

# RatingsDirect®

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## Bank of Aland PLC

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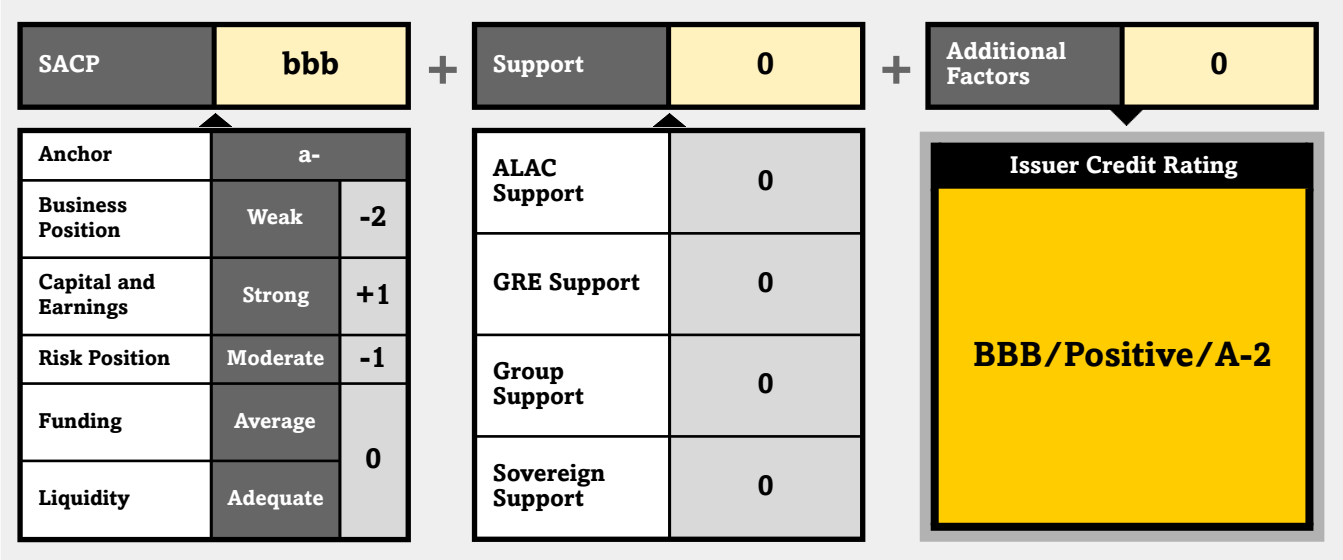
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# Bank of Aland PLC



## Major Rating Factors

Strengths:	Weaknesses:
<ul style="list-style-type: none"> <li>• Business operations in economically robust regions in Finland and Sweden.</li> <li>• Sound funding position, supported by stable customer deposits.</li> <li>• Strong risk-adjusted capitalization and low credit losses.</li> </ul>	<ul style="list-style-type: none"> <li>• Concentration risk in the loan book, due to the bank's focus on retail mortgage lending.</li> <li>• Modest market position in mainland Finland and Sweden could expose the bank to revenue volatility.</li> <li>• Lower cost efficiency than peers, distorted by nonbanking activities.</li> </ul>

**Outlook: Positive**

The positive outlook on Bank of Åland reflects our view that the bank will continue to build up its capital base, improve and diversify its earnings, and uphold a sound approach to risk over the next two years.

We could raise the rating if Bank of Åland's capitalization improves, as indicated by a sustained increase of its risk-adjusted capital (RAC) ratio beyond 15% over the next 24 months including further earnings retention. An upgrade would depend on the bank's efforts to uphold sound profitability and an unchanged stance toward prudent underwriting standards and collateralization.

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.

The creation of the cooperation in Swedish mortgage lending is at an early stage. We could take a negative rating action if we considered that the project encompasses heightened execution and operational risks to Bank of Åland, in particular from a governance and risk underwriting perspective.

