

Bonum Bank Plc

HALF-YEAR REPORT

1.1.–30.6.2022

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Bonum Bank PLC Half-Year Report for 1 January – 30 June 2022 is a translation of the original Finnish version “Bonum Pankki Oyj puolivuosisikatsaus 1.1.–30.6.2022”. In case of discrepancies, the Finnish version shall prevail.

BOARD OF DIRECTORS' REPORT

Bonum Bank Plc (hereinafter "Bonum Bank") is part of the amalgamation of POP Banks and is responsible for providing 19 POP Banks with central credit institution services, obtaining external funding for the POP Bank Group, handling payments, issuing payment cards to the customers of the POP Banks and providing centralised services for the Group. In addition, Bonum Bank grants unsecured consumer credits and secured debt securities to retail customers. The purpose of Bonum 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, Bonum Bank provides services that are in line with the Group's strategy and supplement its offering.

During the review period, Bonum Bank continued to provide funding for the growing needs of the POP Banks' business operations. Bonum Bank has also provided the POP Banks with the option to invest extra liquidity in Bonum Bank, and the POP Banks have actively used this option. In April, Bonum Bank issued a three-year bond of EUR 50 million and a five-year directed bond of EUR 50 million within its EUR 750 million bond programme. Bonum Bank also acquired funding by issuing short-term certificates of deposit under its EUR 250 million certificates of deposit programme and by accepting money market deposits.

Bonum Bank provides card products under the Visa brand. Bonum Bank sold its Series A shares in Visa in April, but is continuing as a shareholder with respect to Series C shares. Card processes, card products and card payment services are being continuously developed and enhanced in cooperation with internal and external stakeholders. During 2022, new card-related functionalities were again added to the POP Bank mobile banking application, including Google Pay.

The service centre in Vaasa has demonstrated its effectiveness within the Group. During the spring, it focused on operational development and

improving the competence of the personnel. The goal is to increase the number of tasks that can be centralised away from individual banks. Thus the anti-money laundering measures of the Group's banks are implemented centrally by Bonum Bank. Centralised services and up-to-date monitoring systems ensure that the prevention of money laundering and terrorist funding is always state-of-the-art and that asset transfers are monitored with maximum efficiency. Following the Russian attack on Ukraine, the implementation of sanctions related to payment transactions has required immediate responses from Bonum Bank in line with the rest of the financial sector. The war has had no other significant direct impacts on the Bank's operations.

Bonum Bank's business operations outside the Group mainly consist of the issue of secured bonds and unsecured consumer credits. In January, Bonum Bank and Evli Bank Plc agreed on a transaction by which Bonum Bank acquired around EUR 25 million in debt securities from Evli's loan portfolio. In late 2021, the unsecured loan portfolio was transferred to a new system, and the process and principles of recognising credit losses were correspondingly updated. As a result of the change, the amount of unsecured receivables recognised as credit losses has decreased as expected, and the amount of expected credit losses has increased.

In May, the POP Mortgage Bank Plc was authorised to engage in mortgage bank operations. The capacity to issue secured bonds supports the business growth of the member banks of the amalgamation and ensures a competitive price level for long-term wholesale financing. Bonum Bank's personnel have been actively involved in the preparation of the project and in the actual operations of POP Mortgage Bank Plc.

S&P Global Ratings confirmed Bonum Bank's credit rating on 4 February 2022. Bonum Bank's rating is BBB for long-term investment grade and A-2 for short-term investment grade. The outlook remained stable.

Bonum Bank's Annual General Meeting was held in March 2022. The Annual General Meeting dealt with statutory matters and elected Jaakko Pulli, Hanna Linna, Kirsi Salo and Ilkka Lähteenmäki to the Board of Directors. Jaakko Pulli has served as Chair of the Board.

POP BANK GROUP AND AMALGAMATION OF POP BANKS

The POP Bank Group is a Finnish financial group that offers retail banking services to private customers and small and medium sized companies, as well as non-life insurance services to private customers. The POP Bank's mission is to promote its customers' financial well-being and prosperity, as well as local success.

STRUCTURE OF THE POP BANK GROUP

The POP Bank Group comprises of POP Banks and POP Bank Centre coop, and the entities under their control. The most significant companies with customer operations in the POP Bank Group are:

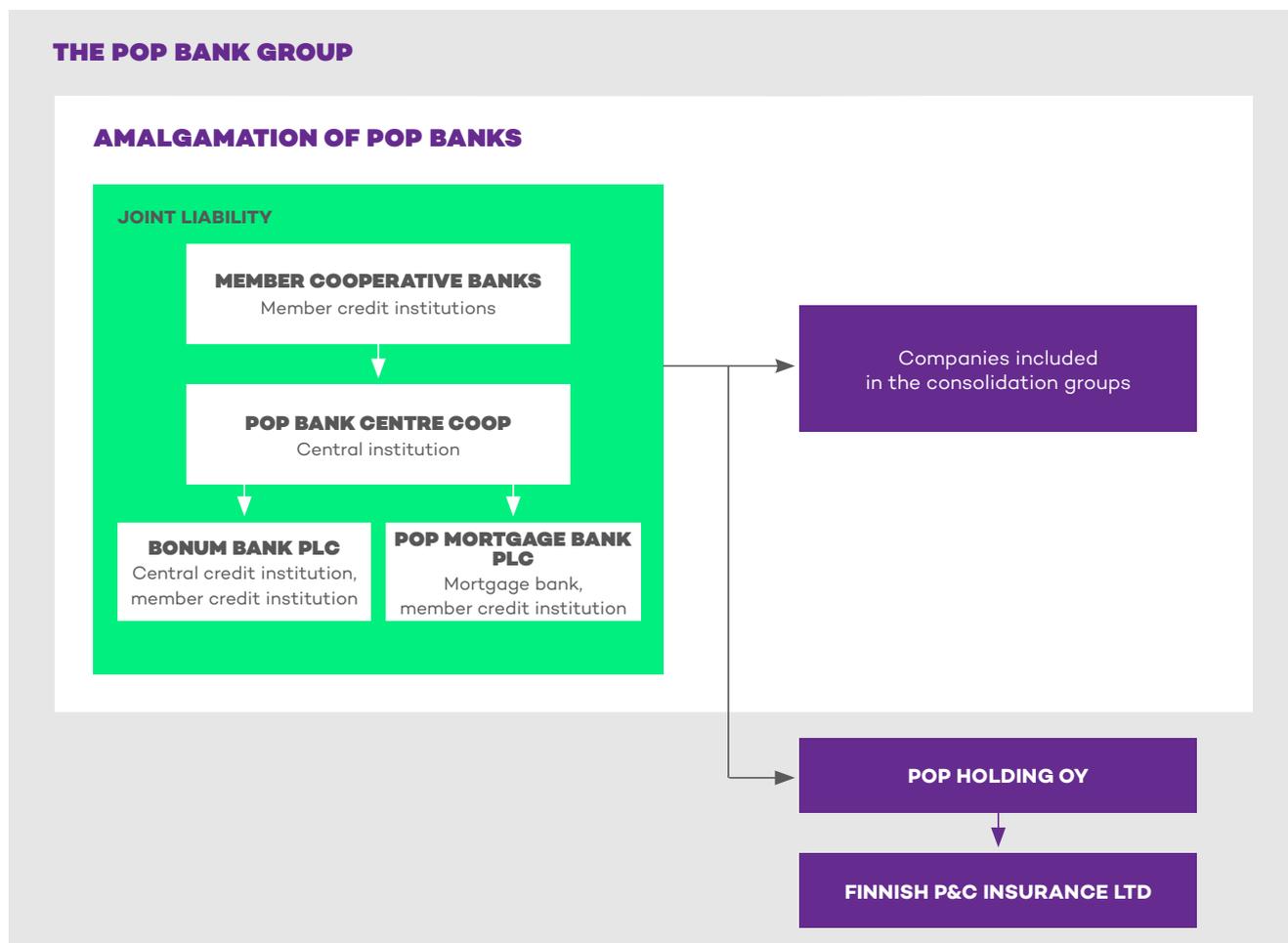
- 19 member cooperative banks of POP Bank Centre coop that use the marketing name POP Bank
- Bonum Bank Plc, which is the central credit institution of POP Banks and a subsidiary of POP Bank Centre coop
- Finnish P&C Insurance Ltd, which uses the auxiliary business name POP Insurance.

