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Oma Savings Bank  
Credit Investor  
Presentation

March  
2020

NASDAQ  
WELCOMES

OMA

SÄÄSTÖPANKKI

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# Executive summary

|   |  |
|---|--|
| <b>Oma Savings Bank</b>                     | <ul style="list-style-type: none"><li>• Oma Savings Bank (OmaSp) is the largest savings bank in Finland according to the balance sheet. Total assets stood in excess of EUR 3.4bn at the end of 2019.</li><li>• The bank has over 139,000 active customers consisting mostly of private customers (60% of lending), corporate customers (21%), housing cooperatives (9%) and agriculture and forestry (9%).</li><li>• OmaSp operates mostly outside of the Helsinki capital region around the main cities in the Western and Eastern parts of Finland with its total of 32 branches. In 2018 OmaSp expanded with a new branch to Helsinki.</li><li>• The growth in business volumes continued to be brisk in 2019. Net interest income grew 16.6%, totaling EUR 57.5 (49.3) million.</li><li>• The bank is well capitalised with a CET1 ratio of 16.8% and a total capital ratio of 17.3% at year-end 2019. For the same period the bank reported a robust equity to assets ratio of 9.4%.</li><li>• S&amp;P has assigned a BBB+ long-term issuer credit rating to OmaSp.</li><li>• ESG is an important element in the strategy of Oma Savings Bank, and we adhere to four guiding sustainability themes in our day-to-day work.</li></ul> |
| <b>Covered Bonds</b>                        | <ul style="list-style-type: none"><li>• In October 2017, the Finnish FSA granted OmaSp a licence to act as a mortgage credit bank and the inaugural EUR 250 million covered bond issue was launched in December 2017. In June 2018 the bond was further tapped with EUR 100m subsequent issue. In March 2019 a new, EUR 300m 5-year covered bond was issued.</li><li>• The cover pool consists of 100% Finnish collateral including 100% residential mortgages.</li><li>• Geographically the pool is well diversified and located across Western and Eastern parts of the country.</li><li>• The weighted average LTV of the cover pool is 63.9% as of 6 March 2020, and there are no non-performing loans in the pool.</li><li>• S&amp;P has assigned a AAA rating to OmaSp covered bonds.</li></ul>  |
| <b>Finnish economy &amp; housing market</b> | <ul style="list-style-type: none"><li>• The outlook for the Finnish economy continues to be quite steady and the GDP is forecasted to grow around 1.0% in 2020 (Ministry of Finance, Finland).</li><li>• House prices in Finland have appreciated at a slower pace than in the other Nordic countries and price development has been more contained outside of the Helsinki capital region where OmaSp mainly operates.</li><li>• Loan costs and indebtedness are low in the Finnish housing market in comparison with other Nordic countries.</li></ul>   |

## Content overview

|     |                                       |
|-----|---------------------------------------|
| I   | Introduction to Oma Savings Bank      |
| II  | Key Financials                        |
| III | Cover Pool                            |
| IV  | Operating Environment                 |
| V   | Planned Transaction & Contact Details |

The logo for Oma Savings Bank features the word "oma" in a lowercase, rounded, green sans-serif font, followed by a stylized green symbol that resembles a lowercase "p" with a curved top. The entire logo is centered within a large white circle.

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Oma Savings Bank

# History and balance sheet development

## Before year 2009

- Savings Bank operations commenced 1875

## 2009-2012

- Operations continued under the Oma Säästöpankki brand

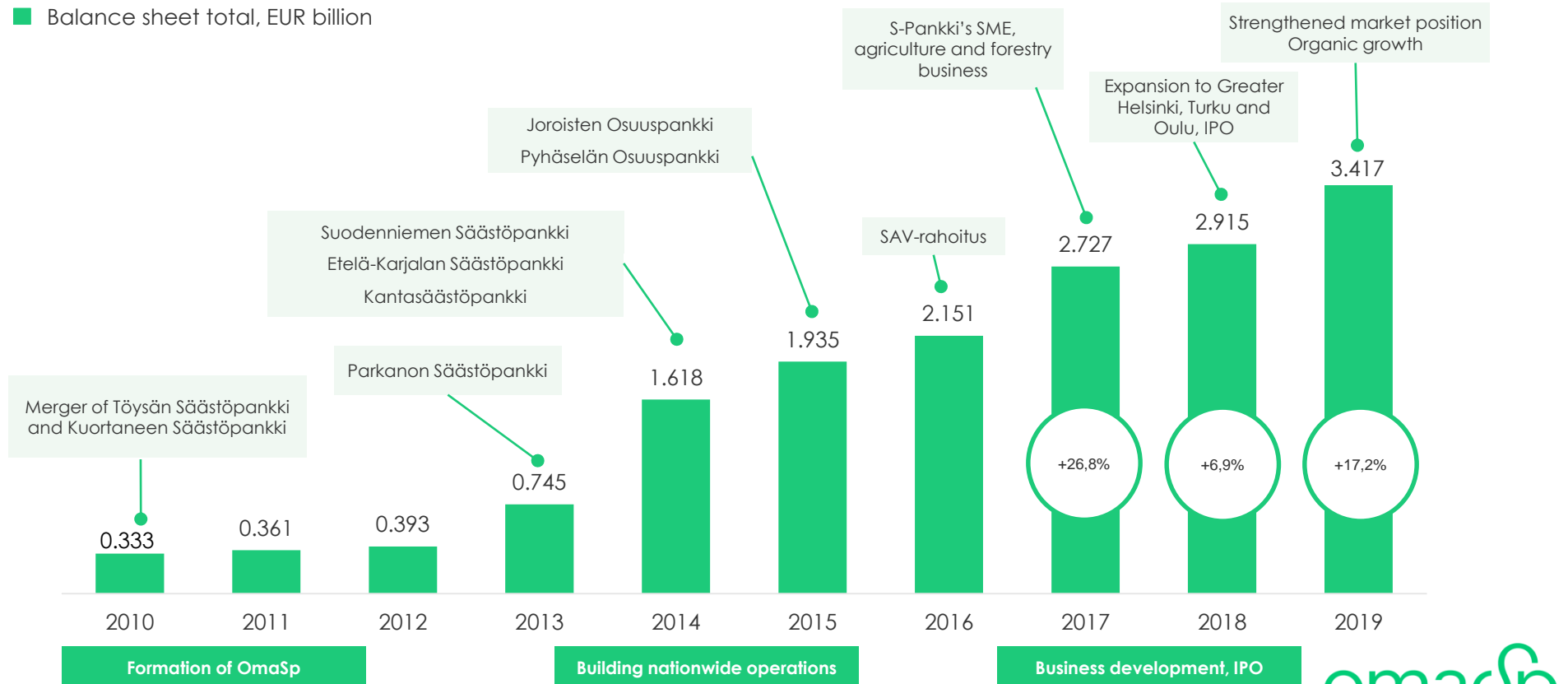
## 2013-2016

- Expansion into a nationwide bank in Finland through mergers and acquisitions
- OmaMobiiili-mobile bank
- Strong development of digital customer services

## 2017-

- 2017 Public credit rating from S&P
- 2017 Licence granted for Mortgage credit bank operations
- 2017 First senior bond listed on the Helsinki Stock Exchange
- 2017 Bond programme established and first Covered Bond issue
- 2018 Shares listed on the main list of Helsinki Stock Exchange
- 2019 Strengthening market position in growth centres; organic growth

■ Balance sheet total, EUR billion



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# OmaSp today – profitable growth

## OmaSp key highlights

- More than 140 years of history
- Provides comprehensive banking services across 32 branches and through digital service channels
- About 140,000 private and business customers
- About 280 motivated and entrepreneurial experts
- Over 2,000 shareholders
- 60% of the employees are shareholders

| OmaSp S&P credit rating | Covered bond rating |
|-------------------------|---------------------|
| BBB+ / Stable / A-2     | AAA                 |

## Strong financial profile

|   |              |
|---|--------------|
| <b>Equity 2019, EUR million</b>                             | <b>319.9</b> |
| <b>Balance sheet total, average yearly growth 2016-2019</b> | <b>17%</b>   |
| <b>Balance sheet total, EUR billion</b>                     | <b>3.4</b>   |
| <b>Cost-income ratio 2019</b>                               | <b>54.4%</b> |
| <b>ROE 2019</b>   | <b>9.0%</b>  |
| <b>Core capital ratio (CET1) 2019</b>                       | <b>16.8%</b> |

# Operating area & branch network

- The bank's operations are concentrated to the regions around larger cities in Western and Eastern Finland.
- Long-term local presence, customer knowledge and long-standing client relations are key differentiators amongst the competition.
- A wide branch network consisting of 32 full service branches supports competitiveness in the bank's operating areas.
- In 2017 two new branches were opened in Jyväskylä and Lahti.
- Through the S-Bank acquisition OmaSp has opened branch offices in Turku and Kajaani. A new branch in Helsinki opened in 2018.



