Translation:
Bonum Bank’s Board of Directors Report and Financial Statements 1 January-31 December 2014

Bonum Bank’s Board of Directors Report and Financial Statements 1 January-31 December 2014 is a translation of the original Finnish version “Bonum Pankin tasekirja 1.1.-31.12.2014”.

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FINANCIAL STATEMENTS AND BOARD OF DIRECTORS' REPORT 2014

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Board of Directors’ report for the financial period 1 January – 31 December 2014

Bonum Bank Ltd (BIC: POPFFI22) is a wholly-owned subsidiary of the POP Bank Alliance, which obtained a deposit bank licence in December 2013. Bonum Bank will provide central credit institution services to the POP Banks as of February 2015, when the central credit institution services of POP Banks will be transferred from Aktia to Bonum Bank.

The construction of Bonum Bank’s central credit institution progressed well during the period under review, and the project kept to its schedule and budget. During 2014, Bonum Bank prepared for the introduction of central credit institution services and operation as the bank of POP Banks.

Bonum Bank’s operations as the central credit institution began already in April, when Bonum Bank started to provide insider register maintenance services to POP Banks. In June, the Bank’s Target2 account was opened with the Bank of Finland. Its banking operations as an individual bank began at the beginning of August, when Bonum Bank’s banking system was introduced. In addition to the technical implementation of banking operations, a number of persons were recruited to the Bank for Treasury and Back Office tasks towards the end of the period.

In the spring, Bonum Bank prepared an offer for providing services as a payment card issuer for POP Banks. The project is also related to the transfer of the credits of the entire card base of POP Banks to Bonum Bank. The card functions will be transferred to Bonum Bank during the spring of 2015. Our competence in the future card functions was also strengthened by recruiting an expert to the Bank.

The other central credit institution operations of POP Banks will be transferred to Bonum Bank in February 2015. The intermediation of minimum reserves will be transferred already at the end of January. During the period under review, Bonum Bank continued to provide payment transfer services to Aktia, POP Banks and Savings Banks. Savings Banks discontinued the use of payment transfer services according to agreement in November, when they started to use the central credit institution services of the Central Bank of Savings Banks Finland.

Bonum Bank’s capital was increased by EUR 12 million in accordance with the decision of the POP Bank Alliance in April 2014.

Business operations of the Bank

During 2014, Bonum Bank transferred payment transactions between Aktia, POP Banks and Savings Banks, to other commercial banks operating in Finland, and SEPA payments (SEPA credit transfers) to other parts of the euro area. The total number of transactions was approximately 277 million (314 million). The drop in transactions from the previous year was caused by the discontinuation of the payment transfer services provided to Savings Banks at the beginning of November. The service was implemented by Aktia Bank and Samlink acting as cooperation partners.

In 2014, the majority of Bonum Bank’s income came from payment transfers. The Bank’s expenses consist of service and transaction charges for payment transfers as well as administration expenses. The Bank’s financial result has shown a loss due to the increased personnel expenses and the preparations for card functions. Bonum Bank employed 11 people at the end of the year.

The construction expenses of the central credit institution services were charged from POP Banks in accordance with the decision made by the POP Bank Alliance in 2013.

On 19 December 2014, the extraordinary cooperative meeting of the POP Bank Alliance decided to amend the rules of the POP Bank Alliance so that they meet the requirements set for a central institution referred to in the Act on the Amalgamation of Deposit Banks. The decision is conditional, and it requires that at least 70% of the current members of the POP Bank Alliance (calculated from the aggregate balance sheet total of all members of the POP Bank Alliance) have no later than 30 April 2015 made a decision to amend their rules so that they are aligned with the rules of a member credit institution referred to in the Act on the Amalgamation of Deposit Banks.

Result

Bonum Bank's operating loss amounted to EUR 462 thousand (its operating loss was EUR 68 thousand in 2013). The operating profit percentage on the annual average of the balance sheet was -3.2% (-1.2%). The fall in the result from the previous year was due to the increasing personnel expenses incurred from the construction of the central credit institution, the discontinued payment transfer income from Savings Banks towards the end of the year, and the costs incurred from the preparations for card functions. The Bank's cost-to-income ratio stood at 112.2% (110.3%).

The Bank's key income statement items have developed as follows compared with the two previous years:

EUR 1,000	01–12/2014	01–12/2013	Change, % *)	01–12/2012	Change, % **)
Net interest income	68	20	…	38	-46.9
Net fee income	434	527	-17.7	538	-2.0
Other income	3,277	115	…	1	…
Total income	3,779	662	…	576	14.9
Personnel expenses	-772	-313	…	-193	62.7
Other administrative expenses	-2,771	-232	…	-97	…
Other expenses	-698	-185	…	-130	42.6
Total expenses	-4,241	-730	…	-419	74.2
Cost-to-income ratio	112.23	110.30		72.78	
Operating loss (profit)	-462	-68	…	157	…
Profit (loss) for the period	-466	-76	…	118	…
*) Change 2014–2013					
**) Change 2013–2012					

The Bank's net interest income amounted to EUR 68 thousand (20). Net interest income increased by EUR 48 thousand year-on-year. Interest income consisted of interest on the Bank's deposits. The low interest rates continue to decrease interest income further.

Net fee income totalled EUR 434 thousand (527). The share of fee income was EUR 3,018 thousand (3,288) and that of fee expenses EUR 2,584 thousand (2,761). Fee income mainly consists of payment transfer fees.

Other income, totalling EUR 3,277 thousand (115), originates in expenses incurred from the construction of Bonum Bank's central credit institution operations, which were invoiced from POP Banks.

Personnel expenses consist of salary expenses, pension expenses and other indirect personnel expenses. These expenses totalled EUR 772 thousand (313). The growth in personnel expenses was due to the increase in the number of the Bank's personnel during the financial year.

Other administrative expenses grew to EUR 2,771 thousand (232). The increase in expenses was mainly due to the expenses incurred from the construction of the infrastructure for central credit institution services, which we continued to invoice from POP Banks.

Depreciation according to plan amounted to EUR 31 thousand (69). Other operating expenses grew to EUR 667 thousand (117). The expenses were incurred from consulting fees paid, the Visa membership fee necessary for our card functions, and the contribution to the Deposit Guarantee Fund. The expenses also include a provision for the refund of development fees to banks that have announced that they will transfer to other bank groups and remain outside the planned amalgamation of POP Banks.

Balance sheet

The Bank's balance sheet increased by 140.7% in 2014, amounting to EUR 20,310 thousand at the end of year (8,439).The growth in the balance sheet was due to the capital injection in April.

Bonum Bank's key balance sheet items developed as follows compared with the two previous years:

EUR 1,000	31 Dec 2014	31 Dec 2013	Change, % *)	31 Dec 2012	Change, % **)
Investments	**19,037**	**8,188**	**…**	**3,211**	**…**
Receivables from credit institutions	18,037	8,188	…	3,211	…
Notes and bonds	1,000	0		0	
Equity	**19,740**	**8,206**	**…**	**3,283**	**…**
Accumulated appropriations	**23**	**19**	**22.6**	**11**	**75.7**
ROA, %	neg	neg		3.6	
ROE, %	neg	neg		3.7	
Equity ratio	97.3	97.4		97.6	
Capital ratio	264.26%	275.33%		0.00%	
*) Change 2014–2013					
**) Change 2013–2012					

Lending

Bonum Bank had no lending activities during the period under review.

Investments

The Bank invested in deposits in other credit institutions.

The Bank's deposits in other credit institutions amounted to EUR 18,037 thousand (8,188). The growth in the amount was particularly impacted by the increase in share capital.

Other liabilities

Other liability items mainly consisted of short-term payment transfer items as well as items carried forward related to the accrual of income and expenses in the closing of books phase.

Equity and accumulated appropriations

The Bank's equity at the end of the period was EUR 19,740 thousand (8,206). The increase from the previous period was EUR 11,534 thousand.

Appropriations include depreciation differences and voluntary provisions, which totalled EUR 23 thousand (19) at the end of the period.

Voluntary and statutory reserves

Bonum Bank a member of the Deposit Guarantee Fund, which protects the deposits of customers with banks up to EUR 100 thousand. The Bank's contribution to the Deposit Guarantee Fund was EUR 36 thousand.

Capital adequacy management

The objective of Bonum Bank's capital adequacy management process is to secure the sufficiency of the Bank's risk-bearing capacity in relation to all the material risks involved in its operations. To achieve this objective, the Bank comprehensively identifies and assesses risks involved in its business operations, dimensions its capital needs on a risk basis, and prepares a capital plan to reach its aims. The capital adequacy management process also aims at maintaining and developing high-quality risk management.

By acting in accordance with the business plan approved by the Board of Directors, the Bank is able to keep the risks included in its business operations manageable and small in relation to its risk-bearing capacity. The Bank's Board of Directors is responsible for the Bank's capital adequacy management and the specification of risk limits related to operations. The Bank's Board of Directors annually reviews the risks related to the Bank's capital adequacy management, the capital plan as well as the risk limits set.

In its capital adequacy management process, the Bank prepares result, growth, and capital adequacy forecasts, taking into account the strategic changes in the central credit institution operations in accordance with the business plan and its significant projects in 2015. On the basis of the forecasts, the Bank charts the necessary measures by means of which the capital adequacy objective in accordance with the business strategy can be maintained during and at the end of the transitional period of business operations.

The Bank applies the standardised approach for the calculation of the capital requirement for credit risk and the basic indicator approach for operational risk. Bonum Bank Ltd publishes material information from the point of view of capital adequacy calculation annually as part of its Board of Directors' report and the notes to the financial statements. The semi-annual interim reports also include the most relevant capital adequacy data.

The Total Capital (TC) of Bonum Bank Ltd at the end of 2014 amounted to EUR 19,747 thousand (8,185), while the minimum requirement for own funds was EUR 597 thousand (0). Tier 1 capital (T1) amounted to 19,747 thousand, of which the share of Common Equity Tier 1 capital (CET1) was EUR 19,747 thousand and the share of Additional Tier 1 capital (AT1) was EUR 0 thousand. Tier 2 capital (T2) amounted to EUR 0 thousand.

