

Bonum Bank Plc

HALF-YEAR

FINANCIAL REPORT

1 January - 30 June 2024

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Bonum Bank PLC Half-Year Financial Report for 1 January – 30 June 2024 is a translation of the original Finnish version “Bonum Pankki Oyj puolivuosisikatsaus 1.1.–30.6.2024”. In case of discrepancies, the Finnish version shall prevail.

BOARD OF DIRECTOR'S REVIEW

Bonum Bank Plc (hereinafter "Bonum Bank") is part of the Amalgamation of POP Banks and is responsible for providing 18 POP Banks with central credit institution services, obtaining external funding for the POP Bank Group and handling payments 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 issued EUR 50 million bond in April. Funding has been acquired by issuing short-term certificates of deposit under its EUR 250 million certificates of deposit programme and by accepting money market deposits. In June 2024 credit rating agency S&P Global Ratings assigned its long- and short-term 'BBB+/A-2' resolution counterparty ratings (RCRs) to Bonum Bank.

In addition to providing central credit institution services, Bonum Bank is responsible for issuing payment cards and card credit facilities to the POP Banks' customers, as well as for maintaining these services. Bonum Bank provides card products under the Visa brand. Card processes, card products and card payment services are being continuously developed and enhanced in cooperation with internal and external stakeholders.

The Bonum Bank's service centre located in Vaasa continues to grow as the provider of the Group's centralised services. For example, many POP Bank Group's member banks have started to address their daily customer calls to the service centre. Additionally, the helpdesk of the ongoing core banking system reform will be a part of the service centre's service portfolio. As a result of the increase in the number of employees the service centre moved to new premises at the beginning of the year.

The POP Banks' anti-money laundering measures are implemented centrally by Bonum Bank. With a centralised service and up-to-date monitoring systems, the prevention of money laundering, terrorist financing and the control of money transfers are enhanced.

Bonum Bank's business operations outside the Group mainly consist of the issue of secured lending and unsecured consumer credits. The loan portfolio of unsecured consumer loans has grown, also the credit loss level of the unsecured loans is growing.

Bonum Bank's Annual General Meeting was held in April 2024. The Annual General Meeting dealt with statutory matters including EUR 1,000 thousand dividend. Meeting 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

POP Bank Group is a Finnish financial group that offers retail banking services to private customers and small and medium sized companies. POP Banks are cooperative banks owned by their member customers. 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

POP Bank Group consists of POP Banks, POP Bank Centre coop and their controlled entities. POP Banks are member credit institutions of POP Bank Centre coop. POP Bank Centre coop and its member credit institutions are mutually liable for their debts and liabilities according to the Act on the Amalgamation of Deposit Banks. POP Banks, POP Bank Centre coop and their controlled service companies constitute the Amalgamation of POP Banks.

POP Bank Centre coop is the central institution of the Amalgamation of POP Banks and is responsible for steering and supervising the POP Bank

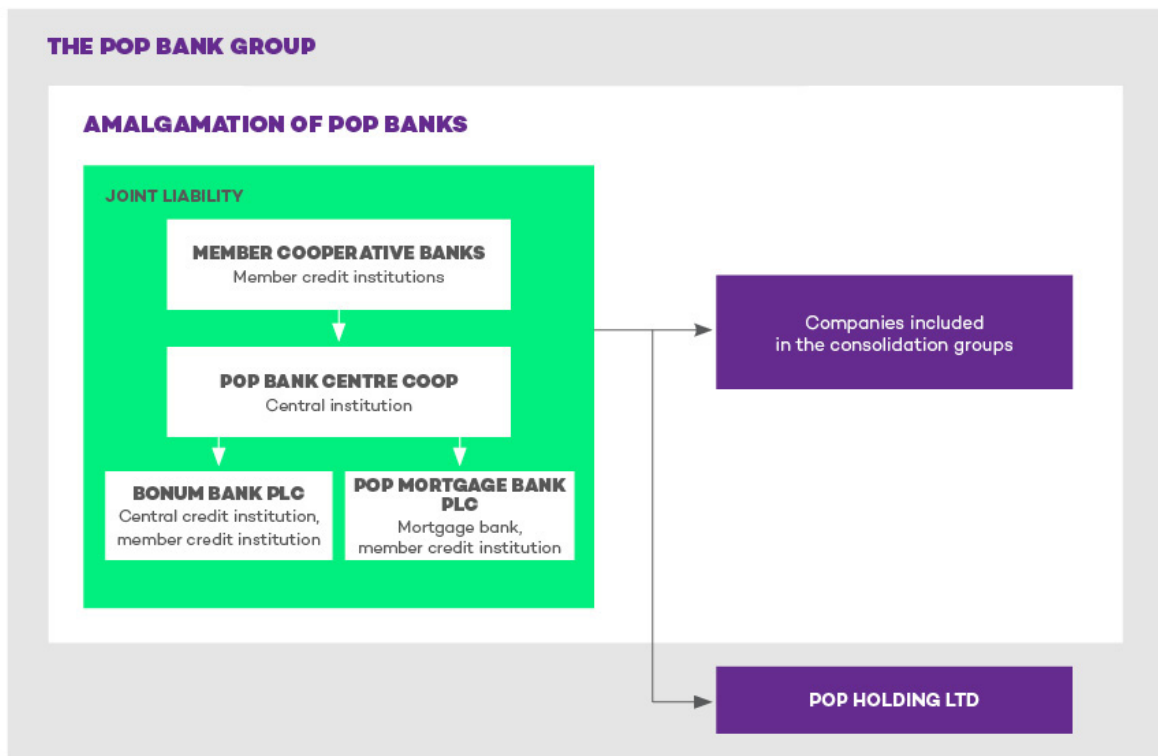
Group. POP Bank Centre coop has two subsidiaries, Bonum Bank Plc and POP Mortgage Bank Plc, which are also its member credit institutions.

Bonum Bank Plc serves as the central credit institution of the POP Banks and acquires external funding for the Group by issuing unsecured bonds. Bonum Bank Plc is also responsible for the POP Banks' card business and the Group's payment transactions and centralised services, in addition to granting credit to retail customers. POP Mortgage Bank Plc is responsible for the Group's mortgage-backed funding, which it acquires by issuing covered bonds.

