Outlooks On Seven Finnish Banks Revised Due To Their Resilience In The COVID-19-Induced Downturn

January 22, 2021

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Overview

- The Finnish economy and banking sector are performing better than many other European countries' amid the COVID-19-induced downturn. We now project a contained GDP contraction of 3.8% for 2020, followed by a rebound of 2.3% in 2021 and settling about 1.5% thereafter.
- We believe the Finnish banking sector is well positioned to weather additional pressure from the second wave of the pandemic, the phasing out of support measures, and a likely increase in corporate bankruptcies in 2021.
- After our review of Finland's banking sector, we now see the economic risk trend for Finland's Banking Industry Country Risk Assessment (BICRA) as stable, compared with negative previously.
- Finland has firmly managed both the pandemic and economic stress and provided high social welfare support to households and corporates, and its society's high digital preparedness allowed its population to swiftly adapt to social distancing measures.
- Finnish banks have experienced earnings pressure owing to lower operating income, increased provisioning, and continuous investment in core banking overhauls and digitalization, but we anticipate the banking system will demonstrate resilience in the wake of COVID-19.
- We are therefore revising our outlooks to stable on Aktia Bank, Bonum Bank, Oma Savings Bank, OP Corporate Bank, S-Bank, and The Mortgage Society of Finland, and affirming the ratings on these banks.
- We are revising our outlook to positive and affirming the rating on Bank of Åland because we now see an increased likelihood that its performance will approach that of higher-rated peers, and we expect its risk-adjusted capitalization (RAC) to improve significantly over the next 24 months.
- We are maintaining the negative outlook and affirming the rating on Central Bank of Savings Banks Finland, with the negative outlook reflecting our concerns of weakening asset quality and some doubts about Savings Banks Group's cohesiveness.
- Our ratings and outlook on Nordea Bank Abp and LocalTapiola Finance Ltd. are unaffected by our review of the Finnish banking sector.

FRANKFURT (S&P Global Ratings) Jan. 22, 2021--S&P Global Ratings today took following rating actions on these Finnish banks:

- Aktia Bank PLC: We revised the outlook to stable from negative and affirmed the 'A-/A-2' issuer credit ratings.
- Bank of Aland PLC: We revised the outlook to positive from negative and affirmed the 'BBB/A-2' issuer credit ratings.
- Bonum Bank PLC: We revised the outlook to stable from negative and affirmed the 'BBB/A-2' issuer credit ratings.
- Central Bank of Savings Banks Finland PLC: We affirmed the 'A-/A-2' issuer credit ratings and maintained a negative outlook.
- Oma Savings Bank PLC: We revised the outlook to stable from negative and affirmed the 'BBB+/A-2' issuer credit ratings.
- OP Corporate Bank PLC: We revised the outlook to stable from negative and affirmed the 'AA-/A-1+' issuer credit ratings.
- S-Bank Plc: We revised the outlook to stable from negative and affirmed the 'BBB/A-2' issuer credit ratings.
- The Mortgage Society of Finland: We revised the outlook to stable from negative and affirmed the 'BBB/A-2' issuer credit ratings.

We also affirmed all our debt ratings on the senior preferred instruments and subordinated and hybrid instruments, including senior nonpreferred debt, issued by these banks.

Our ratings and outlook on Nordea Bank Abp and LocalTapiola Finance Ltd. are unaffected by our review of the Finnish banking sector. As a pan-Nordic bank, the ratings on Nordea Bank are not affected by economic risks in a single country, and the negative outlook on Nordea Bank is due to bank-specific factors. The outlook on LocalTapiola Finance reflects that of the insurance parent LocalTapiola General Mutual.

Rationale

We now see the economic risk trend for Finland's BICRA as stable, compared with negative previously. In our view, the Finnish economy continues to fare better than we previously expected. The economic challenges induced by COVID-19 and the associated downside risks for the banking sector have abated. Although we project weaker reported earnings for 2020 on the back of the lower operating income and increased loan loss provisions, we believe the banking sector holds sufficient buffers to counter the repercussions.