32

OmaSp branches

| Largest Finnish cities      | Population <sup>1</sup> | Presence                               |
|-----------------------------|-------------------------|--|
| Capital region <sup>2</sup> | 1,189,664               | omaSp<br><small>Lähti ja Lähti</small> |
| Tampere                     | 238,420                 | omaSp<br><small>Lähti ja Lähti</small> |
| Oulu                        | 205,629                 | omaSp<br><small>Lähti ja Lähti</small> |
| Turku                       | 193,176                 | omaSp<br><small>Lähti ja Lähti</small> |
| Jyväskylä                   | 142,477                 | omaSp<br><small>Lähti ja Lähti</small> |
| Lahti                       | 119,917                 | omaSp<br><small>Lähti ja Lähti</small> |
| Kuopio                      | 119,379                 |  |
| Pori                        | 83,905                  |  |
| Kouvola                     | 82,104                  | omaSp<br><small>Lähti ja Lähti</small> |
| Joensuu                     | 76,840                  | omaSp<br><small>Lähti ja Lähti</small> |
| Lappeenranta                | 72,667                  | omaSp<br><small>Lähti ja Lähti</small> |
| Hämeenlinna                 | 67,658                  | omaSp<br><small>Lähti ja Lähti</small> |
| Vaasa                       | 67,623                  |  |
| Seinäjoki                   | 63,834                  | omaSp<br><small>Lähti ja Lähti</small> |
| Rovaniemi                   | 63,128                  |  |
| Mikkeli                     | 53,197                  | omaSp<br><small>Lähti ja Lähti</small> |
| Kotka                       | 52,096                  | omaSp<br><small>Lähti ja Lähti</small> |

<sup>1</sup> Source: Statistics Finland, data of 31.01.2020

<sup>2</sup> Capital region includes Helsinki, Espoo, Vantaa and Kauniainen

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# Strategy

The strategy of Oma Savings Bank is based on the following pillars:

## 1. **Cost efficiency**

- The main driver of a profitable and healthy bank – guides the bank's business

## 2. **Proactive customer relationships and sales**

- Differentiation from the competitors
- Excellent customer experiences and superior local knowledge are our advantages in the markets we operate in
- Financial performance is based on the growth of profitable and long-lasting customer relationships

## 3. **Risk management**

- Strict governance on lending policy and liquidity management
- Clear areas of responsibility, systematic monitoring of risks, a motivating compensation system and corporate culture



# Financial goals, dividend policy and guidance for 2020

Board of Directors approved the following financial goals in September 2018:

|                  |   |
|------------------|---|
| Growth           | <ul style="list-style-type: none"><li>• <b>10–15%</b> annual growth in total operating income under the current market conditions (22% in 2019)</li></ul> |
| Profitability    | <ul style="list-style-type: none"><li>• Cost/income ratio less than <b>55%</b> (54% in 2019)</li></ul>  |
| Return on equity | <ul style="list-style-type: none"><li>• Long-term return on equity (ROE) over <b>10%</b> (9% in 2019)</li></ul>   |
| Solvency         | <ul style="list-style-type: none"><li>• Core capital ratio (CET1) at least <b>16%</b> (17% in 2019)</li></ul>   |

## Dividend policy

- The company's goal is to pay a steady and growing dividend of at least 20 percent of net profit.

## Guidance for the 2020 accounting period

- Provided that profitable growth continues, the company estimates that the Group's comparable profit before taxes for 2020 will stay at the same level or grow compared to the previous accounting period. At the same time, the profit before taxes for 2020 is estimated to stay at the same level or grow compared to the previous accounting period.

# S&P's current view on OmaSp

## Rating criteria and impacts

|                           |             |    |
|---------------------------|-------------|----|
| Anchor<br>(Finnish banks) | a-          |    |
| Business Position         | Weak        | -2 |
| Capital and Earnings      | Very Strong | +2 |
| Risk Position             | Moderate    | -1 |
| Funding                   | Average     | 0  |
| Liquidity                 | Adequate    |    |



## Issuer credit ratings

**BBB+ / Stable / A-2**

## Covered bond rating

**AAA/Stable**

## Quoted from S&P:

- "House prices have stabilized nationwide and market activity especially in the growth regions is now picking up. ...we consider the risk of a house price correction remote, since the economy is in solid shape"
- "We consider it positive that the bank's largest owners--savings banks' foundations and cooperatives--will likely remain committed to the bank by maintaining a sound financial position and high capitalization over the long term"
- "We assess Oma Savings Bank's capital and earnings as very strong. This is mainly based on our projection of its RAC ratio being close to 17.0%-17.5% throughout 2021"
- "This concentration is partly mitigated by the loan book's high granularity and adequate collateralization, while residential real estate lending in less urbanized areas results in moderate loan sizes in the retail portfolio. In addition, the group's SME lending shows a conservative approach to loan sizes and collateralization. In our view, there are no meaningful single-name or sector concentrations"
- "The share of noncollateralized loans is small"
- "We believe that asset quality will remain stable over the coming years on the back of sound underwriting standards"

## Strengths and weaknesses

**Very strong risk-adjusted capitalization and sound profitability**

Concentrated business operations focused on lending to individuals, agricultural clients, and small and midsize enterprises


**A firm mutual business model**

Dependence on external partners for product and service offering

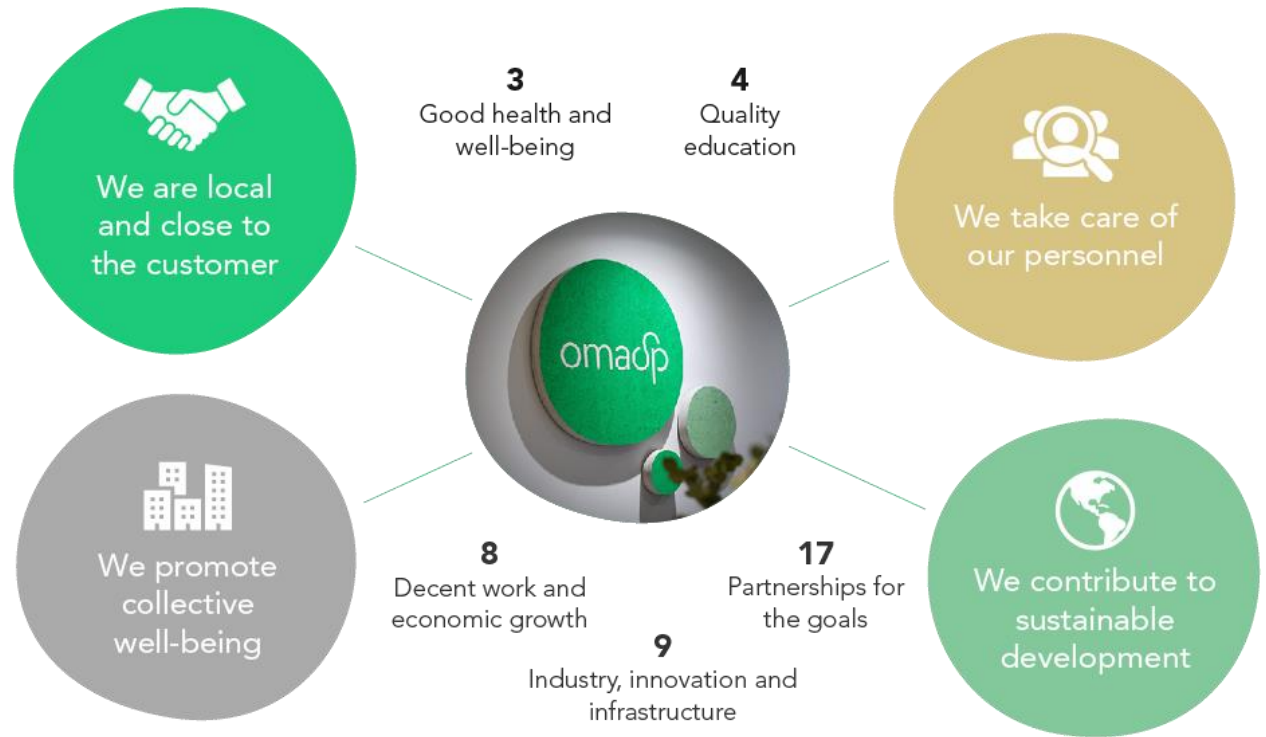
**Solid regional franchise in selected smaller cities**

Some reliance on wholesale funding

# Sustainability is one of the basic pillars of our strategy

 **Sustainability is at the heart of our business** and an important part of our future operations.

 We have made a commitment **to support the UN's 17 Sustainable Development Goals**. Our aim is to include **five of the targets** that have the greatest impact on our operations in OmaSp's management, strategy and day-to-day operations.



# Four sustainability themes



We aim at the highest rating in customer satisfaction in the banking sector.

We care about our employees, so we diversely promote their well-being. In addition, we promote and maintain the diversity of our work community, as well as work that entails responsibility.



We actively promote and develop the vitality of local communities by offering jobs outside urban areas and by financing local SMEs. The education and competence of Finns is especially important to us, which is why we promote the well-being and financial literacy of children and adolescents.

We comply with the principles of sustainable financing in our operations.