The capital ratio of Bonum Bank Ltd continued at a very high level, amounting to 264.26% at the end of 2014. The ratio of Tier 1 capital (T1) to risk-weighted items was 264.26% (275.33%).

Main items of capital adequacy calculation, EUR thousand

	Parent company	
Own funds	**2014**	**2013***
Common Equity Tier 1 capital before statutory adjustments	19,758	8,221
Statutory adjustments to Common Equity Tier 1 capital	-11	-36
Total Common Equity Tier 1 capital (CET1)	19,747	8,185
Additional Tier 1 capital before statutory adjustments	0	0
Statutory adjustments to Additional Tier 1 capital	0	0
Additional Tier 1 capital (AT1)	0	0
Tier 1 capital (T1 = CET1 + AT1)	**19,747**	**8,185**
Tier 2 capital before statutory adjustments	0	0
Statutory adjustments to Tier 2 capital	0	0
Total Tier 2 capital (T2)	**0**	**0**
Total Capital (TC = T1 + T2)	**19,747**	**8,185**
Total risk-weighted items	**7,473**	**2,973**
of which the share of credit and counterparty risk	4,337	1,839
of which the credit valuation adjustment risk (CVA)	0	0
of which the share of market risk (exchange rate risk)	0	0
of which the share of operational risk	3,136	1,134
Common Equity Tier 1 capital (CET1) in relation to risk-weighted items (%)	264.26%	275.33%
Tier 1 capital (T1) in relation to risk-weighted items (%)	264.26%	275.33%
Total Capital (TC) in relation to risk-weighted items (%)	264.26%	275.33%

*) The 2013 figures are not fully comparable; they have been presented in accordance with the acts, decrees, and regulations and guidelines of the Finnish Financial Supervisory Authority that were valid on 31 December 2013.

The development of the capital adequacy of Bonum Bank Ltd was impacted by the increase in own funds, through which the Bank prepared for the beginning of central credit institution operations in accordance with the business plan in 2015 and made preparations for it and the partial beginning of banking operations in 2014. The capital investment increased the amount of risk-weighted items, and the projects related to the launch of central credit institution services contributed to the growth in the risk-weighted amount of operational risk.

The new Solvency Regulation and Directive of the European Union entered into force on 1 January 2014, and reporting according to them started on 31 March 2014. The Solvency Regulation is legislation directly binding on Member States, and the capital adequacy figures presented above are calculated in accordance with the new provisions. In addition, the European Banking Authority (EBA) issues standards to complement the Regulation which are binding just like the Regulation itself.

The capital adequacy and capital planning of Bonum Bank Ltd takes into account the requirements according to the new capital adequacy and liquidity provisions. With regard to the liquidity requirements, we implement monitoring reporting for the present, and, for the foreseeable future, the liquidity coverage ratio (LCR) is becoming binding at the level of 60% in the autumn of 2015.

Risk management

Objective of risk management

The objective of risk management is to ensure that the risks involved in the Bank's business operations have been identified, assessed and restricted and that risks are monitored in accordance with good risk management principles and the principles of internal control. In addition, the objective of capital adequacy management is to ensure that risk levels are in correct proportion to the Bank's risk-bearing capacity. From the point of view of Bonum Bank's business, the material areas of risk management are credit risks, interest rate risks, financial risks, operational risks and strategic risks.

Principles and organisation

Bonum Bank's risk management strategy is based on the business plan, risk strategy, risk management guidelines, and decision-making and action authorisations approved by the Board of Directors, as well as risk and result reporting produced for the various subareas of business operations.

During 2014, Bonum Bank continued to shift the focus of its business from payment institution operations to the central credit institution operations of the POP Bank group in accordance with its new strategy. The biggest risk area related to the Bank's business is the operational risk as a result of the construction of a business infrastructure according to the new strategy and the related projects which are significant for the Bank. The Bank does not have large customer or investment risk concentrations with regard to its financial risk-bearing capacity.

The Bank shall keep its capital adequacy at a safe level during the business transition period. The Bank's capital adequacy and risk-bearing capacity have been strengthened in view of the beginning of the central credit institution services through capital arrangements with the Bank's owners. The Bank has prepared for risks of loss resulting from different risk classes through a sufficient capital adequacy buffer, standby financing channels and agreements related to capital arrangements.

The Board of Directors receives regular reports on exposure levels of the Bank's business and its ongoing projects as well as the development of risks. The Board of Directors approves authorisations and the framework for risk-taking in business by specifying the allowed exposure limits for credit and market risks. The management is in charge of the daily exposure monitoring and supervision within the authorisations specified. In their monitoring activities, the management utilise reports concerning the various risk areas produced by different systems. Systems and practices intended for reporting on risks and monitoring them meet the requirements set for risk management, taking the nature and scope of the Bank's operations into account.

Risk management and compliance arrangements

The Bank has a designated Compliance Officer who is responsible for the tasks set for compliance functions.

The compliance function ensures that the Bank complies with legislation, regulations and guidelines issued by the authorities, and the self-regulation of the market, as well as the Bank's internal guidelines in all its operations. The compliance function assists the Board of Directors, the management and other operations in the management of the risk involved in non-compliance by way of proactive legal advice and the monitoring of compliance with provisions, agreements and procedures.

The Bank has a designated Risk Manager who is responsible for the planning, guidelines and implementation of risk management in accordance with the principles defined by the Board of Directors.

The risk management function ensures that the Bank complies with good risk management principles, internal control principles, legislation and regulation by the authorities in the operating models for risk management and capital adequacy management. The objective of the implementation of capital adequacy and risk management is to obtain a correct and up-to-date view of the exposure levels of the business engaged in and to keep the business exposure levels and capital adequacy within the strategic framework set by the Board of Directors.

Operating model aiming at diversity that is complied with when appointing members to the highest management body, and its objectives and goals

The Bank's guidelines emphasise the importance of diversity in the composition of the Board of Directors. The objective of diversity is sought through the annual self-assessment of the Board.

Operational risks

Operational risks refer to losses that may be caused by internal inadequacies in systems, processes and the actions of personnel, or by external factors affecting the business. The operational risk of Bonum Bank's business was subject to special observation due to the business projects continued in 2014.

We attempt to manage operational risks by risk surveys where we seek to identify, assess and classify the risk exposure involved in business processes and projects. A continuity or contingency plan is prepared for all major operational risks, specifying the ways of operating as well as guidelines in case the risk materialises. The aim is to remedy any sources of risks within processes, set controls and monitoring points, as well as restrict any direct losses and indirect harm to the Bank's business caused by any materialisation of risks.

Attempts are made to minimise any materialisation of operational risks by continuous development of personnel and comprehensive operating instructions, as well as internal control measures, such as by segregating preparation, decision-making, implementation and control from each other as far as possible.

The Bank is prepared through a special insurance policy for any operational risks materialising in its banking operations and for any losses caused by them. Any materialisation of legal risks is reduced, for their part, by the adopted standard contract terms and conditions that are largely in use. We have prepared for risks caused by malfunctions of information systems by continuity planning.

Operational risks are monitored by collecting information on both already realised financial losses at the Bank as well as any malpractices encountered. The Board of Directors receives observations concerning the Bank's operational risks at least twice a year. The management utilises reporting produced by internal control on compliance with instructions and information on changes in the operating environment.

Credit exposure

Credit exposure management aims at limiting the effects to profit and capital adequacy of credit risks resulting from investment activities and any other customer liability to a manageable level. The business strategy and credit exposure management guidelines approved by the Board of Directors specify the maximum limits for risk concentrations and act as guidelines for the targeting of investment activities and short-term lending by customer sector, industry and credit exposure class.

The Board of Directors of the Bank makes the credit limit decisions concerning investment activities. The Board of Directors has further delegated investment authorisations to the management of the Bank and other appointed salaried employees by way of the credit exposure policy. Investment decisions are made according to the investment policy, credit exposure policy, and credit exposure management guidelines approved by the Board of Directors of the Bank, spreading the risks. Credit limit decisions are mainly based on an evaluation of the creditworthiness and ability to pay of the counterparty.

The exposure of the Bank related to investments is at a manageable level with regard to its risk-bearing capacity. The credit exposure of customer and investment operations are reported to the Board of Directors four times a year.

Market risk

Market risk refers to the effect of changes in interest rates and market prices on the Bank's result and capital adequacy. Bonum Bank's business does not include any other market risks besides the interest rate risk.

The Bank's investments and the related interest rate risk are reported as duration-based interest rate sensitivity to the Board of Directors on a regular basis. The Board of Directors specifies the maximum limits for the Bank's interest rate risk. The interest rate risk of Bonum Bank was low at the end of 2014 as a result of the moderate investment policy and the short term to maturity of investments during the business transition period.

Financing risk

Financing 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. A financing risk also arises if receivables and liabilities are concentrated on individual counterparties to too high a degree.

The financing risk related to the starting period of Bonum Bank's business operations is low. The balance sheet of business is relatively liquid, and the need for long-term financing is low. During the transition period, the financing risk and liquidity are managed by mainly investing liquid funds in financial instruments marketable on the secondary market and short-term deposits in other financial institutions. Liquidity is ensured through standby financing channels. The financing risk of the balance sheet is monitored by means of reports to the Board of Directors concerning the Bank's financial position and liquidity status.

The Bank's financial position remained stable in 2014.

Strategic risks

Strategic risk refers to losses incurred as a result of choosing an incorrect business strategy with regard to the development of the Bank's operating environment. Bonum Bank's strategic risk is relatively low.

The Bank aims to minimise strategic risks by means of regular updates of its strategic and annual plans. The analyses and forecasts of the POP Bank Alliance concerning the development of the industry, the competitive situation and the economic operating environment of the POP Bank group are utilised in the planning.

Internal audit

On 27 June 2014, the Board of Directors decided to outsource the Bank's internal audit to PricewaterhouseCoopers Oy and approved operating instructions and reporting principles for internal audit.

