POP BANK GROUP
ANNUAL REPORT
31 DECEMBER 2023

POP Bank

SISÄLLYS

This document is a translation of the original Finnish version "POP Pankki -ryhmä vuosikertomus 2023". In case of discrepancies, the Finnish version shall prevail.

CEO'S REVIEW

The year 2023 was historic for the POP Bank Group and a successful year in all respects. The strategic guidelines implemented by the Group in recent years reaped results in many areas. We have improved the profitability of our core business operations over the long term, and the decision to focus the Group's business operations more strongly on the banking business was timely, as the changes in the operating environment supported the improved performance of our deposit banking business.

Another key event for POP Bank Group in 2023 was the sale of the majority stake in Finnish P&C Insurance Ltd to LocalTapiola. The transaction will have a positive impact on the Group's performance in the short and long term. The sale of the majority stake in the insurance company enables us to focus on our banking business. At the same time, we will continue to be one of the owners of a stronger insurance company that operates under the POP Insurance consumer brand. A broader ownership base and the significant resources of the new principal owner will accelerate Finnish P&C Insurance's growth in the future. We also announced a new partnership with LocalTapiola. The partnership will help POP Bank Group to provide its customers with a wider range of financial solutions in the future.

A successful year in the banking business and the sale of the majority stake in the insurance company propelled the amalgamation of POP Banks to its best result ever. The Group's profit before taxes was EUR 134.6 million, which includes EUR 45.2 million in income from insurance operations and their divestment. Earnings from continuing operations amounted to EUR 89.3 million. The divestment of insurance operations further strengthened the amalgamation's common equity tier 1 (CET 1) capital ratio, which was 20.3 per cent.

The majority of the growth in the POP Bank Group's income came from net interest income, but the positive trend in net commission income continued as well. The investment market saw a rapid increase in value as the outlook for interest rates started to decline, but there were also negative changes in value, resulting in a negative net return on investments for 2023. Most significant negative fair value changes were related to real asset investments of the Group.

POP Bank Group's expenses grew by 10 per cent year-on-year. In addition to higher inflation and salary expenses, the increase in expenses arises from our major system reform project, which is in progress. The project is at its most extensive in 2023–2025. During that time, the Group's perfor-

The strategic guidelines implemented by the Group in recent years reaped results in many areas.

mance will be burdened by development costs to the full effect. The system reform project is aiming for lower development costs and to build our capabilities to respond to changes in technology and our operating environment in more agile manner. We expect the Group's IT costs to decrease once the project is completed. At the same time, we make sure that banking with us is even smoother than before, regardless of the channel.

At the end of the year, the Group's loan portfolio stood at EUR 4.6 billion, with an increase of 2.6 per cent from the previous year. Growth in the mortgage portfolio slowed down with declining housing sales, but growth in the corporate loan portfolio continued at a good level. In contrast, investment in agriculture and forestry has fallen significantly. The weaker economic situation has increased the risk of credit losses, and POP Bank Group recognised more credit losses in 2023 than in the previous year. Deposits remained at the previous year's level, at EUR 4.3 billion.

We consulted our customers, personnel and other stakeholders as part of our double materiality analysis. Its results will be further analysed next year as part of the implementation of our responsibility programme. We also joined the Partnership for Carbon Accounting Financials (PCAF), a global partnership of financial institutions. This is our contribution to reducing greenhouse gas emissions by improving the measurement and reporting of emissions from our operations.

POP Bank once again had the highest customer satisfaction among private banking customers in EPSI Rating's independent Banking and Finance survey. We are very proud of this achievement and want to share our excellent customer service with even more Finns. To support our message, we further developed the POP Bank brand. At the beginning of the year, we introduced a new slogan for POP Bank: the bank of your life. It sums up the excellent service we offer, as well as POP Bank's core mission to help customers at every stage of their lives. This is what makes our work meaningful. I would like to take this opportunity to thank our employees, customers and partners for their cooperation in 2023.

Jaakko Pulli
CEO
POP Bank Centre coop

POP BANK GROUP IN BRIEF

The POP Bank Group is a Finnish financial group that offers retail banking services for private customers, small and medium-sized companies. The Group's banking segment consists of the 18 co-operative POP Banks owned by their member customers, central credit institution Bonum Bank Plc and POP Mortgage Bank Plc. POP Bank Centre coop is the central institution of the amalgamation of POP Banks and is responsible for steering and supervising POP Bank Group.

POP Bank Group's mission is to promote its customers' financial well-being and prosperity, as well as local success. Our operations cover the whole of Finland. At the end of the financial year, POP Banks had 70 branches and service points, including three branches focusing on digital services. At the end of the financial year, POP Bank Group had 255.9 thousand banking customers (256.5 at the beginning of the financial year).

POP BANK GROUP'S VISION AND VALUES

POP Bank Group's vision is to be the bank that combines personal and digital services, that achieves the highest level of customer satisfaction and efficient decision-making, and that maintains capital adequacy and outperforms the market in profitable growth.

Our values are customer orientation, profitability, bold renewal, responsibility and speed.

POP Bank Group's target in capital adequacy is more than 17.5 per cent. Its long-term targets, set after the core system reform, are 1.0 per cent for return on assets and no more than 60 per cent for the cost-to-income rate. The following table summarises the targets and our level of achievement in 2023.

POP BANK GROUP, STRATEGIC LONG-TERM TARGETS AND LEVEL OF ACHIEVEMENT IN 2023

	Goal	Year 2023	Year 2022
Capital adequacy	17.5%	20.3%	19.4%
Return on assets, ROA%	1.0%	1.2%	0.4%
Cost-to-income ratio	< 60%	52.9%	77.7%

Customer satisfaction is one of the POP Bank Group's operational indicators. This is measured, among other things, by participating in the EPSI Rating's national banking and financial industry survey. In 2023, POP Bank maintained their position as the bank with the most satisfied customers in Finland for the 12th time. The Group also monitors the NPS (Net Promoter Score) for customer meetings that includes banking advice. Last year the score was 77.9, which is indication for high customer satisfaction.

Operating income*

224.5

(141.6)
EUR million

Profit before tax*

89.3

(26.2)
EUR million

Net interest income

178.1

(93.3)
EUR million

Loan portfolio

4.6

(4.4)
EUR billion

CET 1 capital ratio

20.3 %

(19.4 %)

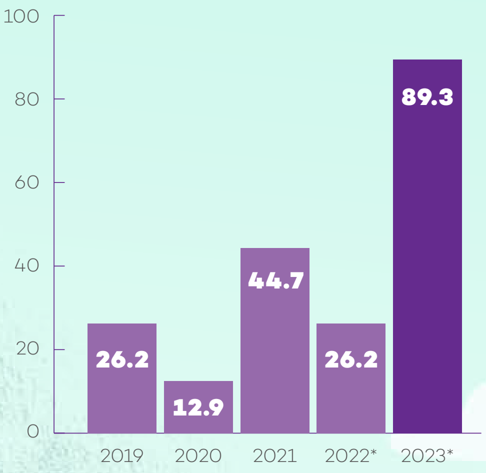
Customers

255,900

(256,500)

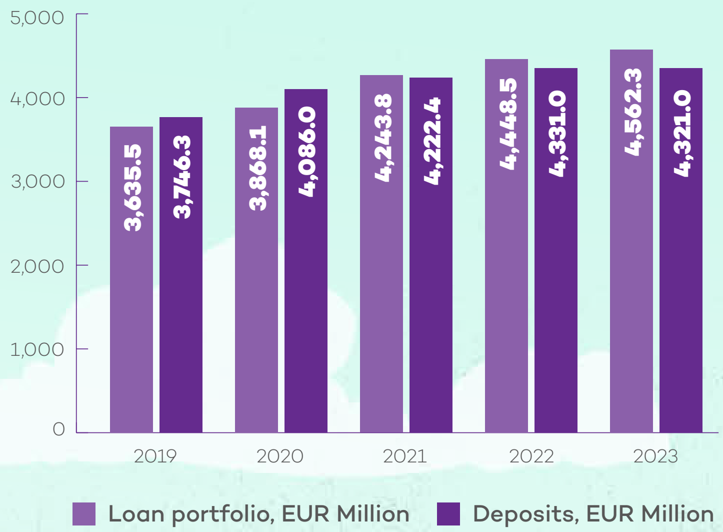
*Continuing operations

PROFIT BEFORE TAX, EUR MILLION

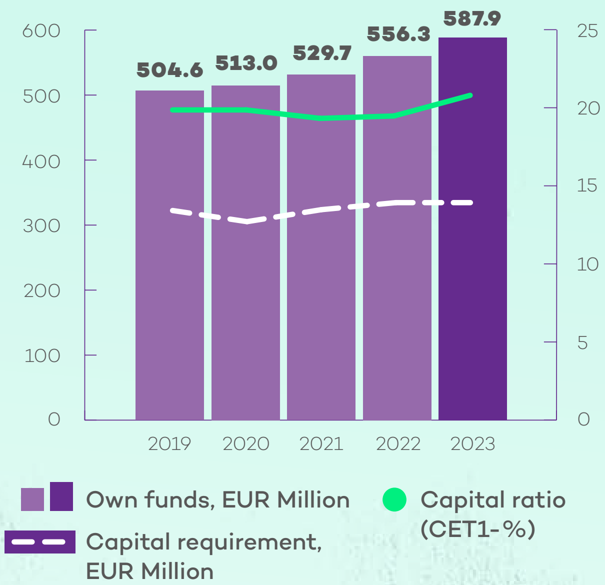


*Continuing operations

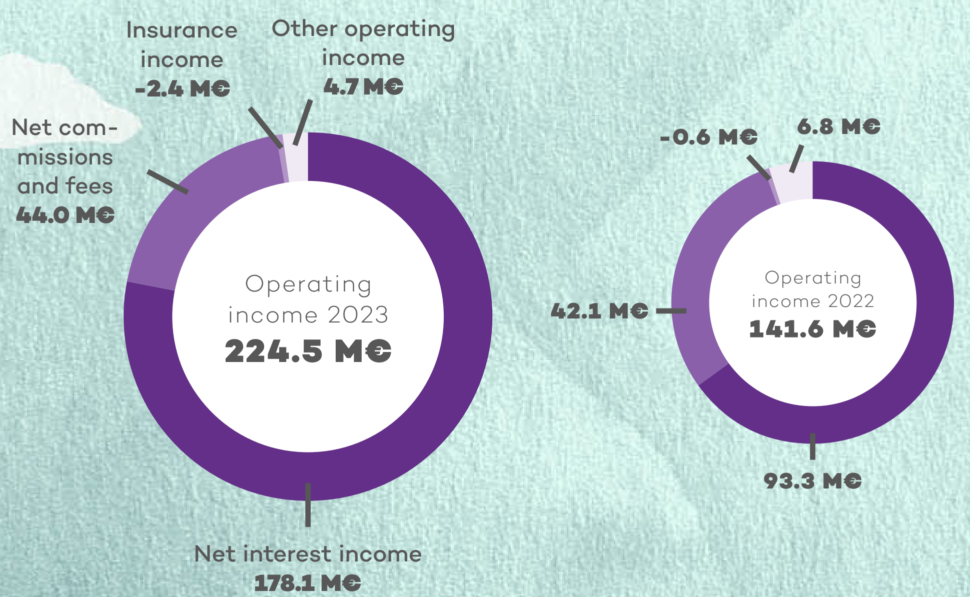
LOAN PORTFOLIO AND DEPOSITS, EUR MILLION



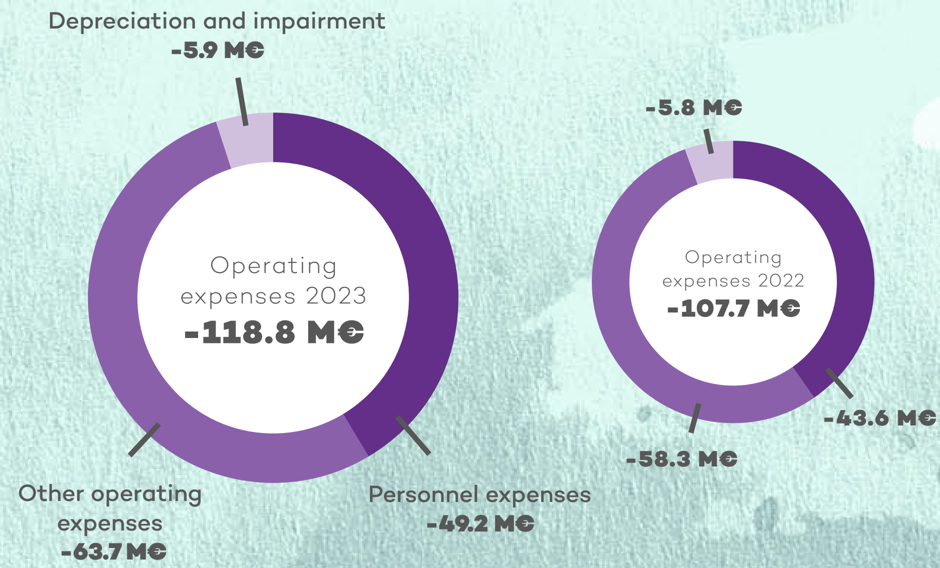
CAPITAL ADEQUACY



OPERATING INCOME, EUR MILLION



OPERATING EXPENSES, EUR MILLION



DIGITAL CHANNELS PROVIDE FLEXIBILITY IN CUSTOMER'S DAILY LIVES

What if your phone was just for calling and texting? What if there was no alternative to visiting a bank branch? Fortunately, there are alternatives. According to Pasi Johansson, who is responsible for digital channels and services at POP Bank, the number of transactions is growing steadily across the various channels and services.

In addition to mobile and online banking and the POP Avain authentication app, POP Bank offers digital services, such as an automated housing loan proposal service, POP Pikalaina consumer credit, a signature service and the POP Verkkohetki online meeting concept. Customers can also open an account electronically. On the website and in mobile banking, the chat function answers customers' most urgent questions.

"POP Bank is known for its customer service. Our electronic channels have clearly brought flexibility to the daily lives of many of our customers. We also have a wide network of 70 branches and service points, which, combined with our electronic banking channels, offers our customers many ways to manage their banking. The expertise offered by our banks and the ease and smoothness of services are important success factors for us," says **Pasi Johansson**.

POP BANK IS REFORMING ITS CORE BANKING SYSTEM. WHAT DOES THIS MEAN FROM A CUSTOMER PERSPECTIVE?

"Easy-to-use and effective digital services that promote self-service have been one of the basic principles of the reform. The reform will bring POP Bank's mobile and online banking to the same technological platform, which will be visible to customers in the consistent visual appearance of the channels and in the fact that services can be easily found in both.

"For example, customers who have personal and business accounts with us will have one bank ID per bank. In addition, instead of two apps, mobile banking users will have one app for banking and strong authentication."

HOW DO YOU SEE DIGITAL SERVICES EVOLVING IN THE FUTURE?

"Of course, we are continuously monitoring electronic channels and their development, as well as various feedback channels, such as app store reviews.

"The use of AI as part of the development of service processes will become more common. We have already started testing and using AI in the chat function in cooperation with the POP Bank Service Centre.

"The digitisation of the mortgage process is continuing. POP Bank already has an electronic loan proposal. If you want to know how much you can borrow for an existing or planned project, for example, you can get the answer from us in a few minutes. We are also involved in the digital DIAS housing sales platform. We believe that in the future, it will be possible to carry out the entire housing transaction process electronically."

SCAMS HAVE INCREASED IN RECENT YEARS. HOW DOES POP BANK TAKE THIS INTO ACCOUNT WHEN DEVELOPING ITS CHANNELS?

"We are continuously working to prevent fraud. For example, we have introduced additional checks for payments, such as an additional confirmation request, and we offer our customers the possibility to control the country limits for payments in online and mobile banking.

"In addition, we monitor the online environment to identify and take down phishing sites. We also owe thanks to our customers, who actively report their findings to **turvallisuus@poppankki.fi**.

"Vigilance and preparedness are an important part of fraud prevention. We regularly inform our customers about different types of scams through our various channels, and we cooperate with the authorities and other banks."

SINGLE-TOUCHPOINT SERVICES

The Service Centre unit, established by Bonum Bank in 2020, has grown into a multi-disciplinary team of 40 experts. The Service Centre is responsible for customer service for POP Bank's payment cards and customer credit and the chat function on POP Bank's website, and serves as the first point of contact for an increasing number of POP Bank customer calls. In addition, the Service Centre provides various internal services to the organisations of the POP Bank Group. For example, POP Bank's internal CRM support is centralised in the Service Centre.

POP BANK HAS BRANDED ITSELF AS THE BANK WITH THE BEST CUSTOMER SERVICE. HOW IS THIS APPROACH REFLECTED IN YOUR WORK?

"We seek to ensure that every contact, whether it's a need or a challenge, is resolved at the point of contact by phone or chat. We are colleagues of POP Bank employees and will pick up a call if the contact person is not available at that moment. Customer-friendly service and speed are the key factors guiding our operations," says **Petri Herala**, Director of the Service Centre.

WHAT TRENDS DO YOU SEE IN CUSTOMER SERVICE DEVELOPMENT?

"The use of mobile services is increasing. This is also reflected in our work at POP Bank. That's why improving the customer experience in terms of communication and apps in a mobile environment, for example, is important.

"Another key trend is the use of AI, especially to streamline an organisation's own processes and speed up customer service. We have a pilot in progress which has the aim of making the information contained in the work instructions more quickly available to our agents in different customer service situations."

WHAT IS YOUR RECRUITMENT SITUATION AND WHAT KIND OF PEOPLE ARE YOU LOOKING FOR?

"The Service Centre has grown in cycles. Last year was a period of rapid growth, as the CRM support unit started operations and we are the first point of contact for an increasing number of POP Bank calls. In 2023, we carried out three major batches of recruitment and provided the new employees with induction and task-based training.

"Because of the range of services we offer, we have a wide variety of roles, so we are interested in all types of applicants. For example, you can apply to our Contact Centre with a low threshold. We have excellent coaches and comprehensive processes to train people for these roles. Back-office tasks often involve a variety of investigations, so banking experience is useful in this job. The new technical support team, in turn, will need IT skills.

"We want to offer our employees jobs and career paths that match their interests. The different business units allow for a natural transition from one unit to another, and there are also different opportunities for different types of talent within the POP Bank Group. Through our career paths, trainers and coaches, we are committed to ensuring that as many people as possible enjoy working for us."

STRENGTHS LEAD TO VICTORY

The operating area of POP Bank Kurikka includes Seinäjoki and Tampere in addition to Kurikka and, following a merger with POP Bank Jämijärvi last year, also Jämijärvi. How did the merger go and how do you create a common operating culture in a bank formed of multiple branches?

"The merger with POP Bank Jämijärvi went smoothly for various reasons, including the fact that the people in charge of the various aspects of the process were assigned well-defined roles. The POP Bank Centre also provided invaluable support and expert insights. The technical systems provider was able to complete the actual merger of technology in a shorter time than expected," says **Antti Savola**, CEO of POP Bank Kurikka.

"The merger is meeting our objectives better and better every day. It has enabled us to gain real synergies in areas such as the organisation of internal control and risk management."

WHAT DOES LOCAL FOCUS MEAN FOR POP BANK KURIKKA?

"For us, being local means opportunities to make a difference responsibly. Our main markets are very different from each other, which provides us with many different opportunities to make a difference, and also offers very different types of partnerships, and new customers, as well."

WHAT ARE YOUR LEADERSHIP PRINCIPLES?

"We have grown the size of the bank quickly but with a clear purpose. I feel that we are sufficiently agile to do even better for our customers in the future. We do not take our good customer satisfaction survey results for granted as we want to truly and openly work hard to make our customers satisfied, by listening to them and, above all, to our personnel, our most important internal capital."

"I like to quote an American general who said that 'Leadership is a potent combination of strategy and character. But if you must be without one, be without the strategy.' By this, I mean that strategies change, but people produce the results. That's why I think that in leadership it's important to focus on people and building on their strengths."

SUSTAINABILITY AND POP BANK GROUP

Corporate responsibility in the POP Bank Group is based on cooperative values, local operations and long-term business operations.

POP Bank Group's operations comply with current laws, regulations and the guidelines and orders issued by the authorities, as well as with the principles of good governance and the Group's values, strategy, own rules and binding internal guidelines. In its banking operations, the Group also complies with Good Banking Practice and the related trading guidelines, as well as with the amalgamation's internal guidelines. In its insurance operations, the Group complies with the guidelines issued by Finance Finland concerning good insurance practice.

The operational management of matters related to sustainability has been integrated as part of POP Bank Group' normal day-to-day business. The Group's ESG strategy and vision as well as the need to review the sustainability program is discussed and decided by the Executive Board and the Board of Directors of the POP Bank Centre coop. POP Bank Centre coop's Executive Board has pointed a dedicated ESG working group that monitors, for example, legislation and reporting related to sustainability and prepares guidelines and recommendations accordingly for the Group. The ESG working group also ensures that the development work required by the reporting in accordance with EU taxonomy regulation is carried out systematically.

In addition to business metrics, the Group monitors the implementation of its sustainability program with the set of internal benchmarks and surveys. For example customer satisfaction in the POP Bank Group is tracked using the Net Promoter Score (NPS) as well as by participating in the industry surveys such as conducted by EPSI Rating. The work satisfaction of the personnel is measured annually both on member organisation and group level.

POP Bank Group sustainability report including GRI Index is conducted with reference to the GRI Standards. In accordance with the Taxonomy Regulation, the Non-Financial Information section of the POP Bank Group's Board of Directors' report includes the information on how and to what extent the POP Bank Group's activities are related to economic activities considered environmentally sustainable under the Taxonomy Regulation for the 2023 financial year.

POP BANK GROUP'S SUSTAINABILITY PROGRAMME'S HIGHLIGHTS DURING YEAR 2023

POP Bank Group's responsibility work is guided by its ESG (Environment, Social and Governance) vision according to which POP Bank is trusted partner for its customers, members and local communities to create sustainable wellbeing. The Group's responsibility programme's themes:

1. Promoting sustainable financing and investing, and thereby mitigating climate change
2. Supporting local success, vitality and well-being
3. Transparent business operations
4. Ensuring the equality of employees and promoting diversity and well-being at work
5. Preventing a grey economy, corruption and money laundering
6. Continuous improvement of information security and promoting secure banking (new theme taken to the programme in 2023).

POP Bank Group's Sustainability Programme's highlights in 2023 are reviewed next theme by theme.

PROMOTING SUSTAINABLE FINANCING AND INVESTING, AND THEREBY MITIGATING CLIMATE CHANGE

The key environmental impacts of the POP Bank Group's own business operations are related to the funding of customers' investments and other operations, as well as to the Group's own investment activities and the provision of investment products to customers. The POP Banks aim to reduce the risks caused by environmental impacts and climate change by providing funding to its customers for investments that support the mitigation of, and adjustment to, climate change, as well as by offering investments that support sustainable development, and by informing customers about the related opportunities.

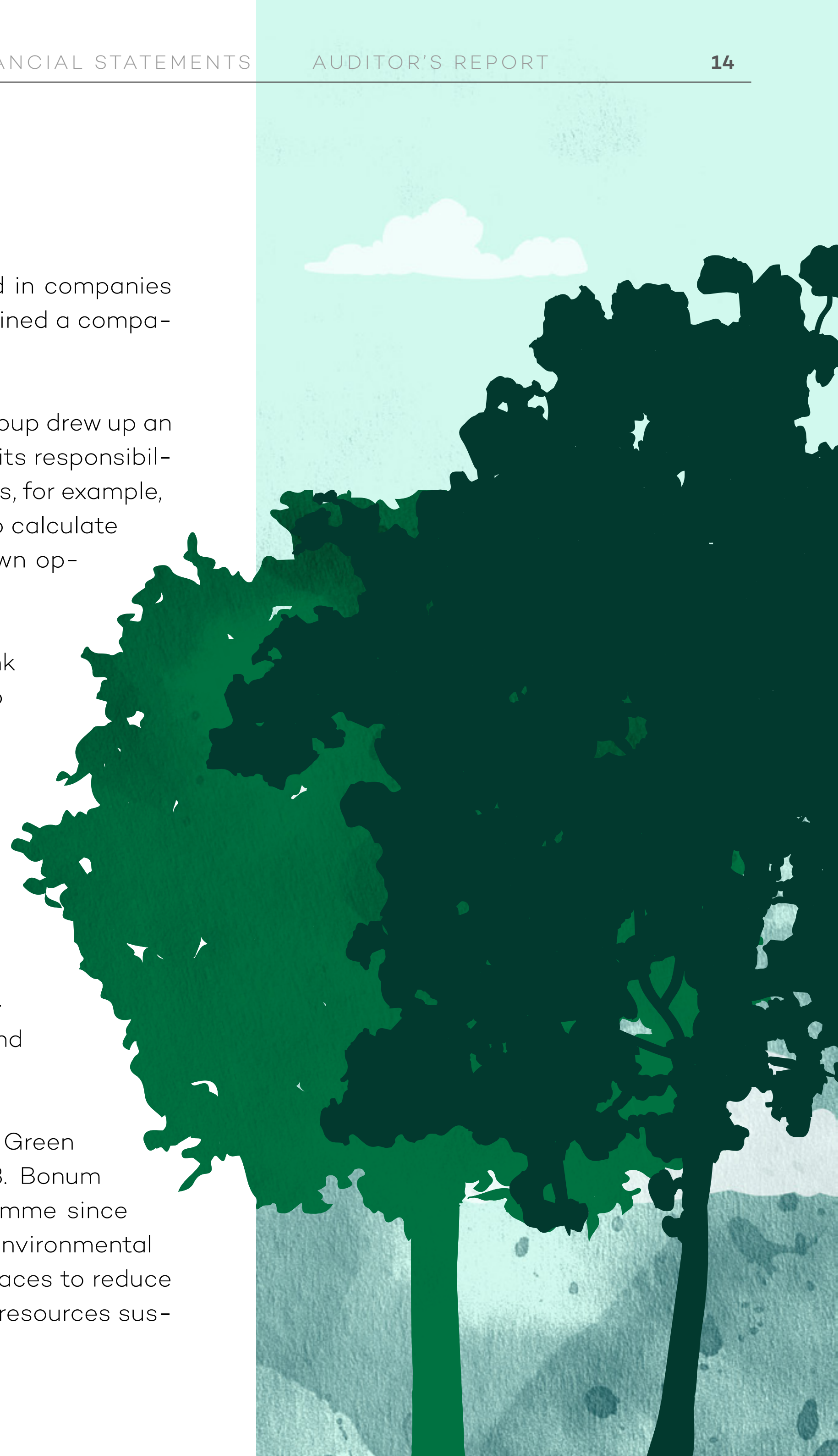
Lending is reviewed in the POP Bank Group comprehensively, with the goal of establishing long-term customer relationships. Responsible lending is based on knowing the customer and careful examination of the customer's situation. We identify the financial risks and environmental impacts related to the customer's operations or to the projects that are to be funded.

Most POP Funds have a sustainability rating. The POP Funds, that have the Morningstar sustainability rating, have the average score of 3.4 (3.6 on previous year) on a scale of 1 to 5. The Morningstar sustainability rating describes the sustainability of those companies included in the fund, in relation to the holdings of other funds in the same comparison category, as determined by Morningstar. An investment fund is issued with a sustainability rating, if at least 50 per cent of its assets are invested in companies for which Sustainanalytics has determined a company-specific ESG rating.

In the spring of 2023, the POP Bank Group drew up an action plan for 2023–2024 to support its responsibility programme. The action plan includes, for example, training for employees and a project to calculate the carbon footprint of the Group's own operations.

At the end of the year 2023 POP Bank Group also joined the Partnership for Carbon Accounting Financials (PCAF), a global partnership of financial institutions. PCAF's goal is to develop reporting standards of the industry as well as to harmonise assessments and disclosures of greenhouse gas emissions financed by loans and investment. The initiative's measurement tools and policies enhance the Group's reporting and data collection.

POP Bank Centre coop received WWF Green Office certification in the autumn 2023. Bonum Bank has been involved in the programme since 2020. WWF's (World Wildlife Fund) environmental management system helps the workplaces to reduce their carbon footprint and use natural resources sustainably.



In autumn of 2023 POP Bank Group conducted a double materiality assessment to prepare for the reporting under EU's Corporate Sustainability Reporting Directive (CSRD). The purpose of the double materiality assessment is to identify and specify the material sustainability issues for POP Bank Group. In the assessment the material sustainability issues are considered in two different angles: the impact of POP Bank Group to the environment and society and the financial impact of sustainability issues on POP Bank Group. The outcome of the double materiality assessment and the identified material sustainability issues will determine the topics published in sustainability reporting from financial year 2024 onwards.

SUPPORTING LOCAL SUCCESS, VITALITY AND WELL-BEING

In the POP Bank Group, sustainability work is carried out both nationally as a Group and locally by the regional POP Banks. POP Banks are involved in developing the vitality of their region by, among other things, financing various projects and companies that create jobs. For this, POP Bank Group has been granted the right to use the Key Flag Symbol by the Association for Finnish Work. The symbol signifies the provision of services and employment in Finland. POP Bank Group employed in 2023 in total 781 persons. 91.8 per cent of the employees had permanent working status.

As a Finnish company POP Bank Group pays its taxes to Finland. The domiciles of the companies of the Group cover 20 different locations, meaning that the taxes paid by the Group are allocated extensively to the areas where its customers are located. More information about POP Bank Group's tax footprint is on pages 17-18.

POP Banks are cooperative banks owned by their member customers. Membership of a POP Bank entitles the member to participate in the bank's decision-making at cooperative meetings or in electing the members of the representative council, which has the highest decision-making power. The POP Banks implement their owners' intent, which is founded on the Group's mission to promote its customers' financial well-being and prosperity, as well as local success.

Furthermore, in 2023, POP Bank Group participated in the Digital and Population Data Services Agency's new campaign 'Omissa käsissä' about continuing power of attorney with which one may point a legal representative to handle daily business in case person him/herself is not able to do this due to illness, old age etc. Employees of the Group were also joining in the Youth TAT's educational theme week introducing students to different industries. The Group continued their partnership with the Farmers' Social Insurance Institution (Mela). The 'Välitä viljelijästä' project aims to identify farmers' exhaustion and need for help and provide them with guidance on access to expert help.

The need for support from local communities is individual, it can be to help children, young people and senior citizens. POP Banks are active supporters of club and association work. For example, POP Bank Lavia celebrated its 100th anniversary by, among other things, organising a church concert, publishing the bank's history while also reflecting the development of the Lavia region, and supporting local associations with a total anniversary donation of 100,000 euros. POP Bank Kannonkoski, on the other hand, was supporting the parish in the area regarding the renewal of war veterans' grave lanterns.

Long-term customer relationships are important for POP Banks, and this is also illustrated by POP Bank's brand renewal prepared during 2023 and its new slogan Bank of your life (Elämäsi pankki).

TRANSPARENT BUSINESS OPERATIONS

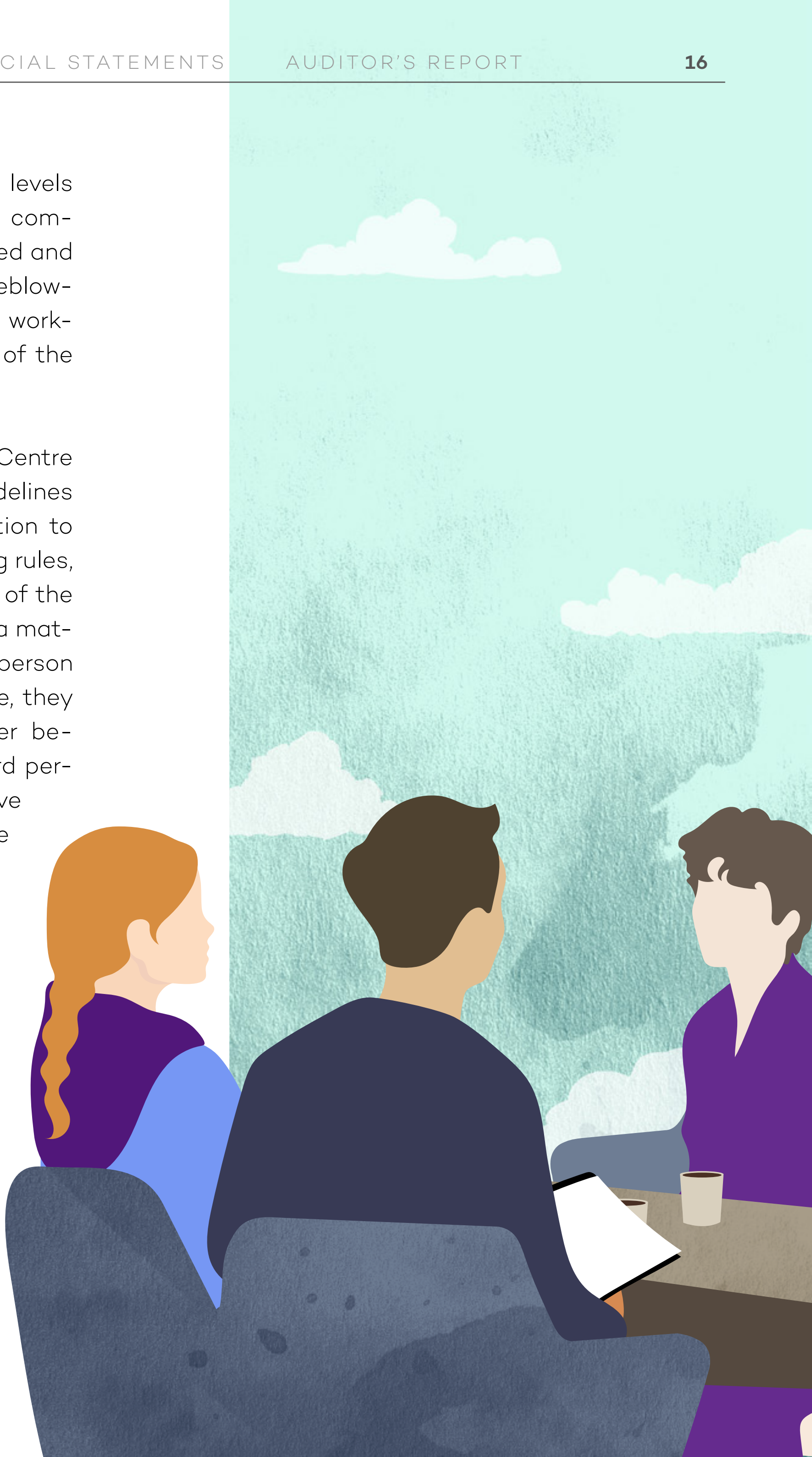
POP Bank Group supports active and open communication. The guiding principle is to pro-vide all stakeholders equal and simultaneous access to the information and that the information about the operations is correct and sufficient. The Group's communications is compliant with the Good Banking Practice and ensures that privacy of any party is not compromised.

The POP Bank Group requires all its employees and members of its executive management and administration to be familiar with good governance guidelines and to comply with them. Compliance with good governance is monitored by the Board of Directors of the central institution. If shortcomings are detected in the organisation of reliable governance, or if significant risks or damage emerge in operations as a result of non-compliance with regulations, these are reported to the Board of Directors without delay. The Board of Directors is also immediately informed about any question concerning the reliability, suitability or professional skills of the people responsible for key operations or the compliance officer.

Suspected misconduct can be reported to the compliance function and internal audit confidentially by using a whistleblowing channel designated for this purpose. The aim is to prevent potential conflicts of interest by avoiding high-risk combinations of duties in operations through the separation of supervisory duties related to operational and risk management, for example, at all organisational levels within the Group. A person belonging to the compliance function reports the number of justified and unfounded reports submitted via the whistleblowing channel during the year, specific to each workplace community, to the Board of Directors of the central institution.

The Board of Directors of the POP Bank Centre coop confirms and regularly updates the guidelines concerning insider registers and the obligation to disclose securities holdings, as well as trading rules, for its member credit institutions. A member of the personnel may not participate in processing a matter concerning an agreement between such person and a member credit institution. Furthermore, they may not participate in processing a matter between a member credit institution and a third person if they can reasonably be expected to have material interests that may conflict with the interests of the member credit institution. If a conflict of interest arises, it must be reported transparently to the affected customers, who can consider the situation in their own decision-making, as well as to the Board of Directors of the central institution.

POP Bank Group acts on the basis that all customers should be treated fairly and equally. The banks seek to know their customers and their backgrounds as thoroughly as the customer relationships require and so that the customers can be provided with the suitable prod-



ucts and services. Feedback and complaints from customers are also processed accordingly.

When selecting partners, POP Bank Group seeks to ensure that the partner's values are consistent with the values of the Group, and that the partner will not pose a significant reputation risk or impair the quality of services.

During 2023, addition to the several authorities, among the most significant external stakeholders were Finance Finland, Pellervo Coop Centre, Association for Finnish Work as well as Farmers' Social Insurance Institution. POP Bank Group's main business partners for its investment product selection are Aktia Fund Management Company Ltd, Sb-Fund Management Company Ltd and UB Asset Management Ltd. In securities services, the partner is the Finnish branch of Nordnet Bank AB. The pension and savings insurance products provided by the POP Banks are produced by Aktia Life Insurance Ltd and Sb Life Insurance Ltd, and the loan insurance products provided by the POP Banks are produced by the AXA Group and Sb Life Insurance Ltd. The purpose of the cooperation is to secure competitive pension, savings and loan insurance services for the POP Banks' customers. Puro Finance Oy is producing the Laskuraha service provided to POP Bank's business customers. Oy Samlink Ab serves as the POP Banks' information system supplier, while POP Bank Group is reforming its core banking system with Finnish IT-company, Crosskey. In risk reporting, we cooperate with ALM Partners Ltd. Our provider of financial management and statutory reporting services is Figure Financial Management Ltd, which POP Bank Group owns together Figure Financial's other customer banks.

POP Bank Group's governance principles has been described in more detail in Appendix 3 and in the Corporate Governance Statement, that is published in the Group's website.

PRINCIPLES OF TAXATION

POP Bank Group operates in Finland, and therefore the Group pays taxes in accordance with Finnish laws and regulations. Corporate taxes paid by POP Banks on their profits are distributed among operating areas of banks' customers thus benefiting local communities. POP Bank Group's income taxes for taxable profit for 2023 EUR 14.2 (3.9) million and effective tax rate with deferred taxes includes 19.8 (20.2) per cent.

Other direct taxes include property taxes and parafiscal charges that are included in the operating expenses. POP Bank Group's tax footprint for 2023 was EUR 36.9 (24.5) million. The tax amounts for the financial period and comparative period do not include taxes for insurance operations, which was sold during financial year 2023 and is reported as discontinued operations.

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Taxes payable		
Income tax	14,229	3,910
Real estate tax	143	164
Employers' social security and pension fees	8,064	7,352
Other taxes	63	68
Total taxes payable	**22,499**	**11,494**
Taxes collected		
Value added tax	139	138
Withholding tax on wages	13,284	12,331
Tax at source	938	581
Total taxes collected	**14,361**	**13,050**
Total tax footprint	**36,860**	**24,544**

POP Bank Group pays value added tax (VAT) as indirect tax. Sales and brokerage of financial services are not subject to VAT, which is why VAT for purchases related to these services cannot be deducted. For other activities, the Group is liable for VAT. As a result, the VAT included in purchases mainly remains as an expense of the Group. The tax included in purchases is not included in tax footprint.

The Group also pays the State of Finland taxes collected on payments, such as withholding tax on wages paid to employees and tax at source on interest paid on customer deposits. POP Bank Group's goal is timely reporting of taxable income and appropriate payment of taxes.

The Group does not actively seek to affect the effective tax rate by the structure of the Group. Efforts are made to ensure the appropriateness of the payment of taxes by preparing tax returns carefully. Operational tasks related to income tax returns have been outsourced to Figure Financial Management Ltd. The Group does not have a separate tax function. Group taxation responsibilities are included in the financial management organisation and customer and product-related tax matters in legal organisation. POP Bank Group discusses openly with tax authorities. Possible tax risks are reported to the Management Team and the Board of Directors of POP Bank Centre.

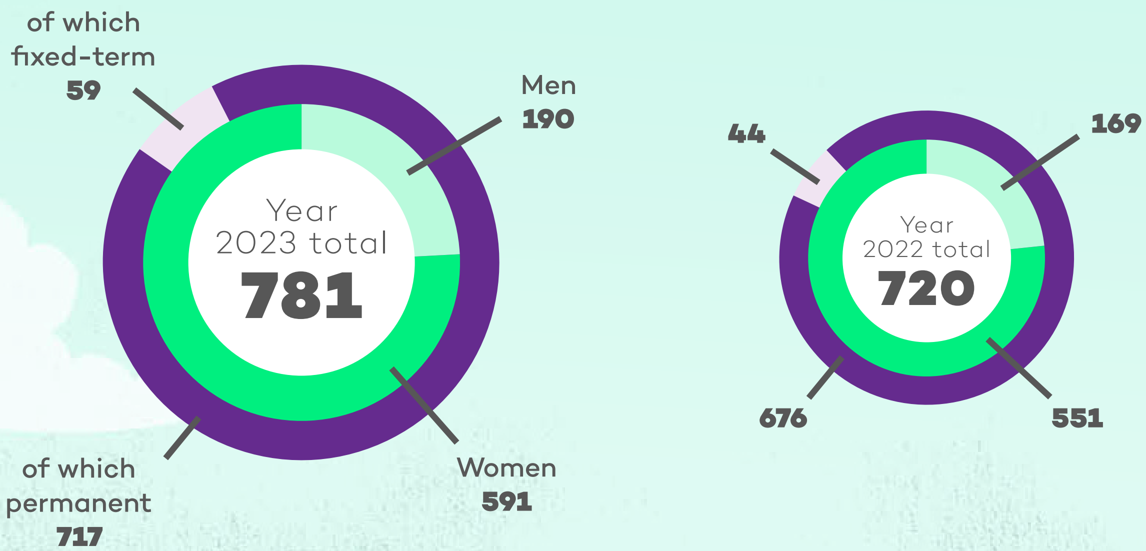
ENSURING THE EQUALITY OF EMPLOYEES AND PROMOTING DIVERSITY AND WELL-BEING AT WORK

Diversity and individuality are respected in POP Bank Group's workplace community. All employees are treated equally, regardless of gender, age, origin, convictions, health, sexual orientation or other personal characteristics.