In addition, POP Mortgage Bank Plc, which is a mortgage bank, and a subsidiary of POP Bank Centre coop is part of POP Bank Group.

The POP Banks are cooperative banks owned by their member customers POP Bank Centre coop, the central institution, is responsible for the group steering and supervision in accordance with the Act on the Amalgamation of Deposit Banks (24 June 2010/599) (hereinafter referred to as the "Amalgamation Act"). In accordance with the Amalgamation Act, the central institution shall prepare financial statements as a combination of the financial statements or the consolidated financial statements of the central institution and its member credit institutions in accordance with the International Financial Reporting Standards (IFRS). In addition to the organizations that belong to the amalgamation of POP Banks, the POP Bank Group comprises POP Holding Ltd and its wholly owned company Finnish P&C Insurance Ltd. Neither of these are included in the scope of joint liability.

The following chart presents the structure of the POP Bank Group and the entities included in the amalgamation and scope of joint liability.

POP BANK GROUP STRUCTURE



CHANGES IN THE POP BANK GROUP'S STRUCTURE

One merger was completed within the POP Bank Group during the review period. At the end of May 2022, Liedon Osuuspankki and Piikkiön Osuuspankki merged with Suupohjan Osuuspankki, and the name of the bank was changed to Suomen Osuuspankki. After the merger, the POP Bank

Group consists of 19 cooperative banks. The merger was an intra-Group arrangement and had no impact on the POP Bank Group's consolidated financial information.

POP Mortgage Bank Plc has been accepted as a member credit institution of the amalgamation of POP Banks in May.

OPERATING ENVIRONMENT

Economic recovery continued throughout the beginning of the year, as the coronavirus epidemic eased. The increase in the employment-to-population ratio was a particularly positive development for the Finnish economy – with this ratio surpassing the pre-coronavirus crisis level by early 2022. Total production also continued to develop positively at the beginning of the year.

However, the economic outlook took a downturn when Russia launched a large-scale attack on Ukraine in February. The attack was exceptionally widely condemned around the world, and the EU was particularly unified in its stand against Russia's military operations, quickly imposing a range of financial sanctions. Much of the rest of the world also participated in various anti-Russia measures affecting money transfers and the assets of those oligarchs who were sanctioned.

The EU sanctions imposed on Russia are also having a significant impact on the Finnish economy – the worst blows being suffered by individual companies, whose Russian business operations have become practically worthless in a short period of time. In May, Russia shut down the supply of natural gas, which has been one of the most critical imports from Russia to Finland. It is possible to replace natural gas with other sources of energy, but the costs will increase. The closing of the Russian market to foreign operators has also caused losses for many Finnish export companies, which now have to compensate by seeking business opportunities in other market areas. Challenges continued

in agriculture, as the prices of production inputs rose steeply and food exports to Russia stopped.

Inflation continued to increase in Finland – as in other countries – during the first half of the year. The main reason has been a strong increase in the price of energy globally, which is being reflected widely – and with a short time delay – in all sectors of the economy. In the eurozone, the short-term and long-term interest rates, which had remained moderate for a long time, began to increase rapidly during the spring. In July the European Central Bank (ECB) decided to raise the key interest rates and ramp down its securities purchase programme. The ECB is expected to continue to increase interests during rest of the year.

Although the positive trend in the operating environment has continued in terms of the employment rate, for example, the economic outlook has deteriorated. With the inflation rate increasing more rapidly than salaries, consumers' purchasing power is decreasing.

Housing prices have continued to increase in the growth centres of Finland for a long time, but this trend slowed during the first half of the year. Housing investors are faced with new concerns as housing companies' interest and maintenance costs are rising and it is increasingly difficult to find good tenants in a situation where the supply of rental housing is greater than its demand. Share prices also decreased globally during the spring – which is explained by higher interest rates and weaker corporate outlooks.

KEY RATIOS

KEY INCOME FIGURES

(EUR 1,000)	1 Jan - 30 Jun 2022	1 Jan - 30 Jun 2021	1 Jan - 31 Dec 2021
Net interest income	4,536	3,866	8,498
Net commissions and fees	4,169	4,096	6,639
Net investment income	181	174	389
Personnel expenses	-2,297	-2,252	-4,273
Other operating expenses	-5,467	-3,723	-8,665
Impairment losses on financial assets	-1,008	-1,812	-3,281
Profit before taxes	1,869	1,011	1,309

KEY BALANCE SHEET FIGURES

(EUR 1,000)	30 Jun 2022	30 Jun 2021	31 Dec 2021
Loan portfolio	659,173	443,286	559,174
Deposit portfolio	791,000	750,115	708,955
Equity capital	36,338	35,292	35,336
Balance sheet total	1,277,005	1,024,680	1,037,914

KEY RATIOS

	1 Jan - 30 Jun 2022	1 Jan - 30 Jun 2021	1 Jan - 31 Dec 2021
Cost to income ratio	74.1 %	70.5 %	75.4 %
Return on assets, ROA %	0.3 %	0.2 %	0.1 %
Return on equity, ROE %	8.4 %	4.6 %	3.0 %
Equity ratio, %	2.8 %	3.4 %	3.4 %
Common equity Tier 1 capital ratio, (CET1) &	17.6 %	23.3 %	21.8 %
Capital adequacy ratio, (TC) %	17.6 %	23.3 %	21.8 %

The calculation formulas for key indicators are presented on page 10 of the Bonum Bank Plc's Board of Director's Report and Financial Statements 1 January – 31 December 2021. In calculation of ROA and ROE the profit for the review period has been changed to match full year level.

