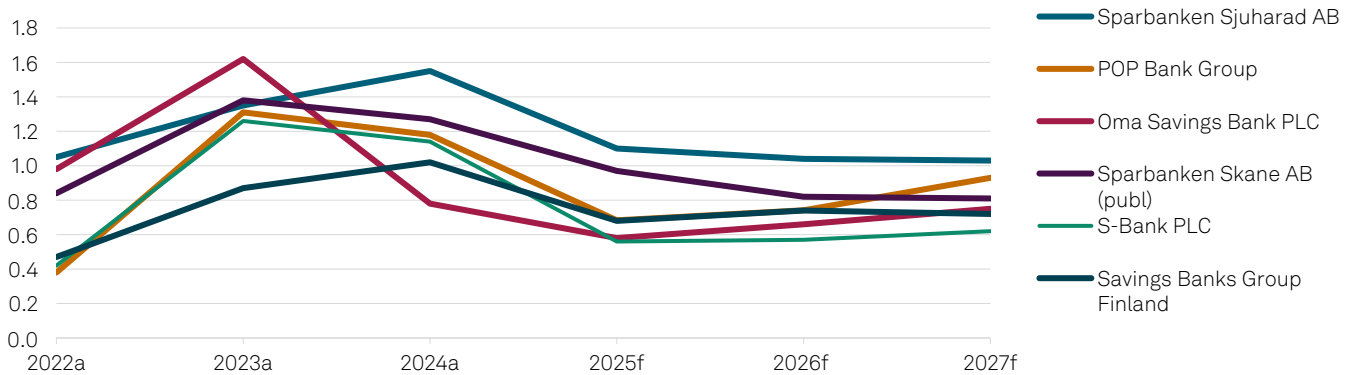
Given the short average duration of its loan book--most of which is tied to the 12-month Euro Interbank Offered Rate--coupled with cost-efficient retail deposit funding, POP Bank Group's earnings rose significantly over 2022-2024 with higher interest rates. After increasing by a cumulative 141% in 2021-2024, net interest income declined by 12% year-on-year as of first-half 2025.

While we expect moderate pressure on the net interest margin in second-half 2025 and first-half 2026, we forecast POP Bank Group's net interest income to stabilize aided by sound loan growth reaching 3.0% in 2025, from 1.3% in first-half 2025, and 4.0%-6.0% in 2026-2027. Moreover, we consider the group has taken steps to improve its internal efficiency as reflected in the increased cooperation between group members and centralized pricing initiatives. We expect the core banking platform renewal, scheduled for the second quarter of 2026, will reduce the cost burden in 2026-2027 after completion.

Chart 2

Our base case is core earnings will stabilize at structurally higher levels

Core earnings/average adjusted assets (%)



Source: S&P Global Ratings.

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

Capital And Earnings: Very Strong Capitalization Serves As A Cushion To Absorb Unexpected Losses

We expect POP Bank Group's capitalization to remain its key rating strength, and we project the RAC ratio will further improve to 21.5%-23.5% over 2025-2027, compared with 21.2% as of end-2024. The capital position is supported by full earnings retention since the group member banks, as cooperatives, do not pay dividends. Similarly, we anticipate the group will maintain a comfortable buffer to regulatory capital requirements. As of June 30, 2025, the common equity Tier 1 ratio stood at 25.3% against a regulatory requirement of 12.75%. In addition, the group's capital quality remains strong, with total adjusted capital solely comprising core capital.

In our base case, we project pre-tax earnings will decline by around 30% year-on-year in 2025, affected by lower net interest income and high development spending. After that we foresee a gradual pick-up in earnings in 2026-2027 supported by a recovering Finnish economy, stabilizing policy rates, and lowering operating expenses.