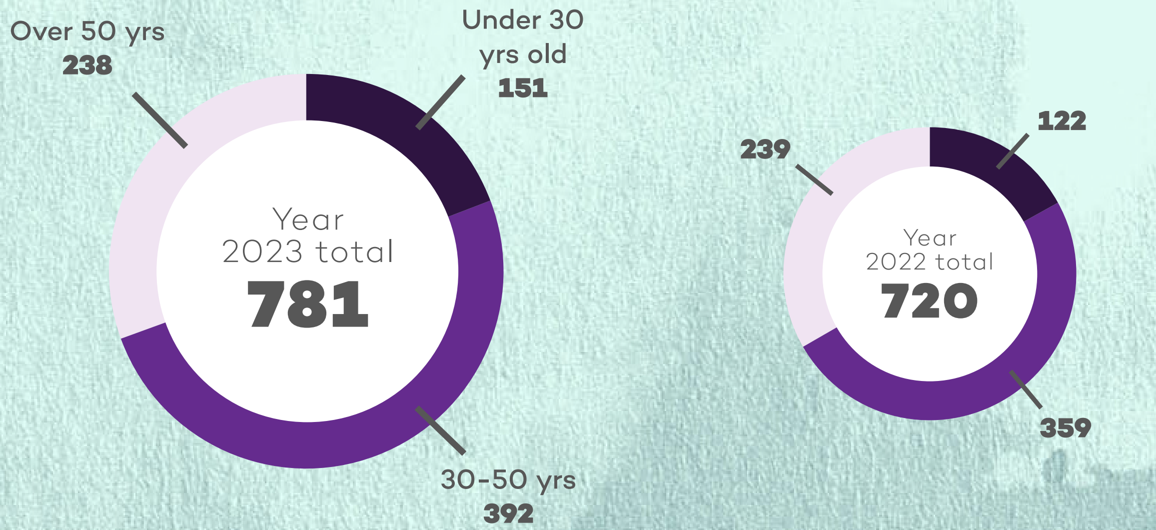
In 2023, the POP Bank Group employed a total of 781 people, compared to 720 the previous year. The banking operations employed 674 (622) persons, other operations 107 (98). In comparison period the Group had also 133 persons working in insurance operations. The Group's average number of employees was 745 (700).

The continuous operations had 717 full-time employees and 59 part-time employees. The full-time employment accounted for 91.8 per cent for all employment. There are slightly more employees under the age of 30 in the Group than the previous year, i.e. 19.3 per cent. The share of people over 50 is the same as last year, 30.5 per cent. The gender distribution of the Group's personnel reflects the average in the female-dominated financial sector. The women represented 75.7 (73.5) per cent and the men rep-resented 24.3 (26.5) per cent of the Group's personnel.

POP BANK GROUP'S PERSONNEL



POP BANK GROUP'S PERSONNEL AGE DISTRIBUTION

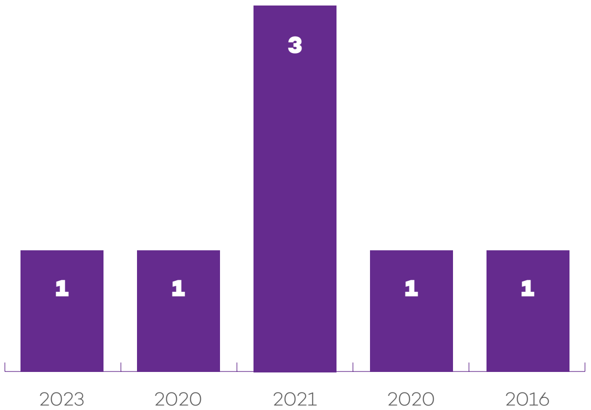


POP BANK CENTRE COOP'S BOARD OF DIRECTORS

At least half of the Board members must be elected from persons employed by a member credit institution. In 2023, POP Bank Centre coop's board consisted of seven members, 57 per cent of whom were employed by the member credit institution. Five of the members were men and two were women. In terms of age distribution, 29 per cent of the board members belong to the age group of 30 to 50 years old and 72 per cent represents the age group of over 50 years old.

The most recent appointments of board members were made in 2023, the longest served board member joined the board in 2016. The following graph shows the distribution of board members according to the years they joined. The composition of the board is presented in more detail on page 36/37.

POP BANK CENTRE COOP'S BOARD OF DIRECTORS BY THE YEAR OF APPOINTMENT



DEVELOPING PERSONNEL'S WELL-BEING AND COMPETENCE

In 2023, POP Bank Group introduced a new extensive competence development programme together with predefined user roles and role-based competence requirements. The coverage of these roles within the Group is 92% (the figure also includes persons on parental leave for whom information has not been entered). Also a new platform to admin the courses as well as competency monitoring report were launched.

POP Bank Group conducted a personnel survey in July-August 2023, with a response rate of 60. Overall, the POP Bank Group's personnel satisfaction is at a good level, with an NPS of 28. On average, POP Bank's work atmosphere and work community were perceived as very positive and empowering. Related to the Group's size as a whole, the amount and demands of the work, the small number of personnel were considered as the main challenges.

POP Bank Group's recreational staff event was held in October 2023 in Tampere. The event that has been organised every other year, with the exception of the Covid period, gathered a record number of participants.

POP Bank Group participated in the Responsible Employer programme in Finland for the fourth consecutive year. The programme provides a wide range of information about various themes related to organisational and work culture.

PREVENTING A GREY ECONOMY, CORRUPTION AND MONEY LAUNDERING

The systematic reinforcement of the operating model for risk management related to preventing money laundering and other financial crime continued at the level of the amalgamation in 2023. The competence level related to these areas was also further improved. Particular attention was paid to ensuring that regulatory requirements were met in terms of measures related to knowing the customer, for example. The active development of the current system used for monitoring payment transactions also continued, and the introduction of a new monitoring system as part of the project to introduce a core banking system was prepared during the year. In addition, customers were informed about secure banking through various channels to prevent scams and fraud.

CONTINUOUS IMPROVEMENT OF INFORMATION SECURITY AND PROMOTING SECURE BANKING

In autumn of 2022 POP Bank Group conducted an extensive stakeholder survey, which was basis for introducing a new theme of information security and secure banking to the focus areas.

POP Bank Group has regularly informed and trained its staff to recognise various scam-related phenomena. For the staff trainings' the Group has used the gamification-based tool produced by CyberCoach. POP Bank Group has also been informing customers on various channels about different types of scams and safe banking. The security e-mail launched by the Group last year has continued to be an effective means of collecting information from customers about fraudulent messages and fake POP Bank websites.

POP BANK GROUP GRI CONTENT INDEX

GRI Standard	Disclosure	Page or URL	Explanation or comment
Statement of use: POP Bankg Group has reported the information cited in this GRI content index for the period 1.1.-31.12.2023 with reference to the GRI Standard			
GRI 1 used:	GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021			
2-1-a	Organizational details; Legal name		POP Bank Group
2-1-b	Organizational details; Legal form and nature of ownership	pages 6, 24-25, 87-88	POP Bank Group in brief, POP Bank Group and amalgamation of POP Banks, Note 3 Governance and management
2-1-c	Organizational details; location of its headquarters		POP Bank Centre coop, the central institution of POP Bank Group, has registered office is Helsinki. It's head office is in Espoo, Finland.
2-1-d	Organizational details; countries of operation		POP Bank Group operates in Finland
2-2	Entities included in the organization's sustainability reporting	pages 24-25	POP Bank Group and amalgamation of POP Banks
2-3	Reporting period, frequency and contact point		The report is published annually together with Board of Director's Report covering the fiscal period of 1 January- 31 December 2023. Contact point for the report is POP Bank Group's Communications Manager, https://www.poppankki.fi/en/pop-bank/for-media
2-5	External assurance		No external assurance
2-6	Activities, value chain and other business relationships	pages 6-8, 16-17	POP Bank Group in brie, Key figures, Transparent business operations
2-7	Employees	pages 19-20	Ensuring the equality of employees and promoting diversity and well-being at work
2-9	Governance structure and composition	pages 20, 36-37, 87-89	POP Bank Centre Coop's Board of Directors, Administration of POP Bank Centre coop, Note 3 Governance and management
2-10	Nomination and selection of the highest governance body	pages 36-37, 87-89	Administration of POP Bank Centre coop, Note 3 Governance and management
2-11	Chair of the highest governance body	pages 36-37	Administration of POP Bank Centre coop,
2-12	Role of the highest governance body in overseeing the management of impacts	page 13	Sustainability and POP Bank Group
2-13	Delegation of responsibility for managing impacts	page 13	Sustainability and POP Bank Group
2-14	Role of the highest governance body in sustainability reporting	page 13	Sustainability and POP Bank Group
2-15	Conflicts of interest	pages 16-17	Transparent business operations
2-16	Communication of critical concerns	pages 16-17	Transparent business operations
2-19	Remuneration policies	pages 37, 92-93,159	Administration of POP Bank Centre coop, Note 3 Governance and management; Note 37 Related party disclosure
2-20	Process to determine remuneration	pages 37, 92-93	Administration of POP Bank Centre coop, Note 3 Governance and management
2-22	Statement on sustainable development strategy	page 13	Sustainability and POP Bank Group
2-26	Mechanisms for seeking advice and raising concerns	pages 16-17	Transparent business operations

GRI 3: Material Topics 2021

3-1	3-1 Process to determine material topics	page 13	Sustainability and POP Bank Group
3-2	3-2 List of material topics	page 13	Sustainability and POP Bank Group
3-3	3-3 Management of material topics	page 13	Sustainability and POP Bank Group

GRI 201: Economic Performance 2016

201-1	Direct economic value generated and distributed	pages 28-29	POP Bank Group's earnings and balance sheet

GRI 205 Anti-corruption 2016

205-3	Confirmed incidents of corruption and actions taken		No reported incidents in 2023

GRI 207: Tax 2019

207-1	Approach to tax	pages 17-18	Principles of taxation
207-4	Country-by-country reporting	pages 6, 65	POP Bank Group in brief, POP Bank Group's Income statement

GRI 404: Training and Education 2016

404-2	Programs for upgrading employee skills and transition assistance programs	page 20	Developing personnel's well-being and competence

GRI 405: Diversity and Equal Opportunity 2016

405-1	Diversity of governance bodies and employees	page 20	POP Bank Centre Coop's Board of Directors, Developing personnel's well-being and competence

GRI 406: Non-discrimination 2016

406-1	Incidents of discrimination and corrective actions taken	page 19	No reported incidents in 2023.

POP BANK GROUP'S BOARD OF DIRECTORS' REPORT 1 JANUARY – 31 DECEMBER 2023

POP BANK GROUP AND AMALGAMATION OF POP BANKS

The POP Bank Group is a Finnish financial group that offers retail banking services for private customers as well as small and medium-sized companies. POP Banks are cooperative banks owned by their member customers. POP Bank Group's mission is to promote its customers' financial well-being, prosperity and local success.

STRUCTURE OF THE POP BANK GROUP

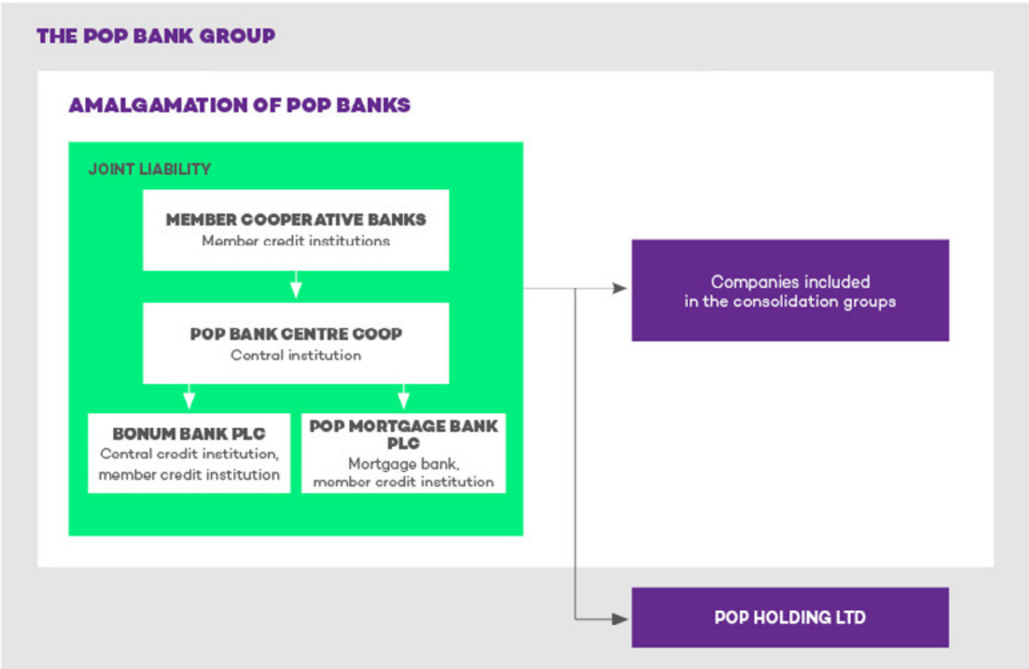
POP Bank Group consists of POP Banks, POP Bank Centre coop and their controlled entities. POP Banks are member credit institutions of POP Bank Centre coop. POP Bank Centre coop and its member credit institutions are mutually liable for their debts and liabilities according to the Act on the Amalgamation 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 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 from Finnish P&C Insurance Ltd which belongs to LocalTapiola 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



CHANGES IN POP BANK GROUP'S STRUCTURE

In May 2023, POP Bank Group relinquished control over Finnish P&C Insurance Ltd and continues as a minority shareholder in the company. Subsequently, Finnish P&C Insurance Ltd will be consolidated as an associated company into POP Bank Group's consolidated IFRS financial statements.

One merger was completed within POP Bank Group during the financial period. At the end of May 2023, Jämijärven Osuuspankki merged with Kurikan Osuuspankki. After the merger, POP Bank Group consists of 18 cooperative banks. The merger was an intra-Group arrangement and had no impact on POP Bank Group's consolidated financial information.

OPERATING ENVIRONMENT

The global economy grew slowly in 2023. The growth slowed down particularly in China, which has been the driving force of the global economy in recent years. The surge in inflation in Europe and the subsequent rise in interest rates, as well as the energy crisis, were reflected as weaker growth in the eurozone. In particular, Germany, Europe's largest economy, has begun to struggle, and therefore Finland's economy is not getting the boost it needs from exports. Russia's war of aggression against Ukraine continued and the uncertainty it has caused is reflected in both economic performance and the security environment.

In 2023, there was a clear turn for the worse in the Finnish economy. High inflation continued to weaken households' purchasing power, even though wage agreements increased nominal wages more than before. The rapid rise in interest rates also meant that consumers started to feel more pessimistic about economic development.

Purchases of housing and consumer durables decreased markedly during the year, which weighed heavily on many sectors, especially residential construction and trade. However, in terms of household spending, there was a cautiously positive signal towards the end of the year when the European Central Bank put an end to the series of interest rate increases, and the market started waiting for interest rates to fall. The inflation rate also slowed significantly towards the end of the year. In Finland, energy prices and availability improved on the previous year, as the wind and nuclear power generation capacity increased.

Construction activity in Finland was exceptionally high in the early 2020s, but the first signs of a downturn in construction had already become visible by the end of 2022. The high inflation and rising interest rates following the pandemic led to a steep decrease in the number of building permits and construction starts in 2023, and at the same time buyers also became more cautious than before. In addition, as housing investors, which make up a major group of buyers, largely disappeared from the housing market, housing prices continued to decline in 2023. The construction sector is very important for the Finnish economy, so the slowdown in construction weighed on GDP development, especially towards the end of the year.

Agricultural input prices fell in 2023 from the previous year, but the declining trend in producer prices in most types of production and rising interest rates have kept investments at a low level. Profitability differences between farms continued to grow. The price of timber was at a historically high level as competition between timber buyers has increased since the end of timber imports from Russia.

Although households' purchasing power was weak in 2023, unemployment continued to remain under control. In general, households have continued to manage their loans well. However, the number of company bankruptcies turned to a clear increase, and the weakened economic situation also led to an increase in the number of lay-offs. The weakened economic cycle is reflected in the amounts of banks' non-performing loans and credit losses.

KEY EVENTS

THE MAJORITY STAKE IN THE INSURANCE COMPANY WAS SOLD TO LOCALTAPIOLA

The POP Bank Group sold 70 per cent of the share capital of Finnish P&C Insurance Ltd to LocalTapiola on 25 May 2023. Finnish P&C Insurance Ltd will continue to operate as an independent company and will continue to use the POP Insurance brand in its insurance products. POP Bank Group recognised an income of EUR 41.9 million from the sale. The overall positive impact of the insurance operations on the Group's result was EUR 45.2 million. The amalgamation's capital adequacy improved with the reduction of capital tied up in insurance operations.

As a result of the change of control, POP Bank Group's management no longer monitors insurance operations as a separate operating segment. The POP Bank Group will only have one operating segment. After the transaction, a share of the company's result corresponding to POP Bank Group's holding is consolidated in the Group's financial statements using the equity method.

COOPERATION WITH LOCALTAPIOLA

During 2023, POP Bank Group and LocalTapiola have started cooperation. The groups are pursuing wide cooperation both regionally and on product level. The cooperation has launched well and it will be strengthened in the future.

CHANGES IN THE GROUP STRUCTURE

The number of POP Banks decreased by one at the end of May, when Jämijärven Osuuspankki merged with Kurikan Osuuspankki. After the merger, POP Bank Group consists of 18 POP Banks. During the financial year, the internal division of work within the POP Bank Group was developed by expanding the services produced centrally for the POP Banks in Bonum Bank's Service Centre. In addition to telephone and chat services for customers, the Service Centre provides anti-money-laundering operations for the whole Group, as well as a range of centrally provided back-office services. The aim of the Service Centre is to improve the Group's operational efficiency.

POP BANK GROUP'S RESPONSIBILITY PROGRAMME

In accordance with POP Bank Group's sustainability vision, POP Banks are trusted partners to their customers, members and local communities in creating sustainable well-being. In the spring of 2023, the POP Bank Group drew up an action plan for 2023–2024 to support its responsibility programme. The action plan includes, for example, training for employees and a project to calculate the carbon footprint of the Group's own operations. POP Bank Group has started preparing for the EU Corporate Sustainability Reporting Directive, which will introduce new reporting obligations. To serve this purpose, the Group carried out a double materiality analysis to identify material sustainability topics.

SYSTEM REFORM PROJECT

In 2022, POP Bank Group started a project to modernise its core systems, including its entire core banking system, regulatory reporting solutions and the related integrations, as well as data warehousing. The new core banking system will be supplied by Crosskey, a Finnish IT company. The project aims to improve the cost-effectiveness and speed of system development in banking. It also includes a data warehousing reform project, which will enable more flexible reporting and improve POP Bank Group's ability to use data analytics in its business operations.

As part of the whole plan, a customer data management system was introduced in all POP Banks in 2023. The Group also prepared for an office infrastructure reform, for which Tietokeskus Oy has been chosen as the partner. POP Bank Group expects to introduce the new core banking system during 2025. It is estimated that the system reform project will cause overlapping costs to the Group during the project, as the implementation of new systems is prepared alongside the current systems.

THE POP BANK GROUP'S FUNDING

In April, POP Mortgage Bank Plc, which is part of POP Bank Group, issued the second covered bond under its EUR 1 billion covered bond programme. The covered bond has a nominal value of EUR 250.0 million. In addition, Bonum Bank Plc issued a bond with a nominal value of EUR 50.0 million in July.

POP Bank Group participated in the European Central Bank's TLTRO funding operation with a total of EUR 128.4 million between 2020 and 2021. Of the TLTRO funding, EUR 50.0 million matured in June. The remaining funding will mature in 2024.

CREDIT RATINGS

In October 2023, S&P Global Ratings affirmed Bonum Bank Plc's long-term investment grade to 'BBB' and short-term investment grade to 'A-2' and changed the outlook from stable to positive.

In April and October 2023, S&P Global Ratings confirmed an AAA rating with a stable outlook for POP Mortgage Bank Plc's loan programme and bonds issued.

POP BANK GROUP'S EARNINGS AND BALANCE SHEET

POP BANK GROUP KEY FIGURES AND RATIOS

Key income figures (EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2021	1 Jan-31 Dec 2020	1 Jan-31 Dec 2019
Net interest income	178,108	93,326	78,338	74,099	69,318
Net commissions and fees	44,016	42,098	36,326	31,049	30,013
Insurance income	-	-	13,192	11,611	10,913
Net investment income	-2,355	-602	10,028	1,298	15,588
Personnel expenses	-49,204	-43,571	-50,655	-43,531	-42,843
Other operating expenses	-63,703	-58,303	-55,464	-51,978	-47,927
Impairment losses on financial assets	-17,271	-7,738	-10,390	-7,468	-6,528
Profit before tax	89,326	26,155	44,670	12,919	26,150

Key balance sheet figures (EUR 1,000)	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019
Loan portfolio	4,562,254	4,448,480	4,243,829	3,868,147	3,635,488
Deposit portfolio	4,321,022	4,331,041	4,222,364	4,086,045	3,746,305
Insurance contract liabilities	-	48,241	52,692	43,915	38,606
Equity capital	688,106	566,675	552,809	517,242	508,435
Balance sheet total	6,074,569	5,774,192	5,357,697	5,098,398	4,535,557

Key ratios	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019
Cost to income ratio	52.9%	76.1%	68.8%	83.6%	75.1%
Return on assets, ROA %	1.2%	0.4%	0.7%	0.2%	0.5%
Return on equity, ROE %	11.4%	3.7%	6.9%	2.2%	4.3%
Equity ratio, %	11.3%	9.8%	10.3%	10.1%	11.2%
Common equity Tier 1 capital ratio, (CET1) %	20.3%	19.4%	19.2%	19.9%	19.8%
Capital adequacy ratio, (TC) %	20.3%	19.4%	19.2%	19.9%	19.9%

*Key figures and ratios for continuing operations 2022-2023

POP Bank Group has adopted IFRS 17 Insurance contracts in 1 January 2023 retrospectively and reclassified financial assets of insurance operations at the date of initial application. The change has been recognised in key balance sheet ratios retrospectively. Since POP Bank Group has relinquished control in insurance operations and presents the profit as discontinued operations, profit for insurance operations has not been included in key income figures and ratios. Further information on the adoption of IFRS 17 has been presented in note 2 and on discontinued operations in note 5 to the financial statements.

POP BANK GROUP'S EARNINGS PERFORMANCE FOR CONTINUING OPERATIONS

POP Bank Group's profit before tax for continuing operations was EUR 89.3 (26.2) million, and profit for the financial year was EUR 71.6 (20.9) million.

The Group's net interest income for continuing operations increased by 90.8. per cent to EUR 178.1 (93.3) million. Interest income for the financial year amounted to EUR 254.9 (104.4) million, and interest expenses were EUR 76.8 (11.1) million. The increase in net interest income is due to the rise in market interest rates, which has increased interest income both from receivables from customers and from new interest investments. Net commissions and fees increased from previous year by 4.6 per cent to EUR 44.0 (42.1) million. Net investment income for continuing operations amounted to a loss of EUR -2.4 (-0.6) million due to negative fair value changes of investments.

Other operating income totalled EUR 4.7 (6.8) million. Other operating income includes the reimbursement of the old Deposit Guarantee Fund, which covers the deposit guarantee contribution of the Financial Stability Authority included in other operating expenses. Other operating income for continuing operations totalled EUR 224.5 (141.6) million.

Total operating expenses for continuing operations increased by 10.3 per cent to EUR 118.8 (107.7) million. Personnel expenses totalled EUR 49.2 (43.6) million. Other operating expenses were EUR 63.7 (58.3) million. Other business expenses were increased by the system reform project started in 2022, during which the group will incur temporary overlapping costs in addition to project costs, e.g. licenses and systems. Depreciation, amortisation and impairment on property, plant and equipment and intangible assets was EUR 5.9 (5.8) million.

A total of EUR 17.3 (7.7) million was recognised in impairment on financial assets. Impairment of loans and receivables to customers recorded under the financial period was 0.37 (0.19) per cent of the loan portfolio. Impairment losses include a net increase in expected losses (ECL) of EUR 11.3 (4.5) million and realised credit losses of EUR 5.9 (3.2) million.

POP BANK GROUP'S BALANCE SHEET

POP Bank Group's assets totalled EUR 6,074.6 (5,774.2) million at the end of the financial period. The loan portfolio increased by 2.6 per cent during the financial year, amounting to EUR 4,562.3 (4,448.5) million. At the end of the financial year, the Group had deposits totalling EUR 4,321.0 (4,331.0) million with a decrease of 0.2 per cent.

The number of bonds in issue was EUR 787.2 (565.3) million at the end of the financial year of which covered bonds were EUR 500.0 (250.0) million. The Group's investment assets were 814.2 (712.3) million. Investment assets include investments in securities and real estate in banking operations. Securities are mainly fixed income investments.

POP Bank Group's equity totalled EUR 688.1 (566.7) million at the end of the financial period. The cooperative capital, which consists of the POP Banks' cooperative contributions and POP Shares, amounted to EUR 71.1 (70.9) million. POP Banks paid EUR 1.7 (1.1) million in interest on cooperative capital for 2022. In total, the POP Banks have issued EUR 60.4 (60.2) million in POP Shares. POP Shares are investments in the cooperative bank's equity in accordance with the Co-operatives Act.

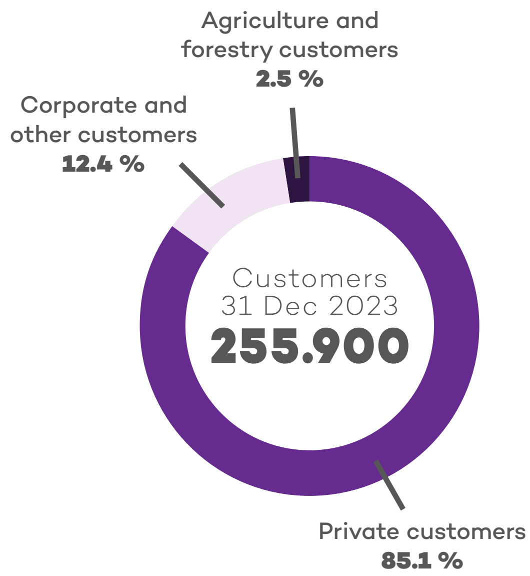
BUSINESS DEVELOPMENT

At the end of the financial year, POP Bank Group had 255.9 thousand banking customers (256.5 at the beginning of the financial year). The number of private and corporate customers developed favourably from the previous year. The number of customers in agriculture and forestry has decreased. Customer orientation is one of POP Bank's values, and customer satisfaction is an important indicator of business development. In EPSI Rating's Banking and Finance survey, POP Bank had the most satisfied customers for the 12th consecutive time.

At the end of the financial year, the POP Banks had 70 branches and service points, including three branches focusing on digital services. In addition, customers have access to mobile and online banking services and online appointments.

The POP Bank Group's customer groups are shown in the diagram.

POP BANK GROUP'S CUSTOMERS 31 DEC 2023



Between January and December, the POP Bank Group's loan portfolio increased to EUR 4,562.3 (4,448.5) million, with an increase of 2.6 per cent on the end of 2022. Loans granted to private customers increased by 0.3 per cent year-on-year, while loans to corporate customers and customers in agriculture and forestry grew by 6.9 per cent. Net interest income on the loan portfolio increased strongly during the year, but the average margin on the portfolio fell slightly.

There was no significant change in the volume of mortgage loans, which stood at EUR 2,356.7 (2,313.1) million at the end of December. The sluggish housing market continued to reduce demand for mortgage loans from 2022. New mortgage loan sales amounted to EUR 213.2 (259.0) million, with a decrease of 17.7 per cent. The majority of the mortgage loan portfolio is tied to the 12-month Euribor. POP Bank Group's reference rate, POP Prime, rose from 1.5 per cent to 3.4 per cent during the year as market interest rates increased.

The relative share of interest rate hedges on loans granted during 2023 increased slightly from the turn of the year, particularly for fixed rates. As the first-time homebuyers' transfer tax exemption ended in Finland at the beginning of 2024, the POP Banks decided to support first-time homebuyers by removing mortgage set-up fees for the period between 1 November 2023 and 31 March 2024. Although demand for mortgages has decreased, demand for consumer credit has been steady. Corporate lending developed well and was strong during the year, especially in loans to small and medium-sized enterprises.

Deposits decreased by 0.2 per cent from the beginning of the year and amounted to EUR 4,321.0 million. The rise in market interest rates has increased demand for fixed-term deposits, and their share of the loan portfolio increased to 19.0 (10.3) per cent during the financial year. The interest rate on current accounts increased from zero to 0.25 per cent during 2023. The Group's gross investment sales in funds and savings insurance amounted to EUR 47 million.

POP Lisätakaus, a product with a directly enforceable guarantee for private customers, was launched during the first half of the year. POP Lisätakaus can be used as collateral for financing residential or investment properties. The product is provided by Finnish P&C Insurance Ltd. The usability of POP Mobile was improved, and a new credit card limit increase functionality was released. During the first half of the year, secured hire-purchase and leasing financing solutions provided by Svea Bank were added to the product range for corporate customers.

During the year, extensive groundwork was carried out to further develop the POP Bank brand. The results of an extensive market and customer analysis have been used to design a marketing campaign to increase awareness of the POP Bank brand.

DISCONTINUED OPERATIONS

In May 2023, POP Bank Group sold majority of the shares of Finnish P&C Insurance Ltd, which comprises the insurance segment, to LocalTapiola. Insurance operations profit is reported as discontinued operations in accordance with IFRS 5.

The impact of discontinued operations on POP Bank Group income statement in financial year 2023 and 2022 is presented in the table below.

(EUR 1,000)	1 Jan -25 May 2023	1 Jan-31 Dec 2022
Net interest income	387	723
Net investment income	1,101	-4,789
Insurance service result	2,109	2,508
Net insurance finance income	-267	4,547
Other operating income	36	89
Other operating expenses	-77	-104
Profit from discontinued operations before taxes	**3,290**	**2,974**
Income taxes	-	-2
Profit from discontinued operations	**3,290**	**2,972**
Capital gain on discontinued operations	38,098	-
Fair valuation of share ownership	3,840	-
Total capital gain on discontinued operations	**41,939**	**-**
Total profit from discontinued operations	**45,228**	**2,972**

Finnish P&C Insurance Ltd has been consolidated into POP Bank Group until 25 May 2023. Insurance operations accumulated a profit of EUR 3.3 million from the beginning of the review period until the sale, while the result before taxes for the financial year 2022 was EUR 3.0 million. The net insurance service result from 1 January to 25 May 2023 was EUR 2.1 million and EUR 2.5 million for the financial year 2022. The net insurance finance income accumulated from the beginning of the review period until the sale was EUR -0.3 million and EUR 4.5 million for the financial year 2022. The net investment income from 1 January to 25 May 2023 was EUR 1.1 million and EUR -4.8 million for the financial year 2022.

POP Bank Group continues to be the owner of Finnish P&C Insurance Ltd with a 30 per cent ownership stake. The company's profit will in the future be consolidated by using the equity method.

POP BANK GROUP'S RISK AND CAPITAL ADEQUACY MANAGEMENT AND RISK POSITION

PRINCIPLES AND ORGANIZATION OF RISK MANAGEMENT

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. The purpose of the risk management is to ensure that all significant risks are identified, assessed, measured and monitored, and that they are proportionate to the risk-bearing capacity of the amalgamation and the individual member credit institution.

As the central institution, POP Bank Centre coop supervises the sufficiency and functioning of the risk management systems at the level of the member credit institutions and the amalgamation and is liable for the Group's risk and capital adequacy management in accordance with section 17 of the Amalgamation Act. The central institution issues binding instructions concerning risk and capital adequacy management, corporate governance and internal control to the member credit institutions to secure their solvency and capital adequacy. Furthermore, common business risk limits have been established for the member institutions to ensure that the risks taken by an individual member institution are within acceptable limits according to accepted risk appetite.

The central institution supervises that the member credit institutions comply with laws, decrees, instructions and regulations issued by the authorities, their own rules and the internal binding instructions of the amalgamation in its activities. The independent functions within the central institution are formed as the risk control function monitoring the risk position, the compliance function supervising the compliance within the regulations and internal audit.

The purpose of capital adequacy management is to ensure the sufficient amount, quality and efficient use of the capital of the amalgamation of POP Banks. Capital is held to cover the material risks arising from the amalgamation's business strategy and plan and to secure the uninterrupted operation of the amalgamation in case of unexpected losses. The goal is pursued through a documented and systematic capital adequacy management process which is integrally linked to the amalgamation's and member credit institutions' strategy process and business planning and management.

Risk and capital adequacy management is described in more detail in Note 4 to the financial statements. Material information regarding capital adequacy as specified in the updated Capital Requirements Regulation (EU 2019/876) is presented in a separate Pillar III report published on POP Bank Group's Internet page.

RISK POSITION

Credit risk

The amalgamation's credit risk position in banking remained stable and the risk level moderate.

Impaired exposures (ECL stage 3) were larger than in previous financial year EUR 156.6 (113.6) million. Expected credit losses in ECL stage 3 grew to EUR 42.9 (31.7) million and thus coverage ratio was 27.4 per cent of ECL stage 3 exposures. Non-performing receivables increased to 196.5 (155.7) million, of which 156.2 (113.4) were held on ECL stage 3 and 38.4 (38.6) million were held on ECL stage 2.

POP Bank Group has derecognised an additional ECL provision of EUR 3.0 million, which was based on management judgement in financial year 2021. The provision was not addressed to individual loans. The provision was made in order to prepare for the negative impact of cost inflation to corporate and agricultural customers' ability to pay. The increase in credit risk connected to these loans and receivables has been recognised in expected credit losses and write offs recognised during the financial year at loan level.

The amount of expected credit losses (ECL) for loans, receivables and investment portfolios increased ending up at EUR 54.4 (43.1) million. Realised credit losses incurred during the financial year were EUR 5.9 (3.2) million.

The amalgamation's loan portfolio grew by 2.6 per cent amounting EUR 4,562.2 (4,448.5) million at the end of the accounting period. Industry and customer risks are diversified. Loans granted to private customers accounted for 63.6 (63.9) per cent, to companies 24.0 (22.8) per cent and to agricultural entrepreneurs 12.8 (13.3) per cent of the loan portfolio. Majority of the lending is associated with low-risk lending to private customers with real estate collaterals. Portion of the loans secured by residential real estate was 62.5 (63.0) per cent of the loan portfolio.

Credit risk management is based on a continuous monitoring of past-due payments, forbearances and non-performing loans as well as the quality of the loan portfolio. Monitoring expected credit losses (ECL) is an essential part of the credit risk management processes. Foreseen problems are to be assessed as early as possible. Key figures of ECL are presented more thoroughly in Note 4 and Note 18.

Liquidity risk

POP Bank Group's liquidity position remained strong during the financial period. Liquidity Coverage ratio (LCR) as the key regulatory indicator for liquidity buffer was 273.9 (184.8) per cent on 31 December 2023, with the requirement being 100 per cent. On 31 December 2023, the amalgamation's LCR-eligible assets before haircuts totalled EUR 887.2 (691.7) million, of which 55.9 (64.8) per cent were cash and balance at the central bank and 41.3 (31.0) per cent were highly liquid Level 1 securities. In addition, outside the amalgamation's LCR portfolio unencumbered securities, available for central bank funding operations totalled to EUR 98.4 (39.8). POP Mortgage Bank will have a substantial impact to liquidity risk management in future as it will broaden potential investor base.

The requirement for stable funding, NSFR, measures the maturity mismatch of assets and liabilities on the balance sheet and is responsible for ensuring that ongoing funding is sufficient to meet funding needs over a one-year period, thus preventing over-reliance on short-term wholesale funding. The amalgamation's NSFR ratio was 132.7 (133.5) per cent while minimum regulatory requirement is 100 per cent.

POP Bank Group's funding position remained strong during the financial year. The proportion of deposits of the credit portfolio remained high and total deposits decreased by 0.2 per cent during the reporting period. During 2023 the funding position was supported by the second emission of EUR 250 million by POP Mortgage Bank. At the end of the reporting period, issued securities totalled EUR 787.2 (565.3) million. In addition, at the end of the financial year, Bonum Bank had TLTRO III financing totalling EUR 78.4 (128.4) million.

POP Bank Centre coop, the central institution of POP Banks' amalgamation, applies a permission granted by the Finnish Financial Supervisory Authority to decide that the requirements laid down in the sixth part of the European Union's Capital Requirements Regulation (EU 575/2013) and EU's statutory orders set in the Regulation are not applied to its member credit institutions. According to the permission, the regulatory requirements for liquidity risk (LCR and NSFR) shall only be met at the amalgamation level.

Market risk

Market risks from banking arise from the banking book of member credit institutions, consisting of lending and deposits, wholesale market funding and investment and liquidity portfolios. Market risk exposure for investment activities remained at a moderate level and respectively banking book interest rate exposure was increased as result of rising interest rates. In order to mitigate bonking book exposure, hedging activities were continued during the period with interest rate derivatives and alternatively by increasing fixed rate LCR eligible investments. The banking book exposure is monitored and limited via both the net present value and income risk models. The impact of +/- one percentage point change in interest rates for the following 12 months' net interest income stood at EUR +14.5 (+17.9) / -16.4 (-17.8) million. The member credit institutions do not have any trading activities.

Market risks arising from investing activities are limited through asset allocation and by diversification into different asset classes and counterparties. Risk limits are in place for different counterparties and asset classes. No currency risk is taken in lending activities. The use of derivatives is limited to hedging the interest rate risk in the banking book.

Operational risks

Operational risks are primarily managed with risk management processes, instructions and risk area-specific mitigating actions (controls and measures) to correct the identified deficiencies and errors and to lower the risk level. Controls and measures of risk management include e.g. instructions and their continuous updating, review and monitoring, technical controls preventing improper and unauthorised use of systems, personnel-related and IT backup arrangements, identify and access management (IAM), business continuity plan, outsourcing agreement, insurance coverage, reporting, training and increasing competence.

Operational risk management processes in POP Bank Group include regular self-assessment of operational risks (risk identification, assessment, determination and implementation of mitigating actions), registration and reporting of realised risk events and near-miss situations, risk appetite statements and metrics for operational risks, and a new product/service approval process. The most significant operational risk management process in the POP Bank Group, the self-assessment of operational risks must be carried out regularly, where all member credit institutions and POP Bank Centre coop regularly identify and assess the operational risks, determine and implement mitigating actions (controls and measures) to eliminate and reduce risks to lower, and monitor and update the risk picture and related mitigating actions regularly as a continuous process. In order to create a uniform process and to document risk assessment and monitoring of mitigating actions in POP Bank Group´s operational risk management, several risk management tools were introduced in early 2023, which also enable systematic and regular monitoring of operational risks.

The compliance function monitors the amalgamations outsourcings, maintains a register of outsourced operations and functions and participates in evaluating the risks involved in outsourcing operations. The operational risks associated with the key products, services, functions, processes and systems are identified in the assessment process concerning a new product or service carried out by the business function and reviewed by the risk control and compliance function.

The operating model for risk management related to money laundering and other financial crime has been reinforced in 2023 with additional personnel on the amalgamation level. This has included updating the binding guidelines on the prevention of money laundering and other financial crime within the amalgamation, increasing the selection of solutions and the amount of resources available for continuous monitoring, and acquiring and implementing a completely new AML monitoring system, as well as active communication and a considerable increase in training. Particular attention has been paid to ensuring safer banking for customers by developing internal systems and communicating about safe banking through websites, social media and separate customer events, for example.

RECOVERY AND RESOLUTION PLAN

In accordance with the bank resolution act for own funds and eligible liabilities, the Financial Stability Authority has set the minimum requirement of own funds and eligible liabilities (MREL-requirement) for the amalgamation of POP Banks. The MREL requirement is 19.39 per cent of total risk-weighted assets (TREA) or 5.91 per cent of the leverage ratio exposures (LRE).

On 31 May 2023, the Financial Stability Authority updated the decision. The new MREL requirement is 19.99 per cent of the TREA or 7.75 per cent of the LRE.

The new requirement replaces the previous decision as of 1 January 2024. The Group's MREL requirement has been covered with own funds and unsecured senior bonds.

CAPITAL ADEQUACY MANAGEMENT

At the end of the financial year, the capital adequacy of the amalgamation of POP Banks remained at a solid level. The amalgamation's capital adequacy ratio and CET1 capital ratio were both 20.3 (19.4) per cent. The amalgamation does not include the profit for the financial year in own funds. The amalgamation's own funds of EUR 587.9 (556.3) million are comprised of cooperative contributions, POP Shares, retained earnings and other non-restricted reserves. Issuance of POP Shares is the member credit institutions' primary means for raising capital. The amount of POP Shares outstanding at the end of the financial year was EUR 60.4 (60.2) million.

The amalgamation's own funds requirement is comprised of the following:

- Capital Requirements Regulation minimum of 8%
- Additional Pillar 2 capital requirement of 1.25%
- Capital conservation buffer of 2.5%
- Country-specific capital requirements for foreign exposures

All capital requirements are fully covered with CET1 Capital.

Member credit institutions of the amalgamation have been exempted from the own funds requirements for intragroup items and large exposures limits for exposures between the central credit institution and the member credit institutions based on a permission granted by the FIN-FSA. Similarly, member credit institutions have received exemption from FIN-FSA regarding amalgamation's internal items in leverage ratio reporting.

The leverage ratio was 9.5 (9.5) per cent in relation to minimum requirement of 3 per cent.