## Key Financials

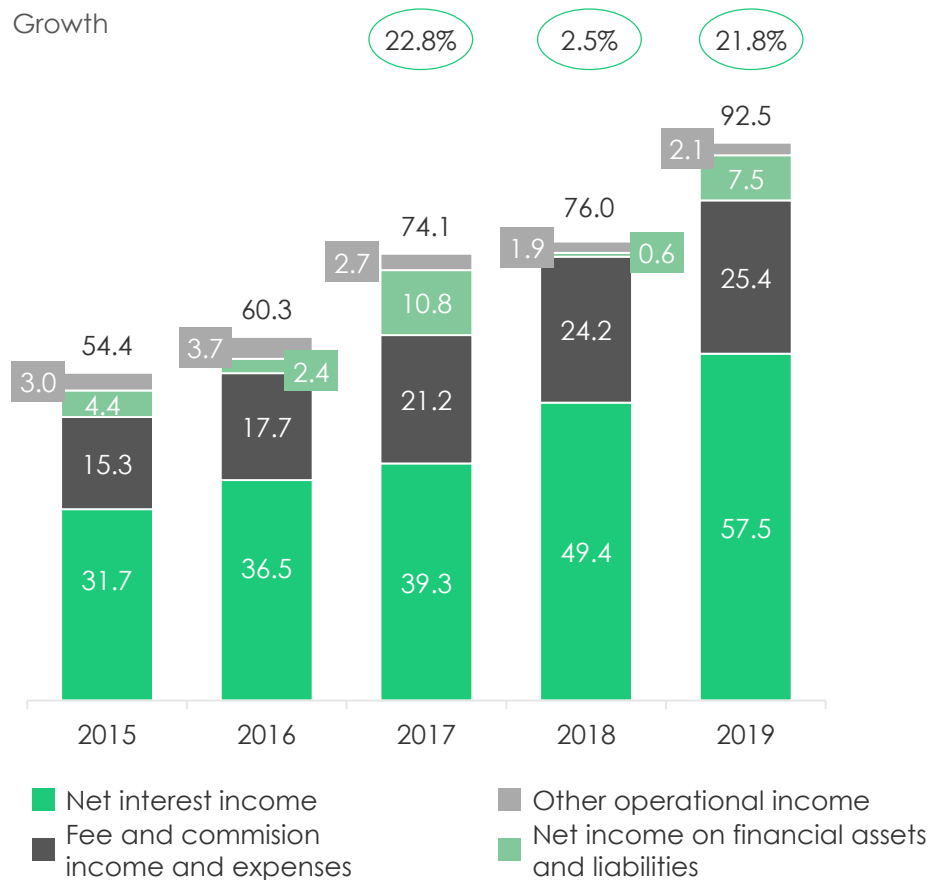
## Key figures

|  |  |  |
|--|--|--|
| <b>Total operating income</b><br><br><b>92.6</b> EUR mill.<br>Accounting period 1-12/2019                            | <b>Equity / Total assets</b><br><br><b>9.4%</b><br>Accounting period 1-12/2019               | <b>profit before taxes</b><br><br><b>32.7</b> EUR mill.<br>Accounting period 1-12/2019                                     |
| <b>Cost-income ratio</b><br><br><b>54.4%</b><br>Accounting period 1-12/2019  | <b>Balance sheet total</b><br><br><b>3,417</b> EUR mill.<br>Accounting period 1-12/2019      | <b>Number of employees</b><br><br><b>300</b><br>Average,<br>Accounting period 1-12/2019                                    |
| <b>Employee satisfaction</b><br><br><b>4.3/5</b><br>Satisfaction in the bank as a whole<br>12/2018 –personnel survey | <b>Customers</b><br><br><b>139,000</b><br>Private customers 83 %,<br>business customers 17 % | <b>Customer satisfaction</b><br><br><b>4.3/5</b><br>Satisfaction in the bank as a whole<br>Parasta palvelua 12/2018-survey |

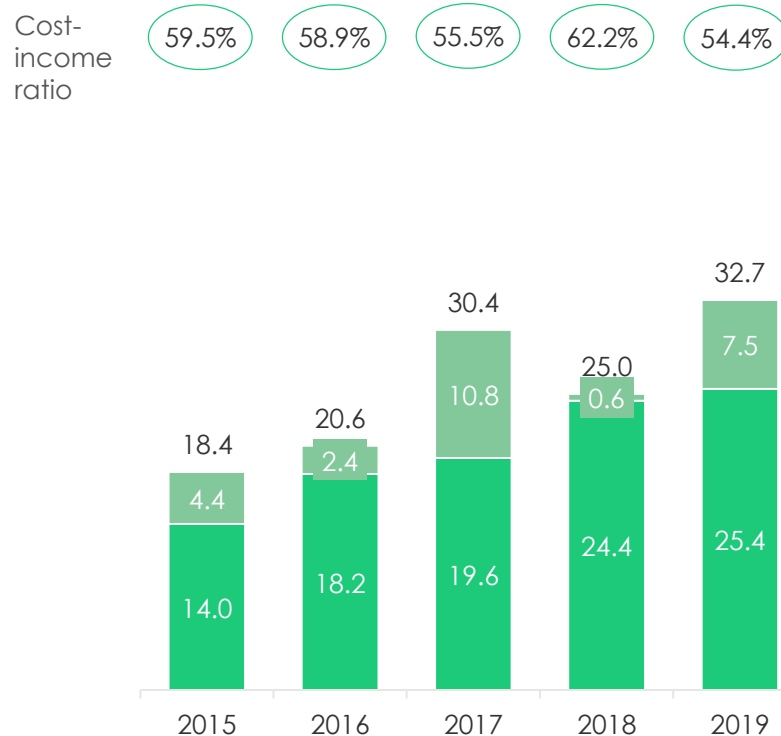


# Developments in overall operating income and profitability

## Total operating income, EUR mill.



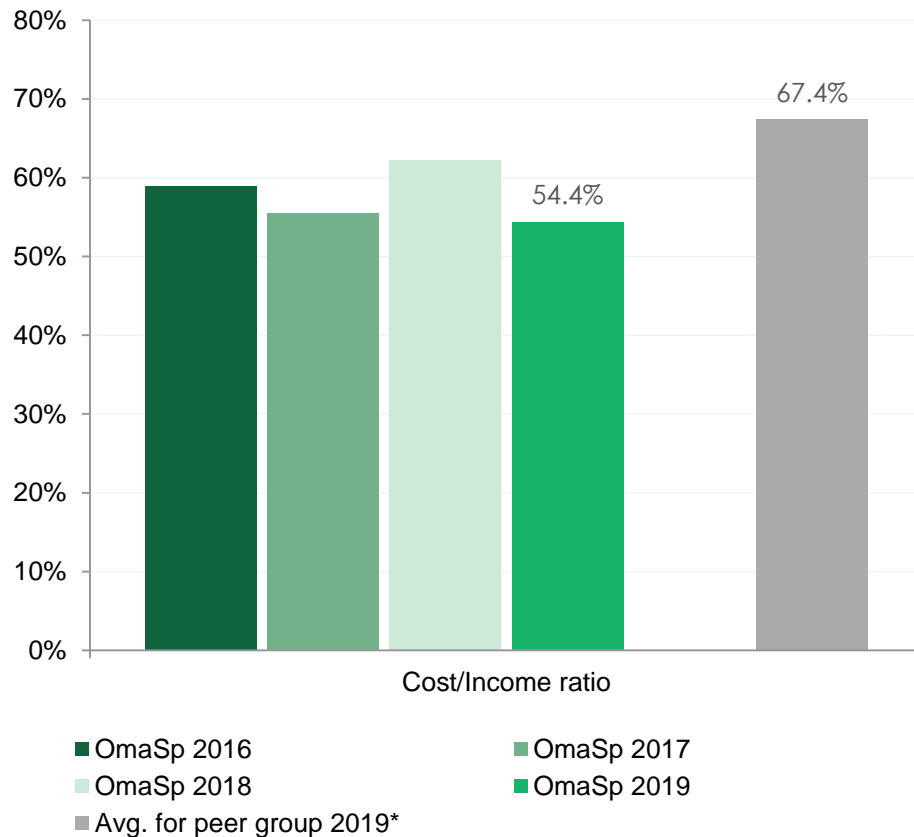
## Profit before taxes, EUR mill.



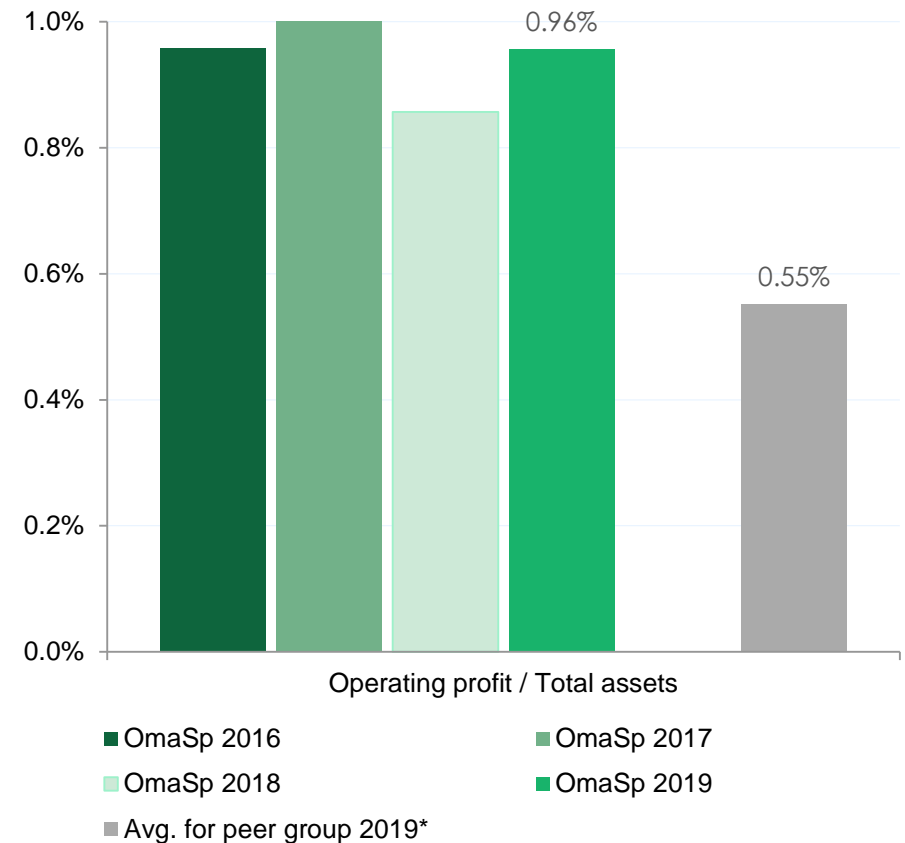
Net income from financial assets and liabilities is in line with 2015-2019 in the financial statements, 'Net trading income' and 'Net investment income' add up.

