omasp

Annual Report

2020

Contents

The Annual Report 2020 is a translation of the original Finnish version "Vuosikertomus 2020".
If discrepancies occur, the Finnish version is dominant.

omaSp Annual Report **2020**

A memorable year 2020

Rapid growth of the business continued and the profit rose to a new record level

The positive development of the business continued to be excellent throughout the year, and new customer relationships were created at their best in well over a thousand a month. We monitored closely the development of corona pandemic and made the necessary changes to our operating models. Despite exceptional times, we have been able to guarantee customers safe banking in their chosen service channel. Both main sources of income, net interest income and fee and commission income, continued strong growth.

Mortgages
+19%
We made mortgages over 4 times the market rate

During 2020, operating income increased by as much as 20% and at the same time expenses remained under control. In terms of the cost/income ratio, which describes the efficiency of banking operations, we achieved an excellent level of 46.6%. For the first time, the balance sheet total exceeded the EUR 4 billion threshold, ending at EUR 4.4 billion. The balance sheet grew by a record EUR 965 million during the financial year. The profit before taxes for January-December increased by 15% to EUR 37.7 million.

The quality of the loan portfolio has remained at a good level. We have also been prepared for the possible effects of the corona pandemic and increased the loss allowance based on management's judgement in the fourth quarter to EUR 4.4 million. The allowance is fully available.

We support our customers success

During the year, we issued two EUR 250 million bonds and a EUR 55 million senior and unsecured bond, with which we ensured our ability to meet the increased demand of our customers.

Net interest income

+18%

Fee and commission income

+15%

We signed an extension on a guarantee agreement with the European Investment Fund (EIF) worth EUR 75 million. With the co-operation programme we can ease Finnish SMEs' access to credit and encourage investing. New financing can be offered for investments made in the initial stages of an SME and for boosting current operations and implementing new projects. Moreover, we started up national collaboration with the Finnish Enterprise Agencies. Through the collaboration, we give our support to Finnish entrepreneurs.

We responded to customers' wishes with new launches and we introduced new payment services for our customers during the autumn. Among other things, we responded to the needs of entrepreneurs by launching a diversified corporate card that will contribute to growth in the corporate business.

Our bank's competitiveness is based on excellent customer experience and the skills of our personnel. According to the results of the annual personnel survey, the overall satisfaction of our personnel has reached a record high level. The customer survey results highlighted first-class service experience and high levels of satisfaction with their own contact person, among other things.

Positive outlook for 2021

We will be able to start the new financial year again from an excellent starting point. Merger negotiations with Eurajoen and Mietoinen Savings Banks, which started at the end of the year, are progressing as planned. The changing operating environment in the financial sector and evolving technology offer our bank many interesting opportunities.

Main sources of income, net interest income and fee and commission income, continued strong growth

Our strategy relies on profitable growth, a straightforward business model and effective risk management. In these extraordinary times, the social importance of the bank is underlined and a strong financialposition ensures our ability to be there for our customers. Flexible operating models allow us to develop our business and make strong performance even in a changing operating environment.

Warm thanks to customers, personnel, owners and partners for 2020!

Pasi Sydänlammi
CEO

Investor information

Calendar 2021

30 March	Annual General Meeting 2021
3 May	Interim Report January–March 2021
2 August	Interim Report January–June 2021
1 November	Interim Report January–September 2021

Capital and Risk Management Report 2020

Oma Savings Bank Plc's internal control, risk management and risks are described in more detail in the Capital and Risk Management Report 2020, published as a separate report. The report is available on the company's website **www.omasp.fi/investors**

Share Register

The shares of Oma Savings Bank Plc are maintained by Euroclear Finland Oy. Issues relating to share information are managed by Oma Savings Bank Plc Helena Juutilainen, Chief Legal Officer, phone +358 40 580 6401.

Annual General Meeting 2021

Oma Savings Bank Plc's Annual General Meeting will be held on Tuesday 30 March 2021 at 13 pm Finnish time at Oma Savings Bank Plc's Helsinki branch office (Kluuvikatu 3, 7th floor).

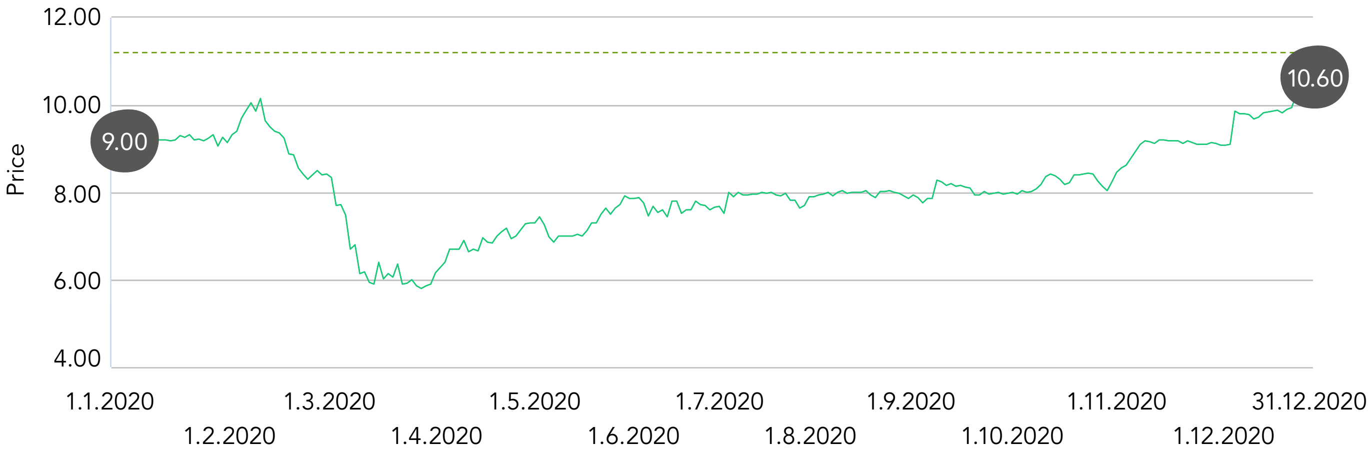
Shareholders of the company and their representatives may attend the meeting and exercise their shareholders rights only by voting in advance and by submitting counterproposals and questions in advance. **It is not possible to attend the Annual General Meeting in person at the meeting place.**

Shareholder, who is registered in the company's register of shareholder maintained by Euroclear Finland Ltd as at 18 March 2021, has the right to participate in the Annual General Meeting. A shareholder, whose shares are registered in his/her personal Finnish book-entry account, is registered in the shareholder's register of the company.

More detailed registration and voting instructions for the Annual General Meeting can be found on the company's website sijoittaminen.omasp.fi/en/general-meeting-2021

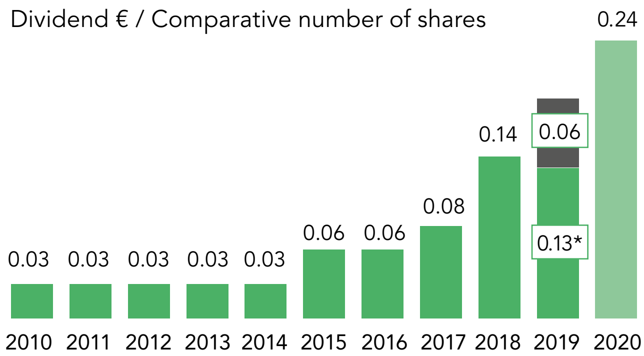
Oma Savings Bank follows the official instructions in all arrangements and updates the intructions for the Annual General Meeting if the situation so requires. Participants in the Annual General Meeting are asked to follow the company's website **sijoittaminen.omasp.fi/en/general-meeting-2021** for any additional intructions or changes.

Rate development of Oma Savings Bank share 1 January 2020 – 31 December 2020



Development of Oma Savings Bank dividend

Dividend € / Comparative number of shares

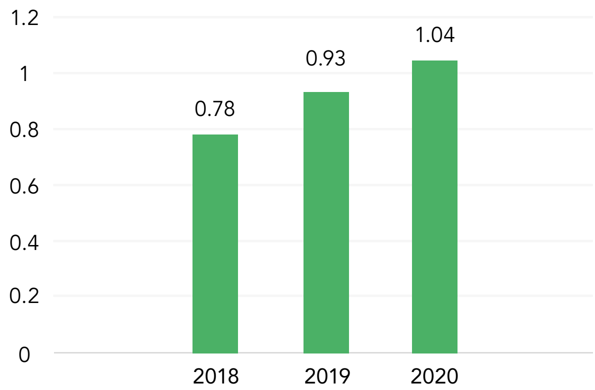


* Maximum amount in accordance with the recommendation of FIN-FSA related to profit-sharing restrictions

■ Unallocated share due to the 2019 profit-sharing restrictions

■ Board's proposal to the Annual General Meeting € / dividend

Earnings per share of Oma Savings Bank (EPS)



Number of shares outstanding changed following the listing (pcs) in **2018** 25,822,093, in **2019** 29,585,000, in **2020** 29,585,000

Financial goals

10–15%

Growth

10–15% annual growth in total operating income under the current market conditions (actual figure for 2020 20%)

>10%

Return on equity (ROE)

Long-term return on equity (ROE) over **10%** (actual figure for 2020 9.1%)

<55%

Profitability

Cost/income ratio less than **55%** (actual figure for 2020 46.6%)

14%

Capital adequacy

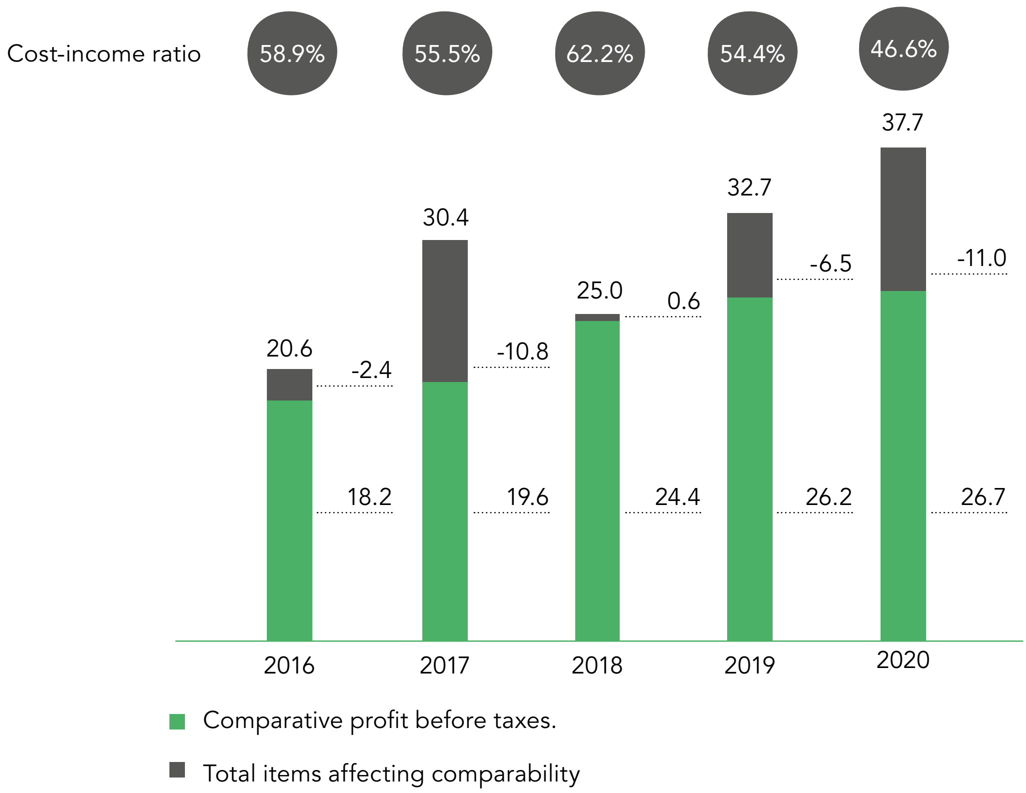
Common equity tier 1 capital (CET1) at least **14%** (actual figure for 2020 15.9%)

Key figures

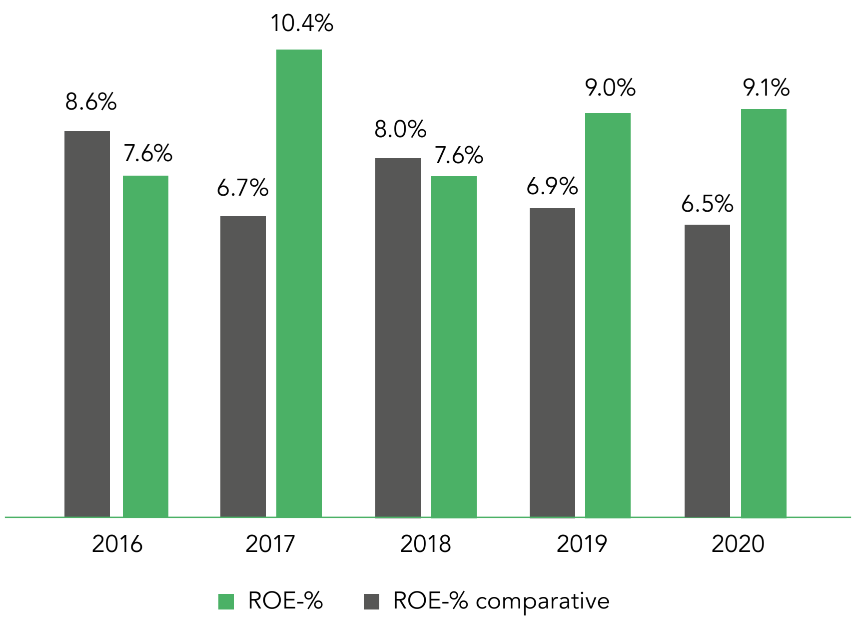
Total operating income **111.1** EUR mill. Accounting period 1–12/2020	Profit before taxes **37.7** EUR mill. Accounting period 1–12/2020	Comparative profit before taxes **26.7** EUR mill. Accounting period 1–12/2020
Cost/income ratio **46.6%** Accounting period 1–12/2020	Balance sheet total **4,382** EUR mill. Accounting period 1–12/2020	Number of employees **299** Average, accounting period 1–12/2020
Employee satisfaction **4.4/5** Satisfaction in the company as a whole 12/2020 personnel survey.	Customers **140,000** Private customers 83%, corporate customers 17%.	Customer satisfaction **4.3/5** Satisfaction in the company as a whole. Parasta Palvelua 12/2020 survey.