SUMMARY OF CAPITAL ADEQUACY

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Own funds		
Common Equity Tier 1 capital before deductions	597,197	563,523
Deductions from Common Equity Tier 1 capital	-9,301	-7,216
Total Common Equity Tier 1 capital (CET1)	**587,896**	**556,307**
Additional Tier 1 capital before deductions	-	-
Deductions from Additional Tier 1 capital	-	-
Additional Tier 1 capital (AT1)	**-**	**-**
Tier 1 capital (T1 = CET1 + AT1)	**587,896**	**556,307**
Tier 2 capital before deductions	-	-
Deductions from Tier 2 capital	-	-
Total Tier 2 capital (T2)	**-**	**-**
Total capital (TC = T1 + T2)	**587,896**	**556,307**
Total risk weighted assets	**2,899,048**	**2,871,756**
of which credit risk	2,558,096	2,613,793
of which credit valutaion adjustment risk (CVA)	10,002	6,089
of which market risk (foreign exchange risk)	13,748	12,945
of which operational risk	317,203	238,928

(EUR 1,000)	31 Dec 2023	31 Dec 2022
CET1 Capital ratio (CET1-%)	**20.3 %**	**19.4 %**
T1 Capital ratio (T1-%)	**20.3 %**	**19.4 %**
Total capital ratio (TC-%)	**20.3 %**	**19.4 %**
Capital Requirement		
Total capital	587,896	556,307
Capital requirement *	342,100	338,215
Capital buffer	245,796	218,092
Leverage ratio		
Tier 1 capital (T1)	587,896	556,307
Leverage ratio exposure	6,167,246	5,879,750
Leverage ratio, %	9.5 %	9.5 %

* The capital requirement is comprised of the minimum requirement of 8.0%, the capital conservation buffer of 2.5%, the additional Pillar 2 requirement of 1.25% and country-specific countercyclical capital requirements for foreign exposures. Financial Supervisory Authority decided on 29 March 2023 to impose a systemic risk buffer of 1.0 per cent, which will enter into force after the transitional period on 1 April 2024.

DEPOSITOR AND INVESTOR PROTECTION

Provisions on deposit insurance are laid down in the Act on the Financial Stability Authority. According to the act the Financial Stability Authority is responsible for offering deposit protection. Its financial stability fund consists of a crisis resolution fund and deposit guarantee fund. The deposit guarantee fund covers the eligible deposits of a depositor in a single deposit bank up to a maximum of EUR 100,000. During the financial year, payments to the Deposit Guarantee Fund were made using fu nds from the VTS Fund (Old Deposit Guarantee Fund).

The deposit banks that are members of the amalgamation of deposit banks are considered to be a single deposit bank in terms of deposit guarantee. Therefore, the deposit guarantee concerning a depositor's deposits in all member credit institutions of the amalgamation of POP Banks (POP Banks and Bonum Bank Plc) totals EUR 100,000.

Furthermore, in accordance with the legislation on the investors' compensation fund, the member credit institutions of the amalgamation of POP Banks are considered to be a single bank in terms of investor protection. A maximum amount of EUR 20,000 is compensated from the compensation fund.

ADMINISTRATION OF POP BANK CENTRE COOP

The 18 member cooperative banks (POP Banks), Bonum Bank Plc and POP Mortgage Bank Plc are members of POP Bank Centre coop. The member cooperative banks exercise their statutory voting rights in the cooperative meeting of POP Bank Centre coop, which elects the Supervisory Board. In accordance with the rules, Bonum Bank Plc and POP Mortgage Bank Plc have no voting rights in the cooperative meetings as a subsidiary of the POP Bank Centre coop.

In accordance with the rules, the Supervisory Board of POP Bank Centre coop consists of a minimum of three (3) and a maximum of thirty-four (34) members elected by the general meeting of the cooperative so that one (1) member shall be elected from each member credit institution; however, not from a subsidiary of the central institution that acts as a member credit institution.

In 2023, the Supervisory Board consisted of the total of 19 members so that one (1) member represented each member credit institution, with the exception of Bonum Bank and POP Mortgage Bank. Only the Chairman of the Board of Directors or the Supervisory Board of a member credit institution can be elected as the Chairman or Vice Chairman of the Supervisory Board. The Chairman of the Supervisory Board was Harri Takala (Chairman of the Board of Pohjanmaan Osuuspankki) and the Vice Chairman of the Supervisory Board was Ari Voutilainen (Chairman of the Board of Järvi-Suomen Osuuspankki). As a result from mergers within the Group, the number of members was 18 at the end of financial year.

The Board of Directors of POP Bank Centre coop consists of a minimum of five (5) and a maximum of eight (8) members elected by the Supervisory Board. At least half of the Board members must be elected from persons employed by a member credit institution. The term of office of the Board members is three (3) years from the conclusion of the meeting that decided on the election of the Supervisory Board until the conclusion of the next Supervisory Board meeting that decides on the election. Of these members, annually the number closest to one-third resign based on the term of office. The Board of Directors elects the Chairman and Vice Chairman from among its members.

During year 2023, the Board of Directors met in total 21 times and the Supervisory Board 4 times.

The following persons acted as members of the Board of Directors of POP Bank Centre coop:

Timo Kalliomäki
Managing Director, Suomen Osuuspankki
Member of the Board, Chairman

Ari Heikkilä
Senior Advisor, Konneveden Osuuspankki
Member of the Board and Vice Chairman
until 22 August 2023

Mikko Seppänen
Managing Director, Lammin Osuuspankki
Member of the Board, Vice Chairman
since 25 August 2023

Jatta Heikkilä
Managing Director, Konneveden Osuuspankki
Member of the Board since 22 August 2023

Ilkka Lähteenmäki
Research Fellow, Aalto University,
Oulu University, Hanken School of Economics
Member of the Board

Mika Mäenpää
Managing Director, Lavian Osuuspankki
Member of the Board

Marja Pajulahti
Managing Director, Live Foundation
Member of the Board

Matti Vainionpää
Master of Laws
Member of the Board

The CEO of POP Bank Centre coop is **Jaakko Pulli** and CEO's deputy is **Arvi Helenius**.

The auditor of POP Bank Centre coop is KPMG Oy Ab, an accounting firm, with **Tiia Kataja**, APA, as the auditor-in-charge.

REMUNERATION

Remuneration scheme refers to the decisions, contracts, policies and procedures followed in rewarding the management and personnel.

Remuneration is divided into fixed and variable remuneration. Fixed remuneration refers to salaries tied to a specific period of time and variable remuneration refers to remuneration tied to the beneficiary's performance or financial factors. The variable remuneration includes both short- and long-term remuneration. In short-term remuneration, the earning period is the calendar year and the reward is paid in cash. In long-term remuneration, the earning period is 3-5 years.

In the POP Bank Group, variable remuneration is company-specific. POP Bank Group does not have a uniform remuneration scheme. Remuneration schemes are based on the business strategy, objectives and values of each member credit institution or company, and they are aligned with the company's long-term interests. The remuneration schemes are in harmony with the bank's proper and effective risk management and risk-bearing capacity. Remuneration does not encourage risk-taking that would exceed the risk level defined on the basis of the risk-bearing capacity of the member credit institutions or the company or otherwise sustainable risk level.

The member credit institution- and company-specific remuneration schemes are based on EU legislation, national legislation and the regulations and guidelines issued by the Financial Supervisory Authority.

NON-FINANCIAL INFORMATION

POP Bank Group is a Finnish financial group that offers retail banking services for private customers, small and medium-sized enterprises. POP Banks are cooperative banks owned by their member customers. POP Banks' mission is to promote its customers' financial well-being, prosperity, as well as local success. POP Bank Group's operational area is Finland.

Social responsibility in the POP Bank Group is based on cooperative values, local operations and long-term business operations. The Group sustainability report including GRI Index is conducted with reference to the GRI Standards. The report is published as part of the Group's Annual Report.

POP Bank Group's operations comply with current laws, regulations and the guidelines and orders issued by the authorities, as well as with the principles of good governance and the Group's values, strategy own rules and binding internal guidelines. In its banking operations, the Group also complies with Good Banking Practice and the related trading guidelines, as well as with the amalgamation's internal guidelines. In its insurance operations, the Group complies with the guidelines issued by Finance Finland concerning good insurance practice, as well as with the company's internal guidelines.

The operational management of matters related to responsibility has been integrated as part of normal day-to-day business. In the POP Bank Group, matters concerning responsibility are discussed by the Executive Board and the Board of Directors of the POP Bank Centre coop. The guidelines are reviewed annually by the Executive Board and the Board of Directors, and the policies and principles are updated to support operations as necessary.

POP Bank Group's responsibility work is guided by its ESG vision according to which POP Bank is trusted partner for its customers, members and local communities to create sustainable wellbeing. The Group's responsibility programme's focus areas are:

1. Promoting sustainable financing and investing, and thereby mitigating climate change
2. Supporting local success, vitality and well-being
3. Transparent business operations
4. Ensuring the equality of employees and promoting diversity and well-being at work
5. Preventing a grey economy, corruption and money laundering
6. Continuous improvement of information security and promoting secure banking.

In autumn of 2022 POP Bank Group conducted an extensive stakeholder survey, which was basis for introducing a new theme of information security and secure banking to the focus areas.

POP Bank Group actively monitors the development of the EU regulation related to sustainable finance and is continuously preparing its own services, processes, reporting and guidelines to meet the regulatory changes related to sustainable finance. According to the POP Bank Group's assessment, its operations have not involved any risks directly related to the environment, social responsibility or human rights that would have had a significant impact on its operations.

In autumn of 2023 POP Bank Group conducted a double materiality assessment to prepare for the reporting under EU's Corporate Sustainability Reporting Directive (CSRD). The purpose of the double materiality assessment is to identify and specify the material sustainability issues for POP Bank Group. In the assessment the material sustainability issues are considered in two different angles: the impact of POP Bank Group to the environment and society and the financial impact of sustainability issues on POP Bank Group. The outcome of the double materiality assessment and the identified material sustainability issues will determine the topics published in sustainability reporting from financial year 2024 onwards.

POP Bank received second highest index scores in its sector from private and corporate customers in the Sustainability Index assessment in connection with the EPSI Rating customer satisfaction survey 2023. The index is based on customers' assessments of the operator and the questions related to sustainability in the survey.

ENVIRONMENTAL RESPONSIBILITY

The key environmental impacts of the POP Bank Group's own business operations are related to the funding of customers' investments and other operations, as well as to the Group's own investment activities and the provision of investment products to customers. The POP Banks aim to reduce the risks caused by environmental impacts and climate change by providing funding to its customers for investments that support the mitigation of, and adjustment to, climate change, as well as by offering investments that support sustainable development, and by informing customers about the related opportunities.

Lending is reviewed in the POP Bank Group comprehensively, with the goal of establishing long-term customer relationships. Responsible lending is based on knowing the customer and careful examination of the customer's situation. We identify the financial risks and environmental impacts related to the customer's operations or to the projects that are to be funded. Since 2021, the POP Bank Group has offered a loan product, Vihreä laina, for households to consider environmentally friendly alternatives when planning bigger purchases or renovations. POP Bank Group has also published online calculators for customers to a assess the environmental impact of exchanging their car or heating system, for example.

In providing investment advice, the POP Banks take account of sustainability risks through their product selections. Sustainable risk refers to an event, or circumstance related to the environment, society or governance, the occurrence of which could have an actual or potential adverse effect on the value of an investment. All our partners have signed the UN-supported Principles for Sustainable Investment (PRI).

The POP Bank employees who offer investment advice to customers are provided with opportunities for training related to the ESG disclosure obligation, and the banks have actively used this opportunity. In addition, since August 2022, the POP Banks have studied their investor customers' sustainability preferences as part of the investment and insurance advice process by enquiring about their desired minimum percentage of investments with an environmental or social objective and investments that are environmentally sustainable in line with the EU taxonomy (2020/852).

Most POP Funds have a sustainability rating. The POP Funds, that have the Morningstar sustainability rating, have the average score of 3.4 (3.6 on previous year) on a scale of 1 to 5. The Morningstar sustainability rating describes the sustainability of those companies included in the fund, in relation to the holdings of other funds in the same comparison category, as determined by Morningstar. An investment fund is issued with a sustainability rating, if at least 50 per cent of its assets are invested in companies for which Sustainanalytics has determined a company-specific ESG rating.

At the end of the year 2023 POP Bank Group also joined the Partnership for Carbon Accounting Financials (PCAF), a global partnership of financial institutions. PCAF's goal is to develop reporting standards of the industry as well as to harmonise assessments and disclosures of greenhouse gas emissions financed by loans and investment. The initiative's measurement tools and policies enhance the Group's reporting and data collection.

POP Bank Centre coop received WWF Green Office certification in the autumn 2023. Bonum Bank has been involved in the programme since 2020. WWF's (World Wildlife Fund) environmental management system helps the workplaces to reduce their carbon footprint and use natural resources sustainably.

SUPPORTING VITALITY AND WELL-BEING, AND SOCIAL RESPONSIBILITY

POP Bank Group acts on the basis that all customers should be treated fairly and equally. The banks seek to know their customers and their backgrounds as thoroughly as the customer relationships require. The Group's member banks do not knowingly provide funding for operations that violate the law or good practice.

In the POP Bank Group, lending to customers is examined comprehensively, with the goal of establishing long-term relationships. In its lending, the POP Bank Group operates responsibly and transparently, taking into account the customer's interests when marketing loans and concluding loan agreements. The customer is provided with sufficient and clear information about the credit and its terms and conditions well in advance of entering into an agreement. Such information, and the terms and conditions, are then reviewed carefully together with the customer when finalising the agreement. If repayment delays occur, the customer is provided with advice on how to deal with insolvency situations, and a responsible approach is applied to the arrangements made. In the event of payment difficulties, the POP Banks seek to respond as early as possible and to remedy the situation sustainably.

During the first half of the year, secured hire-purchase and leasing financing solutions provided by Svea Bank were added to the product range for corporate customers. POP Lisätakaus, a product with a directly enforceable guarantee for private customers, was launched during the first half of the year. POP Lisätakaus can be used as collateral for financing residential or investment properties. The Group also contributed to the development of young people's financial literacy by participating in the Finnish Foundation for Share Promotion's national Money Week event and in Economy and Youth TAT's themed day for the financial sector as part of the RemoteTET Week event. In addition, POP Bank Group took a part in the hackathon, hosted by Finanssiala, where young people shared their solutions to the sustainability challenges presented by the companies.

Farmers are an important customer group for POP Bank. The past few years have seen opposing developments in the agricultural sector. While some farmers have been successful, others have suffered from the discrepancy between the prices of grain and fertilisers. In the autumn of 2022, the POP Bank Group joined the partner network within the Care for the Farmer project of the Farmers' Social Insurance Institution (Mela). The project aims to identify farmers' exhaustion and need for help and provide them with guidance on access to expert help. The POP Bank Group also made a donation to UNICEF to help Ukrainian families. In addition, the Group participated in the Mannerheim League for Child Welfare's Christmas collection for needy families.

POP Bank has actively shared information about the new Omissa käsissä ('In Your Own Hands') campaign of the Digital and Population Data Services Agency, and has also organised webinars on authorised trusteeship. In addition, POP Bank also communicated in various ways and channels about scams and phishing attempts as well as about effects of the economics in everyday life, such as the effects of rising interest rates on the loan

Feedback and complaints from customers are processed as appropriate in the Group, and the aim is to take these into account as effectively as possible when steering operations. For example, the POP Bank Group continuously monitors feedback from app stores on its mobile services, and it also systematically measures customers' willingness to recommend its banking services, which is done by means of the Net Promoter Score (NPS). In addition, for more than a decade, POP Bank has participated in the EPSI Rating industry survey measuring customer experience. POP Bank maintained their position as the bank with the most satisfied customers in Finland for the 12th time

The independent POP Banks are regionally active operators and engage in long-term efforts, especially for children and young people, by supporting local clubs and associations. The banks also cooperate with educational institutions by giving lectures at schools and offering internships and summer jobs to young people interested in the financial sector, to name just two examples.

PERSONNEL

At the end of 2023, the POP Bank Group had 781 (720) employees, of whom 674 (622) in banking and 107 (98) in other functions. In comparison period 133 persons worked in insurance operations. The average number of employees during the period was 745 (700).

POP Bank Group respects the diverse nature of workplaces and the individual characteristics of people. All employees are treated equally, regardless of gender, age, origin, convictions, health, sexual orientation or other personal characteristics. In the workplace community, equal treatment is reflected in day-to-day work, recruitment, remuneration and career development.

If necessary, POP Bank Group's employees have opportunities to discuss matters related to equality and non-discrimination with their supervisors, health and safety representatives or personnel representatives. For over a decade, POP Bank Group has had a competence development program. In 2023, a new extensive competence development program was introduced together with predefined user roles and role-based competence requirements. The coverage of these roles within the Group is 92% (the figure also includes persons on parental leave for whom information has not been entered). Also a new platform to admin the courses as well as competency monitoring report were launched.

POP Bank Group conducted a personnel survey in July-August 2023, with a response rate of 60. Overall, the POP Bank Group's personnel satisfaction is at a good level, with an NPS of 28. On average, POP Bank's work atmosphere and work community were perceived as very positive and empowering. Related to the Group's size as a whole, the amount and demands of the work, the small number of personnel were considered as the main challenges.

POP Bank Group's recreational staff event was held in October 2023 in Tampere. The event that has been organised every other year, with the exception of the Covid period, gathered a record number of participants.

POP Bank Group participated in the Responsible Employer programme in Finland for the fourth consecutive year. The programme provides a wide range of information about various themes related to organisational and work culture.

RESPONSIBILITY FOR HUMAN RIGHTS

POP Bank Group respects international human rights conventions and prevents discrimination in its operations. The Group expects its partners to operate in accordance with the same principles. POP Bank Group estimates that the direct human rights risks and impacts related to its own operations are low. However, there may be indirect impacts related to the operations of the recipients of investment and funding. To prevent this, POP Bank Group's internal guidelines prohibit making investments in, or providing funding for, any operations that violate human rights.

PREVENTING CORRUPTION AND BRIBERY

POP Bank Group has zero tolerance towards bribery, corruption and other unethical means of influence. The principles and guidelines for dealing with corruption and bribery, written in its management system, cover employees, the operational management and administrators. Their purpose is to identify and prevent any risks related to corruption, bribery and money laundering. Furthermore, they aim to prevent potential conflicts of interest by avoiding high-risk combinations of duties in operations through the separation of supervisory tasks related to operational and risk management, for example, at all organisational levels within the Group.

All the operators within the Group are responsible for complying with these principles and reporting any conduct that breaches them. The Board of Directors and the operational management monitor the implementation of the principles. Any indications of bribery or corruption are addressed, regardless of the position of the person in question. All cases are processed confidentially, protecting the rights of both suspect and informant. The Board of Directors decides on corrective measures.

The systematic reinforcement of the operating model for risk management related to preventing money laundering and other financial crime continued at the level of the amalgamation in 2023. The competence level related to these areas was also further improved. Particular attention was paid to ensuring that regulatory requirements were met in terms of measures related to knowing the customer, for example. The active development of the current system used for monitoring payment transactions also continued, and the introduction of a new monitoring system as part of the project to introduce a core banking system was prepared during the year. In addition, customers were informed about secure banking through various channels to prevent scams and fraud.

DISCLOSURES IN ACCORDANCE WITH THE TAXONOMY REGULATION

The EU sustainable finance taxonomy is a classification system that defines environmentally sustainable economic activities. Six environmental objectives have been set for taxonomy-eligible activities. These objectives are related to climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. Taxonomy-aligned activities must contribute substantially to at least one environmental objective, without causing significant harm to any of the environmental objectives, and comply with the minimum social safeguards.

For the 2023 financial year, POP Bank will publish information on how and to what extent the POP Bank Group's activities are related to economic activities considered environmentally sustainable under the Taxonomy Regulation.

In an assessment of the taxonomy eligibility of the loan portfolio, the most significant criteria were the granting of loans to private or corporate customers, product information about the loan and information about its purpose of use, as well as information about collateral. Among the categories in the taxonomy table, the POP Bank Group identified taxonomy-eligible assets related to households. Among loans to households, all residential mortgage loans and loans for housing renovation and energy efficiency improvements, as well as motor vehicle loans taken out after 1 January 2021, were included in taxonomy-eligible liabilities. Some of the loans to households meet the criteria for substantial contribution, but compliance with all the "Do No Significant Harm" criteria could not be verified based on the data available, so they have not been reported as being taxonomy-aligned. All of the Group's corporate lending were classified as non-NFRD based on customer data and the bank's own assessment. Because of the non-NFRD classification, no taxonomy-eligible assets were identified in terms of corporate lending.

For assessing the taxonomy eligibility and taxonomy alignment of the Group's investments, data was obtained from Suomen Sijoitustutkimus Oy (hereinafter "Sijoitustutkimus") and MSCI ESG Research LLC (hereinafter "MSCI"). The NACE classification of economic activities published by the EU was used as the starting point in the taxonomy classification of investments. The Group's investments have been divided into categories in accordance with the taxonomy table by combining the industry categories based on the EU taxonomy with the investment-specific NACE codes obtained from Sijoitustutkimus and MSCI. The classification into NFRD and non-NFRD categories is based on NFRD data obtained from MSCI. In addition, investments are divided into equity instruments and debt securities in accordance with the accounting classification. The calculation of taxonomy-eligible and taxonomy-aligned proportions is based on the investment-specific taxonomy turnover % and taxonomy capex % figures obtained from MSCI. Taxonomy-eligible and taxonomy-aligned proportions for each investment on the Group's balance sheet have been calculated through key figures and investment-specific book values.

The data presented in the taxonomy tables are limited by possible inaccuracies in the data obtained through MSCI and in the NACE codes reported by companies. Inaccuracies may distort the totals presented in the tables and the breakdown by sector. When interpreting the figures presented in the table, it should be kept in mind that information about the taxonomy-eligible activities of financial companies was not yet available at the time of the preparation of the financial statements report for 31 December 2023, which is why only the book values are reported for these categories.

The analyses of the loan portfolio and investments have been carried out in such a way that the risk of overlapping calculations is minimal.

The POP Bank Group is monitoring the development of the Taxonomy Regulation and its impact on the Group and its customers. The Taxonomy Regulation will be taken into account in product design processes for products relevant to the classification system. Going forward, the POP Bank Group aims to support its customers and counterparties in achieving their sustainability goals and to develop a set of criteria and monitoring for responsible lending. So far, the POP Bank Group has not set more specific targets in its strategy for funding or investing under the Taxonomy Regulation.

'ANNEX VI - TEMPLATE FOR THE KPIS OF CREDIT INSTITUTIONS

Template number	Name
0	Summary of KPIs
1	Assets for the calculation of GAR
2	GAR sector information
3	GAR KPI stock
4	GAR KPI flow
5	KPI off-balance sheet exposures
6	KPI on fees and commissions income from services other than lending and asset management
7	KPI Trading book portfolio

0. SUMMARY OF KPIS TO BE DISCLOSED BY CREDIT INSTITUTIONS UNDER ARTICLE 8 TAXONOMY REGULATION

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR	% of assets excluded from the denominator of the GAR
Main KPI	**Green asset ratio (GAR) stock**	9	0.2 %	0.2 %	0.0 %	41.4 %	14.8 %

		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR	% of assets excluded from the denominator of the GAR
Additional KPIs	**GAR (flow)**	2	0 %	0 %	0 %	698 %	250 %
	Trading book*	0	0 %	0 %			
	Financial guarantees	0	0 %	0 %			
	Assets under management	0	0 %	0 %			
	Fees and commissions income**	0	0 %	0 %			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

**Fees and commissions income from services other than lending and AuM

Institutions shall disclose forward-looking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

*** % of assets covered by the KPI over banks´ total assets

****based on the Turnover KPI of the counterparty

*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Note 1: Across the reporting templates: cells shaded in black should not be reported.

Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs´inclusion in these KPI will only apply subject to a positive result of an impact assessment.

1.ASSETS FOR THE CALCULATION OF GAR - TURNOVER

Million EUR	Disclosure reference date T																														
	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator																															
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3,125.2	2,313.1	7.6	0	0.8	2.3	19.7	0.2	0	0.2	3.4	0	0	0	4.9	0	0	0	3.1	0	0	0	0	0	0	0	2,314.7	8.7	0	0.8	2.3
Financial undertakings	130.9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.3	0	0	0	0
Credit institutions	107.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.3	0	0	0	0
Loans and advances	40.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	66.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.3	0	0	0	0
Equity instruments	0.1	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Other financial corporations	23.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which investment firms	0.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which insurance undertakings	23.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	22.3	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Non-financial undertakings	89.5	20	7.6	0	0.8	2.3	19.7	0.2	0	0.2	3.4	0	0	0	4.9	0	0	0	3.1	0	0	0	0	0	0	0	21.3	8.7	0	0.8	2.3
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	62.9	19.3	7.3	0	0.7	2.2	19.0	0.2	0	0.2	3.1	0	0	0	4.5	0	0	0	2.8	0	0	0	0	0	0	0	20.6	8.4	0	0.7	2.2
Equity instruments	26.6	0.6	0.2		0.2	0.1	0.6	0		0	0.3	0		0	0.3	0	0	0	0.3	0		0	0	0		0	0.7	0.3		0.2	0.1
Households	2,904.7	2,293.1	0	0	0	0	0	0	0	0					0	0	0	0									2,293.1	0	0	0	0
of which loans collateralised by residential immovable property	2,121.2	2,121.2	0	0	0	0	0	0	0	0					0	0	0	0									2,121.2	0	0	0	0
of which building renovation loans	166.9	166.9	0	0	0	0	0	0	0	0					0	0	0	0									166.9	0	0	0	0
of which motor vehicle loans	5.0	5.0	0	0	0	0																					5.0	0	0	0	0
Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Collateral obtained by taking possession: residential and commercial immovable properties		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assets excluded from the numerator for GAR calculation (covered in the denominator)	2,211.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial and Non-financial undertakings	2,032.7																														
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2,032.7																														
Loans and advances	1,710.1																														
of which loans collateralised by commercial immovable property	216.3																														
of which building renovation loans	12.1																														
Debt securities	317.3																														
Equity instruments	5.3																														
Non-EU country counterparties not subject to NFRD disclosure obligations	0																														
Loans and advances	0																														
Debt securities	0																														
Equity instruments	0																														
Derivatives	16.2																														
On demand interbank loans	26.7																														
Cash and cash-related assets	10.6																														
Other categories of assets (e.g. Goodwill, commodities etc.)	124.8																														
Total GAR assets	5,336.3	2,313.1	7.6	0	0.8	2.3	19.7	0.2	0	0.2	3.4	0	0	0	4.9	0	0	0	3.1	0	0	0	0	0	0	0	2,314.7	8.7	0	0.8	2.3
Assets not covered for GAR calculation	791.1																														
Central governments and Supranational issuers	312.1																														
Central banks exposure	479.0																														
Trading book	0																														
Total assets	6,127.3	2,313.1	7.6	0	0.8	2.3	19.7	0.2	0	0.2	3.4	0	0	0	4.9	0	0	0	3.1	0	0	0	0	0	0	0	2,314.7	8.7	0	0.8	2.3
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations																															
Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Disclosure reference date T-1

Million EUR	Total (gross) carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator																															
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3,035.9	2,195.6	7.2	0	1.1	2.9	28.0	0.1	0	0.1	6.5	0	0	0	6.7	0	0	0	5.6	0	0	0	0	0	0	0	2,198.1	7.3	0	1.1	2.9
Financial undertakings	108.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.5	0	0	0	0
Credit institutions	107.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.4	0	0	0	0
Loans and advances	46.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	60.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.4	0	0	0	0
Equity instruments	0.2	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Other financial corporations	0.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0	0	0	0
of which investment firms	0.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which insurance undertakings	0.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0	0	0	0
Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Non-financial undertakings	65.8	28.4	7.2	0	1.1	2.9	28.0	0.1	0	0.1	6.5	0	0	0	6.7	0	0	0	5.6	0	0	0	0	0	0	0	30.5	7.3	0	1.1	2.9
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	63.5	27.7	6.9	0	0.9	2.8	27.2	0.1	0	0.1	6.3	0	0	0	6.2	0	0	0	5.3	0	0	0	0	0	0	0	29.7	7.0	0	0.9	2.8
Equity instruments	2.4	0.7	0.3		0.2	0.1	0.7	0		0	0.3	0		0	0.4	0		0	0.3	0		0	0	0		0	0.8	0.3		0.2	0.1
Households	2,861.5	2,167.2	0	0	0	0	0	0	0	0					0	0	0	0									2,167.2	0	0	0	0
of which loans collateralised by residential immovable property	2,063.4	2,063.4	0	0	0	0	0	0	0	0					0	0	0	0									2,063.4	0	0	0	0
of which building renovation loans	99.4	99.4	0	0	0	0	0	0	0	0					0	0	0	0									99.4	0	0	0	0
of which motor vehicle loans	4.4	4.4	0	0	0	0																					4.4	0	0	0	0
Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Collateral obtained by taking possession: residential and commercial immovable properties							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assets excluded from the numerator for GAR calculation (covered in the denominator)	2,133.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial and Non-financial undertakings																															
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																															
Loans and advances																															
of which loans collateralised by commercial immovable property																															
of which building renovation loans																															
Debt securities																															
Equity instruments																															
Non-EU country counterparties not subject to NFRD disclosure obligations																															
Loans and advances																															
Debt securities																															
Equity instruments																															
Derivatives																															
On demand interbank loans																															
Cash and cash-related assets																															
Other categories of assets (e.g. Goodwill, commodities etc.)																															
Total GAR assets	5,169.4	2,195.6	7.2	0	1.1	2.9	28.0	0.1	0	0.1	6.5	0	0	0	6.7	0	0	0	5.6	0	0	0	0	0	0	0	2,198.1	7.3	0	1.1	2.9
Assets not covered for GAR calculation																															
Central governments and Supranational issuers																															
Central banks exposure																															
Trading book																															
Total assets	5,815.6	2,195.6	7.2	0	1.1	2.9	28.0	0.1	0	0.1	6.5	0	0	0	6.7	0	0	0	5.6	0	0	0	0	0	0	0	2,198.1	7.3	0	1.1	2.9
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations																															
Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1.ASSETS FOR THE CALCULATION OF GAR - CAPEX

Million EUR	Disclosure reference date T																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator																															
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3,125.2	2,315.5	10.5	0	0.9	2.1	21.9	0.1	0	0	4.3	0	0	0	7.6	0	0	0	3.3	0	0	0	0	0	0	0	2,319.3	11.6	0	0.9	2.1
Financial undertakings	130.9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.3	0	0	0	0
Credit institutions	107.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.3	0	0	0	0
Loans and advances	40.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	66.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.3	0	0	0	0
Equity instruments	0.1	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Other financial corporations	23.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which investment firms	0.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which insurance undertakings	23.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	22.3	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Non-financial undertakings	89.5	22.4	10.5	0	0.9	2.1	21.9	0.1	0	0	4.3	0	0	0	7.6	0	0	0	3.3	0	0	0	0	0	0	0	25.9	11.6	0	0.9	2.1
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	62.9	21.7	10.3	0	0.8	2.1	21.2	0.1	0	0	4.0	0	0	0	7.0	0	0	0	3.0	0	0	0	0	0	0	0	24.9	11.4	0	0.8	2.1
Equity instruments	26.6	0.7	0.2		0.1	0	0.7	0		0	0.3	0		0	0.6	0		0	0.3	0		0	0	0		0	1.0	0.2		0.1	0
Households	2,904.7	2,293.1	0	0	0	0	0	0	0	0					0	0	0	0									2,293.1	0	0	0	0
of which loans collateralised by residential immovable property	2,121.2	2,121.2	0	0	0	0	0	0	0	0					0	0	0	0									2,121.2	0	0	0	0
of which building renovation loans	166.9	166.9	0	0	0	0	0	0	0	0					0	0	0	0									166.9	0	0	0	0
of which motor vehicle loans	5.0	5.0	0	0	0	0																					5.0	0	0	0	0
Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assets excluded from the numerator for GAR calculation (covered in the denominator)	2,211.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial and Non-financial undertakings	2,032.7																														
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2,032.7																														
Loans and advances	1,710.1																														
of which loans collateralised by commercial immovable property	216.3																														
of which building renovation loans	12.1																														
Debt securities	317.3																														
Equity instruments	5.3																														
Non-EU country counterparties not subject to NFRD disclosure obligations	0																														
Loans and advances	0																														
Debt securities	0																														
Equity instruments	0																														
Derivatives	16.2																														
On demand interbank loans	26.7																														
Cash and cash-related assets	10.6																														
Other categories of assets (e.g. Goodwill, commodities etc.)	124.8																														
Total GAR assets	5,336.3	2,315.5	10.5	0	0.9	2.1	21.9	0.1	0	0	4.3	0	0	0	7.6	0	0	0	3.3	0	0	0	0	0	0	0	2,319.3	11.6	0	0.9	2.1
Assets not covered for GAR calculation	791.1																														
Central governments and Supranational issuers	312.1																														
Central banks exposure	479.0																														
Trading book	0																														
Total assets	6,127.3	2,315.5	10.5	0	0.9	2.1	21.9	0.1	0	0	4.3	0	0	0	7.6	0	0	0	3.3	0	0	0	0	0	0	0	2,319.3	11.6	0	0.9	2.1
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations																															
Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Million EUR	Disclosure reference date T-1																														
	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator																															
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3,035.9	2,198.0	11.2	0	1.4	2.0	30.2	0	0	0	9.1	0	0	0	10.8	0	0	0	6.0	0	0	0	0	0	0	0	2,203.8	11.3	0	1.4	2.0
Financial undertakings	108.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.4	0	0	0	0
Credit institutions	107.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.4	0	0	0	0
Loans and advances	46.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	60.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.4	0	0	0	0
Equity instruments	0.2	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Other financial corporations	0.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0	0	0	0
of which investment firms	0.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0				
of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0				
of which insurance undertakings	0.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0	0	0	0
Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Non-financial undertakings	65.8	30.8	11.2	0	1.4	2.0	30.2	0	0	0	9.1	0	0	0	10.8	0	0	0	6.0	0	0	0	0	0	0	0	36.1	11.3	0	1.4	2.0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	63.5	30.1	11.0	0	1.3	1.9	29.5	0	0	0	8.8	0	0	0	10.3	0	0	0	5.7	0	0	0	0	0	0	0	35.2	11.1	0	1.3	1.9
Equity instruments	2.4	0.7	0.2		0.2	0	0.7	0		0	0.3	0		0	0.6	0		0	0.3	0		0	0	0		0	0.9	0.2		0.2	0
Households	2,861.5	2,167.2	0	0	0	0	0	0	0	0					0	0	0	0									2,167.2	0	0	0	0
of which loans collateralised by residential immovable property	2,063.4	2,063.4	0	0	0	0	0	0	0	0					0	0	0	0									2,063.4	0	0	0	0
of which building renovation loans	99.4	99.4	0	0	0	0	0	0	0	0					0	0	0	0									99.4	0	0	0	0
of which motor vehicle loans	4.4	4.4	0	0	0	0																					4.4	0	0	0	0
Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assets excluded from the numerator for GAR calculation (covered in the denominator)	2,133.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial and Non-financial undertakings																															
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																															
Loans and advances																															
of which loans collateralised by commercial immovable property																															
of which building renovation loans																															
Debt securities																															
Equity instruments																															
Non-EU country counterparties not subject to NFRD disclosure obligations																															
Loans and advances																															
Debt securities																															
Equity instruments																															
Derivatives																															
On demand interbank loans																															
Cash and cash-related assets																															
Other categories of assets (e.g. Goodwill, commodities etc.)																															
Total GAR assets	5,169.4	2,198.0	11.2	0	1.4	2.0	30.2	0	0	0	9.1	0	0	0	10.8	0	0	0	6.0	0	0	0	0	0	0	0	2,203.8	11.3	0	1.4	2.0
Assets not covered for GAR calculation																															
Central governments and Supranational issuers																															
Central banks exposure																															
Trading book																															
Total assets	5,815.6	2,198.0	11.2	0	1.4	2.0	30.2	0	0	0	9.1	0	0	0	10.8	0	0	0	6.0	0	0	0	0	0	0	0	2,203.8	11.3	0	1.4	2.0
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations																															
Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

2. GAR SECTOR INFORMATION - TURNOVER

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
L68.20 - Renting and operating of own or leased real estate	13.8	0.1			13.8	0			13.8	0			13.8	0			13.8	0			13.8	0			13.8	2.3		
D35.11 - Production of electricity	6.3	1.6			6.3	0			6.3	0			6.3	0			6.3	0			6.3	0			6.3	0.5		
C22.29 - Manufacture of other plastic products	4.7	0			4.7	0			4.7	0			4.7	0			4.7	0			4.7	0			4.7	0.4		
J61.20 - Wireless telecommunications activities	4.1	0.2			4.1	0.2			4.1	0			4.1	0			4.1	0			4.1	0			4.1	0		
D35.13 - Distribution of electricity	4.0	2.3			4.0	0			4.0	0			4.0	0			4.0	0			4.0	0			4.0	0.7		
C28.22 - Manufacture of lifting and handling equipment	4.0	0.5			4.0	0			4.0	0			4.0	0			4.0	0			4.0	0			4.0	0		
C26.30 - Manufacture of communication equipment	3.5	0			3.5	0			3.5	0			3.5	0			3.5	0			3.5	0			3.5	0.1		
F42.99 - Construction of other civil engineering projects n.e.c.	3.4	0.7			3.4	0			3.4	0			3.4	0			3.4	0			3.4	0			3.4	0.2		
F41.20 - Construction of residential and non-residential buildings	3.0	0.4			3.0	0			3.0	0			3.0	0			3.0	0			3.0	0			3.0	0.1		
C29.10 - Manufacture of motor vehicles	2.6	0			2.6	0			2.6	0			2.6	0			2.6	0			2.6	0			2.6	2.5		
C17.12 - Manufacture of paper and paperboard	2.5	0.1			2.5	0			2.5	0			2.5	0			2.5	0			2.5	0			2.5	0		
H50.20 - Sea and coastal freight water transport	2.5	0			2.5	0			2.5	0			2.5	0			2.5	0			2.5	0			2.5	0		
J62.01 - Computer programming activities	2.2	0			2.2	0			2.2	0			2.2	0			2.2	0			2.2	0			2.2	0		
C17.21 - Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	2.2	0			2.2	0			2.2	0			2.2	0			2.2	0			2.2	0			2.2	0		
J61.10 - Wired telecommunications activities	1.8	0			1.8	0			1.8	0			1.8	0			1.8	0			1.8	0			1.8	0.1		
N77.11 - Renting and leasing of cars and light motor vehicles	1.7	0			1.7	0			1.7	0			1.7	0			1.7	0			1.7	0			1.7	0		
C28.92 - Manufacture of machinery for mining, quarrying and construction	1.5	0			1.5	0			1.5	0			1.5	0			1.5	0			1.5	0			1.5	0		
Q86.90 - Other human health activities	1.4	0			1.4	0			1.4	0			1.4	0			1.4	0			1.4	0			1.4	0		
C28.15 - Manufacture of bearings, gears, gearing and driving elements	1.3	0			1.3	0			1.3	0			1.3	0			1.3	0			1.3	0			1.3	0.1		
H51.10 - Passenger air transport	1.1	0			1.1	0			1.1	0			1.1	0			1.1	0			1.1	0			1.1	0		
C25.71 - Manufacture of cutlery	1.1	0			1.1	0			1.1	0			1.1	0			1.1	0			1.1	0			1.1	0.1		
D35.12 - Transmission of electricity	1.0	0.2			1.0	0			1.0	0			1.0	0			1.0	0			1.0	0			1.0	0		
H52.23 - Service activities incidental to air transportation	1.0	0			1.0	0			1.0	0			1.0	0			1.0	0			1.0	0			1.0	0		
Q86.10 - Hospital activities	0.9	0			0.9	0			0.9	0			0.9	0			0.9	0			0.9	0			0.9	0		
C21.20 - Manufacture of pharmaceutical preparations	0.8	0			0.8	0			0.8	0			0.8	0			0.8	0			0.8	0			0.8	0		
C33.20 - Installation of industrial machinery and equipment	0.8	0			0.8	0			0.8	0			0.8	0			0.8	0			0.8	0			0.8	0.1		
C14.13 - Manufacture of other outerwear	0.8	0			0.8	0			0.8	0			0.8	0			0.8	0			0.8	0			0.8	0		
G47.19 - Other retail sale in non-specialised stores	0.7	0			0.7	0			0.7	0			0.7	0			0.7	0			0.7	0			0.7	0		
C22.11 - Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	0.6	0.1			0.6	0			0.6	0			0.6	0			0.6	0			0.6	0			0.6	0		
C26.11 - Manufacture of electronic components	0.6	0			0.6	0			0.6	0			0.6	0			0.6	0			0.6	0			0.6	0		
C10.20 - Processing and preserving of fish, crustaceans and molluscs	0.6	0			0.6	0			0.6	0			0.6	0			0.6	0			0.6	0			0.6	0		
C29.32 - Manufacture of other parts and accessories for motor vehicles	0.5	0			0.5	0			0.5	0			0.5	0			0.5	0			0.5	0			0.5	0		
N80.20 - Security systems service activities	0.5	0			0.5	0			0.5	0			0.5	0			0.5	0			0.5	0			0.5	0		
H49.10 - Passenger rail transport, interurban	0.5	0			0.5	0			0.5	0			0.5	0			0.5	0			0.5	0			0.5	0		
C17.22 - Manufacture of household and sanitary goods and of toilet requisites	0.4	0			0.4	0			0.4	0			0.4	0			0.4	0			0.4	0			0.4	0		
C28.25 - Manufacture of non-domestic cooling and ventilation equipment	0.4	0			0.4	0			0.4	0			0.4	0			0.4	0			0.4	0			0.4	0		
C11.07 - Manufacture of soft drinks; production of mineral waters and other bottled waters	0.4	0			0.4	0			0.4	0			0.4	0			0.4	0			0.4	0			0.4	0		
C10.13 - Production of meat and poultry meat products	0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0		
I55.10 - Hotels and similar accommodation	0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0		
H52.22 - Service activities incidental to water transportation	0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0		