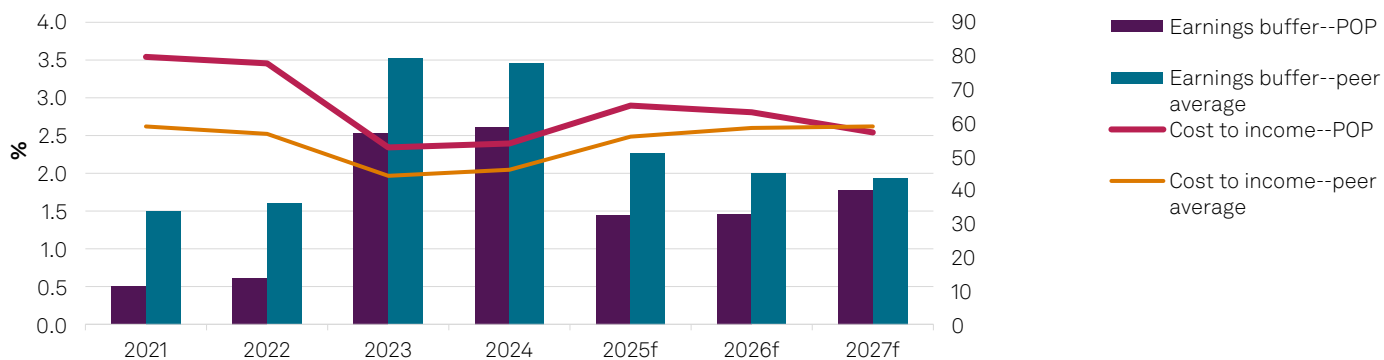
Our key assumptions for the RAC projections include:

- Loan growth of 3% in 2025 and gradually increasing to 4%-6% over 2026-2027 as credit demand picks up.
- A net interest margin stabilizing at around 2.8%-2.9% over 2026-2027, from a projected 3.0% in 2025 (2024: 3.5%) leading to annual net interest income of €166 million-174 million over 2025-2027.
- Net fee and commission income growth of 3%-6% over 2025-2027.
- Following recent years' high development spending including on the core bank platform renewal project, we expect annual costs to peak this year and remain largely flat over 2026 before declining by 5% in 2027, resulting in a cost-to-income ratio of around 63% in 2025 then gradually lowering to 55%-60% by 2027.
- Declining cost of risk to 30 bps-40 bps annually in 2026-2027, compared to an expected 43 bps for 2025.
- We project net income to bottom out at €48 million-€50 million in 2025-2026, compared to €73 million in 2024, and reach €60 million-€65 million in 2027.
- This translates into a healthy projected return on assets of 0.77%-0.93% over 2025-2027, compared to 1.18% in 2024.

Chart 3

Improved efficiency will close profitability gap to peers if sustained

Earnings buffer and cost-to-income



Source: S&P Global Ratings. Earnings buffer = normalized operating income/S&P risk-weighted assets. Peers: Oma Savings Bank, Savings Bank Group Finland, S-Bank, Sparbanken Sjuhärard, Sparbanken Skåne.

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

Risk Position: Concentration In Sparsely Populated Areas, Partly Mitigated By A Well-Collateralized Loan Book

Our assessment of POP Bank Group's risk position balances our view of its regional retail concentration and exposure to domestic real estate with its adequately collateralized and granular loan book. The group focuses on conventional low-complexity lending to private customers (62% of the loan portfolio as of first-half 2025), SMEs (25%), and small agricultural and forestry clients (13%).