# High profitability and cost efficiency

## Cost / Income ratio



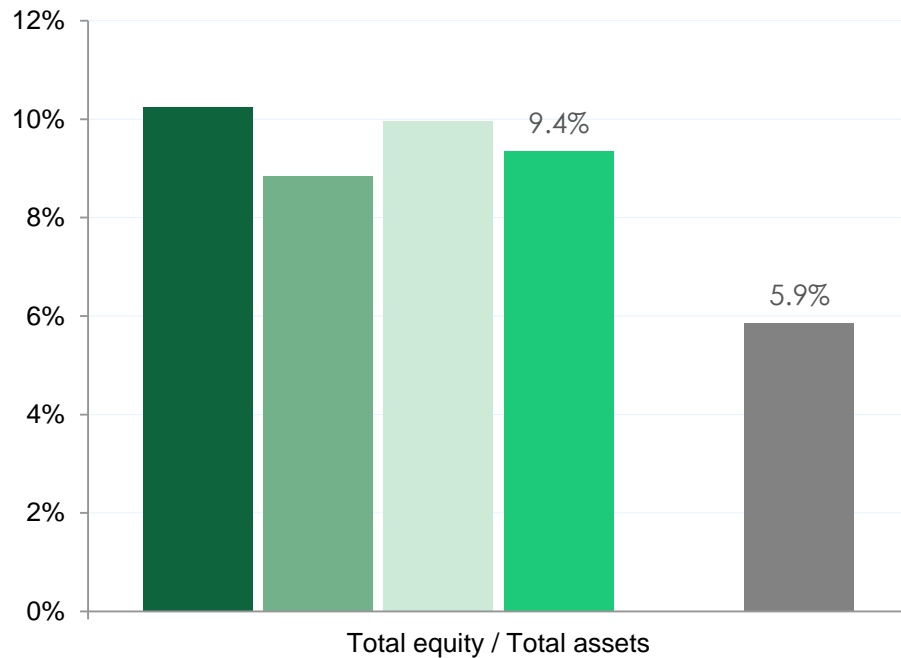
## Operating profit / Total assets



\*Source: company reports. Peer group here includes Aktia, OmaSp, S-Bank, The Mortgage Society of Finland, Ålandsbanken

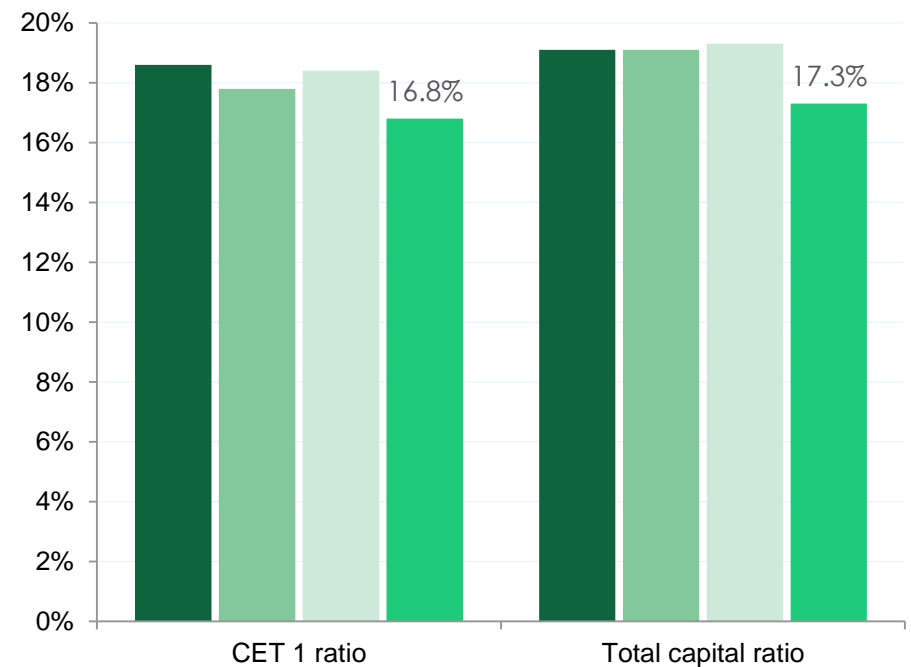
# Strong capital position

## Equity / Total assets



■ OmaSp 2016  
 ■ OmaSp 2017  
 ■ OmaSp 2018  
 ■ OmaSp 2019  
 ■ Avg. for peer group 2019\*

## OmaSp capital ratios



■ OmaSp 2016  
 ■ OmaSp 2017  
 ■ OmaSp 2018  
 ■ OmaSp 2019

- At 17.3%, OmaSp's total capital ratio is well in excess of the current capital requirement of 10.5%\*\*

\*Source: Company reports. Peer group here includes Aktia, OmaSp, S-Bank, The Mortgage Society of Finland, Ålandsbanken

\*\* Including statutory minimum of 8% and capital conservation buffer of 2.5%.

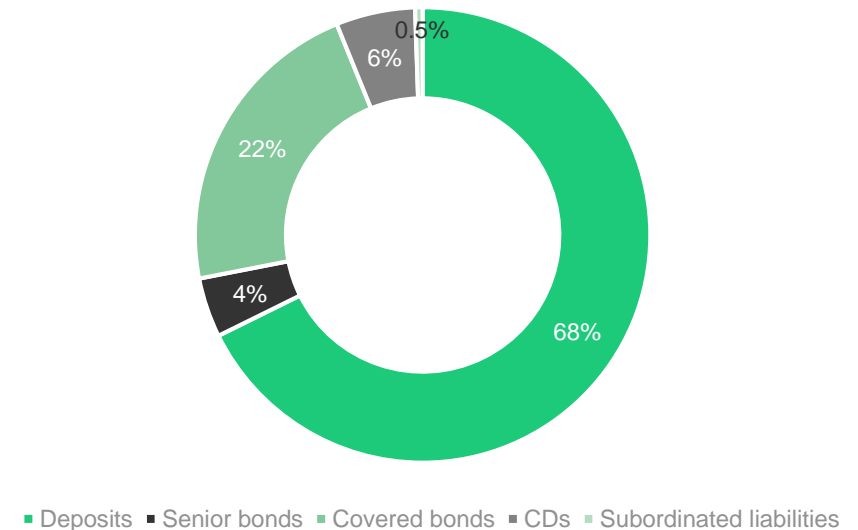
# Oma Savings Bank's funding base

## Funding highlights

- The bank's deposit base is stable and will remain as the main source of funding.
  - Loans-to-Deposits ratio was 144% as of 31.12.2019
- Senior unsecured bonds, covered bonds and CDs complement the funding structure and make it more versatile.
- Currently, OmaSp has one senior unsecured bond and two covered bonds outstanding:
  - EUR 125m senior unsecured bond maturing in April 2020
  - EUR 350m covered bond maturing in December 2022
  - EUR 300m covered bond maturing in April 2024
- OmaSp systematically develops its capability to utilize capital markets.
- The goal is to diversify the sources and the maturity profile of funding.

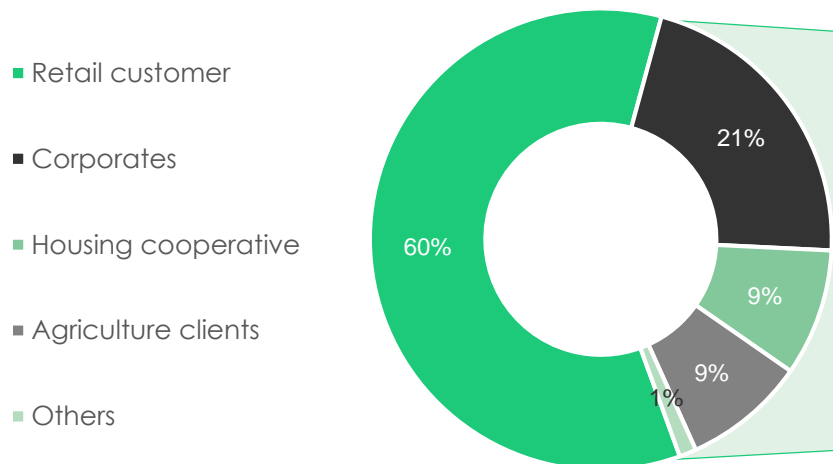
Source: OmaSp

## Funding structure (31.12.2019)

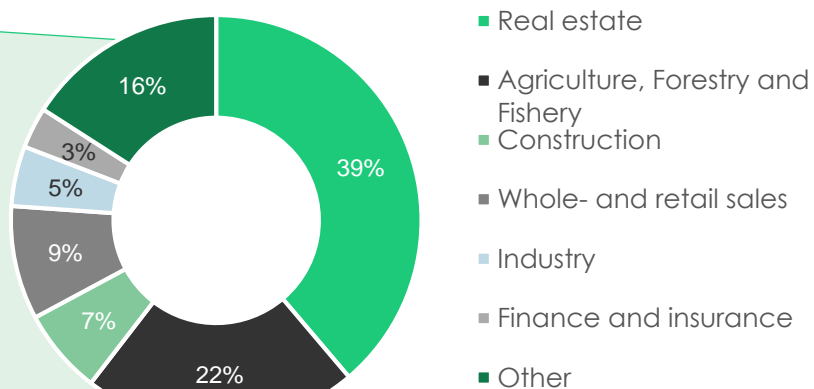


# Customer and lending base end of 2019

## Total loan portfolio by customer groups



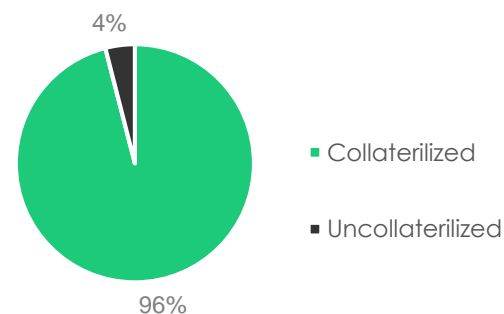
## Non-Private customer loan portfolio distribution



- A widely diversified loan portfolio of EUR 2.98bn
- The collateral base at market values almost fully covers the total loan portfolio
- Supplemented with additional collateral and guarantees, if needed
- **Non-performing receivables\* amounted to EUR 32.7m (1.3%) at the end of 2019**

\*Non-performing receivables defined as receivables more than 90 days overdue, or judged likely to be left unpaid

## Share of loans with collateral of total loan base (2019)



# Investment portfolio and liquidity management

- The bank's investment portfolio amounts to around EUR 330 million
  - The portfolio consists of liquid assets and other investments
- Allocation of the investment portfolio as per 31.12.2019
  - Fixed income 89%
  - Equity 10%
  - Alternative investments 1%
- The bank's LCR-ratio was 140.1% and NSFR 147.6% as per 31.12.2019
- The programme for issuance of CDs provides an alternative for short-term liquidity management
- Target2 account was implemented in 2017 and Oma Savings Bank is a direct counterparty of Bank of Finland
  - Enables participation in the ECB's short-term and long-term market operations
- The bank has an increasing number of repo counterparties
  - Enables short-term, secured loan funding through the interbank market



The background is a solid green color. It features a large, semi-transparent white circle in the center. Surrounding this central circle are several horizontal rows of white circles and dots of varying sizes, creating a pattern that resembles a pool cover or a decorative border.