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
G47.78 - Other retail sale of new goods in specialised stores	0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0		
C28.49 - Manufacture of other machine tools	0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0		
J62.02 - Computer consultancy activities	0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0		
G47.71 - Retail sale of clothing in specialised stores	0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0		
F42.22 - Construction of utility projects for electricity and telecommunications	0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0		
C32.50 - Manufacture of medical and dental instruments and supplies	0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0		
C26.60 - Manufacture of irradiation, electromedical and electrotherapeutic equipment	0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0.2		
C24.10 - Manufacture of basic iron and steel and of ferro-alloys	0.3	0.1			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0			0.3	0		
J63.12 - Web portals	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
H52.29 - Other transportation support activities	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
C26.51 - Manufacture of instruments and appliances for measuring, testing and navigation	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
L68.10 - Buying and selling of own real estate	0.2	0.1			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
G47.11 - Retail sale in non-specialised stores with food, beverages or tobacco predominating	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
D35.22 - Distribution of gaseous fuels through mains	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
C27.51 - Manufacture of electric domestic appliances	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
J61.30 - Satellite telecommunications activities	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
C24.31 - Cold drawing of bars	0.2	0.1			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
C10.82 - Manufacture of cocoa, chocolate and sugar confectionery	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
H52.21 - Service activities incidental to land transportation	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
C27.32 - Manufacture of other electronic and electric wires and cables	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
C11.05 - Manufacture of beer	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
C27.33 - Manufacture of wiring devices	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
C15.20 - Manufacture of footwear	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
C27.90 - Manufacture of other electrical equipment	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
H53.10 - Postal activities under universal service obligation	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
C20.11 - Manufacture of industrial gases	0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0			0.2	0		
M72.11 - Research and experimental development on biotechnology	0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0		
M74.90 - Other professional, scientific and technical activities n.e.c.	0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0		
C27.31 - Manufacture of fibre optic cables	0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0		
H52.24 - Cargo handling	0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0		
E37.00 - Sewerage	0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0		
C28.99 - Manufacture of other special-purpose machinery n.e.c.	0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0		
C28.30 - Manufacture of agricultural and forestry machinery	0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0		
G47.76 - Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores	0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0		
G47.73 - Dispensing chemist in specialised stores	0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0		
C28.95 - Manufacture of machinery for paper and paperboard production	0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0			0.1	0		

3. GAR KPI STOCK - TURNOVER

(compared to total covered assets in the denominator)	Disclosure reference date T																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxono-my-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxono-my-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxono-my-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxono-my-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxono-my-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Pro-ceeds	Of which transi-tional	Of which ena-bling			Of which Use of Pro-ceeds	Of which ena-bling			Of which Use of Pro-ceeds	Of which ena-bling			Of which Use of Pro-ceeds	Of which ena-bling			Of which Use of Pro-ceeds	Of which ena-bling			Of which Use of Pro-ceeds	Of which ena-bling			Of which Use of Pro-ceeds	Of which transi-tional	Of which ena-bling
GAR - Covered assets in both numerator and denominator																														
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	74.0	0.2	0	0	0.1	0.6	0	0	0	0.1	0	0	0	0.2	0	0	0	0.1	0	0	0	0	0	0	0	74.1	0.3	0	0	0.1
Financial undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.3	0	0	0	0
Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.3	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.4	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Other financial corporations	0	0	0	0	0	0.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.2	0	0	0	0
of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which insurance undertakings	0	0	0	0	0	0.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.2	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	1.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6.1	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Non-financial undertakings	22.3	8.4	0	0.9	2.5	22.0	0.2	0	0.2	3.7	0	0	0	5.4	0	0	0	3.4	0	0	0	0	0	0	0	23.8	9.7	0	0.9	2.6
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	30.8	11.6	0	1.0	3.5	30.3	0.3	0	0.3	4.9	0	0	0	7.2	0	0	0	4.4	0	0	0	0	0	0	0	32.8	13.4	0	1.0	3.5
Equity instruments	2.4	0.9		0.6	0.2	2.4	0		0	1.0	0		0	1.3	0		0	1.0	0		0	0	0		0	2.6	1.0		0.6	0.2
Households	78.9	0	0	0	0	0	0	0	0					0	0	0	0									78.9	0	0	0	0
of which loans collateralised by residen-tial immovable property	100	0	0	0	0	0	0	0	0					0	0	0	0									100	0	0	0	0
of which building renovation loans	100	0	0	0	0	0	0	0	0					0	0	0	0									100	0	0	0	0
of which motor vehicle loans	100	0	0	0	0																									
Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Collateral obtained by taking possession: resi-dential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GAR assets	**43.3**	**0.1**	**0**	**0**	**0**	**0.4**	**0**	**0**	**0**	**0.1**	**0**	**0**	**0**	**0.1**	**0**	**0**	**0**	**0.1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**43.4**	**0.2**	**0**	**0**	**0**

(compared to total covered assets in the denominator)	Disclosure reference date T-1																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator																														
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	72.3	0.2	0	0	0.1	0.9	0	0	0	0.2	0	0	0	0.2	0	0	0	0.2	0	0	0	0	0	0	0	72.4	0.2	0	0	0.1
Financial undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.4	0	0	0	0
Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.4	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.7	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Other financial corporations	0	0	0	0	0	3.4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7.1	0	0	0	0
of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7.6	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7.6	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which insurance undertakings	0	0	0	0	0	3.9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8.1	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	3.9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8.1	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Non-financial undertakings	43.1	11.0	0	1.7	4.4	42.4	0.2	0	0.2	9.9	0	0	0	10.1	0	0	0	8.5	0	0	0	0	0	0	0	46.3	11.1	0	1.7	4.4
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	43.6	10.9	0	1.4	4.4	42.9	0.2	0	0.2	9.9	0	0	0	9.8	0	0	0	8.4	0	0	0	0	0	0	0	46.8	11.1	0	1.4	4.4
Equity instruments	29.9	12.4		9.8	2.5	29.8	0		0	11.5	0		0	17.6	0		0	11.5	0		0	0	0		0	31.8	13.1		9.8	2.5
Households	75.7	0	0	0	0	0	0	0	0					0	0	0	0									75.7	0	0	0	0
of which loans collateralised by residential immovable property	100	0	0	0	0	0	0	0	0					0	0	0	0									100	0	0	0	0
of which building renovation loans	100	0	0	0	0	0	0	0	0					0	0	0	0									100	0	0	0	0
of which motor vehicle loans																														
Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GAR assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

3. GAR KPI STOCK - CAPEX

% (compared to total covered assets in the denominator)	Disclosure reference date T																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator																														
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	74.1	0.3	0	0	0.1	0.7	0	0	0	0.1	0	0	0	0.2	0	0	0	0.1	0	0	0	0	0	0	0	74.2	0.4	0	0	0.1
Financial undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.2	0	0	0	0
Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.3	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.4	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Other financial corporations	0	0	0	0	0	0.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.2	0	0	0	0
of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which insurance undertakings	0	0	0	0	0	0.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.2	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	1.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6.1	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Non-financial undertakings	25.0	11.7	0	1.1	2.3	24.5	0.1	0	0	4.8	0	0	0	8.5	0	0	0	3.7	0	0	0	0	0	0	0	28.9	13.0	0	1.1	2.4
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	34.5	16.4	0	1.3	3.3	33.8	0.1	0	0.1	6.3	0	0	0	11.1	0	0	0	4.8	0	0	0	0	0	0	0	39.5	18.1	0	1.3	3.3
Equity instruments	2.5	0.8		0.5	0.2	2.5	0		0	1.1	0		0	2.3	0		0	1.1	0		0	0	0		0	3.8	0.8		0.5	0.2
Households	78.9	0	0	0	0	0	0	0	0					0	0	0	0									78.9	0	0	0	0
of which loans collateralised by residential immovable property	100	0	0	0	0	0	0	0	0					0	0	0	0									100	0	0	0	0
of which building renovation loans	100	0	0	0	0	0	0	0	0					0	0	0	0									100	0	0	0	0
of which motor vehicle loans	100	0	0	0	0																									
Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GAR assets	**43.4**	**0.2**	**0**	**0**	**0**	**0.4**	**0**	**0**	**0**	**0.1**	**0**	**0**	**0**	**0.1**	**0**	**0**	**0**	**0.1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**43.5**	**0.2**	**0**	**0**	**0**

% (compared to total covered assets in the denominator)	Disclosure reference date T-1																													
	Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator																														
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	72.4	0.4	0	0	0.1	1.0	0	0	0	0.3	0	0	0	0.4	0	0	0	0.2	0	0	0	0	0	0	0	72.6	0.4	0	0	0.1
Financial undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.4	0	0	0	0
Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.4	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.6	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Other financial corporations	0	0	0	0	0	3.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7.2	0	0	0	0
of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36.8	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36.8	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which insurance undertakings	0	0	0	0	0	4.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8.0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	4.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8.0	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Non-financial undertakings	46.8	17.0	0	2.2	3.0	45.9	0.1	0	0	13.8	0	0	0	16.5	0	0	0	9.1	0	0	0	0	0	0	0	54.9	17.1	0	2.2	3.0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	47.5	17.3	0	2.0	3.0	46.5	0.1	0	0	13.9	0	0	0	16.2	0	0	0	8.9	0	0	0	0	0	0	0	55.5	17.5	0	2.0	3.0
Equity instruments	30.4	8.6		6.5	1.4	30.4	0		0	12.3	0		0	23.4	0		0	12.4	0		0	0	0		0	38.7	8.7		6.5	1.4
Households	75.7	0	0	0	0	0	0	0	0					0	0	0	0									75.7	0	0	0	0
of which loans collateralised by residential immovable property	100	0	0	0	0	0	0	0	0					0	0	0	0									100	0	0	0	0
of which building renovation loans	100	0	0	0	0	0	0	0	0					0	0	0	0									100	0	0	0	0
of which motor vehicle loans																														
Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GAR assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

4. GAR KPI FLOW - TURNOVER

% (compared to flow of total eligible assets)	Disclosure reference date T																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator																														
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	9.8	0.0	0	0	0	0.1	0	0	0	0	0	0	0	0.2	0	0	0	0	0	0	0	0	0	0	0	9.8	0.1	0	0	0
Financial undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Non-financial undertakings	3.3	2.4	0	0.1	0.4	3.4	0.1	0	0.1	0.4	0	0	0	5.4	0	0	0	0.5	0	0	0	0	0	0	0	3.5	2.4	0	0.1	0.4
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	4.6	3.4	0	0.1	0.6	4.7	0.1	0	0.1	0.6	0	0	0	7.2	0	0	0	0.7	0	0	0	0	0	0	0	4.9	3.4	0	0.1	0.6
Equity instruments	0.3	0.1		0.1	0	0.3	0		0	0.1	0		0	1.3	0		0	0.1	0		0	0	0		0	0.3	0.1		0.1	0
Households	10.4	0	0	0	0	0	0	0	0					0	0	0	0									10.4	0	0	0	0
of which loans collateralised by residential immovable property	12.8	0	0	0	0	0	0	0	0					0	0	0	0									12.8	0	0	0	0
of which building renovation loans	16.7	0	0	0	0	0	0	0	0					0	0	0	0									16.7	0	0	0	0
of which motor vehicle loans	40.3	0	0	0	0																					40.3	0	0	0	0
Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GAR assets	**5.7**	**0**	**0**	**0**	**0**	**0.1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**5.7**	**0**	**0**	**0**	**0**

4. GAR KPI FLOW - CAPEX

% (compared to flow of total eligible assets)	Disclosure reference date T																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator																														
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	9.7	0.1	0	0	0	0.1	0	0	0	0	0	0	0	0.1	0	0	0	0	0	0	0	0	0	0	0	9.8	0.1	0	0	0
Financial undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
Non-financial undertakings	3.0	3.0	0	0.1	0.5	4.1	0	0	0	0	0	0	0	4.8	0	0	0	0.5	0	0	0	0	0	0	0	4.2	3.0	0	0.1	0.5
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	4.1	4.1	0	0.2	0.7	5.7	0	0	0	0	0	0	0	6.3	0	0	0	0.6	0	0	0	0	0	0	0	5.8	4.2	0	0.2	0.7
Equity instruments	0.2	0.2		0	0.1	0.3	0		0	0	0		0	1.1	0		0	0.4	0		0	0	0		0	0.6	0.3		0	0
Households	10.4	0	0	0	0	0	0	0	0					0	0	0	0									10.4	0	0	0	0
of which loans collateralised by residential immovable property	12.8	0	0	0	0	0	0	0	0					0	0	0	0									12.8	0	0	0	0
of which building renovation loans	16.7	0	0	0	0	0	0	0	0					0	0	0	0									16.7	0	0	0	0
of which motor vehicle loans	40.3	0	0	0	0																					40.3	0	0	0	0
Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GAR assets	**5.7**	**0**	**0**	**0**	**0**	**0.1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**5.7**	**0.1**	**0**	**0**	**0**

5. KPI OFF-BALANCE SHEET EXPOSURES - TURNOVER

	% (compared to total eligible off-balance sheet assets)	Disclosure reference date T																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Assets under management (AuM KPI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

5. KPI OFF-BALANCE SHEET EXPOSURES - CAPEX

Disclosure reference date T-1

% (compared to total eligible off-balance sheet assets)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0	0	0	0	0	0	0	0	0
2 Assets under management (AuM KPI)	0	0	0	0	0	0	0	0	0

% (compared to total eligible off-balance sheet assets)	Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0	0	0	0	0	0	0	0
2 Assets under management (AuM KPI)	0	0	0	0	0	0	0	0

% (compared to total eligible off-balance sheet assets)	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
1 Financial guarantees (FinGuar KPI)	0	0	0	0	0	0	0	0
2 Assets under management (AuM KPI)	0	0	0	0	0	0	0	0

% (compared to total eligible off-balance sheet assets)	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	0	0	0	0	0
2 Assets under management (AuM KPI)	0	0	0	0	0

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

EVENTS AFTER THE CLOSING DATE

The Board of Directors of POP Bank Centre coop is not aware of any events having taken place after the closing date that would have a material impact on the information presented in the financial statements of the POP Bank Group.

OUTLOOK FOR 2024

Global economic growth is expected to pick up in 2024, but remain lower than usual. However, the Finnish economy is expected to contract, and inflation is expected to slow down. The main factors affecting the Finnish economy are a weaker export outlook and a decline in investment. The European Central Bank has stopped key interest rate hikes for the time being, and expectations of a decrease in key interest rates have increased. The rapid fall in market interest rates at the end of 2023 has stabilised in early 2024, but interest rates are expected to continue to fall at a moderate pace.

In Finland, the weaker economic outlook and higher interest rates than in previous years are affecting the demand for mortgage loans. Weaker investment activity reduces the demand for corporate funding, making it more challenging to achieve volume growth in business. The weaker economic situation will be reflected in the amount of credit losses. The rise in market interest rates has also changed the pricing of funding, and the competition for deposits may raise banks' funding costs during the remainder of the year.

Despite the challenging operating environment, the Group's earnings from continuing operations in 2024 are expected to be at the same level as in 2023. The performance involves uncertainties related to changes in market interest rates and investment markets, possibly intensifying competition for deposits, and the development of the amount of credit losses.

All the forecasts and estimates presented in the financial statements are based on the management's current view on economic development, and the actual results may be significantly different because of the many factors affecting the operating environment.

FORMULAS FOR KEY FIGURES

Alternative Performance Measures (APMs) are key figures other than those specified in the accounting standards or other regulation and are used to describe the company's financial position and development. The key figures presented by the POP Bank Group are based on IFRS Financial Statement Reporting standards. The calculation formulas for the key figures included in the annual report are described below.

Total operating income
Net interest income, net commissions and fees, net investment income, other operating income

Total operating expenses
Personnel expenses, other operating expenses, depreciation, amortisation and impairment of property, plant and equipment and intangible assets

Non-performing exposure
Non-performing exposure consists of receivables over 90 days in arrears (classified to ECL stage 3) as well as other receivables (classified to ECL stage 2) with uncertainty in payments caused by customer's financial difficulties (e.g. non-performing forbearance). Non-performing exposure includes all receivables classified in ECL stage 3, also the ones that have not been over 90 days in arrears.

COST-INCOME RATIO, %

$$\frac{\text{Total operating expenses}}{\text{Total operating income}} \times 100$$

RETURN ON EQUITY (ROE), %

$$\frac{\text{Profit for the financial year}}{\text{Equity capital and non-controlling interest (average of the beginning and end of period)}} \times 100$$

RETURN ON ASSETS (ROA), %

$$\frac{\text{Profit for the financial year}}{\text{Balance sheet total (average of the beginning and the end of the period)}} \times 100$$

EQUITY RATIO, %

$$\frac{\text{Equity capital and non-controlling interest}}{\text{Balance sheet total}} \times 100$$

COMMON EQUITY TIER 1 CAPITAL RATIO (CET1), %

$$\frac{\text{Common Equity Tier 1 capital (CET1)}}{\text{Risk weighted assets}} \times 100$$

TIER 1 CAPITAL RATIO (T1), %

$$\frac{\text{Tier 1 capital (T1)}}{\text{Risk weighted assets}} \times 100$$

CAPITAL ADEQUACY RATIO (TC), %

$$\frac{\text{Total capital (TC)}}{\text{Risk weighted assets}} \times 100$$

LEVERAGE RATIO, %

$$\frac{\text{Tier 1 capital (T1)}}{\text{Leverage ratio exposure}} \times 100$$

LIQUIDITY COVERAGE RATIO (LCR), %

$$\frac{\text{Liquid assets}}{\text{Liquidity outflows – liquidity inflows under stressed conditions}} \times 100$$

NET STABLE FUNDING RATIO (NSFR), %

$$\frac{\text{Stable funding}}{\text{Required amount of stable funding}} \times 100$$

POP BANK GROUP FINANCIAL STATEMENTS 31 DECEMBER 2023 (IFRS)

POP BANK GROUP'S INCOME STATEMENT

(EUR 1,000)	Note	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022 Restated
Interest income		254,939	104,399
Interest expenses		-76,832	-11,073
Net interest income	**6**	**178,108**	**93,326**
Net commissions and fees	7	44,016	42,098
Net investment income	8	-2,355	-602
Other operating income	9	4,685	6,773
Total operating income		**224,453**	**141,594**
Personnel expenses	10	-49,204	-43,571
Other operating expenses	11	-63,703	-58,303
Depreciation and amortisation	12	-5,917	-5,842
Total operating expenses		**-118,824**	**-107,717**
Impairment losses on financial assets	17	-17,271	-7,738
Associate´s share of profits	21	968	16
Profit before taxes		**89,326**	**26,155**
Income tax expense	13	-17,714	-5,283
Profit from continuing operations		**71,611**	**20,872**
Profit from discontinued operations after taxes	5	45,229	2,971
Profit for the period		**116,840**	**23,843**

POP BANK GROUP'S STATEMENT OF OTHER COMPREHENSIVE INCOME

(EUR 1,000)	Note	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022 Restated
Profit for the financial year		**116,840**	**23,843**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gains/(losses) arising from remeasurement of defined benefit plans	33	697	572
Net changes in fair value of equity instruments	30	141	230
Capital gains and losses for equity instruments	30	-	-1,922
Deferred taxes	30,33	-168	224
Total		**671**	**-896**
Items that may be reclassified to profit or loss			
Movement in fair value reserve for liability instruments	30	6,812	-15,984
Deferred taxes	30	-1,350	3,268
Total		**5,462**	**-12,715**
Other comprehensive income items total		**6,133**	**-13,611**
Comprehensive income for the financial year		**122,972**	**10,232**

POP BANK GROUP'S BALANCE SHEET

(EUR 1,000)	Note	31 Dec 2023	31 Dec 2022 Restated
Assets			
Liquid assets	18	495,644	448,499
Loans and advances to credit institutions	15,16,19	61,502	62,333
Loans and advances to customers	15,16,19	4,562,254	4,448,480
Derivatives	27	16,165	-
Investment assets	15,20	792,043	712,087
Investments in associates	21	22,123	230
Reinsurance contract assets		-	9,331
Intangible assets	22	7,986	8,965
Property, plant and equipment	23	24,930	27,268
Other assets	24	86,470	47,166
Tax assets	25	5,453	9,833
Total assets		**6,074,569**	**5,774,192**

(EUR 1,000)	Note	31 Dec 2023	31 Dec 2022 Restated
Liabilities			
Liabilities to credit institutions	15,16,26	131,144	163,139
Liabilities to customers	15,16,26	4,330,320	4,325,946
Derivatives	27	4,661	12,495
Insurance contract liabilities		-	48,241
Debt securities issued to the public	28	787,156	565,252
Other liabilities	29	97,734	63,271
Tax liabilities	25	35,449	29,173
Total liabilities		**5,386,463**	**5,207,517**
Equity capital			
Cooperative capital			
Cooperative contributions		10,714	10,707
POP Shares		60,391	60,153
Total cooperative capital	**30**	**71,105**	**70,860**
Reserves	30	157,795	152,105
Retained earnings	30	459,206	343,709
Total equity capital		**688,106**	**566,675**
Total liabilities and equity capital		**6,074,569**	**5,774,192**

STATEMENT OF CHANGES IN THE POP BANK GROUP'S EQUITY CAPITAL

(EUR 1,000)	Cooperative capital	Fair value reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity capital
Balance 1 Jan 2023	**70,860**	**-10,220**	**162,325**	**343,709**	**566,674**	**-**	**566,674**
Comprehensive income							
Profit for the financial year	-	-	-	116,840	**116,840**	-	**116,840**
Other comprehensive income	-	5,575	-	558	**6,133**	-	**6,133**
Total comprehensive income	**-**	**5,575**	**-**	**117,398**	**122,972**	**-**	**122,972**
Transactions with shareholders							
Change in cooperative capital	245	-	-	-	**245**	-	**245**
Profit distribution		-	-97	-1,689	**-1,786**	-	**-1,786**
Transfer of reserves	-	-	212	-212	**-**	**-**	**-**
Transactions with shareholders total	**245**	**-**	**115**	**-1,901**	**-1,541**	**-**	**-1,541**
Balance 31 Dec 2023	**71,105**	**-4,645**	**162,440**	**459,206**	**688,106**	**-**	**688,106**

(EUR 1,000)	Cooperative capital	Fair value reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity capital
Balance 31 Dec 2021	**67,056**	**4,038**	**159,839**	**321,437**	**552,370**	**439**	**552,809**
IFRS 17 transition	-	-189	-	1,164	**975**	-	**975**
Balance 1 Jan 2022	**67,056**	**3,849**	**159,839**	**322,601**	**553,346**	**439**	**553,785**
Comprehensive income							
Profit for the financial year	-	-	-	23,843	**23,843**	0	**23,843**
Other comprehensive income	-	-14,069	-	458	**-13,611**	-	**-13,611**
Total comprehensive income	**-**	**-14,069**	**-**	**24,301**	**10,232**	**0**	**10,232**
Transactions with shareholders							
Change in cooperative capital	3,273	-	-	-	**3,273**	-	**3,273**
Profit distribution	-	-	-	-1,599	**-1,599**	-	**-1,599**
Transfer of reserves	532	-	2,486	-3,017	**-**	-	**-**
Transactions with shareholders total	**3,804**	**-**	**2,486**	**-4,617**	**1,673**	**-**	**1,673**
Other changes							
Disposals: shares, measured at fair value through other comprehensive income	-	-	-	1,538	**1,538**	-	**1,538**
Other changes	-	-	-	-114	**-114**	-439	**-553**
Other changes total	**-**	**-**	**-**	**1,424**	**1,424**	**-439**	**985**
Balance 31 Dec 2022	**70,860**	**-10,220**	**162,325**	**343,709**	**566,674**	**-**	**566,674**

The POP Bank Group has retrospectively adopted IFRS 17 Insurance Contracts standard. Details about the transition are provided in Note 2, Section 7 Changes in Accounting Policies.

POP BANK GROUP'S CASH FLOW STATEMENT

(EUR 1,000)	Note	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022 Restated
Cash flow from operations			
Income statement 1 Jan – 31 Dec 2023		116,840	23,843
Adjustments to profit for the financial year		39,402	26,442
Increase (-) or decrease (+) in operating assets		**-310,523**	**-42,483**
Advances to credit institutions	19	3,234	-1,662
Advances to customers	19	-127,049	11,296
Investment assets	20	-74,386	-30,193
Other assets	24	-112,322	-21,925
Increase (+) or decrease (-) in operating liabilities		**-45,854**	**-140,084**
Liabilities to credit institutions	26	-46,338	-10,111
Liabilities to customers	26	-33,215	-137,994
Other liabilities	29	41,878	14,267
Income tax paid		-8,179	-6,246
Total cash flow from operations		**-200,136**	**-132,282**
Cash flow from investing activities			
Changes in subsidiary investments		53,403	1,418
Purchase of PPE and intangible assets		-10,242	-8,995
Proceeds from sales of PPE and intangible assets		2,242	2,800
Total cash flow from investing activities		**45,403**	**-4,777**
Cash flow from financing activities			
Change in cooperative capital, net	30	245	3,804
Interests paid on cooperative capital and other profit distribution		-1,789	-1,599
Debt securities issued, increase	28	378,475	588,413
Debt securities issued, decrease	28	-168,219	-301,853
Payment of lease liabilities	34	-1,692	-2,024
Total cash flow from financing activities		**207,020**	**286,742**

(EUR 1,000)	Note	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022 Restated
Change in cash and cash equivalents			
Cash and cash equivalents at period-start		464,047	314,365
Cash and cash equivalents at the end of the period		516,334	464,047
Net change in cash and cash equivalents		**52,287**	**149,682**
Cash and cash equivalents			
Liquid assets	18	10,624	11,587
Receivables from credit institutions payable on demand	18,19	505,710	452,459
Total		**516,334**	**464,046**

ADDITIONAL INFORMATION OF THE CASH FLOW STATEMENT

Interest received	**214,309**	**90,344**
Interest paid	**37,542**	**2,036**
Dividends received	**3,660**	**3,795**
Adjustments to profit for the financial year		
Non-cash items and other adjustments		
Impairment losses on receivables	17,271	7,587
Depreciations	8,270	8,799
Technical provision	-	4,190
Other	13,861	5,866
Adjustments to profit for the financial year total	**39,402**	**26,442**

NOTES

NOTES CONCERNING THE PREPARATION OF THE FINANCIAL STATEMENTS

NOTE 1 POP BANK GROUP AND THE SCOPE OF IFRS FINANCIAL STATEMENTS

The POP Bank Group (hereinafter also referred to as the "Group") is a financial group comprising POP Banks and POP Bank Centre coop and their subsidiaries and jointly controlled entities that operates in Finland. POP Banks are independent, regionally and locally operating cooperative banks. POP Bank Centre coop functions as the central institution of the Group. POP Bank Group offers retail banking services to retail customers, small and medium-sized enterprises .

The member credit institutions of POP Bank Centre coop include 18 cooperative banks, Bonum Bank Plc, which serves as the central credit institution for the member cooperative banks and POP Mortgage Bank, which is a mortgage bank. The amalgamation of POP Banks is an economic entity referred to in the Act on the Amalgamation of Deposit Banks (599/2010) (hereinafter referred to as the "Amalgamation Act") the members of which and the central institution are jointly liable for each other's debts and commitments. The amalgamation of POP Banks consists of POP Bank Centre coop, which is the central institution, and its member credit institutions and the companies included in their consolidation groups, as well as credit institutions, financial institutions and service companies in which entities belonging to the amalgamation jointly hold more than 50 per cent of the votes. The companies included in the consolidation groups of the member credit institutions are primarily real estate companies.

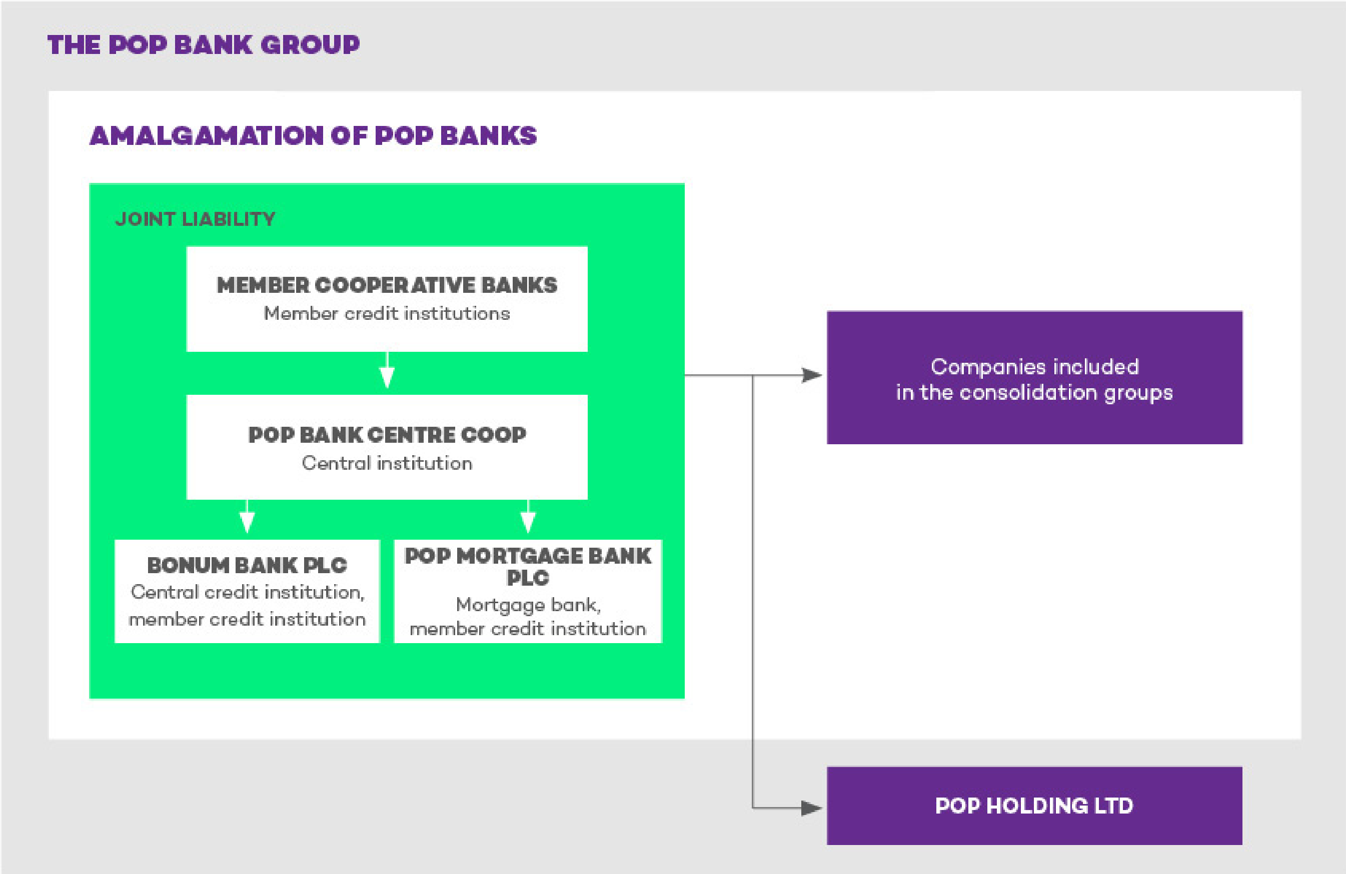
POP Bank Group also includes other entities besides the entities included in the amalgamation of POP Banks. During the review period, POP Bank Group relinquished control over Finnish P&C Insurance Ltd and continues as a minority shareholder in the company. The sale was completed on 25 May 2023. IFRS 17 has been applied in consolidating the company into the financial statements of POP Bank Group, and the company's income and expenses are presented in the financial statements as discontinued operations in accordance with IFRS 5. Finnish P&C Insurance Ltd has been consolidated into the financial statements of POP Bank Group as an associated company after the sale. The minority share in the insurance company is owned by POP Holding Ltd, which is wholly owned by POP Banks and POP Bank Centre coop and is not within the scope of joint liability. The sale also affected POP Bank Group's segment reporting. Changes to the accounting policies are presented in more detail in Note 2.

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).

POP Bank Group does not form a group of companies referred to in the Accounting Act (1336/1997) or a consolidation group referred to in the Act on Credit Institutions (610/2014). POP Bank Centre coop or its member cooperative banks do not exercise control pursuant to IFRS accounting standards on each other, and therefore no parent company can be determined for the Group. In accordance with the Amalgamation Act, Board of Directors has ratified the Group's accounting policies suitable for this structure to the extent that the IFRS accounting standards do not acknowledge the Group's structure. The accounting policies that include a description of the technical parent company consisting of the member cooperative banks are presented in Note 2. The member cooperative banks and other Group companies consolidated in the IFRS financial statements included in the technical parent company are listed in Note 35.

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

POP BANK GROUP STRUCTURE



One merger was completed within POP Bank Group during the financial period. At the end of May 2023, Jämijärven Osuuspankki merged with Kurikan Osuuspankki. After the merger, POP Bank Group consists of 18 cooperative banks. The merger was an intra-Group arrangement and had no impact on POP Bank Group's consolidated financial information.

POP Bank Centre coop acts as the central institution responsible for group steering and supervision of the POP Bank Group in accordance with the Amalgamation Act. POP Bank Centre coop's registered office is Helsinki and its address is Hevosenkenkä 3, 02600 Espoo, Finland. POP Bank Centre coop has prepared the POP Bank Group's consolidated IFRS financial statements in accordance with the Act on the Amalgamation of Deposit Banks. The Board of Directors of POP Bank Centre coop has adopted the report and consolidated financial statements on 15 February 2024. The financial statements will be distributed to the general meeting of POP Bank Centre coop cooperative on 5 April 2024. Copies of the financial statements and the financial statements release of the POP Bank Group are available at the office of the central institution, address Hevosenkenkä 3, 02600 Espoo, Finland, and online at **www.poppankki.fi**.

NOTE 2 POP BANK GROUP'S ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The consolidated financial statements of the POP Bank Group (hereinafter also referred to as the "Group") have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the related interpretations (IFRIC). The applicable Finnish accounting and corporate legislation and regulatory requirements have also been taken into account when preparing the notes to the financial statements.

The obligation of POP Bank Group to prepare financial statements in accordance with IFRS is based on the Act on the Amalgamation of Deposit Banks (599/2010; hereinafter referred to as the "Amalgamation Act"). Figures in the consolidated financial statements of POP Bank Group are presented in thousand euros, unless otherwise stated. Figures in the notes are rounded, whereby the sum total of individual figures may deviate from the sum total presented in the calculations and tables.

Assets and liabilities denominated in currencies other than euro have been translated into euro at the exchange rate of the balance sheet date. Exchange rate differences resulting from measurement have been recognised in net investment income in the income statement with the exception of financial instruments measured at fair value through other comprehensive income. The operating currency of all companies belonging to the POP Bank Group is euro.

The consolidated financial statements of the POP Bank Group are based on original cost, with the exception of financial assets and financial liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income, hedged items in fair value hedging (with respect to the hedged risk) and hedging derivatives used in fair value hedging, that are measured at fair value.

Information concerning risks specified in the EU Capital Requirements Regulation (EU 2019/876) is disclosed in a separate Pillar III report published on the Internet page of the POP Bank Group.

2. THE EFFECT OF CLIMATE CHANGE ON FINANCIAL REPORTING

The main environmental impacts of the POP Bank Group's own business are related to the financing of customers' investments and other activities, as well as the Group's investment activities and offering of investment products to customers. The goal of POP Banks is to reduce the risk caused by environmental impacts and climate change by offering customers financing for investments that support climate change mitigation and adaptation, as well as by offering investment targets that support sustainable development and by informing customers about opportunities related to these.

Sustainability is explained more detail in the section Non-financial information of the POP Bank Group's Board of Directors' report. In addition, the POP Bank Group publishes the sustainability report of the year 2023 as part of its annual report. In its reporting, the Group applies the international Global Reporting Iniative (GRI) framework.

3. CONSOLIDATION PRINCIPLES

3.1 TECHNICAL PARENT COMPANY

In accordance with the Amalgamation Act, the consolidated financial statements of the POP Bank Group shall be prepared as a combination of the financial statements or consolidated financial statements of the central institution POP Bank Centre coop and its member credit institutions. The consolidated financial statements also include entities in which the entities referred to above have joint control.

POP Bank Centre coop or its member cooperative banks do not exercise control on each other, and therefore no parent company can be determined for the Group. In the IFRS financial statements, a "technical parent" company has been formed for the POP Bank Group from the member cooperative banks. The member cooperative banks and the central institution have individually or jointly control over the other entities combined in the Group's IFRS financial statements. Within the technical parent company, intra-group holdings, transactions, receivables and liabilities, distribution of profit and margins are eliminated. Cooperative capital comprises such cooperative contributions paid by members of cooperative banks which the member banks have an unconditional right to refuse the redemption.

3.2 SUBSIDIARIES, ASSOCIATES AND JOINT ARRANGEMENTS

POP Bank Group's financial statements include the financial statements of the technical parent company, its subsidiaries and associates. Companies over which the Group exercises control are considered to be subsidiaries. The POP Bank Group has control over an entity if it has control over the company and is exposed, or has rights to, the variable returns of the company and the ability to affect those returns through its power over the company. The Group's control is based on voting rights.

POP Bank Group's intra-group holdings have been eliminated using the acquisition method. All intra-group transactions, receivables and liabilities, unrealised earnings and distribution of profit are eliminated in the Group's consolidated financial statements.

Associated companies are companies over which the Group exercises significant influence on business management and financing. Significant influence is based on voting rights. Associates are consolidated using the equity method.

A joint operation is a joint arrangement over which two or more parties exercise joint control and have rights concerning assets related to the arrangement and obligations related to liabilities. Mutual real estate companies are consolidated in the Group's financial statements as joint operations. Their income statement items, assets and liabilities are combined in accordance with the Group's holding.

4. ACCOUNTING POLICIES REQUIRING MANAGEMENT JUDGEMENT AND UNCERTAINTIES RELATED TO ESTIMATES

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. The management's estimates and assumptions are based on the best view at the balance sheet date, which may differ from the actual result. Due to the uncertainty of projecting the development of economy, the fair values and impairments of financial assets are subject to greater uncertainty than usual.

These estimates and assumptions, as well as the related uncertainty, are presented in more detail at financial statement item level in the sections 4.1-4.2.

4.1 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.

Based on management judgement, an additional provision of EUR 3,000 thousand has been recognised in the previous financial periods. The provision was aimed to the receivables from corporate customers to prepare for negative impact of a cost inflation to corporate and agricultural customers. The basis of the additional provision was assessed by management during the financial year 2023. The provision was derecognised since the projected changes in corporate and agricultural customers' ability to pay have been taken into account in calculation of expected credit losses or final credit losses recognised.

The policies on impairment of financial assets have been presented in detail in chapter 8.5 Impairment of financial assets.

4.2 DETERMINING FAIR VALUE

Determining the fair value of unquoted investments requires the management's judgement and estimates of several factors used in the estimates, which can differ from the actual outcomes, thereby leading to a significant change in the value of the available-for-sale investment and equity capital.

The management must assess whether the markets for financial instruments are active or not. Furthermore, the management must assess whether an individual financial instrument is subject to active trading and whether the price information obtained from the market is a reliable indication of the instrument's fair value.

When the fair value of financial instruments is determined using a valuation technique, the management's judgement is needed in the choice of the valuation technique to be applied. Insofar as there is no market input available for the techniques, management must evaluate how other data can be used for the valuation. The principles for determining fair value are presented in more detail in sections 8.3 Determining fair value and 10. Property, plant and equipment and investment properties.

4.3 LEASE PERIODS OF CONTRACTS CLASSIFIED AS LEASES

Determining the lease periods of leases in effect until further notice requires discretion from the management, which requires the assessment of the economic life of the asset when it is reasonably certain that the leases have been made for a period longer than the term of notice. The assessment must take into account the conditions in which the leased asset will be used.

5. DISCONTINUED OPERATIONS

During the review period, POP Bank Group relinquished control over Finnish P&C Insurance Ltd, which comprises the insurance segment, and continues as a minority shareholder in the company. POP Bank Group reports the sold insurance operations as discontinued operations, and the result of discontinued operations is reported separately from the income and expenses of continuing operations.

The comparative period has been restated accordingly. Intra-group income and expenses between continuing and discontinuing operations have been eliminated. In the balance sheet of comparative period, discontinued operations are not presented separately. The IFRS 17 Insurance contracts standard has been applied to insurance operations from 1 January 2023, retrospectively, and therefore the comparative period for insurance operations has been restated. More information is presented in section 7.

6. SEGMENT REPORTING

Until May 2023, POP Bank Group had two operating segments: banking and insurance. The operating segments have been reported in a way that is consistent with the internal reporting to the management. The Banking segment includes credit institutions of POP Bank Group. The Insurance segment has comprised Finnish P&C Insurance Ltd.

In May 2023, POP Bank Group relinquished control over Finnish P&C Insurance Ltd. After the sale, POP Bank Group has only one operating segment, which is not reported separately. The previously separately reported insurance segment is presented in Note 3 Discontinued operations.

7. CHANGES IN ACCOUNTING POLICIES

7.1 ADOPTION OF NEW IFRS STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

In the beginning of the financial period POP Bank Group has adopted new IFRS 17 Insurance contracts, which has been applied to discontinuing operations during the financial period.

Changes to IAS 1 Presentation of Financial Statements, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IAS 12 Income Taxes, which became effective in the beginning of the financial period, did not have a material impact on the POP Bank Group's financial statements.

New IFRS 17 Insurance Contracts (effective for financial years beginning on or after 1 January 2023)

IFRS 17 replaced IFRS 4 Insurance Contracts as it became effective and the adoption of the standard will have an effect on valuation, presentation and recognition of insurance contracts. The new standard for insurance contracts will help investors and other parties to better understand insurers' risk exposure and their profitability and financial position. POP Bank Group has implemented the standard starting from the annual period beginning on 1 January 2023, when its implementation became mandatory and has applied retrospective approach starting from 1 January 2022. The standard has been applied to discontinued operations.

Scope of the standard
In POP Bank Group, the standard will be applied to all issued direct insurance contracts as well as reinsurance contracts held. The Group has neither insurance contracts containing investment components or embedded derivatives, nor insurance contracts containing distinct components for services other than insurance services.

Insurance Contracts have been issued by Finnish P&C Insurance Ltd, which has been consolidated in the POP Bank Group's IFRS financial statements until the Group relinquished control over the company in May 2023.

Insurance contracts
The portfolios of direct insurance contracts consist of contracts, which are subject to similar risks and managed together. Insurance contracts have mostly a length of one year. A portfolio of insurance contracts is divided into groups based on the issue date and expected profitability.

