POP BANK GROUP HALF-YEAR FINANCIAL REPORT

1 January – 30 June 2025

POP Bank

CONTENTS

POP Bank Group's Half-Year Financial Report for 1 January – 30 June 2025 is a translation of the original Finnish version "POP Pankki -ryhmän puolivuosikatsaus 1.1.–30.6.2025". In case of discrepancies, the Finnish version shall prevail.

CEO'S REVIEW

The POP Bank Group's business operations developed favourably in the first half of the year. The Group's customer-oriented business model responds well to customers' needs.

The Group's loan portfolio grew by 1.3 per cent and deposits by 2.1 per cent, and net commission income developed positively. Net investment income also increased from the comparison period. As a result of falling market interest rates, the Group's net interest income decreased by 12.3 per cent to EUR 84.2 million. Despite the increase in business volumes, the CET1 capital ratio remained strong and rose to 25.3 per cent.

The POP Bank Group's profit before taxes was EUR 35.9 million. As expected, the profit decreased from EUR 46.5 million in the comparison period as a result of lower market interest rates. Operating income totalled EUR 112.1 million, down 10.3 per cent from the comparison period. Total operating expenses increased by 6.5 per cent to EUR 69.8 million. In addition to the Group's ongoing banking system reform, costs have risen because of investments in payment systems required for compliance with the EU's SEPA Instant Payments Regulation, which enters into force in October. Personnel expenses have also increased as a result of the expansion of our operations and the investments required for the system reform.

Global uncertainty has been challenging market predictability for some time, and the situation is not expected to change in the near term. However, the decline in interest rates and the easing of inflation are improving customers' ability to meet their financial obligations, thereby supporting the development of households' purchasing power. Compared with the previous year, impairment losses decreased in the first half of the year, although economic uncertainty is expected to continue to affect corporate customers in particular for some time to come.

We believe that our local expertise, comprehensive digital services, customer-oriented approach and investment in the corporate customer business have been and continue to be our strengths. Our vision is to be a bank with a solid financial standing that provides personalised digital services, achieves the highest level of customer satisfaction and grows its market share profitably. This reflects our commitment to be present for our customers now and in the future.

As a cooperative-based operator, our member customers are of key importance to us. In the spring of 2025, we launched a Group-level membership benefits programme for private customers, offering rewards based on their use of our range of services. A consistent incentive model strengthens our competitiveness and also takes younger customers into account.

The timeline for our system reform, which is closely related to the customer experience, has been further specified. Our goal is to introduce the new system in early 2026. In addition to the Group's banking system, the reform covers reporting to the authorities and data warehousing, as well as workstation and network solutions, and progress has been made in many respects. For the remainder of the year, we will focus on the quality assurance of our new system and preparations for its implementation.

I am impressed by the dedication shown by our Group's personnel, and would like to thank everyone for their outstanding contribution to both our values dialogue and the progress of our system project. I would also like to extend my heartfelt thanks to our customers, partners and other stakeholders for their valuable cooperation.

Jaakko Pulli
CEO
POP Bank Centre coop

Operating income
112.1
(124.9)
EUR million

Profit before tax
35.9
(46.5)
EUR million

Net interest income
84.2
(96.0)
EUR million

Loan portfolio
4.8
(4.7)
EUR billion

CET 1 capital ratio
25.3
(21.8)
per cent

Total customers
250,100
(253,800)

POP BANK GROUP AND THE AMALGAMATION OF POP BANKS

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

POP Bank Group's mission is to promote its customers' financial well-being and prosperity, as well as local success. POP Bank's vision is to bank with a solid financial standing that provides personalised digital services, achieves the highest level of customer satisfaction and grows its market share profitably.

Structure of the POP Bank Group

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

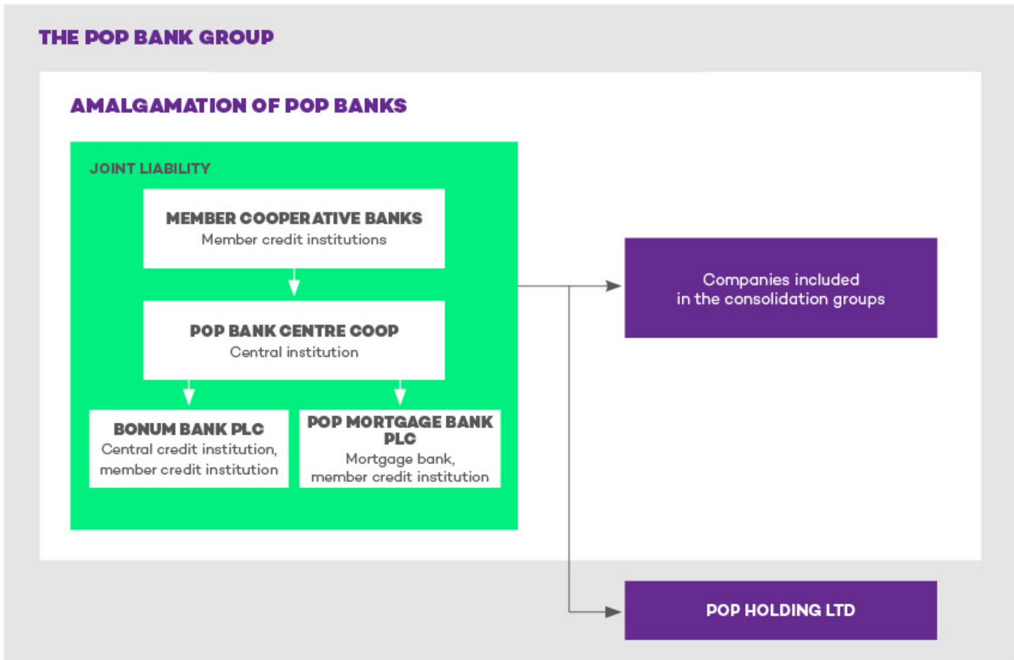
POP Bank Centre coop is the central institution of the amalgamation of POP Banks and is responsible for steering and supervising POP Bank Group. POP Bank Centre coop has two subsidiaries, Bonum Bank Plc and POP Mortgage Bank Plc, which are also its member credit institutions.

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

POP Bank Group also includes POP Holding Ltd owned by POP Banks and POP Bank Centre coop. POP Holding Ltd owns 30 per cent from Finnish P&C Insurance Ltd that belongs to LocalTapiola Group and uses the auxiliary business name of POP Insurance. POP Holding Ltd is not a member of the amalgamation of POP Banks and is included in the scope of joint liability.

The chart on the next page presents the structure of POP Bank Group and the entities included in the amalgamation and scope of joint liability. There were no changes in group structure under the reporting period.

POP BANK GROUP STRUCTURE



OPERATING ENVIRONMENT

The year 2025 has witnessed extraordinary developments in global trade. In spring 2025, the United States imposed substantial import tariffs with short implementation timelines, and later amended them. These developments triggered volatility in share prices globally, and the unpredictability of tariff policies led to downward adjustments in economic forecasts.

The unpredictability of tariff changes has been particularly harmful to companies engaged in trade with the United States. The need to reorganise logistics flows and make investments to circumvent tariffs requires a stable operating environment, so the measures taken by the United States are considered to be slowing global economic growth.

The economic downturn in Finland continued in the first half of the year. Due to its uncertainty, the global situation provided little support to Finland's export industry, and activity in domestic investment and construction remained at low levels. Consistent with the previous year, the number of bankruptcies was exceptionally high in the first half of the year, and unemployment continued to rise.

Household sentiment remained cautious, which was reflected in the moderate level of consumption. Consumers continued to postpone major purchases. This was particularly evident in housing sales volumes, which remained below the long-term average, and in housing price levels. However, household finances developed favourably as purchasing power improved, supported by moderate income growth and low inflation.

Interest rates continued to decrease steadily during the first half of the year, as the European Central Bank made several decisions to reduce its key interest rates. It is expected that lower interest levels will gradually stimulate both housing sales and corporate investment activity. In Finland, the continued accumulation of public sector debt and the necessity of defence investments driven by geopolitical uncertainty are limiting the possibilities of fiscal stimulus.

It is noteworthy that wood prices remained at a high level in agriculture and forestry. Agricultural input costs have decreased to an extent, and the decline in interest rates is also supporting the operating conditions of the agriculture and forestry sectors.

KEY EVENTS DURING THE FIRST HALF OF THE YEAR

Customer pricing model

In April 2025, the POP Bank Group launched a new membership benefits model for private customers. It encourages customers to become members of their local cooperative-based POP Bank by offering different levels of centralisation benefits. The reform also streamlines pricing at Group level, facilitates marketing and strengthens banks' regional competitiveness.

The POP Bank Group's strategy

The POP Bank Group's updated strategy and renewed values were approved by the POP Bank Centre's Board of Directors in April. POP Bank's values are based on extensive groundwork, in which all employees across the Group had the opportunity to participate. POP Bank's values – *Focus on the future, Get it right the first time, Together we achieve more* and *Profitably responsible* – reflect the POP Bank Group's approach to identifying solutions that best serve the banks' members and customers.

The POP Bank Group's strategic priorities focus on value-based profitable growth and in investing in digital solutions to further develop both work processes and customer service. Employees' well-being is also monitored more systematically at Group level. The Group's strategy is updated regularly in response to changes in the operating environment.

System reform project

In addition to its banking system, the POP Bank Group's system reform project covers reporting to the authorities and data warehousing, as well as workstation and network solutions. The Group is aiming to introduce the new banking system during the first half of 2026. During the remainder of the year, the project will focus on the quality assurance of the new banking system and statutory reporting solutions. The system reform project is temporarily generating overlapping costs for the Group, as preparations for implementing new systems are taking place alongside the operation of current systems.

Supervisor's assessment

During the first half of the year, the Financial Supervisory Authority completed its regularly conducted supervisory assessment, which resulted in a 1.5 per cent additional capital requirement for the amalgamation of POP Banks. The previous additional capital requirement was 1.25 per cent. The new requirement will enter into force on 30 September 2025.