The Finnish economy entered the pandemic in a weakening business cycle with muted growth expected, especially for exports. However, the economy has held up better than that of many European peers. We now project GDP contraction to be contained at 3.8% in 2020, followed by a rebound of 2.3% in 2021 and settling at about 1.5% thereafter. That said, we believe recovery expectations remain less pronounced in Finland than in other Nordic countries.

The Finnish government has demonstrated a firm management of the pandemic, underpinned by one of the lowest infection rates in Europe. The strong social welfare system, including the well-functioning health care system, has mitigated the impact on the population's health. The government's wide-ranging policy response has buoyed the real economy and the household sector's liquidity position. At the same time, temporary furloughs, which have generally ended in Finland, took the burden off corporates, allowing employees to maintain employment contracts but nevertheless swiftly obtain unemployment benefits. Therefore, we do not believe that the pandemic will have a long-lasting, deep impact on unemployment.

The decline in investments has been less severe than we anticipated, and manufacturing, production, and construction continued throughout the lockdowns. Conversely, exports, which normally account for about 40% of GDP, remain below the levels seen in 2019 and order books still look gloomy, which could lessen the strength of economic recovery. But concerns of a severe economic contraction leading to a wave of bankruptcies and rising unemployment, and thereby to a materially weaker operating environment for the banking sector, have abated.

Furthermore, we consider that the digital preparedness of Finnish society allowed the economy to adapt quickly to remote work without disruption. Indeed, we consider that Finland and other Nordic countries remain on the leading edge of digital innovation and the use of digital technology, supported by their societies' high adoption rate of technology. The banking sector is no exception, and Finnish banks continued to serve customers without disruption also during the periods of lockdown and social distancing.

Private sector consumption gradually recovered after the first lockdown in spring, and supported the recovery starting in the third quarter of 2020. The dip in consumption was less dramatic, given the lower share of nonessential services in the Finnish economy than in many European countries. In December 2020, according to Statistics Finland, consumers' confidence about their own finances was positive although weaker than a year prior, and confidence in the overall economy remained depressed. We therefore expect private consumption to be the backbone of the recovery in 2021.

We currently do not see major domestic economic imbalances in the Finnish economy. Nationwide house prices were stable over 2020, while the Helsinki area showed a 6% year-on-year increase in November 2020. Activity in the housing market normalized quickly after the first lockdowns, and households' financial positions remain sound, so we do not foresee much risk of price correction in the real estate market. However, increasing private sector debt remains a risk for the banking sector, and in our view requires continued attention and macroprudential tools to slow household indebtedness, which peaked at 131% in the third quarter of 2020 because of disproportionate mortgage and consumer loan growth in relation to disposable income.

We do not expect the Finnish banking sector to remain immune to the pandemic-induced stress, even though the picture now looks less gloomy than in April 2020 when we saw a negative economic risk trend in our BICRA. We forecast banks' domestic nonperforming loans (NPLs) will peak at 1.8% in 2021, up from 1.4% in 2019, and their credit losses will moderate at about 32 basis points (bps) in 2020-2021 (doubling from 16bps in 2019), despite a likely increase in corporate bankruptcies, active use of installment-free periods, and more muted credit demand. NPLs should return to pre-pandemic levels in 2022. We do not exclude even higher loan losses once anti-COVID-19 policy measures end, but we believe that the banking sector holds sufficient earnings and capital buffers to absorb potential further stress. The Finnish banking sector demonstrated strong capitalization underpinned by a weighted average risk-adjusted capital ratio of 12.76% at mid-2020. We will closely monitor banks' forbearance measures and stage transfers under International Financial Reporting Standards (IFRS) as the nonlegislative loan moratoriums terminate and the relaxation of insolvency law ends. At the peak of the economic stress, these measures amounted to about 10% of mortgage loans and 6% of corporate loans, although individual banks' offerings were different.

