



**Bonum Bank Plc**

*(incorporated with limited liability in the Republic of Finland)*

**EUR 750,000,000 Programme for the  
Issuance of Senior Preferred MREL Eligible Notes**

This supplement (the “**Supplement**”) is supplemental to, forms part of and must be read and construed in conjunction with, the Base Prospectus dated 7 October 2021 (the “**Base Prospectus**”) prepared by Bonum Bank Plc (“**Bonum**” or the “**Issuer**”) in connection with its 750,000,000 euros senior preferred MREL eligible notes issuance programme (the “**Programme**”). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

The purpose of this Supplement is to incorporate new information, including the financial statements bulletin for the period 1 January – 31 December 2021 of Bonum and the POP Bank Group, into the Base Prospectus.

1. Renewal of core banking system of the POP Bank Group

On 4 January 2022, the POP Bank Centre signed a cooperation agreement with Crosskey Banking Solutions Ab Ltd on the renewal of the Group’s core banking system.

Due to this, the second paragraph under the title “*Risk Factors – The Group is exposed to system and information security risks and the risk of failures and/or delays in the renewal of its core banking system*” on page 10 is replaced as follows:

“In January 2022, the POP Bank Centre signed an agreement with Crosskey Banking Solutions Ab Ltd on the renewal of the Group’s core banking system. The POP Bank Centre anticipates that the Group will take the new core banking system into use during 2025. The contemplated renewal project may require significant input from the employees of the Group and have an adverse effect on the Group’s profits. In addition, there can be no assurance that the contemplated renewal project will be completed within the expected timeline or budget and that the anticipated benefits of the updated system will be realized. Any failure or delay in the contemplated renewal project could have a material adverse impact on the Group’s business or results of operations.”

The seventh paragraph under the title “*Information on Bonum Bank Plc – Recent Events*” on page 47 is replaced as follows:

“In January 2022, the POP Bank Centre signed an agreement with Crosskey Banking Solutions Ab Ltd on the renewal of the Group’s core banking system. The POP Bank Centre anticipates that the Group will take the new core banking system into use during 2025.”

2. Conflict in Ukraine

The risk factor with the title “*Risk Factors – Uncertain global economic and financial market conditions could adversely affect the Group’s business, results of operations, financial condition, liquidity and capital resources*” on page 9 is replaced as follows:

“*Uncertain global geopolitical situation as well as economic and financial market conditions could adversely affect the Group’s business, results of operations, financial condition, liquidity and capital resources*”

The global economic and financial market conditions have repeatedly undergone significant turmoil due to, among other factors, the ongoing sovereign debt issues in certain European countries, particularly certain eurozone Member States, the decision of the United Kingdom to withdraw from the European Union (commonly referred to as Brexit) and the continuous tensions between the United States and China regarding, for example, geopolitics and trade. In addition, the outbreak of the COVID-19 pandemic (“**Coronavirus**”) caused, and continues to cause at some degree, substantial uncertainty in the financial markets. The continuing spread of the Coronavirus, potential emergence of new variants, and any potential restrictive measures undertaken by governments are likely to have a material adverse effect on global economic and financial market conditions. Furthermore, the ongoing military action in Ukraine and the increasing tensions between Russia, the members of the North Atlantic Treaty Organisation and the Western countries may cause disruptions to the global economy, financial markets, and the Group’s business environment, particularly, if even stricter sanctions and/or trade restrictions are imposed by the Western countries and/or Russia, or, if the conflict escalates or expands to other countries or regions. The uncertainty relating to the financial markets and global economy may create economic and financial disruptions and even a financial crisis. As the state debt levels remain high and continue to increase in some countries, including Finland, it is possible that the global economy will fall back into a recession, which could be deeper and last longer than the one experienced in 2008 and 2009. Uncertainty in the operational environment of the Issuer has increased, especially with regards to the predictability of funding available in the capital markets and the future development of impairment of unsecured consumer loans. However, it is still too early to reliably estimate the overall effects of the Coronavirus on the Issuer. Uncertainty has also increased concerning the financial results of the Group. Market volatility is high and estimated to lower the Group’s net investment income. The Group’s investment income may also be adversely affected by the direct or indirect consequences of the ongoing military action in Ukraine and the increasing tensions between Russia, the members of the North Atlantic Treaty Organisation and the Western countries. In addition, the effects of the Coronavirus may also decrease the Group’s interest and commission income and increase the impairment of loans. As there is still uncertainty, for example, in relation to the effect of different vaccines against the currently spreading mutations of the Coronavirus, it is difficult to reliably estimate the overall effects of the Coronavirus on the economy and also to the financial results of the Group.