POP Bank Group estimates the profitability of insurance contracts on initial recognition using the general measurement model (GMM). The measurement is based on future cashflow estimates, which have been adjusted by the time value of money and the risk adjustment for non-financial risk. Cashflow estimates contain premiums adjusted by expected credit loss, expected claim costs developed to the ultimate level as well as insurance service expenses.

Recognition
Insurance contracts are added to the calendar year's cohort, in which the contract is issued.

POP Bank Group has made the preliminary accounting policy choice, to recognise acquisition cashflows as expenses when it incurs those costs, as POP Bank Group applies the premium allocation approach to all insurance contracts and the coverage period of each contract in the group is no more than a year. The contract boundary of each contract is the end of insurance coverage period.

The carrying amount of a group of insurance contracts at the end of each reporting period is the sum of the liability for remaining coverage and the liability for incurred claims.

POP Bank Group has a made the accounting policy choice to include insurance finance income and expenses for the period in the profit or loss.

Measurement

Measurement of liability for remaining coverage
For the measurement of the liability for remaining coverage, POP Bank Group applies the simplified measurement provided by the IFRS 17 standard, the premium allocation approach (PAA), to all its insurance contracts, as coverage periods are one year or less.

Measurement of liability for incurred claims
The liability for incurred claims (LIC) is measured by applying the general measurement model (GMM).

At transition to apply the IFRS 17 standard starting from 1 January 2023, POP Bank Group has applied a fully retrospective approach and has adjusted the comparative figures of the previous accounting period.

The application of the standard had a positive effect of approx. EUR 1 million on the POP Bank Group's equity 1 January 2022 due to the differences in measurement of balance sheet items.

The impact of the adoption of IFRS 17 on the classification and valuation of the insurance segment's financial assets
At the date of initial application of IFRS 17 standard, POP Bank Group has applied the possibility of designate financial assets as measured at fair value through profit or loss according to IFRS 9. Designation of financial assets at fair value through profit or loss has not previously been applied in the POP Bank Group.

Designation of financial assets as measured at fair value through profit or loss is based on an inconsistency that arises when financial income and expenses related to insurance contracts are fully recorded in the income statement and changes in the fair value of debt instruments that pass the SPPI test are recorded in the comprehensive income. Both items are subject to interest rate risk, consequently a change in market interest rates affects the valuation of these items in the opposite direction. All financial assets included in the insurance company's investment assets are investments designated to insurance operations.

The redesignation of financial assets at the date of initial application of IFRS 17 standard did not affect the determination of the fair value of financial assets or the carrying amount at the time of transition. Redesignation affects only the way the change in fair value is recorded. The change in fair value previously presented in comprehensive income was presented in the income statement.

The transition has been made retrospectively by adjusting the opening balance sheet on 1 January 2022. The change in classification did not affect the valuation classes and valuation of previous periods.

THE IMPACT OF THE ADOPTION OF IFRS 17 ON POP BANK GROUP'S BALANCE SHEET AND EQUITY CAPITAL 1 JAN 2022

(EUR 1,000)	31 Dec 2021	IFRS 17	IFRS 9 re-classification	1 Jan 2022 restated
Assets				
Liquid assets	279,882	-	-	279,882
Loans and advances to credit institutions	73,897	-	-	73,897
Loans and advances to customers	4,243,829	-	-	4,243,829
Investment assets	681,552	-	-	681,552
Investments in associates	214	-	-	214
Reinsurance contract assets	-	13,136	-	13,136
Intangible assets	9,298	-	-	9,298
Property, plant and equipment	29,611	-	-	29,611
Other assets	34,014	-11,614	-	22,399
Tax assets	5,401	-	-50	5,351
Total assets	**5,357,697**	**1,522**	**-50**	**5,359,169**

(EUR 1,000)	31 Dec 2021	IFRS 17	IFRS 9 re-classification	1 Jan 2022 restated
Liabilities				
Liabilities to credit institutions	166,484	-	-	166,484
Liabilities to customers	4,222,364	-	-	4,222,364
Insurance contract liabilities	52,692	1,395	-	54,087
Debt securities issued to the public	284,920	-	-	284,920
Other liabilities	50,060	-1,131	-	48,929
Tax liabilities	28,367	252	-19	28,600
Total liabilities	**4,804,888**	**516**	**-19**	**4,805,384**
Equity capital				
Cooperative capital	67,056	-	-	67,056
Reserves				
Fair value reserve	4,038	-	-189	3,849
Other reserves	159,839	-	-	159,839
Retained earnings	321,437	1,007	158	322,601
Non-controlling interests	439	-	-	439
Total equity capital	**552,809**	**1,007**	**-31**	**553,785**
Total liabilities and equity capital	**5,357,697**	**1,522**	**-50**	**5,359,169**

THE IMPACT OF THE ADOPTION OF IFRS 17 ON POP BANK GROUP'S BALANCE SHEET AND EQUITY CAPITAL 31 DEC 2022

(EUR 1,000)	31 Dec 2022	IFRS 17	IFRS 9 re-classification	31 Dec 2022 restated
Assets				
Liquid assets	448,499	-	-	448,499
Loans and advances to credit institutions	62,333	-	-	62,333
Loans and advances to customers	4,448,480	-	-	4,448,480
Investment assets	712,087	-	-	712,087
Investments in associates	230	-	-	230
Reinsurance contract assets	-	9,331	-	9,331
Intangible assets	8,965	-	-	8,965
Property, plant and equipment	27,268	-	-	27,268
Other assets	59,460	-12,294	-	47,166
Tax assets	9,886	-	-52	9,833
Total assets	**5,777,207**	**-2,963**	**-52**	**5,774,192**

(EUR 1,000)	31 Dec 2022	IFRS 17	IFRS 9 re-classification	31 Dec 2022 restated
Liabilities				
Liabilities to credit institutions	163,139	-	-	163,139
Liabilities to customers	4,325,946	-	-	4,325,946
Derivatives	12,495	-	-	12,495
Insurance contract liabilities	57,011	-8,770	-	48,241
Debt securities issued to the public	565,252	-	-	565,252
Other liabilities	64,397	-1,126	-	63,271
Tax liabilities	28,350	1,387	-563	29,173
Total liabilities	**5,216,590**	**-8,510**	**-563**	**5,207,517**
Equity capital				
Cooperative capital	70,860	-	-	70,860
Reserves				
Fair value reserve	-12,583	-	2,363	-10,220
Other reserves	162,325	-	-	162,325
Retained earnings	340,014	5,546	-1,852	343,709
Total equity capital	**560,617**	**5,546**	**511**	**566,674**
Total liabilities and equity capital	**5,777,207**	**-2,963**	**-52**	**5,774,192**

THE IMPACT OF THE ADOPTION OF IFRS 17 ON POP BANK GROUP'S INCOME STATEMENT 1 JAN - 31 DEC 2022

(EUR 1,000)	1 Jan - 31 Dec 2023	IFRS 17	IFRS 9 re-classification	1 Jan - 31 Dec 2022 restated
Interest income	105,250	-127	-	105,123
Interest expenses	-11,075	-	-	-11,075
Net interest income	**94,175**	**-127**	**-**	**94,048**
Net commissions and fees	41,617	502	-	42,119
Net investment income	-2,460	-	-2,932	-5,391
Insurance premium revenue	12,675	-12,675	-	-
Insurance service expenses	-	2,508	-	2,508
Net income from reinsurance contracts	-	4,547	-	4,547
Other operating income	7,259	-463	-	6,797
Total operating income	**153,266**	**-5,706**	**-2,932**	**144,628**
Personnel expenses	-51,178	7,607	-	-43,571
Other operating expenses	-59,997	1,633	-	-58,364
Depreciation and amortisation	-7,984	2,141	-	-5,842
Total operating expenses	**-119,159**	**11,381**	**-**	**-107,778**
Impairment losses on financial assets	-7,716	-	-22	-7,738
Associate´s share of profits	16	-	-	16
Profit before taxes	**26,408**	**5,675**	**-2,954**	**29,128**
Income tax expense	-5,283	-2	-	-5,285
Profit for the period	**21,124**	**5,673**	**-2,954**	**23,843**

THE IMPACT OF THE ADOPTION OF IFRS 17 ON POP BANK GROUP'S STATEMENT OF OTHER COMPREHENSIVE INCOME 1 JAN - 31 DEC 2022

(EUR 1,000)	1 Jan - 31 Dec 2023	IFRS 17	IFRS 9 re-classification	1 Jan - 31 Dec 2022 restated
Profit for the financial year	**21,124**	**5,673**	**-2,954**	**23,843**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Gains/(losses) arising from remeasurement of defined benefit plans	572	-	-	572
Net changes in fair value of equity instruments	230	-	-	230
Capital gains and losses for equity instruments	-1,922	-	-	-1,922
Deferred taxes	224	-	-	224
Total	**-896**	**-**	-	**-896**
Items that may be reclassified to profit or loss				
Movement in fair value reserve for liability instruments	-18,848	-	2,954	-15,894
Deferred taxes	3,770	-	-591	3,179
Total	**-15,078**	**-**	**2,363**	**-12,715**
Other comprehensive income items total	**-15,974**	**-**	**2,363**	**-13,611**
Comprehensive income for the financial year	**5,150**	**5,673**	**-591**	**10,232**

7.2 ADOPTION OF NEW IFRS STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS IN FUTURE FINANCIAL YEARS

POP Bank Group will adopt from 1 January 2024 the changes in IAS 1 Presentation of Financial Statements, IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, if they have been approved for application in the EU before the effective date. The changes are not expected to have a material impact on the POP Bank Group's financial statements.

8. FINANCIAL INSTRUMENTS

8.1 CLASSIFICATION AND RECOGNITION OF FINANCIAL ASSETS

Classification

Financial assets are classified on initial recognition into following measurement categories based on the business model followed in their management and the debt instruments' cash flow characteristics:

- Financial assets at amortised cost
- Financial assets at value through other comprehensive income
- Financial assets recognized at fair value through profit and loss.

In accordance with the IFRS 9 Financial instruments, Financial liabilities are classified on initial recognition into following measurement categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss

Recognition

On initial recognition, all financial assets and financial liabilities are recognised at fair value. Transaction costs related to financial assets and financial liabilities at fair value through profit or loss are recognised on the income statement on the date of acquisition. Transaction costs from other financial instruments are included in the acquisition cost.

Purchases and sales of financial instruments are recognised on the settlement date. Loans granted are recognised in the balance sheet on the date when the customer draws down the loan. Instruments issued are recognised in the balance sheet at the latest on the date when the customer makes the subscription.

Financial assets and financial liabilities are offset in the balance sheet if POP Bank Group currently has a legally enforceable right of set-off in the normal course of business and in the event of default, insolvency or bankruptcy, and it has the intention and ability to settle the asset and liability on a net basis. POP Bank Group has not offset the financial assets and financial liabilities on the balance sheet.

Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the rights have been transferred to another party so that substantially all the risks and rewards of ownership of the financial asset are transferred. In addition, an agreement included in financial assets is derecognised on the balance sheet if the rights to cash flows that are based on the agreement are transferred to another party or if the agreement includes an obligation to pay the cash flows in question to one or several recipients. If a consideration is received, but all the risks and rewards of ownership of the transferred asset are substantially retained, the transferred asset is recognised in its entirety and a financial liability is recognised for the consideration received.

Impaired financial assets are derecognised when no further payments are expected and the actual final loss can be determined. In connection to derecognition, the previously recognised expected credit loss is cancelled and the realised credit loss is recognised. Payments on derecognised receivables received later are recognised in the income statement as an adjustment of impairment losses.

Financial liabilities are derecognised when the related obligations have been fulfilled and they have been extinguished. An exchange of a debt instrument with substantially different terms or substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

8.2 BUSINESS MODELS FOR MANAGING FINANCIAL ASSETS AND MEASUREMENT

According to IFRS 9, an entity's business model refers to how an entity manages its financial assets in order to generate cash flows. That is, entity's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The business model is determined at a level that reflects how financial asset groups are managed together to achieve a particular business objective.

In POP Bank Group, financial assets are managed according to three business models:

1. Financial assets held (objective to collect cash flows)
2. Combination of financial assets held and sold (objective to collect cash flows and sale)
3. Other long-term investments

Financial assets held -business model includes loans and receivables and debt instruments held to maturity, which pass the SPPI-test (Solely Payments of Principal and Interest) for their cash flow characteristics. In the SPPI-test, it is determined whether the asset's contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

Combination-business model includes debt instruments with contractual cash flows being solely payments of principal and interest, held to maturity or close to maturity or sold for example to reach the targets of the investment strategy.

Other long-term investments -business model includes shares and other instruments, whose cash flows do not consist solely on payments of principal and interest.

POP Bank Group does not actively trade financial assets. The purpose of POP Bank Group's investment activities is to invest surplus with long-term objective and to maintain investment portfolio for liquidity purposes.

FINANCIAL ASSETS MEASURED AT AMORTISED COST

Financial assets measured at amortised cost includes loans and receivables and the debt instruments, which are, according to the investment policy, intended to be held to maturity with terms of regular payments of interest and principal either in part or entirety (SPPI-test). In addition, liquid assets held to maintain liquidity, which are held until the maturity and can basically only be sold due to a deterioration in credit risk or a liquidity crisis, can also be classified to this measurement class. Assets classified to category consist from liquidity portfolio investments.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets measured at fair value through other comprehensive income includes debt instruments, which are, according to the investment policy, intended to be held in order to collect contractual cash flows or sold, if necessary, for reaching the objectives of the business model (combination-business model). Classification requires, that the contractual terms of the instrument include regular payments of interest and principal either in part or in entirety (SPPI-test).

Among other things, investments which can be sold to cover liquidity needs, for example, and liquid assets which have to be tested on regular sales in order to demonstrate the liquidity of those assets are classified to this measurement class.

Changes in financial instrument's fair value is recognised in items of other comprehensive income. The increase and decrease of expected credit losses are recognised in the income statement and in items of other comprehensive income. When sold, the change in fair value is recognised from other comprehensive income to net investment income in the income statement and expected credit loss in impairment losses on financial assets in the income statement.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. Financial assets measured at fair value through profit or loss include shares and participations and debt instruments, which do not meet the SPPI-test. An exception is made with regards to shares which are measured at fair value through other comprehensive income.

POP Bank Group does not have financial assets held for trading purposes.

Hedging derivatives are recorded at fair value through profit or loss.

Changes in fair value are recognised in the net investment income.

EQUITY INSTRUMENT ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

POP Bank Group has adopted the exception in IFRS 9, according to which changes in the fair value of investments in shares may be recognised in other comprehensive income. The exception is adopted to investments in shares regarded strategic to POP Bank Group's business operations.

Changes in fair value are recognised in other comprehensive income. In case such an investment is subsequently sold, the result of the sale is recognised in equity. The election can be made only at initial recognition and it is irrevocable.

FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

POP Bank Group's financial liabilities are measured at amortised cost according to the effective interest rate method.. Financial liabilities measured at amortised cost includes deposits and debt securities issued to the public, liabilities to credit institutions as well as other financial liabilities.

FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

Derivative contracts are recognised in financial liabilities at fair value through profit or loss. The POP Bank Group has no other financial liabilities measured at fair value through profit or loss.

8.3 DETERMINING FAIR VALUE

Fair value is the price that would be attained if the asset was sold or would be paid to transfer the liability from one market party to another in a standard business transaction taking place on a valuation day.

A financial instrument's fair value is based on price quotations obtained from active markets or, if active markets do not exist, via company's own valuation methods. A market is considered active if price quotations are readily and regularly available and if they reflect real and regularly occurring arm's-length market transactions.

Current bid price is used as the quoted market price of financial assets.

If the market has a well-established valuation technique for a financial instrument for which there is no direct market price available, the fair value is based on the commonly used valuation model and on the market quotations of the input data used in the model.

If there is no well-established valuation technique in the market, fair value is determined based on a specific valuation model created for the product in question. The valuation models are based on widely used measuring techniques, incorporating all the factors that market participants would consider when setting a price. The valuation prices used include market transaction prices, the discounted cash flow method, as well as the fair value of another substantially similar instrument at the reporting date. The valuation methods take into account an estimate of the credit risk, applicable discount rates, early repayment options, and other such factors that may impact reliable determination of the fair value of the financial instrument.

The fair values of financial instruments are divided into three hierarchical levels depending on how the fair value is defined:

- Fair values quoted in the active markets for identical assets or liabilities (Level 1)
- Fair values that are determined using other input data than the quoted prices at Level 1, which are observable for the assets or liabilities either directly (e.g. prices) or indirectly (e.g. derived from prices) (Level 2)
- Fair values determined by the input data, which is essentially not based on the observable market data (Level 3).

The fair value hierarchy level into which an item measured at fair value is fully classified is determined by the input data, which is at the lowest level and is significant in respect to the whole item. The significance of the input data is evaluated considering the whole item, which is valued at fair value. Level 2 and 3 valuation techniques are presented in Note 16.

8.4 DERIVATIVE CONTRACTS AND HEDGE ACCOUNTING

During the 2022 financial year, POP Bank Group has acquired derivatives and started to apply hedge accounting. POP Bank Group 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 and fixed-rate bonds issued. Derivative contracts are not made for trading purposes.

All derivative contracts are recognised and measured at fair value through profit or loss. The positive fair values of derivative contracts are presented as assets under Derivatives and negative fair values as liabilities under Derivatives. Changes in the value of derivatives in hedge accounting are recorded in the income statement under net income from investments under the item Net income from derivative contracts. Interest on hedging derivatives is presented in the income statement under interest income and expenses.

The hedging relationship between the hedging derivative contract and the hedged instrument and the objectives of risk management are documented before hedge accounting is applied. If there is a high correlation between the change in the value of the hedging derivative and the hedged instrument, the hedging is considered effective.

POP Bank Group applies IFRS 9 Financial Instruments to hedge accounting for all hedging relationships, except for the fixed rate borrowings the Group applies the "carve-out" model of IAS 39 hedge accounting, which makes it possible for assets and liabilities with a similar risk profile to be combined for hedging ("macro hedging"), making it possible to include deposits in the scope of hedging.

8.5 IMPAIRMENT OF FINANCIAL ASSETS

A loss allowance on financial assets measured at amortised cost or fair value through other comprehensive income and off-balance sheet credit commitments is recognised on the basis of expected credit losses. The expected credit loss of a financial instrument is determined as the difference between the contractual cash flows that the entity is entitled to receive under the contract and the cash flows expected to be received by the entity at the original effective interest rate at the time of reporting.

To determine expected credit losses, financial instruments are classified in stages from 1 to 3. 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 calculation of expected credit losses in POP Bank Group is based on four main segments:

- Private customers (excl. agricultural customers)
- Corporate customers (excl. agricultural customers)
- Agricultural customers
- Investment portfolio

The calculation of expected credit losses is based on the Probability of Default (PD), the loss ratio (LGD, Loss Given Default) and the Exposure at Default (EAD) for each segment.

The probability of default (PD) is measured by the historical credit rating model. The credit rating models are defined for the four main segments described above. Credit rating models constructed using statistical methods are used to estimate the PD of private and corporate customers. The credit rating model for agricultural customers is constructed by an expert and is based on the customers' financial ratios. Management estimates have been used to set PDs for agricultural customers, as there are few cases of default in the segment for statistical modelling.

Loss given default (LGD) refers to the expected portion of the loan loss on the remaining capital if the counterparty is classified as default. The parameters for calculating loss shares in the POP Bank Group are determined on the basis of expert estimates. Industry-specific LGD data from the Finnish market have been used to determine LGD values.

The exposure at default (EAD) is calculated for each loan and off-balance sheet item separately on the basis of repayments under the terms of the contract, with the exception of contracts without maturity whose lifecycle is determined on the basis of expert judgment. In the EAD calculation of off-balance sheet items, CCF coefficients shall be applied in accordance with the standardised credit risk standard for the credit risk calculation, with the exception of card credits for which a credit equivalent value (CCF) has been determined on the basis of expert judgment.

Estimated credit losses are estimated using future information available with reasonable ease. For the purpose of calculating expected credit losses, the POP Bank Group has developed a model based on three macroeconomic scenarios and related implementation probabilities to correct the parameters used in the calculation when estimating expected credit losses. The macroeconomic scenarios are based on the projected growth rate of Finland's Gross Domestic Product over the next three years.

In the measurement of expected credit losses, a transition will be made from the recognition of expected credit losses over 12 months to the recognition of expected credit losses throughout the lifetime of the contract as the credit risk increases significantly after the initial recognition, after which the contract is transferred from stage 1 to stage 2. The credit risk is considered to have increased significantly, when forbearance measures to the contract have been made less than 12 months ago, contract has been overdue for more than 30 days, or another qualitative risk factor has been identified in the customer's situation such as a significant change in the customer's business that is not yet reflected in the payment delay. In addition, the credit risk is considered significantly increased if the counterparty credit rating has deteriorated significantly. The threshold value determined by expert estimation of significant impairment is based on the change in PD value between the time of reporting and the time of the contract origination.

POP Bank Group applies the definition of default in accordance with Article 178 of Regulation 575/2013 of the European Parliament and of the Council when calculating expected credit losses. Liabilities are classified in stage 3 when they meet the definition criteria. For non-retail customers, which are customers with a turnover of more than EUR 50 million and liabilities of more than EUR 1 million, the definition of default applies at customer level and to retail customers at contract level. However, all receivables from a retail customer are recorded as defaulted (customer-level default) if the amount of the customer's liabilities exceeds 20 per cent of the customer's total liabilities.

The contract is considered defaulted at the latest when the liability under the default criteria has been continuously delayed for more than 90 days. In addition, a customer is considered defaulted when repayment is considered unlikely for example if the customer has been declared bankrupt or similar proceedings, or if the customer has forbearance measures that causes a change in the present value of the liability of more than 1 per cent. The contract or customer is considered defaulted for a period of 90 days after the conditions for default have ceased to exist.

POP Banks do not have contracts that are originated as impaired.

If the customer has not fulfilled the criteria for default for at least 3 months, the customer's liability will return to either stage 2 or stage 1, depending on whether the exposures meet a significant increase in the credit risk criteria at the time of return. The contract will return from stage 2 to stage 1 without a separate trial period if the contract no longer meets the criteria for significant credit risk growth.

POP Bank Group applies an exception of IFRS 9 -standard to financial assets at fair value through profit or loss, in which all instruments with a low credit risk are classified in stage 1 and instruments with higher credit risk are classified in stage 2.

A loss allowance on financial assets recognised at amortised cost and fair value through other comprehensive income and for off-balance sheet items is recognised in the income statement. Loss allowance in the income statement consists of the expected credit loss calculated for the financial asset, where the expected credit losses previously recognised have been deducted.

A loss allowance is cancelled if a realised credit loss is recognised for the financial asset. The loss allowance on financial assets recognised at amortised cost reduces the carrying amount of the financial assets. The loss allowance for financial assets at fair value through other comprehensive income is recognised in the statement of comprehensive income. The loss allowance on off-balance sheet commitments is recognised as a provision in other provisions and liabilities.

9. INTANGIBLE ASSETS

The most significant intangible assets of the POP Bank Group are comprised of banking and insurance information systems and licenses. An intangible asset is recognised in the balance sheet at acquisition cost if it is probable that the expected economic benefits associated with the asset will flow to the POP Bank Group and the acquisition cost of the asset can be measured reliably. Acquisition cost includes all costs that are directly attributable to bringing the asset to its working condition for its intended use. POP Bank Group has capitalised also internally produced intangible assets. The capitalised expenditures for internally produced intangible assets includes, for example, license fees, purchased services, in-house work and other external costs related to projects.

POP Bank Group has started a system reform project at the beginning of 2022, which will renew the core banking system used by the banking segment, the customer information system, the authority reporting solution, the data storage and reporting solution and the office infrastructure. Part of the costs of the system reform project are capitalised as an intangible asset.

All of the Group's intangible assets have a limited useful life. The acquisition cost of intangible assets is amortised in the income statement on the basis of the estimated useful lives of assets. The estimated useful life is 3–5 years for information systems and licenses and 3–4 years for other intangible assets. The estimated useful life of the basic banking and insurance systems may be longer, but not more than 10 years.

The amortisation of the acquisition cost of intangible assets begins when the asset is ready to be taken into use. Indications of impairment of intangible assets are examined annually and intangible assets are tested for impairment when necessary. Research costs are recorded as expenses as they occur.

Configuration costs related to Software as a Service (SaaS) cloud service agreements are recognized mainly as expenses and customisation costs as prepayments or expenses, depending on whether the customisation services are distinct from the actual cloud service agreement. In the cloud service arrangement, the software is controlled by a third party, and the software's configuration and customisation functions are not capitalised as an intangible asset. The prepayment recognised under the cloud service agreement is released as an expense during the agreement period from the time the asset is ready for use.

10. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

The properties owned by the POP Bank Group are divided into owner-occupied properties and the investment properties. Owner-occupied properties are recognised under property, plant and equipment and investment properties under investment assets on the balance sheet.

The purpose of investment properties is to yield rental revenue or increase in value on capital. If a property is used both by the Group and for investment purposes, the parts are presented separately only if they can be divested separately. In this case, the division is based on the floor area of the properties. If the parts cannot be divested separately, the property is considered to be an investment property only when only a small part of it is used by the owner.

Both owner-occupied properties and investment properties are measured at acquisition cost less depreciation and impairment. Machinery and equipment as well as other property, plant and equipment are similarly also measured at acquisition cost less depreciation and impairment. Depreciation is based on the useful life of the assets. The average useful life for buildings is 30–40 years. The useful life for technical equipment, renovations and machinery and equipment is 3–10 years. Land is not subject to depreciation.

Indications of impairment of property, plant and equipment and investment properties are assessed on each balance sheet date. If such indications exist, the recoverable amount from the asset will be estimated. These indications are, for example, significant decrease in the market value of the property or evidence of physical damage. If the future generated income is expected to be lower than the acquisition cost without depreciation, the resulting difference will be recorded as impairment loss and charged to expenses.

Depreciation and impairment on property, plant and equipment are recognised in the income statement under depreciation, amortisation and impairment. Depreciation on investment properties is recognised in the income statement under net investment income. Capital gains and losses are determined as the difference between the income received and balance sheet values. Proceeds from the sale of owner-occupied properties are recognised under other operating income and losses under other operating expenses. Proceeds and losses from the sale of investment properties are recognised in net investment income.

11. LEASES

11.1 THE POP BANK GROUP AS THE LESSOR

POP Bank Group leases properties it owns or parts thereof by way of operating leases. In the leases, the essential risks and benefits of ownership remain with the lessor. The Group has classified all its leases as operative leases. Investment properties are recognised as investment assets on the balance sheet, and other properties are recognised as property, plant and equipment. Rental revenue from investment properties is recognised in net investment income and from other properties in other operating income.

11.2 THE POP BANK GROUP AS THE LESSEE

POP Bank Group has obtained mostly commercial premises, office equipment and company cars for employees through contracts classified as leases. At the time of establishing a contract, POP Bank Group assesses whether the contract is a lease or includes a lease. A contract is a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

POP Bank Group as a lessee is required to recognise on its balance sheet a right-of-use asset and a lease liability arising from a lease. Lease liabilities are presented under other liabilities and the related interest expenses under net interest income. The right-of-use asset is presented under property, plant and equipment and depreciation is presented under depreciation and impairment losses. POP Bank Group has applied the exemptions included in the standard, according to which leases with a term of 12 months or less, or leases where the underlying asset is of low value, need not be recognised on the balance sheet. The expenses arising from these leases are recognised under other operating income.

A right-of-use asset is initially measured at acquisition cost. After the beginning of the contract, right-of-use assets are measured at acquisition cost less accumulated depreciation and impairment losses. Depreciation on a right-of-use asset is recognised using the straight-line method. Depreciation period for commercial premises with lease valid until further notice is generally 2 years. For fixed-term contracts, the depreciation period is in principle the contractual period. Depreciation times for office equipment vary from 2 to 5 years.

A lease liability is initially measured at the present value of the lease payments remaining unpaid at the beginning of the contract. The incremental borrowing rate of interest is used in the calculation of lease liabilities. The interest rate used for additional credit is the interest rate determined by the central credit institution of the amalgamation of POP Banks for credits granted within the group.

The economic lifetime of a leased asset is taken into consideration when determining the lease period. The management's estimates are significant, particularly when determining the lease period for contracts valid until further notice and the incremental borrowing rate of interest. Contracts valid until further notice are assigned a lease period based on the management's estimate in cases when it is reasonably certain that they are entered into for a period that exceeds their notice period.

12. PROVISIONS

A provision is recognised when a legal or factual obligation has emerged to the POP Bank Group due to a previous event and the fulfilment of the obligation is likely. A provision is recognised when the Group can reliably assess the amount of the obligation. Any remuneration paid by a third party is recognised as a separate item when receiving the remuneration is considered practically certain. The provision is measured at the present value of the amounts paid to fulfil the obligation.

13. EMPLOYEE BENEFITS

The Group's employee benefits consist mainly of short-term employee benefits, such as wages, holiday pay and bonus payments, which are expected to be paid in connection with the work performance they are related to or within the following 12 months.

Benefits related to the termination of employment consist of severance payments.

Post-employment benefits consist of pensions and other benefits paid out after the termination of employment. Statutory pension cover is arranged through external pension insurance companies. Most of the Group's pension arrangements are defined contribution plans. Defined benefit plans are contracts that include additional pension cover.

Expenses from defined contribution plans are recognised in personnel expenses in the period during which they are charged by the insurance company. The asset or liability recognised in respect of a defined benefit plan is the present value of the obligation on the closing date less the fair value of plan assets. The present value of the pension obligation has been calculated by discounting the estimated cash flows using the discount rate based on the market yield of high-quality bonds issued by companies.

The amount of the pension liability is calculated annually by independent actuaries. The obligation is calculated using the projected unit credit method.

Pension costs are charged to expenses over the employees' working lives and recognised in personnel expenses. Items resulting from remeasurements of the net defined benefit liability are recognised in other comprehensive income in the period they occur. These items will not be reclassified to the income statement in later financial periods.

14. PRINCIPLES FOR RECOGNISING INCOME AND EXPENSES

14.1 INTEREST INCOME AND EXPENSES

Interest income and expenses are amortised over the maturity of the contract using the effective interest rate method, in proportion to the remaining carrying amount in the balance sheet. Interest income and expenses are recognised in net interest income. Interest income and expenses related to insurance assets are recognised in net insurance income in the income statement. Interest income on impaired receivables (receivables registered on stage 3) is calculated for net amount where expected credit loss is deducted.

Negative interest income on financial assets is recognised in interest expenses and positive interest costs on financial liabilities in interest income.

14.2 COMMISSION INCOME AND EXPENSES

Commission income is recognised to the extent that the Group expects to be entitled to in exchange for the service provided to the customer. Commission income is recognised at a point in time or over time. Commissions and fees that are considered as an integral part of the effective interest of a financial instrument are accounted for as an adjustment to the effective interest. However, commissions and fees relating to financial instruments measured at fair value through profit or loss are recognised in the income statement on initial recognition.

14.3 DIVIDENDS

Dividends are primarily recognised when the General Meeting of Shareholders of the distributing entity has made a decision on dividend pay-out and the right to receive dividends has emerged. Dividend income is recognised in net investment income.

14.4 PRESENTATION OF INCOME STATEMENT ITEMS

Income statement items are presented in the financial statements using the principles below.

Net interest income	Interest income and expenses on financial assets and liabilities, the amount of amortisation on the difference between the nominal and acquisition values, interest on interest-rate derivatives and fees that are accounted as part of the financial asset's effective interest.
Commission income and expenses	Commission income from lending, deposits and legal tasks, products transmitted, such as funds and insurances, commission income and expenses from payments, commission income from securities.
Net investment income	Net income from available-for-sale financial assets (realised capital gains and losses, impairment losses, dividends), net income from investment property (rental and dividend income, capital gains and losses and maintenance charges and expenses related to investment property, depreciation and impairment losses).
Other operating income	Rental income, capital gains and other income from owner-occupied properties, other operating income.
Personnel expenses	Wages and salaries, social expenses and pension expenses.
Other operating expenses	Other administrative expenses, expenses related to low-value and short-term leases, sales losses from owner-occupied properties, charges to financial authorities, other expenses related to business operations
Impairment losses on financial assets	Impairment losses on financial assets, expected credit losses and realised credit losses and cancellations of credit losses

15. INCOME TAX

Income tax expense shown in the income statement includes current tax, based on the taxable income of the POP Bank Group companies for the financial year, adjustments for income tax for prior financial years and change in deferred taxes. Tax expenses are recognised in the income statement except when they are directly linked to items entered into equity capital or other items in the statement of comprehensive income, in which case the tax effect is also included in these items.

Deferred tax liabilities and assets are calculated on taxable and deductible temporary differences between the carrying amount and the tax basis. Deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply at the time when the temporary difference is reversed.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that future taxable profit will be probable and unused tax credits can be utilised.

NOTE 3 GOVERNANCE AND MANAGEMENT

The structure of the POP Bank Group and amalgamation of POP Banks is presented in Note 1.

The operations of the amalgamation of POP Banks are regulated by the European Union's regulations, national legislation and regulations issued by the authorities. The key national acts are the Act on Credit Institutions (610/2014; hereinafter referred to as the "Credit Institutions Act), Act on the Amalgamation of Deposit Banks (599/2010; hereinafter referred to as the "Amalgamation Act"), Co-operatives Act (421/2013), Act on Co-operative Banks and Other Credit Institutions in the Form of a Cooperative (423/2013), Limited Liability Companies Act (624/2006) and Act on Insurance Companies (521/2008). In addition, the amalgamation complies with good banking practice and policies concerning the processing of personal data in its operations.

The scope of consolidation of the POP Bank Group differs from the scope of consolidation of the amalgamation of POP Banks. The POP Bank Group consists of the amalgamation of POP Banks and entities over which the entities included in the amalgamation exercise control as referred to in the Accounting Act (1336/1997).

The POP Bank Group entities not included in the amalgamation are entities other than credit and financial institutions or service companies. Most significant of them is POP Holding Ltd, which holds 30 per cent of Finnish P&C Insurance Ltd. Finnish P&C Insurance Ltd was POP Holding's wholly-owned subsidiary until the sale of the majority of shares in 25th May 2023.

1. ENTITIES INCLUDED IN THE AMALGAMATION OF POP BANKS

1.1 CENTRAL INSTITUTION POP BANK CENTRE COOP

POP Bank Centre coop is the central institution of the amalgamation of POP Banks, and it is licensed as the central institution of an amalgamation of deposit banks. POP Bank Centre coop is owned by its member cooperative banks; they use their voting rights in a cooperative meeting of POP Bank Centre coop.

1.2 POP BANKS

POP Banks are member credit institutions of POP Bank Centre coop with deposit bank licenses. POP Banks are co-operatives (cooperative banks) in terms of company form. The cooperative meeting of the members of the bank or an elected representatives' meeting is the supreme decision-making body of POP Banks. The cooperative meeting or representatives' meeting elects a Supervisory Board for the bank, which elects the Board of Directors. The Managing Director is appointed by the Supervisory Board or the Board of Directors, depending on the bank's rules.

1.3 CENTRAL CREDIT INSTITUTION BONUM BANK PLC

Bonum Bank Ltd is a member credit institution and subsidiary of POP Bank Centre coop. Bonum Bank Plc is licensed as a deposit bank. As a member credit institution and subsidiary of POP Bank Centre coop, Bonum Bank Plc is included in the scope of both the member credit institutions of the central institution and group management. Bonum Bank Plc operates as the central credit institution of POP Banks, and it can also engage in other banking operations besides central credit institution operations.

1.4 MORTGAGE BANK POP MORTGAGE BANK PLC

POP Mortgage Bank Plc is a member credit institution and subsidiary of POP Bank Centre coop. POP Mortgage Bank Plc has authorisation to engage in mortgage banking operations. As a member credit institution and subsidiary of POP Bank Centre coop, POP Mortgage Bank Plc is included in the scope of both the member credit institutions of the central institution and group management. POP Mortgage Bank Plc operates as the mortgage bank of POP Banks, and is responsible for acquiring external funding by issuing secured bonds for the amalgamation in cooperation with Bonum Bank Plc.

1.5 OTHER ENTITIES IN THE AMALGAMATION

Other entities belonging to the amalgamation include the companies included in the consolidation groups of the member co-operative banks and the central institution, and they are primarily real estate companies. In addition, the amalgamation includes those credit institutions, financial institutions and service companies in which entities included in the amalgamation jointly hold over 50 per cent of the votes.

2. ADMINISTRATIVE ORGANS OF THE CENTRAL INSTITUTION OF THE AMALGAMATION OF POP BANKS

2.1 COOPERATIVE MEETING OF POP BANK CENTRE COOP

The cooperative meeting is the supreme decision-making body of POP Bank Centre coop. The cooperative meeting confirms the rules and adopts the financial statements and balance sheet of the central institution and elects the members of the Supervisory Board and the auditor. One member shall be elected to the Supervisory Board from each member credit institution; however, not from a subsidiary of the central institution acting as a member credit institution.

2.2 SUPERVISORY BOARD OF POP BANK CENTRE COOP

It is a key task of the Supervisory Board of POP Bank Centre coop to supervise that the operations of the central institution are managed with expertise and care in compliance with the legislation, guidelines and the members' interests and that the ratified guidelines and decisions by the cooperative meeting are followed. The Supervisory Board gives a statement to the Board of Directors for POP Bank Group's strategy and a statement to the spring cooperative meeting for the POP Bank Centre Coop financial statements, consolidated financial statements and report of the Board of Directors. The Supervisory Board also processes other issues presented by the Board of Directors.

The Supervisory Board elects and discharges the members of the Board of Directors, the Managing Director and elects Managing Director's deputy as well as decides on the fees of Board of Directors.

The Supervisory Board elects an executive and nomination committee from among its number to prepare matters related to the appointment and salaries and remuneration of the Supervisory Board and Board members, the Managing Director and his deputy. The Supervisory Board elects an audit committee from among its number to take care of the supervisory duties for which the Supervisory Board is responsible.

2.3 BOARD OF DIRECTORS OF POP BANK CENTRE COOP

The Board of Directors of the central institution manages the central institution professionally in accordance with sound and prudent business practice. The Board of Directors is responsible for the appropriate and reliable organisation of governance and operations of the central institution.

The Board of Directors of the central institution confirms the POP Bank Group's strategy after hearing the Supervisory Board. The Board of Directors ratifies the amalgamation's risk level and risk appetite based on business plans and approves the plan concerning the maintenance of capital adequacy proportioned to the risk level. The Board of Directors sets the target level for capital adequacy and confirms the level and structure of capital required by the risk profile. The Board of Directors is also responsible for proactive capital planning and adapting the capital adequacy management planning and proactive capital planning into reliable governance and guidance. The Board of Directors annually estimates the suitability, comprehensiveness and credibility of the capital adequacy management, and confirms the capital adequacy management plan of the amalgamation.

The Board of Directors is responsible for the sufficiency of the risk management system at the amalgamation level. It is the task of the Board of Directors to guide the operation of the amalgamation and issue binding guidelines based on the Amalgamation Act 17 § to its member credit institutions concerning their risk management, reliable governance and internal control to secure their solvency and capital adequacy. The Board of Directors supervises that the companies belonging to the amalgamation operate in compliance with the laws, decrees, regulations and instructions issued by the authorities, their own rules and the binding guidelines of the amalgamation. Moreover, it is the duty of the Board of Directors to oversee the functioning and sufficiency of internal control and risk management, approve the principles and guidelines of risk management and the risk category-specific strategies.

The assessment of reliability, suitability and professional skills of the Board member candidates is carried out following pre-defined and neutral selection grounds. A diverse composition of the Board of Directors aims at the optimum ability to develop and manage the efficiency, competitiveness and risk management of the central institution and amalgamation. In planning the composition of the Board of Directors, it is ensured that the required competence is represented at each time. Regional representation is also part of the assessment of diversity. Equal representation of both genders in the Board of Directors is an important aspect of diversity. The Board of Directors approves the objective of equal representation of genders and prepares the operating principles with which the objective is achieved and maintained.

The Board of Directors annually reviews its work and the knowledge and skills, experience and diverse collectively necessary for its work and the job description of new members.

The members of the Board of Directors shall have the preconditions for successfully taking care of their duties and sufficient time for it. A Board member and member of the executive management must have sufficient expertise in the amalgamation's business, related key risks and managerial work.

At least half of the Board members must be elected from persons who are employed by a member credit institution of the amalgamation.

Board members must be reliable persons with a good reputation. The reliability, suitability and professional skills of persons elected as Board members are assessed in connection with their election and at regular intervals thereafter. The Board of Directors of the central institution has specified a maximum number of board memberships of a Board member. A member of the Board of Directors may be a member of a maximum of four other boards of directors. When calculating the number of board memberships, memberships of the boards of directors within the POP Bank Group or those related to the Group's cooperative relationships or membership in the administrative organs of entities with no commercial purposes, such as non-profit or charity organisations and housing associations can be excluded.

2.4 MANAGING DIRECTOR OF POP BANK CENTRE COOP

The central institution is led by a Managing Director or CEO responsible for the day-to-day management and administration of the central institution in accordance with the instructions and orders issued by the Board of Directors.

The Managing Director prepares the matters presented to the Board of Directors and assists the Board of Directors in the preparation of matters presented to the Supervisory Board and the cooperative meeting. The CEO is required to seek the approval of the Board of Directors for any secondary jobs.

3. CONTROL AND RISK AND CAPITAL ADEQUACY MANAGEMENT OF THE AMALGAMATION OF POP BANKS

In accordance with the Amalgamation Act, POP Bank Centre coop, the central institution of the amalgamation of POP Banks, is responsible for supervising the operations of the member credit institutions and issuing them binding guidelines concerning risk management, reliable governance and internal control to secure their liquidity coverage ratio and capital adequacy and for issuing instructions concerning the preparation of the consolidated financial statements of the amalgamation for the purpose of compliance of harmonised accounting policies. Moreover, the central institution can confirm general operating principles for its member credit institutions to follow in their operations significant from the point of view of the amalgamation as specified in its rules.

The central institution supervises that the entities included in the amalgamation comply with laws, decrees, instructions and regulations issued by the authorities, their own rules and the Group's internal binding guidelines in their activities.