**Rationale**

Our ratings on Bank of Åland reflect its 'a-' anchor for its operations in Finland and Sweden, and our view of the bank's concentrated retail private and premium banking franchise in Finland's Åland Islands, and certain areas in mainland Finland and Sweden. The ratings also incorporate Bank of Åland's strong capital and earnings profile, due to our expectation that its RAC ratio will hover around 15% on the back of internal capital buildup and recent hybrid capital issuance. The ratings reflect Bank of Åland's sound but concentrated loan portfolio and our expectation that the bank will maintain prudent underwriting standards and a high level of collateralization. This has resulted in sound asset quality metrics and low loan loss track record. We expect the bank to maintain its deposit franchise complemented by its access to the covered bond market, which contribute to the sound funding metrics and comfortable liquidity cushions. The bank's stand-alone credit profile (SACP) is 'bbb'.

We assess the bank's stand-alone credit profile (SACP) at 'bbb'. We do not factor in any extraordinary support above the SACP, due to our assessment that Bank of Åland has low systemic importance in Finland. We believe that the response to nonviability of Bank of Åland would not be a bail-in resolution.

**Anchor: 'a-' for Bank of Åland's operations in Finland and Sweden**

To determine a bank's anchor, we use our Banking Industry Country Risk Assessment's (BICRA's) economic risk and industry risk scores. The anchor is the starting point in assigning an issuer credit rating under our criteria for banks. The anchor is based on an economic risk score of '2' for Finland and Sweden and an industry risk score of '3' for domicile country Finland (on a scale from '1', the strongest score, to '10', the weakest). The 'a-' anchor for Bank of Åland considers the weighted-average economic risk in all countries the bank is exposed to, primarily Finland (65% of lending) and Sweden (35%) based on our estimate of the bank's loan growth. Under our BICRA methodology, Sweden

has similar economic and industry risk scores to Finland. We view the economic and industry risk trend in the Finnish and Swedish banking industry as stable.

We view Finland as an innovative, wealthy, and open economy, with mature political and institutional structures. The near-term economic picture has brightened following a prolonged recession over 2012-2015. After sound growth in 2017 and 2018 supported by healthy domestic demand and a strongly improving external environment benefiting Finnish exports, we forecast growth will slow somewhat as domestic factors and structural constraints weigh on the economy. House prices have stabilized nationwide, and market activity especially in growth regions is picking up. While we forecast moderate credit demand from households in 2019-2020, we observe a gradual increase in household debt.

However, we expect Finnish banks' asset quality to remain strong over the next two years, based on the sound financial position of the household and corporate sectors, the banking sector's moderately conservative underwriting standards, and the low-interest-rate environment.

We do not consider the banking sector's competitive landscape to be distorted, despite concentration due to the presence of large pan-Nordic banks and the domestic cooperative banking group OP Financial Group. We also regard the sector's overall profitability and capitalization as resilient and expect banks will maintain their restrained risk appetite. That said, the sector remains highly interconnected with the Nordic banking systems, which results in potential spillover risks on the Finnish economy from external events. As a key industry risk, we see that Finnish banks depend more on international market funding than many other banking systems in Europe. That said, we consider that the banks continue to have good access to the euro-denominated unsecured and secured market.

**Table 1**

Bank of Åland -- Key Figures					
	--Year ended Dec. 31--				
(Mil. €)	2019*	2018	2017	2016	2015
Adjusted assets	5,493	5,536	5,335	5,121	4,593
Customer loans (gross)	4,012	4,033	3,989	3,821	3,629
Adjusted common equity	214	210	205	195	193
Operating revenues	65	128	128	120	125
Noninterest expenses	49	98	100	91	92
Core earnings	12	23	21	20	24

\*As of end-June.

### **Business position: Retail and premium banking franchise in selected regions of Finland and Sweden**

In our view, Bank of Åland holds a specialized retail and private banking franchise on Finland's Åland Islands, and in certain selected areas in mainland Finland and Sweden. Despite some geographic diversification, its concentrated business focus on retail and private banking makes it vulnerable to cyclical swings in the segments. We therefore assess the business position as weak.

As of June 30, 2019, Bank of Åland reported total assets of €5.5 billion (assets under management of €5.64 billion) and has about 250,000 customers and 700 employees. Bank of Åland focuses on providing retail private banking services,

offering both basic and advanced private banking products. The bank's expanding asset management operations complement this offering, enabling it to serve affluent customers in selected regions in Finland since the 1980s and in Sweden since 2009, following the acquisition of Kaupthing Bank Sweden.