The purpose of internal audit is to assess the scope and sufficiency of the internal control of the Bank's operational organisation and to monitor and assess the functionality of risk management systems. The internal audit reports its observations primarily to the Board of Directors of the Bank. The Board of Directors of the Bank discusses the audit summaries prepared by internal audit every year.

Internal control

The Bank's internal control serves to ensure that the objectives and goals set for different levels of the Bank are achieved according to the agreed and specified internal control guidelines. Internal control refers to the monitoring conducted by the administrative bodies and the organisation within the Bank, primarily focusing on the operational status, quality and results. Internal control is performed by the Board of Directors, the CEO, the management, supervisors and salaried employees. Salaried employees also have the duty to report any deviations and illegal actions to a higher organisational level.

Information on shares and the share issue

On 14 February 2014, the General Meeting decided on a directed issue subject to a payment, where no more than 600,000 new shares were issued for subscription. The shares were primarily allocated for subscription by the POP Bank Alliance. The subscription price of one share was EUR 20.00, and the minimum subscription amount was EUR 12,000,000. EUR 6,67 of the subscription price was posted in share capital and EUR 13.33 in the Bank's non-restricted equity.

The sole owner of the company, the POP Bank Alliance, subscribed for all of the shares issued for subscription.

On 31 December 2014, Bonum Bank had 900,000 shares. Bonum Bank does not hold any of its own shares. On 31 December 2014, Bonum Bank's share capital amounted to EUR 10 million (EUR 6 million in 2013).

Corporate governance and personnel

The Annual General Meeting of 14 February 2014 adopted the financial statements for 2013 and granted discharge from liability to the Bank's Board members and the CEO. The AGM re-elected the members of the Board of Directors for a second term.

The Board of Directors of Bonum Bank Ltd is composed of 5 members. Ossi Karesvuo acted as the chairman of the Board, the vice chairman was Ilkka Harjunpää, and the CEO was Anders Dahlqvist. Lasse Vepsäläinen acted as the deputy to the CEO. The Board of Directors convened 12 times during the year.

Board member Timo Niskanen resigned from the Bank's Board of Directors on 24 June 2014. Soile Pusa was elected to replace him on 13 August 2014.

Regular Board members:

Petri Lammassaari	bank manager
Timo Niskanen	CEO, until June 2014
Markku Ristiniemi	CEO
Soile Pusa	CEO, as of September 2014

Bonum Bank employed 11 people at the end of the year, all of them full time. The number of personnel increased by 5 persons during the year. On the closing date, the average age of personnel was 39.4 years.

During 2013 and 2014, personnel were recruited particularly in view of the various functions and professional skill requirements of the Bank being established. The recruitment was carried out so that the persons' professional profile corresponded to the properties and professional expertise needed to manage the functions they will be responsible for. The professional competence of employees is maintained and developed in accordance with the Bank's needs, the persons' individual expertise requirements and any changes taking place in them.

Audit

The company's auditor was KPMG Oy Ab with Johanna Gråsten, Authorised Public Accountant, as the main auditor.

The Bank's management and control systems

The Bank's functions are controlled by its shareholder, which exercises its decision-making power at the General Meeting in accordance with the Finnish Limited Liability Companies Act and the Articles of Association. The Annual General Meeting decides on the distribution of profit of the Bank and elects the members of the Board of Directors.

The Bank is represented by and directed by the Board of Directors. Operational decisions concerning the Bank's business operations and strategic issues are made by the Bank's Board of Directors. The work of the Board of Directors is based on the Bank's Articles of Association, decisions of the General Meeting and applicable legislation. The Bank's CEO manages the Bank's routine administration in accordance with the instructions provided by the Board of Directors.

The investigation of the independence of Board members and the CEO takes place in accordance with regulations issued by the Finnish Financial Supervisory Authority. Board members and the CEO shall provide an account of the entities in which they operate when they are elected to their office. In addition, Board members and the CEO shall provide an account of fitness and propriety according to the regulation by the Financial Supervisory Authority when they accept their duties.

Compensation programme

Decision-making process used in the specification of the compensation programme

The Bank's Board of Directors is responsible for compensation issues.

The Bank does not have a compensation committee appointed by the Board for the management of the compensation programme. It was not considered necessary due to the narrow scope of the Bank's business.

The Bank's Board of Directors monitors the compensation programmes and annually assesses their effectiveness.

The Bank's compliance function verifies once a year whether the compensation programme approved by the Bank's Board of Directors has been complied with.

The compensation of control functions' personnel is independent of the business area being supervised.

Relationship between compensation and result

The compensation programme is aligned to the Bank's business strategy, objectives and values and supports the Bank's long-term benefit. The compensation programme is in harmony with the Bank's proper and effective risk management and risk-bearing capacity and promotes it.

Criteria used in the assessment of performance, risk-based changes to the amount of compensation, postponement practices and compensation payment criteria

The variable compensation of any beneficiary at the Bank may not exceed EUR 50,000 for an earnings period of one year.

The Bank may decide not to pay any variable compensation either partially or at all in the event the Bank's capital adequacy is less than 10.5%.

The Board of Directors decides on the payment of severance pay or other comparable compensation that is paid to a compensation beneficiary if employment terminates prematurely; the principles referred to above are taken into account in payment and the payment criteria are laid down so that compensation is not paid for failed performance.

Fixed and variable compensation

The variable compensation under the compensation programme may be at most 100% of the fixed annual salary.

Key parameters and criteria applied in the specification of variable compensation and other fringe benefits

The Bank's variable compensation is subject to the following principles:

1. The compensation is based on an overall assessment of the performance of the compensation beneficiary and the designated business unit and on the overall result of the Bank and its business development. When performance is assessed, financial and other factors as well as long-term result are considered.
2. Additionally, risks, sufficiency of capital, amount of distributable equity and liquidity at the time of assessment are allowed for when determining the compensation amount. Variable compensation cannot be paid if it jeopardises the achievement of the Bank’s minimum capital adequacy objective.
3. The Bank does not pay any unconditional variable compensation or be committed to a compensation programme based on the compensation beneficiary’s previous employment relationship unless the Board of Directors of the Bank separately so decides for a weighty reason and within the framework set by regulation.

Aggregate information on compensation to the management and members of personnel who have a significant impact on the risk profile of the Bank

The Bank maintains a list of the following persons and the compensation paid to them:

1. The Bank's CEO and persons managing the Bank in addition to the CEO,

2. Another person whose actions have a significant impact on the Bank's risk position,

3. A person who works in independent operations in the Bank's internal control functions,

4. Another person whose total amount of compensation is not significantly different from the persons referred to in sections 1 and 2.

The confirmed variable compensation of these persons was 18.6% of their fixed annual salary.

Number of compensation beneficiaries

The number of compensation beneficiaries was 6.

The amount and form of variable compensation divided into cash, shares, share-linked financial instruments and other types of instruments

The amount of variable compensation was EUR 81,750. The entire compensation was paid in cash.

The amount of compensation to be paid the payment of which has been postponed

The Bank has not postponed the payment of compensation.

Start-up payments paid to new compensation beneficiaries during the financial period, severance payments paid and the number of beneficiaries of these payments

The Bank has not paid start-up or severance payments.

The amount of severance payments defined during the financial period, the number of beneficiaries and the largest such compensation paid to a single beneficiary

The Bank has not defined severance payments.

Compensation of more than EUR 1 million

The Bank has not paid compensation of over EUR 1 million.

Key outsourced operations

The Bank's key information systems are outsourced to Samlink Ltd. The Bank's accounting is managed at Paikallispankkien PP-Laskenta Oy, wholly owned by Samlink.

Social responsibility

Bonum Bank's social responsibility refers to the Bank's responsibility for the effects of its operations on the surrounding society and the company's interest groups. It is important to Bonum Bank Ltd, for its part, to assume responsibility for the surrounding society. Bonum Bank Ltd takes care of compliance with its employer obligations.

Events after the financial statements

After the financial statements period, the Bank has become aware of the decision of two POP Banks to transfer to another bank group. No other events after the financial statements have become known to the Bank.

Development of business operations in 2015

Bonum Bank's central credit institution services started in February 2015. Its banking operations will focus on ensuring services and operations in 2015.

Card functions will be transferred to Bonum Bank in the summer when Bonum Bank will become the issuer of payment cards to the customers of POP Banks.

The Board's proposal for the distribution of profit

Bonum Bank's distributable surplus was EUR 9,739,785.73, of which the loss for the financial period is EUR 466,435.09.

The Board of Directors proposes that the loss be recorded as a decrease in equity and that the company does not distribute dividends.

No material changes have taken place in the Bank's financial standing after the end of the financial period. The Bank's liquidity is good, and, in the view of the Bank's Board of Directors, the negative result does not compromise the Bank's liquidity.