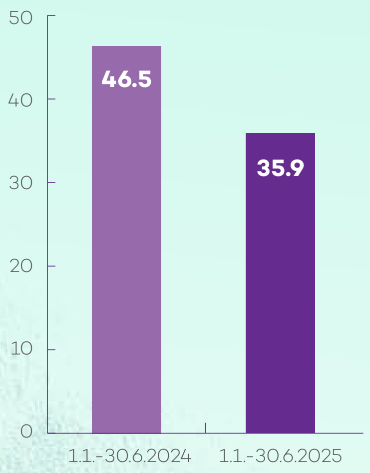
CREDIT RATINGS

Bonum Bank Plc's long-term investment grade credit rating is 'BBB' and short-term credit rating is 'A-2' with a positive outlook. Bonum Bank's RCR credit rating (Resolution Counterparty Rating) is 'BBB+' / 'A-2'.

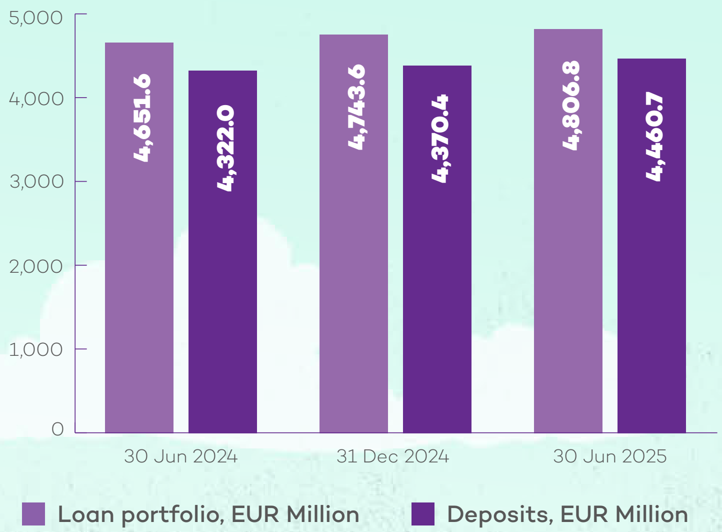
POP Mortgage Bank Plc's loan program and issued bonds have a credit rating of 'AAA' with a stable outlook.

The credit ratings of Bonum Bank Plc and POP Mortgage Bank Plc are provided by S&P Global Rating.

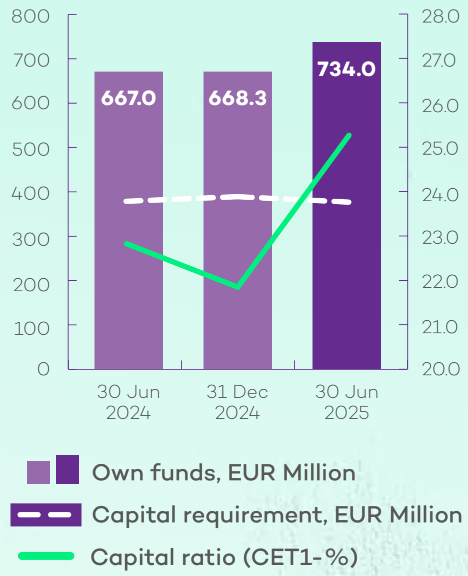
PROFIT BEFORE TAX, EUR MILLION



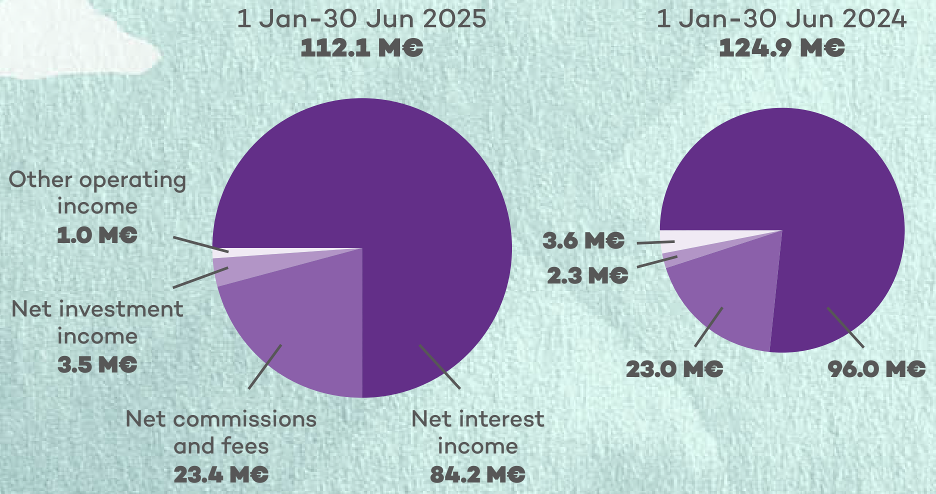
LOAN PORTFOLIO AND DEPOSITS, EUR MILLION



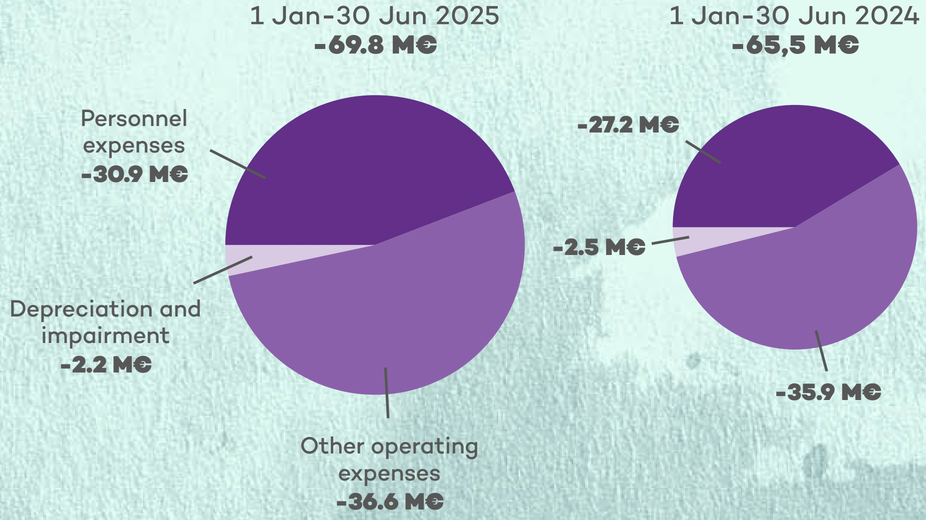
CAPITAL ADEQUACY



OPERATING INCOME, EUR MILLION



OPERATING EXPENSES, EUR MILLION



POP BANK GROUP'S EARNINGS AND BALANCE SHEET

POP Bank Group key figures and ratios

Key income figures (EUR 1,000)	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024	1 Jan–31 Dec 2024
Net interest income	84,163	95,962	187,933
Net commissions and fees	23,421	23,013	44,630
Net investment income	3,475	2,304	4,009
Personnel expenses	-30,949	-27,173	-54,599
Other operating expenses	-36,593	-35,875	-71,556
Impairment losses on financial assets	-7,623	-13,478	-22,429
Profit before tax	35,897	46,549	89,828

Key balance sheet figures (EUR 1,000)	30 Jun 2025	30 Jun 2024	31 Dec 2024
Loan portfolio	4,806,757	4,651,615	4,743,620
Deposit portfolio	4,460,720	4,322,001	4,370,412
Equity capital	784,422	721,296	759,486
Balance sheet total	6,376,941	5,918,187	6,256,978

Key ratios	30 Jun 2025	30 Jun 2024	31 Dec 2024
Cost to income ratio	62.2%	52.5%	54.5%
Return on assets, ROA	0.9%	1.3%	1.2%
Return on equity, ROE	7.5%	10.6%	10.0%
Equity ratio	12.3%	12.2%	12.1%
Common equity Tier 1 capital ratio, (CET1)	25.3%	22.8%	21.8%
Capital adequacy ratio, (TC)	25.3%	22.8%	21.8%

The calculation formulas for key ratios are presented on POP Bank Group annual report 2024. When calculating ROA and ROE, the profit for the review period has been changed to match full year level.

POP Bank Group's earnings performance

POP Bank Group's profit before taxes was EUR 35.9 million, compared with EUR 46.5 million in the corresponding period of the previous year. Group's profit after taxes was EUR 29.1 (37.5) million.

Total operating income of the Group was EUR 112.1 (124.9) million. Net interest income decreased by 12.3 per cent to EUR 84.2 (96.0) million. Interest income from receivables and interest investments totalled EUR 121.5 (136.8) million in the review period, and interest expenses amounted to EUR 36.8 (34.3) million. Hedging derivatives had an impact of EUR -0.5 (-6.6) million to net interest income. Net commission income and expenses amounted to EUR 23.4 (23.0) million.

Net investment income was EUR 3.5 (2.3) million. The net amount of valuation gains and losses recognised during the first half of the year was EUR 1.4 (0.2) million. Other operating income totalled EUR 1.0 (3.6) million.

Total operating expenses increased 6.5 per cent to EUR 69.8 (65.5) million. Personnel expenses were EUR 30.9 (27.2) million, and other operating expenses EUR 36.6 (35.9) million. Depreciation and impairment amounted to EUR 2.2 (2.5) million.

An impairment loss of EUR 7.6 (13.5) million was recognised on financial assets in the review period. Expected credit losses (ECL) on loans and receivables and off-balance sheet credit commitments decreased by EUR 2.5 (increased by EUR 7.3) million. Expected credit losses on investment assets decreased by EUR 0.1 (increased by EUR 0.1) million in the review period. Final credit losses totalled EUR 10.2 (6.1) million.

POP Bank Group's balance sheet

POP Bank Group's balance sheet totalled EUR 6,376.9 million at the end of the review period (EUR 6,257.0 million at the beginning of the review period). Group's loan portfolio increased under the review period by 1.3 per cent to EUR 4,806.8 (4,743.6) million. Deposits increased by 2.1 per cent under the review period. Deposits totalled EUR 4,460.7 (4,370.4) million.

The balance sheet value of bonds in issue at the end of the review period was EUR 941.6 (940.8) million, of which covered bonds were EUR 748.6 (756.1) million. The Group's investment assets were 738.6 (750.0) million. Investment assets include investments in securities and real estate in banking operations. Securities are mainly fixed income investments.