PERFORMANCE AND BALANCE SHEET

For financial performance items, the point of comparison is 30 June 2021. For the balance sheet and capital adequacy, the point of comparison is 31 December 2021.

PERFORMANCE

Bonum Bank's profit before taxes was EUR 1,869 thousand, whereas in the comparison period it was EUR 1,011 thousand. Its profit for the period was EUR 1,489 (834) thousand. The cost-to-income ratio for the review period was 74.1 (70.5) per cent.

Operating income increased by 16.4 per cent to EUR 11,125 (9,557) thousand. The change in operating income resulted from an increase in net interest income and in other operating income.

Net interest income increased by 17.3 per cent to EUR 4,536 (3,866) thousand. Interest income was EUR 6,216 (5,226) thousand. The increase of income is due to growth in loan portfolio, both in collateral and non-collateral lending. Interest expenses totalled EUR 1,680 (1,360) thousand.

Other operating income increased by 57.7 per cent and totalled EUR 2,239 (1,420) thousand. The increase is explained by an increase in internal invoicing within the POP Bank Group.

Net commissions and fees were EUR 4,169 (4,096) thousand. Commissions totalled EUR 4,948 (4,740) thousand and fees totalled EUR 778 (644) thousand.

Net investment income was EUR 181 (174) thousand.

Operating expenses grew by 23.1 per cent to EUR 8,248 (6,698) thousand. Operating expenses increased particularly because of higher ICT expenses compared to previous review period.

Personnel expenses totalled EUR 2,297 (2,252) thousand in the review period. Bonum Bank had a

total of 60 (58) employees at the end of the review period.

Other operating expenses grew by 38.7 per cent and totalled EUR 5,467 (3,943) thousand. This item includes office expenses, ICT expenses and marketing costs. The main driver for the growth were ICT expenses.

Depreciation and impairment on tangible and intangible assets totalled EUR 485 (504) thousand.

Impairment losses on financial assets totalled EUR 1,008 (1,812) thousand. The decrease is mainly due to the transfer late 2021 of unsecured loan portfolio to the new system with reviewed processes and principles of calculating expected credit loss.

BALANCE SHEET

At the end of the review period, Bonum Bank's balance sheet stood at EUR 1,277,005 (1,037,914) thousand.

The amount of liquid assets grew during the review period by 40.1 per cent totalling EUR 376,770 (268,871) thousand. Loans and receivables from credit institutions increased during the reporting period by 13.0 per cent to EUR 500,097 (422,718) thousand. This item includes the funding provided by Bonum Bank to other member banks of the POP Bank Group.

Loans and receivables from customers increased by 36.6 per cent during the review period, totalling EUR 159,076 (116,455) thousand. This item includes the credit used on credit cards issued by Bonum Bank and other loan products issued by Bonum Bank to its customers. The increase was mainly due to growth of secured lending portfolio.

Liabilities to credit institutions increased by 9.8 per cent during the reporting period and were EUR 739,470 (673,374) thousand. This item includes deposits made by other member banks of the POP Bank Group, TLTRO loans from the central bank and deposits made by other banks outside the Group.

The amount of debt securities issued to the public decreased by 52.8 per cent to EUR 435,264 (284,920) thousand during the review period.

CREDIT RATING

In February 2022, S&P Global Ratings affirmed Bonum Bank Plc's long-term investment grade to 'BBB' and short-term investment grade to 'A-2'. The outlook remained stable.

RISK AND CAPITAL ADEQUACY MANAGEMENT AND RISK POSITION

PRINCIPLES AND ORGANISATION OF RISK MANAGEMENT

The purpose of Bonum Bank's risk management is to ensure that significant risks arising from its business operations are identified, measured, assessed and limited, and that their monitoring is organised in accordance with appropriate internal control principles. Risk management is part of the capital adequacy management process, which aims to ensure that the risk levels are proportionate to the bank's risk-bearing capacity and do not jeopardise the bank's capital adequacy position.

In terms of Bonum Bank's business operations and capital adequacy, the key risk management areas are credit risk, interest rate risk, liquidity risk and operational risks.

CAPITAL ADEQUACY

Bonum Bank applies the standard method to the calculation of the capital adequacy requirement for credit risk and the basic method for operational risk. Bonum Bank's own funds consist of share capital, retained earnings and other non-restricted reserves, less the deductible items in accordance with the EU's Capital Requirements Regulation (No. 575/2013). On 30 June 2022, Bonum Bank's CET1 capital totalled EUR 33,041 (EUR 31,763 on 31 December 2021) thousand, and its CET1 capital adequacy ratio was 17.6 (21.8) per cent. The profit of the first half of 2022 is not included in Bonum Bank's CET1 capital.

During the first half of 2022, Bonum Bank's own funds increased moderately through decreasing capitalisations due to depreciation and profit for the previous financial year. The growth of the loan portfolio early in the year increased the amount of risk-weighted receivables and the growth is expected to continue towards the end of the year.