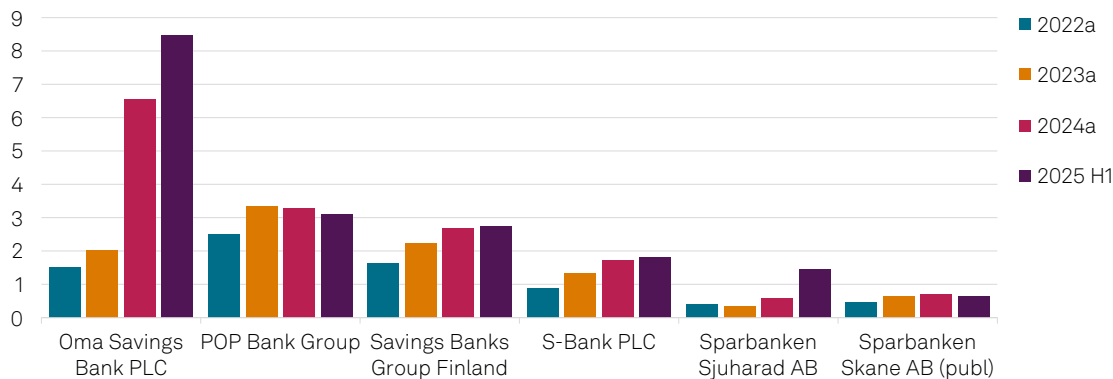
POP Bank Group has expanded its loan book above the market, with five-year average yearly growth of 5.6%. It has expanded its SME loan book by more than 70% since 2020 (1.8% in the first six months of 2025), albeit from a low starting point. We have not detected any weakening of the group’s underwriting standards and consider the low complexity and typically very small size of these business customers (turnover below €10 million) and loan tickets as mitigating the risk from rapid expansion.

With an NPA ratio (defined as the share of stage 3 loans) of 3.1% as of June 30, 2025, POP Bank Group's asset quality is slightly weaker than that of domestic and Nordic peers. We expect a slight weakening of asset quality over second-half 2025, with the NPA ratio reaching 3.4%-3.6% by year-end. This follows the trend of midsize domestic peers and reflects challenging operating conditions, with muted economic activity and high unemployment in Finland. In line with our forecast for the Finnish economy, we expect macroeconomic conditions to turn more supportive over 2026-2027, leading to a gradual reduction in NPAs to reach 2.8%-3.0% by end-2027. While this is significantly higher than the sector average (projected at 2.0%-2.2% over 2026-2027), we consider downside risk mitigated by POP Bank Group’s collateralized lending focus, adequate NPL coverage (36% of NPAs as of first-half 2025), and overall small loan sizes.

Chart 4

Nonperforming assets remain higher than most Nordic peers

Nonperforming assets as % of gross loans



Source: S&P Global Ratings.

Copyright © 2025 by Standard & Poor’s Financial Services LLC. All rights reserved.

Funding And Liquidity: Granular Deposit Base And Adequate Liquidity Buffers

We expect POP Bank Group's stable retail deposit franchise and proximity to customers will continue to underpin a robust and granular funding base. As of June 30, 2025, core customer deposits accounted for 82% of total funding, of which close to three quarters stems from private customers. This results in a well-balanced loan-to-deposit ratio of 107%. To complement the funding base and to reduce reliance on shorter-dated wholesale funding, POP Bank Group issued its first mortgage-backed covered bonds in 2022-2023. In 2024, the group subsequently pre-financed its first maturity, which came due in September 2025, and currently holds €500 million of covered bonds, equaling 9% of the funding base as of June 30, 2025. Remaining funding

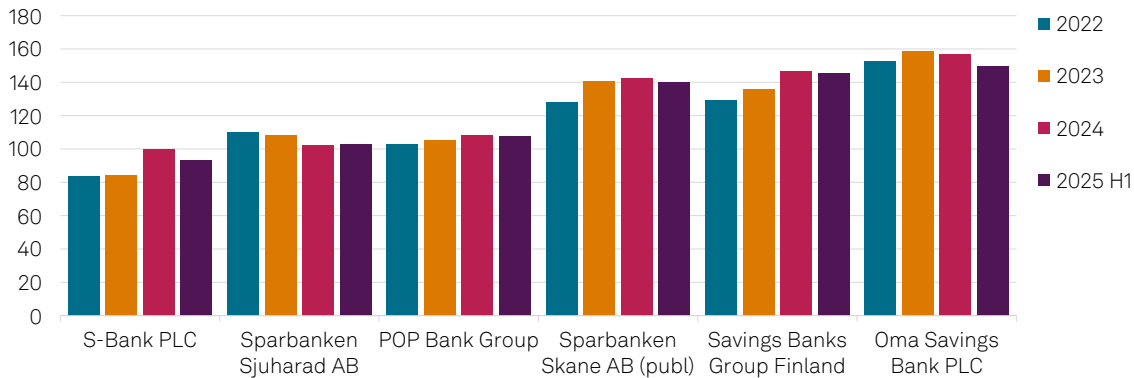
Bonum Bank PLC

comprises issuance under the group's euro medium-term note and certificate of deposit program. As such, we expect POP Bank Group will continue to demonstrate a balanced asset-liability structure with a stable funding ratio comfortably above 100% in the next two years, from 118% as of June 30, 2025, and 112% at end-2024.