A profitably growing Finnish bank

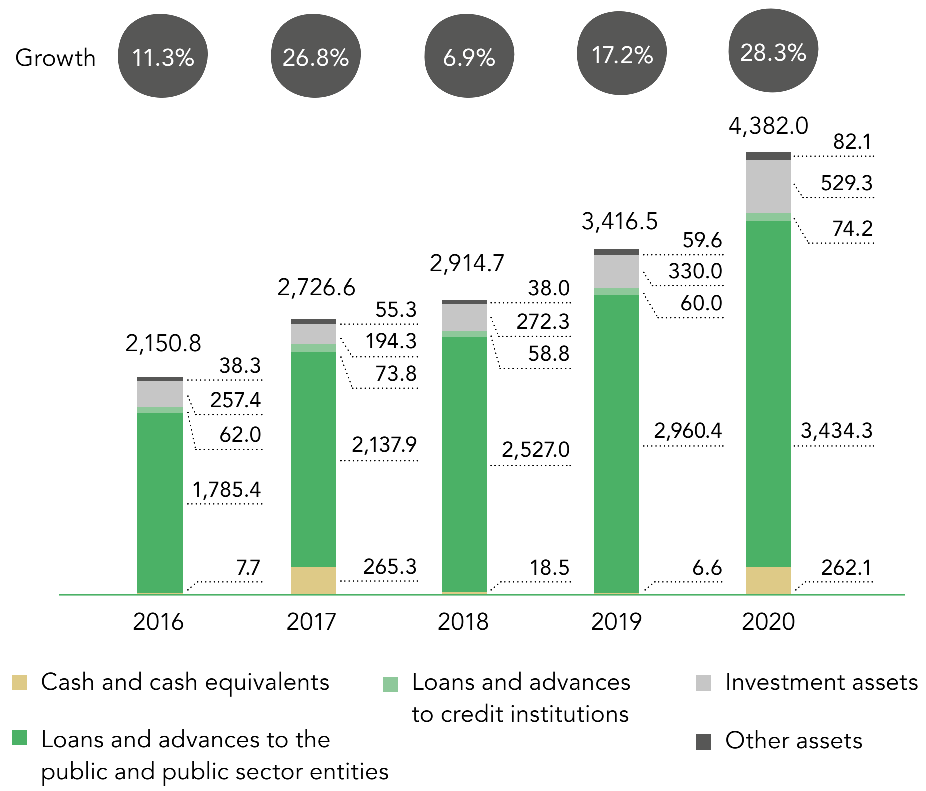
Profit before taxes, EUR mill.



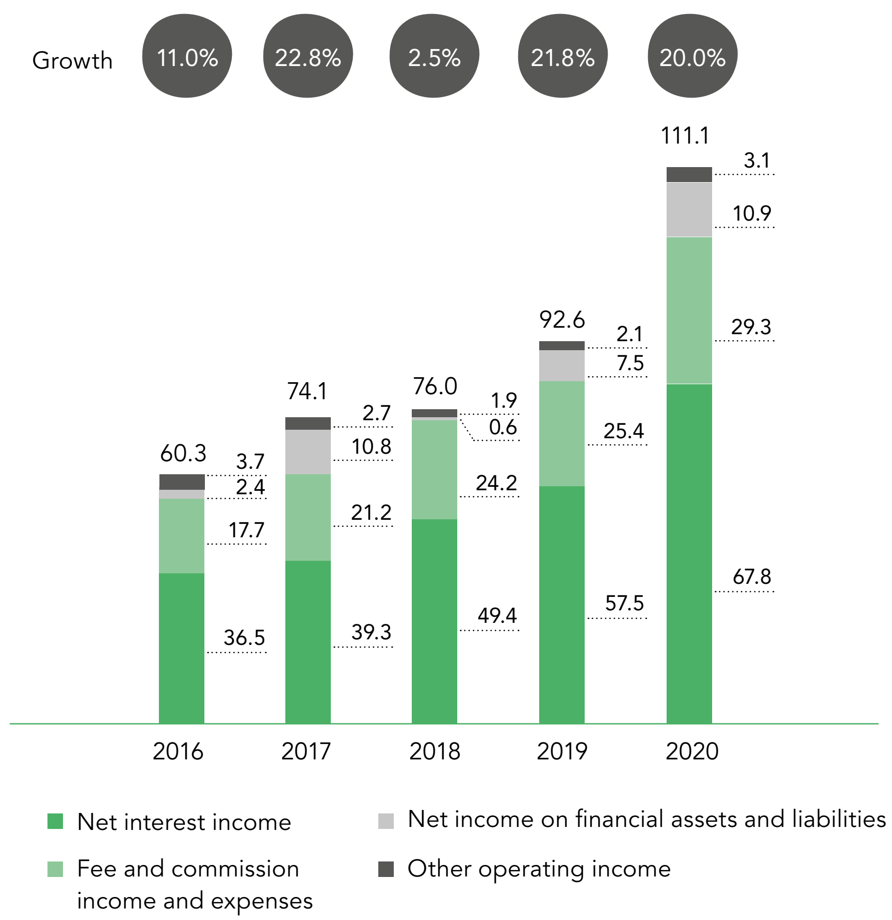
Return on equity (ROE) %



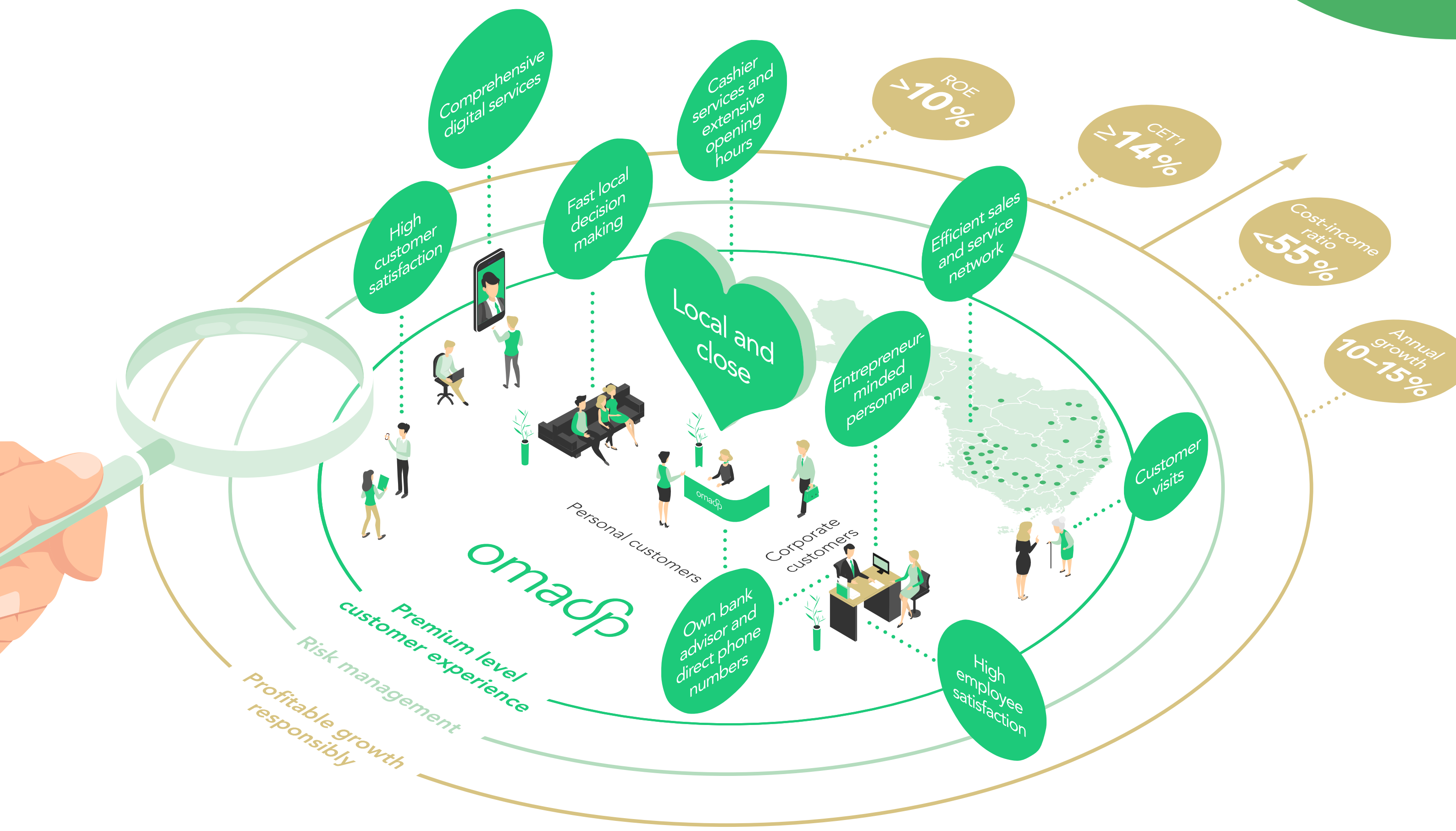
Balance sheet total, EUR mill.



Total operating income, EUR mill.



At the heart of the strategy



1

High quality customer experience

Local and close.
Highest customer satisfaction
and referral rate in the industry.

2

We control risks

Credit policy, financial soundness,
solvency and systematic risk
management processes.

3

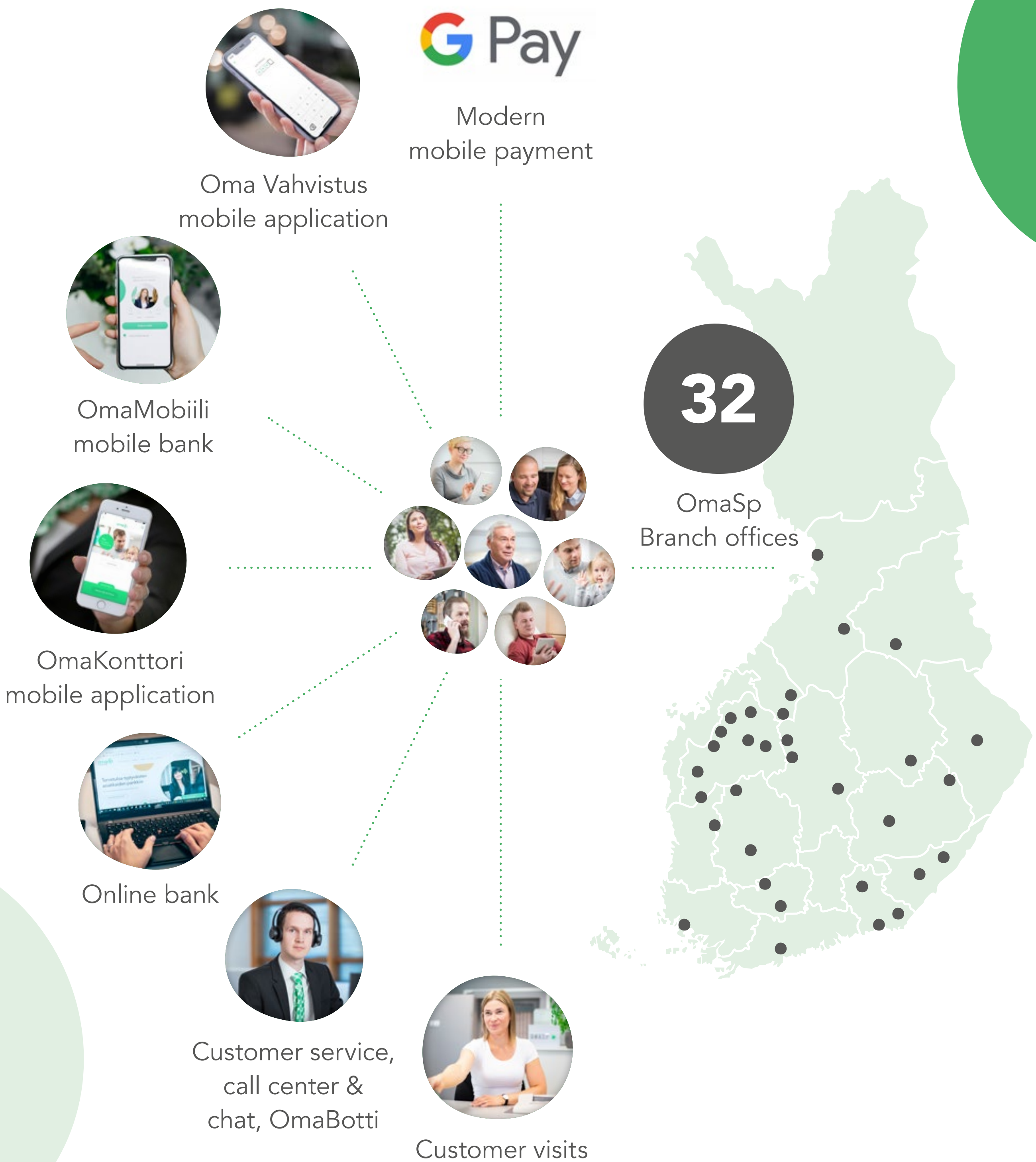
We grow profitably

Excellent, flexible customer service
and efficiency in all operations.