SUMMARY OF CAPITAL ADEQUACY

Summary of capital adequacy (EUR 1,000)	30 Jun 2022	31 Dec 2021
Own funds		
Common Equity Tier 1 capital before deductions	34,840	34,290
Deductions from Common Equity Tier 1 capital	-1,799	-2,527
Total Common Equity Tier 1 capital (CET1)	33,041	31,763
Additional Tier 1 capital before deductions	-	-
Deductions from Additional Tier 1 capital	-	-
Additional Tier 1 capital (AT1)	-	-
Tier 1 capital (T1 = CET1 + AT1)	33,041	31,763
Tier 2 capital before deductions	-	-
Deductions from Tier 2 capital	-	-
Total Tier 2 capital (T2)	-	-
Total capital (TC = T1 + T2)	33,041	31,763
Total risk weighted assets	187,746	145,727
of which credit risk	156,488	112,834
of which credit valuation adjustment risk (CVA)	-	-
of which market risk (exchange rate risk)	1,364	2,999
of which operational risk	29,894	29,894
Fixed capital conservation buffer according to Act on Credit institutions (2.5%)	4,694	3,643
Countercyclical capital buffer	4	2
CET1 Capital ratio (%)	17.6 %	21.8 %
T1 Capital ratio (%)	17.6 %	21.8 %
Total capital ratio (%)	17.6 %	21.8 %
Capital requirement		
Total capital	33,041	31,763
Capital requirement *	19,717	15,304
Capital buffer	13,324	16,459
Leverage ratio		
Tier 1 capital (T1)	33,041	31,763
Leverage ratio exposure	829,247	644,960
Leverage ratio, %	4.0 %	4.9 %

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

CREDIT RISK AND CONCENTRATIONS

During the first half of 2022, Bonum Bank's credit risk position has grown due to increasing retail banking loan portfolio. Balance sheet items exposed to credit risk totalled EUR 385,995 (316,004) thousand on 30 June 2022. Bonum Bank's off-balance sheet credit commitments totalled EUR 148,721 (145,485) thousand, consisting mainly of unrestricted credit facilities related to card credits and the POP Banks' liquidity facilities.

At the end of the review period, investment assets totalled EUR 224,514 (197,526) thousand, which consisted of debt securities included in the bank's liquidity reserve. In addition, the bank had a total of EUR 3,685 (4,948) thousand in short-term bank receivables belonging to the liquidity portfolio.

The banking loan portfolio increased by 36.6 per cent during the review period, amounting to EUR 159,076 (116,445) thousand. Unsecured lending represented 49.2 per cent of the loan portfolio. Loans granted to retail customers represented 84.2 (82.3) per cent of the loan portfolio.

Expected credit losses (ECL) on loans, receivables and off-balance sheet items increased by EUR 1,166 thousand during the financial period, amounting to EUR 4,434 thousand. Expected credit loss amount of stage two and three receivables totalled EUR 2,275 (1,668) thousand. With regard to the unsecured loan portfolio, EUR 157 (1,831) thousand was recognised as final credit losses in the first half of 2022. Loan loss claims are subject to active collection measures.

LIQUIDITY RISKS

As the central credit institution of the POP Bank amalgamation, Bonum Bank is responsible for the liquidity management in the POP Bank Group. By permission granted by the Finnish Financial Supervision Authority (FSA), the central co-operative has decided to release the amalgamation member institutions from LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio) demands. LCR and

NSFR demands are calculated on consolidated POP Bank amalgamation level.

The POP Bank Group's liquidity position remained strong during the review period. The liquidity requirement (LCR) for the amalgamation of POP Banks was 163.5 (141.3) per cent on 30 June 2022, with the regulation required minimum level being 100 per cent. At the end of the review period, Bonum Bank had EUR 581.3 (457.9) million in LCR-eligible liquid assets before haircuts, of which 66.9 (61.0) per cent consisted of cash and receivables from the central bank and 28.0 (32.2) per cent consisted of highly liquid Level 1 securities. The amalgamation Net Stable Funding ratio (NSFR) was 131.3 (130.0) per cent on 30 June 2022.

Of Bonum Bank's EUR 750 million bond programme, EUR 255.0 (255.0) million in unsecured senior loans was outstanding at the end of the review period. Of the bank's EUR 250 million certificate of deposit programme, EUR 180.5 (30.0) million was outstanding. In addition, Bonum Bank has a EUR 25.5 million loan programme with the Nordic Investment Bank (NIB). On 30 June 2022, Bonum Bank had EUR 128.4 (128.4) million in secured long-term funding from the European Central Bank's TLTRO III funding operations.

MARKET RISKS

Bonum Bank's market risk levels remained moderate during the first half of the year. The interest rate risk is the most significant market risk related to Bonum Bank's business operations. The interest rate risk refers to the impact of changes in interest levels on the market value of balance sheet and off-balance-sheet items, or on net interest income. The interest rate risk arises from differences in the interest terms of receivables and liabilities and mismatches in interest rate repricing and maturity dates. The objective of interest rate risk management is to stabilise the interest rate risk involved in the bank's balance sheet at a level at which business operations are profitable, but profit or capital adequacy is not threatened, even during considerable changes in the interest rate environment.

The interest rate risk arises from liquidity reserve investment activities and banking book operations. Bonum Bank did not use any derivatives during the first half of 2022.

OUTLOOK FOR THE SECOND HALF OF THE YEAR

The outlook for Bonum Bank for the rest of the year is bright and the full-year result is expected to be positive. The result involves uncertainty arising from the impairment provisions and credit losses related to the increase in lending, as well as uncertainty caused by the general market situation.

EVENTS AFTER THE REVIEW PERIOD

No significant business transactions have taken place at Bonum Bank after the review period that would have a material impact on the information presented in the half-year report.

HALF-YEAR REPORT 1.1-30.6.2022

INCOME STATEMENT

(EUR 1,000)	Note	1 Jan–30 Jun 2022	1 Jan–30 Jun 2021
Interest income		6,216	5,226
Interest expenses		-1,680	-1,360
Net interest income	2	4,536	3,866
Net commissions and fees	3	4,169	4,096
Net investment income	4	181	174
Other operating income		2,239	1,420
Total operating income		11,125	9,557
Personnel expenses		-2,297	-2,252
Other operating expenses		-5,467	-3,943
Depreciation and amortisation		-485	-504
Total operating expenses		-8,248	-6,698
Impairment losses on financial assets	7	-1,008	-1,812
Profit before taxes		1,869	1,047
Income tax expense		-371	-212
Profit for the period		1,498	834

STATEMENT OF OTHER COMPREHENSIVE INCOME

(EUR 1,000)	1 Jan–30 Jun 2022	1 Jan–30 Jun 2021
Profit for the period	1,498	834
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net changes in fair value		
Equity instruments at FVOCI	-1,017	-99
Capital gains and losses		
Equity instruments at FVOCI	1,396	-
Items that may be reclassified to profit or loss		
Movement in fair value reserve		
Liability instruments at FVOCI	-876	218
Other comprehensive income for the period	1,001	954

