

# Rating On Eight Finnish Banks Affirmed Amid Weak Economy; Bonum Bank Outlook Revised

June 10, 2026

- The outlook for the Finnish economy remains fragile and the long-awaited economic recovery is at risk due to the indirect impacts from the Middle East war and the energy crisis. Although households' disposable income has increased, continued weak consumer confidence dampens private consumption.
- Furthermore, the pressure on the Finnish state's fiscal position means the government has less capacity to support the growth measures in the economy in the next two years.
- The muted economic environment, combined with high unemployment and elevated level of bankruptcies, has weakened the banking sector's asset quality in the past two years, but projected credit losses at 15-20 basis points (bps) remain manageable and modest in the European context.
- We revised downward our economic risk score for Finland's banking sector to '3' from '2' and our overall Banking Industry Country Risk Assessment (BICRA) for Finland to '3' from '2'. This leads us to revise the anchor for Finnish banks to 'bbb+' from 'a-'.
- We affirmed our ratings on eight Finnish financial institutions to reflect our view that the sector remains resilient to adverse environment owing to its sound risk-adjusted profitability and robust capitalization, even when applying higher risk weights to domestic exposures in line with reassessed economic risk. We maintained the outlooks on all the banks except Bonum Bank, which we revised to stable from positive because we see less upside potential in the current muted operating environment.

FRANKFURT (S&P Global Ratings) June 10, 2026--S&P Global Ratings said today that, following a review of its BICRA for Finland (AA+/Negative/A-1+), it assesses economic risk facing the banking sector has increased incrementally. This is due to Finland's subdued economic performance due to external events and the interest rate shock that has impacted the household and corporate sectors' financing conditions. Coupled with intensifying fiscal and debt strains for the sovereign, this means that the economy and the banking system are more vulnerable to downturns.

We revised downward our economic risk assessment for the Finnish banking system to '3' from '2'. The industry risk assessment is unchanged at '3'. We lowered the BICRA group classification for Finland to '3' from '2' and revised downward the anchor for domestic banks to 'bbb+' from 'a-'. The economic and industry risk trends remain stable.

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The revised assessment puts Finland in a new peer group that includes Austria, the Netherlands, France, the U.K., Ireland, and the Czech Republic, among others.

### We took the following rating actions:

- **Bonum Bank PLC:** We revised the outlook to stable from positive and affirmed our 'BBB/A-2' long-term issuer credit ratings.
- **Aktia Bank PLC:** We affirmed the 'A-/A-2' long- and short-term issuer credit ratings and maintained the negative outlook.
- **Central Bank of Savings Banks Finland PLC:** We affirmed the 'A-/A-2' long- and short-term issuer credit ratings and maintained the stable outlook.
- **LocalTapiola Finance:** We affirmed the 'BBB/A-2' long- and short-term issuer credit ratings and maintained the stable outlook.
- **Oma Savings Bank PLC:** We affirmed the 'BBB/A-2' long- and short-term issuer credit ratings and maintained the negative outlook. We also assigned 'BBB+/A-2' long- and short-term resolution counterparty ratings to Oma Savings Bank PLC.
- **OP Corporate Bank PLC:** We affirmed the 'AA-/A-1+' long- and short-term issuer credit ratings and maintained the stable outlook.
- **S-Bank PLC:** We affirmed the 'A-/A-2' long- and short-term issuer credit ratings and maintained the stable outlook.
- **The Mortgage Society of Finland:** We affirmed the 'BBB/A-2' long- and short-term issuer credit ratings and maintained the stable outlook.

**Although Nordea Bank Abp is domiciled in Finland, our 'AA-/A-1+' ratings and outlook on Nordea Bank Abp are unaffected by our review of the Finnish BICRA.** In our view, because it is a pan-Nordic bank, the ratings on Nordea Bank are less vulnerable to increasing economic risks in one single country. We estimate that the change in economic risk and related risk-weights will lower its risk-adjusted capital (RAC) ratio by about 30bps and additional loss-absorbing capacity (ALAC) ratio by about 18bps, which is immaterial in the context of our key rating assumptions for the bank.