Chart 5

POP Bank Group has a balanced funding profile based on deposits

Customer loans (net)/customer deposits (%)



Source: S&P Global Ratings.

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

We consider POP Bank Group's liquidity position to be robust, comprising mainly cash and reserves at the central bank and highly liquid level 1 assets. As of June 30, 2025, the group held broad liquid assets of close to €1.1 billion, which, after haircuts, covered 24% of customer deposits and 17% of total assets. We consider medium-term refinancing risk to be very low with only a modest amount of senior preferred instruments maturing over 2026-2027 and the two outstanding covered bonds maturing over 2028-2029 (€250 million per year), well-covered by current liquidity holdings. As such, we believe that under stressful conditions involving the closure of capital markets, the group could continue operations for more than six months without material dependence on central bank operations.

Liquidity within the amalgamation is managed and controlled by Bonum Bank, where most member banks' liquidity is placed and on which the regulatory liquidity coverage ratio (LCR) is calculated. As of June 30, 2025, the LCR was reported at 312%.

Comparable Ratings Analysis (CRA) Adjustment

We incorporate a one-notch negative comparable ratings analysis adjustment into the bank's stand-alone credit profile due to the wider POP Bank Group's historically weaker earnings profile and lower operating efficiency compared with peers. However, as reflected in our positive outlook on Bonum Bank, we expect improved revenue generation coupled with ongoing internal efficiency measures will continue to support profitability being better aligned with peers, if sustained over time. This, coupled with abating concerns about the group's asset quality, could lead us to remove the adjustment over the next two years.

Support: No Uplift For External Support

POP Bank Group is a second-tier banking group in Finland, with a customer deposits share of 2.2% as of June 30, 2025. Therefore, we consider the group to have moderate systemic importance in Finland. Still, the prospect of extraordinary government support for Finnish banks is uncertain following the full implementation of the EU Bank Recovery and Resolution Directive, including bail-in powers.

We view the Finnish resolution regime as effective under our ALAC criteria. We understand the resolution plan drawn up by the Financial Stability Authority assumes the group will be subject to a well-defined bail-in process, which is a precondition for us to include ALAC support in our ratings on a bank. The Financial Stability Authority in Finland has imposed a MREL requirement of 20.34% on total risk-weighted exposures (actual 31.3% as of June 30, 2025) and 7.75% for the leverage-ratio-based calculation since March 25, 2024. However, we expect the group will cover its increased MREL mainly by own funds. In the absence of a specific subordination requirement in Finland, it is unlikely to build a meaningful buffer of instruments that are ALAC eligible under our criteria.

Resolution Counterparty Assessment

Our 'BBB+/A-2' resolution counterparty ratings (RCRs) on Bonum Bank reflect our jurisdiction assessment for Finland, our analysis of its liability profile, and our expectation of the regulator's resolution plan. An RCR is a forward-looking opinion of the relative default risk of certain liabilities, particularly those legally exempt from bail-in (such as insured deposits or secured liabilities), that may be better protected from default in an effective resolution scenario than other senior liabilities.

Environmental, Social, And Governance

We see environmental, social, and governance factors as a neutral consideration in our assessment of POP Bank Group.

Owing to POP Bank Group's cooperative values, the group members are closely attached to the local community and take part in promoting financial literacy among other things.

The group is firmly committed to promoting sustainable climate change goals in its investment and lending products, which we view as the main environmental risks it faces. The group reports on its responsibility work in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) and published its first sustainability report in 2024. For the first time, the group calculated its carbon footprint and reported its total greenhouse gas emissions (scopes 1, 2, and 3).