We grow profitably by providing comprehensive banking services and the best customer service in the industry with cost-effectiveness and managing the risks.

Efficient sales and service network

Our goal is to offer the best local banking services – close to you. Our goal is to offer a high-quality service experience and the best customer satisfaction in the sector.

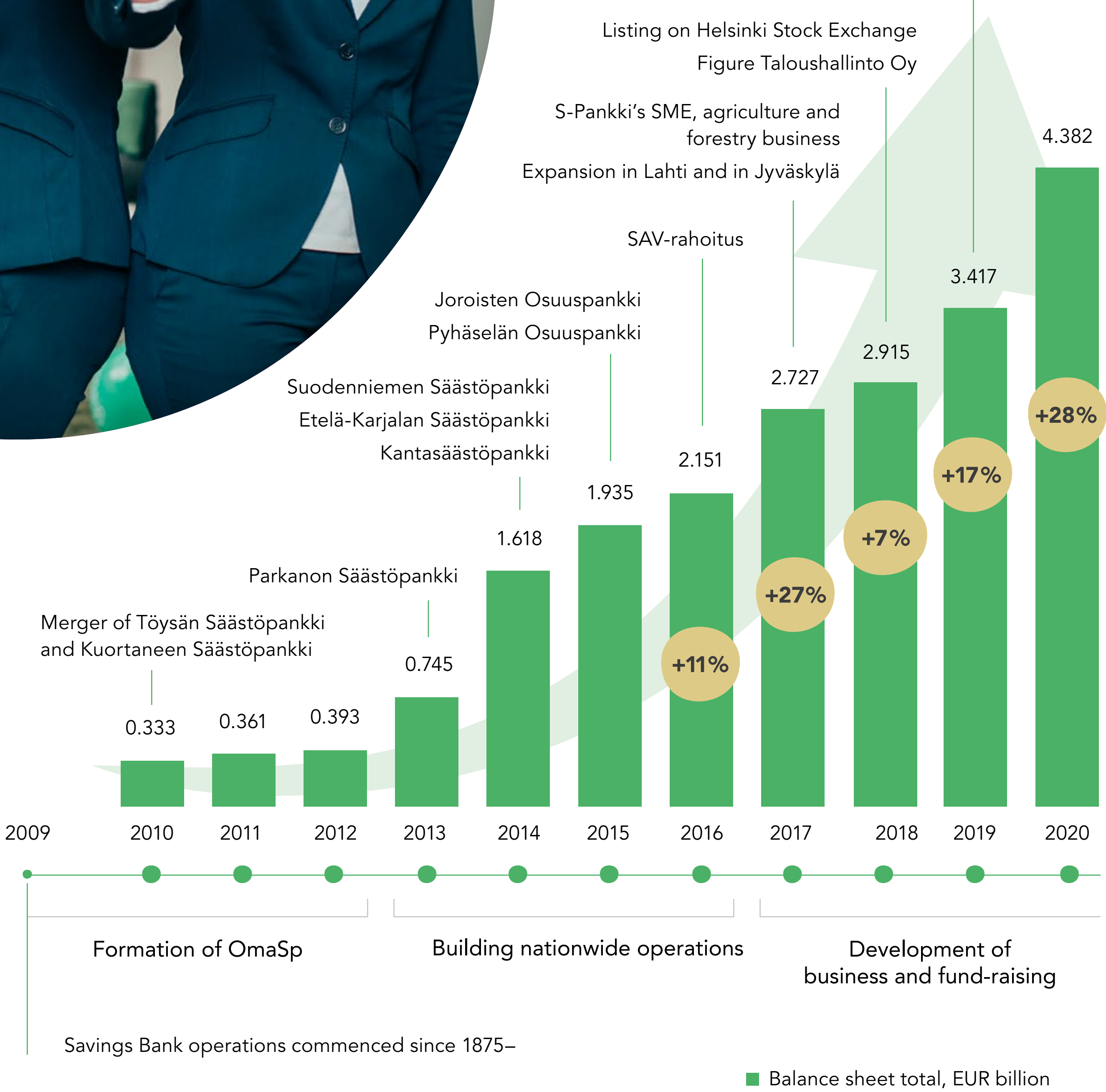


Comprehensive banking services

At the heart of the service are daily banking services and lending designed for private and corporate customers. We also offer financing, savings, investment services and legal advisory services.

Services for private customers		Services for corporate customers
Accounts, payment cards, cashier and payment services, and comprehensive digital services.	Daily banking	Corporate accounts, payment, invoice and payment transaction services, money services, Corporate Netbank and other digital trading services.
A broad selection of loans from home loans to consumer credit and payment cards with credit facilities. Guarantee solutions also in collaboration with partners.	Loans, financing and lending	Extensive financial services for financing business and investments, bank guarantees and from the cooperation network Trade Finance.
An extensive range of savings products from savings accounts to ASP accounts and time deposits, basket equity linked deposits and different types of savings insurance. Shares, funds and asset management together with Sp-Fund Management Company and Sp-Life Insurance.	Saving, investments and asset management	An extensive range of savings products from savings accounts to time deposits, basket equity linked deposits and different types of savings insurance. Capital redemption contracts and capital redemption operations together with Sp-Life Insurance.
Mortgages and consumer credit, together with AXA and Insurance Company Garantia and Sp-Life Insurance.	Loan insurance	To reduce the company's personnel risks.
Inheritance and family-related legal matters.	Legal advisory services	For example establishing a company, taxation and generational handovers.

From a local savings bank to the fastest growing bank in the Nordic countries



Oma Savings Bank's personal service impress

The accounting firm Tilitoimisto Heidi Poutiainen Oy from Lappeenranta joined Oma Savings Bank as a customer in May 2019. The accounting firm was impressed by OmaSp's personal service, speed of operation and flexibility, and they recommend Oma Savings Bank to their customers as well.

Heini Erinko, CEO of Tilitoimisto Heidi Poutiainen Oy, says she had mortgage negotiations under way with another bank, but it was taking a long time to get a loan decision.

"At the same time, I received an invitation to go and visit Oma Savings Bank. I told them about my problem and the result was that we got the loan and decided that both the private and corporate accounts would transfer to Oma Savings Bank," recalls Erinko.

Satisfaction with their own contact person

4.7/5*

*OmaSp Parasta Palvelua 12/2020 survey

Quick service makes work easier

Erinko points out Oma Savings Bank's personal service, time and time again. It has made an impression on her.

"It's an important issue for us and of course for our customers. We have recommended Oma Savings Bank to customers thinking about changing banks," Erinko says.

The bank accounts and daily financial transactions of Tilitoimisto Heidi Poutiainen Oy are managed through Oma Savings Bank.

"Of course, in this job, you usually want answers quickly, so it makes the job a lot easier when you can ask a certain person and get a fast response," Erinko continues.

"Oma Savings Bank deserves a big hand"

The accounting firm has its own contact person at the bank, which makes it easier to take care of matters because they are familiar with the company.

"The service has been really commendable. We have had no trouble making appointments, the service is friendly, and things have been handled well. Oma Savings Bank deserves a big hand for that," Erinko sums up.

Oma Savings Bank helps AuKon Service to grow

AuKon Service is an industrial automation professional. Its operations are growing all the time, and over the past three years, the company's revenue has grown 2.5-fold. This growth has been made possible by the local Oma Savings Bank.

Aukon Service's 250-square-metre assembly hall is located in southern Ostrobothnia in Kurikka's Jalasjärvi.

"We carry out industrial equipment manufacturing and industrial automation," says **Hermanni Takala**, the company's CEO.

Fast service

The co-operation between Oma Savings Bank and AuKon Service began when AuKon Service's previous provider of banking services ceased operations in Jalasjärvi. AuKon Service values a local presence and personal service and wanted to remain a customer of the local bank to make things easier to run.

"Our company's financial affairs are managed through OmaSp and everything has worked out just fine. When we need funding and we get in touch with them, we get an appointment quickly and get to discuss the matter. So far, we've always got the funding we asked for," Takala says with a smile.

"The branch manager takes up the matter here and then takes it forward. We usually need the funding at short notice. I'm not talking about three months, for example, but a month or two weeks. Things always get done. We get a call from them to come and sign the papers; everything is sorted," Takala says gratefully.

Overall satisfaction

4.3/5*

*OmaSp Parasta Palvelua 12/2020 survey

"We don't want to visit some far-off bank"

With regard to Oma Savings Bank, Takala particularly appreciates the fact that the company has a personal approach. He wants to discuss things face to face, and with a local player, this is easily done.

"As a small business owner, I deal with a lot of people face to face. Also, what's really nice with these kinds of business-enabling players – like banks – is that you can talk about things one on one," Takala says.

"If we have any business with a bank, then we want it to be nearby. We don't want to visit some far-off bank," Takala sums up.

Satisfaction with their own contact person

4.7/5*

*OmaSp Parasta Palvelua 12/2020 survey

OmaSp's service impresses the Kouvola Adult Education Foundation

The Kouvola Adult Education Foundation organises vocational adult education and supporting service, research and work activities in the Kouvola region. The Foundation recently transferred its main banking services to OmaSp and it has not looked back since.

The Kouvola Adult Education Foundation was established in the early 1970s when rising oil prices caused an international economic recession. This also led to a sharp increase in unemployment in Finland, for which purpose a new kind of foundation was created. Although times have changed, the ultimate purpose of the organisation has been preserved.

"Today, our roots still lie in a variety of labour training, but of course we offer an extensive variety of adult education," says Leena Kaivoja, CEO and Principal of the Kouvola Adult Education Foundation.

A choice that offers clear advantages

When asked why they chose OmaSp, Kaivoja does not need to think about the answer for very long.

"We felt that our service needs were being listened to. We get the kind of customer-oriented service from them that we are looking for," Kaivoja reveals.

"We have quite a few dealings with the bank. For my part, I can say that OmaSp has handled everything really well. They have been able to serve us at the level of expertise we have needed."

Personal contact ensures top-notch customer experience

The Kouvola Adult Education Foundation has been particularly pleased with the personal service advisor provided by OmaSp.

"The advisor knows us and our business. That makes things easier and faster. With OmaSp, we have felt that we are an important customer for them, and not just any old customer," Kaivoja says.

"Now that a few months have passed since this change, we can say that we are really pleased with the decision. The move happened quickly and painlessly from our perspective. Everything has worked at least as well as promised at the beginning," she concludes.

Co-operation between SHG and OmaSp based on shared values

The co-operation between Suur-Helsingin Golf and OmaSp began in early 2019, when all banking services were transferred to OmaSp. OmaSp is a like-minded partner for Suur-Helsingin Golf, and they share the same operating values.

Suur-Helsingin Golf, more commonly known as SHG, has two 18-hole golf courses, Luukki and Lakisto. The indoor practice range in Vantaankoski offers players the opportunity to golf year-round.

"It's going to be an incredible year for us both financially and in terms of the game. The number of our players has increased by about 40% over the course of this year," says Jarkko Raski, CEO of SHG.

Linked by shared values

SHG switched all of its banking services over to OmaSp from the beginning of 2019.

"We had a need to find a like-minded collaborator with whom we could share the same values. We synched really well with OmaSp right from the start," Raski recalls.

"We both want to commit to long-term customer relationships. Green values are at the core of OmaSp's operations. Their slogan 'Local and close to the customer' also reflects our own customer promise and how we want our customers to be treated," Raski continues.

Overall satisfaction

4.3/5*

*OmaSp Parasta Palvelua 12/2020 survey

Long-term partnership builds trust

At the beginning of the collaboration, Raski became particularly convinced of OmaSp's service culture. SHG is very pleased at the moment with the speed and ease of service.

"I personally like the idea of knowing who to call when I have a problem. I also know that I can get a solution to a problem quickly," Raski explains.

"In a long-term collaboration model, people also get to know each other. That allows us to build on our mutual trust and let both parties benefit," Raski states.

Overall satisfaction

4.8/5*

*OmaSp personnel survey 12/2020

Employees consider OmaSp's future to be bright

4.8/5*

*OmaSp personnel survey 12/2020

Oma Savings Bank encourages expertise

Oma Savings Bank's operations are growing rapidly. Sarianna Liiri and Mari Moisio, who work in Lappeenranta, explain how the growth is visible to the bank's employees.

Successful investments in digital services and customer experience, among other things, have boosted Oma Savings Bank's customer numbers at a breakneck pace. There are 32 branches and about 300 employees.

"The momentum is huge and we are moving full steam ahead. The tasks are challenging and entail a lot of responsibility," says Moisio, who was the product manager in charge of cards at the time of the interview.

"We have a powerful growth story and it involves many interesting projects. I am particularly motivated by getting involved in development and seeing changes in the operating environment with my own eyes," says CFO Liiri.

Diverse tasks contribute to expertise

Growth creates career opportunities for employees. Moisio is a good example of this. She has been with the bank for four years and has had time to work as a specialist and in product manager positions, and is now starting as a digital services coordinator.

Offering opportunities is an integral part of Oma Savings Bank's corporate culture. Employee expertise is developed and maintained not only through career opportunities, but also with many types of training. Moisio is currently studying in the OmaSp Master training programme, which is implemented in collaboration with the University of Tampere.