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Cover Pool

# OmaSp cover pool characteristics

## Key characteristics of the cover pool 6 March 2020

|  |  |
|--|--|
| <b>Size of the pool</b>                  | EUR 1,250 million (nominal)                      |
| <b>Collateral type</b>                   | 100% Finnish residential mortgages               |
| <b>Number of loans</b>                   | 20,788   |
| <b>Average loan size</b>                 | EUR 60,132                                       |
| <b>WALTV</b>                             | 63.8% indexed / 63.9% unindexed                  |
| <b>Weighted average loan seasoning</b>   | 36.8 months                                      |
| <b>Nonperforming loans</b>               | 0%   |
| <b>Loans in arrears</b>                  | 0.0%   |
| <b>Interest rate base</b>                | 93.6% floating / 6.4% fixed                      |
| <b>Over-collateralisation</b>            | 92.3% / 82.6% (nominal value / collateral value) |
| <b>Simulated Over-collateralisation*</b> | 31.6% / 25.5% (nominal value / collateral value) |

\*Indicative over-collateralisation simulated for a scenario of EUR 300 million new Covered bond issue from the current cover pool

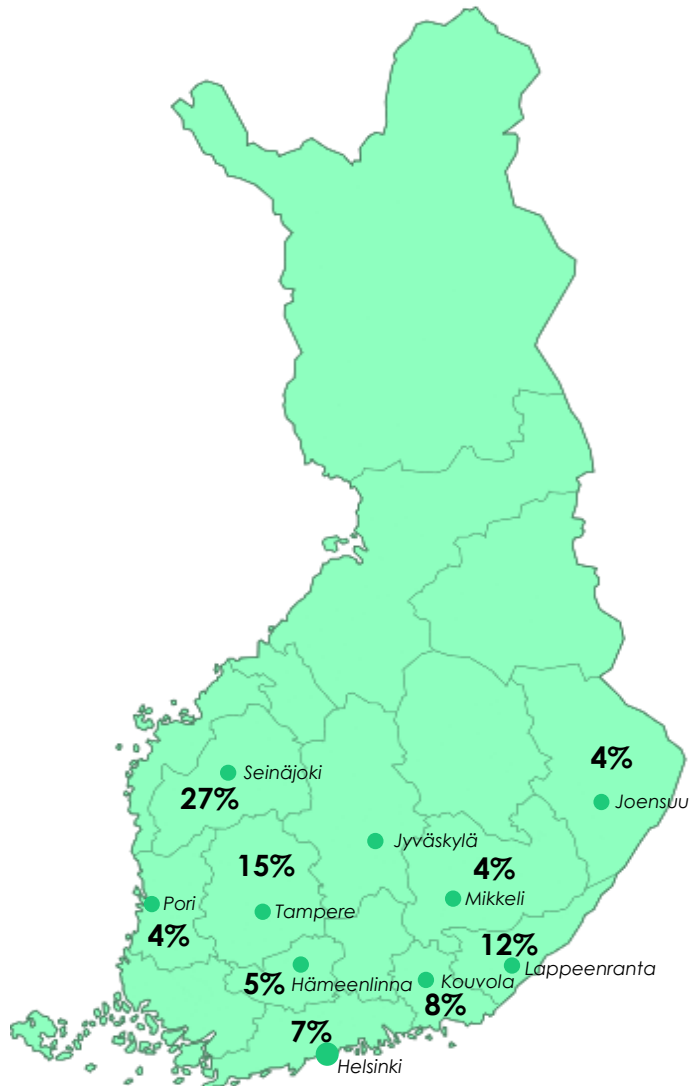
- Finnish FSA has granted OmaSp a license to act as a mortgage credit bank which allows it to issue covered bonds.
- S&P has assigned AAA ratings to the covered bonds of Oma Savings Bank. The outlook is stable.
- OmaSp is committed to keeping the covered bond rating at the AAA level.

Note: The cover pool is dynamic and the composition of the pool fluctuates daily. This is a snap shot of the cover pool as of 6 March 2020.

# OmaSp mortgage loan underwriting criteria

|  |   |
|--|---|
| <b>Identification of customers</b>                         | <p>All mortgage applicants are identified, including their legal capacity.</p> <p>The financial position of the mortgage applicants is verified, including information of any internal and external payment defaults.</p>   |
| <b>Income status</b>                                       | <p>The income status of mortgage applicants is verified by using payslips, information from the tax authority as well as the bank account details for the existing customers.</p>   |
| <b>Stress testing</b>                                      | <p>The mortgage applicants' ability to repay their mortgages is stress-tested with an interest rate level of 6% and a maximum loan maturity of 25 years.</p>  |
| <b>Customer scoring</b>                                    | <p>Each customer is assigned a credit scoring at the time of the new mortgage application, also in case there are any changes done to the existing mortgage loan.</p> <p>The behavioural scoring of the existing loan stock is updated on a monthly basis with the model taking into account any changes in the customers' payment behaviour.</p> |
| <b>Additional criteria for inclusion in the cover pool</b> | <p>Compliance with the Finnish Covered Bond Act including that only maximum of 70% of the fair value can be accounted for as collateral for housing loans, and only 60% for housing associations.</p> <p>Non-performing loans are excluded from the cover pool.</p> <p>Customer scorings of C and D are excluded from the cover pool.</p>         |

## Geographic breakdown of cover pool

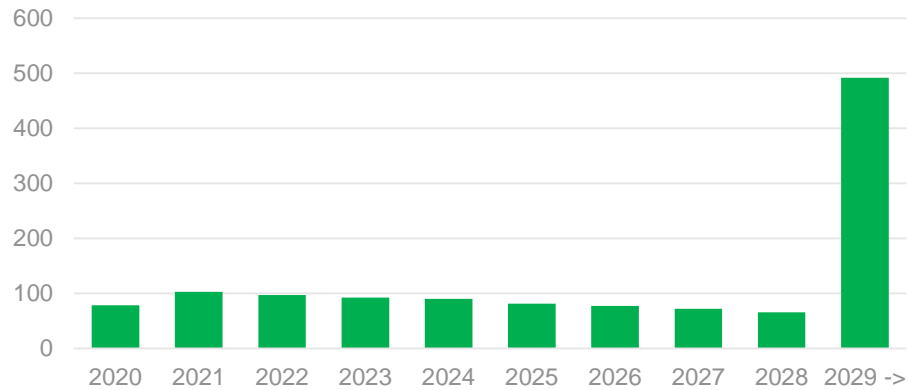


| Region                | Major city   | Volume EUR million | Share in the pool |
|-----------------------|--------------|--------------------|-------------------|
| Southern Ostrobothnia | Seinäjoki    | 340                | 27.2 %            |
| Pirkanmaa             | Tampere      | 187                | 15.0 %            |
| South Karelia         | Lappeenranta | 146                | 11.7 %            |
| Kymenlaakso           | Kouvola      | 95                 | 7.6 %             |
| Uusimaa               | Helsinki     | 92                 | 7.4 %             |
| Tavastia Proper       | Hämeenlinna  | 67                 | 5.4 %             |
| Southern Savonia      | Mikkeli      | 51                 | 4.1 %             |
| Satakunta             | Pori         | 47                 | 3.8 %             |
| Central Finland       | Jyväskylä    | 42                 | 3.4 %             |
| Other                 |              | 183                | 14.4 %            |
| <b>Sum</b>            |              | <b>1 250</b>       | <b>100 %</b>      |

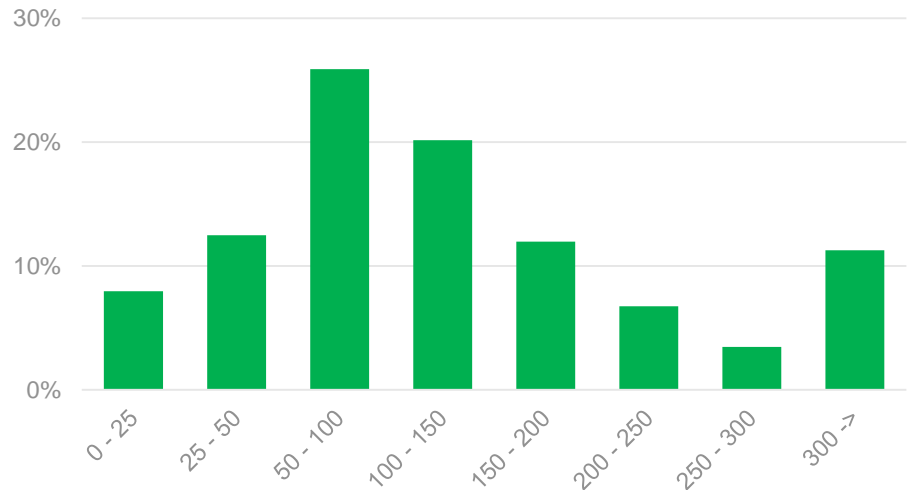
Note: The data represents a snap shot of the dynamic cover pool as of 6 March 2020