Emissions reduction targets and a transition plan will likely be set out soon. Since 2021, POP Bank Group has offered a green loan as part of its credit product portfolio. In 2024, this was updated to include a guarantee granted by the European Investment Fund. Following the update, the green loan is now available not only to private customers but also to corporate and housing community clients.

In our view, the bank has a stable senior management team and business strategy and exhibits disciplined execution and operational control. Responsible procurement policies and a Code of Conduct for partners and suppliers were introduced in 2024, including ESG criteria in supplier due diligence. We see a sound cooperative governance structure as critical for POP Bank Group.

Key Statistics

POP Bank Group --Key figures

| | --Fiscal year end Dec. 31-- | | | | |
|------------------------|-----------------------------|--------|--------|--------|--------|
| | 2025* | 2024 | 2023 | 2022 | 2021 |
| Adjusted assets | 6363.3 | 6248.1 | 6066.6 | 5767.5 | 5348.4 |
| Customer loans (gross) | 4860.5 | 4799.8 | 4614.9 | 4490.0 | 4280.4 |
| Adjusted common equity | 771.0 | 737.4 | 669.6 | 506.3 | 480.4 |
| Operating revenues | 113.3 | 243.4 | 225.4 | 153.2 | 144.6 |
| Noninterest expenses | 69.8 | 131.2 | 118.8 | 119.2 | 115.2 |
| Core earnings | 29.1 | 72.6 | 77.6 | 21.1 | 15.8 |

POP Bank Group --Business position

| | --Fiscal year end Dec. 31-- | | | | |
|---|-----------------------------|-------|-------|-------|-------|
| | 2025* | 2024 | 2023 | 2022 | 2021 |
| Loan market share in country of domicile | 1.7 | 1.7 | 1.6 | 1.6 | 1.5 |
| Deposit market share in country of domicile | 2.2 | 2.3 | 2.1 | 2.1 | 2.1 |
| Total revenues from business line (currency in millions) | 113.3 | 243.4 | 270.6 | 153.3 | 176.3 |
| Commercial & retail banking/total revenues from business line | 100.0 | 100.0 | 100.0 | 93.8 | 91.8 |
| Return on average common equity | 7.5 | 10.0 | 18.7 | 3.8 | 6.9 |

*June 30, 2025.

POP Bank Group--Capital and earnings

| | --Fiscal year end Dec. 31-- | | | | |
|--|-----------------------------|-------|-------|-------|-------|
| | 2025* | 2024 | 2023 | 2022 | 2021 |
| Tier 1 capital ratio | 25.3 | 22.0 | 20.3 | 19.4 | 19.2 |
| S&P Global Ratings' RAC ratio before diversification | N/A | 21.2 | 19.4 | 17.0 | 16.7 |
| S&P Global Ratings' RAC ratio after diversification | N/A | 16.4 | 15.0 | 12.9 | 12.7 |
| Adjusted common equity/total adjusted capital | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Net interest income/operating revenues | 74.3 | 77.2 | 79.0 | 61.5 | 54.2 |
| Fee income/operating revenues | 20.7 | 18.3 | 19.5 | 27.2 | 25.1 |
| Market-sensitive income/operating revenues | 2.9 | 1.9 | (0.5) | (1.7) | 8.4 |
| Cost to income ratio | 61.6 | 53.9 | 52.7 | 77.8 | 79.7 |
| Provision operating income/average assets | 1.4 | 1.8 | 1.8 | 0.6 | 0.6 |
| Core earnings/average managed assets | 0.9 | 1.2 | 1.3 | 0.4 | 0.3 |

POP Bank Group RACF [Risk-Adjusted Capital Framework] Data

| | Exposure* | Basel III RWA | Average Basel III RW(%) | Standard & Poor's RWA | Average Standard & Poor's RW (%) |
|---|-------------|---------------|-------------------------|-----------------------|----------------------------------|
| Credit risk | | | | | |
| Government & central banks | 861 381 451 | 2 073 704 | 0 | 8 126 729 | 1 |
| Of which regional governments and local authorities | 14 608 921 | 1 817 062 | 12 | 525 921 | 4 |