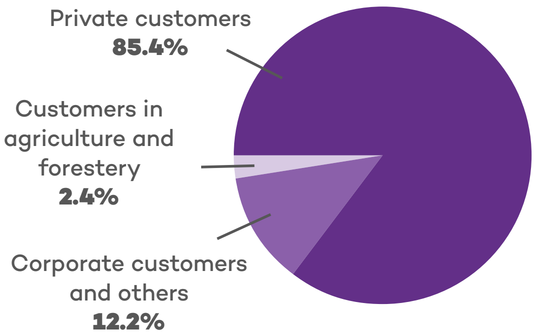
POP Bank Group's equity totalled EUR 784.4 million at the end of the review period (EUR 759.5 million at the beginning of the review period). The cooperative capital amounted to EUR 67.5 (69.2) million at the end of the review period and it consists of the POP Banks' cooperative contributions of EUR 11.3 (10.8) million and POP Shares of EUR 56.2 (58.4) million. POP Shares are investments in the cooperative bank's equity in accordance with the Co-operatives Act. The POP Banks have decided to pay EUR 2.4 (2.7) million in interest on co-operative capital for 2024.

BUSINESS DEVELOPMENT

At the end of the review period, the POP Bank Group had 250.1 thousand banking customers (253.8 thousand at the beginning of the review period). At the end of the review period, the POP Banks had 71 branches and service points, including three digital branches. A new service point was opened in Riihikoski during the first half of the year. In addition to branches and service points, customers have access to mobile and online banking services and online appointments.

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

POP Bank Group's customers
30 June 2025
250,100



In January–June, the POP Bank Group's lending increased by 1.3 per cent to EUR 4,806.8 million. Growth was concentrated in corporate lending, but the loan portfolio of private customers also grew moderately.

The bulk of private customer financing is housing finance, demand for which has strengthened due to falling Euribor reference interests. The housing loan portfolio grew by 0.9 per cent to EUR 2,467.2 million in the first half of the year. The most common reference rate for housing loans is the 12-month Euribor. Decreased Euribor rates are reflected in the overall interest rates of new housing loans. The overall interest rates have been declining throughout the review period. The loan portfolio increased by 2.3 per cent to EUR 1,126.8 million during the review period. The proportion of interest-rate-hedged loans in the loan portfolio decreased during the period. There was no significant change in the average margin of the portfolio.

The Group's deposits increased from the level of the turn of the year and were EUR 4,460.7 million at the end of the period. Demand for fixed-term deposits levelled off. The Group's gross investment sales in funds and savings insurance amounted to EUR 27.9 (26.7) million.

POP Bank Group's mission is to promote its customers' financial well-being and prosperity, as well as local success. POP Banks are owned by their member customers and therefore seek to offer them benefits that reflect their level of commitment. At the beginning of April, POP Banks renewed their membership benefits by introducing a new membership benefits model for private customers. By becoming a member customer, the customer receives a discount on basic banking services, and by centralising their banking with POP Bank, they may be eligible for entirely free services. POP Banks also provide basic banking services free of charge to member customers aged under 30.

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

The objectives, principles and organisation of POP Bank Group's risk management and capital adequacy management are described in Note 4 to POP Bank Group's financial statements for 2024. No material changes were made in the review period to the objectives, principles or organisation described in the financial statements. Furthermore, information concerning risks (Pillar III) specified in the EU Capital Requirements Regulation is presented in a separate amalgamation of POP Banks' Capital Adequacy report 30 June 2025.

Risk position

Credit risk

During the reporting period there were no major changes in credit risk quality on loan portfolio. Uncertainty in economic activity and current interest rate level reflected to credit risk position and the level of forbearance and defaulted remain elevated.

The credit portfolio increased by 1.3 per cent from the end of the year, amounting to EUR 4,806.8 (4,743.6) million. Lending mainly focuses on low-risk credits to private customers. Expected credit losses (ECL) on loans and receivables and off-balance sheet credit commitments decreased by 4.3 per cent to EUR 55.1 (57.6) million, which is 1.1 (1.2) per cent of the gross value of loan portfolio. The decrease in the ECL provision during the review period was influenced by credit-impaired receivables and the related reversals of the ECL provision. ECL provision of investment assets was EUR 1.0 (1.1) million.

The amount of receivables in ECL-stage 1, of which the credit risk has not increased significantly since the initial recognition, was 94.4 (93.9) per cent of the loan portfolio. The amount of receivables in ECL-stage 2, with a significant increase in credit risk, was 3.6 (4.0) per cent of the loan portfolio. The amount of defaulted receivables in ECL-stage 3 was 2.0 (2.1) per cent of the loan portfolio after ECL. Coverage ratio at ECL-stage 3 receivables gross value was 27.6 (28.0) per cent. Group's lending is mainly secured by collateral, which mitigates the impairment risk of receivables.

Credit risk monitoring is based on the continuous monitoring of non-performing receivables, late payments and forbearance, and on monitoring the quality of the credit portfolio. The validation of the calculation principles for expected credit losses (ECL) and the monitoring and analysis of changes are essential parts of credit risk management.

Liquidity risk

POP Bank Group's liquidity position remained strong during the review period. The short-term liquidity position is monitored by means of the Liquidity Coverage Ratio (LCR) requirement, for which the indicator must be at least 100 per cent. The amalgamation's LCR ratio on 30 June 2025 was 312.1 per cent (315.1 per cent on 31 December 2024. At the end of June, the amalgamation of POP Banks had EUR 1 005.7 (955.0) million in LCR-eligible liquid assets before haircuts, of which 61.5 (59.5) per cent consisted of cash and receivables from the central bank, 36.7 per cent (37.8) consisted of liquid Level 1 securities. In addition, outside the amalgamation's LCR portfolio unencumbered securities eligible for central bank funding totalled to EUR 110.6 (154.1) million.

POP Bank Group's funding position also remained stable throughout the review period. The ratio of lending to deposits was 107.8 (108.5) per cent at the end of the reporting period. The Group had a total nominal amount of issuances of EUR 934.0 (935.0) million, of which EUR 750.0 (750.0) million were in from of covered bonds of POP Mortgage Bank's EUR 1.5 billion issuance programme, EUR 170.0 (170.0) million were unsecured senior bonds issued under Bonum Bank's EUR 750 million bond programme, and EUR 14.0 (15.0) million were issued as certificate of deposits under Bonum Bank's EUR 250 million certificate of deposit programme.

The requirement for net stable funding, NSFR (Net Stable Funding Ratio) measures the maturity mismatch of assets and liabilities on the balance sheet and ensures that the ongoing funding is sufficient to meet funding needs over a one-year period, thus preventing over-reliance on short-term wholesale funding. The amalgamation's NSFR ratio on 30 June 2025 was 134.6 (136.9) per cent. The minimum level of the requirement is 100 per cent.

Based on permission from the Financial Supervisory Authority, the member credit institutions are exempted, by a decision of the central institution, from the liquidity requirements set out in Part Six of the Regulation (EU) 575/2013 and 2019/876 of the European Parliament and of the Council. According to the permit, the regulatory requirements for LCR and NSFR must be met only at the amalgamation level. Bonum Bank as a central credit institution of the amalgamation is responsible for meeting the regulatory requirements.

Market risk

The key market risk of the banking segment is the interest rate risk of the banking book, which is monitored and limited using both the present value and income risk models. Interest rate risk arises from the banking books of member credit institutions, consisting of lending and deposits, wholesale market funding and investment and liquidity portfolios. The amalgamation has increased hedging level during reporting period primary by using interest rate derivatives and in addition by increasing investments portfolio duration. Due to the amalgamation balance sheet structure, declining interest rates has negative impact to net interest rate income.

The market risk related to investing activities is limited through asset class allocation and counterparty-specific risk limits. The business operations of the member credit institutions do not include trading on their own behalf or for customers. Their investing activities are primarily undertaken in order to invest financial surplus and manage liquidity.

Operational risks

The materialisation of operational risks is minimised by identifying and assessing the risks, by evaluating the effectiveness and adequacy of control and management mechanisms, by continuously training the personnel and providing comprehensive operating instructions, as well as by internal control measures.

The operational risks associated with the key products, services, functions, processes and systems are identified in the process of assessing a new product or service. The process involves the preparation of impact assessments, in which the different functions of the amalgamation take part. The member credit institutions belonging to the amalgamation assess the likelihood and impact of the materialisation of operational risks through self-assessments prepared on the basis of the key business processes. Certain operational risks are hedged against through insurance. Risks caused by malfunctions in information systems are prepared for through continuity planning.

As customer encounters move to mobile and online, security risks also increase. POP Bank Group has strengthened both technical capabilities and proactive measures related to fraud detection and customer communication.

Crisis resolution plan

In accordance with the bank resolution act for own funds and eligible liabilities, the Financial Stability Authority has set the minimum requirement of own funds and eligible liabilities (MREL-requirement) for the amalgamation of POP Banks on 25 March 2025. The MREL requirement is 20.34 per cent of total risk-weighted assets (TREA) or 7.75 per cent of the leverage ratio exposures (LRE).

In addition, according to Financial Stability Authority's decision on 25 March 2025, the MREL-requirement was set on POP Mortgage Bank Plc. The MREL requirement for POP Mortgage Bank Plc is 16.0 per cent of total risk-weighted assets (TREA) or 6.0 per cent of the leverage ratio exposures (LRE).

The MREL requirements have been fulfilled with own funds and senior unsecured securities.

Capital adequacy management

The amalgamation of POP Banks has applied the renewed Capital Requirements Regulation EU (CRR III), valid from 1 January 2025. The new regulation had a positive impact on the capital adequacy position. The amalgamation's capital adequacy ratio was 25.3 per cent (21.8 on 31 December 2024), and its CET1 capital ratio was 25.3 (21.8) per cent. The minimum requirement is 12.75 per cent. The amalgamation does not include the profit for the financial period in own funds, according to its policy.

The purpose of capital adequacy management at the amalgamation of POP Banks is to ensure a sufficient level and quality of capital and its efficient use. A sufficient level of capital covers the material risks arising from the implementation of the amalgamation's business strategy and plan, as well as securing the uninterrupted operation of the amalgamation in the case of unexpected losses. The goal is pursued through a documented and systematic capital adequacy management process – a process that forms an integral part of the strategy process, business planning and management of the amalgamation, and its member credit institutions.