**We are repositioning our Finnish BICRA to group 3 from group 2.** Economic growth in Finland has been underperforming against banking markets with low economic risk assessment. While we consider the Finnish banking system demonstrates strong resilience, we expect the operating environment remains muted and might provide weaker business prospects for domestic banks in the next two years.

**The Finnish economy has stagnated in the past few years due to weak underlying growth, exacerbated by external events.** Multiple stresses in the past six years have weighed on the Finnish economy. The pandemic, energy crisis caused by the Russia-Ukraine war, interest rate shock to tackle eurozonewide inflation, and now new energy supply-driven shock triggered by the Iran war are not singular to Finland but have had a toll on the small, open economy. Furthermore, the Finnish economy is facing structural challenges to longer-term growth prospects from high unemployment, an aging population, and low productivity growth.

**We expect the economic recovery to be delayed and more modest than anticipated in early 2026.** Higher energy prices will place further downward pressures on Finland's low-growth economy. We have lowered our GDP growth forecast to 0.75% in 2026, with moderate average

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growth of 1.5% over 2027-2029 supported by a pickup in private sector investments and consumption. Although we expect the overall growth in the EU to be lower than initially forecast, Finland appears to be more vulnerable than other Nordic countries to shifts in operating conditions.

**Consumer confidence remains weak and sensitive to external factors.** While real wage increases have improved households' financial positions, this has been allocated to higher savings rather than investment spending. The savings rate increased to over 12% of households' disposable income in 2025. While these growing buffers will support borrowers' repayment capacity, it will dampen recovery expectations. Finnish households' consumption and investment decisions remain sensitive to general factors, such as Finland's economic situation, inflation expectations, and the unemployment situation, while expectations on households' own finances has somewhat improved. We consider the level of private-sector debt manageable at 127% of GDP and well below the levels of peer Nordic countries. Furthermore, we embed households' growing financial wealth and the solid social security buffers into our view of credit risk in the economy.

**The government's fiscal position has weakened, despite consolidation measures.** The government's fiscal consolidation measures have also contributed to the depressed consumption dynamics. This leaves little room for growth measures, in our view. Although we do not expect the transmission mechanism to the banking sector to be evident, the austerity measures could have spillover effects on the banking sector's growth prospects and potentially on asset quality. We have incorporated the government's limited fiscal policy flexibility into our assessment of economic resilience.

**Finnish banks' asset quality should remain intact, despite the challenging environment.** The level of domestic nonperforming loans at 2.2% as of year-end 2025 and projected at 2.0%-2.2% through 2028 is more in line with those of countries in BICRA economic risk category 3 (Austria, France, Ireland, The Netherlands, The U.K.) and weaker than those in Nordic peer countries. We observe a high level of bankruptcies in the economy, mostly affecting small and midsize enterprises (SMEs) in 2025. Certain sectors such as real estate and construction have struggled more, due to sensitivity to inflation and financing costs, and remain vulnerable to new shocks. Yet the banks' direct exposure to the Middle East and indirectly impacted sectors, such as transport and airlines, chemicals, and agriculture, is limited. We project Finnish banks' credit losses will remain moderate at 15-20bps in 2026-2028, slightly above those in Sweden, Norway, and Denmark, but on par with Belgian and Dutch banks.

**We acknowledge the banking sector remains resilient and demonstrates sound risk-adjusted profitability.** The banks generated record profitability in 2022-2024 on the back of the high-interest-rate environment and solid contribution from fee-based business. While we expect the earnings to somewhat moderate, the diversification of business models with growing asset management and capital-light business, sound operating efficiency, and moderate credit losses will keep the projected return on equity at 11%-12% through 2028 at the sector level (12.2% in 2025). This will enable continuous investments in technology, including automation and AI--underpinning the sector's position at the forefront of digitalization.