BALANCE SHEET

(EUR 1,000)	Note	30 Jun 2022	31 December 2021
Assets			
Liquid assets		376,770	268,871
Loans and receivables from credit institutions	5	500,097	442,718
Loans and receivables from customers	5	159,076	116,455
Investment assets		224,614	197,563
Intangible assets		1,432	1,933
Property, plant and equipment		275	361
Other assets		14,537	10,008
Tax assets		204	5
Total assets		1,277,005	1,037,914
Liabilities			
	5, 8	739,470	655,626
Liabilities to credit institutions	5, 8	51,531	53,329
Liabilities to customers	9	435,264	284,920
Debt securities issued to the public		13,882	7,978
Other liabilities		520	724
Tax liabilities		1,240,667	1,002,578
Total liabilities		1 240 667	1 002 578
Equity			
Share capital		10,000	10,000
Reserves		20,228	22,121
Retained earnings		6,110	3,215
Total equity capital		36,338	35,336
Total liabilities and equity capital		1,277,005	1,037,914

STATEMENT OF CHANGES IN EQUITY

(EUR 1,000)	Share capital	Fair value reserve	Other reserves	Retained earnings	Total equity
Balance at 1 Jan 2022	10,000	2,121	20,000	3,215	35,336
Total comprehensive income					
Profit for the financial period	-	-	-	1,498	1,498
Other comprehensive income	-	-1,893	-	1,396	-497
Total comprehensive income	-	-1,893	-	2,894	1,001
Balance at 30 Jun 2022	10,000	228	20,000	6,110	36,338

(EUR 1,000)	Share capital	Fair value reserve	Other	Retained earnings	Total equity
Balance at 1 Jan 2021	10,000	2,199	20,000	2,169	34,368
Total comprehensive income					
Profit for the period	-	-	-	834	834
Other comprehensive income	-	119	-	-	119
Total comprehensive income	-	119	-	834	954
Balance at 30 Jun 2021	10,000	2,318	20,000	3,004	35,322

CASH FLOW STATEMENT

(EUR 1,000)	1 Jan–30 Jun 2022	1 Jan–30 Jun 2021
Cash flow from operations		
Profit for the period	1,498	834
Adjustments to profit for the financial year	1,948	2,561
Increase (-) or decrease (+) in business assets	-136,495	-25,309
Receivables from credit institutions	-58,637	-32,817
Receivables from customers	-43,602	-12,530
Notes and bonds	-29,727	20,692
Other assets	-4,529	-654
Increase (+) or decrease (-) in business liabilities	87,994	57,048
Liabilities to credit institutions	66,096	52,688
Liabilities to customers	15,949	1,115
Other liabilities	5,949	3,246
Income taxes paid	-301	-229
Total cash flow from operations	-45,356	34,906
Cash flow from investments		
Changes in other investments	1,707	-
Investments in tangible and intangible assets	102	61
Total cash flow from investments	1,809	61
Cash flow from financing		
Lease liabilities, decrease	-81	-78
Increases in debt securities issued to the public	298,242	-
Decreases in debt securities issued to the public	-147,979	-39,448
Total cash flow from financing	150,182	-39,526
Change in cash and cash equivalents		
Cash and cash equivalents at beginning of period	273,820	383,729
Cash and cash equivalents at end of period	380,456	379,170
Total cash flow from cash and cash equivalents	106,636	-4,559

(EUR 1,000)	1 Jan–30 Jun 2022	1 Jan–30 Jun 2021
Interest received	5,443	4,570
Interest paid	1,515	1,312
Dividends received	57	4
Adjustments to profit for the financial year		
Non-cash items and other adjustments		
Impairment losses on receivables	1,008	1,812
Depreciation	485	504
Other	455	245
Adjustments to profit for the financial year	1,948	2,561
Cash funds	-	-
Receivables from credit institutions repayable on demand	-	-
Total	-	-
Cash and cash equivalents		
Liquid assets	376,770	374,881
Receivables from credit institutions repayable on demand	3,686	4,289
Total	380,456	379,170

NOTES

NOTE 1 ACCOUNTING PRINCIPLES

Bonum Bank's financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the related interpretations (IFRIC).

The half-year report for 1 January – 30 June 2021 has been prepared in accordance with IAS 34 Interim Financial Reporting and the accounting policies presented in Bonum Bank's IFRS financial statements 31 December 2021.

The figures disclosed in the half-year report are unaudited. The figures in the half-year report are in thousand euros, unless otherwise stated. The figures in the calculations and tables are rounded, whereby the sum total of individual figures may deviate from the sum total presented.

Copy of Bonum Bank's half-year report is available from its office at Hevosenkentä 3, FI-02600 Espoo, and online at www.poppankki.fi.

CHANGES IN THE ACCOUNTING POLICIES

No new IFRS standards were adopted during the review period in Bonum Bank's financial statements.

EFFECT OF SAAS AGENDA DECISION FOR BONUM BANK

During the 2021 financial year, the agenda decision of the IFRS Interpretations Committee in April 2021 on the accounting treatment of configuration and customization costs (Configuration or Customization Costs in a Cloud Computing Arrangement) for supplier's application software in a Software as a Service (SaaS) was adopted. The change in accounting principles is described in detail in Note 1 of Bonum Bank Plc's Annual Report 2021.

The effects of the change in accounting policy on the various financial statements line items are presented in the table below:

EFFECT OF SAAS AGENDA DECISION FOR BONUM BANK PLC

Income statement	1 Jan - 30 Jun 2021	Change in accounting policy	1 Jan - 30 Jun 2021
Other operating expenses	-3,723	-220	-3,942
Depreciation and amortisation	-760	256	-504
Income tax expense	-206	-6	-212
Profit for the period	804	30	834

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The application of IFRS requires the management's assessments and assumptions concerning the future. These affect the reported amounts in the financial statements and the information included in the notes. The management's main estimates concern the future and the key uncertainties related to the amounts at the balance sheet date. In particular, they are related to fair value assessment and impairment of financial assets and intangible assets, as well as the assumptions used in actuarial analyses. The management's estimates and assumptions are based on the best view at the balance sheet date, which may differ from the actual result. More detailed information on the fair values and valuation techniques of financial assets is provided in Note 6.

Due to the drastic changes in geopolitical situation and the corona pandemic, the fair values and impairments of financial assets are subject to greater uncertainty

IMPAIRMENT OF FINANCIAL ASSETS

Calculation of the expected credit losses includes parameters requiring management's consideration. Management has to determine the method of taking macroeconomic information into consideration in the calculations, the principles of evaluating significant increases in the credit risk, the assessment of loss in default and the credit conversion factors applied to credit cards.

At the end of the financial year 2021 Bonum Bank reviewed the principles of calculating expected credit losses to unsecured loan portfolio. As an outcome of that change the amount of loan losses for the review period has decreased and amount of expected credit losses has increased.