The member credit institutions comprehensively identify and assess the risks related to their operations and adjust their risk-bearing capacity to the total amount of risks. To ensure its capital adequacy, the bank sets risk-based capital targets and prepares a capital plan to meet the targets. To prepare a capital plan, the member credit institutions of the amalgamation use consistent calculation methods determined by the risk control function of the central institution. Based on permission from the Financial Supervisory Authority, the member credit institutions are exempted, by a decision of the central institution, from the own funds requirement for intra-Group items, and from the restrictions imposed on major counterparties concerning items between the central credit institution and the member credit institutions. Based on permission from the Financial Supervisory Authority, the intra-Group items have been excluded from the total exposure measure for calculating the leverage ratio as of 31 December 2020.

Totalling EUR 734.0 (668.3) million, the own funds of the amalgamation of POP Banks included in capital adequacy calculation consist of cooperative contributions, POP Shares, retained earnings and other non-restricted reserves. The amalgamation's capital adequacy requirement consists of the following items:

- Capital Requirements Regulation minimum of 8 %
- Additional Pillar 2 capital requirement of 1.25 %
- Capital conservation buffer of 2.5 %
- Country-specific capital requirements for foreign exposures
- Systemic risk buffer 1 %

The amalgamation of POP Banks covers all capital requirements with Common Equity Tier 1. The amalgamation's Leverage Ratio, LR, on June 30, 2025 was 11.3 per cent (10.5). The minimum requirement is 3.0 per cent. FIN-FSA has conducted a Supervisory Review and Evaluation Process (SREP) and thereby set a new additional Pillar 2 capital requirement from 30 September 2025 onwards at 1.5 per cent. New Pillar 2 requirement will replace the current requirement of 1.25 per cent.

SUMMARY OF CAPITAL ADEQUACY

(EUR 1,000)	30 Jun 2025	31 Dec 2024
Own funds		
Common Equity Tier 1 capital before deductions	749,091	678,917
Deductions from Common Equity Tier 1 capital	-15,079	-10,601
Total Common Equity Tier 1 capital (CET1)	**734,012**	**668,315**
Additional Tier 1 capital before deductions	-	-
Deductions from Additional Tier 1 capital	-	-
Additional Tier 1 capital (AT1)	**-**	**-**
Tier 1 capital (T1 = CET1 + AT1)	**734,012**	**668,315**
Tier 2 capital before deductions	-	-
Deductions from Tier 2 capital	-	-
Total Tier 2 capital (T2)	**-**	**-**
Total capital (TC = T1 + T2)	**734,012**	**668,315**
Total risk weighted assets	**2,896,374**	**3,071,786**
of which credit risk	2,570,098	2,643,538
of which credit valuation adjustment risk (CVA)	6,074	18,202
of which market risk (foreign exchange risk)	20,900	22,784
of which operational risk	299,302	387,262

(EUR 1,000)	30 Jun 2025	31 Dec 2024
CET1 Capital ratio (CET1-%)	**25.3%**	**21.8%**
T1 Capital ratio (T1-%)	**25.3%**	**21.8%**
Total capital ratio (TC-%)	**25.3%**	**21.8%**
Capital Requirement		
Total capital	734,012	668,315
Capital requirement*	371,092	393,391
Capital buffer	362,920	274,924
Leverage ratio		
Tier 1 capital (T1)	734,012	668,315
Leverage ratio exposure	6,479,509	6,351,193
Leverage ratio, %	11.3%	10.5%

*The capital requirement consists of the statutory solvency requirement of 8.0%, the discretionary additional capital requirement set by the Financial Supervisory Authority of 1.25%, the systemic risk buffer of 1%, the fixed additional capital requirement under the Credit Institutions Act of 2.5%, and country-specific variable capital requirements for foreign exposures.

SUSTAINABILITY

Sustainability in POP Bank Group is based on co-operative values, local operations and long-term business operations. POP Bank Group's sustainability work is guided by its ESG (Environment, Social and Governance) vision according to which the POP Bank is trusted partner for its customers, members and local communities to create sustainable wellbeing. The Group's sustainability programme's key themes are:

- mitigating climate change;
- supporting local success, vitality and well-being;
- transparent business operations;
- ensuring the equality of employees and promoting well-being at work;
- preventing a shadow economy, corruption and money laundering
- constantly developing information security and promoting safe banking

In the 2024 financial year, the POP Bank Group reported on its sustainability for the first time in accordance with the EU Corporate Sustainability Reporting Directive (CSRD). The Group has continued to develop its reporting by updating its double materiality assessment and reviewing its key sustainability-related impacts, risks and opportunities.

The granting of loans and the related assessment of environmental factors and risks are part of the normal business activities of banks. Within the POP Bank Group, guidance on the assessment of environmental and climate factors is provided in the lending policy. The updates made to the guidance at the beginning of 2025 enable a more comprehensive consideration of sustainability factors in the lending process.

The local POP Banks have continued their extensive cooperation with educational institutions and have helped various sports and cultural organisations to promote the well-being of children and young people in particular. In June 2025, POP Bank began a one-year collaboration with the Finnish 4H Federation, serving as one of the partners in the 4H entrepreneurship programme. POP Banks have organised events and participated in various events to share insights on financial matters, saving and secure banking with schoolchildren, businesses and pensioners.

OUTLOOK FOR THE SECOND HALF OF THE YEAR

Finland's economic growth is picking up, and growth is expected to gradually accelerate during the second half of the year. The drop in interest rates to the current level supports households' financial situation and facilitates investment growth. The purchasing power of wage-earner households is improving thanks to moderate income growth and low inflation.

The lower interest rate level will reduce the POP Bank Group's net interest income for the remainder of the year from the comparison period, but the impact will be partly offset by interest rate hedging. The higher unemployment rate and the increase in bankruptcies continue to affect some customers' ability to meet their financial obligations, and the economic recovery during the remainder of the year is unlikely to ease their situation. However, the amount of impairment losses is not expected to increase significantly from the comparison period.

The most significant uncertainties related to performance are associated with changes in market interest rates, changes in the value of investments and the impact of employment on customers' ability to pay. All the forecasts and estimates presented in this half-year financial report are based on the management's current view on economic development, and the actual results may be significantly different because of the many factors affecting the operating environment.

EVENTS AFTER THE REVIEW PERIOD

No such significant business transactions have taken place at POP Bank Group after the review period that would have a material impact on the financial information presented for the review period.

TABLES (IFRS)

POP BANK GROUP'S INCOME STATEMENT

(EUR 1,000)	Note	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024
Interest income		120,962	136,845
Interest expenses		-36,799	-40,883
Net interest income	**3**	**84,163**	**95,962**
Net commissions and fees	4	23,421	23,013
Net investment income	5	3,475	2,304
Other operating income		995	3,576
Total operating income		**112,054**	**124,855**
Personnel expenses		-30,949	-27,173
Other operating expenses		-36,593	-35,875
Depreciation and amortisation		-2,209	-2,471
Total operating expenses		**-69,751**	**-65,519**
Impairment losses on financial assets	8	-7,623	-13,478
Associate´s share of profits		1,217	691
Profit before taxes		**35,897**	**46,549**
Income tax expense		-6,804	-9,045
Profit for the period		**29,093**	**37,504**

POP BANK GROUP'S STATEMENT OF OTHER COMPREHENSIVE INCOME

(EUR 1,000)	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024
Profit for the financial year	**29,093**	**37,504**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net changes in fair value of equity instruments	-3	29
Deferred taxes	1	-6
Total	**-2**	**23**
Items that may be reclassified to profit or loss		
Cash flow hedges	-1,054	-
Movement in fair value reserve for liability instruments	2,069	1,666
Deferred taxes	-414	-333
Total	**601**	**1,333**
Other comprehensive income items total	**599**	**1,356**
Comprehensive income for the financial year	**29,692**	**38,860**

POP BANK GROUP'S BALANCE SHEET

(EUR 1,000)	Note	30 Jun 2025	31 Dec 2024
Assets			
Liquid assets		618,413	567,900
Loans and receivables from credit institutions	6,7	47,394	44,751
Loans and receivables from customers	6,7	4,806,757	4,743,620
Derivatives	10,12	32,102	29,267
Investment assets	6,7	712,688	725,289
Investments in associates		25,897	24,680
Intangible assets		13,679	8,884
Property, plant and equipment		24,750	25,422
Other assets		87,406	81,099
Tax assets		7,854	6,066
Total assets		**6,376,941**	**6,256,978**

(EUR 1,000)	Note	30 Jun 2025	31 Dec 2024
Liabilities			
Liabilities to credit institutions	6,7,9	51,712	52,614
Liabilities to customers	6,7,9	4,473,335	4,384,387
Derivatives	10,12	3,007	2,636
Debt securities issued to the public	11	941,591	940,776
Other liabilities		87,928	82,908
Tax liabilities		34,947	34,172
Total liabilities		**5,592,520**	**5,497,492**
Equity capital			
Cooperative capital			
Cooperative contributions		11,291	10,792
POP Shares		56,247	58,388
Total cooperative capital		**67,538**	**69,180**
Reserves		166,737	163,725
Retained earnings		550,147	526,581
Total equity capital		**784,422**	**759,486**
Total liabilities and equity capital		**6,376,941**	**6,256,978**

STATEMENT OF CHANGES IN POP BANK GROUP'S EQUITY CAPITAL

(EUR 1,000)	Cooperative capital	Fair value reserve	Other reserves	Retained earnings	Total equity capital
Balance 1 Jan 2025	**69,180**	**-858**	**164,583**	**526,582**	**759,486**
Comprehensive income					
Profit for the financial year	-	-	-	29,093	**29,093**
Other comprehensive income	-	599	-	-	**599**
Total comprehensive income	**-**	**599**	**-**	**29,093**	**29,692**
Transactions with shareholders					
Change in cooperative capital	-2,315	-	-	-	**-2,315**
Profit distribution	-	-	-	-2,440	**-2,440**
Transfer of reserves	673	-	2,413	-3,087	**-**
Total	**-1,642**	**-**	**2,413**	**-5,527**	**-4,756**
Balance 30 Jun 2025	**67,538**	**-259**	**166,996**	**550,147**	**784,422**

(EUR 1,000)	Cooperative capital	Fair value reserve	Other reserves	Retained earnings	Total equity capital
Balance 1 Jan 2024	**71,105**	**-4,645**	**162,440**	**459,206**	**688,106**
Comprehensive income					
Profit for the financial year	-	-	-	37,504	**37,504**
Other comprehensive income	-	1,356	-	-	**1,356**
Total comprehensive income	**-**	**1,356**	**-**	**37,504**	**38,860**
Transactions with shareholders					
Change in cooperative capital	-2,679	-	-	-	**-2,679**
Profit distribution	-	-	-	-2,988	**-2,988**
Transfer of reserves	-	-	2,146	-2,146	**-**
Total	**-2,679**	**-**	**2,146**	**-5,133**	**-5,667**
Other changes	-	-	-	-3	**-3**
Other changes total	**-**	**-**	**-**	**-3**	**-3**
Balance 30 Jun 2024	**68,426**	**-3,289**	**164,586**	**491,574**	**721,296**

The fair value reserve for hedge accounting is included in the fair value reserve.