The bank holds a leading position in its wealthy but very small home region, Finland's Åland Islands, with an estimated loan market share of 50% in its core business of private and premium banking. The business generated in Finland, including Åland Islands, represents about 73% of Bank of Åland's income while the share of income in Sweden continues to increase primarily as a result of volume growth. We anticipate that over time, Sweden is likely to represent a larger share of Bank of Åland's revenues, given that the bank remains committed to its selective growth strategy in the country.

Bank of Åland announced on Sept. 20, 2019, that it had signed an agreement to establish a new Swedish mortgage company together with four partners: ICA Bank (belonging to retailer ICA Group), IKANO Bank (IKANO Group belonging to the Kamprad family), Söderberg & Partners (advisor in wealth management, insurance, and pensions), and Borgo (digital mortgage company). The purpose is to create a platform to allow distribution of mortgage loans to Swedish customers of each partner and to refinance them in an efficient way through issuance of covered bonds. The cooperation results from the partners' need to find a replacement for SBAB Bank, a Swedish mortgage lender, which terminated the third-party funding agreements in 2018. This has constrained new mortgage lending by the partners in Sweden.

The five parties aim to establish a mortgage company licensed by the Swedish Financial Supervisory Authority by the end of 2020. The mortgage company will benefit from Bank of Åland's knowhow in covered bond issuance, as well as in IT, treasury, and risk management systems. Bank of Åland and its 100% IT subsidiary CrossKey will provide services to the mortgage bank, thereby diversifying Bank of Åland's revenue base. While overall we consider the creation of this common platform to be positive for the rating, it also brings execution and potential operational risks for Bank of Åland (for more information, see "Finland-Based Bank of Åland Affirmed At 'BBB/A-2' On Swedish Mortgage Loan Cooperation; Outlook Still Positive#?").

Overall, the bank's market shares in mainland Finland and Sweden remain small. As a result, we consider that Bank of Åland's revenues remain more vulnerable to economic swings in these markets, relative to larger and more diversified Nordic peers.

In addition to banking and asset management, Bank of Åland owns IT company CrossKey, which provides banking technology consulting services to several domestic banks. This contributes to diversifying the bank's revenue base in addition to net interest income. We believe that CrossKey provides Bank of Åland an advantage in terms of speed and agility in ongoing IT development, but generally consider that CrossKey's higher expenses will weigh on the bank's overall cost-efficiency metrics (cost-to-income ratio of 77% in June 30, 2019).

Bank of Åland benefits from a loyal and more affluent customer base, in our opinion. The bank has also taken steps to broaden its distribution channels by initiating various partnerships with financial technology companies, such as Dreams, Trustly, and Doconomy. We expect further investments in the bank's digital infrastructure to improve the customer experience and to make internal processes more efficient. Bank of Åland has also raised brand awareness by

launching the first environmentally-friendly credit card, the Baltic Sea Card, which allows its customers to use the "Åland Index" to calculate the environmental impact of each credit card transaction and to offset the carbon footprint of their purchases. Furthermore, Bank of Åland collaborates with Swedish fintech, Doconomy AB, to provide a digital banking solution to track and alter behavior to reduce carbon emissions by measuring consumption patterns. These partnerships demonstrate Bank of Åland's unique innovative and environmental approach to its banking business. In our view, management remains focused on a long-term prudent strategy, which is underpinned by a strong local shareholder collective.

**Table 2**

	<b>Bank of Åland PLC -- Business Position</b>				
	<b>--Year ended Dec. 31--</b>				
	<b>2019*</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total revenues from business line (mil. €)	65.0	128.0	128.0	120.0	125.0
Retail banking/total revenues from business line	79.4	73.5	72.5	73.2	70.7
Commercial & retail banking/total revenues from business line	79.4	73.5	72.5	73.2	70.7
Asset management/total revenues from business line	N/A	7.9	7.7	7.5	7.1
Other revenues/total revenues from business line	N/A	18.6	19.8	19.3	22.2
Return on average equity	9.5	9.6	9.1	9.1	11.9

\*As of end-June.

### **Capital and earnings: Strong risk-adjusted capitalization, underpinned by earnings growth and hybrid capital issuance**

We assess Bank of Åland's capital and earnings as strong, reflecting our expectation that the bank's RAC ratio will hover around 15% by year-end 2020 on the back of internal capital buildup. Similar to other Nordic peers, the RAC ratio remains a rating strength to Bank of Åland.