# Details of the cover pool

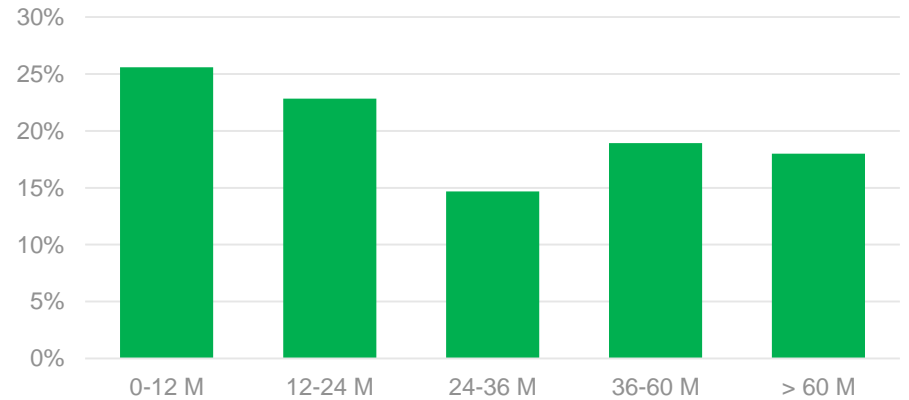
## Loan maturity distribution



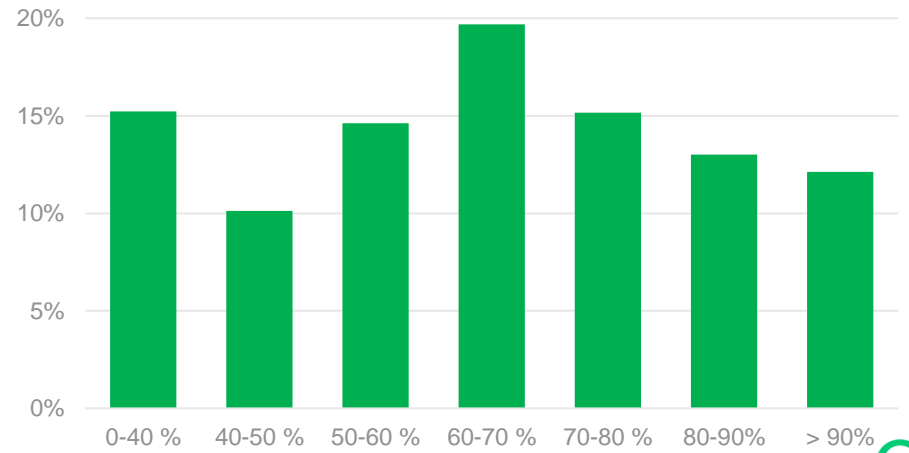
## Loan size buckets (EURk)



## Loan seasoning



## LTV distribution



Note: The data represents a snap shot of the dynamic cover pool as of 6 March 2020

The logo for OmaoP, featuring the text "omaop" in a green, lowercase, sans-serif font. The letter "p" is stylized with a circular loop at the top. The logo is centered within a white circle.

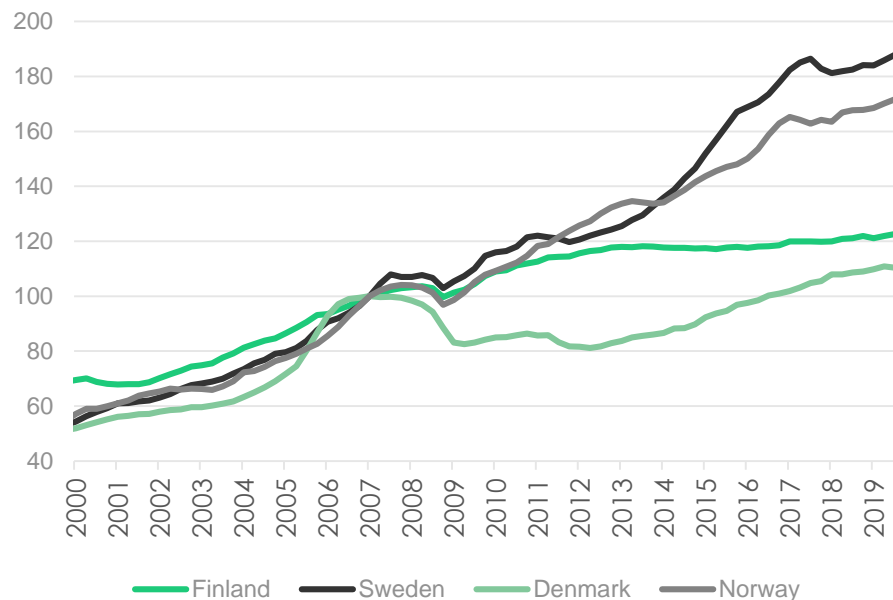
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Operating  
Environment

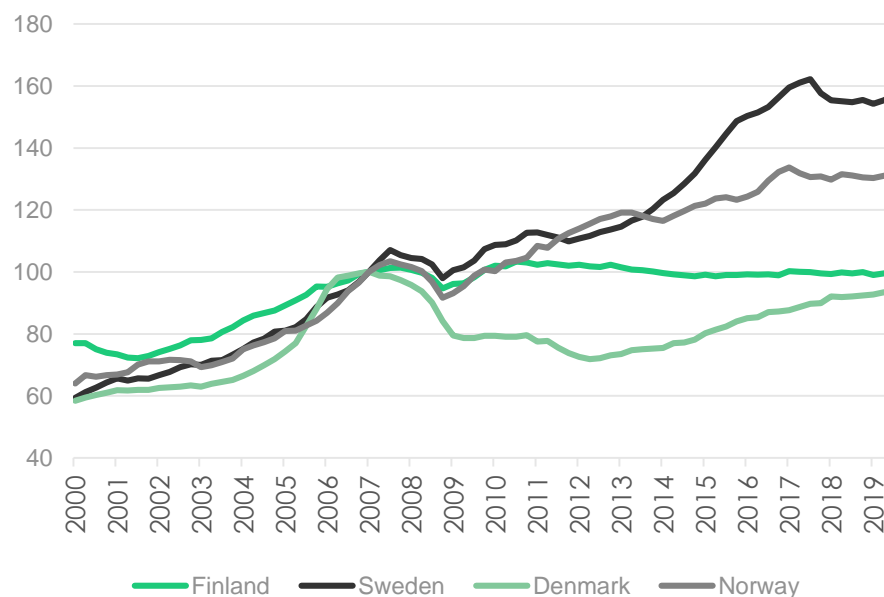


# House prices in Finland and other Nordic countries

Nominal house prices, 2007 = 100



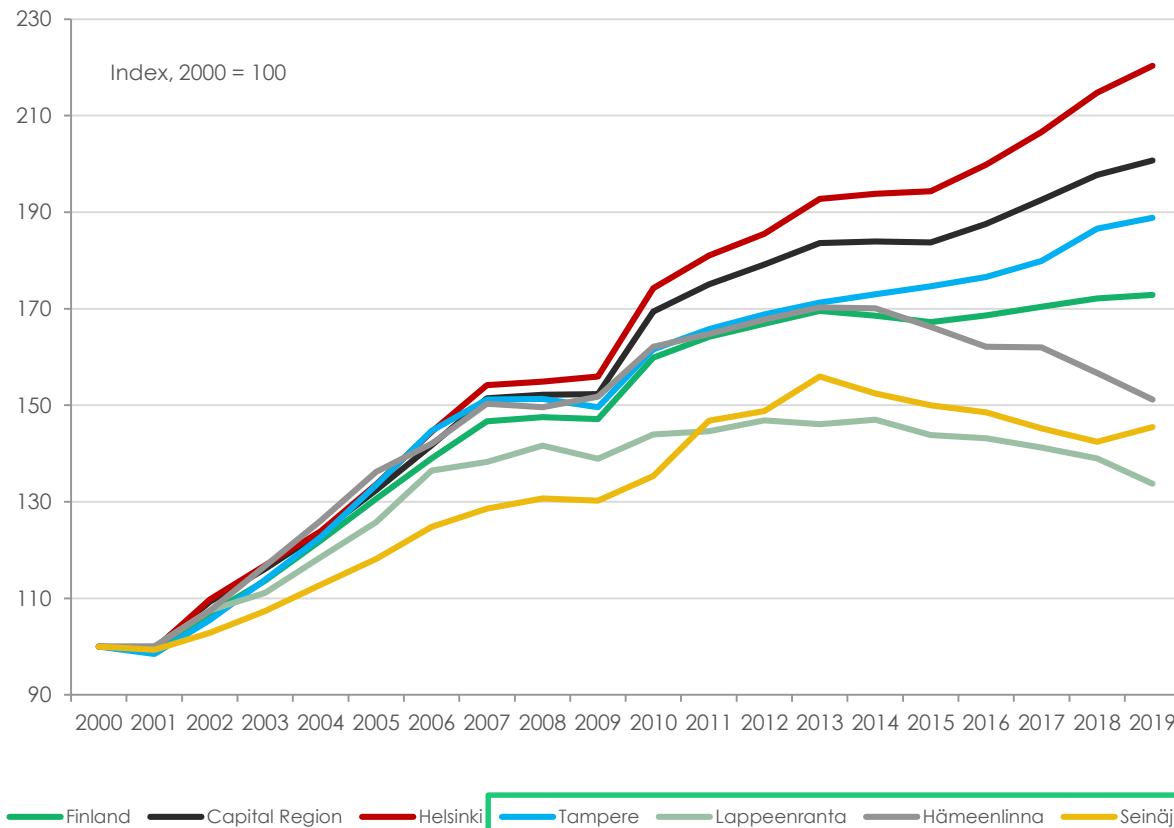
House prices deflated by CPI (real price index), 2007 = 100



- Nominal house prices in Finland have been relatively stable over the past years. When deflated by the CPI, the story is similar due to low inflation.
- There are no signs of overheating in Finland when compared to the other Nordic countries.
- However, it is good to note that the Finnish house price development is characterized by regional differences with prices in the capital region at a notably higher level than in the other local markets.