POP Bank Group also includes POP Holding Ltd owned by POP Banks and POP Bank Centre Coop. POP Holding Ltd owns 30 per cent of Finnish P&C Insurance Ltd that belongs to Local Tapiola Group and uses the auxiliary business name of POP Insurance. POP Holding Ltd is not a member of the Amalgamation of POP Banks and is not 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



OPERATING ENVIRONMENT

Global economic growth in the first half of 2024 continued at roughly the same pace as in 2023. The strong growth of the US economy slowed down, however. In the euro area, growth was modest in 2023 and has continued to be sluggish in the first half of 2024. The growth of these markets, which are important for Finnish exports, is under pressure from interest rates that have rapidly risen as central banks seek to curb inflation, which accelerated in both the US and the euro area after the Covid-19 crisis. A long-awaited turn in interest rate policy was seen in June, when the European Central Bank cut its key policy rates by 0.25 percentage points.

The Finnish economy has continued to perform poorly in the first half of the year. Unemployment has been on the rise and consumer expectations for the economy have been pessimistic. This is reflected in households' cautious spending. The housing market in particular has suffered from buyer caution and trading volumes are low. The order books of exporting companies became thinner in the early part of the year, and the construction sector is in particular difficulty, with new construction virtually at a standstill. In fact, the number of bankruptcies remained high in the first half of the year.

Russia's war of aggression against Ukraine continued, but as most export and import trade with Russia ended earlier due to EU sanctions, the negative effects on the Finnish economy have not increased. However, the significant aid flows to Ukraine will also increase cost pressures on the public sector in Finland.

In early 2024, increasing public spending and rising interest costs forced policymakers to look for solutions to alleviate Finland's substantial fiscal deficit. In the spring, Finland saw significant industrial action as trade unions sought to persuade the Government to withdraw its proposed changes to labour legislation to limit political strikes. In the short term, raising the general VAT rate and cutting various benefits to improve the deficit will, however, have a negative impact on economic growth.

Housing prices continued to fall in the first half of 2024 on the year before, although there are also some signs that the decline is coming to an end and that the housing market is recovering. Wage increases in the spring, together with a sharp slowdown in domestic inflation, boost households' purchasing power. Increased income has so far been moderately reflected in consumption growth, but the household savings rate has increased. In agriculture and forestry, input prices turned sharply downwards as inflation eased. Energy prices in particular fell sharply, with the exception of temporary fluctuations in the price of electricity on the stock exchange. The timber trade has continued to do well, with domestic timber replacing imports from Russia.

For the banking sector, the April 2024 introduction of the positive credit register was a major improvement. Together with the income register, it enables lenders to assess the creditworthiness of individuals more reliably and comprehensively than before.

KEY FIGURES AND RATIOS

KEY INCOME FIGURES

(EUR 1,000)	1 Jan - 30 Jun 2024	1 Jan - 30 Jun 2023	1 Jan - 31 Dec 2023
Net interest income	5,432	6,894	12,999
Net commissions and fees	4,642	4,161	7,226
Net investment income	539	-62	-769
Personnel expenses	-3,412	-2,665	-5,409
Other operating expenses	-6,297	-5,558	-11,982
Impairment losses on financial assets	-3,052	-1,024	-3,306
Profit before taxes	610	4,735	3,015

KEY BALANCE SHEET FIGURES

(EUR 1,000)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Loan portfolio	1,154,598	980,003	1,042,922
Deposit portfolio	1,418,164	1,362,347	1,458,207
Equity capital	50,126	51,117	50,543
Balance sheet total	1,733,760	1,771,620	1,837,618

KEY RATIOS

	30 Jun 2024	30 Jun 2023	31 Dec 2023
Cost to income ratio	73.3%	60.1%	74.3%
Return on assets, ROA	0.1%	0.4%	0.1%
Return on equity, ROE	1.9%	15.2%	5.0%
Equity ratio	2.9%	2.9%	2.8%
Common equity Tier 1 capital ratio, (CET1)	20.2%	20.4%	19.4%
Capital adequacy ratio, (TC)	20.2%	20.4%	19.4%

The calculation formulas for key indicators are presented as part of the Bonum Bank Plc's Board of Director's Report and Financial Statements 31 December 2023. When calculating ROA and ROE, the profit for the review period has been changed to match full year level.

EARNINGS AND BALANCE SHEET

For the income statement, the point of comparison is 30 June 2023. For the balance sheet and capital adequacy, the point of comparison is 31 December 2023.

EARNINGS

Bonum Bank's profit before taxes was EUR 610 thousand, whereas in the comparison period it was EUR 4,735 thousand. Its profit for the period was EUR 488 (3,704) thousand. The cost-to-income ratio for the review period was 73.3 (60.1) per cent.

Operating income decreased by 5.2 per cent to EUR 13,694 (14,440) thousand. The change in operating income resulted from decrease in net interest income and in other operating income.

Net interest income decreased by 21.2 per cent to EUR 5,432 (6,894) thousand. Interest income was EUR 37,672 (26,854) thousand. The decrease in interest income is due to general rise on interest rates. Interest expenses totalled EUR 32,240 (19,960) thousand.

Other operating income decreased by 10.6 per cent. This item includes mainly POP Bank Group internal service invoicing.

Net commissions and fees were EUR 4,642 (4,161) thousand. Commissions totalled EUR 5,226 (4,881) thousand and fees totalled EUR 585 (720) thousand.

Net investment income was EUR 539 (-62) thousand. The increase of net investment income is mainly due to valuations of derivatives used for hedging.

Operating expenses grew by 15.6 per cent to EUR 10,032 (8,681) thousand.

Personnel expenses totalled EUR 3,412 (2,665) thousand in the review period. Bonum Bank had a total of 98 (77) employees at the end of the review period. Increase in employees is mainly due to shared service centre in Vaasa.

Other operating expenses grew by 13.3 per cent and totalled EUR 6,297 (5,558) thousand. This item includes bought services, office expenses, ICT expenses and marketing costs.