The central institution issues instructions to member credit institutions and, if necessary, interferes in the operations of the member credit institution in accordance with separately agreed principles and procedures. The Board of Directors of the central institution decides on the use of the necessary control methods.

The member credit institutions, within limits set by confirmed business risk thresholds, carry their business risks independently and are liable for their capital adequacy. A member credit institution of the amalgamation may not take such high risk in its operations that it causes essential risks to the combined liquidity coverage ratio or capital adequacy of the entities included in the amalgamation.

The capital adequacy, liquidity coverage ratio and customer risks of the entities included in the amalgamation of POP Banks are supervised at the consolidated amalgamation level in accordance with the Amalgamation Act. The entities included in the amalgamation must have the minimum combined own funds sufficient for covering the consolidated risks of companies included in the amalgamation specified in more detail in the Act on Credit Institutions. In addition, the combined own funds of the entities included in the amalgamation must be sufficient in relation to the combined customer risks and combined significant holdings of the entities included in the amalgamation.

The central institution has reliable governance that enables the effective risk management of the amalgamation and sufficient internal control and risk management systems considering the operations of the amalgamation.

In accordance with the Amalgamation Act, the Financial Supervisory Authority may grant the central institution a permit to decide on granting certain exceptions related to capital adequacy and liquidity to its member credit institutions. On the reporting date, the central institution has exempted the member credit institutions from own funds requirement for intra-group exposures, large exposure limitation for exposures between the central credit institution and member credit institutions, amalgamation's internal items are exempted from leverage ratio measurements both Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) requirements. Bonum Bank Plc manages both LCR and NFSR at amalgamation level.

The principles followed in the risk management of the amalgamation of POP Banks are described in more detail in Note 4 on risk management.

4. JOINING AND RESIGNING FROM THE AMALGAMATION OF POP BANKS

Credit institutions whose rules or Articles of Association are compliant with the provisions of the Amalgamation Act and whose rules or Articles of Association the central institution has approved can be members of the central institution of the amalgamation of POP Banks. The central institution's Supervisory Board decides on acceptance as a member based on a written application.

A member credit institution has the right to resign from the central institution in accordance with the rules of the central institution and the provisions of the Co-operatives Act and Amalgamation Act when the conditions laid down by them are met. The combined amount of the own funds of the companies included in the amalgamation must remain at the level required by the Amalgamation Act in spite of the resignation of a member credit institution.

A member credit institution can be dismissed from the central institution in accordance with the rules of the central institution and the Co-operatives Act if the member credit institution has neglected its duties arising from its membership. Furthermore, a member credit institution can be dismissed from the central institution if it has, in spite of a warning issued by the Supervisory Board, neglected compliance with the instructions issued by the central institution under section 17 of the Amalgamation Act in a way that significantly threatens the joint liquidity coverage or the application of principles concerning the capital adequacy management or the preparation of financial statements or the supervision of compliance with them in the amalgamation. A member credit institution can also be dismissed if the member credit institution has otherwise acted essentially in violation of the general operating principles of the amalgamation ratified by the central institution or the interests of the central institution or the POP Bank Group. The decision on dismissing a member credit institution is made by a cooperative meeting of the central institution at the proposal of the Supervisory Board.

The provisions of the Amalgamation Act on the liability to pay off a member credit institution are also applied to a credit institution that has resigned or has been dismissed from the central institution if less than five years has passed since the end of the calendar year in which the member credit institution resigned or was dismissed when the demand concerning liability to pay is made to the member credit institution.

5. CENTRAL INSTITUTION'S LIABILITY FOR DEBT AND JOINT LIABILITY OF MEMBER CREDIT INSTITUTIONS

The central institution of the amalgamation of POP Banks is liable for the debt and commitments of its member credit institutions in accordance with the Amalgamation Act. As a support measure referred to in the Amalgamation Act, the central institution is liable to pay any of its member credit institutions an amount that is necessary to prevent the credit institution from being placed in liquidation. The central institution is liable for the debts of a member credit institution, which cannot be paid using the member credit institution's capital.

Each member credit institution is liable to pay a proportion of the amount, which the central institution has paid either to another member credit institution as part of support action or to a creditor of such member credit institution in payment of an amount overdue which the creditor has not received from the member credit institution. Furthermore, in the case of the central institution's default, a member credit institution has unlimited refinancing liability for the central cooperative's debts as referred to in the Co-operatives Act.

Each member credit institution's liability for the amount the central institution has paid to the creditor on behalf of a member credit institution is divided between the member credit institutions in proportion to their last adopted balance sheets. The combined annual amount collected from each member credit institution in order to prevent liquidation of one of the member credit institutions may in each financial year account for a maximum of 0.5 % of the last confirmed balance sheet of each member credit institution.

6. SUPERVISION OF THE AMALGAMATION OF POP BANKS

The Financial Supervisory Authority supervises the central institution in accordance with the Amalgamation Act. The member credit institutions are supervised by the Financial Supervisory Authority and the central institution. The resolution authority of the amalgamation is the Financial Stability Authority.

The Financial Supervisory Authority supervises that the central institution controls and supervises the operations of the member credit institutions in accordance with the provisions of the Amalgamation Act and that the entities included in the amalgamation meet their statutory requirements.

The central institution supervises that the companies belonging to the amalgamation operate in compliance with the legislation and decrees on the financial market, regulations issued by the authorities, their own rules and Articles of Association and the instructions issued by the central institution in accordance with section 17 of the Amalgamation Act. Furthermore, the central institution supervises the financial position of the companies belonging to the amalgamation.

The internal audit unit of the amalgamation's central institution is responsible for organising the internal audit in the central institution and member credit institutions, and it controls organising the internal audit in other companies belonging to the amalgamation.

7. PROTECTION BY THE DEPOSIT GUARANTEE FUND AND THE INVESTORS' COMPENSATION FUND

According to the legislation concerning the Deposit Guarantee Fund, the deposit banks belonging to the amalgamation of POP Banks are considered to constitute a single bank in respect of deposit insurance.

The Deposit Guarantee Fund reimburses a maximum total of EUR 100,000 to an individual account holder who has receivables from deposit banks belonging to the amalgamation of POP Banks. The Financial Stability Board administers the Deposit Guarantee Fund and carries out duties related to deposit protection.

Furthermore, in accordance with the legislation on the investors' compensation fund, the amalgamation of POP Banks is considered to constitute a single bank in terms of deposit insurance. The Investors' Compensation Fund reimburses a maximum total of EUR 20,000 to an investor who has receivables from entities belonging to the amalgamation of POP Banks.

8. FINANCIAL STATEMENTS AND AUDIT OF THE POP BANK GROUP

In accordance with the Amalgamation Act, the financial statements of the POP Bank Group shall be prepared in compliance with the International Financial Reporting Standards (IFRS) referred to in the Accounting Act. In accordance with IFRS; other significant entities included in the POP Bank Group must also be consolidated in the financial statements. The accounting policies are described in Note 2 POP Bank Group's accounting policies under IFRS.

In accordance with the Amalgamation Act, the central institution is liable to issue instructions to the member credit institutions for the purpose of harmonising the accounting policies applied in preparing the financial statements of the POP Bank Group. The member credit institutions are liable to provide the central institution of the POP Bank Group the information required for consolidating the financial statements.

The central institution has one auditor that must be a firm of Authorised Public Accountants. The auditor is elected by the cooperative meeting. The auditor's term of office is a calendar year. The auditor also audits the consolidated financial statements referred to in the Amalgamation Act. The central institution and its auditors have the right to receive a copy of the documents concerning the audit of a member credit institution for the purpose of auditing the consolidated financial statements of the POP Bank Group.

A member credit institution is not obliged to publish interim reports pursuant to Chapter 12, section 12 of the Act on Credit Institutions, or the capital adequacy information pursuant to the EU's Capital Requirements Regulation ("Pillar III disclosures"). Information pursuant to Capital Requirements Regulation is disclosed in a separate report of the amalgamation of POP Banks.

9. REMUNERATION

Remuneration scheme refers to the decisions, contracts, policies and procedures followed in rewarding the management and personnel.

Remuneration is divided into fixed and variable remuneration. Fixed remuneration refers to salaries tied to a specific period of time and variable remuneration refers to remuneration tied to the beneficiary's performance or financial factors.

The variable remuneration includes both short- and long-term remuneration. In short-term remuneration, the earning period is the calendar year and the reward is paid in cash.

In POP Bank Group, variable remuneration is company-specific. POP Bank Group does not have a uniform remuneration scheme. Remuneration schemes are based on the business strategy, objectives and values of each member credit institution or company, and they are aligned with the company's long-term interests. The remuneration schemes are in harmony with the bank's proper and effective risk management and risk-bearing capacity. Remuneration does not encourage risk-taking that would exceed the risk level defined on the basis of the risk-bearing capacity of the member credit institutions or the company or otherwise sustainable risk level.

The member credit institution- and company-specific remuneration schemes are based on EU legislation, national legislation and the regulations, guidelines and opinions issued by the Financial Supervisory Authority and European Banking Authority.

The amalgamation of POP Banks follows the Act on Credit Institutions, when deciding on the remuneration scheme of the executive management and employees of the member credit institutions.

The remuneration principles at the member credit institutions are confirmed by each member credit institution's Board of Directors, which also monitors and supervises compliance with the remuneration schemes and regularly assesses their functionality. The executive management is responsible for the implementation of remuneration in accordance with the confirmed remuneration principles. The amalgamation of POP Banks bank does not have a joint remuneration committee for the management of the remuneration scheme. It has not been deemed necessary as each entity belonging to the amalgamation makes decisions on remuneration independently.

The internal audit function of the amalgamation conducts a centralised, independent assessment of the amalgamation's remuneration scheme and practices once a year. The internal audit reports the assessment results to the Board of Directors of the amalgamation annually.

The remuneration of control functions independent from business operations is not dependent on the earnings of the supervised business unit at the amalgamation of POP Banks.

The member credit institutions in which variable remuneration is in use have different remuneration schemes. The systems differ with regard to, inter alia, the personnel included in their scope, the amount of remuneration and the remuneration criteria.

The member credit institution may decide not to pay any variable remuneration either partially or at all by way of a decision of the Board of Directors, for example in the event the member credit institution's capital adequacy is below the level specified for it.

The payment criteria for severance pay or other comparable remuneration that is paid to a beneficiary if employment terminates prematurely are laid down so that compensation is not paid for failed performance. Provisions on the payment of variable remuneration are laid down in the Act on Credit Institutions.

If the variable remuneration of the beneficiary exceeds EUR 50,000 and the remuneration equals over one third of the annual remuneration of the beneficiary, the amalgamation applies Section 11 and 12 of Chapter 8 of the Act on Credit Institutions on postponement and payment of variable remuneration in other form than cash.

The amalgamation of POP Banks has identified significant risk-takers who can impact the risk profile of the amalgamation or a member credit institution or through their actions cause considerable financial risk to the amalgamation or member credit institution. The persons affecting the risk profile of the Amalgamation include the Managing Directors and other people participating in the management and decision-making in the member credit institutions, central institution or other companies along with other people with a major impact on the company's risk exposure and people associated with functions independent of business operations. Each group member is responsible for keeping its own information accurate and up to date.

The member credit institutions publish a report on compliance with the provisions of the Act on Credit Institutions regarding remuneration on their websites. Salaries and bonuses for the financial year are presented in Note 11 to the POP Bank Group's financial statements. The information required by the EU Capital Requirements Regulation No 575/2013 article 450 on the remuneration of people who influence the POP Bank Group's risk exposure is presented in a Pillar III report separate to the financial statements and board of directors' report.

NOTE 4 RISK MANAGEMENT IN THE POP BANK GROUP

1. OBJECTIVES AND PRINCIPLES OF RISK AND CAPITAL ADEQUACY MANAGEMENT IN BANKING

The strategic objectives of risk management in the POP Bank Group are to ensure the risk-bearing capacity in all circumstances and to keep the amalgamation's and its member credit institutions' risks at a moderate level in relation the their risk-bearing capacity, thus ensuring business continuity. Risk-bearing capacity is built upon risk management proportionated to the scope and complexity of the institution and sufficient capitalisation based on profitable business operations. The purpose of the risk management is to ensure that all significant risks resulting from business activities are identified, assessed, measured and monitored on a regular basis and that they are proportionate to the risk-bearing capacity of the amalgamation and the individual member credit institutions.

The purpose of capital adequacy management is to ensure the sufficient amount, quality and efficient use of the capital. Capital is held to cover the material risks arising from the amalgamation's business strategy and plan and to secure the uninterrupted operations of the amalgamation in case of unexpected losses. The goal is pursued through a documented and systematic capital adequacy management process which is integrally linked to the amalgamation's and member credit institutions' strategy process and business planning and management.

The central institution is responsible for the risk and capital adequacy management of the Group. The central institution provides guidance to the member credit institutions to ensure risk management and supervises that the member institutions operate in accordance with regulation, their own rules, guidelines issued by the central institution and in accordance with appropriate and ethically acceptable procedures. The member credit institutions of the amalgamation, within limits set by confirmed business risk thresholds, carry their business risks independently in their operations and are liable for their capital adequacy. The capital adequacy, liquidity coverage ratio and customer risks of the entities included in the amalgamation of POP Banks are supervised both at the level of individual member institutions and at the consolidated amalgamation level. Violations of the risk management principles are addressed in accordance with the agreed operating models.

Risk and capital adequacy management is regulated by EU legislation, Act on Credit Institutions (610/2014), Act on the Amalgamation of Deposit Banks (24.6.2010/599; hereinafter referred to as the "Amalgamation Act") and the standards, regulations and guidelines issued by the Financial Supervisory Authority and European Banking Authority.

Most significant risks of the amalgamation consist of credit, liquidity, market and operational risk. Credit risk is mitigated careful evaluation of customer repayment capacity and by diversification and collateral. Liquidity risk is mitigated by maintaining a sufficient liquidity reserve and by diversification of funding with regard to timing and counterparty. The most significant subtypes of market risk are the interest rate risk in the banking book and risks stemming from investment activities. Asset and liability management and interest rate derivatives are used to mitigate the interest rate risk. Investment risk is mitigated through diversification and investment counterparty and allocation limits. Operational risk is managed through clear processes and training of personnel, guidelines and control mechanisms.

The business of the amalgamation of POP Banks is focused on the low-risk part of retail banking in accordance with its strategy. The amalgamation does not have excessively large customer or investment risk concentrations with regard to its financial risk-taking ability.

The risk control function reports regularly to the Board of Directors of the central institution on the risks position by the amalgamation and member credit institutions. Systems and practices intended for reporting and monitoring of risks meet the requirements set for risk management, taking the nature and scope of the amalgamation's operations into account. The amalgamation's corporate governance, internal control and risk management comply with the requirements of legislation and the requirements of the authorities.

Risk management is an essential part of the internal controls of the amalgamation. The purpose of internal controls is to ensure that the institution complies with regulations, carries out comprehensive risk management and operates efficiently and reliably. Moreover, internal controls serve to ensure that the objectives and goals set for different levels of the amalgamation are achieved in accordance with internal guidelines.

2. ORGANISATION OF RISK AND CAPITAL ADEQUACY MANAGEMENT

The role of the Supervisory Board and the Board of Directors in amalgamation's risk management has been described in the Note 3 Governance and management.

2.1 EXECUTIVE MANAGEMENT

The amalgamation's executive management is responsible for the practical implementation, continuous monitoring, supervision and reporting of capital adequacy and risk management to the Board of Directors of the amalgamation. The executive management also ensures that the responsibilities, authorisations, processes and reporting relationships related to risk management have been clearly defined and sufficiently described and that the employees are familiar with risk management and the related processes and methods to the extent required by their duties.

2.2 RISK CONTROL FUNCTION

The task of the central institution's independent risk control function is to supervise the risks and capital adequacy of the member credit institutions. Its task is to form a comprehensive view of the risks associated with the business operations of the amalgamation and member credit institutions, develop risk management methodologies and operating models for identifying, measuring and controlling risks and coordinate and develop the capital adequacy management process, risk control and reporting.

The risk control function prepares instructions for the Board of Directors of the central institution to decide on. It also supports, advises and educates the member credit institutions in the organisation and development of risk and capital adequacy management. The risk control function monitors the development of the risk exposures of the member credit institutions and gives feedback to the member credit institutions on them and the adequacy of the own funds in proportion to the risk exposures. The control function's duty is also to ensure that the risk measurement methods are appropriately and sufficiently accurate and reliable and to monitor that the risk management guidelines, business risk thresholds and risk strategies approved by the Board of Directors are followed.

The risk control function regularly reports a summary of the activities of the risk control function and the observations made by it and risk situation to the Board of Directors. The risk control function ensures that the combined effect of the significant risks taken by all member credit institutions in their business operations on earnings and the own funds is reported to the Board of Directors as part of internal capital adequacy assessment process.

2.3 COMPLIANCE FUNCTION

The compliance function monitors the amalgamation's and its member credit institutions' compliance with the applicable laws, statutory guidelines and orders, market self-regulation and the amalgamation's internal guidelines. The compliance function is also responsible for keeping the central institution's and its member credit institutions senior and operative management aware of any significant changes to key regulations and the implications of such changes. The compliance function prepares guidelines for applying the regulations.

The compliance function reports regularly on its activities and findings to the central institution's operating management, the Board of Directors and the Audit Committee of the Supervisory Board. The Compliance function has been centralised for all member credit institutions of the amalgamation of POP Banks.

The compliance risk is managed by monitoring developments in legislation; by providing business operations with guidelines, training and advice on operating methods that comply with the regulations; and by monitoring the compliance of procedures.

2.4 INTERNAL AUDIT

Internal audit is an independent and objective assessment and securing activity. The purpose of the activity is to support the Supervisory Board, Board of Directors and Executive management of the central institution in reaching the objectives by offering a systematic approach to the assessment and development of the organisation's control, management and governance processes and the effectiveness of risk management.

The internal audit unit of the amalgamation's central institution is responsible for organising the internal audit in the central institution and member credit institutions, and it controls organising the internal audit in other companies belonging to the amalgamation. The head of audit is responsible for the operation of the internal audit unit. Internal audit acts functionally under the Board of Directors of the central institution and administratively under the Managing Director. The Board of Directors of the central institution confirms the operating principles of internal audit.

Internal audit assesses the coverage and reliability of the amalgamation's capital adequacy management process and the sufficiency and effectiveness of the control procedures. Internal audit reports its key audit observations and the recommendations related to the capital adequacy management process it has issued to the Board of Directors of the central institution and the Audit Committee of the Supervisory Board at least annually. Significant deviations with regard to the capital adequacy management observed in the audit are reported immediately to the central institution's Board of Directors and the Audit Committee of the Supervisory Board.

2.5 MEMBER CREDIT INSTITUTIONS

The amalgamation's member credit institutions, member cooperative banks and Bonum Bank Plc, comply with the risk and capital adequacy management principles specified by the central institution.

Except for the central credit institution, the member credit institutions of the amalgamation are engaged in retail banking in line with their strategy. By operating only in this business area, the member credit institutions are able to keep the business operations risks at a manageable and low level.

At POP Banks, the highest administrative organ is the cooperative meeting or representatives' meeting, which elects the members of the Supervisory Board. The Supervisory Board elects the members of the Board of Directors. At Bonum Bank Plc, the Annual General Meeting elects the members of the Board of Directors. The Supervisory Board elects an Audit Committee from among its number, which assists the Supervisory Board in implementing its control obligation.

The Board of Directors of the member credit institution confirms, inter alia, internal guidelines concerning internal control and risk management, business objectives, risk limits concerning different risk categories and capital adequacy management plan. Furthermore, the Board of Directors is responsible for the adequacy of risk management and supervises the business operations, risk exposure and adequacy of risk-bearing capacity of the bank. In the capital adequacy management process, the member credit institution prepares, among other things, result, growth and capital adequacy estimates. Based on the forecasts, the member credit institution maps the necessary measures by means of which the capital adequacy objective in accordance with the business strategy can be achieved.

The executive management of the member credit institution is responsible for the implementation of internal control and risk management and reports regularly to the Board of Directors on the business operations, risk-bearing capacity and risk exposure of the member credit institution.

The central institution's independent risk control function and Compliance function guides the supervision of the amalgamation's risks. In addition to this, the largest member credit institutions have their own independent persons in charge of risk control, who is responsible for the implementation of risk control at the member credit institution as instructed by the central institution. The other member credit institutions have a contact person responsible for the function.

Primary responsibility, control responsibility and assessment responsibility have been specified for the duties of risk management and distribution of responsibilities. The member credit institution responsible for business operations has the primary responsibility for the implementation of internal control and practical risk management measures, and it is also responsible for compliance with the risk management guidelines and procedures.

ORGANISATION OF RISK MANAGEMENT AND INTERNAL CONTROL

I LINE OF DEFENCE

MEMBER CREDIT INSTITUTIONS

- Day-to-day risk management
- Supervisor control
- The executive management and Board of Directors of the member credit institution have the primary responsibility for control

II LINE OF DEFENCE

INDEPENDENT RISK CONTROL AND COMPLIANCE OF THE CENTRAL INSTITUTION

- Control
- Instruction
- Support, processes, tools

III LINE OF DEFENCE

CENTRAL INSTITUTION'S INTERNAL AUDIT

- Independent assessment of control based on risk-based audit activity

The central institution's risk control function supervises risk management in the amalgamation, and the Compliance function supervises the compliance of the operations. Internal Audit, which operates within the central institution, conducts independent audit and assurance tasks to ensure the adequacy and efficiency of the control procedures.

3. CAPITAL ADEQUACY MANAGEMENT

The objective of capital adequacy management is to ensure that the amalgamation of POP Banks and its member credit institutions have an adequate capital buffer to achieve their business strategy and to cover the material risks arising from them in all circumstances. The capital adequacy position is managed in accordance with the risk appetite framework and related limits set by the amalgamation.

Monitoring and controlling of capital adequacy are implemented by setting limits for both the amalgamations' and the member credit institutions' capital adequacy. The limits are set both for the capital adequacy ratio calculated in accordance with the Capital Requirements Regulation (EU 2019/876) (hereinafter the EU Capital Requirements Regulation) and for the economic capital requirement which is based on an internal risk assessment (Pillar 2).

As part of the capital adequacy management process the aim is to identify all material risks and assess their magnitude and required capital requirements. Under the supervision of the central institution, the member credit institutions of the amalgamation prepare their own capital plans and stress tests on an annual basis using harmonised principles defined by the central institution. Based on the capital plans of the member credit institutions, the capital plan of the amalgamation is prepared, which includes a summary of the development of the capital and exposures of the amalgamation in different scenarios. The process ensures that the amalgamation's growth, profitability and risk-bearing capacity objectives are appropriate and consistent. The baseline scenario of the capital plan forms the basis for budgeting for member credit institutions and the amalgamation.

The key figures, capital requirements and main items of capital adequacy calculations of the amalgamation are presented in the Board of Directors' report in the financial statements. More detailed information is presented in a separate Pillar III report in accordance with Part Eight of the EU Capital Requirements Regulation.

3.1 PILLAR I CAPITAL ADEQUACY RATIO

The amalgamation's most significant Pillar I capital requirements are comprised of exposures secured by real estate and both corporate and retail receivables. The amalgamation applies the standardised approach for the calculation of the capital requirement for credit risk, and the basic indicator approach for calculating the capital requirement for operational risk. Member credit institutions of the amalgamation do not engage in trading activities, so the capital requirement for market risk is only calculated for foreign exchange risk.

Own funds of the amalgamation are comprised of cooperative contributions, POP Shares, retained earnings and reserves less the deductions pursuant to the EU Capital Requirements Regulation. Profit for the financial year is not included in the own funds.

4. BANKING RISKS

4.1 CREDIT RISK

The most significant risk of the amalgamation is the credit and counterparty risk. Credit risk refers to a situation in which a counterparty cannot fulfil its contractual obligations. The most significant source of credit risk is loans, but credit risk can also arise from other kinds of receivables, such as debt securities, and off-balance-sheet commitments, such as unused credit facilities and overdraft limits and guarantees.

4.1.1 Management of credit risk

The Board of Directors of the central institution controls the credit risk management of the member credit institutions, the methods used in it and the control and reporting of credit risk. The Board of Directors of the central institution approves the credit risk strategy specifying the target risk level and the principles concerning guidelines on risk-taking, customer selection and collateral. Credit risk management aims at limiting the effects of credit risks resulting from lending activities on profit and balance sheet to an acceptable level. The Board of Directors of the central institution approves the customer group and industry division principles and risk and monitoring limits of the credit portfolio used in the monitoring the quality of the credit portfolio. The credit risk strategy is supplemented by credit risk and collateral management guidelines, which lay the foundation for the management of credit risk by the member credit institutions. The central institution's risk control function is responsible for the preparation and maintenance of the credit risk strategy. The credit risk strategy is updated at least annually or whenever there are essential changes in the operating environment or business model of the amalgamation, legislation or regulatory requirements.

Credit strategy approved in Central institution's Board of Directors forms directly credit strategy at individual member credit institution. Credit risk strategy and other operative credit risk guidelines specify the maximum limits for risk concentrations and act as guidelines for the targeting of lending by customer sector, industry and credit grade.

Credit decisions are based on the customer's credit worthiness and ability to pay and the fulfilment of the other credit criteria, such as requirements for collateral. The main principle is decision making by two persons having lending authorization. The lending decisions are made within the decision-making authorizations confirmed by the Board of Directors of each member credit institution and within the risk guidelines approved by the

Central institution's Board of Directors. Member credit institutions primarily grant loans and guarantees in their own operating areas. This ensures local and sufficiently thorough knowledge of the customer.

To ensure the repayment of exposures, exposures should primarily be secured by collateral. Collaterals are valued prudently at fair value, and the development of market values is monitored regularly utilizing both statistical models and good knowledge of the operating area. The collateral valuation coefficients used for valuating collaterals are harmonized in the member credit institutions of the amalgamation.

Monitoring expected credit losses (ECL) is an essential part of the credit risk management. Principles of impairment and calculation of expected credit losses are described in Note 2 POP Bank Group's accounting policies under IFRS. Impairment losses on loans and receivables, off-balance sheet items and changes during the financial year are presented in Note 18 Impairment of financial assets.

Exposures of customers and non-performing receivables are reported monthly to the Boards of Directors of the member credit institutions. The reports include, amongst other things, the amount and development of credit risk by customer group, industry sector and credit grade category. The risk control function reports to the central institution's Board of Directors on the development of credit risks, risk position, non-performing receivables, forbearance and expected credit losses on a quarterly basis or more often if deemed necessary.

The assessment of the credit worthiness of a customer is based on a good customer knowledge, the customer's occupation and income data, ability to pay and surplus calculation and a credit rating models. Private and corporate customers with open exposures are scored with the behaviour scoring model based on payment behaviour. Agricultural customers with exposures are scored regularly using a credit rating model. New customers who are applying for a loan are scored with application scoring. The purpose of the scoring is to group the customers according to their risk.

Loans and receivables are categorised in rating categories 1–8 by probability of default (PD) of the receivable. Rating category 1 represents the receivables of the lowest risk and risk category 8 represents the receivables of the highest risk. Both the customer and the receivable are categorised as defaulted (rating category 8), if a default criteria described in accounting policies is met. Receivables categorised as defaulted are classified in stage 3 as per IFRS 9 in the calculation of excepted credit losses. Receivables with a significant increase in credit risk are classified in stage 2. Other receivables are classified in stage 1. The principles for calculating expected credit losses are described more in detail in Note 2.

Loans and receivables, debt securities and off-balance sheet items in the highest-risk rating category 8 totalled EUR 156,554 (113,629) thousand in gross value at the end of reporting period.

From the net receivables from customers, risk categories 1-4 had 67.2 (66,4) per cent private customers, 20.2 (20.7) per cent corporate customers and 12.6 (12.9) per cent agricultural customers. Of the higher risk categories 5-8, private customers were 50.6 (52.8) per cent, agricultural customers 13.2 (15.2) per cent and corporate customers 36.1 (32.0) per cent at the end of reporting period.

RECEIVABLES BY RATING CATEGORY

LOANS AND RECEIVABLES FROM CUSTOMERS BY RATING CATEGORY AND BY ECL STAGE

(EUR 1,000)	PD value		31 Dec 2023				31 Dec 2022
Rating category	**Lower**	**Upper**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Total**
1-4	0.00	1.50	3,577,461	27,896	-	3,609,982	3,609,982
5	1.50	5.00	465,637	54,312	-	454,820	454,820
6	5.00	25.00	131,126	108,758	-	220,554	220,554
7	25.00	100.00	3,114	92,612	-	92,428	92,428
8	100.00	100.00	-	-	153,941	112,207	112,207
Gross value			**4,177,337**	**283,577**	**153,941**	**4,489,992**	**4,489,992**
ECL			**5,468**	**4,784**	**42,348**	**52,601**	**41,512**
Net value			**4,171,869**	**278,793**	**111,593**	**4,437,391**	**4,448,480**

DEBT SECURITIES BY RATING CATEGORY AND BY ECL STAGE

(EUR 1,000)	PD value		31 Dec 2023				31 Dec 2022
Rating category	**Lower**	**Upper**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Total**
1-4	0.00	1.50	605,784	15,096	-	620,880	493,353
5	1.50	5.00	-	6,710	-	6,710	10,330
6	5.00	25.00	-	2,859	-	2,859	5,963
7	25.00	100.00	-	488	-	488	90
8	100.00	100.00	-	-	-	-	-
Gross value			**605,784**	**25,152**	**-**	**630,937**	**509,736**
ECL			**202**	**556**	**-**	**758**	**623**
Net value			**605,582**	**24,596**	**-**	**630,179**	**509,669**

Expected credit losses from debt securities measured at fair value through other comprehensive income totalled EUR 758 (623) thousand, of which EUR 202 thousand is in Stage 1 and EUR 556 thousand in Stage 2.

OFF BALANCE-SHEET COMMITMENTS BY RATING CATEGORY AND BY ECL STAGE

(EUR 1,000)	PD value		31 Dec 2023				31 Dec 2022
Rating category	Lower	Upper	Stage 1	Stage 2	Stage 3	Total	Total
1-4	0.00	1.50	284,481	7,614	-	292,096	320,290
5	1.50	5.00	14,924	1,681	-	16,605	16,037
6	5.00	25.00	3,068	2,814	-	5,883	7,646
7	25.00	100.00	69	319	-	389	1,365
8	100.00	100.00	451	-	2,613	3,065	1,462
Gross value			**302,994**	**12,430**	**2,613**	**318,037**	**346,800**
ECL			**316**	**147**	**531**	**994**	**878**
Net value			**302,677**	**12,283**	**2,082**	**317,042**	**345,922**

4.1.2 Breakdown of loans by customer groups

The amalgamation's key customer groups are private customers, agricultural customers and small companies. The amalgamation's loan portfolio totalled EUR 4 562 254 (4 448 480) thousand at the end of 2023.

BREAKDOWN OF LOANS BY CUSTOMER GROUPS

(EUR 1,000, net value)	31 Dec 2023	31 Dec 2022	Change, %	Main collateral type
Private customers	2,886,375	2,843,929	1.5 %	Residential real estate
Corporate customers	1,094,082	1,015,620	7.7 %	Other real estate
Agricultural customers	581,797	588,930	-1.2 %	Other real estate
Total	**4,562,254**	**4,448,480**	**2.6 %**	

The primary target groups of the non-retail lending are micro and small companies, self-employed persons and agriculture and forestry customers operating in the operating area of the member credit institution. In lending to corporate customers, the basis for granting a loan are the customer's financial position, debt servicing capacity, analysis of financial statements, coverage of the collateral offered and the customer's credit rating.

CORPORATE LENDING BY INDUSTRY

	31 Dec 2023		31 Dec 2022	
(EUR 1,000)	Net value	%	Net value	%
Real estate	432,138	39.5 %	376,971	37.1 %
Construction	153,798	14.1 %	143,063	14.1 %
Wholesale and retail trade	92,061	8.4 %	89,196	8.8 %
Industry	88,224	8.1 %	86,681	8.5 %
Transport and storage	49,616	4.5 %	49,727	4.9 %
Other industries	278,245	25.4 %	269,983	26.6 %
Total	**1,094,082**	**100.0 %**	**1,015,620**	**100.0 %**

4.1.3 Loan portfolio by collateral and stages

Lending to private customers is mainly secured by residential real estate collateral. Other collateral is used according to need. A majority, 62.0 (63.0) per cent of the amalgamation's loans has been granted against residential collateral. The loans to private customers are booked in the balance sheets of POP Banks, whereas Visa credit cards and unsecured digital consumer credits are booked in the balance sheet of the central credit institution. The table below shows the amount exposed to credit risk by collateral and stages.

LOAN BOOK BY COLLATERAL TYPE AND BY ECL STAGE 31 DEC 2023

(EUR 1,000, net value)	Stage 1	Stage 2	Stage 3	Total
Residential real estate	2,667,454	144,478	39,119	2,851,051
Other real estate	1,101,261	112,337	58,052	1,271,650
Financial collateral	91,783	2,770	256	94,810
Guarantee	35,378	3,834	2,010	41,221
Other collateral	63,509	8,339	3,384	75,233
Non-collateralised	212,484	7,035	8,771	228,290
Total	**4,171,869**	**278,793**	**111,593**	**4,562,255**

LOAN BOOK BY COLLATERAL TYPE AND BY ECL STAGE 31 DEC 2022

(EUR 1,000, net value)	Stage 1	Stage 2	Stage 3	Total
Residential real estate	2,636,362	136,181	31,002	2,803,545
Other real estate	1,090,362	96,955	40,467	1,227,784
Financial collateral	94,512	2,520	264	97,296
Guarantee	38,534	4,339	1,535	44,408
Other collateral	59,275	7,509	1,263	68,047
Non-collateralised	194,691	6,505	6,205	207,401
Total	**4,113,736**	**254,009**	**80,735**	**4,448,480**

4.1.4. Concentration risk

Credit risk concentration arises when the counterparties are financially dependent on each other and operate in a similar operating environment, in which case individual events can have effects on a significant number of counterparties at the same time. Similar concentration risk may also arise when similar collateral is held for credit facilities.

The total amount of loans granted by the amalgamation or an individual member credit institution to a single customer and/or customer group cannot exceed the maximum amounts confirmed in the EU's Capital Requirements Regulation, or the regulations and guidelines provided by the Finnish Financial Supervisory Authority or other supervisory authorities. At the amalgamation level, the maximum concentration risk limit has been defined for customer groups and risk industries as well as a euro-dominated limit for individual customer entities. In addition, a euro-denominated limit has been specified at the amalgamation level with new credit exceeding the limit the Central institution's Risk Control to be informed prior to the granting of the credit. There were no credit concentrations risks arising from lending in the amalgamation or at individual member credit institution at the end of the year.

4.1.5. Doubtful receivables, forbearances and impairment losses

The monitoring of credit risk is based on the continuous monitoring of doubtful receivables and past-due payments, forbearances and the quality as well as the composure of the loan portfolio. Problems that can be foreseen are addressed as early as possible. The main principals for managing doubtful receivables and problematic customers are defined in guidelines issued by the Central institution. The main principle of the guidelines is an active management of the receivables in arrears. Bank's risk position can be enhanced by contacting the customer in an early stage of arrears and timely actions for collections. Lengthened arrears affect the ECL staging as well as internal and authority reporting as problem loan.

PAST DUE EXPOSURES

	31 Dec 2023		31 Dec 2022	
(EUR 1,000)	Net value	% of loan portfolio	Net value	% of loan portfolio
Exposures 30-90 days past due	31,541	0.69 %	27,520	0.62 %
Exposures over 90 days past due	49,789	1.09 %	41,193	0.93 %
Exposures 90-180 days past due	12,474	0.27 %	8,734	0.20 %
Exposures 180 days - 1 year past due	14,859	0.33 %	11,342	0.25 %
Exposures over 1 year past due	22,455	0.49 %	21,116	0.47 %

Doubtful receivables are being followed and reported by criteria that are similar to the definitions of ECL stage 3 and forbearance. In addition to these criteria a single receivable or customer's all receivables can be classified as doubtful receivables by using bank's own consideration.

Forbearance is a temporary concession to contract terms due to customer's financial difficulties. Purpose of forbearance measures is to secure the customer's ability to pay and limit the credit risk of the receivables. Receivables that are more than 90 days past due with forbearance measures are included in stage 3. Receivables with more than one forbearance measure are also included in stage 3. Other receivables with forbearance measures are included in stage 2.

DOUBTFUL RECEIVABLES AND FORBEARANCE

(EUR 1,000, gross value)	31.12.2023	31.12.2022
- Receivables in stage 3	153,941	112,207
of which forbearance receivables	58,177	41,294
- Receivables in stage 2	283,577	258,791
of which forbearance receivables	123,877	108,838

Receivables in stage 3 are covered mainly by residential real estate or other real estate. Significant receivables that are in stage 2 or 3 are being evaluated monthly. In the survey actions for securing the receivable, valuation of the collateral, change in the credit classification and possible credit loss are being considered. Loans categorised in stage 3 increased by 37.2 per cent during the financial year.

LOAN BOOK IN STAGE 3 BY THE PRIMARY COLLATERAL TYPE 31 DEC 2023

(EUR 1,000)	Gross value	Eligible collateral *	ECL	Open credit risk**
Residential real estate	47,864	44,146	8,954	1,190
Other real estate	79,217	72,735	21,751	1,834
Financial collateral	929	87	689	153
Guarantee	3,411	-	1,414	1,997
Other collateral	6,282	900	2,971	2,585
Non-collateralized	16,238	-	6,569	9,670
Total	**153,941**	**117,867**	**42,348**	**17,428**

LOAN BOOK IN STAGE 3 BY THE PRIMARY COLLATERAL TYPE 31 DEC 2022

(EUR 1,000)	Gross value	Eligible collateral *	ECL	Open credit risk**
Residential real estate	41,014	37,823	10,012	980
Other real estate	54,107	50,184	13,640	1,219
Financial collateral	461	300	197	90
Guarantee	2,597	-	1,062	1,535
Other collateral	3,472	153	2,209	1,164
Non-collateralized	10,557	-	4,352	6,205
Total	**112,208**	**88,461**	**31,473**	**11,193**

*The tables only show the effect of eligible collateral arrangements for capital adequacy purposes. Receivables are also subject to non-secured collateral arrangements.

** Open credit risk acter ECL and collateral

Expected credit losses (ECL) on loans and receivables from customers increased by 26.7 per cent to EUR 52.6 (41.5) million during the financial year. Increase in expected credit losses is explained mainly by the increase in ECL at stage 3, which was especially caused by financial difficulties within corporate customers credit portfolio.

The accounting policies for impairment on loans and other receivables are defined in Note 2 of the financial statements, and more detailed information about changes in expected credit losses is presented in Note 18 Impairment losses on financial assets.

4.2 MARKET RISK

Market risk refers to the possibility of losses caused by changes in interest rates and market prices. The market risk types are interest rate, currency, equity and commodity risk. Interest rate risk of the banking book is the most significant market risk in the POP Bank Group's banking business. Interest rate risks arise from the banking book of member credit institutions, consisting of lending and deposits, wholesale market funding and investment and liquidity portfolios. In investment activities, a change in interest rates results in market risk through a change in the market prices of the securities. Currency risk refers to the effect of changes in foreign exchange rates on earnings or own funds. Equity risk refers to effects on earnings due to changes in the market prices of, for example, public equities and fund units. Commodity risk refers to the risk of losses due to changes in commodity prices.

4.2.1 Management of market risk

The objective of market risk management is to identify and assess market risks related to the business operations, mitigate the risks to an acceptable level and report regularly on them. The Board of Directors of the POP Bank Amalgamation's central institution confirms the market risk strategy and market risk management guidelines, which create the foundation for market risk management at the member credit institutions.

The Boards of Directors of the member credit institutions confirm market risk management guidelines in accordance with the market risk strategy of the central institution. The process for managing a member credit institution's capital adequacy is a key part of the process for determining the risk capacity and appetite related to investing activities. The taking of market risk has been limited within the amalgamation with regard to trading, interest rate risk, equity risk, currency risk, derivative contracts, structured products and commodity risk. Taking commodity risk is not allowed. The member credit institutions of the amalgamation do not engage in trading for own or customers' account, and the member credit institutions do not have a separate trading book.

The currency risk related to the Group's operations is low. Currency risk is not taken at all in lending; all loans are granted in euros. Currency risk may arise to a small extent mainly from mutual fund holdings in the investment portfolio and covering transactions related to the central credit institution's international payments. The use of derivatives is limited to hedging purposes only.

4.2.2 Interest rate risk in the banking book

Interest rate risk in the banking book refers to the negative effect of changes in interest rates on the market value of the amalgamation's balance sheet items and off-balance sheet items or net interest income. Interest rate risk arises from differences in the interest terms of receivables and liabilities and mismatches in interest rate repricing and maturity dates.

Interest rate risk in the amalgamation and its member credit institutions is monitored using the net present value method and the net interest income model. The net present value method measures how changes in interest rates change the calculated market value of balance sheet items. In the net present value method, the market values of each balance sheet item are expected to be formed as the present value of the cash flows generated by the instrument in question. The net interest income model predicts the future net interest income as market interest rates change. The net interest income forecast is calculated at the reporting date using forward interest rates available in the market for the following five years. The amount of interest rate risk taken is assessed with the effect of diverse interest rate shocks on the net interest income and net present value. The effect of early loan prepayments and the behaviour of non-maturity deposits have been considered in the analysis.

The amalgamation's interest rate risk is managed by applying the risk limits issued by the central institution's Board of Directors for net interest income and changes in the present value of the balance sheet.

Primary tool to manage amalgamation interest rate risk is planning balances balance sheet structure such as assets and liabilities maturity and interest rate fixing structure. In addition, during 2022 interest rate risk was managed with interest rate derivatives and by adding fixed rate instrument to LCR liquidity portfolio.

THE INTEREST RATE SENSITIVITY ANALYSIS OF THE BANKING BOOK

Impact to interest margin (EUR 1,000)	Change	31 Dec 2023 1-12 mo.	31 Dec 2022 1-12 mo.
Interest rate risk	+1%-point	14,489	17,893
Interest rate risk	-1%-point	-16,354	-17,770

The interest rate risk calculations present interest rate sensitivity concerning the impact of a change of one per cent at the time of reporting on net interest income for the following financial year and.