"I have been offered excellent development opportunities. We are given the chance to move forward and evolve – if we choose to," Moisio says.

Employees want to commit

Work to achieve growth is carried out intensively and a supportive business culture creates the conditions for growth. At Oma Savings Bank, employees want to be part of the bank's future. The fact that more than half of employees own shares in the bank is proof of this.

"I think this highlights our culture in a concrete way; the fact that this is our own bank. We all have a get-go attitude, a lot happens and we want it to happen," Liiri sums up.

Oma Savings Bank Plc's Board of Directors

The Board of Directors shall represent the bank and direct its activities in accordance with the law and its Articles of Association.

Board of Directors is responsible for the bank's management and for ensuring that the activities are properly organised. The Board of Directors is also responsible for far-reaching operational and strategic policies and for ensuring the adequacy of risk control and the functionality of management systems. The Board is also responsible for appointing the CEO. The Board of Directors shall constitute a quorum when more than half of its members are present.

Board members as of June 15, 2020:

Chairman of the Board	Jarmo Salmi
Vice Chairman of the Board	Jyrki Mäkynen
Member	Aila Hemminki
Member	Aki Jaskari
Member	Timo Kokkala
Member	Heli Korpinen
Member	Jaana Sandström

The assessment of the board members' independence is carried out according to the Financial Supervisory Authority's regulations. When elected, and later on annually, the Board members must provide a report of the communities in which they operate. In addition, the CEO must provide a suitability and reliability report in accordance with the Financial Supervisory Authority's regulations when accepting the position.

Board members

Jarmo Salmi, b. 1963
Chairman of the Board,
Board member since 2014
Master of Laws

Timo Kokkala, b. 1960
Member,
Board member since 2014
Master of Science in Agriculture and Forestry

Jyrki Mäkynen, b. 1964
Vice Chairman of the Board,
Board member since 2009
Master of Science in Economics

Heli Korpinen, b. 1965
Member,
Board member since 2014
Master of Social Sciences

Aila Hemminki, b. 1966
Member,
Board member since 2017
Master of Economic Sciences

Jaana Sandström, b. 1963
Member,
Board member since 2019
Doctor of Science (Technology)

Aki Jaskari, b. 1961
Member,
Board member since 2014
Master of Economic Sciences

Board Committees

Audit Committee

The Board of Directors performs the regulatory duties assigned to the Audit Committee. The Board of Directors has assessed that the creation of a separate audit committee is not necessary at this stage, taking into account the industry.

Remuneration committee

The remuneration committee consists of at least three members, elected annually from amongst and by the Board of Directors. The Board of Directors specifies the tasks of the remuneration committee within the rules of procedure adopted by the Board of Directors. The tasks of the remuneration committee consist of the preparation of the compensation and other economic benefits of the CEO and other management, the preparation of matters relating to the bank's incentive schemes, the evaluation of the CEO's and management's compensation, caring for the appropriateness of the incentive schemes, the preparation of appointment matters in relation to the CEO and other management as well as the surveying of their successors and the development of the remuneration of the personnel and the organisation.

The members of the Remuneration Committee as of June 25 2020:
Jarmo Salmi
Jyrki Mäkynen
Heli Korpinen

The Remuneration Committee met twice during the year.

Nomination Committee

The Nomination Committee's task is to prepare proposals regarding the election of the members of the Board of Directors and their compensations for the next annual general meeting and, if needed, for the next extraordinary general meeting.

The company's five largest shareholders each have the right to appoint one representative to the Nomination Committee. Should a shareholder not wish to use his or her appointment right, the right will be transferred to the next largest shareholder, who otherwise would not have the right to appoint a representative. The largest shareholders are defined in the bank's shareholders' register based on their share of ownership on 1 June preceding the general meeting. The Nomination Committee should give their recommendations regarding the members of the Board of Directors and their respective compensations to the Board of Directors by the end of January preceding the annual general meeting. In the case of an extraordinary general meeting, the Nomination Committee should accordingly give their respective recommendations well in advance before the general meeting, taking into account applicable regulations.

The Chairman of the Board of Directors acts as the convener and attends the meetings of the Nomination Committee as a specialist. The Nomination Committee conducts its tasks in accordance with the rules of procedure adopted by the general meeting.

The members of the Nomination Board are:
Raimo Härmä (Etelä-Karjalan Säästöpankkisäätiö)
Ari Lamminmäki (Parkanon Säästöpankkisäätiö)
Aino Lamminmäki (Töysän Säästöpankkisäätiö)
Jukka Sysilampi (Kuortaneen Säästöpankkisäätiö)
Jukka Kuivaniemi (Hauhon Säästöpankkisäätiö)

The Nomination Committee met once during the year.

Oma Savings Bank Plc's CEO and Management Team

Oma Savings Bank Plc Group's Management team consists of seven members, including the CEO.

The CEO manages and develops the bank's business and is in charge of the day to day administration of the bank in accordance with the instructions of the Board of Directors. The CEO presents matters and reports to the Board of Directors. The CEO carries out the day to day administration in accordance with the instructions of the Board of Directors and is responsible for the appropriate arrangement of the control of accounts and finances.

The assessment of the CEO's independence is carried out according to the Financial Supervisory Authority's regulations. When elected, and later on annually, the CEO must provide a report of the communities in which he/she operates. In addition, the CEO must provide a suitability and reliability report in accordance with the Financial Supervisory Authority's regulations when accepting the position.

The Group's Management team assists the CEO to manage the bank's operational business, each member has its own area of responsibility. The Group's Management team is a decision-making body, assigned to operational management, financial management, ICT operations, business development projects, products and services, communication and risk control-related issues. Management team meet every two weeks by the invitation of the CEO and minutes of meetings are held.

Composition of the Group's Management Team 2020:
Pasi Sydänlammi
Pasi Turtio
Helena Juutilainen
Sarianna Liiri
Ville Rissanen
Minna Sillanpää
Kimmo Tapionsalo

Members of the Group's Management team

Pasi Sydänlammi, b. 1974
CEO
Master of Administrative Sciences, MBA, Harvard Business School Advanced Management Program

Sydänlammi has been the CEO of Oma Savings Bank since 2009. Sydänlammi has served as a representative of Töysän Savings Bank Foundation since 2009 and what before he was the CEO of Töysän Savings Bank 2007–2009. Previously he was the CEO of Lappajärven Osuuspankki 2005–2007, bank manager of Lammin Osuuspankki 2004–2005, Business Development Manager at Savings Banks' Union Coop 2002–2003, management consultant and project manager at Talent Partner Group 2001–2002 and auditor at KPMG Oy Ab 2000–2001.

Helena Juutilainen, b. 1958
Chief Legal Officer
Master of Laws, trained on the bench

Juutilainen has been the Head of Legal of Oma Savings Bank since 2017. Previously she was the legal counsel of Kuntien Tiera Oy 2010–2017 and the legal counsel of Oy Samlink Ab 1998–2010.

Ville Rissanen, b. 1971
Director of Digital Services
Master of Economic Sciences

Rissanen has served as the Head of Digital Services at OmaSp since September 2019. Rissanen has worked as IT Director at Aktia Bank Ltd 2004–2019 and as IT Director at Gyllenberg Private Bank Oy 2001–2004.

Kimmo Tapionsalo, b. 1963
Chief Risk Officer
Master of Economic Sciences, eMBA, HHJ

Tapionsalo has served as the Chief Risk Officer since 2016, before which he was in risk management positions in the years 2013–2015. Tapionsalo has acted as Banking and Corporate Banking Director and Head of Corporate Finance at Kantasäästöpankki Oy in 2010–2013, as Head of Corporate Banking and Investment Manager at Nooa Säästöpankki Oy in 2003–2010, as Head of Bank and Investment Advisor at Aktia Plc in 1998–2003.

Pasi Turtio, b. 1974
Deputy CEO,
Director of Customer operations
Agrologist

Turtio has been the Deputy CEO since 2009 and the Customer Operations Director since 2018 of Oma Savings Bank what before he worked as regional director 2014–2017, as manager 2008–2014. Turtio has served as the managing director of Kuortaneen Savings Bank Foundation since 2018, before which he served as a representative for Kuortaneen Savings Bank Foundation 2017–2018. Before he worked as bank manager of Lammin Osuuspankki 2005–2008 and as branch manager 2001–2005, and before that as chief procurement officer of Liha Heinonen Oy 1998–2001.

Sarianna Liiri, b. 1981
Chief Financial and Administrative Officer
Master of Economic Sciences, eMBA

Liiri has been the Chief Financial and Administrative Officer of Oma Savings Bank since 2018, prior to which she was the administrative officer 2015–2018 and development manager 2014–2015. Previously she was the account manager of South-Karelian Savings Bank 2006–2014.

Minna Sillanpää, b. 1970
Chief Communications Officer
MBA, Industrie- und Aussenhandels-assistent, Gross- und Aussenhandels-kaufmann, College Degree in Foreign Trade

Sillanpää has been the Chief Communications Officer of Oma Savings Bank since 2017. Sillanpää was the CEO of the Regional Organization of Enterprises in South Ostrobothnia 2009–2017, CEO of E-P:n Yrittäjien Palvelu Oy 2009–2017, deputy director of South Ostrobothnia Chamber of Commerce 2007–2009, division manager at Berner Oy 2000–2007, and export manager/ division manager at Berner Oy 1996–2000.

Extended Management Team

Extended Management Team meets four times during the year and acts as a communication channel.

Members of the Extended Management Team in addition to the above: Area Director Harri Karjalainen, Area Director Jarmo Nikunen, Area Director Markus Souru, Director of Corporate Banking Antti Varila and employee representative Service Manager Matti Uutela.

Sustainability programme

Sustainability themes

OmaSp's sustainability programme is based on the company's values, Code of Conduct, stakeholder expectations and megatrends in the operating environment. Through these aspects, we have identified four sustainability themes that are important to us and which we have linked to our sustainability programme: we are local and close to the customer, we take care of our personnel, we promote collective well-being and contribute to sustainable development.

We are local and close to the customer

People-oriented customer service that is personal and readily available is important to us. We manage a broad network of offices and comprehensive digital service channels. **We regularly monitor customer satisfaction** and we actively listen to our customers and develop our product and service offering with a customer-oriented approach.

We take care of our personnel

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 varied work that entails responsibility. We consider a learning work community important, which is why we support the career development of our employees through continuous **competence development and training**. We regularly monitor personnel satisfaction.

We promote collective well-being

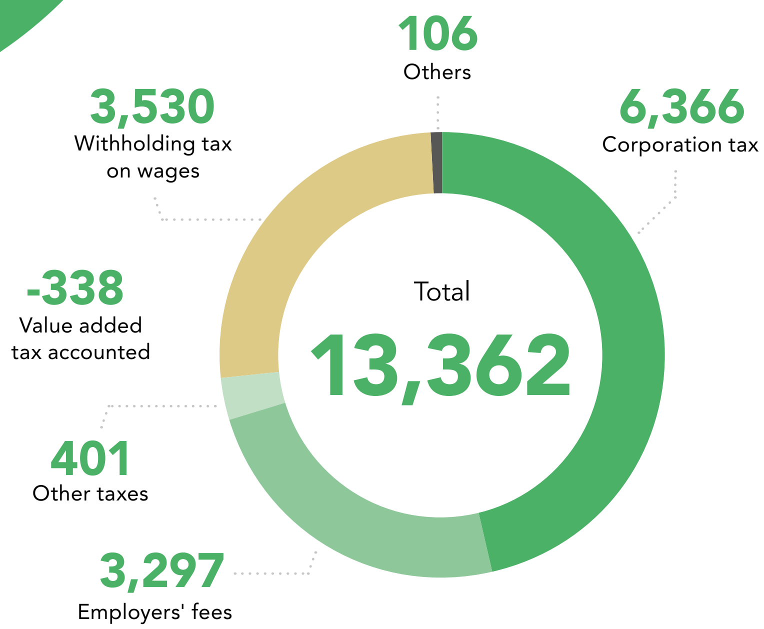
We are strongly committed to working on behalf of the well-being of Finnish society. **We actively promote and develop the vitality of local communities** by offering jobs outside urban areas and by financing local SMEs. The education and competence of Finns is especially important to us, **which is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

We contribute to sustainable development

The financial sector plays a major role in promoting sustainable development in society and globally. **We enable sustainable investments** in both new technology and services. Sustainable development is one of the guiding perspectives in our financing decisions. In terms of our operations, our goal is **to chart and minimise the emissions we generate**. In relation to that, we set targets for the years ahead.

Responsibility reporting

Taxation footprint (1,000 euros)



Taxes payable (1,000 euros)	OmaSp
Corporation tax	6,366
Employers' fees	3,297
Other taxes	401

Taxes to be collected and accounted (1,000 euros)	
Value added tax accounted	-338
Withholding tax on wages	3,530
Withholding tax and tax at source on dividends	-
Others	106
Total	**13,362**

We are local and close to the customer

Overall service satisfaction

4.3/5*

*OmaSp Parasta Palvelua survey 12/2020

Satisfaction with the customer's own contact person

4.7/5*

*OmaSp Parasta Palvelua survey 12/2020

Days of training /employee

2.5

days

We take care of our personnel

Oma Savings Bank's extensive management and expert training programme, **OmaSp Master,** started in May 2019 and was in the running throughout 2020.

A significant part of the employees are owners.

49%

Employee satisfaction

4.4/5*

*Satisfaction with the company as a whole Personnel survey 12/2020

Gender distribution of employees

Men
32.3%

Women
67.7%

Average age of employees (years)

38.3

OmaSp's Sustainability targets

We have defined targets for each of our sustainability themes for 2019–2023.
We will use the annual CSR Report to monitor the implementation of the targets.