Depreciation and impairment on tangible and intangible assets totalled EUR 324 (458) thousand.

Impairment losses on financial assets totalled EUR 3,052 (1,024) thousand. The rise in impairment losses is due to increased unsecured lending and more itemised staging definitions.

BALANCE SHEET

At the end of the review period, Bonum Bank's balance sheet stood at EUR 1,733,760 (1,837,618) thousand.

The amount of liquid assets decreased during the review period by 30.3 per cent totalling EUR 337,915 (485,020) thousand. Loans and receivables from credit institutions increased during the reporting period by 12.5 per cent to EUR 955,697 (849,549) 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 2.9 per cent during the review period, totalling EUR 198,902 (193,373) 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.

Liabilities to credit institutions decreased by 2.2 per cent during the reporting period and were EUR 1,393,066 (1,424,772) thousand. This item includes deposits made by other member banks of the POP Bank Group, and deposits made by other banks outside the Group. Bonum Bank paid the remaining TLTRO financing EUR 78,400 thousand during the reporting period.

The amount of debt securities issued to the public decreased by 21.6 per cent to EUR 222,619 (283,896) thousand during the review period.

CREDIT RATING

In June 2024 credit rating agency S&P Global Ratings assigned its long- and short-term 'BBB+/A-2' resolution counterparty ratings (RCRs) to Bonum Bank.

The agency also affirmed Bonum Bank's long-term issuer credit rating 'BBB' and short-term 'A-2'. The outlook remains positive.

RISK AND CAPITAL ADEQUACY MANAGEMENT AND RISK POSITION

PRINCIPLES AND ORGNISATION OF RISK MANAGEMENT

The POP Bank Group's strategy outlines the Group's risk appetite. Business activities are carried out at a moderate risk level so that the risks can be managed in full. Risk management is part of the capital adequacy management process, which aims to ensure that the risk levels are proportionate to Bonum Bank's and the amalgamation's risk-bearing capacity and liquidity position.

Risk management processes must be able to identify all significant risks of the business operations and assess, measure and monitor these regularly. The most significant risks associated with Bonum Bank's operations are credit risk, liquidity risk and interest rate risk.

The amalgamation's risk management and capital adequacy management are described in more detail in Note 4 to the POP Bank Group's financial statements 31 December 2023. Furthermore, information concerning risks (Pillar III) specified in the EU Capital Requirements Regulation (2019/876) (CRR II) is presented in a separate Amalgamation of POP Banks' Capital Adequacy report 30 June 2024.

CREDIT RISK AND CONCENTRATIONS

During the first half of 2024, Bonum Bank's credit risk position has decreased due to reduced investment portfolio. Balance sheet items exposed to

credit risk totalled EUR 421,264 (460,510) thousand on 30 June 2024. Bonum Bank's off-balance sheet credit commitments totalled EUR 174,817 (171,533) 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 202,128 (259,963) thousand, which consisted of debt securities included in the bank's liquidity reserve. The investment asset items in the liquidity reserve include debt securities issued by governments, municipalities, credit institutions and companies. Some of these debt securities are accepted as collateral by the European Central Bank (ECB).

The retail loan portfolio increased by 2.9 per cent during the review period, amounting to EUR 198,902 (193,373) thousand. Unsecured lending represented 61.8 (59.3) per cent of the loan portfolio. Loans granted to retail customers represented 87.1 (86.3) per cent of the loan portfolio.

Expected credit losses (ECL) on loans, receivables and off-balance sheet items increased by EUR 1,616 thousand during the financial period, amounting to EUR 8,710 thousand. Total provision for expected credit losses of the retail lending was 4.2 (3.5) per cent of the loan portfolio. Expected credit loss amount of stage three receivables totalled EUR 6,720 (4,954) thousand. The ECL provision increased due to changes in credit risk and some adjustments been done in staging criteria. Regarding the unsecured loan portfolio, EUR 1,436 (246) thousand was recognised as final credit losses in the first half of 2024. Loan loss claims are subject to active collection measures.

LIQUIDITY RISKS

Bonum Bank, the central credit institution of the amalgamation, is responsible for the liquidity management and fulfilment of the requirement for net stable funding. Based on an authorisation granted by the Financial Supervisory Authority, the member credit institutions of the amalgamation have been exempted from the LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio) requirements

by the decision of the central institution. The LCR and NSFR requirements are calculated at the level of the Amalgamation of POP Banks.

The POP Bank Group's liquidity position remained on a good level during the review period. The liquidity coverage ratio for the amalgamation of POP Banks was 230.3 (265.4) per cent on 30 June 2024, with the regulation required minimum level being 100 per cent. At the end of the review period, Bonum Bank had EUR 706.3 (887.2) million in LCR-eligible liquid assets before haircuts, of which 49.4 (55.9) per cent consisted of cash and receivables from the central bank and 47.2 (41.3) per cent consisted of highly liquid Level 1 securities. The amalgamation's Net Stable Funding ratio was 136.8 (132.7) per cent on 30 June 2024.

Of Bonum Bank's EUR 750 million bond programme, EUR 200.0 (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 23.0 (29.0) million was outstanding. At the end of reporting period, Bonum Bank has paid the remaining part (EUR 78.4 million) of the 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's business operations do not include

trading activities. Any use of derivatives is limited to hedging banking book items. The Bank executed derivative hedges during the review period to decrease banking book interest rate risk in member banks balance sheet.

OPERATIONAL RISKS

The objective of the management of operational risks is to identify essential operational risks in business operations and minimise their materialisation and impact. An annual risk assessment also aims to evaluate the risks related to Bonum Bank's most significant outsourced operations. The objective is pursued through continuous personnel development and comprehensive operating instructions and internal control measures.

CAPITAL ADEQUACY

On 30 June 2024, Bonum Bank's capital adequacy was at a good level. Both capital adequacy ratio and core capital adequacy ratio were 20.2 (19.4) per cent. The bank's own funds totalled EUR 49,191 (47,515) thousand, consisting entirely of CET1 capital.

Bonum Bank's leverage ratio was 5.7 (4.6) per cent.