Formulae of key figures

Cost-to-income ratio, %

Administrative costs + depreciation and impairments on tangible and intangible
assets + other operating expenses x 100
Net interest income + income from equity investments + net fee income
+ net income from securities trading and foreign exchange operations + net income from available-for-sale financial assets + net income from hedge accounting + net income from investment properties + other operating income + share of profit of associated companies

Return on equity (ROE)

Operating profit (loss) - Income taxes x 100
Equity and minority interest + accumulated appropriations less deferred tax liability (average of beginning and end of year)

Return on assets (ROA)

Operating profit (loss) - Income taxes x 100
Balance sheet total (average of beginning and end of year)

Equity ratio

Equity and minority interest + Accumulated appropriations
less deferred tax liability x 100
Balance sheet total

Capital ratio

Total own funds x 8%
Total minimum requirements for own funds

Common Equity Tier 1 capital (CET1) in relation to risk-weighted items (%)

Common Equity Tier 1 capital (CET1) x 8%
Total minimum requirements for own funds

Tier 1 capital (T1) in relation to risk-weighted items

Tier 1 capital (T1) x 8%
Total minimum requirements for own funds

Total Capital (TC) in relation to risk-weighted items (%)

Total Capital (TC) x 8%
Total minimum requirements for own funds

Financial statements

Income statement of Bonum Bank Ltd

		1 Jan – 31 Dec 2013 EUR	1 Jan – 31 Dec 2013 EUR
Interest income	**(1.1)**	67,677.25	19,972.35
Interest expenses	**(1.1)**	-13.08	0.00
NET INTEREST INCOME		67,664.17	19,972.35
Fee income	**(1.2)**	3,017,917.88	3,288,206.16
Fee expenses	**(1.2)**	-2,583,724.15	-2,760,786.41
Other operating income	**(1.3)**	3,276,691.68	114,665.01
Administrative expenses		-3,542,807.47	-544,784.96
Personnel expenses	**(1.4)**	-772,108.25	-313,196.61
Other administrative expenses	**(1.5)**	-2,770,699.22	-231,588.35
Depreciation and impairments on tangible and intangible assets	**(1.6)**	-31,385.72	-68,957.93
Other operating expenses	**(1.3)**	-666,525.54	-116,514.70
OPERATING LOSS		-462,169.15	-68,200.48
Appropriations		-4,265.94	-8,139.83
RESULT OF ORDINARY OPERATIONS AFTER TAXES		-466,435.09	-76,340.31
LOSS FOR THE PERIOD		-466,435.09	-76,340.31

Balance sheet of Bonum Bank Ltd

		31 Dec 2014 EUR	31 Dec 2013 EUR
Cash funds		4,264.61	0.00
Receivables from credit institutions	**(2.1)**	18,036,973.88	8,188,426.21
Notes and bonds	**(2.2)**	999,583.22	0.00
From others		999,583.22	0.00
Intangible assets	**(2.5)**	10,957.34	35,905.44
Tangible assets	**(2.5)**	61,677.97	39,503.47
Other tangible assets		61,677.97	39,503.47

Accrued income and advances paid	**(2.6)**	1,196,273.16	175,293.20
TOTAL ASSETS		20,309,730.18	8,439,128.32

EQUITY AND LIABILITIES

		31 Dec 2014 EUR	31 Dec 2013 EUR
LIABILITIES			
Liabilities to the public and public sector entities	**(2.7)**	26.90	0.00
Deposits		26.90	0.00
Other liabilities	**(2.8)**	307,269.72	23,292.04
Accrued liabilities and advances received	**(2.9)**	239,491.68	190,725.25
TOTAL LIABILITIES		546,788.30	214,017.29
ACCUMULATED APPROPRIATIONS			
Depreciation difference		23,156.15	18,890.21
TOTAL ACCUMULATED APPROPRIATIONS		23,156.15	18,890.21
EQUITY	**(2.13)**		
Share capital		10,000,000.00	6,000,000.00
Non-restricted reserves		10,000,000.00	2,000,000.00
Reserve for invested non-restricted equity		10,000,000.00	2,000,000.00
Retained earnings		206,220.82	282,561.13
Loss for the period		-466,435.09	-76,340.31
TOTAL EQUITY		19,739,785.73	8,206,220.82
TOTAL EQUITY AND LIABILITIES		20,309,730.18	8,439,128.32

OFF-BALANCE-SHEET COMMITMENTS

Off-balance-sheet commitments are presented in section 3.5 of the notes.

Cash flow statement of Bonum Bank Ltd

	1 Jan – 31 Dec 2014 EUR	1 Jan – 31 Dec 2013 EUR
Cash flow from operations		
Profit from ordinary operations after taxes	-466,435.09	-76,340.31
Adjustments for the period	35,608.64	77,097.76
Increase (-) or decrease (+) in business assets	**-4,746,354.89**	**-3,062,129.99**
Receivables from credit institutions	-3,717,325.32	-2,951,479.45
Other assets	-1,029,029.57	-110,650.54
Increase (+) or decrease (-) in business liabilities	**332,771.01**	**175,677.57**
Liabilities to the public and public sector entities	26.90	0.00
Other liabilities	332,744.11	175,677.57
Income taxes paid	8,049.61	-46,349.96
Total cash flow from operations	**-4,836,360.72**	**-2,932,044.93**
Cash flow from investments		
Financial assets held to maturity, increases	-999,540.20	0.00
Investments in tangible and intangible assets	-28,612.12	-41,689.98
Total cash flow from investments	**-1,028,152.32**	**-41,689.98**
Cash flow from financing		
Increases in share capital	4,000,000.00	5,000,000.00
Other monetary increases in equity items	8,000,000.00	0.00
Total cash flow from financing	**12,000,000.00**	**5,000,000.00**
Net change in cash and cash equivalents	**6,135,486.96**	**2,026,265.09**
Cash and cash equivalents at beginning of period	2,706,431.08	680,165.99
Cash and cash equivalents at end of period	8,841,918.04	2,706,431.08
Cash and cash equivalents consist of the following balance sheet items:		
Cash funds	4,264.61	0.00
Receivables from credit institutions repayable on demand	8,837,653.43	2,706,431.08
Total	**8,841,918.04**	**2,706,431.08**
Further information concerning the cash flow statement:		
Interest received	66,390.38	18,943.07
Interest paid	13.08	0.00
Adjustments for the financial period:		
Appropriations	4,265.94	8,139.83

Depreciation and impairments on intangible and tangible assets	31,385.72	68,957.93
Other adjustments	-43.02	0.00
Total	**35,608.64**	**77,097.76**

Notes to the balance sheet

Accounting principles

The Bank's financial statements have been prepared according to the provisions of the Accounting Act, the Act on Credit Institutions, the Ministry of Finance Decree on the Financial Statements and Consolidated Financial Statements of Credit Institutions (698/2014), and the Financial Supervisory Authority's regulations and guidelines 1/2013 on the accounting, financial statements and Board of Directors' report in the financial sector.

Financial instruments

Classification

Financial assets have been classified in four recognition classes in the financial statements according to the Financial Supervisory Authority's regulations and guidelines 1/2013 on the accounting, financial statements and Board of Directors' report in the financial sector:

- Financial assets at fair value through profit or loss
- Available-for-sale financial assets
- Investments held to maturity
- Loans and other receivables.

The Bank has no financial assets to be recognised at fair value through profit or loss.

The Bank has no investments held to maturity.

Loans and other receivables include receivables with fixed or definable payments which are not quoted in a public market.

Available-for-sale financial assets include financial assets not classified in any of the above recognition classes.

Purchases and sales of financial assets are recognised based on the transaction date and included in balance sheet items Notes and bonds and Shares and holdings.

Financial liabilities are divided into two recognition classes:

- Financial liabilities held for trading
- Other financial liabilities.

The Bank has no financial liabilities held for trading. All financial liabilities are therefore classified under Other financial liabilities.

Valuation

Financial assets are recorded on the balance sheet either at fair value or at amortised cost. With the exception of derivative contracts, financial liabilities are recognised on the balance sheet at amortised cost.

Changes in the fair value of financial assets recognised at fair value through profit or loss are recorded directly in the income statement item Net income from securities trading.

Available-for-sale financial assets are recognised at fair value. Changes in the fair value of such assets, adjusted with deferred taxes, are recorded in the fair value reserve under equity. Exchange rate gains and losses resulting from foreign currency items are not recorded in the fair value reserve but directly through profit or loss. The accumulated change in value of the fair value reserve is recorded through profit or loss when an asset item belonging to available-for-sale financial assets is sold or otherwise derecognised.

The last purchase rate of the year of publicly quoted shares has been used as the fair value. For shares other than publicly quoted shares, the acquisition cost has been used as the fair value where their fair value could not be reliably determined. For notes and bonds, the last purchase rate of the year has been used as the fair value of the note or bond if it has a public price quotation, or, if no such price is available, the current value of the capital and interest flow discounted at the market rate, calculated using another generally accepted valuation model or method has been used as the fair value.

Investments held to maturity as well as loans and other receivables are measured at amortised cost or the acquisition cost less impairment losses if there is objective proof of impairment.

Accumulated appropriations

Depreciation difference and voluntary provisions

The difference between actual depreciation and depreciation according to plan has been posted as the depreciation difference.

Voluntary provisions, such as credit loss provisions, are used in the Bank’s financial statement and tax planning. The amount of, or change in, voluntary provisions is therefore not an indication of the Bank’s risks.

Accumulated appropriations in the Bank’s financial statements are presented without deducting the related tax liability.

Off-balance-sheet commitments

Any commitments made to third parties on behalf of a customer as well as irrevocable commitments given to customers are presented as off-balance-sheet commitments.

Commitments made to third parties on behalf of a customer include guarantees and similar guarantee commitments. Such commitments are reported at the amount of the guarantee or commitment on the closing date.

Irrevocable commitments given to customers include binding promises of a loan, credits granted but yet unpaid, as well as unused credit limits. The commitments are presented at the maximum amount that may be payable for them on the closing date.

Interest income and expenses

Interest income and expenses include all interest income and expenses resulting from interest-bearing assets and liabilities. Interest is recorded on an accrual basis, with the exception of interest for late payment, which is recorded when the payment is received. Interest is accrued based on the effective interest rate method.

The difference between the acquisition price and nominal value of receivables and liabilities has also been treated as interest income or expenses, accrued over the term to maturity of the receivable or liability using the effective interest rate method. The counter-entry has been recognised as a change in the receivable or liability.

Interest income has also been accrued for the remaining balance of an impaired receivable using the original effective interest rate of the agreement.

Impairment losses on financial assets

Loans and other receivables

Impairment losses on loans and other receivables have been recognised when objective proof is available that there will be no payment of the capital or interest of a loan or other receivable and when the collateral for the receivable does not cover its full amount. The evaluation of objective proof is based on an assessment of the customer's incapacity to pay and the adequacy of the collateral. When recognising impairments, collateral is valued at the amount which is expected to be received when the collateral is realised. The amount of the impairment loss is determined as the difference between the book value of the receivable and the current value of the estimated future cash flows recoverable from the receivable, considering the fair value of the collateral. The original effective interest rate of the receivable is used as the discount rate.

Investments held to maturity

If objective proof is available on the balance sheet date that the value of a note or bond classified as held to maturity may have been decreased, its impairment is evaluated.

If this evaluation shows a decrease in value, resulting from an increased credit risk of the issuer, for example, the impairment has been posted through profit or loss under Impairment losses on other financial assets. The amount of the impairment loss is determined as the difference between the book value of the receivable and the current value of the estimated future cash flows recoverable from the receivable. The original effective interest rate of the receivable is used as the discount rate.