**Banks' risk-adjusted capitalization remains robust despite the weaker economic risk assessment.** Despite the revision of the BICRA economic risk assessment, we have not taken negative rating actions on the domestic banks. We consider that the banks' stand-alone credit profiles already adequately reflected the somewhat weaker asset quality metrics compared with Nordic peer banks. Importantly, we consider the banks will sustain their key rating strength of

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robust risk-adjusted capitalization despite the higher risk weights we now apply on the domestic exposures. Considering the eight Finland-centric institutions that we reviewed, we estimate that their S&P Global Ratings' risk-weighted assets have on average increased by 13% (pro-forma as of year-end 2025) as a result of our changed view of domestic economic risk.

# Aktia Bank PLC

## Primary analyst: Salla von Steinaecker

We affirmed the 'A-/A-2' ratings on Aktia Bank because we expect the bank to demonstrate continued business stability, strategy execution focused on growing asset management and life insurance business, and a sound financial position. Owing to its low-risk collateralized lending to retail and selective SME customers we project the asset quality to remain resilient, and its improving earnings will provide protection to absorb credit losses, even beyond our base-case assumption. Our assessment reflects the bank's commitment to maintaining strong capital buffers and ample buffer of bail-in-able debt. Specifically, we expect the bank's RAC ratio to be 11%-12% in the next 12-24 months.

## Outlook

The negative outlook reflects significant turnover of leading executive positions at Aktia Bank, which, in a downside scenario, could negatively affect the bank's governance or customer franchise. Even so, in our base-case scenario for the next 12-24 months, we anticipate business stability will prevail and the bank will remain profitable and well capitalized, without any undue negative spillover from recent episodes.

## Downside scenario

We could downgrade Aktia if unexpected turnover in key leadership positions will hamper the strategy execution or we saw tangible evidence of a negative effect on the bank's business and risk position. This could materialize, for example, if business volumes materially lowered or we see indications of an impaired capacity to diligently manage risks. We could also lower the rating if we saw a lower likelihood that Aktia would sustain its ALAC above our adjusted 4% threshold.

## Upside scenario

We could revise the outlook to stable if the recent turbulence proved temporary and Aktia maintained an intact business franchise and sound financial position.

## Aktia Bank PLC--Rating component scores

	To	From
Issuer credit rating	A-/Negative/A-2	A-/Negative/A-2
SACP	bbb+	bbb+
Anchor	bbb+	a-
Economic risk	3	2
Industry risk	3	3
Business position	Moderate	Moderate
Capital and earnings	Strong	Strong
Risk position	Adequate	Moderate

## Aktia Bank PLC--Rating component scores

	To	From
<b>Issuer credit rating</b>	<b>A-/Negative/A-2</b>	<b>A-/Negative/A-2</b>
Funding	Adequate	Adequate
Liquidity	Adequate	Adequate
Comparable ratings analysis	0	0
Support	+1	+1
ALAC support	+1	+1
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

## Bonum Bank PLC

### Primary analyst: Paula Dahlman

We affirmed the 'BBB/A-2' long- and short-term ratings on Bonum Bank PLC because we consider that the group's ample capitalization and structural profitability improvement balance downside risks from persistently challenging economic conditions. While nonperforming assets remain higher than the system average, we consider this is now reflected in our risk position assessment and the lower anchor, and therefore removed the negative comparable ratings assessment adjustment we applied previously. At the same time, the macroeconomic headwinds limiting upside potential at the system level, as reflected in the revised economic risk score, apply equally to Bonum Bank PLC, making a positive outlook unwarranted at this stage. Over the next two years, however, we expect the group will continue to strengthen its franchise through profitable growth, while the delivery of key investment projects will lighten the cost burden and improve its operating efficiency.

### Outlook

The stable outlook reflects our base-case expectation that, over the next 12–24 months, Bonum Bank and the wider POP Bank Group will maintain sound earnings generation capacity, despite a less supportive interest rate environment. While declining rates are likely to weigh on net interest income, we expect earnings to remain sufficient to absorb higher credit costs or other unexpected shocks, while supporting ongoing investment requirements and business growth.