During the first half of 2024, Bonum Bank's own funds increased mainly through profit for the previous financial year. The amount of risk-weighted assets remained on the same level, but the growth is expected towards the end of the year.

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. In line with the practice followed by the amalgamation, the bank does not include the profit accrued during the financial period in its own funds. Based on permission from the Financial Supervisory Authority, the member credit institutions of the amalgamation are exempted, by a decision of the central institution, from the own funds requirement for intra-group items, and from large exposure restrictions concerning items between the central credit institution and the member banks.

SUMMARY OF CAPITAL ADEQUACY

(EUR 1,000)	30 Jun 2024	31 Dec 2023
Own funds		
Common Equity Tier 1 capital before deductions	49,638	48,137
Deductions from Common Equity Tier 1 capital	-447	-622
Total Common Equity Tier 1 capital (CET1)	49,191	47,515
Tier 1 capital (T1 = CET1 + AT1)	49,191	47,515
Total capital (TC = T1 + T2)	49,191	47,515
Total risk weighted assets	243,201	244,745
of which credit risk	192,599	196,019
of which credit valuation adjustment risk (CVA)	8,421	6,658
of which market risk (exchange rate risk)	1,344	1,248
of which operational risk	40,838	40,820
Fixed capital conservation buffer according to Act on Credit institutions (2.5%)	6,080	6,119
Countercyclical capital buffer	53	65
CET1 Capital ratio (%)	20.2%	19.4%
T1 Capital ratio (%)	20.2%	19.4%
Total capital ratio (%)	20.2%	19.4%
Capital requirement		
Total capital	49,191	47,515
Capital requirement *	25,589	25,764
Capital buffer	23,601	21,752
Leverage ratio		
Tier 1 capital (T1)	49,191	47,515
Leverage ratio exposure	859,064	1,024,580
Leverage ratio, %	5.7%	4.6%

* 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.

OUTLOOK FOR THE SECOND HALF OF THE YEAR

The result for the whole financial year 2024 is expected to be positive. The result involves uncertainty arising from the impairment provisions and credit losses related to the increase in lending.

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.

TABLES (IFRS)

INCOME STATEMENT

(EUR 1,000)	Note	1 Jan - 30 Jun 2024	1 Jan - 30 Jun 2023
Interest income*		37,672	26,854
Interest expenses*		-32,240	-19,960
Net interest income	2	5,432	6,894
Net commissions and fees	3	4,642	4,161
Net investment income	4	539	-62
Other operating income		3,082	3,448
Total operating income		13,694	14,440
Personnel expenses		-3,412	-2,665
Other operating expenses		-6,297	-5,558
Depreciation and amortisation		-324	-458
Total operating expenses		-10,032	-8,681
Impairment losses on financial assets	7	-3,052	-1,024
Profit before taxes		610	4,735
Income tax expense		-122	-1,031
Profit for the period		488	3,704

*The presentation method for interest income from derivative contracts has been changed. For the interest on derivatives, the interest from one interest rate swap will henceforth be recorded on a net basis rather than as gross interest income and gross interest expense. A reclassification of EUR 3,409.8 thousand from interest income to interest expenses was made for the comparative period. The change is described in more detail in Note 1, under "Changes in presentation method".

STATEMENT OF OTHER COMPREHENSIVE INCOME

(EUR 1,000)	1 Jan - 30 Jun 2024	1 Jan - 30 Jun 2023
Profit for the period	488	3,704
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net changes in fair value of equity instruments	29	82
Deferred taxes	-6	-16
Total	23	66
Items that may be reclassified to profit or loss		
Movement in fair value reserve for liability instruments	89	863
Deferred taxes	-18	-173
Total	71	690
Other comprehensive income items total	94	756
Other comprehensive income for the period	582	4,460

BALANCE SHEET

(EUR 1,000)	Note	30 Jun 2024	31 Dec 2023
Assets			
Liquid assets		337,915	485,020
Loans and advances to credit institutions	5	955,697	849,549
Loans and advances to customers	5	198,902	193,373
Investment assets		202,128	259,963
Derivatives		1,665	9,220
Intangible assets		131	329
Property, plant and equipment		497	648
Other assets		36,257	39,309
Tax assets		569	207
Total assets		1,733,760	1,837,618
Liabilities			
Liabilities to credit institutions	5, 8	1,393,066	1,424,772
Liabilities to customers	5, 8	25,098	33,435
Debt securities issued to the public	9	222,619	283,896
Derivatives	5, 6, 10	3,870	1,798
Other liabilities		38,790	42,970
Tax liabilities		191	203
Total liabilities		1,683,634	1,787,075
Equity			
Share capital		10,000	10,000
Reserves		30,095	30,001
Retained earnings		10,030	10,543
Total equity capital		50,126	50,543
Total liabilities and equity capital		1,733,760	1,837,618

STATEMENT OF CHANGES IN EQUITY

(EUR 1,000)	Share capital	Fair value reserve	Other reserves	Retained earnings	Total equity
Balance 1 Jan 2024	10,000	1	30,000	10,543	50,543
Comprehensive income					
Profit for the financial period	-	-	-	488	488
Other comprehensive income	-	94	-	-	94
Total comprehensive income	-	94	-	488	582
Other changes				-1,000	
Balance 30 Jun 2024	10,000	95	30,000	10,030	50,126

(EUR 1,000)	Share capital	Fair value reserve	Other	Retained earnings	Total equity
Balance 1 Jan 2023	10,000	-1,480	30,000	8,136	46,657
Comprehensive income					
Profit for the period	-	-	-	3,704	3,704
Other comprehensive income	-	756	-	-	756
Total comprehensive income	-	756	-	3,704	4,460
Balance 30 Jun 2023	10,000	-723	30,000	11,840	51,117