As vaccine rollouts in several countries continue, S&P Global Ratings believes there remains a high degree of uncertainty about the evolution of the coronavirus pandemic and its economic effects. Widespread immunization, which certain countries might achieve by midyear, will help pave the way for a return to more normal levels of social and economic activity. We use this assumption about vaccine timing in assessing the economic and credit implications associated with the pandemic (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

Aktia Bank PLC

Primary analyst: Salla von Steinaecker

We revised the outlook on Aktia Bank to stable from negative and affirmed the 'A-/A-2' ratings because we expect the bank to maintain its strong capital buffers while continuing the development of its retail banking asset management franchise. Although we expect Aktia Bank's earnings in 2020 to be affected by valuation effects and somewhat higher cost of risk, we project its RAC to remain strong, underpinned by a RAC ratio of 13.6% as of June 30, 2020. The bank's asset quality and funding and liquidity profiles remain sound, and it holds an ample buffer of bail-in-able debt.

Outlook

The stable outlook on Aktia Bank reflects our view that the bank will preserve a sound financial position over the next two years, supported by its strong capitalization and good asset quality despite the headwinds from the pandemic. We expect the bank's well-established local retail franchise and growing wealth management operations will strengthen the bank's earnings generation and cost efficiency to support targeted loan growth, therefore sustaining the bank's RAC at about 14% over the next 12 to 24 months.

Clarity about Aktia Bank's potential subordination requirement on minimum requirements for own funds and eligible liability (MREL) and the bank's senior nonpreferred issuance plan could further strengthen its additional loss-absorbing capacity (ALAC) buffer over the next two years.

Downside scenario: We could take a negative rating action if we see a lower likelihood of a sustainable ALAC buffer as subordinated instruments mature. We could also take a negative rating action if Aktia Bank's business position weakens unexpectedly, such that its market share in banking and its profitability decline or if we see the bank's asset quality deteriorating in the aftermath of COVID-19 or as a result of its expansion strategy.

Upside scenario: We could take a positive rating action if Aktia Bank replaced a substantial amount of maturing debt by issuing senior nonpreferred instruments and therefore built an ALAC buffer well above our 10% adjusted threshold and qualifying for two notches of ALAC support. An upgrade would also be conditional on Aktia Bank's overall creditworthiness being in line with that of its higher-rated European peers.

Bank of Aland

Primary analyst: Pierre-Brice Hellsing

We revised the outlook on Bank of Åland to positive from negative and affirmed the 'BBB/A-2' ratings because we believe Bank of Åland may close the performance gap with higher-rated peers over the next two years. Our view includes an increased likelihood that the bank's capital adequacy will strengthen further through 2022. We expect the bank will report robust 2020 earnings, despite increased cost of risk. Moreover, we think its RAC ratio could sustainably exceed our 15% threshold for a very strong capital and earnings assessment by the end of 2022, after the mortgage platform it is jointly setting up with several Swedish partners comes online. In addition, this strengthening could be accelerated if the bank issues additional capital instruments during the period. Our outlook revision also rests on our expectation that the bank will maintain its prudent underwriting standards, translating into low credit losses through 2022, and sound profitability overall.

Outlook

The positive outlook on Bank of Åland reflects our view that the bank could build an ample capital base in the coming two years on the back of sustained robust earnings and limited credit losses, while diversifying further its revenue base through the mortgage lending joint venture. We expect the bank's specialized retail and premium banking franchise to weather the current stress well.

Upside scenario: We could raise the rating if Bank of Åland's capitalization improves, as indicated by a sustained increase of its RAC ratio beyond 15% over the next 24 months, after the establishment of the joint mortgage platform and likely supported by the issuance of additional capital instruments. An upgrade would depend on the bank's efforts to uphold sound profitability and an unchanged stance toward prudent underwriting standards and collateralization.

Downside scenario: We could revise the outlook to stable over the next 24 months if Bank of Åland's profitability and the pace or quality of its capital buildup remain weaker than our expectation. More aggressive volume growth and lending standards to increase earnings, higher-than-expected credit losses, or sustained high costs with a subsequent drag on the bank's internal capital generation, would also weigh on the rating.

Bonum Bank PLC

Primary analyst: Marcus Kylberg

We revised the outlook on Bonum Bank to stable from negative and affirmed the 'BBB/A-2' ratings because we expect the POP Bank Group's robust capitalization, with a RAC ratio of 16.6% as of mid-2020 and its highly collateralized loan book, to provide a safety buffer against asset quality risks stemming from the economic consequences of the pandemic. We expect the group to continue harmonization, targeting operating efficiency improvements through member banks' mergers and rationalization, which should positively influence the group's cost efficiency and profitability in 2022-2023.