### Downside Scenario

We could revise the outlook to negative if the group's earnings performance proves weaker or more volatile than expected. Downward pressure could also arise if asset quality deteriorates beyond our base case, for example through a material increase in nonperforming assets or credit losses, leading to a weakening of the capital and risk profile relative to peers'.

### Upside Scenario

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We could take a positive rating action should Bonum Bank continue to strengthen its business profile, supporting a more stable and diversified earnings base over time. This could be underpinned by sustained improvements in risk-adjusted profitability, driven by stronger fee generation, further gains in cost efficiency as system investments are completed. Positive rating momentum could also develop if asset quality and risk metrics further align with those of higher-rated domestic peers, alongside the bank's ongoing strong capitalization and solid funding and liquidity profile.

### Bonum Bank PLC--Rating component scores

	To	From
<b>Issuer credit rating</b>	<b>BBB/Stable/A-2</b>	<b>BBB/Positive/A-2</b>
SACP	bbb	bbb
Anchor	bbb+	a-
Economic risk	3	2
Industry risk	3	3
Business position	Constrained	Constrained
Capital and earnings	Very strong	Very strong
Risk position	Moderate	Moderate
Funding	Adequate	Adequate
Liquidity	Adequate	Adequate
Comparable ratings analysis	0	-1
Support	0	0
ALAC support	0	0
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

## Central Bank of Savings Banks Finland PLC

### Primary analyst: Niklas Dahlström

The affirmation of our 'A-/A-2' long- and short-term ratings on Central Bank of Savings Banks Finland PLC (Sp Central Bank) reflects our expectation that over the next two years the wider Savings Banks Group Finland will maintain a sound financial position while continuously strengthening the ties among the amalgamation of member banks. Under its 30/30 strategy, the group is targeting loan growth above the market while investing in IT and digitalization to adapt to customer preferences and enhance internal efficiency. Indeed, we consider the group's superior capitalization with risk-adjusted capitalization staying above 22% through 2028 provides ample loss-absorbing capacity sufficient to whether any downside risks from the persistently weak economic conditions in Finland.

### Outlook

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The stable outlook on Sp Central Bank reflects our expectation that the wider Savings Banks Group Finland will continue to defend its regional retail and SME franchise in Finland and that its superior risk-adjusted capitalization and loss-absorbing capacity makes it resilient to whether any downside pressure on asset quality from persistently challenging operating conditions. Furthermore, we expect the group will maintain its sound financial position while investing in IT and digitalization to enhance its customer offering and operating efficiency, and that the member banks remain strongly committed to the principles of the mutual group and strategy to increase group cohesiveness.

### Downside scenario

We could take a negative rating action on Sp Central Bank if the group displayed significantly weaker financial performance than that of domestic and similarly rated peers. This could materialize if, against our expectations, its asset quality materially deteriorated or if its risk-adjusted capitalization fell sustainably closer to 15%. Signs of weakened efficiency and steering ability on the group level, would likely also lead us to lower the ratings.

### Upside scenario

We could take a positive rating action on Sp Central Bank if Savings Banks Group were to build a material ALAC buffer that we consider sufficient to protect senior bondholders.

### Central Bank of Savings Banks Finland PLC--Rating component scores

	To	From
<b>Issuer credit rating</b>	<b>A-/Stable/A-2</b>	<b>A-/Stable/A-2</b>
SACP	a-	a-
Anchor	bbb+	a-
Economic risk	3	2
Industry risk	3	3
Business position	Moderate	Moderate
Capital and earnings	Very strong	Very strong
Risk position	Adequate	Moderate
Funding	Adequate	Adequate
Liquidity	Adequate	Adequate
Comparable ratings analysis	0	0
Support	0	0
ALAC support	0	0
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

## Local Tapiola Finance

Primary analyst: Niklas Dahlström

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The affirmation of our 'BBB/A-2' long- and short-term ratings on Local Tapiola Finance (LTF) reflects our expectation that, over the next two years, the company will maintain a sound financial position underpinned by its leading market shares in the car finance segment and ties to parent, insurer Local Tapiola Group. In May 2026, the €62 million subordinated shareholder loan was converted into common equity, providing a more permanent source of capital. In our projections, this will lift the RAC ratio sustainably above our threshold for the 'strong' assessment. The strengthening capital position, alongside demonstrated asset quality resilience, and recovered earnings, is, in our view, counterbalancing downside risks from persistently weak economic conditions in Finland.