CASH FLOW STATEMENT

(EUR 1,000)	1 Jan - 30 Jun 2024	1 Jan - 30 Jun 2023
Cash flow from operations		
Profit for the period	488	3,704
Adjustments to profit for the financial year	2,799	3,541
Increase (-) or decrease (+) in operating assets	-12,671	320,164
Advances from credit institutions	-65,145	347,353
Advances from customers	-8,535	-9,921
Notes and bonds	57,957	-12,978
Other assets	3,052	-4,290
Increase (+) or decrease (-) in operating liabilities	-34,065	193,305
Liabilities to credit institutions	-21,644	203,406
Liabilities to customers	-8,337	-17,307
Other liabilities	-4,084	7,206
Income taxes paid	-520	-978
Total cash flow from operations	-43,970	519,736
Cash flow from investing activities		
Investments in tangible and intangible assets	-5	-
Total cash flow from investing activities	-5	-
Cash flow from financing activities		
Other increases in equity items	-1,000	-62,226
Payment of lease liabilities	-156	-88
Debt securities issued, increase	72,240	60,478
Debt securities issued, decrease	-133,211	-62,226
Total cash flow from financing activities	-62,128	-1,835
Change in cash and cash equivalents		
Cash and cash equivalents at period-start	888,758	443,523
Cash and cash equivalents at the end of the period	782,655	961,424
Total cash flow from cash and cash equivalents	-106,103	517,901

(EUR 1,000)	1 Jan - 30 Jun 2024	1 Jan - 30 Jun 2023
Cash and cash equivalents		
Liquid assets	337,915	585,096
Receivables from credit institutions payable on demand	444,740	376,328
Total	782,655	961,424
ADDITIONAL INFORMATION OF THE CASH FLOW STATEMENT		
Interest received	44,741	25,825
Interest paid	41,629	16,337
Dividends received	4	4
Adjustments to profit for the financial year		
Non-cash items and other adjustments		
Impairment losses on receivables	3,052	1,024
Depreciation	324	458
Other	-577	2,059
Adjustments to profit for the financial year	2,799	3,541

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 2024 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 2023.

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. The operating currency of Bonum Bank is euro.

A copy of Bonum Bank's half-year report is available from its office at Hevosenkenkä 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.

CHANGES IN PRESENTATION METHOD

Bonum Bank has clarified the presentation method for interest related to hedging derivative contracts. Unlike the previous presentation method, the interest from a single derivative contract will now be recorded on a net basis instead of as gross interest income and gross interest expense. Interest from derivatives hedging assets will be presented in the income statement under interest income, and interest from derivatives hedging liabilities will be presented under interest expenses. The presentation method for interest liabilities and receivables has also been modified, such that the interest from derivative contracts is shown as a net amount in either "other assets" or "other liabilities" on the balance sheet, depending on the interest payment situation at each reporting date. Comparative period data in the income statement has been adjusted to match the new presentation method. No corresponding adjustment has been made on the balance sheet. This adjustment has no impact on net interest income. The detailed euro impacts of the presentation change are shown in the income statement and in Note 2 regarding net interest income.

NOTE 2 INTEREST INCOME AND EXPENSES

(EUR 1,000)	1 Jan - 30 Jun 2024	1 Jan - 30 Jun 2023
Interest income		
Loans and advances to credit institutions	25,008	17,878
Loans and advances to customers	8,932	6,730
Debt securities		
At amortised cost	2,293	738
At fair value through other comprehensive income	1,438	1,506
Other interest income	1	1
Total interest income	37,672	26,854
Interest expenses		
Liabilities to credit institutions	-22,271	-14,353
Liabilities to customers	-269	-234
Debt securities issued to the public	-6,305	-4,876
Derivatives in hedges of liabilities*	-3,382	-427
Other interest expenses	-13	-70
Total interest expenses	-32,240	-19,960
Of which negative interest income	-3	-4
Net interest income	5,432	6,894

*The presentation method for interest income from derivative contracts has been changed. For the interest on derivatives, the interest from one interest rate swap will henceforth be recorded on a net basis rather than as gross interest income and gross interest expense. A reclassification of EUR 3,409.8 thousand from interest income to interest expenses was made for the comparative period. The change is described in more detail in Note 1, under "Changes in presentation method".

NOTE 3 NET COMMISSIONS AND FEES

(EUR 1,000)	1 Jan - 30 Jun 2024	1 Jan - 30 Jun 2023
Fee and commission income		
Lending	626	453
Card business	2,534	2,348
Payment transfers	1,944	1,958
Other commission income	122	122
Total commissions and fees	5,226	4,881
Commissions expenses		
Card business	-107	-292
Payment transfers	-416	-379
Other	-61	-50
Total commission expenses	-585	-720
Net commissions and fees	4,642	4,161

NOTE 4 NET INVESTMENT INCOME

(EUR 1,000)	1 Jan - 30 Jun 2024	1 Jan - 30 Jun 2023
At fair value through profit or loss		
Fair value gains and losses*	4	8
Total	4	8
At fair value through other comprehensive income		
Debt securities		
Capital gains and losses	2	0
Transferred from fair value reserve to the income statement	-8	0
Shares and participations		
Dividend income	4	4
Total	-1	4
Net income from foreign exchange trading	105	63
Net income from hedge accounting		
Change in hedging instruments' fair value*	-9,632	-2,784
Change in hedged items' fair value	10,063	2,647
Total	431	-137
Total net investment income	539	-62

*Comparable figures have been adjusted by reporting CVA/DVA valuations in Fair value gains and losses total EUR 8.1 thousand (transferred from Change in hedging instruments' fair value).

NOTE 5 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS 30 JUN 2024

(EUR 1,000)	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Expected credit loss	Total carrying amount
Liquid assets	337,915		-	-	337,915
Loans and advances to credit institutions	955,697		-	-1	955,697
Loans and advances to customers	207,192		-	-8,290	198,902
Derivatives		1,665			1,665
Debt securities*	127,376		73,810	-43	201,143
Shares and participations	-		985	-	985
Total financial assets	1,628,179	1,665	74,795	-8,334	1,696,306
Other assets					37,454
Total assets					1,733,760

*Expected credit loss of EUR 21 thousand from debt securities, measured at fair value through other comprehensive income, have been recorded in the fair value reserve.