As of Dec. 31, 2018, Bank of Åland's RAC ratio was 14.2%, up 80 basis points from 2017. The growth in S&P Global Ratings' risk-weighted assets, driven by new lending and the acquisition of Swedish pension assets (in 2017), was more than countered by the increase in the bank's total adjusted capital (TAC), our measure of loss-absorbing capital for banks.

In order to support its growth strategy, Bank of Åland has issued Tier 2 instruments, which qualify as intermediate equity in our TAC. The combined amount of Tier 2 instruments issued by Bank of Åland (€37 million) now represents approximately 15% of adjusted common equity, whereas many of its Nordic midsize peers with strong to very strong capitalization have no hybrid instruments in their capital base. We therefore regard Bank of Åland as having a lower quality of capital than its peers.

In line with the distribution agreement signed with ICA Bank on Aug. 30, 2019, we expect Bank of Åland to assume a portfolio of Swedish mortgage loans on a temporary basis to bridge the funding until the mortgage company is operational. This will inflate the bank's loan book and risk-weighted assets in 2020. Therefore, we expect that Bank of Åland is likely to issue further hybrid capital in 2020 to support its regulatory capital ratios. We would view negatively any further hybrid capital issuance at the expense of organic capital growth through earnings, and will follow closely the bank's internal capital generation capacity through 2021, as it enters into the new cooperation agreement.

This agreement will delay previously projected capital buildup, but the capital trajectory that underpins our positive outlook remains unchanged. The RAC ratio will likely weaken somewhat in the short-to-medium term due to the temporary placement of assets on Bank of Åland's balance sheet. The carve-out of the Swedish mortgage book into the new entity should reduce Bank of Åland's risk-weighted assets and capital needs, however. Therefore we expect that the bank will be able to reverse the dip in its capital position by 2021.

We forecast that the bank will generate net profits of €22 million-€30 million per year in the next two years before a dividend payout of 50%. This translates into a strong three-year average earnings buffer of about 1.40% in 2020 (an earnings buffer of about 1.0% indicates adequate earnings capacity).

**Table 3**

<b>Bank of Åland PLC -- Capital And Earnings</b>					
	<b>--Year ended Dec. 31--</b>				
	<b>2019*</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Tier 1 capital ratio	13.3	13.0	12.9	11.8	11.9
S&P RAC ratio before diversification	N/A	14.2	13.7	13.3	13.0
S&P RAC ratio after diversification	N/A	11.9	11.3	10.4	11.1
Adjusted common equity/total adjusted capital	85.4	85.2	92.3	93.0	95.7
Net interest income/operating revenues	41.1	42.7	43.7	45.8	43.2
Fee income/operating revenues	43.3	39.6	38.8	37.3	37.2
Market-sensitive income/operating revenues	1.9	4.1	2.6	3.5	6.4
Noninterest expenses/operating revenues	76.6	76.6	78.0	75.8	73.3
Preprovision operating income/average assets	0.6	0.6	0.5	0.6	0.8
Core earnings/average managed assets	0.4	0.4	0.4	0.4	0.6

\*As of end-June. RAC--Risk-adjusted capital. N/A--Not available.

**Table 4**

<b>Bank of Åland PLC Risk-Adjusted Capital Framework Data</b>					
<b>(Mil. €)</b>	<b>Exposure*</b>	<b>Basel III RWA</b>	<b>Average Basel III RW (%)</b>	<b>S&amp;P Global RWA</b>	<b>Average S&amp;P Global RW (%)</b>
<b>Credit risk</b>					
Government and central banks	757.2	0.0	0.0	7.8	1.0
Of which regional governments and local authorities	53.2	0.0	0.0	1.9	3.6
Institutions and CCPs	804.8	116.3	14.4	110.7	13.8
Corporate	878.9	491.2	55.9	419.6	47.7
Retail	3376.1	618.0	18.3	853.8	25.3
Of which mortgage	2876.8	508.0	17.7	655.3	22.8
Securitization§	0.0	0.0	0.0	0.0	0.0
Other assets†	85.3	49.0	57.5	84.4	98.9
<b>Total credit risk</b>					
Credit valuation adjustment	5902.3	1274.5	21.6	1476.4	25.0
Total credit valuation adjustment	--	0.0	--	0.0	--