POP BANK GROUP'S CASH FLOW STATEMENT

(EUR 1,000)	Note	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024
Cash flow from operating activities			
Income statement		29,093	37,504
Adjustments to profit for the financial year		11,130	23,848
Increase (-) or decrease (+) in operating assets		**-56,711**	**-8,866**
Loans and receivables from credit institutions	6.7	-886	-145
Loans and receivables from customers	6.7	-70,766	-102,706
Investment assets		14,900	93,353
Other assets		41	632
Increase (+) or decrease (-) in operating liabilities		**87,336**	**-123,906**
Liabilities to credit institutions	6,7,9	-783	-101,297
Liabilities to customers	6,7,9	90,085	-9,069
Other liabilities		6,002	-4,646
Income tax paid		-7,968	-8,894
Total cash flow from operating activities		**70,847**	**-71,421**
Cash flow from investing activities			
Changes in subsidiary investments		-	-10
Purchase of PPE and intangible assets		-12,835	-4,747
Proceeds from sales of PPE and intangible assets		141	145
Total cash flow from investing activities		**-12,695**	**-4,612**
Cash flow from financing activities			
Change in cooperative capital, net		-2,128	-2,682
Interests paid on cooperative capital and other profit distribution		-2,628	-2,988
Debt securities issued, increase	11	8,862	72,240
Debt securities issued, decrease	11	-9,803	-133,211
Payment of lease liabilities		-186	-904
Total cash flow from financing activities		**-5,883**	**-67,546**

(EUR 1,000)	Note	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024
Change in cash and cash equivalents			
Cash and cash equivalents at period-start		572,249	516,335
Cash and cash equivalents at the end of the period		624,519	372,756
Net change in cash and cash equivalents		**52,270**	**-143,579**
Cash and cash equivalents			
Liquid assets		618,413	348,920
Receivables from credit institutions payable on demand		6,106	23,836
Total		**624,519**	**372,755**

Additional information of the cash flow statement

Interest received	**131,548**	**149,017**
Interest paid	**41,378**	**47,986**
Dividends received	**1,644**	**3,493**
Adjustments to profit for the financial year		
Non-cash items and other adjustments		
Impairment losses on receivables	8,247	13,478
Depreciations	2,613	2,867
Other	269	7,503
Adjustments to profit for the financial year total	**11,130**	**23,848**

NOTES

NOTE 1 POP BANK GROUP

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

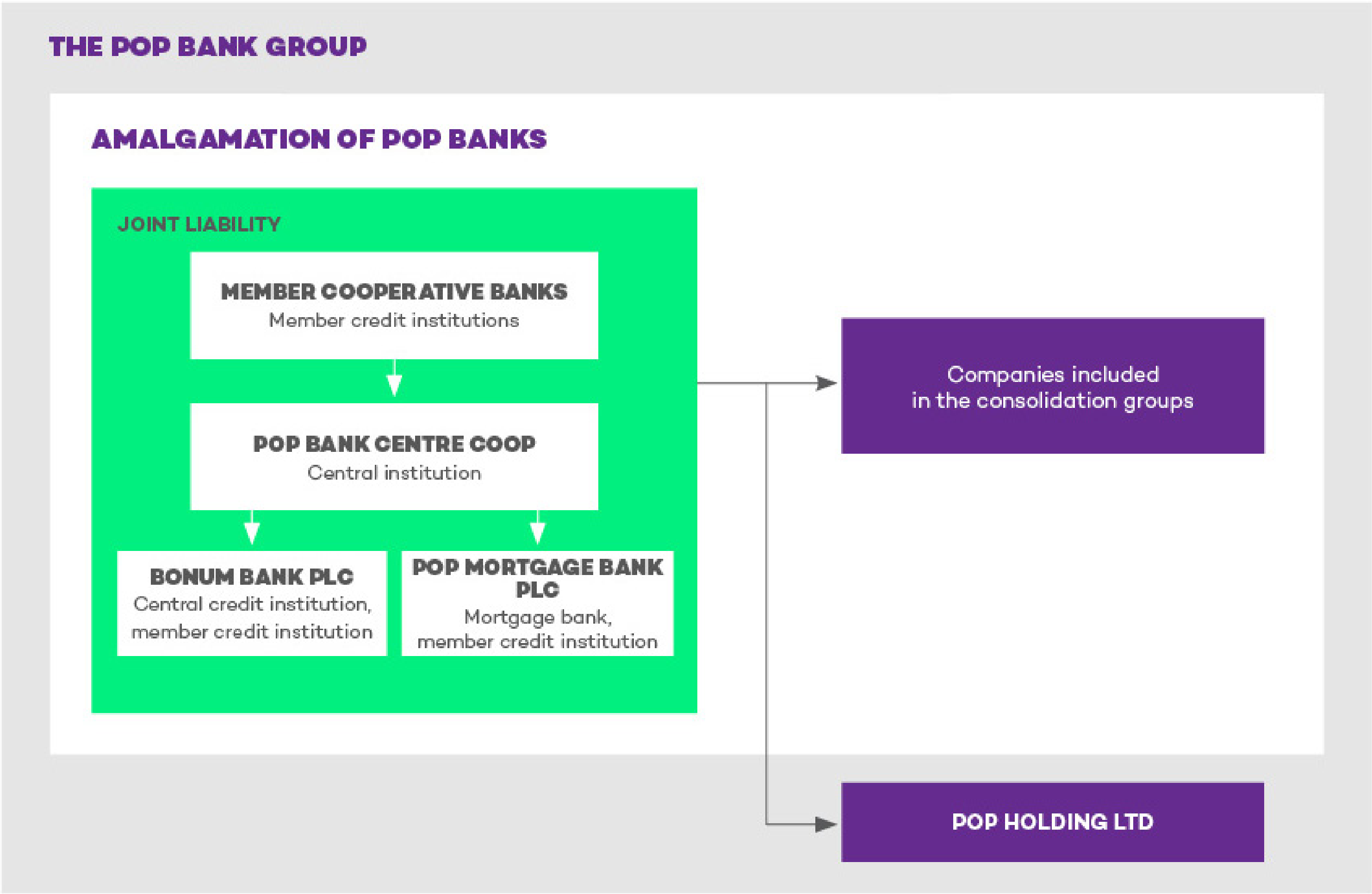
The member credit institutions of POP Bank Centre coop are the 18 cooperative banks and the central credit institution of the member cooperative banks, Bonum Bank Plc and mortgage bank POP Mortgage Bank Plc. The amalgamation of POP Banks is an economic entity referred to in the Act on the Amalgamation of Deposit Banks (hereinafter referred to as the "Amalgamation Act") the members of which and the central institution are jointly liable for each other's debts and commitments. The amalgamation of POP Banks is formed by the central institution POP Bank Centre coop, its member credit institutions, the companies included in their consolidation Groups and those credit institutions, financial institutions and service companies in which entities included in the amalgamation jointly hold over 50 per cent of the votes. Companies that belong in consolidation groups are mainly real estate companies.

POP Bank Group also includes other entities besides the entities included in the amalgamation of POP Banks. POP Holding Ltd, wholly owned by the POP Banks and POP Bank Centre coop, holds a minority share in Finnish P&C Insurance Ltd, which is engaged in insurance activities and is consolidated into the POP Bank Group's consolidated IFRS financial statements as an associate company. POP Holding Ltd is not included in the scope of joint liability.

POP Bank Group does not form a Group of companies referred to in the Accounting Act (1336/1997) or a consolidation Group referred to in the Act on Credit Institutions (610/2014). POP Bank Centre coop or its member cooperative banks do not exercise control pursuant to IFRS accounting standards on each other, and therefore no parent company can be determined for the Group. In accordance with the Amalgamation Act, the Board of Directors has specified the Group's accounting policies suitable for this structure to the extent that the IFRS accounting standards do not acknowledge the Group's structure. The accounting policies that include a description of the technical parent company consisting of the member cooperative banks are presented in Note 2 of the IFRS financial statements 2024.

The following chart on the next page presents the structure of POP Bank Group and the entities included in the amalgamation and the scope of joint liability. No changes occurred in the group's structure during the review period.

POP BANK GROUP STRUCTURE



NOTE 2 POP BANK GROUP'S ACCOUNTING POLICIES

The consolidated financial statements of POP Bank Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the related interpretations (IFRIC).

The half-year financial report for 1 January – 30 June 2025 has been prepared in accordance with IAS 34 Interim Financial reporting and the accounting policies presented in POP Bank Group's consolidated IFRS Financial Statements 31 December 2024.

The figures disclosed in the half-year financial report are unaudited. The reported figures are in thousand euros, unless otherwise stated. The figures in the calculations and tables are rounded, whereby the sum total of individual figures may deviate from the sum total presented. The operating currency of all of the companies belonging to POP Bank Group is euro.

Copies of the financial statements and half-year financial report of POP Bank Group are available at the office of the central institution, address Hevosenkenkä 3, FI-02600 Espoo, Finland, and online at **www.poppankki.fi**. POP Bank Group only publishes one interim financial report annually.

Changes in the accounting policies

The IFRS standards, standard amendments, or interpretations that came into effect on 1 January 2025 do not have a material impact on the POP Bank Group's half-year financial report.