Available-for-sale financial assets

If objective proof is available on the balance sheet date that the value of a security classified as an available-for-sale financial asset may have been decreased, its impairment is evaluated. If this evaluation shows a decrease in value, resulting from an increased credit risk of the issuer or a significant or long-term decrease in share value to a level below the acquisition cost, for example, and the Bank estimates that it will not be able to recover its investment, the loss accrued in the fair value reserve is posted through profit or loss in Net income from available-for-sale financial assets.

For notes and bonds, the amount of the impairment loss is determined as the difference between the book value of the receivable and the current value of the estimated future cash flows recoverable from the receivable. The original effective interest rate of the receivable is used as the discount rate. A reversal of an impairment loss on a note or bond is recognised through profit or loss. Any impairment loss on shares and holdings has been evaluated as the difference between the book value and the value which the Bank estimates it will not receive. An impairment loss on shares and holdings cannot be cancelled through profit or loss; the change in value is posted in the fair value reserve.

Depreciation principles

The depreciation period for machinery and equipment is 3–5 years. Development costs and licenses of computer software are activated under Intangible rights and depreciated in 3–5 years. Long-term expenditure is depreciated over its economic service life in 5 years.

Income and expenses from operations other than ordinary operations and mandatory provisions

The Bank has recognised mandatory provisions corresponding to the estimated amount of refunds of fees charged from the banks.

Taxes

In the Bank's financial statements, income taxes are recognised based on taxable income. A deferred tax liability has been recognised for a positive change in value included in the fair value reserve and a deferred tax receivable for a negative change in value. In addition, a deferred tax receivable has been posted for the negative change in value transferred from the fair value reserve through profit or loss. No other deferred taxes have been recognised.

Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash in hand and receivables from credit institutions repayable upon demand. The cash flow statement has been prepared using the indirect method.

Other notes

NOTES TO THE INCOME STATEMENT

1.1 Interest income and expenses

	2014	2013
Interest income		
From receivables from credit institutions	67,615.77	19,972.35
From notes and bonds	38.01	0.00
Other interest income	23.47	0.00
Total	**67,677.25**	**19,972.35**
Interest expenses		
From liabilities to credit institutions	-12.76	0.00
Other interest expenses	-0.32	0.00
Total	**-13.08**	**0.00**

1.2 Fee income and expenses

	2014	2013
Fee income		
From payment transfers	3,017,917.88	3,288,206.16
Total	**3,017,917.88**	**3,288,206.16**
Fee expenses		
Other	-2,583,724.15	-2,760,786.41
Total	**-2,583,724.15**	**-2,760,786.41**

1.3 Other operating income and expenses

Other operating income	**2014**	**2013**
Other income	3,276,691.68	114,665.01

Total	**3,276,691.68**	**114,665.01**

Other operating expenses	**2014**	**2013**
Rental expenses	-83,062.25	-47,401.74
Expenses from properties in own use	-4,710.12	-1,609.21
Other expenses	-578,753.17	-67,503.75
Total	**-666,525.54**	**-116,514.70**

1.4 Personnel expenses

	2014	**2013**
Salaries and remuneration	-628,237.05	-255,475.14
Indirect personnel expenses	-143,871.20	-57,721.47
Pension expenses	-118,273.59	-47,552.81
Other indirect personnel expenses	-25,597.61	-10,168.66
Total	**-772,108.25**	**-313,196.61**

1.5 Other administrative expenses

	2014	**2013**
Other personnel expenses	-122,260.54	-42,679.25
Office expenses	-169,340.27	-145,686.27
IT expenses	-2,461,189.01	-30,066.89
Connection expenses	-15,279.14	-9,408.37
Representation and marketing expenses	-2,630.26	-3,747.57
Total	**-2,770,699.22**	**-231,588.35**

Depreciation and impairments on tangible and intangible assets

	2014	**2013**
Depreciation according to plan	-31,385.72	-68,957.93
Tangible assets	-9,433.62	-3,207.65
Intangible assets	-21,952.10	-65,750.28
Total	**-31,385.72**	**-68,957.93**

1.7 Income by business and market area

	2014	**2013**
Income from banking activities	6,362,273.73	3,422,843.52

The distribution of income, profit, assets and liabilities by business area has not been reported as it is not considered relevant.
The Bank only operates in Finland.
All income is presented without eliminations.

NOTES TO THE BALANCE SHEET

2.1 Receivables from credit institutions

	2014	**2013**
Repayable on demand	8,837,653.43	2,706,431.08
From domestic credit institutions	8,837,653.43	2,706,431.08
Other	9,199,320.45	5,481,995.13
From domestic credit institutions	6,699,320.45	5,481,995.13
From foreign credit institutions	2,500,000.00	0.00
Total	**18,036,973.88**	**8,188,426.21**

2.2 Notes and bonds

	2014		**2013**	
	Total	**Of which notes and bonds eligible for refinancing with central banks**	**Total**	**Of which notes and bonds eligible for refinancing with central banks**
Notes and bonds held to maturity	999,583.22	0.00	0.00	0.00

Other	999,583.22	0.00	0.00	0.00
Total	**999,583.22**	**0.00**	**0.00**	**0.00**

2.3 Intangible assets

	2014	2013
Other intangible assets	10,957.34	35,905.44
Total	**10,957.34**	**35,905.44**

2.4 Tangible assets

	Book value	Fair value
Other tangible assets	61,677.97	61,677.97
Total tangible assets	61,677.97	

2.5 Changes in intangible and tangible assets during the financial period

Intangible assets	2014
Acquisition cost on 1 Jan	332,575.44
– decreases during the period	-7,649.02
Acquisition cost on 31 Dec	324,926.42
Accumulated depreciation and impairments on 1 Jan	-296,670.00
+/- accumulated depreciation on decreases and transfers	4,653.02
– depreciation for the period	-21,952.10
Accumulated depreciation and impairments on 31 Dec	-313,969.08
Book value on 31 Dec	**10,957.34**
Book value on 1 Jan	35,905.44

Tangible assets

	2014 Other tangible assets
Acquisition cost on 1 Jan	51,049.37
+ increases during the period	31,608.12
Acquisition cost on 31 Dec	82,657.49
Accumulated depreciation and impairments on 1 Jan	-11,545.90
– depreciation for the period	-9,433.62
Accumulated depreciation and impairments on 31 Dec	-20,979.52
Book value on 31 Dec	**61,677.97**

2.6 Accrued income and advances paid

	2014	2013
Interest	24,309.15	6,807.83
Other	1,171,964.01	168,485.37
Total	**1,196,273.16**	**175,293.20**

2.7 Liabilities to the public and public sector entities

	2014	2013
Deposits	26.90	0.00
Repayable on demand	26.90	0.00
Total	**26.90**	**0.00**

2.8 Other liabilities

	2014	2013
Payment transfer liabilities	36,767.86	23,158.82
Mandatory provisions	250,000.00	0.00
Other	20,501.86	133.22
Total	**307,269.72**	**23,292.04**

Itemisation of items recorded under mandatory provisions	Book value at beginning of period	Increases	Book value at end of period
Other	0.00	250,000.00	250,000.00
Total	**0.00**	**250,000.00**	**250,000.00**

2.9 Accrued liabilities and advances received

	2014	2013
Other	239,491.68	190,725.25
Total	**239,491.68**	**190,725.25**

2.10 Maturity distribution of financial assets and liabilities

Financial assets

	2014 less than 3 months	3–12 months	Total
Receivables from credit institutions	8,837,653.43	9,199,320.45	18,036,973.88
Notes and bonds	0.00	999,583.22	999,583.22
Total	**8,837,653.43**	**10,198,903.67**	**19,036,557.10**

Financial assets

	2013 less than 3 months	3–12 months	Total
Receivables from credit institutions	3,106,432.88	5,081,993.33	8,188,426.21
Notes and bonds	0.00	0.00	0.00
Total	**3,106,432.88**	**5,081,993.33**	**8,188,426.21**

Financial liabilities

	2014 less than 3 months	Total
Liabilities to the public and public sector entities	26.90	26.90
Total	**26.90**	**26.90**

Financial liabilities

	2013 less than 3 months	Total
Liabilities to the public and public sector entities	0.00	0.00
Total	**0.00**	**0.00**

Deposits and accounts with overdraft facilities other than fixed term have been recognised in the category of less than 3 months.

2.11 Itemisation of assets and liabilities in those denominated in domestic and foreign currencies and those from Group companies

Assets	2014	2013
Receivables from credit institutions	18,036,973.88	8,188,426.21
Notes and bonds	999,583.22	0.00
Other assets	1,273,173.08	250,702.11
Total	**20,309,730.18**	**8,439,128.32**

Liabilities	2014	2013
Liabilities to the public and public sector entities	26.90	0.00

Other liabilities	307,269.72	23,292.04
Accrued liabilities and advances received	239,491.68	190,725.25
Total	**546,788.30**	**214,017.29**

Bonum Bank Ltd has no assets or liabilities denominated in foreign currencies.

2.12 Fair values of financial assets and liabilities

	2014		2013	
Financial assets	**Book value**	**Fair value**	**Book value**	**Fair value**
Cash funds	4,264.61	4,264.61	0.00	0.00
Receivables from credit institutions	18,036,973.88	18,036,973.88	8,188,426.21	8,188,426.21
Notes and bonds	999,583.22	995,704.98	0.00	0.00
Total	**19,040,821.71**	**19,036,943.47**	**8,188,426.21**	**8,188,426.21**

Financial liabilities

	2014		2013	
	Book value	**Fair value**	**Book value**	**Fair value**
Liabilities to the public and public sector entities	26.90	26.90	0.00	0.00
Total	**26.90**	**26.90**	**0.00**	**0.00**

The fair values of financial assets were primarily determined using quoted market prices. If a quoted market price was not available, the current value discounted by the market interest rate or another generally approved valuation model or method was used. The book value was used as the fair value of other financial assets. The book value was used as the fair value of financial liabilities.