Table 4

Bank of Åland PLC Risk-Adjusted Capital Framework Data (cont.)					
<b>Market risk</b>					
Equity in the banking book	2.7	3.3	120.4	23.6	875.0
Trading book market risk	--	0.0	--	0.0	--
Total market risk	--	3.3	--	23.6	--
<b>Operational risk</b>					
Total operational risk	--	213.3	--	231.7	--
(Mil. €)		<b>Basel III RWA</b>		<b>S&amp;P Global RWA</b>	<b>% of S&amp;P Global RWA</b>
<b>Diversification adjustments</b>					
RWA before diversification	--	1,585	--	1,732	100
Total diversification/concentration adjustments	--	--	--	334.7	19.3
RWA after diversification	--	1,585	--	2066.4	119.3
		<b>Tier 1 capital</b>	<b>Tier 1 ratio (%)</b>	<b>Total adjusted capital</b>	<b>Standard &amp; Poor's RAC ratio (%)</b>
Capital ratio before adjustments		204.4	12.9	246.7	14.2
Capital ratio after adjustments ‡		204.4	13.0	246.7	11.9

\*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Other assets includes deferred tax assets (DTAs) not deducted from ACE. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31, 2018, S&P Global.

### Risk position: Concentration risks in the loan portfolio due to focus on residential mortgages and some single-name exposures

In our view, Bank of Åland follows a prudent approach in its loan underwriting, demonstrated in its good asset quality, sound collateralization, and low cost of risks. This is countered by the concentration risks and cyclical nature of its loan book due to the focus on mortgage lending. We expect that the bank will maintain moderate geographic diversity, but a narrow number of client segments, and some large single-name exposures. Generally, the bank's product offering primarily comprises plain vanilla retail banking and related asset management products. Furthermore, its foreign currency exposure and interest rate risks in the banking book are not significant. The bank does not use complex financial instruments in its daily operations.

Bank of Åland's loan portfolio amounted to €4.0 billion as of June 30, 2019 and remains retail-focused (73% of the gross loan book). The bulk of the loan portfolio consists of home loans to individuals in both Finland and Sweden. Further growth in Sweden should provide some diversification, though we do not expect this to lead to an accumulation of high-risk exposures given the bank's prudent underwriting standards and the sound collateralization of these exposures.

We view positively Bank of Åland's focus on wealthy individuals, entrepreneurs, and their related corporations, and its strategy of engaging mainly in collateralized lending. Much of this is a result of the bank's focus on long-term customer relationships. In our view, the bank's asset quality remains sound with a reported share of nonperforming loans to total client loans of 0.52% as of June 30, 2019 (Stage 3 loans in accordance with IFRS 9).



Bank of Åland has managed its loan book well over the recent economic cycle. Between 2014 and 2018, the bank posted an average of 7 basis points (bps) of annual loan losses, and for the first six months of 2019, it reported loan losses of 3bps. Over the coming years, we expect Bank of Åland to outperform the Finnish market average and the projected loan losses of 4bps are well below our estimate of normalized losses over the cycle.

**Table 5**

	--Year ended Dec. 31--				
	2019*	2018	2017	2016	2015
Growth in customer loans	(1.0)	1.1	4.4	5.3	8.0
Total diversification adjustment / S&P RWA before diversification	N/A	19.3	21.6	28.2	17.0
Total managed assets/adjusted common equity (x)	25.8	26.5	26.2	26.3	23.8
New loan loss provisions/average customer loans	0.0	0.0	0.1	0.1	0.1
Net charge-offs/average customer loans	0.0	0.1	0.1	0.1	0.2
Gross nonperforming assets/customer loans + other real estate owned	0.5	0.5	0.8	1.3	2.0
Loan loss reserves/gross nonperforming assets	52.4	57.4	33.8	25.2	16.4

\*As of end-June. N/A--Not applicable. RWA--Risk-weighted assets.

### **Funding and liquidity: Funding profile dominated by customer deposits and covered bond issuance**

We assess Bank of Åland's funding profile as average, owing to a stable core customer deposit base covering 63% of the bank's funding base. This is also reflected in the balanced stable funding ratio of about 113% as of Dec. 31, 2018. Customer deposits show only limited concentration, and we expect they will remain a stable source of funding.