# Local housing markets in Finland

## Nominal house prices, 2000 = 100



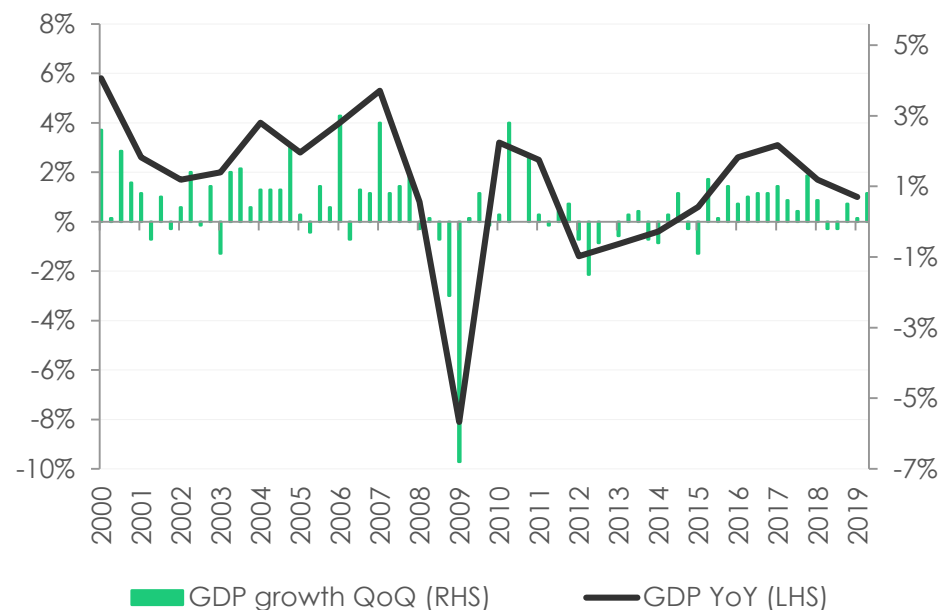
- The housing market in Finland has remained active and supported especially by low interest rate environment. Recent economic growth has allowed house prices to return to an increasing trend.
- Price levels in the local housing markets where OmaSp operates have developed more modestly than in the Helsinki region.
- **House prices are also reasonable when compared to disposable income of households – especially outside of the Helsinki capital region.**

Main cities where OmaSp operates

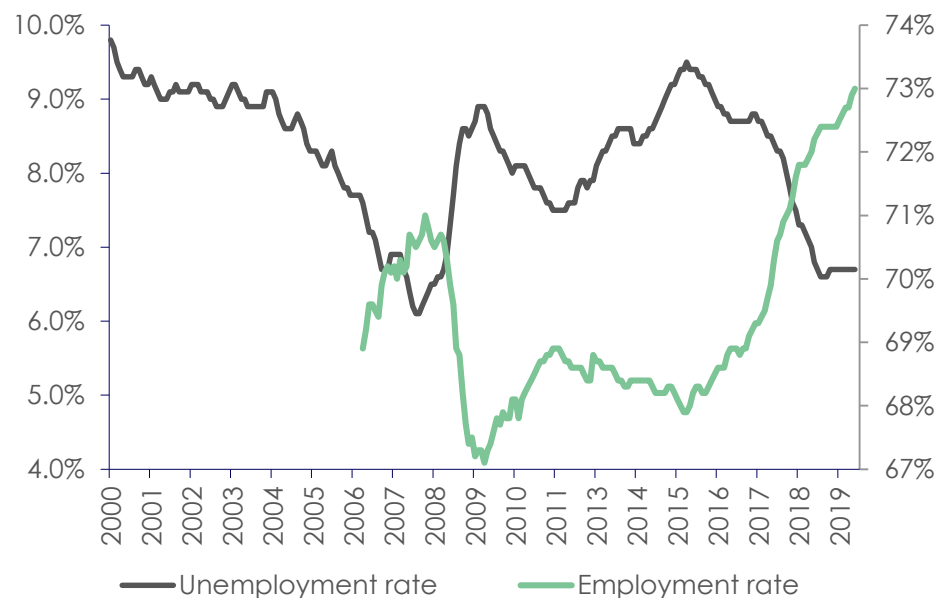
Data includes terraced houses and flats, excluding single family detached houses

# Finnish economy still growing at a healthy pace with employment rising

## GDP growth



## Unemployment & employment rate



- The GDP development in Finland has stabilised to a healthy level of growth.
- In 2020, 2021 and 2022, the Ministry of Finance of Finland estimates the GDP to grow by 1.0%, 1.1% and 1.2%, respectively.
- The unemployment rate has trended down strongly since 2015, and employment rate has been on a very strong path.

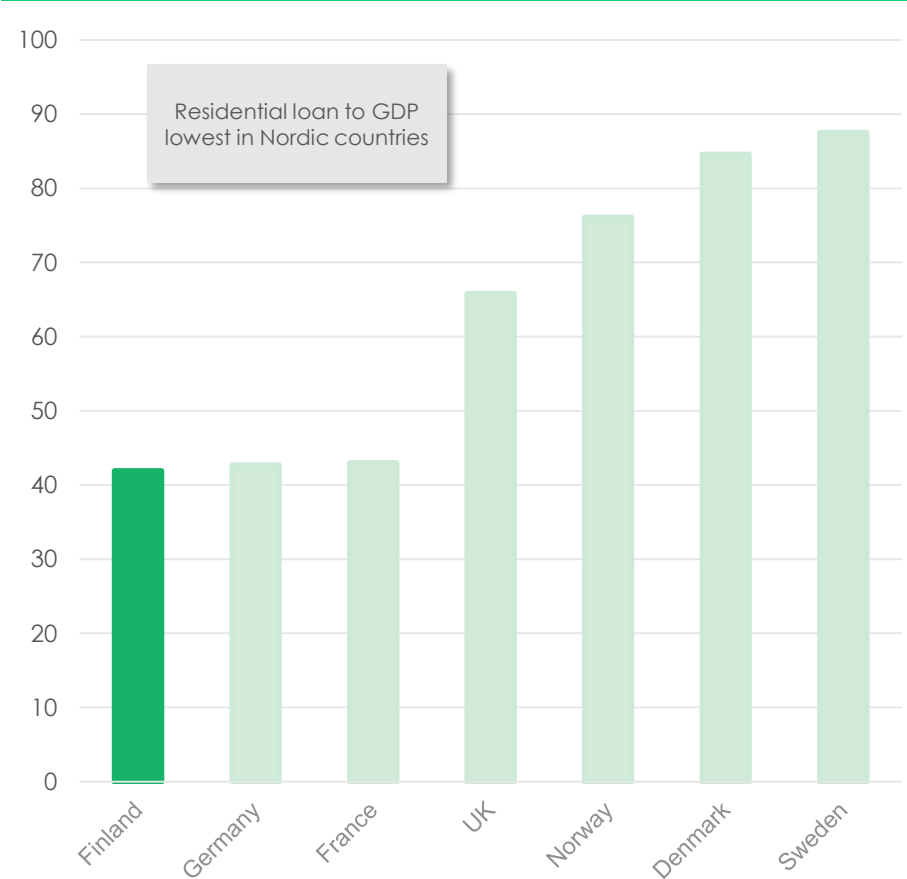
# Loan costs and indebtedness are low in the Finnish housing market

Interest rates on new residential loans, annual average



Source: ECBC 2019

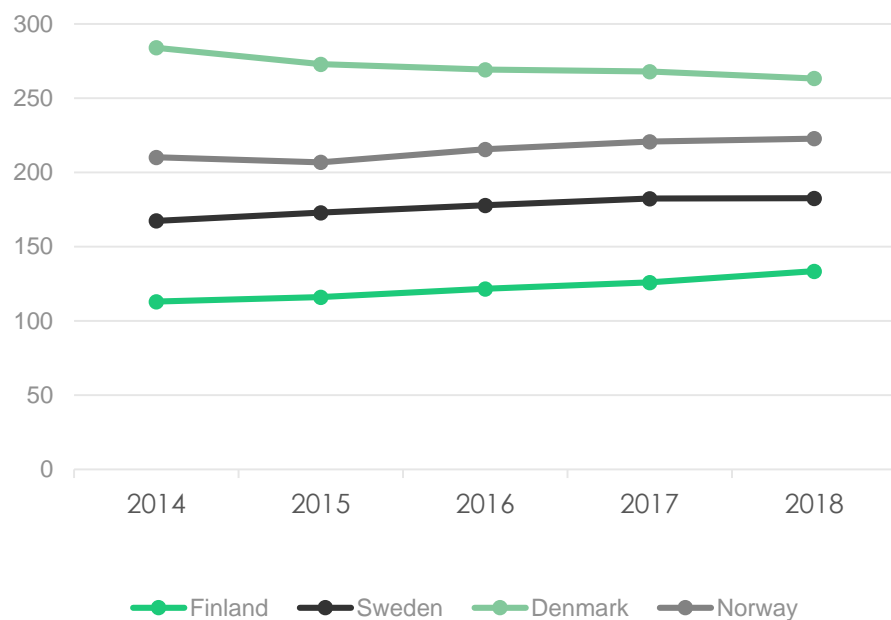
Total outstanding residential loans to GDP ratio



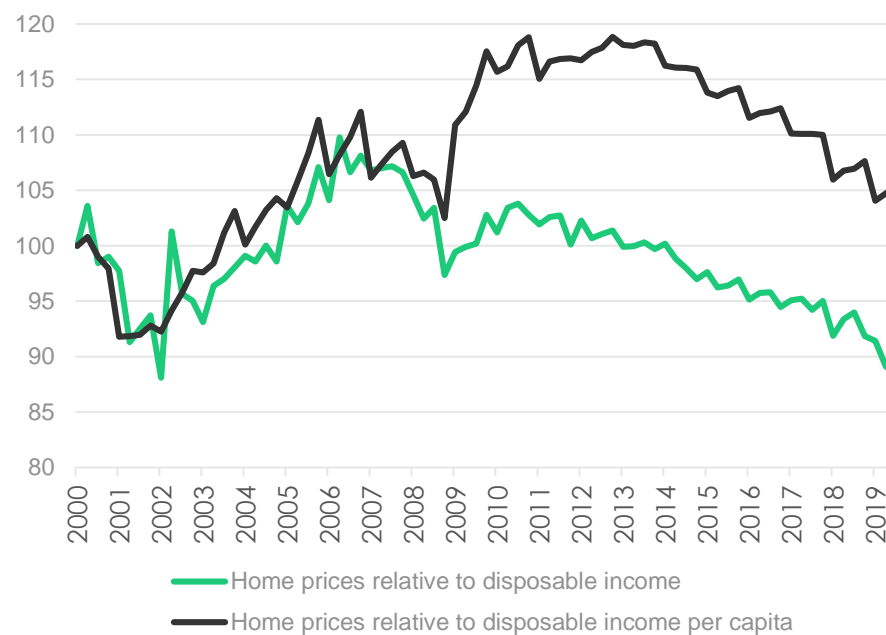
Source: EMF HYPOSTAT 2019

# Households holding low leverage in relation to disposable income

## Household debt as % of net disposable income



## Finnish home prices relative to income, 2000=100



- Finnish household debt is the lowest among its Nordic peers, standing at 134% of disposable income at the end of 2018
- The housing market has become more affordable in Finland since 2010 when taking disposable income into consideration. Regional differences exist between the Helsinki capital region and the areas outside of the capital.