Accounting policies requiring management judgement

The preparation of the half-year financial report involves management making future estimates and assumptions that affect the amounts of reported items and the information provided in the notes. The key management judgements are particularly related to the fair values and the impairment of financial assets. Management's estimates and assumptions are based on the best view at the reporting date, which may differ somewhat from the final outcomes. The accounting principles requiring management's judgement are presented in the consolidated IFRS financial statements of the POP Bank Group as at 31 December 2024.

In the half-year financial report, the main items requiring management's judgement are included in Note 7 Fair values of financial assets and liabilities and valuation methods and in Note 8 Impairment losses on financial assets. Forecasting economic development has become more challenging, resulting in heightened uncertainty regarding the fair values of financial assets and impairment provisions. During the review period, no additional provisions for expected credit losses based on management judgement were made.

NOTE 3 NET INTEREST INCOME

(EUR 1,000)	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024
Interest income		
Loans and receivables from credit institutions	7,263	7,553
Loans and receivables from customers	105,192	119,947
Debt securities		
At amortised cost	5,090	4,870
At fair value through profit or loss	40	63
At fair value through other comprehensive income	2,912	3,601
Hedging derivatives	-498	-
Other interest income	962	810
Total interest income	**120,962**	**136,845**
Interest expenses		
Liabilities to credit institutions	-615	-1,320
Liabilities to customers	-20,798	-18,669
Debt securities issued to the public	-15,320	-14,259
Hedging derivatives	38	-6,564
Other interest expenses	-105	-71
Total interest expenses	**-36,799**	**-40,883**
of which negative interest income	-4	-4
Net interest income	**84,163**	**95,962**
Interest income from financial assets impaired due to credit risk (stage 3)	3,730	4,137

NOTE 4 NET COMMISSIONS AND FEES

(EUR 1,000)	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024
Commissions and fees		
Lending	4,875	4,556
Deposits	61	69
Payment transfers	14,488	14,129
Legal services	1,328	1,296
Intermediated services	1,931	1,864
Issuing guarantees	309	304
Funds	2,130	1,967
Other commission income	502	495
Total commissions and fees	**25,622**	**24,679**
Commissions expenses		
Payment transfers	-2,064	-1,552
Other commission expenses	-136	-114
Total commission expenses	**-2,201**	**-1,666**
Net commissions and fees	**23,421**	**23,013**

NOTE 5 NET INVESTMENT INCOME

(EUR 1,000)	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024
At fair value through profit or loss		
Debt securities		
Capital gains and losses	-31	-462
Fair value gains and losses	-94	128
Shares and participations		
Dividend income	1,629	2,117
Capital gains and losses	-12	127
Fair value gains and losses	1,533	43
Total	**3,025**	**1,953**
At fair value through other comprehensive income		
Debt securities		
Capital gains and losses	424	101
Transferred from fair value reserve to the income statement	-501	-238
Shares and participations		
Dividend income	15	4
Total	**-62**	**-133**
Net income from foreign exchange trading	**86**	**106**
Net income from hedge accounting		
Change in hedging instruments' fair value	604	-15,788
Change in hedged items' fair value	-327	16,208
Total	**277**	**420**
Net income from investment property		
Rental income	1,342	1,256
Capital gains and losses	68	145
Other income from investment property	82	72
Maintenance charges and expenses	-939	-1,114
Depreciations and amortisation of investment property	-403	-396
Other income and expenses from investment property	-1	-5
Total	**149**	**-42**
Total net investment income	**3,475**	**2,304**

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

NOTE 6 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets 30 Jun 2025

(EUR 1,000)	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Hedging derivatives	Expected credit loss	Total carrying amount
Liquid assets	618,413	-	-	-	-	**618,413**
Loans and receivables from credit institutions	47,395	-	-	-	0	**47,394**
Loans and receivables from customers	4,860,468	-	-	-	-53,711	**4,806,757**
Derivatives	-	-	-	32,102	-	**32,102**
Debt securities*	356,588	4,175	203,543	-	-48	**564,257**
Shares and participations	-	121,543	1,207	-	-	**122,750**
Financial assets total	**5,882,864**	**125,718**	**204,750**	**32,102**	**-53,760**	**6,191,674**
Other assets						**185,267**
Total assets						**6,376,941**

*Expected credit loss of EUR 933 thousand from debt securities, measured at fair value through other comprehensive income, have been recorded in the fair value reserve.

Financial assets 31 Dec 2024

(EUR 1,000)	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Hedging derivatives	Expected credit loss	Total carrying amount
Liquid assets	567,900	-	-	-	-	**567,900**
Loans and receivables from credit institutions	44,752	-	-	-	0	**44,751**
Loans and receivables from customers	4,799,847	-	-	-	-56,227	**4,743,620**
Derivatives	-	-	-	16,165	-	**29,267**
Debt securities*	358,205	4,535	209,381	-	-55	**572,066**
Shares and participations	-	126,572	1,210	-	-	**127,782**
Financial assets total	**5,770,704**	**131,107**	**210,591**	**16,165**	**-56,283**	**6,085,386**
Other assets						**171,593**
Total assets						**6,256,978**

*Expected credit loss of EUR 1,009 thousand from debt securities, measured at fair value through other comprehensive income, have been recorded in the fair value reserve.

Financial liabilities 30 Jun 2025

(EUR 1,000)	At amortised cost	Hedging derivatives	Total carrying amount
Liabilities to credit institutions	51,712	-	**51,712**
Liabilities to customers*	4,473,335	-	**4,473,335**
Derivatives	-	3,007	**3,007**
Debt securities issued to the public*	941,591	-	**941,591**
Financial liabilities total	**5,466,637**	**3,007**	**5,469,645**
Other liabilities			**122,875**
Total liabilities			**5,592,520**

*Liabilities to customers includes hedge adjustments of EUR 11,970 thousand and debt securities issued to the public includes hedge adjustments of EUR 9,197 thousand. The hedged items are presented in more detail in Note 10.

Financial liabilities 31 Dec 2024

(EUR 1,000)	At amortised cost	Hedging derivatives	Total carrying amount
Liabilities to credit institutions	52,614	-	**52,614**
Liabilities to customers*	4,384,387	-	**4,384,387**
Derivatives	-	2,636	**2,636**
Debt securities issued to the public*	940,776	-	**940,776**
Financial liabilities total	**5,377,777**	**2,636**	**5,380,412**
Other liabilities			**117,080**
Total liabilities			**5,497,492**

*Liabilities to customers includes hedge adjustments of EUR 13,107 thousand and debt securities issued to the public includes hedge adjustments of EUR 7,734 thousand. The hedged items are presented in more detail in Note 10.

NOTE 7 FAIR VALUES AND VALUATION TECHNIQUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets

	30 Jun 2025		31 Dec 2024	
(EUR 1,000)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Liquid assets	618,413	618,413	567,900	567,900
Loans and receivables from credit institutions	47,394	47,394	44,751	44,751
Loans and receivables from customers	4,806,757	4,813,488	4,743,620	4,757,565
Derivatives	32,102	32,102	29,267	29,267
Investment assets				
At amortised cost	356,539	360,773	358,150	361,088
At fair value through profit or loss	125,718	125,718	131,107	131,107
At fair value through other comprehensive income	204,750	204,750	210,591	210,591
Total	**6,191,674**	**6,202,639**	**6,085,386**	**6,102,269**

Financial liabilities

	30 Jun 2025		31 Dec 2024	
(EUR 1,000)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Liabilities to credit institutions	51,712	51,663	52,614	52,515
Liabilities to customers	4,473,335	4,465,078	4,384,387	4,374,260
Derivatives	3,007	3,007	2,636	2,636
Debt securities issued to the public	941,591	944,218	940,776	943,307
Total	**5,469,645**	**5,463,966**	**5,380,412**	**5,372,718**

Fair value hierarchy levels of items recurrently recognised at fair value

Assets recurrently measured at fair value 30 Jun 2025

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value
At fair value through profit or loss				
Shares and participations	117,608	-	3,935	**121,543**
Debt securities	1,873	-	2,302	**4,175**
Derivatives	-	32,102	-	**32,102**
At fair value through other comprehensive income				
Shares and participations	-	-	1,207	**1,207**
Debt securities	202,601	-	942	**203,543**
Total	**322,082**	**32,102**	**8,386**	**362,570**

Assets recurrently measured at fair value 31 Dec 2024

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value
At fair value through profit or loss				
Shares and participations	122,403	-	4,168	**126,572**
Debt securities	2,068	-	2,467	**4,535**
Derivatives	-	29,267	-	**29,267**
At fair value through other comprehensive income				
Shares and participations	-	-	1,210	**1,210**
Debt securities	198,365	9,968	1,049	**209,381**
Total	**322,836**	**39,235**	**8,894**	**370,965**

Liabilities recurrently measured at fair value 30 Jun 2025

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value
Derivatives	-	3,007	-	**3,007**
Total	**-**	**3,007**	**-**	**3,007**

Liabilities recurrently measured at fair value 31 Dec 2024

(EUR 1,000)	Level 1	Level 2	Level 3	Total fair value
Derivatives	-	2,636	-	**2,636**
Total	**-**	**2,636**	**-**	**2,636**

Fair value determination of financial assets and financial liabilities

Financial assets are recorded in the balance sheet either at fair value or at amortized cost. The classification and measurement of financial instruments is described in more detail in IFRS financial statements of POP Bank Group's on 31 December 2024 in Note 2 POP Bank Group's accounting policies.

Fair value hierarchies

Level 1 includes financial instruments that are measured on the basis of quotations obtained from liquid markets. A market is considered as liquid if quotations are regularly available. This group included all securities with publicly quoted prices.

Level 2 includes financial instruments measures using generally approved measurement techniques or models which are based on assumptions made on the basis of observable market prices. For example, the fair value of a financial instrument allocated to Level 2 may be based on the value derived from the market quotation of components of an instrument. This group includes interest derivatives and other instruments that are not traded in liquid markets.

Level 3 includes financial instruments and other assets and liabilities that are not measured using market quotations or values determined on the basis of observable market prices using measurement techniques or models. The assumptions applied in the measurement techniques often involve insecurity. The fair value of assets allocated to Level 3 is often based on price information obtained from a third party. This group includes unlisted shares and funds and investment properties.

Transfers between fair value hierarchies

Transfers between hierarchy levels are considered to have taken place on the date of the occurrence of the event that caused the transfer or the date when the circumstances changed.