FINANCIAL ASSETS 31 DEC 2023

(EUR 1,000)	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Expected credit loss	Total carrying amount
Liquid assets	485,020		-	-	485,020
Loans and advances to credit institutions	849,550		-	-1	849,549
Loans and advances to customers	200,093		-	-6,720	193,373
Derivatives		9,220			9,220
Debt securities*	144,683		114,368	-43	259,007
Shares and participations	-		956	-	956
Financial assets total	1,679,345	9,220	115,324	-6,764	1,797,126
Other assets					40,493
Total assets					1,837,618

*Expected credit loss of EUR 24 thousand from debt securities, measured at fair value through other comprehensive income, have been recorded in the fair value reserve.

FINANCIAL LIABILITIES 30 JUN 2024

(EUR 1,000)	At fair value through profit or loss	At amortised cost	Total carrying amount
Liabilities to credit institutions	-	1,393,066	1,393,066
Liabilities to customers	-	25,098	25,098
Debt securities issued to the public	-	222,619	222,619
Derivatives	3,870	-	3,870
Financial liabilities total	3,870	1,640,782	1,644,653
Other liabilities			38,981
Total liabilities			1,683,634

FINANCIAL LIABILITIES 31 DEC 2023

(EUR 1,000)	At fair value through profit or loss	At amortised cost	Total carrying amount
Liabilities to credit institutions	-	1,424,772	1,424,772
Liabilities to customers	-	33,435	33,435
Debt securities issued to the public	-	283,896	283,896
Derivatives	1,798	-	1,798
Financial liabilities total	1,798	1,742,104	1,743,902
Other liabilities			43,173
Total liabilities			1,787,075

NOTE 6 FAIR VALUE MEASUREMENTS BY VALUATION TECHNIQUE

FINANCIAL ASSETS

(EUR 1,000)	30 Jun 2024		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Liquid assets	337,915	337,915	485,020	485,020
Loans and advances to credit institutions	955,697	955,697	849,549	849,549
Loans and advances to customers	198,902	198,066	193,373	191,872
Derivatives	1,665	1,255	9,220	9,220
Investment assets				
At amortised cost	127,333	128,303	144,639	147,546
At fair value through other comprehensive income	74,795	74,795	115,324	115,324
Total	1,696,306	1,696,030	1,797,126	1,798,531

FINANCIAL LIABILITIES

(EUR 1,000)	30 Jun 2024		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities to credit institutions	1,393,066	1,393,066	1,424,772	1,424,750
Liabilities to customers	25,098	25,098	33,435	33,435
Debt securities issued to the public	222,619	222,094	283,896	280,693
Derivatives	3,870	2,298	1,798	1,798
Total	1,644,653	1,642,556	1,743,902	1,740,676

FAIR VALUE HIERARCHY LEVELS OF ITEMS RECURRENTLY RECOGNISED AT FAIR VALUE**FINANCIAL ASSETS RECURRENTLY MEASURED AT FAIR VALUE 30 JUN 2024**

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value
At fair value through profit or loss				
Derivatives		1,665		1,665
Fair value through other comprehensive income				
Shares and participations	-	-	985	985
Debt securities	73,810	0	-	73,810
Total	73,810	1,665	985	76,460

FINANCIAL ASSETS RECURRENTLY MEASURED AT FAIR VALUE 31 DEC 2023

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value
At fair value through profit or loss				
Derivatives		9,220		9,220
Fair value through other comprehensive income				
Shares and participations	-	-	956	956
Debt securities	84,483	29,885	-	114,368
Total	84,483	39,105	956	124,545

FINANCIAL LIABILITIES RECURRENTLY MEASURED AT FAIR VALUE 30 JUN 2024

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value
At fair value through profit or loss				
Derivatives	-	3,870	-	3,870
Total	-	3,870	-	3,870

FINANCIAL LIABILITIES RECURRENTLY MEASURED AT FAIR VALUE 31 DEC 2023

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value
At fair value through profit or loss				
Derivatives	-	1,798	-	1,798
Total	-	1,798	-	1,798

FAIR VALUE DETERMINATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and liabilities are recognized in balance sheet at fair value or amortized cost. Classification and valuation of financial instruments are described in more detail in Bonum Bank Plc's 2023 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)	At fair value through other comprehensive income	Total
Carrying amount 1 Jan 2024	956	956
Unrealised changes in value recognised in other comprehensive income	29	29
Carrying amount 30 Jun 2024	985	985

(EUR 1,000)	At fair value through other comprehensive income	Total
Carrying amount 1 Jan 2023	815	815
Unrealised changes in value recognised in other comprehensive income	141	141
Carrying amount 31 Dec 2023	956	956

SENSITIVITY ANALYSIS OF FINANCIAL ASSETS AT LEVEL 3

30 JUN 2024

(EUR 1,000)	Carrying amount	Possible effect on equity capital	
		Positive	Negative
At fair value through other comprehensive income	985	148	-148
Total	985	148	-148

31 DEC 2023

(EUR 1,000)	Carrying amount	Possible effect on equity capital	
		Positive	Negative
At fair value through other comprehensive income	956	143	-143
Total	956	143	-143

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 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 2024	1 Jan - 30 Jun 2023
Change of ECL due to write-offs	520	183
Change of ECL, receivables from customers and off-balance sheet items	-2,139	-965
Change of ECL, debt securities	3	4
Final credit losses	-1,436	-246
Impairment losses on financial assets total	-3,052	-1,024

During the financial year, EUR -1,436 (-246) thousand was recognized as final credit loss. Recollection measures are attributed to the whole amount of credit losses. Increased expected credit loss level is due to revised stage definitions.

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 2023, Note 1 Accounting policies.