2.13 Increases and decreases in equity and transfers between items during the financial period

	At beginning of period	Increases	Decreases	At end of period
Share capital	6,000,000.00	4,000,000.00	0.00	10,000,000.00
Non-restricted reserves	2,000,000.00	8,000,000.00	0.00	10,000,000.00
Reserve for invested non-restricted equity	2,000,000.00	8,000,000.00	0.00	10,000,000.00
Retained earnings	282,561.13	117,858.24	-194,198.55	206,220.82
Loss for the period	-76,340.31	76,340.31	-466,435.09	-466,435.09
Total equity	**8,206,220.82**	**12,194,198.55**	**-660,633.64**	**19,739,785.73**

NOTES CONCERNING COLLATERAL AND CONTINGENT LIABILITIES GIVEN AND OFF-BALANCE-SHEET ARRANGEMENTS

3.1 Collateral given

Bonus Bank Ltd has given no collateral for its own liabilities or for those of others.

3.2 Pension liabilities

The pension cover of personnel is provided through Ilmarinen Mutual Pension Insurance Company, and there are no uncovered pension liabilities.

3.3 Leasing and other rental liabilities

Minimum rents payable based on irrevocable rental agreements

	2014	2013
Less than 1 year	142,500.00	68,160.72
Over 1 year, less than 5 years	416,000.00	128,447.23

3.4 Other off-balance-sheet arrangements

The Bank belongs to the Oy Samlink Ab group liable to pay value added tax.

Total liabilities related to the group registration for value added tax	984,440.27	1,599,454.59

3.5 Other off-balance-sheet commitments

Bonum Bank has concluded an agreement where it commits to refund fees charged from banks on certain conditions.

NOTES CONCERNING PERSONNEL AND MANAGEMENT

4.1 Number of personnel on 31 December

	2014	2013
Permanent full-time personnel	11	6
Total	**11**	**6**

4.2 Salaries and remuneration of the management

	2014	2013
Members of the Board of Directors and their deputies and the CEO and their deputy	249,491.04	188,312.96
Total	**249,491.04**	**188,312.96**

OTHER NOTES

5.1 Auditor's fees

	2014
Auditor's fees by assignment group:	
Audit	8,417.62
Total	**8,417.62**

5.2 Legal proceedings

The Bank has made no provisions for legal proceedings and it is not likely that the Bank would suffer significant losses as a result of legal proceedings.

6 NOTES CONCERNING CAPITAL ADEQUACY (PILLAR III)

6.1 Own funds by item

	(A) AMOUNT ON THE PUBLICATION DATE BANK	(B) ARTICLE OF THE REGULATION (EU) No 575/2013 REFERRED TO	(C) AMOUNTS TO WHICH THE TREATMENT PRIOR TO THE REGULATION (EU) No 575/2013 IS APPLIED, OR THE RESIDUAL AMOUNT LAID DOWN IN THE REGULATION (EU) No 575/2013
Common Equity Tier 1 capital (CET1): instruments and reserves			

1	Capital instruments and the related share premium accounts	10,000,000.00	Article 26(1), Articles 27, 28 and 29, the EBA's list Article 26(3)	
	of which: share capital	10,000,000.00		
2	Retained earnings	206,220.82	Article 26(1)(c)	
3	Accumulated items of other comprehensive income (and other reserves, also covers unrealised profits and losses pursuant to applicable financial reporting standards)	10,018,524.92	Article 26(1)	
3a	Fund for general banking risk	0.00	Article 26(1)(f)	
4	The amount of qualified items referred to in Article 484(3) and the related share premium accounts that are gradually eliminated from CET1	0.00	Article 483(2)	
	Public sector capital investments that are permitted to continue until 1 January 2018		Article 483(2)	
5	Minority interests (amount that may be included in the consolidated Common Equity Tier 1 capital (CET1))		Articles 84, 479 and 480	
5a	Profits accumulated in the interim financial period, confirmed by an independent party, from which all foreseeable costs or dividends have been deducted	-466,435.09	Article 26(2)	
6	**Common Equity Tier 1 capital (CET1) before statutory adjustments**	**19,758,310.65**		**0.00**
	Common Equity Tier 1 capital (CET1): statutory adjustments			
7	Other value adjustments (negative amount)	0.00	Article 34, Article 105	
8	Intangible assets (from which the related tax liabilities have been deducted) (a negative amount)	-10,957.34	Article 36(1)(b), Article 37, Article 472(4)	
10	Deferred tax assets that rely on future profitability, excluding those that arise as a result of temporary differences (from which the related tax liabilities have been deducted, provided the conditions of Article 38(3) are met) (a negative amount)		Article 36(1)(c), Article 38, Article 472(5)	
11	Items in the fair value reserves related to gains or losses on cash flow hedges		Article 33(1)(a)	
12	Negative amounts resulting from the calculation of expected loss amounts		Article 36(1)(d), Article 40, Article 159, Article 472(6)	
13	Any increase in its equity that results from securitised assets (a negative amount)		Article 32(1)	
14	Gains or losses on liabilities that are valued at fair value that result from changes in the own credit standing of the institution		Article 33(b)	
15	Defined benefit pension fund assets (a negative amount)		Article 36(1)(e), Article 41, Article 472(7)	
16	Direct and indirect holdings by an institution of own Common Equity Tier 1 (CET1) instruments (a negative amount)		Article 36(1)(f), Article 42, Article 472(8)	
17	Holdings of the Common Equity Tier 1 (CET1) instruments of financial sector entities where those entities have a reciprocal cross holding with the institution that are considered to have been designed to inflate artificially the own funds of the institution (a negative amount)		Article 36(1)(g), Article 44, Article 472(9)	

18	Direct and indirect holdings by the institution of Common Equity Tier 1 (CET1) instruments of financial sector entities where the institution does not have a significant investment in those entities (the amount that exceeds the threshold value of 10% and from which acceptable short positions have been deducted) (a negative amount)	0.00	Article 36(1)(h), Articles 43, 45 and 46, Article 49(2 and 3), Article 79, Article 472(10)	
19	Direct, indirect and synthetic holdings by the institution of the Common Equity Tier 1 (CET1) instruments of financial sector entities where the institution has a significant investment in those entities (the amount that exceeds the threshold value of 10% and from which acceptable short positions have been deducted) (a negative amount)	0.00	Article 36(1)(i), Articles 43, 45 and 47, Article 48(1)(b), Article 49(1–3), Articles 79 and 470, Article 472(11)	
21	Deferred tax assets that arise from temporary differences (the amount that exceeds the threshold value of 10% and from which the associated tax liabilities have been deducted, provided the conditions of Article 38(3) are met (a negative amount)		Article 36(1)(c), Article 38, Article 48(1)(a), Article 470, Article 472(5)	
22	The amount that exceeds the threshold value of 15% (a negative amount)		Article 48(1)	
23	of which: the direct and indirect holdings by the institution of the Common Equity Tier 1 (CET1) instruments of financial sector entities where the institution has a significant investment in those entities		Article 36(1)(i), Article 48(1)(b) Article 470, Article 472(11)	
26	Statutory adjustments to Common Equity Tier 1 capital (CET1) concerning the amount to which the treatment prior to the Solvency Regulation is applied			
26a	Statutory adjustments related to unrealised gains and losses in accordance with Articles 467 and 468	0.00		
	of which: unrealised loss filter 1		Article 467	
	of which: unrealised gain filter 1	0.00	Article 468	
26b	The amount required to be deducted from or added to Common Equity Tier 1 capital (CET1) due to the additional filters and deductions that were required prior to the Solvency Regulation		Article 481	
27	The amount of items required to be deducted from Additional Tier 1 (AT1) items that exceed the Additional Tier 1 capital (AT1) of the institution (a negative amount)	0.00	Article 36(1)(j)	
28	**Total statutory adjustments to Common Equity Tier 1 capital (CET1)**	**-10,957.34**		**0.00**
29	**Common Equity Tier 1 capital (CET1)**	**19,747,353.31**		**0.00**
	Additional Tier 1 capital (AT1): instruments			
30	Capital instruments and the related share premium accounts		Articles 51 and 52	
31	of which: classified as equity in accordance with the applicable financial reporting standards			
32	of which: classified as liabilities in accordance with the applicable financial reporting standards			
33	The amount of qualified items referred to in Article 484(4) and the related share premium accounts that are gradually eliminated from AT1	0.00	Article 486(3)	
	Public sector capital investments that are permitted to continue until 1 January 2018		Article 486(3)	
34	Qualifying Tier 1 capital (T1) issued by subsidiaries and held by third parties that is included in consolidated Additional Tier 1 capital (AT1) (including minority interests that were not included in row 5)		Articles 85, 86 and 480	