During the review period, no debt securities were transferred between hierarchy levels. In the comparison period, EUR 602 thousand were transferred from levels 1 and 2 to level 3 based on the trading volumes.

Changes in financial assets recurrently measured at fair value classified into level 3

(EUR 1,000)	At fair value through profit or loss	At fair value through other comprehensive income	Total
Carrying amount 1 Jan 2025	**6,635**	**2,259**	**8,894**
Purchases	476	-	**476**
Sales	-811	-510	**-1,321**
Matured during the financial year	-	-	**-**
Realised changes in value recognised in income statement	-27	360	**333**
Unrealised changes in value recognised in the income statement	-36	-	**-36**
Changes in value recognised in other comprehensive income	-	40	**40**
Carrying amount 30 Jun 2025	**6,237**	**2,149**	**8,385**

(EUR 1,000)	At fair value through profit or loss	At fair value through other comprehensive income	Total
Carrying amount 1 Jan 2024	**7,899**	**1,683**	**9,583**
Sales	-811	-	**-811**
Matured during the financial year	-261	-	**-261**
Realised changes in value recognised in income statement	-11	-	**-11**
Unrealised changes in value recognised in the income statement	40	-	**40**
Changes in value recognised in other comprehensive income	-	-27	**-27**
Transfers from levels 1 and 2	-	602	**602**
Transfers to levels 1 and 2	-221	-	**-221**
Carrying amount 31 Dec 2024	**6,635**	**2,259**	**8,894**

Sensitivity analysis of financial assets at level 3

30 Jun 2025

(EUR 1,000)	Carrying amount	Possible effect on equity capital Positive	Possible effect on equity capital Negative
At fair value through profit or loss	6,237	656	-656
At fair value through other comprehensive income	2,149	200	-200
Total	**8,386**	**856**	**-856**

31 Dec 2024

(EUR 1,000)	Carrying amount	Possible effect on equity capital Positive	Possible effect on equity capital Negative
At fair value through profit or loss	6,635	545	-545
At fair value through other comprehensive income	2,259	202	-202
Total	**8,894**	**852**	**-852**

The sensitivity of financial assets recurrently measured at fair value at level 3 has been calculated for interest rate linked investments by assuming a 2 percentage points change in interest rates and for other investments by assuming the market price of the security to change by 15%.

POP Bank Group does not have assets measured non-recurrently at fair value.

NOTE 8 IMPAIRMENT LOSSES ON FINANCIAL ASSETS

Impairment losses recorded during the reporting period

(EUR 1,000)	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024
Change of ECL due to write-offs	7,907	4,110
Change of ECL, receivables from customers and off-balance sheet items	-5,363	-11,436
Change of ECL, debt securities	84	-86
Final credit losses	-10,250	-6,066
Impairment losses on financial assets total	**-7,623**	**-13,478**

In the review period, EUR 10,250 (6,066) thousand were recorded as final credit losses. Collection actions are being taken for EUR 6,758 (4,469) thousand. An ECL provision of EUR 7,907 (4,110) thousand was recognized for receivables recorded as final credit losses.

Changes in expected credit loss (ECL) during the financial period are presented in the tables below. Stage 1 represents financial instruments whose credit risk has not increased significantly since the initial recognition. Expected credit losses are determined for such financial instruments based on expected loan losses for 12 months. Stage 2 represents financial instruments whose credit risk has increased significantly after the initial recognition and, for stage 3, financial instruments whose counterparty has been declared as default.

Expected credit losses are determined for financial instruments classified in Stage 2 and 3 based on the expected credit losses over the entire life of the instrument.

The basis for calculating the expected credit losses and the definition of default are presented in Note 2 POP Bank Group's accounting policies of POP Bank Group's financial statements 2024, in section 3.4 Impairment of financial assets.

Receivables from customers

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2025	**7,006**	**4,399**	**44,822**	**56,227**
Transfers to stage 1	251	-1,116	-1,568	**-2,433**
Transfers to stage 2	-217	1,466	-1,250	**-1**
Transfers to stage 3	-119	-508	7,033	**6,407**
Increases due to origination	1,554	721	1,386	**3,661**
Decreases due to derecognition	-605	-469	-11,497	**-12,571**
Changes due to change in credit risk (net)	-696	87	10,937	**10,328**
Decreases due to write-offs	-	-	-7,907	**-7,907**
Total	**168**	**181**	**-2,866**	**-2,517**
ECL 30 Jun 2025	**7,175**	**4,581**	**41,956**	**53,711**

The largest change in expected credit losses on receivables from customers comes from decreases due to derecognition, that totalled EUR 12,571 thousand. Transfers to stage 3 increase totalled EUR 6,407 thousand.

Debt securities

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2025	**162**	**279**	**624**	**1,065**
Transfers to stage 3	-	-100	549	**450**
Increases due to origination	11	-	-	**11**
Decreases due to derecognition	-21	-25	-476	**-522**
Changes due to change in credit risk (net)	-23	0	-	**-23**
Total	**-33**	**-124**	**74**	**-84**
ECL 30 Jun 2025	**129**	**155**	**698**	**981**

Off-balance sheet commitments

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2025	**455**	**282**	**676**	**1,413**
Transfers to stage 1	5	-256	-93	**-344**
Transfers to stage 2	-4	16	0	**12**
Transfers to stage 3	-2	-2	53	**48**
Increases due to origination	312	20	31	**363**
Decreases due to derecognition	-7	-2	-43	**-51**
Changes due to change in credit risk (net)	-158	-3	105	**-56**
Total	**146**	**-227**	**54**	**-27**
ECL 30 Jun 2025	**601**	**54**	**730**	**1,386**

Total ECL

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2025	**7,623**	**4,960**	**46,122**	**58,705**
ECL 30 Jun 2025	**7,905**	**4,790**	**43,383**	**56,078**

Receivables from customers

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2024	**5,468**	**4,784**	**42,348**	**52,601**
Transfers to stage 1	306	-2,086	-1,854	**-3,633**
Transfers to stage 2	-205	1,953	-1,432	**316**
Transfers to stage 3	-309	-598	12,592	**11,684**
Increases due to origination	2,387	772	2,844	**6,003**
Decreases due to derecognition	-948	-603	-16,534	**-18,086**
Changes due to change in credit risk (net)	307	178	20,968	**21,453**
Decreases due to write-offs	-	-	-14,111	**-14,111**
Total	**1,538**	**-385**	**2,474**	**3,627**
ECL 31 Dec 2024	**7,006**	**4,399**	**44,822**	**56,227**

Debt securities

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2024	**202**	**556**	**-**	**758**
Transfers to stage 1	45	-236	-	**-190**
Increases due to origination	32	-	624	**656**
Decreases due to derecognition	-38	-129	-	**-167**
Changes due to change in credit risk (net)	-80	87	-	**7**
Total	**-40**	**-277**	**624**	**307**
ECL 31 Dec 2024	**162**	**279**	**624**	**1,065**

Off-balance sheet commitments

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2024	**316**	**147**	**531**	**994**
Transfers to stage 1	12	-60	-52	**-100**
Transfers to stage 2	-3	14	-1	**10**
Transfers to stage 3	-2	-20	206	**184**
Increases due to origination	205	259	115	**578**
Decreases due to derecognition	-29	-8	-105	**-142**
Changes due to change in credit risk (net)	-44	-49	-18	**-111**
Total	**139**	**135**	**145**	**418**
ECL 31 Dec 2024	**455**	**282**	**676**	**1,413**

Total ECL

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
ECL 1 Jan 2024	**5,987**	**5,487**	**42,880**	**54,353**
ECL 31 Dec 2024	**7,623**	**4,960**	**46,122**	**58,705**

Balance sheet item by stage 30 Jun 2025

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
Receivables from customers				
Private	2,868,179	90,285	59,046	**3,017,511**
Corporate	1,093,880	79,448	53,134	**1,226,462**
Agriculture	539,106	38,539	38,850	**616,495**
Receivables from customers total	**4,501,166**	**208,272**	**151,030**	**4,860,468**
ECL 30 Jun 2025	7,175	4,581	41,956	**53,711**
Coverage ratio	0.2%	2.2%	27.8%	**1.1%**
Off-balance sheet commitments				
Private	255,239	1,142	662	**257,043**
Corporate	90,107	2,210	1,624	**93,941**
Agriculture	32,053	605	230	**32,888**
Off-balance sheet commitments total	**377,399**	**3,957**	**2,515**	**383,872**
ECL 30 Jun 2025	601	54	730	**1,386**
Coverage ratio	0.2%	1.4%	29.0%	**0.4%**
Debt securities	**558,780**	**46**	**-**	**560,131**
ECL 30 Jun 2025	162	279	624	**981**
Coverage ratio	0.0%	612.2%	47.8%	**0.2%**
Credit risk by stages total	**5,437,345**	**212,275**	**154,851**	**5,804,471**

The table above summarises the exposure to credit risk and the amount of ECL in relation to the amount of the exposure in stages. The coverage ratio illustrates the relative share of the ECL in the amount of exposure.