### Outlook

The stable outlook reflects our expectation that over the next 12-24 months, LTF's financial position--underpinned by its sound earnings generation, improved capital structure, and ties to Local Tapiola Group--will remain resilient to persistently challenging conditions in the Finnish economy and car market.

### Downside scenario

We could lower the rating if we saw weakening stand-alone credit strength that was not balanced by additional parental support. This could arise, for example, if LTF's risk-adjusted capitalization fell clearly and sustainably below 10%, the lending portfolio turned out to be far higher risk than we expect, or if LTF's external funding became more stretched and the parent did not help remediate the situation. Indeed, a weaker commitment by or reduced strategic relevance to the group could lead to a downgrade.

### Upside scenario

We could consider an upgrade if we observe stronger strategic relevance to, or commitment by, the parent, which would be supported by the increasing relevance of cross-selling activities and an improving profit contribution. It would also be supported by a longer track record of LTF's franchise strength.

Although less likely, we could take a positive rating action if LTF continues to grow without compromising its underwriting standards, such that concentration risk further reduces.

### LocalTapiola Finance--Rating component scores

	To	From
<b>Issuer credit rating</b>	<b>BBB/Stable/A-2</b>	<b>BBB/Stable/A-2</b>
SACP	bb	bb
Anchor	bb+	bbb-
Economic risk	3	2
Industry risk	3	3
Business position	Moderate	Moderate
Capital and earnings	Strong	Adequate
Risk position	Moderate	Moderate
Funding	Adequate	Adequate
Liquidity	Adequate	Adequate
Comparable ratings analysis	0	0
Support	+3	+3

## LocalTapiola Finance--Rating component scores

	To	From
Issuer credit rating	BBB/Stable/A-2	BBB/Stable/A-2
ALAC support	0	0
GRE support	0	0
Group support	+3	+3
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.  
SACP--Stand-alone credit profile.

## Oma Savings Bank PLC

### Primary analyst: Salla von Steinaecker

The affirmation of our 'BBB/A-2' long- and short-term ratings on Oma Savings Bank PLC (OmaSp) reflects our expectation that the bank will make progress in remediating the shortcomings in risk management and governance, and its asset quality will gradually improve in the next 24 months. While we could see a moderate weakening in the asset quality metrics in the short term due to muted loan demand, we anticipate the bank will diligently work on reducing its workout portfolio. The bank's strengthened underwriting standards should support the progressive clean-up process. In our base case we do not expect a lasting impact on the bank's regional retail and SME franchise and expect its financial position to remain solid. We therefore introduced a positive comparable rating adjustment to reflect the expected improvements in risk culture, risk management, and asset quality in the outlook horizon.

We assigned long- and short-term 'BBB+/A-2' resolution counterparty ratings (RCRs) to OmaSp. The Financial Stability Authority in Finland has imposed on OmaSp a minimum requirement for own funds and eligible liabilities (MREL) of 23.1% on total exposure amounts and 7.92% on leverage ratio-based calculation with requirement entering into force as of March 31, 2026. In our view, this indicates that the MREL would imply a full recapitalization of the banking business, and, given the bank's provision of critical functions such as retail deposits, we would expect the authorities to plan for an open-bank, bail-in-led resolution if OmaSp were to fail or were likely to fail. An RCR is a forward-looking opinion of the relative default risk of certain liabilities, in particular those legally exempt from bail-in (such as insured deposits or secured liabilities), that may be better protected from default in an effective resolution scenario than other senior liabilities.