The financial results of the Group are affected by many factors, the most important of which are the general economic conditions in Finland and globally, volatility of interest rates and equity prices, competition as well as the impact of these factors on the demand for banking services, such as housing loans. The development of public finances and inflation, income and employment levels as well as investment activities of SME companies and the savings of households may also have an impact on the Group’s business operations and financial condition. These factors may be adversely affected by the direct or indirect consequences of the ongoing military action in Ukraine and the increasing tensions between Russia, the members of the North Atlantic Treaty Organisation and the Western countries and result in increased credit risk for the Group and decreased liquidity of the Group’s customers. In addition, in the beginning of 2021, inflation in the euro area was faster than before and also in Finland, the price increases accelerated. Inflation was fuelled by the rapid recovery of the economy and the release of pent-up consumption, combined with the shortage of components.

Deterioration in market conditions could result in difficulties for the Group’s customers in meeting their payment obligations, which could lead to increased disruptions in repayments of loans, as well as write-downs and loan losses. Deterioration in the general economic situation could also reduce demand for loans, such as housing loans and other products, leading to reduced net interest income from the banking business. Furthermore, the development of housing markets and general economic conditions may vary significantly between different regions in Finland, as the impact of certain structural changes may differ in individual economic regions. The Group’s loan portfolio is concentrated in Ostrobothnia, Central Finland and Southwest Finland, and thereby the unfavourable development of housing markets and general economic conditions in such regions could have an adverse impact on the Group’s risk position.

Moreover, income generation in the Group’s retail banking is significantly affected by changes in the interest rate level. Interest rate risk arises when interest rate fixing periods or interest rate bases for assets and those for liabilities are mismatched. Net interest income comprises a substantial part of the Group’s total income. Furthermore, the recent negative interest rate levels have not been

beneficial to the Group, since negative interest levels have a negative impact on the Group's net interest income.

The market value of financial assets held by the Issuer or the POP Banks may also be affected. Furthermore, deterioration in the general economic situation could increase the Issuer's or the POP Banks' refinancing costs and hamper the Issuer's or the POP Banks' refinancing options.

There can be no assurance that the Issuer's liquidity and access to financing will not be affected by changes in the financial markets or that its capital resources will, at all times, be sufficient to satisfy the Group's liquidity needs."

### 3. Issue of Senior Preferred MREL Eligible Notes

A new ninth and tenth paragraph under the title "*Information on Bonum Bank Plc – Recent Events*" on page 47 are included as follows:

"In October 2021, the Bank issued senior preferred MREL eligible notes of EUR 20 million with the maturity date of 20 October 2026."

"In November 2021, the Bank issued senior preferred MREL eligible notes of EUR 30 million with the maturity date of 16 November 2025."

### 4. No significant changes

The paragraph under the title "*Information on Bonum Bank Plc – No significant changes*" on page 46 is replaced as follows:

"There has been no significant change in the financial performance or financial position of the Bank since 31 December 2021 and no material adverse change in the prospects of the Bank since 31 December 2020."

The paragraph under the title "*Information on the Group and the Amalgamation – No significant changes*" on page 54 is replaced as follows:

"There has been no significant change in the financial performance or the financial position of the Group since 31 December 2021 and no material adverse change in the prospects of the Group since 31 December 2020."