4.2.3 Investment and liquidity portfolio

The investment and liquidity portfolio of the amalgamation consists of securities and other investments included in the liquidity reserves of the central and member credit institutions. Market risk emerges in these investment activities, consisting of counterparty, interest rate, currency and general market price risks.

Member credit institutions can invest their liquidity surplus after the internal target limit of the liquidity buffer has been reached. The member credit institutions' objective in investing in securities is to obtain a competitive return on investment in terms of yield/risk ratio on a long-term perspective.

Risks arising from the investment and liquidity portfolio are managed by limits defined for the amalgamation, which ensures the diversification of investments in terms of timing, asset category, risk type and counterparty. Investment risks are also monitored through sensitivity analysis. The purpose of the limitation is that the price volatility of investment portfolio will not threaten the capital adequacy or profitability of the member credit institution or the entire amalgamation.

Risk appetite in the investment portfolio is assessed in relation to the earnings and own funds of the amalgamation. The breakdown and sensitivity analysis of investment assets at Group level are described in Note 21 Investment Assets.

4.3 LIQUIDITY RISKS

Liquidity risk refers to the capability of the POP Banks' amalgamation and its individual member credit institution to meet their commitments. Liquidity risk can be divided into short-term liquidity risk and long-term structural funding risk. Short-term liquidity risk refers to a situation in which an entity cannot without difficulty fulfil its liabilities to pay. Structural funding risk is a risk related to the availability and price of refinancing which arises when the maturities of receivables and liabilities differ from each other. Funding risk also arises if receivables and liabilities are concentrated on individual counterparties to too high a degree.

4.3.1 Management of liquidity risk

The executive management of the central institution prepares the amalgamation's strategy, principles and limits of liquidity management, which are determined based on the member credit institutions' liquidity needs and amalgamation-level risk appetite. The central institution's Board of Directors approves the liquidity strategy and the principles of liquidity management. In addition, the Board of Directors approves the funding plan and the liquidity contingency plan made by the central credit institution. The risk control function plans, develops and tests methods used in liquidity risk management and is responsible for risk reporting to the Board of Directors of the central institution. The central credit institution and its executive management assist the risk control function in this process. The Board of Directors of the central institution's approves the liquidity strategy and the methods used in implementing the principles of liquidity management.

The executive management of the central credit institution is responsible for coordinating the implementation of the liquidity strategy at the amalgamation level, and it monitors and supervises the liquidity strategy implemented by the member credit institutions. The central credit institution coordinates the payment transactions of the member credit institutions and the acquisition and balancing of liquidity in the amalgamation. The task of the amalgamation's independent risk control function is to supervise and monitor the liquidity risk.

The central credit institution reports on the liquidity situation to the Board of Directors of the central credit institution and is responsible for the planning of the liquidity position and funding of the amalgamation. The Board of Directors of the central credit institution is responsible for monitoring the implementation of the liquidity strategy at the central credit institution.

4.3.2 Short-term liquidity risk

The liquidity management of the amalgamation follows the principles set out in the liquidity strategy, which aims to limit risk through a diversified financial structure. The most important means of securing a good liquidity position are maintaining a sufficient and high-quality liquidity reserve and diversifying funding sources. Intra-day liquidity, liquidity reserve and liquidity coverage ratio are the key means to limit and measure the liquidity risk of the amalgamation. The internal limits and controls of the amalgamation limits the liquidity risk associated with the business activities of the amalgamation and the member credit institutions and ensure that the regulatory requirements related to liquidity risk are met.

The key ratios for measuring short-term liquidity risk are the liquidity coverage ratio (LCR), specified in the EU's Capital Requirements Regulation and The Net Stable Funding Ratio (NSFR). LCR measures short-term liquidity risk and is responsible for ensuring that the liquidity reserve, consisting of good quality assets under LCR regulation, is sufficient to cover outflow net cash flows in stress situations for 30 days. The NSFR measures the reconciliation of assets and liabilities on the balance sheet with maturity more than one year and is responsible for ensuring that long-term lending is adequately funded by long-term funding.

LCR AND NSFR RATIOS

(per cent)	31 Dec 2023	30 Jun 2023	31 Dec 2022
LCR	273.9	257.3	184.8
NSFR	132.7	136.2	133.5

The central institution of amalgamation applies a permission by the Finnish Financial Supervisory Authority to decide that the requirements laid down in the sixth part of the EU Capital Requirements Regulation and EU's statutory orders based on the Regulation are not applied to its member credit institutions. According to the permission, the regulatory requirements for liquidity risk (LCR and NSFR) are met at the amalgamation level only. The central credit institution is responsible for meeting the regulatory requirements.

The liquidity reserve of the amalgamation consists of high-quality assets in accordance with the EU Capital Requirements Regulation, which can meet the liquidity need in stress situations either by selling the securities or by pledging them as collateral for central bank funding. At the end of 2023, the non-pledged financial assets and cash included in the primary liquidity reserve were in total of EUR 1,032.7 (779.7) million.

LIQUIDITY RESERVE, MARKET VALUE

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Cash and deposits with central banks	495,644	448,499
Government bonds	204,636	92,819
Debt securities issued or guaranteed by municipalities or the public sector	124,337	92,964
Covered bonds	47,083	34,466
Debt securities issued by financial institutions or corporates	113,328	61,689
Other liquid assets*	47,687	49,288
Total	**1,032,715**	**779,725**

* Item includes deposit repayable on demand EUR 6 260 (6 604) thousand and minimum reserve deposit EUR 40 811 (41 636) thousand.

In addition to the liquidity reserve, the member credit institutions of the amalgamation have various investment securities as other instruments, such as funds and debt securities in the amount of EUR 100.1 (101.1) million. These investment assets are not included in the primary liquidity reserve due to their liquidity in stressed situations involves uncertainty.

The amalgamation's central credit institution supervises the intra-day liquidity coverage by monitoring the balances of the payment accounts of the member credit institutions. The member credit institutions follow continuously their intra-day liquidity position.

4.3.3 Structural funding risk

The funding risk arising through the maturity transformation of lending and borrowing is an essential part of the amalgamation's business operations. The business operations are based on deposits received by the member credit institutions from their customers, which are used to finance the member credit institutions' lending to customers.

The table below shows the maturities of the amalgamation's liabilities. Current deposits are assumed to mature immediately.

MATURITY OF FINANCIAL LIABILITIES 31 DEC 2023

(EUR 1,000)	less than 3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities to central banks	70,000	8,400	-	-	78,400
Liabilities to credit institutions	5,531	7,000	40,213	-	52,744
Liabilities to customers	3,702,590	495,340	132,390	-	4,330,320
Derivatives	-	-	4,661	-	4,661
Debt securities issued	83,965	-	703,191	-	787,156
Lease liabilities	321	1,309	2,751	336	4,717
Total	**3,862,407**	**512,049**	**883,205**	**336**	**5,257,997**

MATURITY OF FINANCIAL LIABILITIES 31 DEC 2022

(EUR 1,000)	less than 3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities to central banks	-	50,000	78,400	-	128,400
Liabilities to credit institutions	3,303	9,000	22,435	-	34,739
Liabilities to customers	4,000,895	233,172	91,879	-	4,325,946
Derivatives	-	-	12,495	-	12,495
Debt securities issued	49,953	67,369	447,931	-	565,252
Lease liabilities	454	1,298	2,804	495	5,050
Total	**4,054,605**	**360,838**	**655,945**	**495**	**5,071,882**

4.4 REAL ESTATE RISK

Real estate risk refers to impairment, income or loss risk related to real estate property. Real estate investments are not included in the core business of the amalgamation's banking operations. The properties owned by the amalgamation of POP Banks are divided into owner-occupied properties and the investment properties.

Owner-occupied properties are recognized under property, plant and equipment and investment properties under investment assets on the balance sheet. Both properties used by member credit institutions of the amalgamation and investment properties are measured at acquisition cost less depreciation and impairment in the financial statements. The value of real estate assets is moderate compared to the balance sheet and own funds of the amalgamation. The balance sheet value of investment properties accounted for 0.5 (0.6) per cent of the balance sheet.

4.5 OPERATIONAL RISKS

The risk control function quarterly reports the losses incurred due to the realisation of operational risks and a summary of the self-assessments of operational risks to the Board of Directors of the amalgamation's central institution and the executive management of the central institution.

Operational risk refers to the risk of financial loss caused by inadequate or failed internal processes, personnel, systems and external factors. For example, operational risks are included in all main and support business processes as well as outsourced functions and services.

The Board of Directors of the central institution approves the operational risk management guidelines and also the principles to be followed in business continuity management. All member credit institutions accept operational risk management guidelines and business continuity management principles for their own operations. The amalgamation´s overall operational risk level appetite is moderate. Capital is reserved for operational risks in the amalgamation´s capital adequacy management process.

Operational risks are primarily managed with risk management processes, instructions and risk area-specific mitigating actions (controls and measures) to correct the identified deficiencies and errors and to lower the risk level. Controls and measures of risk management include e.g. instructions and their continuous updating, review and monitoring, technical controls preventing improper and unauthorized use of systems, personnel-related and IT backup arrangements, identify and access management (IAM), business continuity plan, outsourcing agreement, insurance coverage, reporting, training and increasing competence.

Most relevant operational risk management processes in the POP Bank Group include regular self-assessment of operational risks (risk identification, assessment, determination and implementation of mitigating actions), registration and reporting of realized risk events and near-miss situations, risk appetite statements and metrics for operational risks, and a new product/service approval process.

The risk level of all risk areas that are part of POP Bank Group´s operational risk framework is regularly assessed and reviewed by central community's risk control function, and the risk status is monitored in the operational risk assessment report submitted to the Board of Directors of the central institution on a quarterly basis.

The operational risks related to the key products, services, functions, processes and systems are identified in the assessment process concerning a new product or service carried out by the business function and reviewed by the central community´s risk control and compliance function.

4.6 STRATEGIC RISK

Strategic risk arises from choosing a wrong strategy, unsuccessful implementation of strategy, changes in the competitive environment or responding too slowly to changes.

Strategic risks are minimized by means of regular updates of strategic and annual plans. Analyses of the condition and development of the POP Bank Group, as well as other analyses and estimates concerning the development of the sector, competition and financial operating environment are utilized in the planning.

NOTE 5 DISCONTINUED OPERATIONS

Insurance operations is reported as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The company has been consolidated as a subsidiary into the POP Bank Group's financial statements until the completion of the transaction. After the acquisition, the POP Bank Group has only one operating segment, so the group does not prepare segment reporting.

The POP Bank Group relinquished control of Finnish P&C Insurance Ltd, which forms the insurance business segment, in a business transaction completed on 25 May 2023. The POP Bank Group sold 70% of the shares to LocalTapiola and continues in the company as a minority shareholder. A capital gain of EUR 41.9 million was recorded from the sale of the insurance business.

The tables below present the results of discontinued operations as well as the impact of discontinued operations on the POP Bank Group's balance sheet and cash flows.

POP Bank Group has adopted the IFRS 17 Insurance Contracts standard from 1 January 2023 retrospectively and reclassified the financial assets of the insurance operations in connection with the initial application. Therefore, the comparative period of discontinued operations has been restated. Financial assets of the insurance operations were reclassified retrospectively from financial assets measured at fair value through other comprehensive income to designation of financial assets at fair value through profit or loss. As a result, there were no items in other comprehensive income. Adoption of IFRS 17 and the effects of the correction has been presented in Note 2 section 7.

(EUR 1,000)	1 Jan - 25 May 2023	1 Jan - 31 Dec 2022
Profit from discontinued operations		
Net interest income	387	723
Net investment income	1,101	-4,789
Insurance service result		
Insurance premium revenue	20,755	49,933
Insurance service expenses	-18,617	-42,805
Net income from reinsurance contracts	-28	-4,620
Total net insurance service result	**2,109**	**2,508**
Net insurance finance income		
Net finance income from insurance contracts	-393	5,455
Net finance income from reinsurance contracts	126	-908
Total net insurance finance income	**-267**	**4,547**
Other operating income	**36**	**89**
Other operating expenses	**-77**	**-104**
Profit from discontinued operations before taxes	**3,290**	**2,974**
Income taxes	-	-2
Profit from discontinued operations after taxes	**3,290**	**2,972**
Capital gain on discontinued operations	38,098	-
Fair valuation of share ownership	3,840	-
Total capital gain on discontinued operations	**41,939**	**-**
Total profit from discontinued operations	**45,228**	**2,972**

THE EFFECT OF DISCONTINUED OPERATIONS ON THE BALANCE SHEET OF THE POP BANK GROUP AT THE TIME OF SALE

(EUR 1,000)	25 May 2023
Loans and advances to credit institutions	9,109
Investment assets	73,414
Reinsurance contract assets	11,297
Intangible assets	4,586
Property, plant and equipment	510
Other assets	816
Tax assets	1,353
Total assets	**101,086**
Insurance contract liabilities	50,244
Other liabilities	7,572
Tax liabilities	1,771
Total liabilities	**59,587**

CASH FLOWS FROM DISCONTINUED OPERATIONS

(EUR 1,000)	25 May 2023	31 Dec 2022
Cash flow from operations	5,371	402
Cash flow from investing activities	-1,469	-1,439
Total cash flow	**3,902**	**-1,036**

NOTES TO INCOME STATEMENT

NOTE 6 NET INTEREST INCOME

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Interest income		
Loans and advances to credit institutions	17,911	1,963
Loans and advances to customers	197,106	94,133
Debt securities		
At amortised cost	8,278	1,020
At fair value through profit or loss	125	187
At fair value through other comprehensive income	7,655	2,916
Hedging derivatives	22,257	3,233
Other interest income	1,606	948
Total interest income	**254,939**	**104,399**
of which positive interest expense	-	18
Interest expenses		
Liabilities to credit institutions	-3,938	-596
Liabilities to customers	-19,606	-3,088
Debt securities issued to the public	-24,637	-4,754
Hedging derivatives	-28,476	-1,944
Other interest expenses	-175	-690
Total interest expenses	**-76,832**	**-11,073**
of which negative interest income	-8	-599
Net interest income	**178,108**	**93,326**
Interest income from financial assets impaired due to credit risk (stage 3)	7,602	3,327

Income and expenses recognised by valuation techniques are presented in Note 14.

NOTE 7 NET COMMISSIONS AND FEES

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Commissions and fees		
Lending	8,343	8,271
Deposits	277	283
Payment transfers	29,309	27,220
Legal services	2,482	2,480
Intermediated services	3,713	3,729
Issuing guarantees	636	571
Funds	3,589	3,524
Other commission income	1,018	1,011
Total commissions and fees	**49,367**	**47,088**
Commissions expenses		
Payment transfers	-5,089	-4,791
Other commission expenses	-261	-200
Total commission expenses	**-5,351**	**-4,991**
Net commissions and fees	**44,016**	**42,098**

NOTE 8 NET INVESTMENT INCOME

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
At fair value through profit or loss		
Debt securities		
Capital gains and losses	-91	-184
Fair value gains and losses	-366	229
Shares and participations		
Dividend income	3,633	3,758
Capital gains and losses	-319	48
Fair value gains and losses	-2,883	-4,550
Total	**-26**	**-699**
At fair value through other comprehensive income		
Debt securities		
Capital gains and losses	70	183
Transferred from fair value reserve to the income statement	-182	-615
Shares and participations		
Dividend income	17	78
Total	**-95**	**-354**
Net income from foreign exchange trading		
Net income from hedge accounting		
Change in hedging instruments' fair value	24,000	-12,495
Change in hedged items' fair value	-25,120	12,625
Total	**-1,120**	**129**
Net income from investment property		
Rental income	2,620	2,587
Capital gains and losses	-232	313
Other income from investment property	123	130
Maintenance charges and expenses	-2,039	-2,045
Depreciations and amortisation of investment property	-1,712	-815
Other income and expenses from investment property	4	-7
Total	**-1,236**	**163**
Total net investment income	**-2,355**	**-602**

Net investment income includes net income from financial instruments except interest income from bonds recognised in net interest income.

NOTE 9 OTHER OPERATING INCOME

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Rental income from owner-occupied properties	37	121
Capital gains on owner-occupied properties	-	49
Recognition of Deposit Guarantee Fund contribution and previously paid bank tax	3,921	4,716
Other income	726	1,887
Total other operating income	**4,685**	**6,773**

The fee collected by the Financial Stability Authority for deposit guarantee purposes is covered by the fees accumulated in the old deposit guarantee fund in accordance with the old Credit Institutions Act. Support fees paid into the old fund are recognized as income when the old fund transfers funds to the new fund, and an equal support fee is recorded as other operating expenses. The stability fee of the Financial Stability Authority is partially covered by the previously paid bank tax.

NOTE 10 PERSONNEL EXPENSES

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Wages and salaries	-40,661	-36,762
Indirect personnel expenses	-1,342	-1,000
Pension expenses	-7,201	-5,810
Total personnel expenses	**-49,204**	**-43,571**

The information concerning the remuneration of key management personnel is presented in Note 36. Other information regarding remuneration is provided in Note 3 Governance and Control Systems.

NOTE 11 OTHER OPERATING EXPENSES

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Other operating expenses		
Other personnel expenses	-3,727	-2,735
Office expenses	-2,218	-1,661
Purchased services	-6,069	-7,715
ICT expenses	-29,813	-26,015
Telecommunications	-3,135	-2,686
Entertainment and marketing expenses	-2,506	-2,180
Rental expenses	-1,908	-1,735
Expenses arising from owner-occupied properties	-3,770	-3,488
Insurance and security expenses	-5,849	-5,797
Government charges and member fees	-711	-484
Audit fees	-449	-426
Other operating expenses	-3,548	-3,381
Total other operating expenses	**-63,703**	**-58,303**
Audit fees		
Audit services	-388	-358
Audit-related services according to Auditing Act 1.1,2 §	-1	-10
Tax advisory	-51	-3
Other services	-9	-54
Total audit fees	**-449**	**-426**

Rental expenses include the expenses of short-term and low-value leases.

Insurance and security expenses include EUR 4,570 (3,921) thousand of contribution collected by the Financial Stability Board for the deposit guarantee fund, which is fully covered by payments accounted for from the old Deposit Guarantee Fund, and a stability contribution of EUR 925 (1,059) thousand, of which EUR 795 thousand was covered by previously paid bank tax on previous financial year. Contributions from the old Deposit Guarantee Fund and previously paid bank tax recognised as income are presented in other operating income.

Other than audit services from KPMG Oy Ab to companies in POP Bank Group totalled to EUR 56 (52) thousand during the financial year 2023.

NOTE 12 DEPRECIATION, AMORTISATION AND IMPAIRMENT

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Depreciation and amortisation		
Buildings	-3,077	-3,235
Machinery and equipment	-542	-562
Intangible assets	-1,691	-2,060
Other	-496	-7
Total	**-5,807**	**-5,865**
Impairment		
Buildings	-110	-4
Intangible assets	-	27
Total	**-110**	**23**
Total depreciation and impairment	**-5,917**	**-5,842**

More detailed information about right-off-use assets is provided in Note 34.

NOTE 13 INCOME TAX

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Current tax	-14,229	-3,908
Tax for prior financial years	-77	22
Other direct taxes	-8	-25
Change in deferred taxes	-3,400	-1,372
Total income tax expense	**-17,714**	**-5,283**

Reconciliation between tax expense in the income statement and tax expense calculated using the applicable tax rate

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Profit before tax	134,554	26,155
Income tax rate	20 %	20 %
Tax calculated at the tax rate	-26,911	-5,231
Tax-exempt income	9,287	146
Non-deductible expenses	-14	-43
Deductible expenses not included in the profit	38	90
Use of tax losses carried forward from previous years	15	0
Deferred tax assets not recognised on losses	-52	-267
Difference due to the differing tax rate of foreign companies	-	0
Tax for prior financial years	-77	22
Tax expense in the income statement	**-17,714**	**-5,283**

NOTE 14 NET INCOME AND EXPENSES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY MEASUREMENT CATEGORY

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Financial assets		
At fair value through profit or loss		
Interest income	125	187
Fair value gains and losses	-3,249	-4,321
Dividend income	3,633	3,758
Capital gains and losses	-410	-136
Total	**99**	**-512**
At fair value through other comprehensive income		
Interest income and expenses	7,655	2,916
Transferred from fair value reserve to the income statement	-182	-615
Dividend income	17	78
Capital gains and losses	70	183
Expected credit loss	-78	708
Total	**7,482**	**3,270**
At amortised cost		
Interest income and expenses	224,872	98,089
Other income	8,620	8,554
Expected credit loss	-11,262	-5,225
Final credit losses	-5,931	-3,222
Total	**216,299**	**98,197**

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Financial liabilities		
At amortised cost		
Interest expenses	-48,179	-8,504
Total	**-48,179**	**-8,504**
At fair value through profit or loss		
Hedging derivatives		
Fair value gains and losses	-1,120	129
Interest income and expenses	-6,218	1,288
Total	**-7,338**	**1,417**
Net income from foreign exchange operation	**122**	**159**
Total income and expenses of financial liabilities	**168,485**	**94,028**

NOTES TO ASSETS

NOTE 15 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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	495,644	-	-	-	**495,644**
Loans and advances to credit institutions	61,503	-	-	-1	**61,502**
Loans and advances to customers	4,614,855	-	-	-52,601	**4,562,254**
Derivatives	-	-	-	-	**16,165**
Debt securities*	358,412	5,143	272,525	-125	**635,955**
Shares and participations	-	130,921	966	-	**131,887**
Financial assets total	**5,530,413**	**152,229**	**273,491**	**-52,726**	**5,903,406**
Other assets					**171,162**
Total assets					**6,074,569**

* Expected credit loss of EUR 758 thousand from debt securities have been recorded in the fair value reserve.

FINANCIAL ASSETS 31 DEC 2022

(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	448,499	-	-	-	**448,499**
Loans and advances to credit institutions	62,334	-	-	-1	**62,333**
Loans and advances to customers	4,489,992	-	-	-41,512	**4,448,480**
Debt securities*	207,678	56,789	255,347	-68	**519,746**
Shares and participations	-	166,411	1,347	-	**167,758**
Financial assets total	**5,208,502**	**223,200**	**256,695**	**-41,581**	**5,646,816**
Other assets					**127,376**
Total assets					**5,774,192**

* Expected credit loss of EUR 623 thousand from debt securities have been recorded in the fair value reserve.

** The debt securities presented at fair value through profit or loss include EUR 46,712 thousand of items specifically classified at fair value through profit or loss for insurance operations.

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	-	131,144	**131,144**
Liabilities to customers	-	4,330,320	**4,330,320**
Derivatives	4,661	-	**4,661**
Debt securities issued to the public	-	787,156	**787,156**
Financial liabilities total	**4,661**	**5,248,620**	**5,253,280**
Other liabilities			**133,182**
Total liabilities			**5,386,463**

FINANCIAL LIABILITIES 31 DEC 2022

(EUR 1,000)	At fair value through profit or loss	At amortised cost	Total carrying amount
Liabilities to credit institutions	-	163,139	**163,139**
Liabilities to customers	-	4,325,946	**4,325,946**
Derivatives	12,495	-	**12,495**
Debt securities issued to the public	-	565,252	**565,252**
Financial liabilities total	**12,495**	**5,054,337**	**5,066,832**
Other liabilities			**140,685**
Total liabilities			**5,207,517**

Financial assets are presented in detail in Note 19 and 20. Financial liabilities are presented in detail in Note 26 and 28. Derivatives are presented in detail in Note 27.

NOTE 16 FAIR VALUES AND VALUATION TECHNIQUES OF FINANCIAL ASSETS, FINANCIAL LIABILITIES AND INVESTMENT ASSET

FAIR VALUE HIERARCHY LEVELS OF ITEMS RECURRENTLY RECOGNISED AT FAIR VALUE

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				
Shares and participations	125,864	-	5,057	**130,921**
Debt securities	2,300	-	2,843	**5,143**
Derivatives		16,165		**16,165**
At fair value through other comprehensive income				
Shares and participations	-	-	966	**966**
Debt securities	237,988	33,819	718	**272,525**
Total	**366,152**	**49,984**	**9,583**	**425,719**

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	-	4,661	-	**4,661**
Total	**-**	**4,661**	**-**	**4,661**

ASSETS RECURRENTLY MEASURED AT FAIR VALUE 31 DEC 2022

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value
At fair value through profit or loss				
Shares and participations	154,769	-	11,642	**166,411**
Debt securities	51,073	995	4,721	**56,789**
At fair value through other comprehensive income				
Shares and participations	-	-	1,347	**1,347**
Debt securities	211,216	43,642	489	**255,347**
Total	**417,058**	**44,638**	**18,199**	**479,895**

*The debt securities presented at fair value through profit or loss include EUR 46,712 thousand of items specifically classified at fair value through profit or loss for insurance operations.

LIABILITIES RECURRENTLY MEASURED AT FAIR VALUE 31 DEC 2022

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value
At fair value through profit or loss				
Derivatives	-	12,495	-	**12,495**
Total	**-**	**12,495**	**-**	**12,495**

FAIR VALUE HIERARCHY LEVELS OF ITEMS RECOGNISED AT AMORTISED COST

ASSETS MEASURED AT AMORTISED COST 31 DEC 2023

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Loans and advances to credit institutions	-	61,502	-	61,502	61,502
Loans and advances to customers	-	4,546,396	-	4,546,396	4,562,254
Debt securities	-	361,678	-	361,678	358,287
Investment property	-	-	39,626	39,626	24,201
Total	**-**	**4,969,575**	**39,626**	**5,009,201**	**5,006,244**

LIABILITIES MEASURED AT AMORTISED COST 31 DEC 2023

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Liabilities to credit institutions	-	131,122	-	131,122	131,144
Liabilities to customers	-	4,318,250	-	4,318,250	4,330,320
Debt securities issued to the public	-	775,605	-	775,605	787,156
Total	**-**	**5,224,977**	**-**	**5,224,977**	**5,248,620**

ASSETS MEASURED AT AMORTISED COST 31 DEC 2022

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Loans and advances to credit institutions	-	62,333	-	62,333	62,333
Loans and advances to customers	-	4,410,256	-	4,410,256	4,448,480
Debt securities	204,124	-	-	204,124	207,610
Investment property	-	-	39,090	39,090	24,582
Total	**204,124**	**4,472,589**	**39,090**	**4,715,803**	**4,743,005**

LIABILITIES MEASURED AT AMORTISED COST 31 DEC 2022

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Liabilities to credit institutions	-	163,114	-	163,114	163,139
Liabilities to customers	-	4,324,240	-	4,324,240	4,325,946
Debt securities issued to the public	-	559,359	-	559,359	565,252
Total	**-**	**5,046,713**	**-**	**5,046,713**	**5,054,337**

FAIR VALUE DETERMINATION

Financial assets are recorded in the balance sheet either at fair value or at amortised cost. The classification and measurement of financial instruments is described in more detail in Note 2 POP Bank Group's accounting policies in Financial statements. Investment properties are recorded in the balance sheet at the acquisition cost less depreciation and impairment losses.

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 measures 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 instruments that are not traded in liquid markets.

Level 3 includes financial instruments and other assets and liabilities 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 HIERARCHIES

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.

During the reporting period, securities of EUR 744 (1,826) thousand have been transferred from hierarchy level 1 and 2 to hierarchy level 3 due to small trading volumes in the markets.

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

(EUR 1,000)	At fair value through profit or loss	At fair value through other comprehensive income	Total
Carrying amount 1 Jan 2023	**16,363**	**1,835**	**18,199**
Purchases	1,050	7	**1,057**
Sales*	-7,396	-18	**-7,414**
Matured during the financial year	-480	-	**-480**
Realised changes in value recognised in income statement	-29	-482	**-511**
Unrealised changes in value recognised in the income statement	-2,016	-	**-2,016**
Changes in value recognised in other comprehensive income	-	7	**7**
Transfers from levels 1 and 2	410	334	**744**
Transfers to levels 1 and 2	-3	-	**-3**
Carrying amount 31 Dec 2023	**7,899**	**1,683**	**9,583**

* The sales include items related to discontinued operations amounting to EUR 6,468 thousand.

(EUR 1,000)	At fair value through profit or loss	At fair value through other comprehensive income	Total
Carrying amount 1 Jan 2022	**15,768**	**3,819**	**19,587**
Purchases	1,974	643	**2,617**
Sales	-2,865	-4,453	**-7,318**
Matured during the financial year	-610	-	**-610**
Realised changes in value recognised in income statement	-128	-468	**-595**
Unrealised changes in value recognised in the income statement	2,207	-	**2,207**
Changes in value recognised in other comprehensive income	-	-1,229	**-1,229**
Realised changes in value recognised in retained earnings	-	1,922	**1,922**
Transfers from levels 1 and 2	130	1,696	**1,826**
Transfers to levels 1 and 2	-112	-95	**-207**
Carrying amount 31 Dec 2022	**16,363**	**1,835**	**18,199**

SENSITIVITY ANALYSIS OF FINANCIAL ASSETS AT LEVEL 3

31 DEC 2023

		Possible effect on equity capital	
(EUR 1,000)	**Carrying amount**	**Positive**	**Negative**
At fair value through profit or loss	7,899	787	-787
At fair value through other comprehensive income	1,683	152	-152
Total	**9,583**	**939**	**-939**

31 DEC 2022

		Possible effect on equity capital	
(EUR 1,000)	**Carrying amount**	**Positive**	**Negative**
At fair value through profit or loss	16,363	1,806	-1,806
At fair value through other comprehensive income	1,836	207	-207
Total	**18,199**	**2,013**	**-2,013**

The sensitivity of financial assets measured at fair value through profit or loss and classified as Level 3 has been calculated. For interest rate-sensitive investments, the assumption is a one percent change in interest rates, and for other investments, the assumption is a 15 percent change in fair value of the security.

POP Bank Group does not have any one-off fair value assets.

NOTE 17 IMPAIRMENT LOSSES ON FINANCIAL ASSETS

IMPAIRMENT LOSSES RECORDED DURING THE REPORTING PERIOD

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Change of ECL due to write-offs	4,129	2,089
Change of ECL, receivables from customers and off-balance sheet items	-15,333	-7,285
Change of ECL, debt securities	-135	679
Final credit losses	-5,931	-3,222
Impairment losses on financial assets total	**-17,271**	**-7,738**

During the financial year, EUR 5,931 (3,022) thousand was recognised as final credit losses. Recollection measures are attributed to EUR 4,554 (2,668) thousand.

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 section 8.5 Impairment of financial assets of Note 2 POP Bank Group's accounting policies.

RECEIVABLES FROM CUSTOMERS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2023	**5,258**	**4,782**	**31,473**	**41,512**
Transfers to stage 1	156	-1,430	-1,256	**-2,531**
Transfers to stage 2	-348	2,089	-1,454	**286**
Transfers to stage 3	-262	-706	15,179	**14,211**
Increases due to origination	1,980	814	2,857	**5,651**
Decreases due to derecognition	-867	-413	-7,326	**-8,606**
Changes due to change in credit risk (net)	-446	149	9,504	**9,206**
Changes due to management estimates	-	-500	-2,500	**-3,000**
Decreases due to write-offs	-	-	-4,129	**-4,129**
Total	**212**	**2**	**10,876**	**11,090**
ECL 31 Dec 2023	**5,469**	**4,784**	**42,348**	**52,602**

The largest change in expected credit losses on receivables from customers comes from transfers to stage 3 that totaled EUR 14,211 (5,500) thousand. Decreases due to derecognition were EUR 8,606 (6,527) thousand. A management judgement-based provision of EUR 3,000 thousand has been made in the previous financial periods to the receivables from customers in order to prepare for possible impact of a cost inflation for Corporate and Agricultural customers. The provision was released during the financial year, as the increase in credit risk of the receivables covered by the provision was accounted for in the expected credit losses and final credit losses recorded during the financial year. Of the provision, EUR 500 thousand was allocated to stage 2 and EUR 2,500 thousand to stage 3.

More detailed information on doubtful receivables and forbearance measures is provided in Note 4.

DEBT SECURITIES

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2023	**246**	**377**	**-**	**623**
Transfers to stage 1	40	-31	-	**10**
Transfers to stage 2	-3	104	-	**101**
Increases due to origination	95	74	-	**169**
Decreases due to derecognition	-20	-59	-	**-79**
Changes due to change in credit risk (net)	-156	90	-	**-65**
Total	**-44**	**179**	**-**	**135**
ECL 31 Dec 2023	**202**	**556**	**-**	**758**

OFF-BALANCE SHEET COMMITMENTS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2023	**390**	**243**	**245**	**878**
Transfers to stage 1	4	-193	-47	**-236**
Transfers to stage 2	-22	25	-1	**2**
Transfers to stage 3	-4	-3	240	**233**
Increases due to origination	114	100	95	**309**
Decreases due to derecognition	-25	-9	-31	**-65**
Changes due to change in credit risk (net)	-141	-17	30	**-128**
Total	**-74**	**-96**	**287**	**117**
ECL 31 Dec 2023	**316**	**147**	**531**	**994**

TOTAL ECL

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2023	**5,894**	**5,402**	**31,717**	**43,013**
ECL 30 Jun 2023	**5,988**	**5,487**	**42,880**	**54,354**

RECEIVABLES FROM CUSTOMERS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2022	**5,199**	**3,960**	**27,363**	**36,523**
Transfers to stage 1	122	-1,169	-1,119	**-2,165**
Transfers to stage 2	-378	1,662	-882	**402**
Transfers to stage 3	-164	-414	6,079	**5,500**
Increases due to origination	2,293	1,058	1,457	**4,808**
Decreases due to derecognition	-944	-533	-5,051	**-6,528**
Changes due to change in credit risk (net)	-870	218	5,714	**5,062**
Decreases due to write-offs	-	-	-2,089	**-2,089**
Total	**58**	**822**	**4,109**	**4,989**
ECL 31 Dec 2022	**5,258**	**4,783**	**31,473**	**41,513**

DEBT SECURITIES

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2022	**132**	**777**	**393**	**1,301**
Transfers to stage 1	125	-178	-	**-54**
Transfers to stage 2	-6	67	-	**61**
Increases due to origination	38	98	-	**135**
Decreases due to derecognition	-30	-181	-393	**-604**
Changes due to change in credit risk (net)	-12	-206	-	**-218**
Total	**114**	**-400**	**-393**	**-679**
ECL 31 Dec 2022	**246**	**377**	**-**	**623**

OFF-BALANCE SHEET COMMITMENTS

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2022	**414**	**43**	**215**	**672**
Transfers to stage 1	2	-14	-19	**-30**
Transfers to stage 2	-12	26	-1	**14**
Transfers to stage 3	-3	-1	40	**36**
Increases due to origination	190	204	69	**463**
Decreases due to derecognition	-40	-8	-99	**-148**
Changes due to change in credit risk (net)	-162	-8	40	**-129**
Total	**-24**	**200**	**30**	**206**
ECL 31 Dec 2022	**390**	**243**	**245**	**878**

TOTAL ECL

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2022	**5,745**	**4,780**	**27,971**	**38,495**
ECL 31 Dec 2022	**5,894**	**5,402**	**31,717**	**43,013**

BALANCE SHEET ITEM BY STAGE 31 DEC 2023

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
Receivables from customers				
Private	2,721,314	132,006	51,421	**2,904,740**
Corporate	961,071	97,366	58,477	**1,116,914**
Agriculture	494,952	54,205	44,044	**593,201**
Receivables from customers total	**4,177,337**	**283,577**	**153,941**	**4,614,855**
ECL 31 Dec 2023	5,469	4,784	42,348	**52,602**
Coverage ratio	0.1%	1.7%	27.5%	**1.1%**
Off-balance sheet commitments				
Private	220,339	4,626	588	**225,553**
Corporate	60,394	5,745	1,430	**67,569**
Agriculture	22,161	2,059	595	**24,815**
Off-balance sheet commitments total	**302,894**	**12,430**	**2,613**	**317,937**
ECL 31 Dec 2023	316	147	531	**994**
Coverage ratio	0.1%	1.2%	20.3%	**0.3%**
Debt securities	**605,784**	**25,152**	**-**	**630,937**
ECL 31 Dec 2023	202	556	-	**758**
Coverage ratio	0.0%	2.2%	-	**0.1%**
Credit risk by stages total	**5,086,015**	**321,159**	**156,554**	**5,563,728**

The table above presents a summary of exposure to credit risk and the amount of ECL provision relative to the amount of liabilities in stages. The coverage ratio illustrates the relative proportion of the ECL provision to the amount of liabilities. There were no significant changes in the coverage ratio during the period.

BALANCE SHEET ITEM BY STAGE 31 DEC 2022

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
Receivables from customers				
Private	2,686,967	130,836	43,677	**2,861,480**
Corporate	922,536	72,037	36,580	**1,031,152**
Agriculture	509,491	55,918	31,951	**597,359**
Receivables from customers total	**4,118,994**	**258,791**	**112,207**	**4,489,992**
ECL 31 Dec 2022	5,258	4,783	31,473	**41,513**
Coverage ratio	0.1 %	1.8 %	28.0 %	**0.9 %**
Off-balance sheet commitments				
Private	222,252	4,438	530	**227,220**
Corporate	86,622	7,573	571	**94,767**
Agriculture	22,070	2,422	321	**24,813**
Off-balance sheet commitments total	**330,944**	**14,434**	**1,422**	**346,800**
ECL 31 Dec 2022	390	243	245	**878**
Coverage ratio	0.1 %	1.7 %	17.2 %	**0.3 %**
Debt securities	**439,564**	**23,460**	**-**	**463,024**
ECL 31 Dec 2022	246	377	-	**623**
Coverage ratio	0.1 %	1.6 %	-	**0.1 %**
Credit risk by stages total	**4,889,502**	**296,685**	**113,629**	**5,299,816**

The table above summarizes the exposure to credit risk and the amount of ECL 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.

NOTE 18 LIQUID ASSETS

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Cash	10,624	11,587
Receivables from central banks repayable on demand	485,020	436,911
Total cash and cash equivalents	**495,644**	**448,499**

The cash assets mainly consist of deposits at the Bank of Finland.

NOTE 19 LOANS AND RECEIVABLES

(EUR 1,000)	31 Dec 2023	31 Dec 2022
From credit institutions		
Deposits		
Repayable on demand	20,690	15,548
Other	40,812	46,786
Total	**61,502**	**62,333**
From customers		
Loans	4,457,662	4,353,592
Loans granted from government funds	1,172	1,147
Guarantees	348	391
Used overdrafts	45,250	41,949
Credit card receivables	57,823	51,400
Total	**4,562,254**	**4,448,480**
Total loans and receivables	**4,623,756**	**4,510,813**

NOTE 20 INVESTMENT ASSETS

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Measured at amortised cost		
Debt securities	358,287	207,610
At fair value through profit or loss		
Debt securities	5,143	52,798
Shares and participations	130,921	170,403
At fair value through other comprehensive income		
Debt securities	272,525	255,347
Shares and participations	966	1,347
Investment properties	24,201	24,582
Investment assets total	**792,043**	**712,087**

INVESTMENTS 31 DEC 2023

	Measured at amortised cost	At fair value through profit or loss		At fair value through other comprehensive income		
(EUR 1,000)	**Debt securities**	**Debt securities**	**Shares and participations**	**Debt securities**	**Shares and participations**	**Total**
Quoted						
Public sector entities	199,925	-	-	112,046	-	**311,971**
Other	158,362	2,370	125,864	124,317	-	**410,913**
Other						
Public sector entities	-	-	-	29,885	-	**29,885**
Other	-	2,773	5,057	6,277	966	**15,073**
Investments total	**358,287**	**5,143**	**130,921**	**272,525**	**966**	**767,842**

INVESTMENTS 31 DEC 2022

	Measured at amortised cost	At fair value through profit or loss		At fair value through other comprehensive income		
(EUR 1,000)	**Debt securities**	**Debt securities**	**Shares and participations**	**Debt securities**	**Shares and participations**	**Total**
Quoted						
Public sector entities	207,610	-	-	50,738	-	**258,347**
Other	-	5,226	151,368	203,827	-	**360,421**
Other						
Public sector entities	-	-	-	43,642	-	**43,642**
Other	-	4,851	15,044	3,852	1,347	**25,094**
Total investments	**207,610**	**10,077**	**166,411**	**302,060**	**1,347**	**687,505**

In investments portfolio the most significant market risks are interest rate and credit spread risks. Table below includes a summary of the sensitivity analyses of investments measured at fair value in different market risk scenarios. Analyses below sums impact from market shocks to profit and loss or comprehensive income statement.

SENSITIVITY ANALYSIS

		31 Dec 2023		31 Dec 2022	
(EUR 1,000)	**Stress**	**Effect on profit**	**Effect on comprehensive income**	**Effect on profit**	**Effect on comprehensive income**
Change in Risk-free Interest Rate	+100 bp	-1,153	-4,927	-1,838	-6,183
Change in Credit Spreads	+50 bp	-662	-3,022	-1,000	-3,274
Change in Listed and Unlisted Equities	-10 %	-1,596	-	-2,019	-
Foreign Exchange risk	-10 %	-1,375	-82	-1,211	-68

CHANGES IN INVESTMENT PROPERTY

(EUR 1,000)	**31 Dec 2023**	**31 Dec 2022**
Acquisition cost 1 Jan	**42,182**	**45,553**
Increases	2,254	1,620
Decreases	-1,894	-4,990
Transfers	566	-
Acquisition cost 31 Dec	**43,107**	**42,182**
Accumulated depreciation and impairment 1 Jan	**-17,600**	**-19,567**
Accumulated depreciation on decreases and transfers	406	2,782
Depreciation	-817	-868
Impairment losses	-895	53
Accumulated depreciation and impairment 31 Dec	**-18,906**	**-17,600**
Carrying amount 1 Jan	**24,582**	**25,986**
Carrying amount 31 Dec	**24,201**	**24,582**

NOTE 21 INVESTMENTS IN ASSOCIATES

Name	Industry	Holding % 31 Dec 2023	Holding % 31 Dec 2022
Figure Financial Management Ltd	Services	25 %	25 %
Finnish P&C Insurance Ltd	Insurance	30 %	-

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Carrying Amount 1 Jan	**230**	**214**
Increases	20,925	-
Share of profit for the financial year	968	16
Carrying Amount 31 Dec	**22,123**	**230**

Figure Financial Management Ltd provides financial management services to companies operating in the financial sector.