### Outlook

The negative outlook reflects downside risk from deteriorating asset quality and credit provisioning above normalized losses, which, if sustained, could lead us to lower our ratings on OmaSp within the 12-24 months.

### Downside scenario

We could downgrade OmaSp if its financial profile remained burdened by asset quality issues, or if ongoing measures to strengthen governance and risk management proved insufficient. This

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could materialize if credit costs continued to weigh on earnings, or if the RAC ratio sustainably declined below 15%.

### Upside scenario

We could revise the outlook to stable if OmaSp showed an improving asset quality trend, evidence that recent risk management enhancements proved effective, and solid earnings capacity supported its risk-adjusted capitalization.

In addition, we could take positive rating action if OmaSp built a material ALAC buffer that we considered sufficient to protect senior bondholders.

### Oma Savings Bank PLC--Rating component scores

	To	From
<b>Issuer credit rating</b>	<b>BBB/Negative/A-2</b>	<b>BBB/Negative/A-2</b>
SACP	bbb	bbb
Anchor	bbb+	a-
Economic risk	3	2
Industry risk	3	3
Business position	Constrained	Constrained
Capital and earnings	Very strong	Very strong
Risk position	Constrained	Constrained
Funding	Adequate	Adequate
Liquidity	Adequate	Adequate
Comparable ratings analysis	+1	0
Support	0	0
ALAC support	0	0
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.  
SACP--Stand-alone credit profile.

## OP Corporate Bank PLC

### Primary analyst: Niklas Dahlström

The affirmation of our 'AA-/A-1+' long- and short-term ratings on OP Corporate Bank reflects our view that over the next two years the wider OP Pohjola Group's superior capitalization and sound loan-loss track record will continue to provide sufficient coverage to withstand any downside risks connected to the persistently weak Finnish economy. This, coupled with the group's diversified earnings base and ample market share across several segments, are, in our opinion, key strengths supporting our view of its relative standing on par with highly rated larger Nordic peers. As a cooperative, we expect the group's commitment to member value creation and ongoing investment in accelerating technology to support its earnings trajectory over the next two years. Core earnings to S&P Global Ratings' risk-weighted assets are projected at a sound

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1.5%-1.7%, slightly above our projected median of 1.5% for the highly rated ('a' SACP category) European peers.

### Outlook

The stable outlook on OP Corporate Bank reflects our view that over the next two years, the wider OP Pohjola Group will maintain its dominant position in Finland, supported by a diversified revenue base and solid market shares across banking and insurance segments. Indeed, we expect the group's superior capitalization and loss-absorbing capacity makes it resilient to whether any asset quality pressures amid persistently challenging economic conditions in Finland. We also expect the support mechanisms within the group--underpinned by the joint and several liability of OP Corporate Bank and member banks--will remain intact.

### Downside scenario

We could take a negative rating action if we considered that OP Pohjola's relative standing versus peers at the 'a+' group SACP level had weakened. This could materialize if we saw a deterioration of the combined capital and risk position. Notably, we would expect risk-adjusted capitalization to remain comfortably and sustainably above our 15% threshold.

### Upside scenario

We are unlikely to upgrade OP Corporate Bank during our two-year outlook horizon because our rating on the bank is now among the highest of those on rated commercial banks globally. Moreover, we do not see OP Pohjola as a positive outlier compared with these banks.

### OP Corporate Bank PLC--Rating component scores

	To	From
Issuer credit rating	AA-/Stable/A-1+	AA-/Stable/A-1+
SACP	a+	a+
Anchor	bbb+	a-
Economic risk	3	2
Industry risk	3	3
Business position	Strong	Strong
Capital and earnings	Very strong	Very strong
Risk position	Adequate	Moderate
Funding	Adequate	Adequate
Liquidity	Adequate	Adequate
Comparable ratings analysis	0	0
Support	+1	+1
ALAC support	+1	+1
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.  
SACP--Stand-alone credit profile.