Outlook

The stable outlook reflects our view that the wider POP Bank Group will remain resilient to the current downturn, supported by the bank's stable funding and liquidity and very strong capitalization with a projected RAC ratio above 15% over the next two years.

Downside scenario: We could lower the rating if the group's cohesiveness does not further strengthen as we anticipate, and if lagging efficiency and deteriorating asset quality leads to a weakening of the group's combined capital and risk profile because of a decline of the RAC ratio below 15%.

We could incorporate a negative adjustment notch into the bank's stand-alone credit profile (SACP) if the wider group does not close the operating profitability and cost-efficiency gap with domestic peers.

Upside Scenario: We could consider a positive rating action if the group were to demonstrate a significant improvement in revenue generation and cost efficiency to generate an earnings buffer more in line with its peers'. This could lead us to remove the negative adjustment notch.

Central Bank of Savings Bank Finland

Primary analyst: Antonio Rizzo

We affirmed the 'A-/A-2' ratings on Central Bank of Savings Banks Finland and maintained the negative outlook. We expect that the wider Savings Banks Group will continue to increase its cohesion and reinforce its mutual business model. Although two local savings banks recently decided to leave the group to merge with Oma Savings Bank, we do not project further changes to the group's perimeter. Moreover, our rating continues to factor in the group's high and sustainable capital levels as a key strength, partially offset by its concentrated activities, which result in limited earnings diversification and higher risks compared with larger peers.

Outlook

We could take a negative rating action in the next 18-24 months based on our view that the wider Savings Bank Group has comparatively weaker asset quality metrics and its integration of the local savings banks is still limited.

Downside scenario: We could downgrade the bank if the group's asset quality ratios, such as NPLs, coverage of impaired loans, and cost of risk, remain weaker than peers' levels. Specifically, we could downgrade the bank if the NPL ratio (2.5% as of June 30, 2020), continues to be twice the peer average. Moreover, we could also take a negative action if the group fails to strengthen the cohesiveness of the local savings banks within its common framework and that, in turn, limits the group's efficiency and steering ability of its management.

Upside scenario: We could revise the outlook to stable if the bank manages to withstand the effects of the pandemic and improve its asset quality perspectives. At the same time, we would also need to see further progress in the member banks' integration. Lastly, we could positively change our view if we have further visibility on the group's plans to build an ALAC buffer that we consider sufficient to protect senior bondholders in resolution.

Oma Savings Bank PLC

Primary analyst: Marcus Kylberg

We revised the outlook on Oma Savings Bank to stable from negative and affirmed the 'BBB+/A-2' ratings because the bank's very strong RAC ratio and resilient earnings continue to provide a robust buffer to absorb potential losses amid the COVID-19-induced downturn. We expect that Oma Savings Bank will continue to grow its retail franchise and its domestic market position, translating into sound earnings through 2022.

Outlook

The stable outlook reflects our view that the bank will maintain its sound financial profile amid this economic downturn, underpinned by projected very strong capitalization and high earnings capacity over the next two years. We expect Oma Savings Bank's resilient earnings to continue to support its loss absorbing capacity and mitigate downside risks 2021.

Furthermore, Oma Savings Bank has improved its funding and liquidity profile by lowering its share of short-term wholesale funding in 2020 and we expect this to be maintained through our outlook horizon through 2022.

Downside Scenario: We could lower the rating if the bank's asset quality and earnings come under greater pressure than we currently expect. This could materialize if increased credit losses, excessive growth, and lower earnings retention result in a notable decrease in the bank's RAC ratio below 15%.

Upside Scenario: A positive rating action is remote at this stage, given Oma Savings Bank's concentrated business model and already high rating level among peers.

OP Corporate Bank

Primary analyst: Antonio Rizzo

We revised the outlook on OP Corporate Bank to stable from negative and affirmed the ratings because we expect the wider OP Financial Group to absorb the impacts of the COVID-19 downturn with no material impact on their financials and maintain its dominant domestic bancassurance franchise group in Finland, as well as its solid capitalization and resilient operating profitability.

