

Bonum Bank Plc: Half-year report for 1 January - 30 June 2022

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Bonum Bank Plc

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The profit for Bonum Bank Plc for the reporting period increased to EUR 1,498 (834) thousand and balance sheet grew to EUR 1.3 (1.0) billion.

During the review period, Bonum Bank Plc continued to provide funding for the growing needs of the POP Banks' business operations. 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 Plc also acquired funding by issuing short-term certificates of deposit under its EUR 250millioncertificates of deposit programme and by accepting money market deposits.

In addition to providing central credit institution services Bonum Bank Plc is responsible for issuing payment cards and card credit facilities to the POP Banks' customers, as well as for maintaining these services. Card processes, card products and card payment services are being continuously developed and enhanced in cooperation with internal and external stakeholders. During the first half of 2022, new card-related functionalities were again added to the POP Bank mobile banking application, including Google Pay. Apple Pay was launched already earlier.

The anti-money laundering measures of the Group's banks are implemented centrally by Bonum Bank Plc. 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 Plc 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 Plc is actively seeking new business opportunities to supplement the Group's product offering. Lending to partners' customers continued to grow during the first half of the year. 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, POP Bank Group's mortgage bank, 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.

Key figures (EUR 1,000)	30 Jun 2022	30 Jun 2021	31 Dec 2021
Net interest income	4,536	3,866	8,498
Net commission income	4,169	4,096	6,639
Profit	1,498	834	1,046
Balance sheet total	1,277,005	1,024,680	1,037,914
Common equity Tier 1 capital ratio, (CET 1) %	17.6	23.3	21.8
Cost-to-income ratio, %	74.1	70.5	75.4
ROA, %	0.3	0.2	0.1
ROE, %	8.4	4.6	3.0

Equity ratio %	2.8	3.4	3.4
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Bonum Bank Plc

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Bonum Bank Plc is part of the amalgamation of POP Banks and is responsible for providing POP 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, Bonum Bank Plc grants unsecured consumer credits and secured debt securities to retail customers and provides centralized services for the POP Banks.

Attachments

- [Download announcement as PDF.pdf](#)
- [Bonum Bank Plc Half-Year Report 1 January - 30 June 2022.pdf](#)