The background is a solid green color. A large, semi-transparent white circle is centered on the page. To the left and right of this central circle are horizontal rows of white circles of varying sizes, some solid and some semi-transparent, creating a decorative border effect.

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Planned Transaction  
&  
Contact Details



## Indicative terms of the planned transaction

|                               |   |
|-------------------------------|---|
| <b>Issuer</b>                 | Oma Säästöpankki Oyj (Bloomberg: OMASST)  |
| <b>Issue Type</b>             | Finnish Covered Bond  |
| <b>Collateral Type</b>        | Finnish residential mortgages   |
| <b>Expected Issue Rating</b>  | AAA (S&P)   |
| <b>Maturity</b>               | [Intermediate tenor] (soft bullet)  |
| <b>Size</b>                   | Sub-benchmark (LCR 2A compliant)  |
| <b>Coupon</b>                 | Fixed rate, annual  |
| <b>Documentation</b>          | The Issuer's Programme for the Issuance of Senior Unsecured Notes and Covered Bonds dated [] March 2020   |
| <b>Law</b>                    | Finnish Law   |
| <b>Listing</b>                | Helsinki Stock Exchange   |
| <b>Denominations</b>          | EUR 100,000 + 100,000   |
| <b>Clearing</b>               | Euroclear Finland (Infinity)  |
| <b>MiFID II target market</b> | MiFID II professionals/ECPs-only (all distribution channels). No PRIIPs key information document (KID) will be prepared as not available to retail in EEA or United Kingdom |
| <b>Lead Managers</b>          | LBBW, Nordea, SEB   |

## Contact details

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<http://www.omasp.fi/investor-relations>

The background is a solid green color. It features a large, semi-transparent white circle in the center. Surrounding this central circle are various patterns of white and light green circles and dots of different sizes, arranged in horizontal rows on the left and right sides.

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Appendix

# Oma Savings Bank Group's key financials

| The Group's key figures (1000 euros)   | 01-12/2019* | 01-12/2018 | 01-12/2017 |
|--|-------------|------------|------------|
| Net interest income  | 57,522      | 49,351     | 39,317     |
| Total operating income   | 92,573      | 75,958     | 74,091     |
| Total operating expenses   | 50,309      | 47,237     | 41,112     |
| <sup>1)</sup> Cost/income ratio, %   | 54.40%      | 62.20%     | 55.50%     |
| Impairment losses on financial assets, net                                       | -9,567      | -3,746     | -2,600     |
| Profit before taxes  | 32,684      | 24,976     | 30,379     |
| Profit/loss for the accounting period  | 27,453      | 20,322     | 24,087     |
| Balance sheet total  | 3,416,530   | 2,914,661  | 2,726,567  |
| Equity   | 319,865     | 290,330    | 241,484    |
| <sup>1)</sup> Return on assets (ROA) %   | 0.90%       | 0.70%      | 1.00%      |
| <sup>1)</sup> Return on equity (ROE) %   | 9.00%       | 7.60%      | 10.40%     |
| <sup>1)</sup> Earnings per share (EPS), euro                                     | 0.93        | 0.78       | 0.98       |
| <sup>1)</sup> Equity ratio %   | 9.4%        | 10.0%      | 8.9%       |
| <sup>1)</sup> Total capital (TC) ratio %   | 17.3%       | 19.3%      | 18.9%      |
| <sup>1)</sup> (CET1) capital ratio %   | 16.8%       | 18.4%      | 17.6%      |
| <b>Alternative performance measures<br/>excl. items affecting comparability:</b> |             |            |            |
| <sup>1)</sup> Comparable profit before taxes                                     | 28,045      | 26,210     | 19,599     |
| <sup>1)</sup> Comparable cost-to-income ratio                                    | 56.7%       | 61.1%      | 64.9%      |
| <sup>1)</sup> Comparable earnings per share (EPS), euro                          | 0.76        | 0.82       | 0.63       |
| <sup>1)</sup> Comparable return on equity (ROE) %                                | 7.4%        | 8.0%       | 6.7%       |

<sup>1)</sup> The calculation principles of the key figures and alternative key figures are presented in note G15 of the financial statements.

# Income statement

| In EUR thousands   | 2019*          | 2018           |
|--|----------------|----------------|
| Interest income  | 63,351         | 55,949         |
| Interest expenses  | -5,828         | -6,599         |
| Net interest income  | 57,522         | 49,351         |
| Fee and commission income and expenses, net                          | 29,981         | 24,158         |
| Net income on financial assets and financial liabilities             | 7,518          | 556            |
| Other operating income   | 2,118          | 1,893          |
| <b>TOTAL INCOME</b>  | <b>92,573</b>  | <b>75,958</b>  |
| Personnel expenses   | -17,070        | -16,321        |
| Other operating expenses   | -28,191        | -28,128        |
| Depreciation and impairment losses on tangible and intangible assets | -5,047         | - 2,788        |
| <b>TOTAL EXPENSES</b>  | <b>-50,309</b> | <b>-47,237</b> |
| Impairment losses on loans and other receivables, net                | -9,567         | - 3,746        |
| Share of profit from joint ventures and associated companies         | -13            | -              |
| <b>PROFIT BEFORE TAXES</b>   | <b>32,684</b>  | <b>24,976</b>  |
| Income taxes   | -5,231         | - 4,653        |
| <b>PROFIT (LOSS) FOR THE ACCOUNTING PERIOD</b>                       | <b>27,453</b>  | <b>20,322</b>  |

# Balance sheet

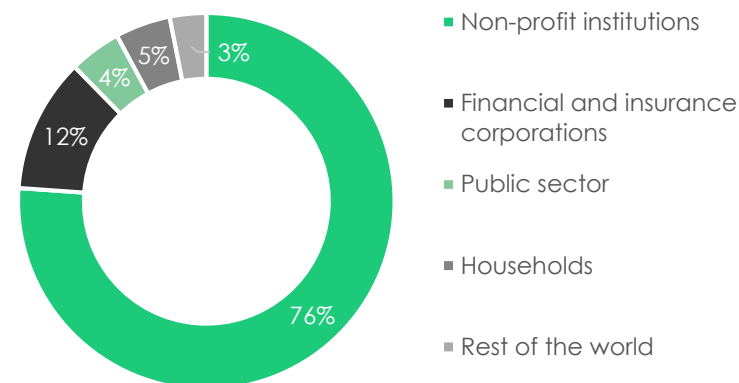
| ASSETS (in EUR thousand)                              | 31.12.2019*      |
|---|------------------|
| Cash & cash equivalents                               | 6,626            |
| Financial assets at fair value through profit impact  | 0                |
| Loans & advances to the credit unions                 | 60,005           |
| Loans & advances to the public and general government | 2,960,356        |
| Financial derivatives                                 | 5,634            |
| Investment assets                                     | 329,977          |
| Shares of companies consolidated by the equity method | 5,666            |
| Intangible assets                                     | 9,259            |
| Tangible assets                                       | 25,325           |
| Other assets  | 11,827           |
| Deferred tax assets                                   | 1,814            |
| Income tax assets                                     | 41               |
| <b>TOTAL ASSETS</b>                                   | <b>3,416,530</b> |

| LIABILITIES AND EQUITY (in EUR thousand)         | 31.12.2019*      |
|--|------------------|
| Liabilities to credit institutions               | 88,045           |
| Liabilities to the public and general government | 2,005,573        |
| Debt securities issued to the public             | 938,348          |
| Subordinated liabilities                         | 15,500           |
| Provisions and other liabilities                 | 24,622           |
| Deferred tax liabilities                         | 24,578           |
| <b>Total liabilities</b>                         | <b>3,096,665</b> |
| Share capital                                    | 24,000           |
| Reserves   | 145,934          |
| Retained earnings                                | 149,332          |
| Non-controlling owners                           | 598              |
| <b>Total equity</b>                              | <b>319,865</b>   |
| <b>TOTAL LIABILITIES AND EQUITY</b>              | <b>3,416,530</b> |

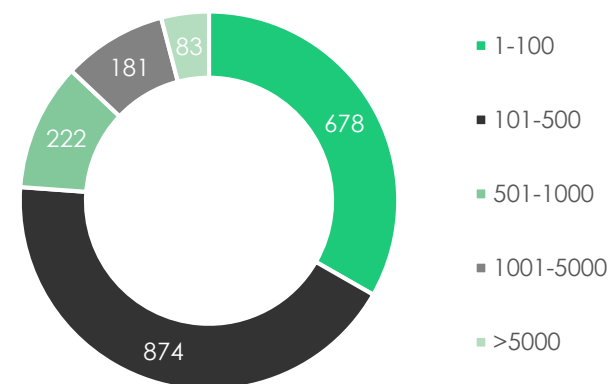
# Ownership structure (as of 29 February 2020)

| Shareholder                       | Shares            | %             |
|-----------------------------------|-------------------|---------------|
| Etelä-Karjalan Säästöpankkisäätiö | 10,526,779        | 35.6%         |
| Parkanon Säästöpankkisäätiö       | 3,400,000         | 11.5%         |
| Töysän Säästöpankkisäätiö         | 3,000,000         | 10.1%         |
| Kuortaneen Säästöpankkisäätiö     | 2,000,000         | 6.8%          |
| Hauhon Säästöpankkisäätiö         | 1,680,000         | 5.7%          |
| Rengon Säästöpankkisäätiö         | 1,120,000         | 3.8%          |
| Suodenniemen Säästöpankkisäätiö   | 800,000           | 2.7%          |
| Elo Pension Company               | 788,405           | 2.7%          |
| Joroisten Oma Osuuskunta          | 689,150           | 2.3%          |
| Pyhäselän Oma Osuuskunta          | 623,850           | 2.1%          |
| <b>Total, 10 largest owners</b>   | <b>24,628,184</b> | <b>83.2%</b>  |
| Nominee-registered shares         | 1,281,559         | 4.33%         |
| <b>Number of shares</b>           | <b>29,596,700</b> | <b>100.0%</b> |
| Number of shareholders            | 2,036             |               |

## Ownership by type



## # of shareholders by number of shares held



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