35	of which: instruments issued by subsidiaries that are gradually eliminated		Article 486(3)	
36	**Additional Tier 1 capital (AT1) before statutory adjustments:**	**0.00**		**0.00**
	Additional Tier 1 capital (AT1): statutory adjustments			
37	Direct and indirect holdings by the institution of own Additional Tier 1 capital (AT1) instruments (a negative amount)		Article 52(1)(b), Article 56(a), Article 57, Article 475(2)	
38	Holdings of the Additional Tier 1 (AT1) instruments of financial sector entities with which the institution has reciprocal cross holdings that are considered to have been designed to inflate artificially the own funds of the institution (a negative amount)		Article 56(b), Article 58, Article 475(3)	
39	Direct and indirect holdings by the institution of the Additional Tier 1 (AT1) instruments of financial sector entities where the institution does not have a significant investment in those entities (the amount that exceeds the threshold value of 10% and from which acceptable short positions have been deducted) (a negative amount)		Article 56(c), Articles 59, 60 and 79, Article 475(4)	
40	Direct and indirect holdings by the institution of the Additional Tier 1 (AT1) instruments of financial sector entities where the institution has a significant investment in those entities (the amount that exceeds the threshold value of 10% and from which acceptable short positions have been deducted) (a negative amount)		Article 56(d), Articles 59, 60 and 79, Article 475(4)	
41	Statutory adjustments to Additional Tier 1 capital (AT1) concerning amounts to which the treatment prior to the Solvency Regulation and the treatment of the transitional period are applied before they are eliminated in accordance with Regulation (EU) No 575/2013 (i.e. residual amounts in accordance with the Solvency Regulation)			
41a	Residual amounts required to be deducted from Additional Tier 1 capital (AT1) that are associated with the deductions made from Common Equity Tier 1 capital during the transitional period in accordance with Article 472 of Regulation (EU) No 575/2013		Article 472, Article 472(3)(a), Article 472(4 and 6), Article 472(8)(a), Article 472(9), Article 472(10)(a), Article 472(11)(a)	
	of which items to be specified by rows, e.g. material net losses accumulated in the interim financial period, intangible assets, inadequate provisions for expected losses, etc.			
41b	Residual amounts required to be deducted from Additional Tier 1 capital (AT1) that are associated with the deductions made from Tier 2 capital (T2) during the transitional period in accordance with Article 475 of Regulation (EU) No 575/2013	0.00	Article 477, Article 477(3), Article 477(4)(a)	
	of which items to be specified by rows, e.g. reciprocal cross holdings of Tier 2 (T2) instruments, direct holdings by the institution of the capital of other financial sector entities where the institution does not have a significant investment in those entities, etc.			
41c	The amount required to be deducted from or added to Additional Tier 1 capital (AT1) due to the additional filters and deductions that were required prior to the Solvency Regulation		Articles 467, 468 and 481	

42	The amount of items required to be deducted from Tier 2 (T2) items that exceed the Tier 2 capital (T2) of the institution (a negative amount)	0.00	Article 56(e)	
43	**Total statutory adjustments to Additional Tier 1 capital (AT1)**	**0.00**		**0.00**
44	**Additional Tier 1 capital (AT1)**	**0.00**		**0.00**
45	**Tier 1 capital (T1=CET1+AT1)**	**19,747,353.31**		**0.00**
	Tier 2 capital (T2): Instruments and provisions			
46	Capital instruments and the related share premium accounts	0.00	Articles 62 and 63	
47	The amount of items meeting the conditions referred to in Article 484(5) and the associated share premium accounts that are gradually eliminated from T2	0.00	Article 486(4)	
	Public sector capital investments that are permitted to continue until 1 January 2018		Article 483(4)	
48	Qualifying own funds instruments issued by subsidiaries and held by third parties that are included in consolidated Tier 2 capital (T2) (including minority interests and Additional Tier 1 capital (AT1) instruments that are not included in row 5 or 34)		Articles 87, 88 and 480	
49	of which: instruments issued by subsidiaries that are gradually eliminated		Article 486(4)	
50	Credit risk adjustments		Article 62(c and d)	
51	Tier 2 capital (T2) before statutory adjustments	0.00		0.00
	Tier 2 capital (T2): statutory adjustments			
52	The direct and indirect holdings by the institution of own Tier 2 (T2) instruments and subordinated loans (a negative amount)		Article 63(b)(i), Article 66(a), Article 67, Article 477(2)	
53	Holdings of the Tier 2 (T2) instruments and subordinated loans of financial sector entities with which the institution has reciprocal cross holdings that are considered to have been designed to inflate artificially the own funds of the institution (a negative amount)		Article 66(b), Article 68, Article 477(3)	
54	Direct and indirect holdings by the institution of the Tier 2 (T2) instruments and subordinated loans of financial sector entities, where an institution does not have a significant investment in those entities (the amount that exceeds the threshold value of 10% and from which acceptable short positions have been deducted) (a negative amount)	0.00	Article 66(c), Articles 69, 70 and 79, Article 477(4)	
54a	Of which new holdings to which the transitional arrangement is not applied			
54b	Of which holdings that already existed before 1 January 2013 and to which the transitional arrangement is applied.			
55	Direct and indirect holdings by the institution of the Tier 2 (T2) instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (the amount from which acceptable short positions have been deducted) (a negative amount)	0.00	Article 66(d), Articles 69 and 79, Article 477(4)	

56	Statutory adjustments to Tier 2 capital (T2) concerning amounts to which the treatment prior to the Solvency Regulation and the treatment of the transitional period are applied before they are eliminated in accordance with Regulation (EU) No 575/2013 (i.e. residual amounts in accordance with the Solvency Regulation)			
56a	Residual amounts required to be deducted from the Tier 2 capital (T2) that are associated with the deductions made from the Common Equity Tier 1 capital during the transitional period in accordance with Article 472 of Regulation (EU) No 575/2013		Article 472, Article 472(3)(a), Article 472(4 and 6), Article 472(8)(a), Article 472(9), Article 472(10)(a), Article 472(11)(a)	
	of which items to be specified by rows, e.g. material net losses accumulated in the interim financial period, intangible assets, inadequate provisions for expected losses, etc.			
56b	Residual amounts required to be deducted from the Tier 2 capital (T2) that are associated with the deductions made from the Additional Tier 1 capital (AT1) during the transitional period in accordance with Article 475 of Regulation (EU) No 575/2013		Article 475, Article 475(2)(a), Article 475(3), Article 475(4)(a)	
	Of which items to be specified by rows, e.g. reciprocal cross holdings of the Additional Tier 1 capital (AT1), direct holdings by the institution of the capital of other financial sector entities where the institution does not have a significant investment in those entities, etc.			
56c	The amount required to be deducted from or added to Tier 2 capital (T2) due to the additional filters and deductions that were required prior to the Solvency Regulation	0.00	Articles 467, 468 and 481	
57	**Total statutory adjustments to Tier 2 capital (T2)**	**0.00**		**0.00**
58	**Tier 2 capital (T2)**	**0.00**		**0.00**
59	**Total Capital (TC=T1+T2)**	**19,747,353.31**		**0.00**
59a	Risk-weighted assets concerning amounts to which the treatment prior to the Solvency Regulation and the treatment of the transitional period are applied before they are eliminated in accordance with Regulation (EU) No 575/2013 (i.e. residual amounts in accordance with the Solvency Regulation)			
60	**Total risk-weighted assets**	7,472,612.95		
	Capital ratios and buffers			
61	Common Equity Tier 1 capital (CET1) (as a percentage of the total risk exposure amount)	264.26	Article 92(2)(a), Article 465	
62	Tier 1 capital (T1) (as a percentage of the total risk exposure amount)	264.26	Article 92(2)(b), Article 465	
63	Total Capital (as a percentage of the total risk exposure amount)	264.26	Article 92(2)(c)	
	Capital ratios and buffers			
72	Direct and indirect holdings by the institution of the capital of financial sector entities where the institution does not have a significant investment in those entities (the amount which is lower than the threshold value of 10% and from which acceptable short positions have been deducted)	0.00	Article 36(1)(h), Articles 45 and 46, Article 56(c), Articles 59 and 60, Article 66(c), Articles 69 and 70	

73	Direct and indirect holdings by the institution of the Common Equity Tier 1 (CET1) instruments of financial sector entities where the institution has a significant investment in those entities (the amount that is lower than the threshold value of 10% and from which acceptable short positions have been deducted)	0.00	Article 36(1)(i), Articles 45 and 48	
	Upper limits applied to the inclusion of provisions in Tier 2 capital (T2)			
76	Credit risk adjustments included in the Tier 2 capital (T2) with regard to their risks to which the standardised approach is applied (before the application of the upper limit)		Article 62	
77	Upper limit for including credit risk adjustments to the Tier 2 capital when the standardised approach is applied		Article 62	
	Capital instruments to which gradual elimination arrangements are applied (only applied 1 January 2013 – 1 January 2022)			
80	The current upper limit for the Common Equity Tier 1 (CET1) instruments to which gradual elimination arrangements are applied	0.00	Article 484(3), Article 486(2 and 5)	
81	The amount required to be deducted from the Common Equity Tier 1 capital (CET1) due to the upper limit (the amount exceeding the upper limit after redemptions and maturities)	0.00	Article 484(3), Article 486(2 and 5)	
82	The current upper limit for the Additional Tier 1 (AT1) instruments to which gradual elimination arrangements are applied		Article 484(4), Article 486(3 and 5)	
83	The amount required to be deducted from the Additional Tier 1 capital (AT1) due to the upper limit (the amount exceeding the upper limit after redemptions and maturities)		Article 484(4), Article 486(3 and 5)	
84	The current upper limit for the Tier 2 (T2) instruments to which gradual elimination arrangements are applied	0.00	Article 484(5), Article 486(4 and 5)	
85	The amount required to be deducted from the Tier 2 capital (T2) due to the upper limit (the amount exceeding the upper limit after redemptions and maturities)	0.00	Article 484(5), Article 486(4 and 5)	

6.2 Key properties of instruments included in own funds

		Share capital
1	Issuer	Bonum Bank Ltd
2	Individual identifier	N/A
3	Legislation applicable to the instrument	Finnish legislation
4	Solvency Regulation provisions during the transitional period	[CET1]
5	Solvency Regulation provisions after the transitional period	[CET1]
6	Available at the level of an individual company or on the basis of consolidation/at the level of subconsolidation/at the level of an individual company and on the basis of consolidation/at the level of a subconsolidation group	[an individual company and on the basis of consolidation/at the level of a subconsolidation group]
7	Class of instrument	Part 1, chapter 3, section 1, of the Limited Liability Companies Act and Article 28 of Regulation (EU) No 575/2013