Balance sheet item by stage 31 Dec 2024

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
Receivables from customers				
Private	2,836,355	98,504	60,158	**2,995,016**
Corporate	1,063,838	82,871	58,495	**1,205,204**
Agriculture	516,671	43,347	39,609	**599,627**
Receivables from customers total	**4,416,864**	**224,722**	**158,262**	**4,799,847**
ECL 31 Dec 2024	7,006	4,399	44,822	**56,227**
Coverage ratio	0.2%	2.0%	28.3%	**1.2%**
Off-balance sheet commitments				
Private	240,461	1,289	590	**242,339**
Corporate	70,008	1,548	3,021	**74,577**
Agriculture	24,696	2,856	235	**27,788**
Off-balance sheet commitments total	**335,165**	**5,693**	**3,846**	**344,704**
ECL 31 Dec 2024	455	282	676	**1,413**
Coverage ratio	0.1%	4.9%	17.6%	**0.4%**
Debt securities	**565,978**	**1,309**	**300**	**567,586**
ECL 31 Dec 2024	162	279	624	**1,065**
Coverage ratio	0.0%	21.3%	208.0%	**0.2%**
Credit risk by stages total	**5,318,007**	**231,724**	**162,407**	**5,712,138**

NOTE 9 LIABILITIES TO CREDIT INSTITUTIONS AND CUSTOMERS

(EUR 1,000)	30 Jun 2025	31 Dec 2024
Liabilities to credit institutions		
To other credit institutions		
Repayable on demand	2,816	1,551
Not repayable on demand	48,895	51,063
Total liabilities to credit institutions	**51,712**	**52,614**
Liabilities to customers		
Deposits		
Repayable on demand	3,442,159	3,367,876
Not repayable on demand	1,018,561	1,002,536
Other financial liabilities		
Not repayable on demand	645	869
Change in fair value due to hedge accounting	11,970	13,107
Total liabilities to customers	**4,473,335**	**4,384,387**
Total liabilities to credit institutions and customers	**4,525,047**	**4,437,001**

NOTE 10 DERIVATIVE CONTRACTS AND HEDGE ACCOUNTING

POP Bank Group hedges its interest rate risk with derivative contracts. Hedge accounting is applied to both fair value hedges and cash flow hedges. The hedged items for fair value hedging include fixed-rate deposits and fixed-rate bonds issued. For cash flow hedging, the focus is on the interest flows from customer receivables.

Derivatives and hedged items covered by hedge accounting

Hedging interest rate derivatives

	Fair value 31 Jun 2025		Fair value 31 Dec 2024	
(EUR 1,000)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Derivatives				
Fair value hedging	23,620	3,007	22,644	2,636
Cash flow hedging	8,482	-	6,623	-
Derivatives total	**32,102**	**3,007**	**29,267**	**2,636**

Effects of hedge accounting on financial position and result

Fair value hedge

	Interest rate risk 30 Jun 2025		Interest rate risk 31 Dec 2025	
(EUR 1,000)	**Carrying amount of hedged liabilities**	**of which accumulated amount of fair value hedge adjustment**	**Carrying amount of hedged liabilities**	**of which accumulated amount of fair value hedge adjustment**
Macro hedge				
Hedged deposits	736,720	11,820	736,081	11,181
Micro hedge				
Hedged debt securities issued to public	759,197	9,197	756,069	7,734
Liabilities	**1,495,917**	**21,017**	**1,492,150**	**18,914**

The nominal value of the fixed-rate deposits subject to fair value hedging was EUR 724,900 (724,900) thousand, which are included in the "Liabilities to customers" and the nominal value of the fixed-rate bond subject to fair value hedging was EUR 750,000 (750,000) thousand, which is included in the "Debt securities issued to the public." The nominal values of derivative instruments correspond to the nominal values of the hedged items.

Profits and losses from hedge accounting and hedge ineffectiveness

	Interest rate risk			
	Fair value hedging		Cash flow hedging	
(EUR 1,000)	**1 Jan–30 Jun 2025**	**1 Jan–30 Jun 2024**	**1 Jan–30 Jun 2025**	**1 Jan–30 Jun 2024**
Change in the fair value of the derivative contract	604	-15,794	-	-
Change in the fair value of the hedged item	-327	16,208	-	-
Hedge ineffectiveness recognized in the income statement	**278**	**414**	**-**	**-**
Change in the fair value of the derivative contract*	-	-	697	-
Change in the fair value of the hedged item	-	-	-697	-
Ineffectiveness of the hedge recorded in the income statement through the statement of comprehensive income	**-**	**-**	**-**	**-**

*For cash flow hedging, this presents the change in the notional amount of the derivative contract.

Hedge accounting reserve

	Interest rate risk	
(EUR 1,000)	**2025**	**2024**
Balance 1 Jan	**-374**	**-**
Cash flow hedging		
Hedge profits and losses	-820	-82
Deferred taxes	164	16
Portion transferred to the income statement	-498	-386
Deferred taxes	100	77
Total	**-1,054**	**-374**
Balance at the end of period	**-1,428**	**-374**

Maturity profile of the nominal amount of hedging interest rate risk

30 Jun 2025

	Nominal value / Remaining maturity			
(EUR 1,000)	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Instruments heding interest rate risk	350,000	1,224,900	546,000	**2,120,900**

31 Dec 2024

	Nominal value / Remaining maturity			
(EUR 1,000)	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Instruments heding interest rate risk	250,000	1,224,900	450,600	**1,925,500**

NOTE 11 DEBT SECURITIES ISSUED TO THE PUBLIC

(EUR 1,000)	30 Jun 2025	31 Dec 2024
Covered bonds	748,604	748,336
Change in fair value due to hedge accounting	9,197	7,734
Debt securities issued to the public	169,943	169,926
Certificates of deposits	13,846	14,780
Total debt securities issued to the public	**941,591**	**940,776**

Certificates of deposits with a nominal value of EUR 14,000 (15,000) thousand were outstanding on the balance sheet date. Amount of the certificates is 3 with nominal value range of EUR 4,000-5,000 thousand and average maturity 5.6 months.

Amounts recognised in statement of cash flows

(EUR 1,000)	30 Jun 2025	31 Dec 2024
Balance 1 Jan	**940,776**	**787,156**
Debt securities issued, increase	-	299,006
Certificates of deposits, increase	8,862	37,010
Total increase	**8,862**	**336,016**
Debt securities issued, decrease	-	-135,000
Certificates of deposits, decrease	-9,803	-50,526
Total decrease	**-9,803**	**-185,526**
Total changes in cash flow	**-941**	**150,490**
Valuation	1,756	3,130
Balance at the end of period	**941,591**	**940,776**

Debt securities issued to the public

Name	Issue date	Due date	Interest	Nominal (EUR 1,000)	Currency
BONUM 26102026	20 Oct 2021	20 Oct 2026	EB 3 months + 0.85%	20,000	EUR
BONUM 22042027	22 Apr 2022	22 Apr 2027	EB 12 months + 1.25%	50,000	EUR
BONUM 19072028	19 Jul 2023	19 Jul 2028	EB 6 months + 1.11%	50,000	EUR
POPA 22092025	22 Sep 2022	22 Sep 2025	2.625% / fixed	250,000	EUR
POPA 26042028	26 Apr 2023	26 Apr 2028	3.625% / fixed	250,000	EUR
BONUM 17042027	10 Apr 2024	17 Apr 2027	EB 3 months + 1.95%	50,000	EUR
POPA15102029	15 Oct 2024	15 Oct 2029	2.875% / fixed	250,000	EUR

NOTE 12 OFFSETTING

Offsetting of financial assets and liabilities

The tables below show the items that, in a certain situation, can be made as net payments, even though the items are shown gross in the balance sheet. The netting arrangement is based on a mutually enforceable general netting agreement (ISDA).

30 Jun 2025				Amounts which are not offset but are subject to enforceable master netting arrangements or similar agreements			
(EUR 1,000)	Recognised financial assets, gross	Recognised financial liabilities offset in balance sheet, gross	Carrying amount in balance sheet, net	Enforceable master netting arrangement	Financial instruments held as collateral*	Cash held as collateral	Net amount
Assets							
Derivatives	44,140	-	44,140	-3,032	-41,057	-	**51**
Total	**44,140**	**-**	**44,140**	**-3,032**	**-41,057**	**-**	**-**
Liabilities							
Derivatives	3,032	-	3,032	-3,032	-	-	-
Total	**3,032**	**-**	**3,032**	**-3,032**	**-**	**-**	**-**

*The total amount of cash received as collateral is EUR 42,080 thousand. The table does not take into account overcollateralization.

31 Dec 2024				Amounts which are not offset but are subject to enforceable master netting arrangements or similar agreements			
(EUR 1,000)	Recognised financial assets, gross	Recognised financial liabilities offset in balance sheet, gross	Carrying amount in balance sheet, net	Enforceable master netting arrangement	Financial instruments held as collateral	Cash held as collateral	Net amount
Assets							
Derivatives	41,399	-	41,399	-3,458	-38,180	-	-
Total	**41,399**	**-**	**41,399**	**-3,458**	**-38,180**	**-**	**-**
Liabilities							
Derivatives	3,458	-	3,458	-3,458	-	-	-
Total	**3,458**	**-**	**3,458**	**-3,458**	**-**	**-**	**-**

*The total in the Net amount column of the table does not equal the sum of the preceding columns due to differences between the valuation and collateral review dates. The collateral is determined such that, at the time of the review, the collateral received fully neutralises the counterparty risk.

NOTE 13 COLLATERAL GIVEN

(EUR 1,000)	30 Jun 2025	31 Dec 2024
Given on behalf of own liabilities and commitments		
Pledges	2,546	2,546
Mortgage-backed loan portfolio*	1,029,208	1,028,621
Total collateral given	**1,031,754**	**1,031,167**
Collaterals received		
Other	42,080	38,180
Total collaterals received	**42,080**	**38,180**

*POP Bank Group's collateral relates to secured bonds issued under the mortgage bank's EUR 1.5 billion issuance program. The nominal values of the covered bonds as of 30 June 2025 totalled EUR 750,000 (750,000) thousand.

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

NOTE 14 OFF-BALANCE-SHEET COMMITMENTS

(EUR 1,000)	30 Jun 2025	31 Dec 2024
Guarantees	16,966	15,752
Loan commitments	366,906	328,952
Total off-balance sheet commitments	**383,872**	**344,704**

The expected credit losses of off-balance sheet commitments are presented in Note 9.

NOTE 15 RELATED PARTY DISCLOSURES

The related parties of POP Bank Group comprise the companies and associates consolidated in the financial statements, and members of the Board of Directors and Executive Group and members of their immediate families. In addition, related parties include companies in which key management personnel or their immediate family members have control.

The related parties of POP Bank Group include the members of the Supervisory Board and Board of Directors of POP Bank Centre coop and their close relatives. Related parties also include the managing director and deputy managing director of POP Bank Centre coop. Other related parties include companies consolidated in the financial statements as well as immediate family members of key management personnel and companies which the above-mentioned persons exercise control.

POP Banks have granted housing and consumption loans to related parties at ordinary terms. These loans are tied to generally applied reference rates.

There have been no material changes in related party transactions after 31 Dec 2024.

Espoo 13 August 2025

POP Bank Centre coop
Board of Directors

FURTHER INFORMATION

www.poppankki.fi/pop-pankki-ryhma

POP Bank