The POP Bank Group relinquished control of Finnish P&C Insurance Ltd, previously forming the insurance business segment, in a business transaction completed on 25 May 2023. POP Bank Group continues in the company as a minority shareholder with a 30% ownership stake. Following the acquisition, Finnish P&C Insurance Ltd is an associate company, and its shares are accounted for using the equity method. Details of the sale are disclosed in Note 5.

NOTE 22 INTANGIBLE ASSETS

The most significant intangible assets are the banking information systems, which POP Bank Group has the control as referred to in IAS 38 Intangible assets. The work in progress intangible assets relate to an ongoing system renewal project within POP Bank Group.

CHANGES IN INTANGIBLE ASSETS 2023

(EUR 1,000)	IT systems	Intangible assets under development	Total
Acquisition cost 1 Jan	**33,162**	**8,043**	**41,204**
Increases	1,247	4,221	**5,468**
Decreases	-19,018	-10	**-19,028**
Transfers	107	-107	**-**
Acquisition cost 31 Dec	**15,497**	**12,147**	**27,644**
Accumulated depreciation and impairment 1 Jan	**-26,563**	**-5,675**	**-32,239**
Accumulated depreciation on decreases and transfers	14,795	-	**14,795**
Depreciation	-2,214	-	**-2,214**
Accumulated depreciation and impairment 31 Dec	**-13,982**	**-5,675**	**-19,658**
Carrying amount 1 Jan	**6,599**	**2,368**	**8,965**
Carrying amount 31 Dec	**1,515**	**6,472**	**7,986**

The deductions include EUR 18,767 thousand of deductions related to discontinued operations, accumulated depreciation for deductions of EUR 14,180 thousand related to discontinued operations, and depreciation of EUR 523 thousand related to discontinued operations.

CHANGES IN INTANGIBLE ASSETS 2022

(EUR 1,000)	IT systems	Intangible assets under development	Total
Acquisition cost 1 Jan	**35,075**	**7,852**	**42,927**
Increases	1,921	1,773	**3,694**
Decreases	-5,231	-185	**-5,416**
Transfers	1,397	-1,397	**-**
Acquisition cost 31 Dec	**33,162**	**8,043**	**41,204**
Accumulated depreciation and impairment 1 Jan	**-28,003**	**-5,675**	**-33,679**
Accumulated depreciation on decreases and transfers	5,231	-	**5,231**
Depreciation	-3,818	-	**-3,818**
Impairment losses	27	-	**27**
Accumulated depreciation and impairment 31 Dec	**-26,563**	**-5,675**	**-32,239**
Carrying amount 1 Jan	**7,072**	**2,177**	**9,248**
Carrying amount 31 Dec	**6,599**	**2,368**	**8,965**

The depreciation for the comparative period includes EUR 1,757 thousand of depreciation related to discontinued operations.

NOTE 23 PROPERTY, PLANT AND EQUIPMENT

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Owner-occupied properties		
Land and water	1,612	1,633
Buildings	21,019	23,121
Machinery and equipment	1,609	1,817
Other tangible assets	690	696
Total property, plant and equipment	**24,930**	**27,268**

CHANGES IN PROPERTY, PLANT AND EQUIPMENT 2023

(EUR 1,000)	Owner-occupied properties	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 Jan	**58,512**	**9,421**	**849**	**68,782**
Increases	2,585	585	-	**3,170**
Decreases	-1,576	-1,065	0	**-2,642**
Transfers	-566	-	-	**-566**
Acquisition cost 31 Dec	**58,956**	**8,940**	**848**	**68,745**
Accumulated depreciation and impairment 1 Jan	**-33,758**	**-7,604**	**-152**	**-41,514**
Accumulated depreciation on decreases and transfers	682	848	-	**1,530**
Depreciation	-3,139	-576	-6	**-3,721**
Impairment losses	-110	-	-	**-110**
Accumulated depreciation and impairment 31 Dec	**-36,324**	**-7,332**	**-158**	**-43,814**
Carrying amount 1 Jan	**24,755**	**1,817**	**696**	**27,268**
Carrying amount 31 Dec	**22,631**	**1,609**	**690**	**24,931**

The deductions include EUR 2,233 thousand of deductions related to discontinued operations, accumulated depreciation for deductions of EUR 1,723 thousand related to discontinued operations, and depreciation of EUR 118 thousand related to discontinued operations.

CHANGES IN PROPERTY, PLANT AND EQUIPMENT 2022

(EUR 1,000)	Owner-occupied properties	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 Jan	**59,600**	**9,684**	**890**	**70,173**
Increases	4,421	901	35	**5,357**
Decreases	-5,509	-1,164	-76	**-6,749**
Acquisition cost 31 Dec	**58,512**	**9,421**	**849**	**68,782**
Accumulated depreciation and impairment 1 Jan	**-32,375**	**-7,998**	**-190**	**-40,563**
Accumulated depreciation on decreases and transfers	2,078	1,120	44	**3,242**
Depreciation	-3,461	-726	-6	**-4,192**
Accumulated depreciation and impairment 31 Dec	**-33,758**	**-7,604**	**-152**	**-41,514**
Carrying amount 1 Jan	**27,225**	**1,686**	**700**	**29,610**
Carrying amount 31 Dec	**24,755**	**1,817**	**696**	**27,268**

The depreciation for the comparative period includes EUR 384 thousand of depreciation related to discontinued operations.

The assets recognized in the balance sheet under operating leases are included in own-use properties and machinery and equipment. Detailed information on the assets under operating leases is provided in Note 34

NOTE 24 OTHER ASSETS

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Payment transfer receivables	216	160
Accrued income and prepaid expenses		
Interest	48,799	20,754
Other	3,939	4,301
Advances paid to SaaS services	12,970	7,109
Other assets	20,546	14,842
Total other assets	**86,470**	**47,166**

NOTE 25 DEFERRED TAXES

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Tax assets		
Deferred tax assets	5,356	8,290
Income tax receivables	97	1,544
Total tax assets	**5,453**	**9,833**
Tax liabilities		
Deferred tax liabilities	29,457	27,870
Income tax liability	5,992	1,303
Total tax liabilities	**35,449**	**29,173**

DEFERRED TAX ASSETS

(EUR 1,000)	31 Dec 2022	Recognised through profit and loss	Recognised in other comprehensive income	Discontinued operations	31 Dec 2023
At fair value	**3,370**	-7	-1,200	-563	**1,600**
Real estate depreciation adjustments	**1,727**	157	-	-	**1,884**
Defined benefit pension plans	**286**	-143	-139	-	**4**
Consolidations and other items	**2,957**	-250	-	-841	**1,866**
IFRS 17 transition	**-50**	-	-	52	**2**
Total deferred tax assets	**8,290**	**-242**	**-1,339**	**-1,352**	**5,356**

Discontinued operations are disclosed in Note 5

(EUR 1,000)	31 Dec 2021	IFRS 17 transition	Recognised through profit and loss	Recognised in other comprehensive income	31 Dec 2022
At fair value	**352**	-	49	**2,970**	**3,370**
Real estate depreciation adjustments	**1,609**	-	117	**-**	**1,727**
Defined benefit pension plans	**536**	-	-136	**-114**	**286**
Consolidations and other items	**2,587**	-	368	**2**	**2,957**
IFRS 17 transition	**-**	-50	-	**-**	**-50**
Total deferred tax assets	**5,085**	**-50**	**398**	**2,857**	**8,290**

The companies belonging to the POP Bank Group have EUR 3,909 (26,461) thousands of losses for which no deferred tax assets have been recognised. The losses will expire in 2024–2032. The amount of confirmed losses has been reduced by the losses related to discontinued operations.

DEFERRED TAX LIABILITIES

(EUR 1,000)	31 Dec 2022	Recognised through profit and loss	Recognised in other comprehensive income	Discontinued operations	31 Dec 2023
Appropriations	**25,711**	2,779	-	-55	**28,435**
At fair value	**466**	47	160	-819	**-146**
Intangible assets	**13**	-13	-	-	**-**
Consolidations and other items	**293**	312	-	563	**1,168**
IFRS 17 transition	**1,387**	74	-	-1,461	**-**
Total deferred tax liabilities	**27,870**	**3,198**	**160**	**-1,771**	**29,457**

(EUR 1,000)	31 Dec 2021	IFRS 17 transition 1 Jan 2022	Recognised through profit and loss	Recognised in other comprehensive income	31 Dec 2022
Appropriations	**24,094**	-	1,617	-	**25,711**
At fair value	**1,591**	-19	-162	-944	**466**
Intangible assets	**18**	-	-5	-	**13**
Consolidation and others	**283**	-	10	-	**293**
IFRS 17 transition	**-**	252	1,135	-	**1,387**
Total deferred tax liabilities	**25,986**	**232**	**2,595**	**-944**	**27,870**

AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME AND RELATED DEFERRED TAXES 2023

(EUR 1,000)	Gross change	Deferred tax	Net change
Fair value reserve	6,953	-1,378	5,575
Defined benefit plans	697	-139	558
Amounts recognised in other comprehensive income, total	**7,650**	**-1,517**	**6,133**

AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME AND RELATED DEFERRED TAXES 2022

(EUR 1,000)	Gross change	Deferred tax	Net change
Fair value reserve	-17,586	3,517	-14,069
Defined benefit plans	572	-114	458
Amounts recognised in other comprehensive income, total	**-17,014**	**3,403**	**-13,611**

NOTES TO LIABILITIES AND EQUITY CAPITAL

NOTE 26 LIABILITIES TO CREDIT INSTITUTIONS AND CUSTOMERS

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Liabilities to credit institutions		
To central banks	78,400	128,400
To other credit institutions		
Repayable on demand	1,495	1,303
Not repayable on demand	51,249	33,435
Total liabilities to credit institutions	**131,144**	**163,139**
Liabilities to customers		
Deposits		
Repayable on demand	3,468,426	3,855,631
Not repayable on demand	852,596	475,410
Other financial liabilities		
Not repayable on demand	1,128	1,078
Change in the fair value of deposits	8,169	-6,173
Total liabilities to customers	**4,330,320**	**4,325,946**
Total liabilities to credit institutions and customers	**4,461,464**	**4,489,084**

Liabilities to central banks includes secured TLTRO III funding total of EUR 78,400 (128,400) thousand. During the financial year, EUR 50,000 thousand from the funding matured (TLTRO 3.4) and at the same time the final interest rate of the funding was reviewed. The remaining funding matures on March 2024 (TLTRO 3.7, EUR 70,000 thousand) and June 2024 (TLTRO 3.8, EUR 8,400 thousand), but for which early repayment has been possible from January 2023.

The interest rate for TLTRO funding is based on the ECB's deposit rate and the growth of the bank's net lending. During the period 24.6.2020-23.6.2022, the interest rate may be the ECB's deposit rate (-0.5%) less an additional interest rate of 0.5%. The additional interest rate has been recognized as income during financial year 2021. The ECB recalibrated the conditions of the funding in November 2022, from which the interest rate is tied to the ECB's key interest rate. The final interest rate on the loan will be reviewed when the TLTRO III funding matures. The loan has been treated in accordance with IFRS 9 Financial Instruments

NOTE 27 DERIVATIVE CONTRACTS AND HEDGE ACCOUNTING

POP Bank Group 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 and fixed-rate bonds issued.

The nominal value of the fixed-rate deposits subject to fair value hedging at the end of reporting period was EUR 624,900 (200,000) thousand and the nominal value of the fixed-rate bond subject to fair value hedging at the end of reporting period was EUR 500,000 (250,000) thousand. The nominal values of derivative instruments correspond to the nominal values of the objects to be hedged.

NOMINAL VALUES OF UNDERLYING ASSETS AND FAIR VALUES OF DERIVATIVES 31 DEC 2023

	Nominal value / remaining maturity				Fair value	
(EUR 1,000)	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**	**Assets**	**Liabilities**
Fair value hedging						
Interest rate derivatives						
Derivatives total	-	1,024,900	100,000	**1,124,900**	16,165	4,661
Johdannaissopimukset yhteensä	**-**	**1,024,900**	**100,000**	**1,124,900**	**16,165**	**4,661**

31 DEC 2022

	Nominal value / remaining maturity				Fair value	
(EUR 1,000)	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**	**Assets**	**Liabilities**
Fair value hedging						
Interest rate derivatives						
Derivatives total	-	450,000	-	**450,000**	-	12,495
Johdannaissopimukset yhteensä	**-**	**450,000**	**-**	**450,000**	**-**	**12,495**

Hedged debts are included on the balance sheet under “Debt securities issued to the public” and “Liabilities to customers”.

EFFECTS OF HEDGE ACCOUNTING ON FINANCIAL POSITION AND RESULT

Fair value hedging (EUR 1,000)	31 Dec 2023	31 Dec 2022
Liabilities		
Carrying amount of hedged liabilities to customers	633,069	193,827
of which the accrued amount of hedge adjustments	8,169	-6,173
Carrying amount of hedged debt securities issued to the public	503,259	243,038
of which the accrued amount of hedge adjustments	4,326	-6,452

OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES 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	Carrying amount of financial instruments in balance sheet, net	Financial instruments held as collateral	Cash held as collateral	Net amount
Assets							
Derivatives	31,478	-	31,478	11,323	22,440	-	-
Total	**31,478**	**-**	**31,478**	**11,323**	**22,440**	**-**	**-**
Liabilities							
Derivatives	11,323	-	11,323	11,323	-	-	-
Total	**11,323**	**-**	**11,323**	**11,323**	**-**	**-**	**-**

NOTE 28 DEBT SECURITIES ISSUED TO THE PUBLIC

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Covered bonds	503,259	243,038
Debt securities issued to the public	254,931	254,892
Certificates of deposits	28,965	67,323
Total debt securities issued to the public	**787,156**	**565,252**

DEBT SECURITIES ISSUED TO THE PUBLIC

Name	Issue date	Due date	Interest	Nominal	Currency
BONUM 17012024	3.6.2020	17.1.2024	EB 12mo + 1.20%	55,000	EUR
BONUM 26102026	20.10.2021	20.10.2026	EB 3mo + 0.85%	20,000	EUR
BONUM 16112025	16.11.2021	16.11.2025	EB 3mo + 0.75%	30,000	EUR
BONUM 05042025	5.4.2022	5.4.2025	EB 3mo + 1.40%	50,000	EUR
BONUM 22042027	22.4.2022	22.4.2027	EB 12mo + 1.25%	50,000	EUR
POPA 22092025	22.9.2022	22.9.2025	2.625% / fixed	250,000	EUR
Issued during the financial year					
POPA 26042028	26.4.2023	26.4.2028	3.625% / fixed	250,000	EUR
BONUM 19072028	19.7.2023	19.7.2028	EB 6mo + 1.11%	50,000	EUR

Certificates of deposit with a total nominal value of EUR 29,000 (67,500) thousand were outstanding on the balance sheet date. Amount of the certificates is 3, nominals range from EUR 2,000 to 20,000 thousand with average maturity of 9.3 months.

AMOUNTS RECOGNISED IN STATEMENT OF CASH FLOWS

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Balance 1 Jan	**565,252**	**284,920**
Debt securities issued, increase	299,197	349,401
Certificates of deposits, increase	79,279	239,012
Total increase	**378,475**	**588,413**
Debt securities issued, decrease	-50,000	-100,000
Certificates of deposits, decrease	-118,219	-201,853
Total decrease	**-168,219**	**-301,853**
Total changes in cash flow	**210,256**	**286,560**
Valuation	11,647	-6,228
Balance 31 Dec	**787,156**	**565,252**

NOTE 29 PROVISIONS AND OTHER LIABILITIES

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Provisions		
Expected credit losses	994	878
Other provisions	266	673
Other liabilities		
Pension liabilities	20	1,431
Insurance and reinsurance contract liabilities	-	534
Payment transfer liabilities	22,857	17,577
Lease liabilities	4,717	5,050
Accrued expenses		
Interest payable	35,329	8,125
Advances received	880	1,226
Liabilities on card transactions	21,030	15,955
Other accrued expenses	11,641	11,822
Total provisions and other liabilities	**97,734**	**63,271**

The other provisions consist of a provision recorded for an ongoing legal proceeding.

Defined benefit pension plans and related liabilities are presented in Note 33 and lease liabilities are presented in Note 34.

CHANGE IN PROVISIONS

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Provisions 1 Jan	**1,550**	**944**
Change in expected credit losses	117	206
Increase/ decrease in other provisions	-407	400
Provisions 31 Dec	**1,259**	**1,550**

NOTE 30 EQUITY CAPITAL

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Cooperative capital, cooperative contributions	10,714	10,707
of which cancelled cooperative contributions	842	775
Cooperative capital, POP Shares	60,391	60,153
of which cancelled POP Shares	6,425	6,061
Restricted reserves		
Reserve fund	52,494	52,494
Reserves based on the Articles of Association/rules	3,341	3,341
Fair value reserve		
Shares and participations	527	414
Debt securities	-5,171	-10,633
Non-restricted reserves		
Other non-restricted reserves	106,605	106,491
Retained earnings		
Profit (loss) for previous financial years	342,366	319,408
Profit (loss) for the financial year	116,840	24,301
Total equity capital	**688,106**	**566,675**
Total equity capital attributable to the owners of POP Bank Group	**688,106**	**566,675**

COOPERATIVE CAPITAL AND CLASSIFICATION OF CONTRIBUTIONS AS CAPITAL EQUITY

Cooperative contributions

The capital equity of the POP Bank Group includes the cooperative contributions paid by the members of the member cooperative banks to the member cooperative banks, the payment of interest and refund of capital of which the bank has an unconditional right to refuse. The contribution conveys the member the right to participate in the governance and decision-making of the member cooperative bank.

On 31 December 2023, POP Banks had a total of 87.9 (88.4) thousand members.

POP shares

The POP Bank Group's equity capital also includes investments made by the members of the member cooperative banks in POP Shares issued by the member cooperative banks. In accordance with its' rules, the cooperative bank has an unconditional right to refuse from the payment of interest on POP Shares and refund of capital.

The member banks of the POP Bank Group issued a total of EUR 3,105 (5,206) thousand of POP Shares during the financial year 2023. POP Shares totalled to EUR 60,391 (60,153) thousand in 31 December 2023. The targeted interest rate on POP

Shares is 2.0% - 3.8%. The interest to be paid is confirmed after the end of the financial year at the cooperative meeting according to the proposal of the Board of Directors. The interest rate objective can change annually. POP Shares do not convey voting rights or other rights to the member.

A cooperative contribution and POP Share may be refunded within 12 months after the end of the financial year when membership terminated or POP Share was cancelled. If the refund of the cooperative contribution or POP Share cannot be made in full based on the provisions of the Co-Operatives Act or the Co-Operative Bank Act, the refund may take place subsequently if it is possible based on the next three financial statements.

RESTRICTED RESERVES

Restricted reserves include the reserve fund, fair value reserve and other restricted reserves. The reserve fund consists of profits transferred to it during previous periods and of the portion transferred to it from member cooperative banks' revaluation reserves and loan loss provisions. The reserve fund can be used to cover losses for which non-restricted equity is not sufficient.

The fair value reserve includes the cumulative net change in the fair value of equity securities measured at FVOCI and the cumulative net change in the fair value of debt securities measured at FVOCI. The change in the fair value can be positive or negative. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment. An expected credit loss on debt security is recognised in the income statement and added to the fair value reserve. The fair value reserve also includes changes in the fair value of equity securities recognised in the fair value of comprehensive income, which are not transferred to retained earnings upon later disposal.

NON-RESTRICTED RESERVES

Other non-restricted reserves consist of retained earnings based on the Articles of Association or other rules, or decisions taken by the general meeting or cooperative meeting.

RETAINED EARNINGS

Retained earnings consist of the profit or loss for the period and earnings accrued in previous financial years that have not been transferred to equity reserves or distributed. In addition, it includes provisions for credit losses and depreciation differences included in banks' separate financial statements, net of deferred taxes. This item also includes gains and/or losses arising from the reassignment of defined benefit pension plans, less deferred tax.

There are no significant non-controlling interests in the subsidiaries owned by POP Bank Group at the time of the financial statements.

SPECIFICATION OF CHANGES IN FAIR VALUE RESERVE 2023

(EUR 1,000)	Debt securities	Shares and participa-tions	Carrying amount 1 Jan
Fair value reserve 1 Jan	**-10,633**	**414**	**-10,219**
Fair value change, increases	12,631	141	**12,772**
Fair value change, decreases	-6,076	-	**-6,076**
Transferred from fair value reserve to the income statement	182	-	**182**
Expected credit loss	90	-	**90**
Deferred taxes	-1,365	-28	**-1,394**
Fair value reserve 31 Dec	**-5,171**	**527**	**-4,644**

SPECIFICATION OF CHANGES IN FAIR VALUE RESERVE 2022

(EUR 1,000)	Debt securities	Shares and participa-tions	Total
Fair value reserve 1 Jan	**2,082**	**1,768**	**3,850**
Fair value change, increases	7,216	1,719	**8,936**
Fair value change, decreases	-23,418	-1,536	**-24,953**
Transferred from fair value reserve to the income statement	1,015	-	**1,015**
Transferred from fair value reserve to the retained earnings	-	-1,876	**-1,876**
Expected credit loss	-708	-	**-708**
Deferred taxes	3,179	338	**3,517**
Fair value reserve 31 Dec	**-10,633**	**414**	**-10,219**

OTHER NOTES

NOTE 31 COLLATERAL GIVEN AND RECEIVED

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Given on behalf of own liabilities and commitments		
Pledges	2,546	2,546
Mortgage-backed loan portfolio*	682,731	330,791
Debt securities	143,199	185,950
Other	-	5,150
Collateral given total	**828,476**	**524,437**
Collaterals received		
Other	22,440	-
Total collaterals received	**22,440**	**-**

*The guarantees provided by POP Bank Group are related to a collateralised bond loans issued under the securitisation programme established in September 2022. The nominal value of the covered bonds on 31 December 2023 was EUR 500,000 (250,000) thousand.

Other collateral relates to derivative contracts and consists of cash collateral provided and received.

NOTE 32 OFF-BALANCE-SHEET COMMITMENTS

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Guarantees	15,860	20,083
Loan commitments	302,076	326,716
Off-balance sheet commitments, total	**317,937**	**346,800**
Other commitments		
Commitment to invest in venture capital funds	360	5,768
Other commitments total	**360**	**5,768**

The provision for expected credit losses related to off-balance sheet commitments is presented in Note 17.

NOTE 33 PENSION LIABILITIES

In addition to statutory cover (TyEL), POP Bank Group has defined benefit pension schemes for the management and persons who have been members of OP Bank Group Pension Fund. The retirement age of those covered by these insurance policies varies from 60 to 65 years.

In the pension scheme, the amount of assets describes the part of the obligation for which the insurance company is liable, and it is calculated using the same discount rate as the liability. The assets included in the scheme include 100% acceptable insurance policies. Because the liabilities have been insured, the company is not liable for significant risks. The company remains primarily liable for increases in pensions tied to employment pension index and the effect of changes in the discount rate and pay increases on the net liabilities.

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Current service cost	97	127
Net interest	35	24
Costs recognised in income statement	**132**	**150**
Remeasurements	-697	-572
Comprehensive income before tax	**-565**	**-422**
Present value of obligation 1 Jan	**16,413**	**21,180**
Current service cost	97	127
Interest expense	504	194
Actuarial gains (-)/losses (+) arising from experience adjustment	-206	-165
Actuarial gains (-)/losses (+) arising from changes in financial assumptions	-1,064	-3,669
Benefits paid	-1,227	-1,254
Present value of obligation 31 Dec	**14,517**	**16,413**
Fair value of plan assets 1 Jan	**14,982**	**18,499**
Interest income	469	170
Return on plan assets excl. items in interest expense/income	-573	-3,262
Benefits paid	-1,227	-1,254
Contributions paid	846	828
Fair value of plan assets 31 Dec	**14,497**	**14,982**

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Present value of obligation	14,517	16,413
Fair value of plan assets	14,497	14,982
Net liability in balance sheet 31 Dec	**20**	**1,431**
Net liability in balance sheet 1 Jan	**1,431**	**2,681**
Costs recognised in income statement	132	150
Contributions paid	-846	-828
Remeasurements in comprehensive income statement	-697	-572
Net liability in balance sheet 31 Dec	**20**	**1,431**
Actuarial assumptions		
Discount rate, %	3.65%	3.20%
Pay development, %	2.00%	2.00%
Pension increase, %	2.56%	2.80%
Inflation rate, %	2.32%	2.56%

SENSITIVITY ANALYSIS - NET LIABILITIES

The table below shows the impact of changes in assumptions on net debt. When calculating sensitivities, it is assumed that other assumptions remain unchanged.

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Change of +0.5% in discount rate	-1	-75
Change of -0.5% in discount rate	1	82
Pay development +0.5%	23	35
Pay development -0.5%	-22	-35
Change of +0.5% in pension increase	750	912
Change of -0.5% in pension increase	-713	-864

The duration based on the weighted average of the liability is 10.6 (11.7) years.

The POP Bank Group estimates to pay approximately EUR 473 (673) thousand towards its defined benefit pension arrangements in 2024.

NOTE 34 LEASING

GROUP AS A LESSOR

The POP Bank Group has leased out e.g. residential and business premises it owns.

The minimum rents receivable include the minimum rents payable based on irrevocable rental agreements. The non-cancellable portion of leases in effect until further notice is the lease in accordance with the term of notice.

FUTURE MINIMUM LEASE PAYMENTS RECEIVABLE

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Less than one year	257	216
Within 1–5 years	153	108
More than five years	1,224	1,185
Future minimum lease payments receivable total	**1,634**	**1,509**

GROUP AS A LESSEE

The POP Bank Group has leased out e.g. residential and business premises it owns.

RIGHT-OF-USE ASSETS 31 DEC 2023

(EUR 1,000)	Office Buildings	Machinery and equipment	Total
Acquisition cost 1 Jan	**10,420**	**1,458**	**11,878**
Increases	1,659	169	**1,829**
Decreases	-1,576	-570	**-2,146**
Acquisition cost 31 Dec	**10,503**	**1,058**	**11,561**
Accumulated depreciation and impairment 1 Jan	**-5,922**	**-1,035**	**-6,957**
Accumulated depreciation on decreases and transfers	1,218	451	**1,670**
Depreciation	-1,513	-170	**-1,683**
Accumulated depreciation and impairment 31 Dec	**-6,217**	**-754**	**-6,970**
Carrying amount 1 Jan	**4,498**	**423**	**4,921**
Carrying amount 31 Dec	**4,287**	**304**	**4,590**

RIGHT-OF-USE ASSETS 31 DEC 2022

(EUR 1,000)	Office Buildings	Machinery and equipment	Total
Acquisition cost 1 Jan	**8,864**	**1,262**	**10,126**
Increases	2,343	207	**2,550**
Decreases	-787	-11	**-798**
Acquisition cost 31 Dec	**10,420**	**1,458**	**11,878**
Accumulated depreciation and impairment 1 Jan	**-4,559**	**-788**	**-5,348**
Accumulated depreciation on decreases and transfers	445	9	**454**
Depreciation	-1,807	-256	**-2,063**
Accumulated depreciation and impairment 31 Dec	**-5,922**	**-1,035**	**-6,957**
Carrying amount 1 Jan	**4,305**	**473**	**4,778**
Carrying amount 31 Dec	**4,498**	**423**	**4,921**

Right-of-use assets are presented in Property, plan and equipment.

LIABILITIES/LEASE LIABILITIES

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Lease liabilities 1 Jan	**5,050**	**4,842**
Increases	1,763	2,550
Decreases	-1,665	-2,342
Discontinued operations	-431	-
Lease liabilities 31 Dec	**4,717**	**5,050**

Lease liabilities are presented in other liabilities.

AMOUNTS RECOGNISED IN STATEMENT OF CASH FLOWS

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Total cash outflow for leases	-1,692	-2,024

AMOUNTS RECOGNISED IN PROFIT OF LOSS

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Interest on lease liabilities	-36	-26

Interest is presented in Net interest Income

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Depreciation		
Office Buildings	-1,513	-1,807
Machinery and equipment	-170	-256
Total	**-1,683**	**-2,063**

Depreciation is presented in Depreciation and amortisation

(EUR 1,000)	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Expenses relating to short-term leases	246	23
Expenses relating to leases of low-value assets	1,662	1,340
Total	**1,908**	**1,364**

Expenses are presented in other operating expenses.

NOTE 35 ENTITIES INCLUDED IN THE POP BANK GROUP'S FINANCIAL STATEMENTS

The structure of the POP Bank Group is described in Note 1 the POP Bank Group and the scope of the IFRS Financial Statements.

TECHNICAL PARENT COMPANY

The table below presents the member banks comprising the technical parent company of the POP Bank Group and their balance sheet total (FAS).

		(EUR 1,000)	
Name of the bank	**Domicile**	**Balance sheet 31 Dec 2023**	**Balance sheet 31 Dec 2022**
Honkajoen Osuuspankki	Honkajoki	109,302	80,243
Isojoen Osuuspankki	Isojoki	102,780	96,796
Jämijärven Osuuspankki*	Jämijärvi	-	68,355
Järvi-Suomen Osuuspankki	Siilinjärvi	651,121	621,432
Kannonkosken Osuuspankki	Kannonkoski	71,552	69,971
Keuruun Osuuspankki	Keuruu	234,721	238,050
Konneveden Osuuspankki	Konnevesi	248,620	222,061
Kosken Osuuspankki	Koski Tl	223,651	221,104
Kurikan Osuuspankki*	Kurikka	488,645	410,921
Kyrön Seudun Osuuspankki	Pöytyä	148,209	140,480
Kyyjärven Osuuspankki	Kyyjärvi	111,360	99,422
Lakeuden Osuuspankki	Seinäjoki	770,762	703,225
Lammin Osuuspankki	Hämeenlinna	248,911	233,568
Lanneveden Osuuspankki	Saarijärvi	86,498	75,716
Lappajärven Osuuspankki	Lappajärvi	123,931	114,889
Lavian Osuuspankki	Pori	103,206	93,389
Nivalan Järvikylän Osuuspankki	Nivala	146,944	135,082
Pohjanmaan Osuuspankki	Kauhava	843,564	782,540
Suomen Osuuspankki	Kauhajoki	1,654,104	1,504,569

*On 31 May 2023 Jämijärven Osuuspankki merged with Kurikan Osuuspankki.

SUBSIDIARIES AND ASSOCIATES CONSOLIDATED IN THE POP BANK GROUP

		Group's holding	
Name of the bank	**Domicile**	**31 Dec 2023**	**31 Dec 2022**
POP Bank Centre coop (central institution of the Group)	Helsinki	100.0 %	100.0 %
Bonum Bank Plc (wholly-owned subsidiary of POP Bank Centre coop)	Espoo	100.0 %	100.0 %
POP Mortgage Bank Plc (wholly-owned subsidiary of POP Bank Centre coop)	Espoo	100.0 %	100.0 %
POP Holding Ltd	Helsinki	100.0 %	100.0 %
Finnish P&C Insurance Ltd *	Espoo	30.0 %	100.0 %
Figure Financial Services Ltd	Espoo	25.0 %	25.0 %

*During the financial year 2023, the POP Bank Group relinquished control of Finnish P&C Insurance Ltd. The business transaction was completed on 25 May 2023, involving 70 percent of the company's share capital. Further information on the sale of the insurance business is provided in Note 5 Discontinued Operations. Finnish P&C Insurance Ltd has been consolidated as an associate company after the acquisition.

JOINT ARRANGEMENTS

The Group's holdings of less than 100% in mutual real estate companies and housing companies are treated as joint operations in the POP Bank Group's financial statements. Both owner-occupied properties and investment properties are managed via the companies.

CHANGES IN HOLDINGS IN SUBSIDIARIES

During the fiscal year 2023, the POP Bank Group relinquished control of Finnish P&C Insurance Ltd. The business transaction was completed on 25 May 2023, involving 70 percent of the company's share capital. Further information on the sale of the insurance business is provided in Note 5 Discontinued Operations.

JOINT ARRANGEMENTS CONSOLIDATED IN THE POP BANK GROUP (KEY REAL ESTATE COMPANIES)

	Group's holding	
Name of the bank	**31 Dec 2023**	**31 Dec 2022**
Asunto Oy Keuruun Tarhiansuu	36.9 %	36.9 %
Asunto Oy Tampereen Kauppakatu 14	23.9 %	23.9 %
Asunto Oy Tampereen Koskilehmus	21.9 %	21.9 %
Kiinteistö Oy Kosken Pankkitalo	53.6 %	53.6 %
Kiinteistö Oy Lehto-Center	34.2 %	38.3 %
Kiinteistö Oy Liedon Torinkulma	48.2 %	48.8 %
Kiinteistö Oy Riihikuiva	82.7 %	82.7 %
Kiinteistö Oy Siilinjärven Pankkikeskus	66.5 %	66.5 %

NOTE 36 RELATED PARTY DISCLOSURES

The related parties of POP Bank Group comprise the companies and associates consolidated in the financial statements, and members of the Board of Directors and Executive Group and members of their immediate families. Intercompany transactions of the POP Bank Group have been eliminated and are not included in the figures of note.

The key persons in management of the POP Bank Group include the members of the supervisory board and board of directors of POP Bank Centre coop, as well as the managing director and deputy managing director of POP Bank Centre coop. Other related parties comprise the companies and associates consolidated in the financial statements and the relatives of the key persons in charge.

Transactions with key persons in management and other related parties are presented below.

In the financial period 2023, POP Banks have granted housing and consumption loans to related parties at ordinary terms. These loans are tied to generally applied reference rates.

RELATED-PARTY TRANSACTIONS

	Key persons in management		Other	
(EUR 1,000)	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Assets				
Loans	1,637	1,669	7,548	2,908
Expected credit loss	1	3	8	3
Liabilities				
Deposits	1,571	1,608	5,690	1,572
Debt securities issued to the public	-	-	8,000	-
Off-balance-sheet commitments				
Loan commitments	215	30	584	-
Guarantees	234	190	1,170	60
Investments to other than cooperative contributions	10	50	28	54

	Key persons in management		Other	
(EUR 1,000)	**1 Jan - 31 Dec 2023**	**1 Jan - 31 Dec 2022**	**1 Jan - 31 Dec 2023**	**1 Jan - 31 Dec 2022**
Income and expenses				
Interest income	40	17	198	63
Interest expenses	4	0	2	0

COMPENSATION TO KEY PERSONS IN MANAGEMENT

(EUR 1,000)	**1 Jan - 31 Dec 2023**	**1 Jan - 31 Dec 2022**
Short-term employee benefits	2,784	2,642
Post-employment benefits	41	27
Compensation to key persons in management total	**2,825**	**2,669**

NOTE 37 EVENTS AFTER THE CLOSING DATE

The Board of Directors of POP Bank Centre coop is not aware of any events after the closing date that would have a material impact on the information presented in the financial statements of POP Bank Group.

SIGNATURES

We have adopted the Report of Board of Directors and the Consolidated Financial Statements of the POP Bank Group, referred to in the Act on the Amalgamation of Deposit Banks, for the financial year ended 31 December 2023. The Board of Directors' Report and the Financial Statements will be presented to the general meeting of POP Bank Centre coop on 5 March April.

Espoo, 15 February 2024
Board of Directors of POP Bank Centre coop

Timo Kalliomäki
Chairman

Mikko Seppänen
Vice chairman

Jatta Heikkilä
Member of the Board

Ilkka Lähteenmäki
Member of the Board

Mika Mäenpää
Member of the Board

Marja Pajulahti
Member of the Board

Matti Vainionpää
Member of the Board

AUDITOR'S NOTE

A report on the audit performed has been issued today.
Helsinki, 15 February 2024

KPMG Oy Ab

Tiia Kataja
Authorised Public Accountant

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

AUDITOR'S REPORT

To the members of POP Bank Centre coop

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of amalgamation POP Bank Group pursuant to the Act on the Amalgamation of Deposit Banks for the year ended 31 December 2023. The financial statements comprise the consolidated balance sheet, income statement, statement of other comprehensive income, statement of changes in equity capital, cash flow statement and notes.

In our opinion the consolidated financial statements give a true and fair view of POP Bank Group's financial position and financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with the additional report submitted to the Board of Directors of POP Bank Centre coop.

BASIS FOR OPINION

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of member institutions within POP Bank Group in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to member institutions within POP Bank Group are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 11 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIALITY

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Loans and advances to customers – measurement (accounting policies and notes 4, 15, 16, 17 and 19 to financial statements)	
• Advances to customers, totaling EUR 4.6 billion, are the most significant item on the POP Bank Group's consolidated balance sheet representing 75 percent of the total assets. • The calculation of expected credit losses (ECL) in accordance with IFRS 9 *Financial Instruments* is based on impairment models and expert estimates and involves assumptions, estimates and management judgement in determining, particularly, the probability of expected credit losses, measurement of collaterals and significant increases in credit risk. • The components of the ECL calculation are updated and refined in the light of actual credit risk developments, the evolution of the calculation process, and regulatory changes and requirements. • Due to the significance of the carrying amount of advances to customers, the complexity of the measurement methods applied and management judgement involved, the measurement of advances to customers is addressed as a key audit matter.	• We evaluated the appropriateness of the recognition and measurement principles for advances to customers, as well as tested controls over recognition and monitoring of impairment losses and measurement of advances to customers. • We assessed the impairment models, the underlying key assumptions, as well as tested controls over the ECL calculation process and credit risk models. We involved our own IFRS and financial instruments specialists. • We also requested other auditors of POP Bank Group institutions to issue an opinion that the institutions within POP Bank Group have complied with the instructions provided by POP Bank Centre coop in respect of measurement of advances to customers and determination of expected credit losses under IFRS 9. • Furthermore, we considered the appropriateness of the notes provided in respect of advances to customers and expected credit losses.

Sale of the controlling interest in the insurance company and adoption of IFRS 17 Insurance Contracts (accounting policies and note 5 to financial statements)	
• In 2023, POP Bank Group sold 70% of Finnish P&C Insurance Ltd (Suomen Vahinkovakuutus Oy), which included the insurance segment, and at the same time lost control of the company. • The result from the discontinued operations, EUR 45.2 million in the financial statements, includes the gain on disposal of EUR 38.1 million, the effect of fair value remeasurement of the remaining holding of EUR 3.8 million and the result of Suomen Vahinkovakuutus prior to the date of disposal of EUR 3.3 million. • The sale of the insurance business has been accounted for as discontinued operations in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The remaining 30% interest after the transfer of control has been accounted for using the equity method in accordance with IAS 28 *Investments in Associates and Joint Ventures.* • POP Bank Group has applied IFRS 17 Insurance Contracts to the discontinued operations retrospectively from 1 January 2023. IFRS 17 affects the measurement, recognition and presentation of insurance contracts in financial statements. • The accounting treatment of the sale of the controlling interest in the insurance company is addressed as a key audit matter since the treatment of the sale involves management judgement and the sale has a significant impact on the POP Bank Group's financial statements. The adoption of IFRS 17 has required management judgements and changes to the treatment and presentation of insurance contracts in the financial statements.	• Our audit procedures included assessing the accounting policies for the treatment of the sale of the controlling interest and evaluating the estimates requiring management judgements. • We inspected the sale contract and other related documentation as well as considered the accounting treatment of the sale and the measurement principles for the remaining interest. • In respect to the adoption of IFRS 17 Insurance Contracts, our audit procedures covered assessment of the accounting policies for measurement and recognition of insurance contracts against the requirements of IFRS 17. • Our actuarial and IFRS specialists were involved in the audit. Furthermore, we considered the presentation of the sale of the controlling interest in the insurance company in the Group's income statement and the appropriateness of the notes on the discontinued operations.

Investment assets (accounting policies and notes 4, 8, 15, 16, 17, 18 and 20 to financial statements)	
• The carrying amount of investment assets totals EUR 0.8 billion mainly consisting of investments measured at fair value. • The fair value of financial instruments is determined using either prices quoted in an active market or POP Bank Group's own valuation techniques where no active market exists. Determining fair values involves management judgements, especially in respect of those instruments for which market-based data is not available. • In case of illiquid instruments, management judgement is involved in the measurement of investment assets, and the measurement of these items is addressed as a key audit matter.	• We evaluated the appropriateness of the accounting principles applied and the valuation techniques used by POP Bank Group. • Our audit work included testing controls over the process of measuring financial assets at fair value, among others. • As part of our year-end audit procedures we compared the fair values used in measurement of investment assets to external price references. We involved our own financial instruments specialists. • Furthermore, we considered the appropriateness of the notes on investment assets.

Control environment relating to financial reporting process and IT systems	
• In respect of the accuracy of the financial statements of POP Bank Group, the key reporting processes are dependent on technology. Therefore, information technology plays an essential role for business continuity, incident management and the accuracy of financial reporting. • The main risks relate to the integrity and confidentiality of information and the continuity of services. • Consequently, the IT environment related to the financial reporting process and the application controls of individual IT systems have a significant effect on the selected audit approach.	• We obtained an understanding of the financial reporting information systems and the associated control environment, and tested the effectiveness of the related internal controls by using assurance reports from external service organisations, among others. • As part of our audit we also performed substantive procedures and data analyses relating to various aspects in financial reporting process.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU in a manner explained in more detail in the notes to the financial statements and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing POP Bank Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate POP Bank Group, or there is no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of POP Bank Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on POP Bank Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause POP Bank Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within POP Bank Group to express an opinion on the consolidated financial statements. We remain solely responsible for our audit opinion.

- Audit of the consolidated financial statements of amalgamation POP Bank Group is based on the financial statements of POP Bank Centre coop and member institutions, as well as the auditors' reports submitted for the audit of POP Bank Group's consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING REQUIREMENTS

INFORMATION ON OUR AUDIT ENGAGEMENT

We were first appointed as auditors by the Cooperative Meeting of POP Bank Centre coop in 2012 and our appointment represents a total period of uninterrupted engagement of 12 years.

OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the board of directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the board of directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the board of directors is consistent with the information in the financial statements and the report of the board of directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the board of directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki 15 February 2024

KPMG OY AB

Tiia Kataja
Authorised Public Accountant, KHT

POP Bank