8	Amount recognised in statutory capital (currency in millions on the latest reporting date)	10,000,000.00
9	Nominal amount of the instrument	10,000,000.00
9a	Issue price	10,000,000.00
9b	Redemption price	100%
10	Accounting classification	[shareholders' holdings]
11	Original issue date	Continuous
12	Without a due date or dated	[without a due date]
13	Original maturity	no maturity
14	Redemption by the issuer requires prior approval by the supervisory authority	yes
15	Any redemption date, conditional redemption dates and redemption amount	no possibility of redemption
16	Any subsequent redemption dates	no possibility of redemption
17	Fixed or variable dividend/coupon	[variable]
18	Coupon interest rate and the related indices	decision by the cooperative
19	Existence of a dividend stopper clause	N/A
20a	Fully discretionary, partly discretionary or mandatory (with regard to timing)	[fully discretionary]
20b	Fully discretionary, partly discretionary or mandatory (with regard to amount)	[fully discretionary]
21	Existence of a step-up condition or other redemption incentive	[no]
22	Non-cumulative or cumulative	[non-cumulative]
23	Negotiable or restricted	[restricted]
24	If the instrument is negotiable, which factors affect the condition?	N/A
25	If the instrument is negotiable, is it negotiable in its entirety or partly?	N/A
26	If the instrument is negotiable, what is the exchange rate?	N/A
27	If the instrument is negotiable, is the exchange mandatory or optional?	N/A
28	If the instrument is negotiable, specify which kind of an instrument it can be exchanged for.	N/A
29	If the instrument is negotiable, specify which issuer's instrument it can be exchanged for.	N/A
30	Properties of a write-down of book value	[no]
31	If it is possible to write down the book value, which factors trigger it?	N/A
32	If it is possible to write down the book value, is it performed completely or partly?	N/A
33	If it is possible to write down the book value, is it permanent or temporary?	N/A

34	If the write down of the book value is temporary, describe the mechanism of an increase in book value.	In connection with a bonus issue, the value of an individual holding increases from the point of view of the holder
35	Hierarchical position in liquidation (specify the class of instrument that has a directly better priority)	N/A
36	Non-compliant properties	[no]
37	Specify any non-compliant properties	N/A

6.3 Minimum amount of own funds

Credit and counterparty risk

	2014	2013
Exposure class	**Minimum amount of own funds**	**Minimum amount of own funds**
Receivables from institutions	319,148.81	0.00
Receivable from companies	22,882.37	0.00
Other items	4,934.24	0.00
Total credit exposure	**346,965.42**	**0.00**
Credit valuation adjustment risk (CVA)	0.00	0.00
Market risk (exchange rate risk)	0.00	0.00
Operational risk	250,843.62	90,719.13
Total minimum amount of own funds	**597,809.04**	**90,719.13**

*) In 2013, equity-based exposure was treated in the exposure class Other items

6.4 Total exposure by risk weight

Credit and counterparty risk

Risk weight (%)	**2014**	**2013**
0	4,264.61	0.00
20	19,946,800.67	0.00
100	347,707.56	0.00
Total	**20,298,772.84**	**0.00**

6.5 Distribution of maturities of total exposure by exposure class *)

Credit and counterparty risk

	2014		
Exposure class	**Total**	**less than 3 months**	**more than 10 years**
Receivables from states and central banks	4,264.61	4,264.61	0.00
Receivables from institutions	19,946,800.67	8,837,653.43	11,109,147.24
Receivable from companies	286,029.59	0.00	286,029.59
Other items	61,677.97	0.00	61,677.97
Total	**20,298,772.84**	**8,841,918.04**	**11,456,854.80**

Credit and counterparty risk

	2013		
Exposure class	**Total**	**less than 3 months**	**more than 10 years**
Receivables from states and central banks	0.00	0.00	0.00
Receivables from institutions	0.00	0.00	0.00
Receivable from companies	0.00	0.00	0.00

Other items	0.00	0.00	0.00
Total	**0.00**	**0.00**	**0.00**

*) The table shows the four largest exposure classes and overdue receivables. The other exposure classes are shown as one class, Total other exposure classes.
**) In 2013, equity-based exposure was treated in the exposure class Other items

6.6 Total exposure by exposure class and counterparty *)

Credit and counterparty risk

	2014	
Exposure class	**Total**	**Other**
Receivables from states and central banks	4,264.61	4,264.61
Receivables from institutions	19,946,800.67	19,946,800.67
Receivable from companies	286,029.59	286,029.59
Other items	61,677.97	61,677.97
Total	**20,298,772.84**	**20,298,772.84**

Credit and counterparty risk

	2013	
Exposure class	**Total**	**Other**
Receivables from states and central banks	0.00	0.00
Receivables from institutions	0.00	0.00
Receivable from companies	0.00	0.00
Other items	0.00	0.00
Total	**0.00**	**0.00**

*) The table shows the four largest exposure classes and overdue receivables. The other exposure classes are shown as one class, Total other exposure classes.
**) In 2013, equity-based exposure was treated in the exposure class Other items

6.7 Operational risk statement

	2014	**2013**	**2012**	**Minimum amount of own funds**
Total gross income	3,778,652.58	662,057.11	576,162.73	
Profitability indicator	566,797.89	99,308.57	86,424.41	250,843.62

The profitability indicator is calculated according to the basic indicator approach in accordance with the EU Solvency Regulation No 575/2013.

Minimum amount of own funds = sum of positive annual profitability indicators / the number of years in which the profitability indicator has been positive.

Operational risks refer to the risk of loss that banks may incur as a result of inadequate or incomplete internal processes, personnel, systems or external factors.

6.8 Degree of asset restriction

Assets

	Book value of restricted assets	**Fair value of restricted assets**	**Book value of non-restricted assets**	**Fair value of non-restricted assets**
Assets of the institution	**0.00**		**20,309,730.00**	
Equity-based financial instruments	0.00	0.00	0.00	0.00
Debt-based securities	0.00	0.00	999,583.00	995,705.00

Other assets	0.00		19,310,147.00	

Collateral received

	Fair value of restricted collateral received or debt-based securities issued	Fair value of collateral received suitable for use as collateral or debt-based securities issued
Collateral received by the institution	**0.00**	**0.00**
Equity-based financial instruments	0.00	0.00
Debt-based securities	0.00	0.00
Other collateral received	0.00	0.00
Debt-based securities issued, except for own covered bonds or asset-backed securities (ABS)	0.00	0.00

Restricted assets/collateral received and the related liabilities

	Financing obtained against encumbered asset items (liabilities), conditional liabilities or borrowed securities	Assets, collateral received and debt-based securities, except for covered bonds in collateral use and asset-backed securities
Book value of specific financial liabilities	0.00	0.00

Signatures to the financial statements and Board of Directors' report

Espoo, 10 February 2015

Board of Directors of Bonum Bank Ltd

Ossi Karesvuo	Ilkka Harjunpää
Petri Lammassaari	Soile Pusa
Markku Ristiniemi	

Anders Dahlqvist
CEO

Auditor's note

A report on the audit performed has been issued today.

Espoo, _________ February 2015

KPMG OY AB

Johanna Gråsten
Authorised Public Accountant

List of accounting books, vouchers and storage methods used during the financial year

Accounting books	Storage method
Nominal ledger/general journal	Electronic archive
Balance sheet book	Bound book
Vouchers	Paper printout
<u>Ledgers</u>	
Portfolio accounting	Electronic archive
Purchases ledger (eOffice)	Electronic archive
Payroll accounting	Electronic archive
Fixed assets ledger	Electronic archive
Sales ledger (Netvisor)	Electronic archive

Voucher types

10 Transactions in the account statement of the payment transfer account
20 Purchase invoices
21 CEO's expenses
22 Personnel expenses
23 Foreign invoices
25 Payments of purchase invoices
30 Purchase invoices, eOffice banks, invoices not circulated in the Bank
32 Travel invoices
51 Portfolio accounting
56 Machine-language entries from other ledgers, transactions recorded at the QS cash desk
60 Vouchers of internal accounting
70 Memorandum vouchers
71 General journal entries
75 Payroll entries, salaries paid
80 Accrual vouchers, entries to be transcribed
82 Machine-language imputed items
83 Machine-language imputed items, salaries, holiday salaries
84 Machine-language imputed items, salaries, indirect personnel expenses with the exception of social security contributions
85 Depreciation
99 Recording of earnings

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AUDITOR'S REPORT

To the Annual General Meeting of Bonum Bank Ltd

We have audited the accounting, financial statements, Board of Directors' report and administration of Bonum Bank Ltd for the financial period 1 January – 31 December 2014. The financial statements include the balance sheet, income statement, cash flow statement and notes.

Responsibility of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for preparing the financial statements and the Board of Directors' report and ensuring that they provide a true and fair view in accordance with the provisions concerning the preparation of financial statements and a Board of Directors' report valid in Finland. The Board of Directors is responsible for the appropriate organisation of the supervision of accounting and financial management, and the CEO is responsible for ensuring that accounting is in compliance with the law and that financial management is reliably organised.

Duties of the auditor

Our duty is to issue an opinion of the financial statements and Board of Directors' report on the basis of the audit we performed. The Auditing Act requires that we comply with the principles of professional ethics. We have carried out the audit in accordance with good auditing practice complied with in Finland. Good auditing practice requires that we plan and carry out the audit in order to obtain reasonable assurance whether there are material misstatements in the financial statements or Board of Directors' report and whether members of the Board of Directors or the CEO are guilty of an act or omission that may result in a liability to pay damages to the Bank or whether they have breached the Act on Credit Institutions, the Limited Liability Companies Act or the Articles of Association.

The audit includes measures to obtain auditing evidence of the figures included in the financial statements and Board of Directors' report and of other information presented in them. The choice of measures is based on the auditor's judgment, which includes an assessment of the risks of material misstatement due to fraud or error. When assessing these risks, the auditor takes into account internal control, which is significant in the Bank from the point of view of preparing financial statements and a Board of Directors' report providing a true and fair view. The auditor assesses internal control in order to be able to plan appropriate auditing measures in view of the circumstances, but not for the purpose of issuing an opinion of the efficiency of the Bank's internal control. The audit also includes an assessment of the appropriateness of the accounting principles applied, of the reasonableness of the accounting estimates made by the management and of the general manner of presentation of the financial statements and the Board of Directors' report.

In our view, we have obtained a necessary amount of appropriate auditing evidence as a basis for our opinion.

Opinion

In our opinion, the financial statements and the Board of Directors' report provide a true and fair view of the result of the bank's operations and its financial standing in accordance with the provisions concerning the preparation of financial statements and a Board of Directors' report valid in Finland. There are no discrepancies between the information in the Board of Directors' report and the financial statements.

Espoo, 19 February 2015

KPMG OY AB

Johanna Gråsten

Authorised Public Accountant