Outlook

The stable outlook reflects our view that the creditworthiness of the wider OP Financial Group is unlikely to change over the next two years, and the support mechanisms within the group--underpinned by the joint liability between OP Cooperative and the group's member credit institutions--will remain a supportive factor. Moreover, leveraging on further integration in the group, a leaner structure and digitalization, we expect OP Financial Group to gradually improve its efficiency levels and, in turn, boost profitability.

Moreover, the outlook reflects our expectation that our RAC ratio for the bank will be able to reach and maintain a level sustainably above 15% in the next two years, on the back of stable retained earnings and the issuance of additional profit shares.

Furthermore, the bank should continue to build its bail-inable buffers, which we already consider a rating strength and allot one notch of uplift for ALAC.

Downside scenario: We could lower the rating if we considered that the bank's ALAC buffer was unlikely to exceed our threshold of 5% of S&P Global Ratings' risk weighted assets over a two-to-four-year ramp-up period.

Upside scenario: An upgrade during the outlook horizon through 2022 is remote at present, given that our rating on the bank is now among the highest of those on rated commercial banks globally. Moreover, for the time being we do not see OP Financial Group as a positive outlier compared with these banks.

The stable outlook on Pohjola Insurance Ltd. reflects that on its parent, OP Corporate Bank.

S-Bank PLC

Primary analyst: Salla von Steinaecker

We revised the outlook on S-Bank to stable from negative and affirmed the 'BBB/A-2' ratings because we expect the bank's earnings and robust capitalization, underpinned by a RAC ratio of 17.1% as of mid-2020, to provide a strong buffer against increased cost of risk from the maturing loan portfolio and from asset quality risks stemming from COVID-19 stress. We expect S-Bank to target growth in its retail business by providing free daily banking services for S Group's cooperative member customers and consumer and mortgage loans to retail customers and by leveraging cross-selling opportunities with its wealth-management franchise. The significant investment needs will result only in gradual progress in reaching operating efficiency in line with S-Bank's own targets and those of peers.

Outlook

The stable outlook reflects our expectation that the bank will continue to follow its growth strategy while maintaining a sound financial profile over the next 24 months, despite the still challenging operating environment in Finland, continuous high investment needs, and potential pressure on the wider S Group from the COVID-19 pandemic and related lockdown measures.

We expect that S-Bank will be able to maintain its RAC ratio above 15% over the next two years. The outlook also incorporates somewhat weakening asset quality as the bank's fairly young mortgage loan book matures, but we consider the provisioning needs associated with COVID-19's impact on S-Bank's loan book will be manageable. At the same time, we expect that S-Bank's growth strategy will eventually increase its profitability and its operating efficiency.

Downside scenario: We could revise down our assessment of S-Bank's SACP if the bank's loan growth was more aggressive or it departed from its underwriting standards, alongside increased credit losses, which could translate into a RAC ratio below the 15% threshold.

Furthermore, we could incorporate the negative adjustment notch into S-Bank's SACP, specifically its business position, should the bank remain an underperformer in terms profitability and cost efficiency compared with peers.

Upside scenario: We consider a positive rating action remote at this stage. We view S-Bank as an insulated member of S Group, which allows us to rate the bank above the group's creditworthiness. However, we consider S-Bank's overall franchise to be strongly connected to the group's fortunes and therefore cap the ratings at 'BBB'.

That said, we could remove the negative adjustment notch if the bank managed to improve its business stability, so that its profitability and cost-efficiency metrics are more in line with those of peers with similar SACPs.

The Mortgage Society of Finland

Primary analyst: Marcus Kylberg

We revised the outlook on The Mortgage Society of Finland (Hypo) to stable from negative and affirmed the 'BBB/A-2' ratings because the bank's conservative underwriting continues to translate into a superior asset quality and an exceptional loan-loss track record compared with domestic peers (NPL ratio of 0.13% as of the third quarter of 2020). Furthermore, Hypo's robust capitalization, with a RAC ratio of 17.8% as of mid-2020, and its highly collateralized loan book with an average loan-to-value ratio of around 34%, will in our view provide a robust buffer against asset quality risks stemming from the pandemic.