# S-Bank PLC

## Primary analyst: Paula Dahlman

We affirmed our 'A-/A-2' long- and short-term ratings on S-Bank. This reflects the bank's consistently strong asset quality relative to domestic peers and solid capital buffers, which together support a more resilient credit profile. We expect S-Bank's RAC ratio to remain well above our 15% percent for a very strong capital assessment over the next two years, underpinned by modest risk-weighted asset growth and continued high earnings retention.

## Outlook

The stable outlook reflects our expectation that S-Bank will sustain a resilient and reasonably profitable franchise, while maintaining a RAC ratio comfortably above 15% over the next 12-24 months, despite some pressure from higher operating expenses. The outlook further assumes successful integration of the Handelsbanken retail portfolio and continued resilience, even under a scenario of weaker economic conditions or stress within the broader S Group.

## Downside scenario

We could lower our long-term rating on S-Bank if its loan growth is more aggressive or it departs from its underwriting standards, alongside increased credit losses. This could translate into a RAC ratio below our 15% threshold for the rating. We could also lower the rating if S-Bank's ALAC buffer falls below the 4% threshold.

## Upside scenario

We could raise our long-term rating if the bank materially strengthens its competitive position further, for instance, by realizing their strategy of profitable growth, and we think this improves comparability with higher-rated peers.

## S-Bank PLC--Rating component scores

	To	From
<b>Issuer credit rating</b>	<b>A-/Stable/A-2</b>	<b>A-/Stable/A-2</b>
SACP	bbb+	bbb+
Anchor	bbb+	a-
Economic risk	3	2
Industry risk	3	3
Business position	Constrained	Constrained
Capital and earnings	Very strong	Very strong
Risk position	Adequate	Moderate
Funding	Adequate	Adequate
Liquidity	Adequate	Adequate
Comparable ratings analysis	0	0
Support	+1	+1
ALAC support	+1	+1
GRE support	0	0
Group support	0	0

## S-Bank PLC--Rating component scores

	To	From
<b>Issuer credit rating</b>	<b>A-/Stable/A-2</b>	<b>A-/Stable/A-2</b>
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity.

GRE--Government-related entity. SACP--Stand-alone credit profile.

# The Mortgage Society of Finland

## Primary analyst: Paula Dahlman

We affirmed our 'BBB/A-2' long- and short-term ratings on The Mortgage Society of Finland (Hypo), reflecting its exceptional and sustained asset quality performance, underpinned by conservative underwriting, exceptional loan loss track record, and strong capital buffers relative to peers. We expect Hypo's RAC ratio to remain well above our 15% percent for a very strong capital assessment over the next two years, supported by the bank's conservative lending strategy, low credit losses, and limited balance sheet expansion, consistent with its specialist mortgage banking model.

## Outlook

The stable outlook indicates that Hypo's creditworthiness is expected to remain resilient over the next two years, supported by the bank's conservative underwriting standards, high and stable asset quality, and very strong capitalization. We do not anticipate significant changes in the bank's capital management over the next two years.

## Downside scenario

We could lower the rating on Hypo in the next 12-24 months if it unexpectedly changes its current conservative lending policies or fails to maintain very strong capital. This could occur if it pursued more ambitious business growth, without a corresponding improvement in earnings.

## Upside scenario

We could raise the rating if the bank were to improve its funding profile so that it had a more diversified funding mix and its funding metrics were in line with those of domestic peers. We could reassess the bank's capital and earnings and risk positions if it continues to demonstrate greater resilience than similarly rated peers.

## Mortgage Society of Finland (The)--Rating component scores

	To	From
<b>Issuer credit rating</b>	<b>BBB/Stable/A-2</b>	<b>BBB/Stable/A-2</b>
SACP	bbb	bbb
Anchor	bbb+	a-
Economic risk	3	2
Industry risk	3	3
Business position	Constrained	Constrained

## Mortgage Society of Finland (The)--Rating component scores

	To	From
<b>Issuer credit rating</b>	<b>BBB/Stable/A-2</b>	<b>BBB/Stable/A-2</b>
Capital and earnings	Very strong	Very strong
Risk position	Adequate	Moderate
Funding	Moderate	Moderate
Liquidity	Adequate	Adequate
Comparable ratings analysis	0	0
Support	0	0
ALAC support	0	0
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