POP Bank Group RACF [Risk-Adjusted Capital Framework] Data

| | Exposure* | Basel III RWA | Average Basel III RW(%) | Standard & Poor's RWA | Average Standard & Poor's RW (%) |
|--|---------------|----------------|-------------------------|------------------------|----------------------------------|
| Institutions and CCPs | 277 390 719 | 38 197 816 | 14 | 53 567 565 | 19 |
| Corporate | 671 434 274 | 491 446 759 | 73 | 465 251 577 | 69 |
| Retail | 4 133 698 373 | 1 672 735 052 | 40 | 1 474 760 327 | 36 |
| Of which mortgage | 2 670 533 293 | 935 174 314 | 35 | 619 863 466 | 23 |
| Securitization§ | 0 | 0 | 0 | 0 | 0 |
| Other assets† | 220 515 156 | 216 403 413 | 98 | 220 820 216 | 100 |
| Total credit risk | 6 164 419 972 | 2 420 856 745 | 39 | 2 222 526 414 | 36 |
| Credit valuation adjustment | | | | | |
| Total credit valuation adjustment | '-- | 18 201 653 | '-- | 0 | '-- |
| Market Risk | | | | | |
| Equity in the banking book | 156 816 843 | 190 232 602 | 121 | 831 439 542 | 530 |
| Trading book market risk | '-- | 22 784 159 | '-- | 34 176 238 | '-- |
| Total market risk | '-- | 213 016 761 | '-- | 865 615 780 | '-- |
| Operational risk | | | | | |
| Total operational risk | '-- | 387 261 952 | '-- | 384 970 500 | '-- |
| | Exposure | Basel III RWA | Average Basel II RW (%) | S&P Global RWA | % of S&P Global RWA |
| Diversification adjustments | | | | | |
| RWA before diversification | '-- | 3 039 337 111 | '-- | 3 473 112 694 | 100 |
| Total Diversification/ Concentration Adjustments | '-- | '-- | '-- | 1 033 006 253 | 30 |
| RWA after diversification | '-- | 3 039 337 111 | '-- | 4 506 118 947 | 130 |
| | | Tier 1 capital | Tier 1 ratio (%) | Total adjusted capital | S&P Global RAC ratio (%) |
| Capital ratio | | | | | |
| Capital ratio before adjustments | | 668 315 348 | 22.0 | 737 370 412 | 21.2 |
| Capital ratio after adjustments‡ | | 668 315 348 | 22.0 | 737 370 412 | 16.4 |

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of 'Dec. 31 2024', S&P Global Ratings.

POP Bank Group--Risk position

| | --Fiscal year end Dec. 31-- | | | | |
|---|-----------------------------|-------|-------|-------|-------|
| | 2025* | 2024 | 2023 | 2022 | 2021 |
| Growth in customer loans | 1.3 | 4.0 | 2.8 | 4.9 | 9.7 |
| Total diversification adjustment/S&P Global Ratings' RWA before diversification | N/A | 29.7 | 29.9 | 31.8 | 32.0 |
| Total managed assets/adjusted common equity (x) | 8.3 | 8.5 | 9.1 | 11.4 | 11.2 |
| New loan loss provisions/average customer loans | 0.3 | 0.5 | 0.4 | 0.2 | 0.3 |
| Net charge-offs/average customer loans | (0.3) | (0.3) | (0.1) | (0.0) | (0.1) |
| Gross nonperforming assets/customer loans + other real estate owned | 3.1 | 3.3 | 3.3 | 2.5 | 2.3 |
| Loan loss reserves/gross nonperforming assets | 35.6 | 35.5 | 34.2 | 37.0 | 37.6 |

POP Bank Group--Risk position

--Fiscal year end Dec. 31--

| 2025* | 2024 | 2023 | 2022 | 2021 |
|-------|------|------|------|------|
|-------|------|------|------|------|

*June 30, 2025. RWA--Risk-weighted assets. N/A--Not applicable.