NOTE 2 INTEREST INCOME AND EXPENSES

(EUR 1,000)	1 Jan-30 Jun 2022	1 Jan-30 Jun 2021
Interest income		
Loans and receivables to credit institutions	1,703	1,394
Loans and receivables to customers	4,018	2,958
Debt securities		
At fair value through other comprehensive income	90	66
At amortised cost	103	155
Other interest income	303	654
Total interest income	6,216	5,226
Of which negative interest expenses	1,668	1,565
Interest expenses		
Liabilities to credit institutions	-588	-483
Liabilities to customers	-8	-7
Debt securities issued to the public	-837	-644
Other interest expenses	-247	-226
Total interest expenses	-1,680	-1,360
Of which negative interest income	-676	-572
Net interest income	4,536	3,866

NOTE 3 NET COMMISSIONS AND FEES

(EUR 1,000)	1 Jan-30 Jun 2022	1 Jan-30 Jun 2021
Fee and commission income		
Lending	310	218
Card business	2,581	2,579
Payment transfers	1,943	1,806
Other	114	137
Total fee and commission income	4,948	4,740
Fee and commission expenses		
Card business	-352	-230
Payment transfers	-393	-377
Other	-34	-36
Total fee and commission expenses	-778	-644
Net commissions and fees	4,169	4,096

NOTE 4 NET INVESTMENT INCOME

(EUR 1,000)	1 Jan-30 Jun 2022	1 Jan-30 Jun 2021
At fair value through other comprehensive income		
Shares and participations		
Dividend income	57	4
Total	57	4
Net income from foreign exchange trading	125	170
Total net investment income	181	174

NOTE 5 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS 30 JUNE 2022

(EUR 1,000)	At amortised cost	At fair value through other comprehensive income	Expected credit loss	Total
Liquid assets	376,770	-	-	376,770
Loans and receivables from credit institutions	500,098	-	1	500,097
Loans and receivables from customers	163,230	-	4,154	159,076
Debt securities *	40,000	183,248	14	223,234
Shares and participations	-	1,381	-	1,381
Total financial assets	1,080,097	184,629	4,169	1,260,557
Other assets				16,448
Total assets 30 Jun				1,277,005

*Expected credit loss of EUR 34 thousand from debt securities, measured at fair value through other comprehensive income, have been recorded in the fair value reserve.

FINANCIAL ASSETS 31 DECEMBER 2021

(EUR 1,000)	At amortised cost	At fair value through other comprehensive income	Expected credit loss	Total
Liquid assets	268,871	-	-	268,871
Loans and receivables from credit institutions	442,723	-	5	442,718
Loans and receivables from customers	113,439	-	-3,016	116,455
Debt securities *	40,000	154,615	14	194,600
Shares and participations	-	2,962	-	2,962
Total financial assets	865,034	157,577	-2,997	1,025,608
Other assets				12,306
Total assets 31 Dec				1,037,914

*Expected credit loss of EUR 34 thousand from debt securities, measured at fair value through other comprehensive income, have been recorded in the fair value reserve.

FINANCIAL LIABILITIES 30 JUNE 2022

(EUR 1,000)	At amortised cost	Total
Liabilities to credit institutions	739,470	739,470
Liabilities to customers	51,531	51,531
Debt securities issued to the public	435,264	435,264
Total financial liabilities	1,226,265	1,226,265
Other than financial liabilities		14,402
Total liabilities 30 Jun		1,240,667

FINANCIAL LIABILITIES 31 DECEMBER 2021

(EUR 1,000)	At amortised cost	Total
Liabilities to credit institutions	673,374	673,374
Liabilities to customers	35,581	35,581
Debt securities issued to the public	284,920	284,920
Total financial liabilities	993,875	993,875
Other liabilities		8,702
Total liabilities 31 Dec		1,002,578

NOTE 6 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUES BY VALUATION TECHNIQUE

(EUR 1,000)	30 Jun 2022		31 Dec 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Liquid assets	376 770	376 770	268 871	268 871
Loans and receivables from credit institutions	500 097	500 120	442 718	446 463
Loans and receivables from customers	159 076	161 216	116 455	119 961
Debt securities	223 234	223 248	194 600	194 615
Shares and participations	1 381	1 381	2 962	2 962
Total	1 260 557	1 262 735	1 025 608	1 032 873
Financial liabilities				
Liabilities to credit institutions	739,470	737,566	655,626	675,837
Liabilities to customers	51,531	51,527	53,329	35,661
Debt securities issued to the public	435,264	443,551	284,920	289,850
Total	1,226,265	1,232,644	993,875	1,001,348

FAIR VALUE HIERARCHY LEVELS OF ITEMS RECURRENTLY RECOGNISED AT FAIR VALUE

FINANCIAL ASSETS AT FAIR VALUE 30 JUN 2022

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value
Fair value through other comprehensive income				
Shares and participations	-	-	1,381	1,381
Debt securities	116,410	106,824	-	223,234
Total financial assets	116,410	106,824	1,381	224,614

FINANCIAL ASSETS AT FAIR VALUE 31 DEC 2021

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value
Fair value through other comprehensive income				
Shares and participations	-	-	2,962	2,962
Debt securities	99,392	95,208	-	194,600
Total financial assets	99,392	95,208	2,962	197,563

FAIR VALUE DETERMINATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and liabilities are recognised in balance sheet at fair value or amortised cost. Classification and valuation of financial instruments are described in more detail in Bonum Bank Plc's 2021 Financial Statements Report's Note 1 Accounting policies.

FAIR VALUE HIERARCHIES

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

Level 2 includes financial instruments measured using generally approved measurement techniques or models which are based on assumptions made on the basis of observable market prices. For example, the fair value of a financial instrument allocated to Level 2 may be based on the value derived from the market quotation of components of an instrument. This group includes interest derivatives and other instruments that are not traded in liquid markets.

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

TRANSFERS BETWEEN FAIR VALUE HIERARCHY LEVELS

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

CHANGES IN FINANCIAL ASSETS RECURRENTLY MEASURED AT FAIR VALUE CLASSIFIED INTO LEVEL 3

(EUR 1,000)	Fair value through profit or loss	Fair value through other comprehensive income	Total
Carrying amount 1 Jan 2022	-	2,962	2,962
- Sales	0	-1,707	-1,707
+/- Unrealised changes in value recognised in other comprehensive income	-	-1,271	-1,271
+/- Realised changes in value recognised in retained earnings		1,396	1,396
Carrying amount 30 Jun 2022		1,381	1,381

(EUR 1,000)	Fair value through profit or loss	Fair value through other comprehensive income	Total
Carrying amount 1 Jan 2021	-	2,708	2,708
+ Purchases	0	0	0
+/- Unrealised changes in value recognised in other comprehensive income	-	190	190
Carrying amount 31 Dec 2021	-	2,962	2,962

SENSITIVITY ANALYSIS OF FINANCIAL ASSETS AT LEVEL 3

30 Jun 2022	Carrying amount	Possible effect on equity capital	
		Positive	Negative
Fair value through other comprehensive income	1,381	207	-207
Total	1,381	207	-207

31.12.2021	Carrying amount	Possible effect on equity capital	
		Positive	Negative
Fair value through other comprehensive income	2,962	444	-444
Total	2,962	444	-444

The sensitivity of financial assets recurrently measured at fair value at level 3 has been calculated for interest rate linked investments by assuming a 1 percentage points change in interest rates and for other investments by assuming the market price of the security to change by 15%.