Over the past few years, Bank of Åland has diversified its funding sources and increased the use of wholesale funding to aid lending growth. The wholesale non-bank funding mainly through covered bond issuance represents approximately 32% of the funding base. Both Finnish and Swedish covered mortgage pools are used in the program, which has supported the growth in mortgage lending. The average maturity of Bank of Åland's funding profile is approximately three years, which the bank is likely to maintain given that it has established a solid investor base beyond Finland and Sweden.

We assess Bank of Åland's liquidity as adequate, reflecting a ratio of broad liquid assets to short-term wholesale funding (BLAST) of 2.34x as of year-end 2018. Given the maturing long-term funding and changes in assets held with other banks, the ratio is somewhat volatile. Bank of Åland's liquidity reserve amounted to approximately €1.2 billion or 22% of total assets as of June 30, 2019, leading to a regulatory liquidity coverage ratio of 165%. This is in line with peers' and well above the regulatory minimum of 100%. This portfolio consists of cash and securities, which are all eligible for repurchase agreement transactions at the Finnish or Swedish central banks.

We therefore believe that under stressful conditions involving the closure of access to capital market funding and a significant deposit outflow, Bank of Åland could survive for more than six months, but dependence on the central bank through repurchase agreement activity could become significant thereafter. In our view, Bank of Åland's liquidity profile compares fairly well with the average bank in Finland and Sweden.

**Table 6**

	<b>Bank of Åland -- Funding And Liquidity</b>				
	<b>--Year ended Dec. 31--</b>				
	<b>2019*</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Core deposits/funding base	63.3	64.1	63.3	64.1	58.7
Customer loans (net)/customer deposits	124.1	121.7	126.4	125.8	143.7
Long term funding ratio	90.4	90.3	91.4	90.7	87.3
Stable funding ratio	N/A	113.1	117.8	112.1	101.6
Short-term wholesale funding/funding base	N/A	10.2	9.1	9.7	13.4
Broad liquid assets/short-term wholesale funding (x)	N/A	2.3	2.9	2.4	1.3
Net broad liquid assets/short-term customer deposits	N/A	21.4	27.3	22.0	6.5
Short-term wholesale funding/total wholesale funding	N/A	27.7	24.5	26.9	32.3
Narrow liquid assets/3-month wholesale funding (x)	N/A	4.4	6.3	6.0	1.9

\*As of end-June. N/A--Not applicable.

### **External support: No notches of uplift to the SACP**

We do not factor any external support into our assessment of Bank of Åland. We consider Finland to have an effective resolution regime since January 2016. However, as we consider that Bank of Åland has low systemic importance in Finland (estimated market share around 1% in customer lending and deposits) we do not consider the additional loss-absorbing criteria to be applicable to the bank, nor do we think that Bank of Åland is eligible for our resolution counterparty rating (RCR). RCRs recognize the default risk of certain bank liabilities that rank senior to other liabilities in a resolution. In our view, the response to nonviability of Bank of Åland would not be a bail-in resolution.

### **Additional rating factors:None**

No additional factors affect this rating.

## **Related Criteria**

- 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
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Financial Institutions - Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria - Financial Institutions - Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011

- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

## Related Research

- Banking Industry Country Risk Assessment: Finland, Oct. 9, 2019
- Finland-Based Bank of Åland Affirmed At 'BBB/A-2' On Swedish Mortgage Loan Cooperation; Outlook Still Positive, Sept. 23, 2019
- Tech Disruption In Retail Banking: Swedish Consumers Dig Digital--And Banks Deliver, May 14, 2019
- Banking Industry Country Risk Assessment: Sweden, April 11, 2019
- Nordic Banks' Strong Capital Will Cushion Them From The Challenges Ahead, March 28, 2019

Anchor Matrix										
Industry Risk	Economic Risk									
	1	2	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

## Ratings Detail (As Of October 28, 2019)\*

### Bank of Åland PLC

Issuer Credit Rating	BBB/Positive/A-2
Senior Secured	AAA/Stable
Senior Unsecured	BBB

### Issuer Credit Ratings History

25-Jul-2018	BBB/Positive/A-2
17-Nov-2016	BBB/Stable/A-2
20-Nov-2012	BBB/Negative/A-3

### Sovereign Rating

Finland	AA+/Stable/A-1+
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\*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.



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