Sustainability theme	Sustainability aspect	Targets for 2019–2023
We are local and close to the customer	People-oriented customer service Customer satisfaction	• We operate openly and are easily available • We know our customers personally • We have the highest rating in customer satisfaction in the sector • We focus on the availability of our services and on our service channels
We take care of our personnel	Personnel's well-being Competence development and training	• We achieve the highest rating in work satisfaction in the sector • We implement annual work well-being plans and related targets • We continuously develop our personnel's competence and professional skills OmaSp Master) • We keep track of the annual hours and days of training • Over the years, there are no cases of harassment or bullying
We promote collective well-being	Vitality of local communities Well-being of children and adolescents	• We continue our efforts to support SMEs operating outside urban centres • We create new jobs within the limits of growth • We report on our tax footprint and on our financial figures • Over the years, there is not a single ethical breach of the Code of Conduct • We continue with the implementation of the Yrityskylä learning environment and the Oma Onni web-based learning environment that teaches financial literacy • We maintain communication on financial • management aimed at adolescents and children
We contribute to sustainable development	Sustainable investments Carbon footprint	• We comply with the principles of sustainable financing in our operations • We improve young people's knowledge of sustainable financial management (Oma Onni) • We survey our carbon footprint and other environmental impacts • We minimise travel in our internal operations and take advantage of remote working opportunities

UN Sustainable Development Goals

In 2015, UN member countries committed to the Sustainable Development Goals (SDG) programme and targets, which set the agenda for sustainable development for 2016–2030. The aim of Agenda 2030's sustainable development action plan is to eradicate extreme poverty and safeguard well-being in an environmentally sustainable manner. Companies have an important role in supporting the government in reaching these targets. OmaSp is also committed to supporting all 17 of the UN's Sustainable Development Goals as part of our sustainability efforts, in addition to which, we have identified the five targets that are the most crucial in terms of our operations. Our aim is to integrate these targets in OmaSp's management, strategy and day-to-day operations.

Target 3: To guarantee good health and well-being for people of all ages.
We promote the health and well-being of our customers by ensuring the availability of bank and financial services in a financially sustainable way. In addition to personnel's physical well-being, we also strive to promote their mental health.

UN Sustainable Development Goals

Target 4: To guarantee everyone open, equal and quality education, as well as life-long learning opportunities.
We support the career development of our employees through continuous competence development and training. In addition, we promote the well-being and financial literacy of children and adolescents through our involvement in various programmes that teach financial literacy.

Target 8: To contribute to sustainable economic growth, full and productive employment and decent work for everyone.
We contribute to sustainable economic growth and productive employment by employing people throughout Finland. We offer training and summer jobs and we participate in, e.g., the Responsible Summer Job campaign.

Target 9: To build sustainable infrastructure and promote sustainable industry and innovations.
We take part in building sustainable infrastructure and in promoting sustainable industry and innovations by operating as a partner to various entrepreneurs. We improve the position of small companies as well as their opportunities on the market.

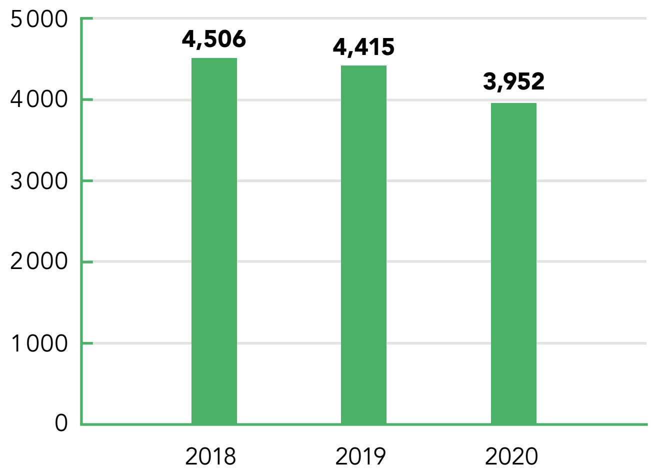
Target 17: To reinforce the implementation of sustainable development and global partnerships.
We take part in reinforcing the implementation of sustainable development by working in co-operation with various actors to achieve a more sustainable Finland. We work with, e.g., Economy and Youth TAT on the Yrityskylä programme, and with the Sedu vocational education and training organisation on Oma Onni.

Total carbon footprint

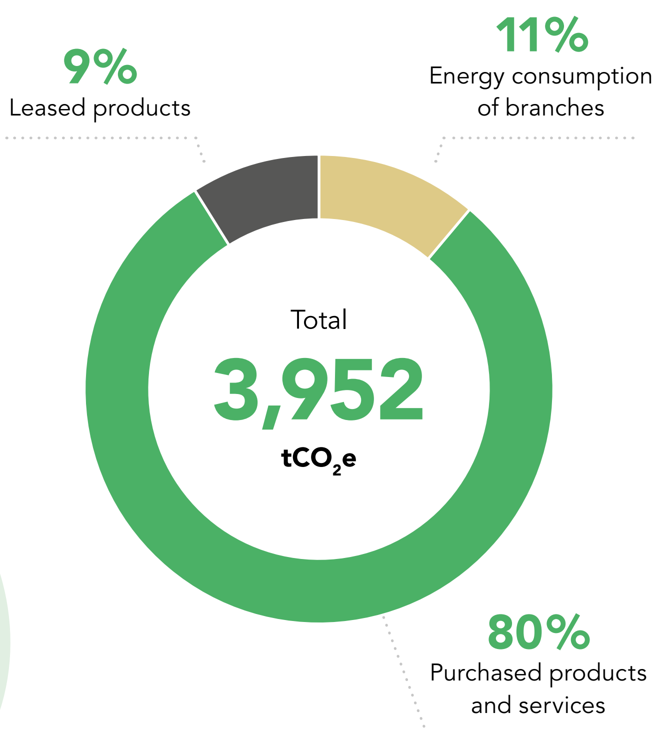
According to the calculation of Oma Savings Bank the total carbon footprint in 2020 was 3,952 tons CO_2e. The carbon footprint decreased by more than 10% from the previous year, which means about 463 tons less emissions compared to 2019.

The most significant part, up to 89%, of CO_2 emissions consists of products purchased or leased, and services for which the company has no direct emissions effect. About 9% of total emissions come from computers and other devices in use, which have been leased. Energy consumption of branches in turn accounts for about 11% of total emissions. Emissions from mobility (scope 1 and 3) make less than 1% of the company's total emissions.

Total carbon footprint, tCO_2e



Carbon footprint distribution, %



In 2020

463

tons less emissions compared to 2019

In 2020

10%

lower carbon footprint compared to 2019

Annual Report **2020**

omaSp

In 2020
36%
less emissions from energy consumption compared to 2019

100%
of the purchased electricity renewable from 1 July 2020

In 2020
69%
less emissions from work-related travelling compared to 2019

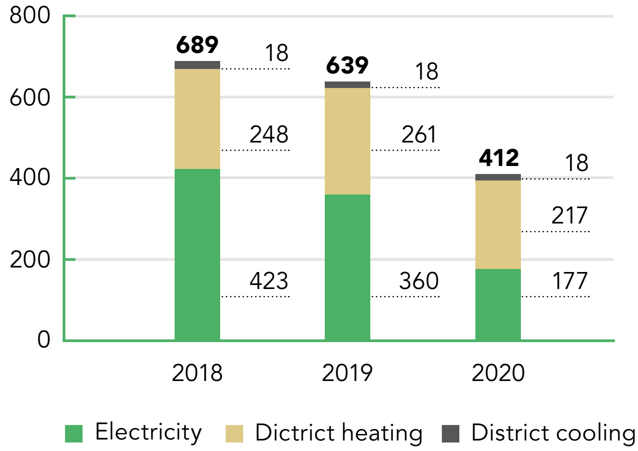
Carbon footprint by emission source

Switching to green electricity reduced purchases of energy emissions

Oma Savings Bank's purchasing energy emissions are made up of electricity, district heating and district cooling production at premises. In previous years, electricity consumption has made up about 60% of energy emissions, as is normally the case in business premises.

From July 2020, we switched to renewable green electricity in all our premises, making the share of electricity in energy emissions to decrease about 45%. Switching to green electricity reduced energy consumption emissions up to 36%.

Energy emissions (tCO_2e)

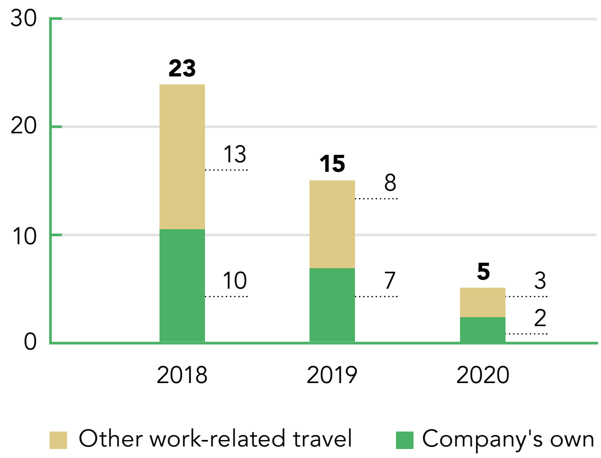


Corona pandemic reduced movement emissions

Emissions from work-related travel has also decreased significantly in recent years with the increase od remote working and remote meetings. In 2019, emissions from work-related travel decreased by 34% compared to the previous year.

In 2020, emissions were further reduced by as much as 69%, as the global corona pandemic contributed to a reduction in work-related travel. Travel has decreased significantly as well the use of company cars and public transport.

Emissions from movement (tCO_2e)



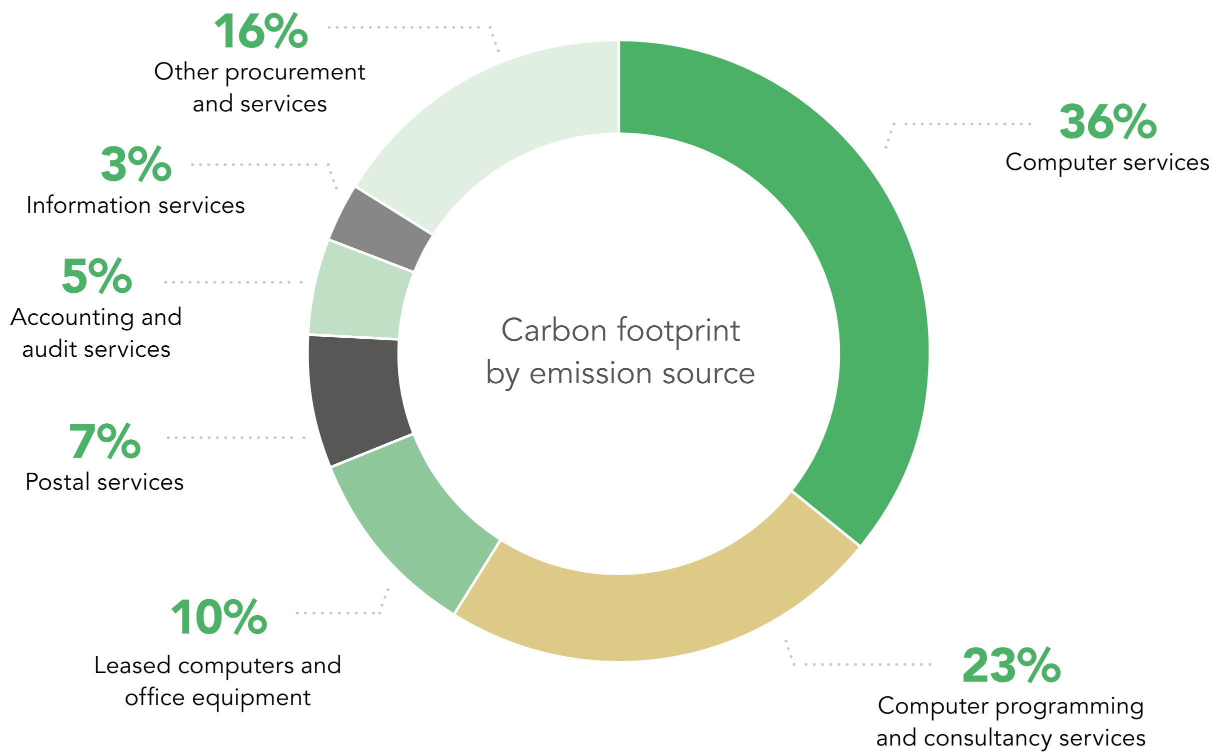
Highest emissions from acquired services

During the years 2018–2020, there have been no significant changes in procurement emissions. The most significant emissions of the company are formed by the purchased services outside. Of total emissions, these services account for about 79%.

Major emission sources are formed on computer services procurement (36%), computer programming and consulting services (23%), leasable computers and office equipment (10%). Other major sources of emissions include postal services, accounting and audit services, and information services. The biggest change in procurement has come in emissions from paper and paper products. Emission forming from procurement of paper products have decreased by up to 66% since 2018. This is influenced by the decision of Oma Savings Bank to move more and more into e-communications.

In 2020
66%
less emissions on paper products compared to 2018

In 2020
79%
of total emissions came from purchased services outside



Year 2020
Report of Board of Directors and Financial Statements

Year 2020 Report of Board of Directors and Financial Statements is a translation of the original Finnish version “Vuoden 2020 hallituksen toimintakertomus ja tilinpäätös”. If discrepancies occur, the Finnish version is dominant.