### 5. Changes in management

The second and third paragraph under the title "*Information on the Group and the Amalgamation – Supervisory Board of the POP Bank Centre*" on page 51 are replaced as follows:

"The Supervisory Board issues a statement on the Amalgamation's strategy and financial statements prepared by the Board of Directors of the POP Bank Centre to the cooperative meeting. The Supervisory Board also annually confirms the principles of capital adequacy management of the Amalgamation. The Supervisory Board ratifies the principles of bank-specific management.

The Supervisory Board elects and discharges the members of the Board of Directors, the Managing Director and head of audit and elects Managing Director's deputy. The Supervisory Board decides on the fees of the Board of Directors. The Supervisory Board has established two permanent committees, the Executive and Nomination Committee and the Audit Committee."

The first two (2) rows in the table under the title "*Information on the Group and the Amalgamation – Supervisory Board of the POP Bank Centre*" on page 51 are replaced as follows:

Harri Takala Chairman	Ylistarontie 139 FI-62375 Ylihärmä	Agricultural entrepreneur
Hannu Saarimäki Vice Chairman Agriculture technician	Metsämäen maatila ja Consulting Oy Nevalantie 103 FI-42700 Keuruu	Entrepreneur

The first and second paragraph under the title “*Information on the Group and the Amalgamation – CEO and Deputy CEO of the POP Bank Centre*” on page 53 are replaced with the following three paragraphs:

“The central institution has a CEO who is 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 CEO 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 of the POP Bank Centre is Jaakko Pulli and his deputy is Chief Legal Officer Arvi Helenius.

**Jaakko Pulli** (born 1978) has been the CEO of the POP Bank Centre and the Chairman of the Bank’s Board of Directors since 2022. Mr. Pulli was the Deputy CEO of POP Bank Group in 2017–2022 and the Chief Risk Officer in 2015–2017 and the Head of Risk Management Services in PP-Laskenta Oy in 2009–2015. Mr. Pulli holds a Master of Science in Economics.

**Arvi Helenius** (born 1981) has been the deputy CEO of the POP Bank Centre since 2022 and the Chief Legal Officer and Head of HR since 2017. Mr. Helenius was the Chief Legal Officer of Finnish P&C Insurance Ltd in 2014–2017 and Leading Legal Counsel in 2012–2013. Mr. Helenius holds a Master of Laws.”

The third paragraph under the title “*Information on Bonum Bank Plc – Management of the Bank – Board of Directors of the Bank*” on page 45 is replaced as follows:

“**Jaakko Pulli** (born 1978) has been the CEO of the POP Bank Centre and the Chairman of the Bank’s Board of Directors since 2022. Mr. Pulli was the Deputy CEO of POP Bank Group in 2017–2022 and the Chief Risk Officer in 2015–2017 and the Head of Risk Management Services in PP-Laskenta Oy in 2009–2015. Mr. Pulli holds a Master of Science in Economics.”

## 6. The regime under the BRRD

The text under the title “*Risk Factors – The regime under the BRRD directive enables authorities to take a range of actions in relation to financial institutions considered to be at risk of failing, and if the Issuer becomes subject to recovery and resolution actions by the Stability Authority, the Senior Preferred MREL Eligible Notes may be subject to write-down on any application of the general bail-in tool, which may result in Noteholders losing some or all of their investment*” on page 14 is replaced with the following:

“The BRRD (including without limitation as amended by the Creditor Hierarchy Directive and by Directive (EU) 2019/879 of 20 May 2019 of the European Parliament and of the Council amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms) sets out the necessary steps and powers for authorities to ensure that bank failures across the EU are managed in a way which mitigates the risk of financial instability and minimises the impact of an institution’s failure on the economy and financial system costs for taxpayers.