POP Bank Group--Funding and liquidity

--Fiscal year end Dec. 31--

| | 2025* | 2024 | 2023 | 2022 | 2021 |
|--|-------|-------|-------|-------|-------|
| Core deposits/funding base | 81.8 | 81.5 | 82.4 | 85.5 | 90.3 |
| Customer loans (net)/customer deposits | 107.5 | 108.2 | 105.4 | 102.8 | 100.5 |
| Long-term funding ratio | 99.6 | 95.5 | 98.3 | 97.7 | 97.3 |
| Stable funding ratio | 117.7 | 112.5 | 117.0 | 111.8 | 108.3 |
| Short-term wholesale funding/funding base | 0.5 | 5.2 | 1.9 | 2.6 | 3.0 |
| Regulatory net stable funding ratio | 134.6 | 136.9 | 132.7 | 133.5 | N/A |
| Broad liquid assets/short-term wholesale funding (x) | 41.1 | 3.7 | 11.0 | 6.7 | 4.8 |
| Broad liquid assets/total assets | 16.8 | 16.5 | 17.8 | 15.3 | 12.6 |
| Broad liquid assets/customer deposits | 24.0 | 23.5 | 24.9 | 20.5 | 16.0 |
| Net broad liquid assets/short-term customer deposits | 30.5 | 17.6 | 23.4 | 17.8 | 14.1 |
| Regulatory liquidity coverage ratio (LCR) (%) | 312.1 | 315.1 | 273.9 | 184.8 | N/A |
| Short-term wholesale funding/total wholesale funding | 2.6 | 27.9 | 10.6 | 17.9 | 31.0 |
| Narrow liquid assets/3-month wholesale funding (x) | 183.6 | 173.3 | 11.9 | 16.3 | 17.7 |

*June 30, 2025.

Rating Component Scores

| | |
|-----------------------------|---------------------------|
| Issuer Credit Rating | BBB/Positive/A-2 |
| SACP | bbb |
| Anchor | a- |
| Business position | Constrained (-2) |
| Capital and earnings | Very Strong (2) |
| Risk position | Moderate (-1) |
| Funding and liquidity | Adequate and Adequate (0) |
| Comparable ratings analysis | -1 |
| Support | 0 |
| ALAC support | 0 |
| GRE support | 0 |
| Group support | 0 |
| Sovereign support | 0 |
| Additional factors | 0 |

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

Related Criteria

- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Banking Industry Country Risk Assessment Update: December](#), Dec. 17, 2025
- [Banking Industry Country Risk Assessment: Finland](#), Dec. 16, 2025
- [Resilient Nordic Banks Poised For Earnings Stability And Loan Rebound In 2026](#), Dec. 3, 2025
- [Bonum Bank Assigned 'BBB+/A-2' Resolution Counterparty Ratings; 'BBB/A-2' Ratings Affirmed; Outlook Positive](#), June 28, 2024
- [Bonum Bank Outlook Revised To Positive On POP Group's Improved Earnings Trajectory; 'BBB/A-2' Ratings Affirmed](#), Oct. 5, 2023

Bonum Bank PLC

- [POP Bank Group's Insurance Divestment Will Boost Earnings And Present Growth Opportunities](#), March 17, 2023

Ratings Detail (as of December 30, 2025)*

Bonum Bank PLC

| | |
|--------------------------------|------------------|
| Issuer Credit Rating | BBB/Positive/A-2 |
| Resolution Counterparty Rating | BBB+/-/A-2 |

Issuer Credit Ratings History

| | |
|-------------|------------------|
| 05-Oct-2023 | BBB/Positive/A-2 |
| 22-Jan-2021 | BBB/Stable/A-2 |
| 19-May-2020 | BBB/Negative/A-2 |

Sovereign Rating

| | |
|---------|-----------------|
| Finland | AA+/Stable/A-1+ |
|---------|-----------------|

Related Entities

POP Mortgage Bank

| | |
|----------------|------------|
| Senior Secured | AAA/Stable |
|----------------|------------|

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

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.