Outlook

The outlook reflects our view that Hypo will remain resilient amid the COVID-19 downturn, supported by the bank's conservative underwriting standards, stable high asset quality, and very strong capitalization. It also reflects our view that noteworthy changes to the bank's capital management are unlikely over the next two years.

Downside scenario: We could lower the rating on Hypo in the next 18-24 months if it unexpectedly changes its current conservative lending policies or if it fails to maintain its very strong capital, for example, via more ambitious business growth without corresponding earning improvements.

Upside scenario: We could raise the rating if the bank's funding profile improves, demonstrated by a more diversified funding mix and funding metrics in line with domestic peers. Furthermore, a reassessment of the combined capital and earnings and risk position could be warranted if the bank continues to demonstrate better resilience amid this COVID-19-induced downturn compared with peers.

BICRA Score Snapshot

Finland

	To	From
BICRA group	2	2
Economic risk	2	2
Economic resilience	Very low risk	Very low risk
Economic imbalances	Low risk	Low risk
Credit risk in the economy	Low risk	Low risk
Trend	Stable	Negative
Industry risk	3	3
Institutional framework	Intermediate risk	Intermediate risk
Competitive dynamics	Low risk	Low risk
Systemwide funding	Intermediate risk	Intermediate risk

Finland (cont.)

	To	From
Trend	Stable	Stable

Banking Industry Country Risk Assessment (BICRA) economic risk and industry risk scores are on a scale from 1 (lowest risk) to 10 (highest risk). For more details on our BICRA scores on banking industries across the globe, please see "Banking Industry Country Risk Assessment Update," published monthly on RatingsDirect.

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Banking Industry Country Risk Assessment Update: December, Dec. 15, 2020
- Nordic Spotlight: COVID-19 Weighs On Creditworthiness, Nov. 18, 2020
- EMEA Financial Institutions Monitor 4Q2020: Banks Prepare As Winter Is Coming, Oct. 23, 2020
- Nordic Banks' Strong Capital Deflects COVID-19 Impact, Sept. 8, 2020
- COVID-19: Resilient Fundamentals And Assertive Policy Measures Will Buoy Nordic Banking Systems, June 16,2020
- Seven Finnish Banks Outlooks Revised To Negative On Deepening COVID-19 Downside Risks, May 19, 2020

Ratings List

Ratings Affirmed; Outlook Action		
	To	**From**
Aktia Bank PLC		
Issuer Credit Rating	A-/Stable/A-2	A-/Negative/A-2
Ratings Affirmed		
Resolution Counterparty Rating	A/--/A-1	
Ratings Affirmed; Outlook Action		
	To	**From**
Bank of Aland PLC		
Issuer Credit Rating	BBB/Positive/A-2	BBB/Negative/A-2
Ratings Affirmed; Outlook Action		
	To	**From**
Mortgage Society of Finland (The)		
Issuer Credit Rating	BBB/Stable/A-2	BBB/Negative/A-2
Ratings Affirmed; Outlook Action		
	To	**From**
OP Corporate Bank PLC		
Issuer Credit Rating	AA-/Stable/A-1+	AA-/Negative/A-1+
Ratings Affirmed		
Resolution Counterparty Rating	AA-/--/A-1+	
Ratings Affirmed; Outlook Action		
	To	**From**
Oma Savings Bank PLC		
Issuer Credit Rating	BBB+/Stable/A-2	BBB+/Negative/A-2
Ratings Affirmed; Outlook Action		
	To	**From**
Bonum Bank PLC		
Issuer Credit Rating	BBB/Stable/A-2	BBB/Negative/A-2
Ratings Affirmed; Outlook Action		
	To	**From**
S-Bank Plc		
Issuer Credit Rating	BBB/Stable/A-2	BBB/Negative/A-2
Ratings Affirmed		
Central Bank of Savings Banks Finland PLC		
Issuer Credit Rating	A-/Negative/A-2	
Resolution Counterparty Rating	A/--/A-1	

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352 Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following S&P Global Ratings numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.