Contents

Report of Board of Directors

Strategy and financial goals

Oma Savings Bank Plc is a profitably growing Finnish bank and the largest savings bank in Finland based on total assets. The company focuses primarily on retail banking operations and provides its clients with a broad range of banking services both through its own balance sheet as well as by acting as an intermediary for its partners' products. The intermediated products include credit, investment and loan insurance products. The company is also engaged in mortgage banking operations.

Oma Savings Bank's key customer groups are private customers, small and medium-sized companies as well as agricultural and forestry entrepreneurs. The company's aim is to strengthen its market position in its respective area and among all the above-mentioned customer groups. However, growth is sought in business areas where growth can be achieved within the framework of the company's business profitability and risk management objectives. Oma Savings Bank has been one of the most profitable and effective banks in Finland already for years, and the aim is to maintain this position in the future as well. The development of business volumes is based on organic growth, but reorganisations are also possible in the future. The core idea of Oma Savings Bank is to provide personal service and to be local and close to its customers, both in digital and traditional channels. Oma Savings Bank strives to offer premium level customer experience through personal service and easy accessibility. Oma Savings Bank offers its customers a full banking services range.

The company pays special attention to cost efficiency and risk management. The business profile is stable with the company focusing on the retail banking business in Finland. The goal is to keep individual customer and investment risk concentrations delineated and the organizational structure simple and transparent. The company has defined precise risk management processes, risk taking limits and guidelines to stay within the set limits.

The company's personnel is committed and the company seeks to support their career development with versatile tasks and continuous development. A substantial part of the personnel also own shares in the company.

The company’s operations

Oma Savings Bank offers its customers a full banking services range. The company serves its customers through its branch network and its comprehensive digital service channels. Oma Savings Bank’s offering to private customers covers daily banking services, various financing solutions, saving services, financial services, insurance, as well as inheritance and family law matters. The range of services to corporate customers covers payment services and other business daily banking services, financial services, corporate pension insurance, investment services and legal and other advisory services. Oma Savings Bank has complemented its own service offering with its partners’ products, which enables it to offer a full range of services.

In terms of savings and investment products, the company’s product selection also includes the investment and saving products of its partners Sp-Rahastoyhtiö Oy and Sp-Henkivakuutus Oy, in addition to its own products such as accounts and OmaTuotto deposits. The Central Bank of Savings Banks Finland Plc acts as the company’s account operator. Brokerage services are supplied by Skandinaviska Enskilda Banken (SEB). At the end of 2020, the customers had EUR 375 million in fund and insurance savings brokered by the company.

The company’s financial services were complemented also by the products of partners, such as loan insurances and various conditional guarantees. The company’s partners offering these financial products include Sp-Henkivakuutus Oy, Axa and insurance company Garantia. Oma Savings Bank operates as an independent issuer of Visa cards and finance the cards from the bank’s balance sheet. The company issued new Visa corporate credit cards at the end of year 2020. The OmaSp Visa Business Credit card complements card payment solutions for Oma Savings Bank's customers.

Investments in customer experience development

Oma Savings Bank's key aim is to serve its customers personally and to be local and close in both digital and traditional service channels. The company has been developing its distribution network by investing to the development of digital services, as well as developing its branch network over the course of the year. In line with the company's strategy, presence in growth centers is key. The corona pandemic had a large impact on the daily lives of people and companies during the financial year. Oma Savings Bank has invested in guaranteeing and promoting safe banking and encouraged customers to take advantage of digital service channels.

The development of the branch network continued with an extensive renovation of the Lappeenranta branch, which was completed at the end of 2020. Investments in branch premises are part of Oma Savings Bank's ongoing investments in developing the customer experience.

The development of digital services continued

During the financial year, the company continues to invest in improving customer service across digital service channels by improving mobile bank capabilities based on feedback from customers and adding fingerprint and facial recognition at check-in, among others. In addition, the digital housing trade was developed by introducing new services that make it possible to handle the delivery and signing of documents related to the housing trade completely digitally. The transition of the housing business to a digital service is a welcome reform to facilitate the home buying and selling process from the perspective of the customer, the bank and real estate agents. Making the housing trade is no longer dependent on time and place. The Finnish law on the provision of digital services obliges the bank to build its online and mobile services so that as many people as possible can use them. During the financial year, the accessibility of online services was developed comprehensively to meet the requirements. Our goal is for as many users as possible to access our digital services with assisting technologies. Consideration of accessibility is part of the current development of our digital services.

Impacts of the corona pandemic on business

The company has closely monitored the development of the situation of corona pandemic and made the necessary changes to its operating models. The guidelines and recommendations of the government and other authorities have been applied to customer service and to the personnel's work. The precautionary measures undertaken are intended to secure the personnel's and customer's well-being and guarantee safe banking. In customer service, remote banking opportunities and guidance for customers were increased. Customers have been encouraged to do their banking using remote channels, if possible.

Due to the corona pandemic, customer requests for grace periods grew significantly in March, but by June demand for grace periods had returned to pre-corona pandemic level. The main part of the grace periods granted in the spring has already expired as customers continue to service loans under normal shortening plans.
In March, the company made a EUR 1.4 million credit loss allowance based on the management's judgement, which predicted growth in credit risk in specific sectors. The sectors were selected based on both their significance and the estimated size of the pandemic's impact. The economic outlook remains uncertain and uncertainty may increase on the financial markets if the corona pandemic takes a turn for the worse in Finland and elsewhere in the world. Due to the still ongoing uncertainty surrounding the corona pandemic, the company increased its loss allowance based on management's judgement by EUR 3 million in December. The loss allowance anticipates the effects of the second wave of the corona pandemic on Oma Savings Bank's credit portfolio and to cover potential credit losses to the extent that the model for calculating expected credit losses is not recognized. The company continues monitoring the situation monthly.

The impacts of the corona pandemic are described in more detail in note G2.

Unification negotiation on the merger of two Savings Banks into business

Oma Savings Bank Plc started negotiations to merge Eurajoen and Mietoinen Savings Banks as part of its business in November 2020. The decisions to merge will be made in the Board of Directors of Oma Savings Bank and in the Board of Trustees of Eurajoen and Mietoinen Savings Banks in early 2021. Possible unification would take place in the second half of 2021, when Eurajoen and Mietoinen Savings Banks would transfer over their businesses to Oma Savings Bank and continue as regional Savings Bank Foundations to promote for thrifty and economical education. The unification would bring a continuation to Oma Savings Bank's growth story and further strengthen the company's profit-making ability. When completed, the business transfers would increase the balance sheet of Oma Savings Bank by approximately EUR 400 million and increase the number of private and corporate customers by about 20,000.

Progress of the core banking platform project and other key IT projects

In early 2019, Oma Savings Bank started up a modernization project involving the core banking platform. The new core banking platform is based on Temenos technology and is supplied by Oy Samlink Ab. The delivery of the core banking platform will cost Oma Savings Bank about EUR 20 million. At the end of December, the capitalized investment cost for the project came to altogether EUR 4.1 million. The company is still expecting the project schedule to be specified in the early year. Alongside the renewal of the core banking platform, the company launched a project to develop functions to prevent money laundering and terrorist financing. In addition, the company launched a development project related to developing a data warehouse and data analytics solutions.

Focus on investing in personnel competence is key

The development of personnel has been one of the operational development priorities in the company in recent years. Oma Saving Bank's extensive management and expert training programme, OmaSp Master, has been running throughout the year 2020. The company is carrying out the 15-credit training programme in co-operation with Tampere University. The first OmaSp Master training programme ended in February 2018 and altogether 13 experts and supervisors graduated from it. The training programme is a significant investment in developing the competence of management and specialists. In addition to ongoing and regular training, the bank offers supervisors and experts the opportunity to complete the LKV qualification. Investing in young workers continued through the year. The company offered internships for university and vocational college students in different units. Several Bachelor's and Master's theses were prepared for the company as part of various development projects. In the summer of 2020, the company took part in the Responsible Summer Job campaign, offering about 40 young people summer jobs at the company.

Changes in share ownership

In August, the company entered into an agreement with the Savings Bank Group, by which the company agreed to sell all its shares of Nooa Savings Bank Oy, Sb Life Insurance Ltd, Sb-Fund Management Company Ltd, Säästöpankkien Holding Oy and Central Bank of Savings Bank Finland Plc to the Savings Bank Group. The transaction was largely consummated in early November and the company recorded a positive performance effect of approximately EUR 1.9 million on its results for the financial year. The deal included 73,414pc of Nooa Savings Bank Ltd shares, of which 4,840 shares were required to take effect by the ECB's approval. Approval of the authority was obtained in January 2021 and the transaction for Nooa Savings Bank Ltd shares was completed.

During 2020, the company invested in two real estate investment companies. In Deleway Projects Oy, the company has a 49% shareholding and in City Kauppapaikat Oy, the company has a 42.1% shareholding. In October, the company invested in Koy Sofian Tupa, located in Seinäjoki, which will be merged with Oma Savings Bank Group as a subsidiary with 100% ownership.

Updating CET1 target

The company updated its financial goals as part of its strategy process in line with the policy confirmed in connection with the listing on the stock exchange. The financial goals and target levels remained largely the same, but the target level for the Common Equity Tier 1 (CET1) capital ratio was updated to at least 14% from 1 October 2020.

Lightening the real estate investment portfolio

In line with its strategy, the company lightened its real estate portfolio in June and sold some of its real estate holdings to reduce the continuous cost burden related to the real estate and administrative process resulting from ownership of the properties. The real estate transaction mainly concerned the company's investment properties and partly properties in its own use. The sale of the real estate does not impact the operating of the company's branches, the company continues to serve its customers in familiar facilities. As a result of the transaction, the company recognized EUR 2.3 million in sales losses on the second quarter result. For own-occupied properties, a lease debt of EUR 2.7 million and an equivalent fixed asset has been recorded on the balance sheet.

Issuance of bonds

The company issued three bonds during the financial year as part of its EUR 1.5 billion bond programme. In April and November, EUR 250 million covered bonds were issued, and a EUR 55 million unsecured senior bond was issued in June.

Operating environment

With the corona pandemic and the restriction measures taken, the global economy collapsed in the spring of 2020. Towards the end of the year, the global economy has strengthened since the collapse and positive news about vaccine developments has spurred the mood. Despite this, the recovery of the international operating environment will take time, and the economies of Finland's main trading partners threaten to weaken in the coming months as the consequences of the second wave of the corona virus. Finland's gross domestic product is projected to grow by 2.2% in 2021 and 2.5% in 2022 driven by private consumption. The forecast is accompanied by exceptionally high uncertainty and alternative scenarios suggest GDP growth in 2021 could reach a level of 3.2 per cent or may shrink by 4.7 per cent depending on how the epidemic situation in Finland progresses and how it is managed. (1

Financial conditions in Finland, despite the pandemic, have remained favourable and supported the growth of the economy even towards the end of the year. Average interest rates on new home loans and new corporate loans have remained at full-year moderate. (1

According to Statistics Finland's labour survey, there were 74,000 fewer employed persons and 48,000 more unemployed in December than in the previous year's comparative period. In December 2020, the employment rate trend was 71.8% and the average unemployment rate was 7.8% (6.0%). (2

Consumer confidence in January 2021 was the strongest in more than two years. The consumer confidence indicator (CCI) was -0.9 (-4.6) in January 2021, while it still was -4.6 in December 2020. The confidence indicator consists of four factors, which are an estimate of the own economy now, expectations of their own economy and the Finnish economy in 12 months, and the intentions of spending on durable goods in the next 12 months. In December, all four components strengthened compared to the previous month. The biggest change was in expectations of Finland's economic development. (3

According to Statistics Finland's preliminary data, prices of old dwellings in housing companies rose by 4.7 per cent in December 2020 compared to December 2019 in Greater Helsinki and remained unchanged in the rest of the country. The number of deals made through real estate agents in December was more than a third more than in December 2019. (4 In the company's view, the Finnish business environment is stable in terms of household indebtedness and housing prices, but uncertainty has grown due to the prolongation of the corona pandemic.

In November 2020, total number of loans to households had increased by 3.1% over the previous 12 months, of which the mortgage loan portfolio growth was 3.0%. The volume of corporate loans increased 6.9% in the same period. The volume of households' deposits grew a total of 7.4% over a 12-month period. (5

The number of bankruptcies filed in January-December 2020 was 488 fewer than in the previous year, a decrease of 18.6% compared to the previous year. The number of personnel in the companies filing for bankruptcy came to 10,876, i.e. 13.3% less than in the corresponding period in 2019. (6 The number of new building permits granted decreased by 11.6% compared with the previous year and was 9.3 million cubic meters. (7 The decline in the number of granted building permits has not impacted the company's operations.

1) Bank of Finland, Finland's economy is recovering from a pandemic, but is growing slowly after that. Euro & Economy 6/2020. Published on 15 December 2020.
2) Statistics Finland, Employment deteriorated markedly in December. Published on 28 January 2021.
3) Statistics Finland, Consumer confidence in January is the strongest in more than two years. Published on 27 January 2021.
4) Statistics Finland, Helsinki, Tampere and Turku continued to differentiate between other major cities at the end of the year. Published on 28 January 2021.
5) Bank of Finland, MFI balance sheet (loans and deposits) and interest rates. Housing communities loan stock growth slowest in more than a decade. Published on 7 January 2021.
6) Statistics Finland, The number of bankruptcies decreased by 18.6% in 2020 compared to the previous year. Published on 27 January 2021.
7) Statistics Finland, Cubic volume of granted building permits issued decrease from year-on-year. Published on 26 January 2021.