## Finland--BICRA Score Snapshot

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

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

- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), May 5, 2026
- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021

## Rating On Eight Finnish Banks Affirmed Amid Weak Economy; Bonum Bank Outlook Revised

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

## Related Research

- [Research Update: Finland Outlook Revised To Negative From Stable On Fiscal And Economic Risks; 'AA+/A-1+' Ratings Affirmed](#), April 24, 2026
- [Banking Industry Country Risk Assessment: Finland](#), Dec. 16, 2025
- [Finland-Based S-Bank PLC Upgraded To 'A-' On Additional Loss-Absorbing Capacity; Outlook Stable](#), Dec. 9, 2025
- [Aktia Bank PLC Outlook Revised To Negative On Significant Leadership Turnover; 'A-/A-2' Ratings Affirmed](#), Sept. 18, 2025
- [Oma Savings Bank PLC Outlook Revised To Negative On Further Asset Quality Weakening; 'BBB/A-2' Ratings Affirmed](#), Sept. 10, 2025
- [Finland-Based OP Corporate Bank 'AA-/A-1+' Ratings Affirmed On Proven Resilience; Outlook Remains Stable](#), June 24, 2025

## Ratings List

### Ratings List

<b>Aktia Bank PLC</b>	
<b>Ratings Affirmed</b>	
<b><a href="#">Aktia Bank PLC</a></b>	
Issuer Credit Rating	A-/Negative/A-2
Resolution Counterparty Rating	A/--/A-1
<b>LocalTapiola Finance Ltd</b>	
<b>Ratings Affirmed</b>	
<b><a href="#">LocalTapiola Finance Ltd</a></b>	
Issuer Credit Rating	BBB/Stable/A-2
<b>Mortgage Society of Finland (The)</b>	
<b>Ratings Affirmed</b>	
<b><a href="#">Mortgage Society of Finland (The)</a></b>	
Issuer Credit Rating	BBB/Stable/A-2
<b>Oma Savings Bank PLC</b>	
<b>Ratings Affirmed</b>	
<b><a href="#">Oma Savings Bank PLC</a></b>	
Issuer Credit Rating	BBB/Negative/A-2

## Rating On Eight Finnish Banks Affirmed Amid Weak Economy; Bonum Bank Outlook Revised

### Ratings List

Senior Unsecured	BBB
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### New Rating

#### Oma Savings Bank PLC

Resolution Counterparty Rating	BBB+/-/A-2
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#### **OP Corporate Bank PLC**

### Ratings Affirmed

#### OP Corporate Bank PLC

Issuer Credit Rating	AA-/Stable/A-1+
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Resolution Counterparty Rating	AA-/--/A-1+
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Senior Unsecured	AA-
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Senior Subordinated	A
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Subordinated	A-
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Commercial Paper	A-1+
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#### **Bonum Bank PLC**

### Ratings Affirmed

#### Bonum Bank PLC

Resolution Counterparty Rating	BBB+/-/A-2
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### Ratings Affirmed; Outlook Action

	To	From
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#### Bonum Bank PLC

Issuer Credit Rating	BBB/Stable/A-2	BBB/Positive/A-2
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#### **Central Bank of Savings Banks Finland PLC**

### Ratings Affirmed

#### Central Bank of Savings Banks Finland PLC

Issuer Credit Rating	A-/Stable/A-2
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Resolution Counterparty Rating	A/--/A-1
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Senior Unsecured	A-
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#### **S-Bank PLC**

### Ratings Affirmed

#### S-Bank PLC

Issuer Credit Rating	A-/Stable/A-2
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Resolution Counterparty Rating	A/--/A-1
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Senior Unsecured	A-
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Senior Subordinated	BBB
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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 <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings referenced herein can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

## Rating On Eight Finnish Banks Affirmed Amid Weak Economy; Bonum Bank Outlook Revised

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