RECEIVABLES FROM CUSTOMERS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2024	1,667	168	4,884	6,720
Transfers to stage 1	19	-37	-132	-151
Transfers to stage 2	-60	116	-20	36
Transfers to stage 3	-113	-77	2,536	2,346
Increases due to origination	288	51	95	434
Decreases due to derecognition	-222	-17	-733	-972
Changes due to change in credit risk (net)	-138	-4	540	397
Decreases due to write-offs	-	-	-520	-520
Total	-227	31	1,766	1,570
ECL 30 Jun 2024	1,440	199	6,650	8,290

OFF-BALANCE SHEET COMMITMENTS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2024	194	42	70	306
Transfers to stage 1	8	-27	-19	-37
Transfers to stage 2	-1	9	0	7
Transfers to stage 3	0	-1	12	11
Increases due to origination	55	14	11	81
Decreases due to derecognition	-3	0	0	-3
Changes due to change in credit risk (net)	-3	-3	-4	-10
Total	56	-7	0	49
ECL 30 Jun 2024	250	35	70	355

DEBT SECURITIES

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2024	68	0	-	68
Increases due to origination	7	0	0	7
Decreases due to derecognition	-9	0	0	-10
Changes due to change in credit risk (net)	-1	0	0	-1
Total	-3	-	-	-3
ECL 30 Jun 2024	65	0	-	65

RECEIVABLES FROM CREDIT INSTITUTIONS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2024	0	1	-	1
Decreases due to derecognition	-	-1	-	-1
Total	0	-1	-	-1
ECL 30 Jun 2024	0	0	-	0

ECL 1 Jan 2024	1,929	211	4,954	7,094
ECL 30 Jun 2024	1,755	235	6,720	8,710

RECEIVABLES FROM CUSTOMERS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2023	1,549	213	2,816	4,578
Transfers to stage 1	47	-57	-369	-379
Transfers to stage 2	-163	70	-129	-222
Transfers to stage 3	-159	-57	2,172	1,956
Increases due to origination	769	65	952	1,786
Decreases due to derecognition	-305	-43	-599	-948
Changes due to change in credit risk (net)	-70	-22	608	516
Decreases due to write-offs	0	0	-568	-568
Total	118	-44	2,068	2,141
ECL 31 Dec 2023	1,667	168	4,884	6,720

OFF-BALANCE SHEET COMMITMENTS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2023	172	39	67	277
Transfers to stage 1	3	-20	-35	-52
Transfers to stage 2	-3	13	-1	10
Transfers to stage 3	-1	-1	16	14
Increases due to origination	39	20	19	78
Decreases due to derecognition	-1	0	-1	-1
Changes due to change in credit risk (net)	-15	-8	5	-19
Total	22	3	3	29
ECL 31 Dec 2023	194	42	70	306

DEBT SECURITIES

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2023	43	0	0	43
Increases due to origination	46	0	0	46
Decreases due to derecognition	-9	0	0	-9
Changes due to change in credit risk (net)	-12	0	0	-12
Total	25	0	0	25
ECL 31 Dec 2023	68	0	-	68

RECEIVABLES FROM CREDIT INSTITUTIONS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2023	1	0	0	1
Changes due to change in credit risk (net)	-1	1	0	0
Total	-1	1	-	0
ECL 31 Dec 2023	0	1	-	1
ECL 1 Jan 2023	1,765	251	2,883	4,899
ECL 31 Dec 2023	1,929	211	4,954	7,094

CREDIT RISK BY STAGES 30 JUN 2024

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
Receivables from customers				
Private	147,921	6,147	16,570	170,638
Corporate	36,361	48	144	36,553
Receivables from customers total	184,282	6,195	16,714	207,192
ECL 30 Jun 2024	1,440	199	6,650	8,290
Coverage ratio	0.8%	3.2%	39.8%	4.0%
Off-balance sheet commitments				
Private	166,595	961	390	167,946
Corporate	6,813	38	19	6,871
Off-balance sheet commitments total	173,408	999	410	174,817
ECL 30 Jun 2024	250	35	70	355
Coverage ratio	0.1%	3.5%	17.0%	0.2%
Debt securities	201,186			201,186
ECL 30 Jun 2024	65	0	-	65
Coverage ratio	0.0%	0.0%	-	0.0%
Receivables from credit institutions	470,000	0	0	470,000
ECL 30 Jun 2024	0	0	-	0
Coverage ratio	0.0%	0.0%	-	0.0%
Credit risk by stages total	1,028,876	7,194	17,124	1,053,195

The table above summarises 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 2023

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
Receivables from customers				
Private	143,138	6,678	12,144	161,960
Corporate	37,891	122	120	38,133
Receivables from customers total	181,029	6,800	12,264	200,093
ECL 31 Dec 2023	1,667	168	4,884	6,720
Coverage ratio	0.8%	2.5%	39.8%	3.4%
Off-balance sheet commitments				
Private	160,317	2,082	380	162,779
Corporate	8,657	82	15	8,754
Off-balance sheet commitments total	168,974	2,164	396	171,533
ECL 31 Dec 2023	194	42	70	306
Coverage ratio	0.1%	1.6%	17.6%	0.2%
Debt securities				
	258,757	293	0	259,051
ECL 31 Dec 2023	68	0	0	68
Coverage ratio	0.0%	0.0%	0.0%	0.0%
Receivables from credit institutions				
	404,708	292	0	405,000
ECL 31 Dec 2023	0	1	0	1
Coverage ratio	0.0%	0.0%	0.0%	0.0%
Credit risk by stages total	1,013,468	9,549	12,660	1,035,677

NOTE 8 LIABILITIES TO CREDIT INSTITUTIONS AND CUSTOMERS

(EUR 1,000)	30 Jun 2024	31 Dec 2023
Liabilities to credit institutions		
To central banks	0	78,400
To other credit institutions		
Repayable on demand	330,747	347,519
Not repayable on demand	1,062,319	998,853
Liabilities to credit institutions total	1,393,066	1,424,772
Liabilities to customers		
Deposits		
Repayable on demand	15,098	18,435
Not repayable on demand	10,000	15,000
Liabilities to customers total	25,098	33,435
Liabilities to credit institutions and customers total	1,418,164	1,458,207

Liabilities from the funding of the central bank matured during the review period in March 2024 (TLTRO 3.7, EUR 70,000 thousand) and in June 2024 (TLTRO 3.8, EUR 8,400 thousand). After June maturing, no funding remains.