Bonum Bank has sold Visa series A shares in April. As an outcome of the sale 1,4 million euros has been transferred from level 3 to retained earnings.

Bonum Bank does not have assets measured non-recurrently at fair value.

NOTE 7 IMPAIRMENT LOSSES ON FINANCIAL ASSETS

IMPAIRMENT LOSSES RECORDED DURING THE REPORTING PERIOD

(EUR 1,000)	1 Jan - 30 Jun 2022	1 Jan - 31 Jun 2020
Change of ECL due to write-offs	76	866
Change of ECL, receivables from customers and off-balance sheet items	-1,246	-848
Change of ECL, debt securities	5	2
Final credit losses	157	-1,831
Impairment losses on financial assets total	-1,008	-1,812

During the financial year, EUR 157 (1 831) thousand was recognised as final credit loss. Recollection measures are attributed to the whole amount. The change of accounting policies to the loan losses of unsecured loan portfolio is described in Note 1.

Changes in expected credit loss (ECL) during the financial period are presented in the tables below. Stage 1 represents financial instruments whose credit risk has not increased significantly since the initial recognition. Expected credit losses are determined for such financial instruments based on expected loan losses for 12 months. Stage 2 represents financial instruments whose credit risk has increased significantly after the initial recognition on the basis of qualitative or quantitative criteria and, for stage 3, financial instruments whose counterparty has been declared as default. Expected credit losses are determined for financial instruments classified in Stage 2 and 3 based on the expected credit losses over the entire life of the instrument.

The principles for calculating expected credit losses and determining the probability of default are presented in IFRS financial statements of the Bonum Bank on 31 December 2021, Note 1 Accounting policies.

RECEIVABLES FROM CUSTOMERS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2022	1,265	119	1,632	3,016
Transfers to stage 1	5	-8	-50	-54
Transfers to stage 2	-113	87	-19	-45
Transfers to stage 3	-55	-44	889	791
Increases due to origination	882	21	14	917
Decreases due to derecognition	-167	-20	-242	-429
Changes due to change in credit risk (net)	-42	-5	81	35
Decreases due to write-offs	-	-	-76	-76
Total	511	31	597	1,139
ECL 30 Jun 2022	1,776	150	2,228	4,154

OFF-BALANCE SHEET COMMITMENTS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2022	187	10	36	233
Transfers to stage 1	1	-4	-12	-15
Transfers to stage 2	-11	24	-1	12
Transfers to stage 3	0	0	15	14
Increases due to origination	31	8	7	46
Decreases due to derecognition	-8	-	-	-8
Changes due to change in credit risk (net)	-19	-1	1	-18
Total	-6	27	10	31
ECL 30 Jun 2022	181	37	46	264

DEBT SECURITIES

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2022	48	1	-	49
Increases due to origination	14	-	-	14
Decreases due to derecognition	-4	-	-	-4
Changes due to change in credit risk (net)	-11	-	-	-11
Total	0	-	-	-1
ECL 30 Jun 2022	48	-	-	48

RECEIVABLES FROM CREDIT INSTITUTIONS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2022	4	-	-	4
Transfers to stage 1	-	1	-	1
Decreases due to derecognition	-1	-	-	-1
Changes due to change in credit risk (net)	-3	-1	-	-4
Total	-4	-	-	-4
ECL 30 Jun 2022	-	-	-	-
ECL 1 Jan 2022	1,504	130	1,668	3,302
ECL 30 Jun 2022	2,005	187	2,275	4,466

RECEIVABLES FROM CUSTOMERS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2021	1,046	89	1,528	2,662
Transfers to stage 1	9	-40	-670	-701
Transfers to stage 2	-72	37	-363	-398
Transfers to stage 3	-89	-18	1,100	993
Increases due to origination	752	76	249	1,076
Decreases due to derecognition	-346	-22	-206	-574
Changes due to change in credit risk (net)	-34	-3	1,507	1,469
Decreases due to write-offs	-	-	-1,512	-1,512
Total	219	30	104	353
ECL 31 Dec 2021	1,265	119	1,632	3,016

OFF-BALANCE SHEET COMMITMENTS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2021	182	58	35	275
Transfers to stage 1	5	-45	-18	-59
Transfers to stage 2	-1	3	-1	2
Transfers to stage 3	-1	-1	8	6
Increases due to origination	45	0	11	57
Decreases due to derecognition	-3	-	-	-3
Changes due to change in credit risk (net)	-41	-4	1	-45
Total	4	-48	1	-42
ECL 31 Dec 2021	187	10	36	233

DEBT SECURITIES

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2021	50	1	-	51
Increases due to origination	16	-	-	16
Decreases due to derecognition	-14	-	-	-14
Changes due to change in credit risk (net)	-3	-1	-	-4
Total	-2	-1	-	-2
ECL 31 Dec 2021	48	1	-	49

RECEIVABLES FROM CREDIT INSTITUTIONS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2021	3	-	-	3
Increases due to origination	2	-	-	2
Decreases due to derecognition	0	-	-	0
Changes due to change in credit risk (net)	0	-	-	0
Total	1	-	-	1
ECL 31 Dec 2021	4	-	-	4
ECL 1 Jan 2021	1,282	148	1,562	2,993
ECL 31 Dec 2021	1,504	130	1,668	3,302

CREDIT RISK BY STAGES 30 JUN 2022

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
Receivables from customers				
Private	120,634	3,628	5,619	129,881
Corporate	32,656	640	53	33,349
Receivables from customers total	153,290	4,268	5,672	163,230
ECL 30 Jun 2022	1,776	150	2,228	4,154
Coverage ratio %	1.2 %	3.5 %	39.3 %	2.5 %
Off-balance sheet commitments				
Private	137,909	1,675	313	139,897
Corporate	8,745	69	11	8,824
Off-balance sheet commitments total	146,653	1,744	323	148,721
ECL 30 Jun 2022	181	37	46	264
Coverage ratio %	0.1 %	2.1 %	14.3 %	0.2 %
Debt securities				
ECL 30 Jun 2022	48	-	-	48
Coverage ratio %	0.0 %	-	-	0.0 %
Receivables from credit institutions	454,380	180	-	454,560
ECL 30 Jun 2022	-	-	-	-
Coverage ratio %	-	-	-	-
Credit risk by stages total	977,270	6,314	5,995	989,759

The table above summarizes the exposure to credit risk and the amount of the expected credit loss in relation to the amount of the exposure in stages. The coverage ratio illustrates the relative share of the ECL in the amount of exposure. There were no significant changes in the coverage ratio during the period.