Oma Savings Bank Group's key figures

(1,000 euros)	1-12/2020	1-12/2019	Δ %
Net interest income	67,819	57,522	18%
Total operating income	111,073	92,573	20%
Total operating expenses	-51,676	-50,309	3%
[1] Cost/income ratio, %	46.6%	54.4%	-14%
Impairment losses on financial assets, net	-21,587	-9,567	126%
Profit before taxes	37,707	32,684	15%
Profit/loss for the accounting period	30,653	27,453	12%
Balance sheet total	4,381,999	3,416,530	28%
Equity	353,493	319,865	11%
[1] Return on assets (ROA) %	0.8%	0.9%	-9%
[1] Return on equity (ROE) %	9.1%	9.0%	1%
[1] Earnings per share (EPS), EUR	1.04	0.93	12%
[1] Equity ratio %	8.1%	9.4%	-14%
[1] Total capital (TC) ratio %	16.2%	17.3%	-6%
[1] Common Equity Tier 1 (CET1) capital ratio %	15.9%	16.8%	-5%
[1] Tier 1 (T1) capital ratio %	15.9%	16.8%	-5%
[1] Liquidity coverage ratio (LCR) %	184.9%	140.1%	32%
Average number of employees	299	300	0%
Employees at the end of the period	298	279	7%

Alternative performance measures excluding items affecting comparability:			
[1] Comparable profit before taxes	26,729	26,228	2%
[1] Comparable cost/income ratio, %	51.2%	57.9%	-12%
[1] Comparable earnings per share (EPS), EUR	0.73	0.71	4%
[1] Comparable return on equity (ROE) %	6.5%	6.9%	-6%

1) The calculation principles of the key figures are presented in note G37. Comparable profit is presented in the income statement.

Result 1–12 / 2020

The Group's full-year profit before taxes was EUR 37.7 (32.7) million and the profit for the accounting period was EUR 30.7 (27.5) million. The cost/income ratio was 46.6 (54.4)%.

Comparable profit before taxes for the whole year was EUR 26.7 (26.2) million and the comparable cost/income ratio was 51.2 (57.9)%. The comparable profit has been adjusted for the net income on financial assets and liabilities, the sales losses resulting from the sale of real estates in the second quarter, and as well as the one-time income effects from closing of interest rate derivatives.

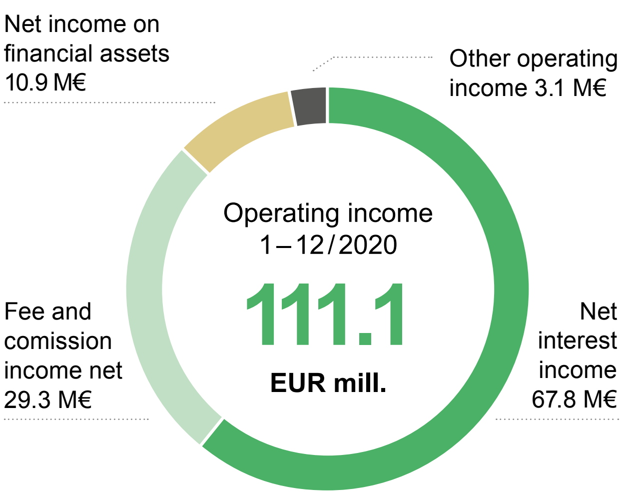
Income

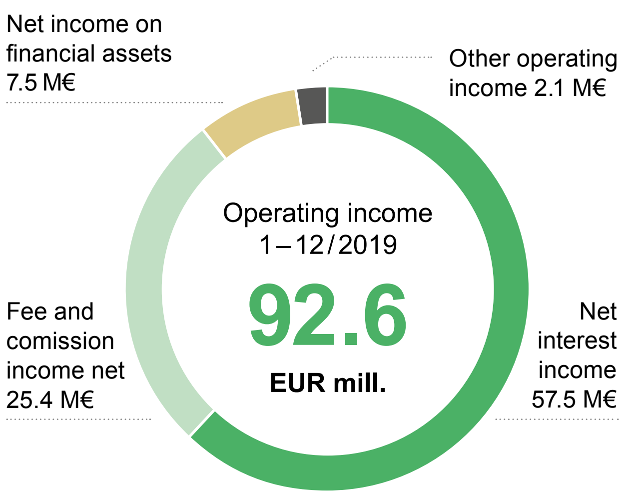
Total operating income was EUR 111.1 (92.6) million, growing by 20.0% year-on-year.

Net interest income grew 17.9%, totalling EUR 67.8 (57.5) million. Interest income grew 14.9%, totalling EUR 72.8 (63.4) million. The growth in interest income can be largely attributed to a growth in loan stock of EUR 488.2 million as of 31 December 2019. During the same period, the average margin of the company's loan stock has remained almost unchanged, falling 0.03 percentage points. In addition, interest income has been recognized from closing of interest rate derivatives.

Interest expenses decreased by 14.3% year-on-year, and were EUR 5.0 (5.8) million. The change in the interest terms for customer deposit made during March 2020 impacted interest expenses full as of the second quarter. The average interest on the deposits paid to the company's customers was 0.01% (0.08%) at the end of the review period.

Fee and commission income and expenses (net) grew by 15.1% to EUR 29.3 (25.4) million. The total amount of fee and commission income was EUR 34.2 (30.0) million.





Net interest income · Fee and comission income and expenses, net · Net income on financial assets and financial liabilities · Other operating income

The commissions from card payments and payment transactions increased 23.1%. The increase is the result of higher customer volumes and the change in the actuarial processing of payment card business fee and commission income. The change in the actuarial processing of payment card business fee and commission income increased fee and commission income and expenses equally, and as a result of the change, the fee and commission and expenses of the payment card business are at a higher level than before. Fee and commission expenses on cards and payment transactions grew 17.5% on the comparative period.

The net income on financial assets and liabilities was EUR 10.9 (7.5) million during the period. Net valuation gains and losses on shares and other equity instruments came to EUR 4,5 (8,6) million. The result in the comparative period is explained by the sales profit and extra dividend on Samlink's shares. The reporting period item includes gains on sales of Sb-product and service companies of EUR 1.9 million. Financial assets valued at fair value through other comprehensive income came to EUR 8.0 (0.0) million. The item consists of sales of bonds belonging to the company's investment portfolio. In February 2020, the company sold some EUR 150 million in investments to reduce the risks of the investment portfolio.

Net income on real estate was EUR -2.4 (-0.8) million. The sales losses included in the item, EUR 1.5 million, are the result of the real estate transactions carried in the second quarter.

Other operating income was EUR 3.1 (2.1) million. The item includes an old over-time recognition for 2020 and a bank tax refund of EUR 1.9 (1.6) million. The refund from the old Deposit Guarantee Fund and bank tax is used to annually offset the contributions to the new Deposit Guarantee Fund and Resolution Fund, so the items have no effect on the result.

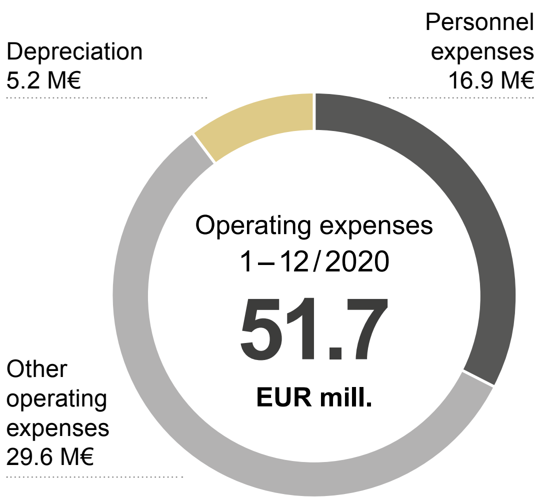
Expenses

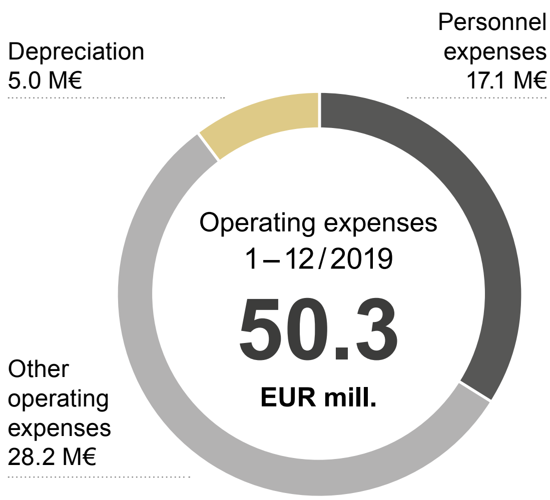
Operating expenses grew 2.7% compared to the previous year. Operating expenses came to a total of EUR 51.7 (50.3) million.

Personnel expenses decreased 1.2%, totalling EUR 16.9 (17.1) million. In the review period, the average number of employees was 299 (300).

Other operating expenses grew 5.0%, to EUR 29.6 (28.2) million. The item includes office, IT, PR and marketing costs and those stemming from the business premises in the bank's own use, as well the contributions to the Deposit Guarantee Fund and the Resolution Fund. The item included sales losses of EUR 0.8 (0.0) resulting from the sale of real estates in the second quarter. ICT costs increased by 9.7% to EUR 13.7 (12,4) million.

Depreciation, amortisation and impairment on tangible and intangible assets were EUR 5.2 (5.0) million.





■ Personnel expenses ■ Other operating expenses ■ Depreciation

Impairment losses on financial assets

Impairment losses on financial assets amounted to EUR 21.6 (9.6) million during the year.

Final credit losses during the period amounted to EUR 13.7 (2.8) million. Credit losses recorded during the year are mostly targeted at corporate customers.

The provision for expected credit losses increased by EUR 7.8 (6.8) million. The change in expected credit losses was due in part to the new credit granting during the period, repayments and maturities of existing loans, realised credit losses, changes in credit risk and adjustments based on management's judgement.

During the year, the company has developed the calculation of expected credit losses by taking into account the macro variable in the model. Using a macro variable, the calculation of expected credit losses is better taken into account by forward-looking information. In addition, the company has developed a model for calculating expected credit losses through refinements for collateral calculation and PD coefficients. The impact of the changes to the calculation model amounted to EUR 0.2 million in total.

As a result of the increased uncertainty of the corona pandemic, the company's management has decided to increase the additional loss allowance to EUR 4.4 million. A total of EUR 2.5 million of the additional loss allowance has been allocated to corporate customers and EUR 1.9 million to private customers. Additional allowances made are targeted to stage 2.

A new definition of insolvency will come into force on 1 January 2021. The purpose of the new definition process is to identify insolvencies more sensitively, amongst other things, by clarifying the requirements for late payment for those with a delay of more than 90 days and by extending the insolvency to all liabilities of the debtor. The company has estimated that the reform will have an impact on the amount of expected losses during the commissioning phase and management has decided to record an additional allowance of EUR 1.4 million in the total amount of expected credit losses. The additional allowance applies to the liabilities of private customers in stage 3.

Balance sheet

The Group's balance sheet total grew during January-December 2020 by 28.3% to EUR 4,382.0 (3,416.5) million.

Loans and other receivables

In total, loans and other receivables grew 16.2% to EUR 3,508.5 (3,020.4) million in January-December. Due to the corona pandemic's impacts, the lending slowed at the start of the second quarter but has moved on from there through the second half of the year strong.

The average size of loans issued over the past 12 months has been approximately EUR 109 thousand.

Loan portfolio by customer group, before the expected credit losses

Credit balance (1,000 euros)	31 Dec 2020	31 Dec 2019
Private customers	2,074,984	1,780,900
Business customers	742,629	641,470
Housing associations	321,913	264,829
Agriculture, forestry, fishing industry	268,141	255,906
Other	52,507	35,457
Total	**3,460,173**	**2,978,562**

Derivatives

Hedging interest rate derivatives were offloaded in September and the amount of derivatives on the balance sheet decreased to EUR 0.8 million from EUR 5.6 million in the accounts.

In September, the company decided to close most of the derivative contracts in hedge accounting that had hedged the interest rate risk of fixed-rate liabilities. At the same time, the application of these fair value hedge accounting was discontinued non-retrospectively. The accumulated change in the fair value of the hedged item in the balance sheet, EUR 8.4 million is recognized in the income statement as interest income during the initial maturity of the closed derivatives in 2020-2024.

Investment assets

The Group's investment assets grew 60.4% during the period, totalling EUR 529.3 (330.0) million. The growth was made up of investments made in the liquidity portfolio. The primary purpose of managing investment assets is securing the company's liquidity position.

In the fourth quartal, the company sold share holdings of products and services companies belonging to the Sb-group for a total of EUR 17.1 million.

Towards the end of the year, the company invested in City Kauppapaikat Oy, of which the company has 42.1% ownership and Koy Sofian Tupa, of which the company has 100% ownership. The total value of the investments is EUR 21.7 million.

Liabilities to credit institutions and to the public and public sector entities

Liabilities to credit institutions and to the public and public sector entities grew during the period by 24.2% to EUR 2,600.3 (2,093.6) million.

The item consists mostly of deposits received from the public, which came to EUR 2,376.7 (1,999.4) million at the end of December. Liabilities to the credit institutions grew during the period, from EUR 88.0 million to EUR 223.5 million. The company took part in the European Central Bank's TLTRO operation in June. The size of the loan is EUR 150 million.

Debt securities issued to the public

Total debt securities issued to the public grew during the period by 43.5% to EUR 1,346.8 (938.3) million. The company has issued three bonds during 2020. In April and November, EUR 250 million bonds were issued and a EUR 55 million unsecured senior bond in June. All issues took place under the EUR 1.5 billion bond programme. The debt securities issued to the public are shown in more detail in note G13.

Covered bonds are secured by loans to the value of EUR 1,500.1 (875.0) million.