The BRRD was implemented in Finland through, inter alia, the Act on Resolution of Credit Institutions and Investment Firms (*Laki luottolaitosten ja sijoituspalveluyritysten kriisinratkaisusta* 1194/2014, as amended) (the “**Resolution Act**”) and the Act on Financial Stability Authority (*Laki rahoitusvakausviranomaisesta* 1195/2014, as amended), together the “**Finnish Resolution Laws**”. Both acts entered into force on 1 January 2015. The latter regulates the Stability Authority, being the national resolution authority having counterparts in all EU member states. The Resolution Act vests the Stability Authority with resolution powers and tools as provided in the BRRD.

Pursuant to the Resolution Act, a failing financial institution could be subject to a number of resolution tools that have been granted to the Stability Authority. The Stability Authority has the right to mandatory write-down the nominal value of liabilities and convert liabilities into regulatory capital instruments (bail-in) (which could include the Senior Preferred MREL Eligible Notes), sale of business, bridge institution and asset separation. To continue the operations of the institution, the Stability Authority has the power to decide upon covering losses of the institution by reducing the value of the institution’s share capital or cancelling its shares. The Finnish national

legislation that implements the Banking Reform Package includes a provision whereby the Stability Authority may implement resolution measures in respect of the central institution and all member banks of an Amalgamation, if the Amalgamation as a whole meets the resolution criteria. This provision has the effect that potential bail-in of MREL eligible instruments issued by one member institution may be utilised for covering losses of other member credit institutions or for the recapitalisation of other member credit institutions of the Amalgamation.

In the resolution plan drawn up and adopted by the Stability Authority in respect of the Amalgamation, the bail-in tool is exercised in respect of the Amalgamation through the Issuer. Consequently, if the bail-in tool would be exercised in respect of the Amalgamation, the losses of Member Credit Institutions (including any POP Bank) and/or the recapitalisation of Member Credit Institutions (including any POP Bank) of the Amalgamation would be effected by write-down and conversion of liabilities of the Issuer (which could include the Senior Preferred MREL Eligible Notes). The exercise of any resolution power or any suggestion of any such exercise could have a material adverse effect on the value of the Senior Preferred MREL Eligible Notes and could lead to holders of the Senior Preferred MREL Eligible Notes losing some or all of the value of their investment in the Senior Preferred MREL Eligible Notes. In particular, the exercise of the bail-in tool in respect of the Issuer or other members of the Amalgamation and/or the Senior Preferred MREL Eligible Notes or any suggestion of any such exercise could materially adversely affect the rights of the holders of the Senior Preferred MREL Eligible Notes, the price or value of their investment in the Senior Preferred MREL Eligible Notes and/or the ability of the Issuer to satisfy its obligations under the Senior Preferred MREL Eligible Notes and could lead to the holders of the Senior Preferred MREL Eligible Notes losing some or all of the value of their investment in the Senior Preferred MREL Eligible Notes. The Finnish national legislation that implements the Banking Reform Package includes a provision whereby the Stability Authority may implement resolution measures in respect of the Senior Preferred MREL Eligible Notes to cover losses of the Central Organisation or a Member Credit Institution or for the capitalisation of the Central Organisation or a Member Credit Institution, if the Amalgamation as a whole meets the resolution criteria. The actual effect on holders of the Senior Preferred MREL Eligible Notes depends, among other things, on the nature and severity of the crisis. For more information on the Finnish Resolution Laws, see “*Regulatory environment – Resolution laws*”.

#### 7. Information Incorporated by Reference

The following information is added on page 63 under the title “*Information Incorporated by Reference*”:

<b>Document</b>	<b>Referred information</b>
<a href="#"><u>Bonum Bank Plc Financial Statements Bulletin for 1 January – 31 December 2021</u></a>	Financial Statements Bulletin for 1 January – 31 December 2021, except for the section entitled “Outlook for 2022” on page 17.
<a href="#"><u>POP Bank Group Financial Statements Bulletin for 1 January – 31 December 2021</u></a>	Financial Statements Bulletin for 1 January – 31 December 2021, except for the section entitled “Outlook for 2022” on page 20.