CREDIT RISK BY STAGES 31 DEC 2021

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
Receivables from customers				
Private	86,556	2,621	4,109	93,286
Corporate	25,791	349	45	26,185
Receivables from customers total	112,347	2,969	4,154	119,471
ECL 31 Dec 2021	1,265	119	1,632	3,016
Coverage ratio %	1.1 %	4.0 %	39.3 %	2.5 %
Off-balance sheet commitments				
Private	137,711	731	265	138,707
Corporate	6,741	19	19	6,778
Off-balance sheet commitments total	144,452	750	284	145,485
ECL 31 Dec 2021	187	10	36	233
Coverage ratio %	0.1 %	1.3 %	12.7 %	0.2 %
Debt securities	194,307	308	-	194,615
ECL 31 Dec 2021	48	1	-	49
Coverage ratio %	0.0 %	0.2 %	-	0.0 %
Receivables from credit institutions	398,360	-	-	398,360
ECL 31 Dec 2021	4	-	-	4
Coverage ratio %	0.0 %	-	-	0.0 %
Credit risk by stages total	849,466	4,028	4,438	857,931

NOTE 8 LIABILITIES TO CREDIT INSTITUTIONS AND CUSTOMERS

(EUR 1,000)	30 Jun 2022	31 Dec 2021
Liabilities to credit institutions		
To central banks	128,400	128,400
To other credit institutions		
Repayable on demand	401,578	352,994
Other	209,492	191,980
Total liabilities to credit institutions	739,470	673,374
Liabilities to customers		
Deposits		
Repayable on demand	9,231	13,081
Other	42,300	22,500
Total liabilities to customers	51,531	35,581
Total liabilities to credit institutions and customers	791,000	708,955

Liabilities to central banks includes secured TLTRO III funding total of 128,400 thousand euros. The funding matures on 27 March 2024 (TLTRO 3.7) and 26 June 2024 (TLTRO 3.8) but for which early repayment is possible from 30 March 2022 and 29 June 2022 onwards. The interest rate on the financing period from 24 June 2020 to 23 June 2022 may be the ECB's deposit rate (-0.5%) less an additional interest rate of 0.5%. The determination of the interest rate is affected by the growth of the POP Bank Group's net lending, and the interest rate for the period 24 June 2021 - 23 June 2022 was determined on the basis of the net lending review period ending on 31 December 2021. Bank of Finland has verified the fulfillment of the lending growth criteria. The additional interest rate has been recognised as income during financial year 2021. The final interest rate on the loan will be reviewed when the loan matures. The loan has been treated in accordance with IFRS 9 Financial Instruments -standard, as the POP Bank Group has assessed that the loan meets the conditions of a market-based loan.

NOTE 9 DEBT SECURITIES ISSUED TO THE PUBLIC

(EUR 1,000)	30 Jun 2022	31 Dec 2021
Debt securities issued to the public	254,869	254,926
Certificates of deposits	180,396	29,995
Total debt securities issued to the public	435,264	284,920

Certificates of deposit with a total nominal value of EUR 180,5 (30,0) million were outstanding on the balance sheet date. Amount of the certificates is 27, nominals range from 1 million to 20 million euros with average maturity of 8 months.

DEBT SECURITIES

(EUR 1,000)					
Nimi	Issue date	Due date	Interest	Nominal value	Currency
BONUM20231207	3.6.2020	12.7.2023	EB 12 kk + 1,044 %	50,000	EUR
BONUM20240117	3.6.2020	17.1.2024	EB 12 kk + 1,20 %	55,000	EUR
BONUM20261026	20.10.2021	20.10.2026	EB 3 kk + 0,85 %	20,000	EUR
BONUM20251116	16.11.2021	16.11.2025	EB 3 kk + 0,75 %	30,000	EUR
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BONUM20250405	5.4.2022	5.4.2025	EB 3kk + 1,40 %	50,000	EUR
BONUM20270422	22.4.2022	22.4.2027	EB 12 kk + 1,25 %	50,000	EUR

AMOUNTS RECOGNISED IN STATEMENT OF CASH FLOWS

(EUR 1,000)	30 Jun 2022	31 Dec 2021
Balance sheet 1 Jan	284,920	266,346
Debt securities issued, increase	99,911	49,952
Certificates of deposits, increase	198,331	29,993
Total increase	298,242	79,945
Debt securities issued, decrease	-100,000	-20,000
Certificates of deposits, decrease	-47,979	-41,387
Total decrease	-147,979	-61,387
Total changes of cash flow of financial activities	150,263	18,558
Valuation, accrued interest	81	17
Balance at the end of period	435,264	284,920

NOTE 10 COLLATERALS GIVEN AND RECEIVED

(EUR 1,000)	30 Jun 2022	31 Dec 2021
Collaterals given		
Given on behalf of own liabilities and commitments		
Collateral to the Bank of Finland	177,884	144,361
Total collateral given	177,884	144,361
Collaterals received		
Collaterals received from banks of POP Group	64,306	64,306
Total collaterals received	64,306	64,306

Deposit liabilities are long-term money market deposits related to the offering of central credit institution services and made by the banks in the POP Bank Group to the Bonum Bank Plc. The amount of deposit liabilities in relation to the balance sheet total is confirmed annually.

NOTE 11 OFF-BALANCE SHEET COMMITMENTS

(EUR 1,000)	30 Jun 2022	31 Dec 2021
Loan commitments	148,721	145,485
Total off-balance sheet commitments	148,721	145,485

Expect credit loss of total off-balance sheet commitments is presented in Note 7.

NOTE 12 RELATED PARTIES

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

In the half-year period, Bonum Bank granted housing and consumption loans to related parties at employee terms. These loans are tied to generally applied reference rates.

There has been no material changes in related party transactions since 31 December 2021.

Espoo 12 August 2022

Board of Directors of
Bonum Bank Plc

FURTHER INFORMATION

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