NOTE 9 DEBT SECURITIES ISSUED TO THE PUBLIC

(EUR 1,000)	30 Jun 2024	31 Dec 2023
Debt securities issued to the public	199,904	254,931
Certificates of deposits	22,715	28,965
Debt securities issued to the public total	222,619	283,896

At the end of the reporting period there are 5 outstanding Certificates of deposits, total nominal value of EUR 23 (29) million, value between EUR 2-7 million and average maturity 9,4 months.

DEBT SECURITIES ISSUED TO THE PUBLIC

(EUR 1,000)						
Name	Issue date	Due date	Interest	Nominal	Currency	
BONUM 26102026	20.10.2021	20.10.2026	EB 3 kk + 0.85%	20,000	EUR	
BONUM 16112025	16.11.2021	16.11.2025	EB 3 kk + 0.75%	30,000	EUR	
BONUM 22042027	22.4.2022	22.4.2027	EB 12 kk + 1.25%	50,000	EUR	
BONUM 19072028	12.7.2023	19.7.2028	EB 6 kk + 1.11%	50,000	EUR	
Issued during the reporting period						
BONUM 17042027	10.4.2024	19.7.2027	EB 3 kk + 1.95%	50,000	EUR	

AMOUNTS RECOGNISED IN STATEMENT OF CASH FLOWS

(EUR 1,000)	30 Jun 2024	31 Dec 2023
Balance 1 Jan	283,896	322,214
Debt securities issued, increase	49,925	49,994
Certificates of deposits, increase	22,315	79,279
Total increase	72,240	129,273
Debt securities issued, decrease	-105,000	-50,000
Certificates of deposits, decrease	-28,211	-118,219
Total decrease	-133,211	-168,219
Total changes of cash flow	-60,972	-38,946
Valuation	-306	629
Balance at the end of period	222,619	283,896

NOTE 10 DERIVATIVE CONTRACTS AND HEDGE ACCOUNTING

Bonum Bank hedges its interest rate risk against changes in fair value, primarily using interest rate swaps. Hedge accounting is applied for fair value hedging. The hedged instrument of fair value hedging is fixed-rate deposits.

NOMINAL VALUES OF UNDERLYING ASSETS AND FAIR VALUES OF DERIVATIVES

30 Jun 2024 (EUR 1,000)	Nominal value / remaining maturity				Fair value	
	Less than 1 year	1-5 years	More than 5 years	Total	Assets	Liabilities
Hedging derivative contracts						
Fair value hedging						
Interest rate derivatives	-	624,900	200,000	824,900	1,665	3,870
Derivatives total	-	624,900	200,000	824,900	1,665	3,870

31 Dec 2023 (EUR 1,000)	Nominal value / remaining maturity				Fair value	
	Less than 1 year	1-5 years	More than 5 years	Total	Assets	Liabilities
Hedging derivative contracts						
Fair value hedging						
Interest rate derivatives	-	524,900	100,000	624,900	9,220	1,798
Derivatives total	-	524,900	100,000	624,900	9,220	1,798

The nominal value of the fixed-rate deposits subject to fair value hedging was EUR 824.9 (624.9) million. This item is included on the balance sheet under "Loans and advances to credit institutions". The nominal values of derivative instruments correspond to the nominal values of the objects to be hedged.

EFFECTS OF HEDGE ACCOUNTING ON FINANCIAL POSITION AND RESULT

Fair value hedging (EUR 1,000)	30 Jun 2024	31 Dec 2023
Liabilities		
Carrying amount of hedged liabilities to customers	823,007	633,069
of which the accrued amount of hedge adjustments	-1,893	8,169

OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

30 Jun 2024		Amounts which are not offset but are subject to enforceable master netting arrangements or similar agreements					
(EUR 1,000)	Recognised financial assets, gross	Recognised financial liabilities offset in balance sheet, gross	Carrying amount in balance sheet, net	Financial instruments	Financial instruments held as collateral	Cash held as collateral	Net amount
Assets							
Derivatives	3,723	0	3,723	2,636	1,520	0	0
Total	3,723	0	3,723	2,636	1,520	0	0
Liabilities							
Derivatives	4,765	0	4,765	2,636	0	990	1,140
Total	4,765	0	4,765	2,636	0	990	1,140

31 DEC 2023		Amounts which are not offset but are subject to enforceable master netting arrangements or similar agreements					
(EUR 1,000)	Recognised financial assets, gross	Recognised financial liabilities offset in balance sheet, gross	Carrying amount in balance sheet, net	Financial instruments	Financial instruments held as collateral	Cash held as collateral	Net amount
Assets							
Derivatives	16,575	0	16,575	6,104	11,790	0	0
Total	16,575	0	16,575	6,104	11,790	0	0
Liabilities							
Derivatives	6,104	0	6,104	6,104	0	0	0
Total	6,104	0	6,104	6,104	0	0	0

NOTE 11 COLLATERALS GIVEN AND RECEIVED

(EUR 1,000)	30 Jun 2024	31 Dec 2023
Given on behalf of own liabilities and commitments		
Debt securities	0	143,199
Other given collaterals / derivatives	990	0
Total collateral given	990	143,199
Collaterals received		
Debt securities	356,661	245,751
Other received collaterals / derivatives	1,520	11,790
Collaterals received from banks of POP Bank Group	67,958	68,208
Total collaterals received	426,138	325,749

Collaterals received from the POP Bank Group members 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. The amount of deposit liabilities is in relation to the balance sheet total and is confirmed annually.

NOTE 12 OFF-BALANCE SHEET COMMITMENTS

(EUR 1,000)	30 Jun 2024	31 Dec 2023
Loan commitments	174,817	171,533
Total off-balance sheet commitments	174,817	171,533

Expected credit losses of off-balance sheet commitments is presented in Note 7.

NOTE 13 RELATED PARTIES DISCLOSURES

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. Related parties also include Bonum Bank's parent entity, POP Bank Centre coop, and its managing director and their deputy. In addition, related parties include 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. In addition, related parties include entities belonging to the same group of companies as Bonum Bank.

Bonum Bank has granted housing and consumption loans to related parties at employee terms. These loans are tied to generally applied reference rates.

There have been no significant changes in related party transactions since 31 December 2023.

Espoo 13 August 2024

Bonum Bank Plc
Board of Directors

FURTHER INFORMATION

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