Equity

Group equity grew in January-December by 10.5% to EUR 353.5 (319.9) million. The growth mainly results from the profit for the accounting period. The fair value reserve increased by EUR 2.3 million.

Own shares

On 31 December 2020 the number of own shares held by Oma Savings Bank was 11,700. All of the purchase took place during 2018 and concerned shares subscribed in connection with the 2017 personnel offering. The redemptions took place in connection with the ending of employment contracts.

Share capital	31 Dec 2020	31 Dec 2019
Average number of shares (excluding own shares)	29,585,000	29,585,000
Number of shares at the end of the year (excluding own shares)	29,585,000	29,585,000
Number of own shares	11,700	11,700
Share capital (1,000 euros)	24,000	24,000

Off-balance-sheet commitments

Off-balance-sheet commitments included commitments given to a third party on behalf of a customer and irrevocable commitments given to a customer. Commitments given to a third party on behalf of a customer, EUR 26.1 (22.0) million, were mostly made up of bank guarantees and other guarantees. Irrevocable commitments given to a customer, which totalled EUR 263.7 (190.5) million at the end of December, consisted mainly of undrawn credit facilities.

Deposit Guarantee Fund and Investors' Compensation Fund

The deposit guarantee is regulated by the Act on the Financial Stability Authority. The Financial Stability Authority is responsible for the guarantee. The Deposit Guarantee Fund protects the deposit maker's eligible receivables up to EUR 100,000.

The Investors' Compensation Fund covers compensation from Oma Savings Bank to non-professional investors of a maximum of EUR 20,000.

The Group's capital adequacy and risk management

Capital adequacy management

Oma Savings Bank Plc has introduced a capital adequacy management process, whose objective is to secure the company's risk-bearing capacity relative to all substantial operational risks. To reach this objective, the bank comprehensively identifies and evaluates operational risks and matches its risk-bearing capacity to the combined extent of risks to the bank. To secure its capital adequacy, the bank sets risk-based equity objectives and creates an equity plan to reach those objectives. The objective of the capital adequacy management process is also to maintain and develop high-quality risk management operations.

The internal capital needs, which are determined through the capital adequacy management process, are based on the capital requirements of solvency regulations, Pillar I, and its external risks, such as the interest rate risk of the financial account, the market risk of the investment portfolio and business risk. In its internal evaluation process, the bank estimates the amount of capital sufficient to cover any unexpected losses emerging from risks that are external to Pillar I.

The company's Board of Directors confirms the general requirements for the capital adequacy measurement and evaluation processes as well as general principles for the structuring of the capital adequacy management process. The Board confirms risk strategies and defines target levels for capital, which covers all essential risks emerging from business operations and changes in the external operating environment. In retail bank operations, the company operates according to its strategy. By restricting its operations to this sector alone, the company is able to keep its risks on a manageable level and small in terms of operational quality. The company's Board of Directors is responsible for managing the company's capital adequacy. The Board also defines the operational levels of risks. Once a year, the Board of Directors reviews the company's capital adequacy management risks, the capital plan as well as the limits of its risks.

Capital adequacy position and own funds

The total capital ratio (TC) of the Oma Savings Bank Group remained strong and was 16.2 (17.3)% at the end of the period. The Common Equity Tier 1 capital (CET1) ratio was 15.9 (16.8)% exceeding the minimum level for the financial goals approved by the Board of Directors (14%). Risk-weighted assets grew 14.2% to EUR 2,037.4 (1,783.6) million. Risk-weighted assets grew most significantly due to the growth in the loan portfolio for private and corporate customers. The selling of reserve investments in the first quarter and the share transaction with the Savings Bank Group diminished risk-weighted assets in the fourth quarter.

Oma Savings Bank Group applies in the capital requirement the standardized method for calculating credit risk and the basic method for operational risk. The basic method is applied when calculating the capital requirement for market risk for the foreign exchange position.

At the end of the review period, the capital structure of Oma Savings Bank Group was strong, consisting mostly of Common Equity Tier 1 capital (CET1). The Group's own funds (TC) increased by EUR 21.6 to 330.3 (308.6) million when the capital requirement for the bank's own funds was EUR 244.6 (205.3) million. The increase in own funds was most significantly the result of the profit for the accounting period. The retained earnings for the 2020 accounting period are included in the Common Equity Tier 1 capital on the basis of permission granted by the Finnish Financial Supervisory Authority (FIN-FSA). Tier 1 capital (T1) was EUR 324.0 (299.4) million, consisting entirely of Common Equity Tier 1 capital (CET1). Tier 2 capital (T2) was EUR 6.3 (9.3) million, consisting of debenture loans.

The main items in the capital adequacy calculation

(1,000 euros)	31 Dec 2020	31 Dec 2019
Common Equity Tier 1 capital before regulatory adjustments	336,252	309,553
Regulatory adjustments on Common Equity Tier 1	-12,243	-10,184
Common Equity Tier 1 (CET1) capital, total	**324,009**	**299,369**
Additional Tier 1 capital before regulatory adjustments	-	-
Regulatory adjustments on additional Tier 1 capital	-	-
Additional Tier 1 (AT1) capital , total	-	-
Tier 1 capital (T1 = CET1 + AT1), total	**324,009**	**299,369**
Tier 2 capital before regulatory adjustments	6,260	9,266
Regulatory adjustments on Tier 2 capital	-	-
Tier 2 (T2) capital, total	**6,260**	**9,266**
Total capital (TC = T1 + T2) / Total own funds	**330,268**	**308,635**
Risk-weighted assets		
Credit and counterparty risk, standardised approach	1,854,561	1,620,817
Credit valuation adjustment risk (CVA)	2,329	8,913
Market risk (foreign exchange risk)	7,986	6,598
Operational risk, basic indicator approach	172,536	147,320
Risk-weighted assets, total	**2,037,412**	**1,783,648**
Common Equity Tier 1 (CET1) capital ratio, %	15.90%	16.78%
Tier 1 (T1) capital ratio, %	15.90%	16.78%
Total capital (TC) ratio, %	16.21%	17.30%

The total capital requirement for banks' own funds consists of the Pillar I minimum capital requirement (8.0%) and various buffer requirements. Buffer requirements include, among other things, the capital conservation buffer set by the Credit Institution Act (2.5%), the discretionary SREP requirement according to Pillar II, the countercyclical buffer requirement, and the systematic risk buffer.

In December 2019, the Finnish Financial Supervisory Authority (FIN-FSA) imposed on Oma Savings Bank Plc the first supervisory review and evaluation process (SREP) requirement of 1.5% based on the supervisory authority's assessment. The requirement entered into force on 30 June 2020 and is valid until further notice, however not later than 30 June 2023. The requirement shall be covered by the Common Equity Tier 1 capital. FIN-FSA decides on the countercyclical buffer requirement quarterly, and a countercyclical buffer requirement has thus far not been imposed on Finnish credit institutions. As the corona pandemic significantly weakens the global economic cyclical outlook and the operating conditions of the financial sector, FIN-FSA decided on 6 April 2020 on the removal of the systematic risk buffer requirement for all credit institutions. The decision became effective immediately.

Group`s total capital requirement

31 Dec 2020
(1,000 euros)

		Buffer requirements						
Capital	Pillar I minimum capital requirement*	Pillar II (SREP) capital requirement	Capital conservation buffer	Countercyclical buffer**	O-SII	Systemic risk buffer	Total capital requirement	
CET1	4.50%	1.50%	2.50%	0.00%	0.00%	0.00%	8.50%	173,242
AT1	1.50%						1.50%	30,561
T2	2.00%						2.00%	40,748
Total	**8.00%**	**1.50%**	**2.50%**	**0.00%**	**0.00%**	**0.00%**	**12.00%**	**244,551**

* AT1 and T2 capital requirements are possible to fill with CET1 capital
**Taking into account the geographical distribution of the Group's exposures.

Leverage ratio

Oma Savings Bank Group's leverage ratio was 7.3 (8.6)% at the end of the review period . The leverage ratio is calculated based on valid regulations and describes the ratio of the company's Tier 1 capital to the total exposures. Oma Savings Bank monitors excessive leverage as part of its capital adequacy management process. An internal minimum target level has been set for the group's leverage ratio as part of risk budgeting included in the overall risk strategy. The CRR2 regulation obligates the maintenance of a leverage ratio of a minimum of 3%.

Leverage ratio (1, 000 euros)	31. Dec 2020	31. Dec 2019
Tier 1 capital	324,009	299,369
Total amount of exposures	4,466,075	3,482,083
Leverage ratio, %	7.25%	8.60%

Liquidity coverage ratio and net stable funding ratio

The group's liquidity coverage ratio (LCR) remained good, coming to 184.9 (140.1)% at the end of the period, when the minimum LCR is 100%. The group's LCR was below 100% requirement level at 31 March 2020 due to market uncertainty caused by the corona pandemic. The decline in the LCR level was due to imputed nature of LCR, but the company's cash and cash equivalents did not fall to an alarming level at any point. The rate returned above the limit as soon as early April and has been stable ever since. The company maintains a good LCR by investing its liquid assets largely in marketable financial instruments.

	31. Dec 2020	31. Dec 2019
LCR	184,9%	140,1%
NSFR*	134,6%	124,3%

*As of 30 September 2020, the requirements in accordance with CRR2 regulation have been taken into account for the calculation of the NSFR key figures. The figure for the comparative period has been changed retroactively and corrected on the calculation principles at the same time.

The net stable funding ratio (NSFR) was 134.6% (124.3%). As of 30 September 2020, the requirements of the CRR2 regulation have been taken into account in the calculation of the NSFR key figures. The comparative period figure has been changed retroactively while correcting the calculation principles. The minimum level of the requirement is 100%.

Resolution plan

Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms was implemented in Finland as of 1 January 2015 (Act on the Resolution of Credit Institutions and Investment Firms). For the implementation of this Act, the Financial Stability Authority was established (Act on the Financial Stability Authority 1195/2014), which approved Oma Savings Bank's resolution plan in December 2017. The resolution plan does not set a minimum requirement for the amount of own funds and eligible liabilities (MREL requirement).

Risk management

The objective of risk management is to ensure that the risks stemming from the company's operations have been identified, evaluated and scaled to an acceptable level, that the risks are monitored and that they are commensurate with the company's ability to bear risk. The essential areas of risk management are credit risks, market risks including interest rate and price risks, financing risks, property risks as well as strategic and operational risks. The company monitors the interdependence of various risks on a risk map. Oma Savings Bank complies with its disclosure obligation by publishing information of risks, their management and capital adequacy in its financial statements. In addition, the company publishes a Capital and Risk Management Report as a separate document to the financial statements.

Principles and organisation

Risk management means the identification, assessment, measurement, restriction and monitoring of risks resulting from and closely related to business operations. Through risk management, the bank attempts to minimise the likelihood of unexpected losses and threats to the company's reputation. Risk management perspectives are also involved in business decisions when assessing new business opportunities and areas and the ratio of risk to return. Oma Savings Bank's risk management strategy is based on the objective and business strategy, risk management policy and instructions, authorisation system, and a risk and deviation report of the most essential business sectors, all of which are confirmed by the company's Board. In accordance with its strategy, the company operates in the low-risk area of retail banking activities. In terms of its financial bearing capacity, the bank does not have too extensive customer or investment risk concentrations and, as per its strategy, the company will not take such risks either.

The company's Board sets the level of risk appetite by approving risk area-specific risk strategies and the necessary risk limits and monitoring limits. The realisation of the risk strategy is monitored through the control of risk limits and monitoring limits and reporting, which are performed independently of business operations. The company maintains its solvency at a safe level. The company's solvency and risk bearing ability are fortified with profitable operations. The Board is regularly provided information about the various risks to the company as well as an assessment of the level of each risk. The Board also accepts authorisations and frameworks for risk-taking by determining the approved levels of credit and market risks.

Within the limits of authorisation, the responsibility for the daily risk monitoring and surveillance belongs to the management. The executive management utilizes system-produced reports on the various areas of risk. Systems and policies intended for risk reporting and monitoring meet the requirements set for risk management, taking into consideration the character and extent of the company's operations.

The company has established independent operations to ensure efficient and comprehensive internal control.

Independent operations:

- Independent risk control
- Ensuring compliance with regulations (compliance-function)
- Internal audit

Risk management and compliance arrangements

Independent risk control and compliance monitoring is performed by the risk management assessment function, the company's compliance function and the credit risk evaluation function. The risk management assessment function maintains the risk management policies and framework and promotes a healthy risk culture by supporting the company in its risk management processes. The purpose of the independent risk control is to ensure and monitor that the company's risk management is conducted on a sufficient level in terms of the quality, extent, diversity and risks of the company's business operations. In addition, all new and essential previously unknown risks will be included in the company's risk management.

The compliance function is responsible for ensuring compliance with regulations. The compliance function monitors that the practices and instructions are aligned with relevant legislation and requirements based on other regulations, and ensures compliance with laws, official regulations and internal instructions across all operations. The risk control function and the compliance function report directly to the CEO.

Through its independent operations, the internal audit ensures that the company's Board of Directors and executive management have access to a correct and comprehensive picture of the company's profitability and efficiency, the status of internal audit and the various operative risks. The internal audit presents its reports to the company's Board of Directors.

Credit ratings

Standard & Poor's has confirmed a credit rating of BBB+ for Oma Savings Bank’s long-term borrowing in September 2020, as well as a rating of A-2 for short-term borrowing.

In May 2020, Standard & Poor's changed the outlook for Oma Savings Bank's long-term credit rating from stable to negative with the change in the BICRA (Banking Industry Country Risk Assessment) rating, which describes the state of the Finnish banking system. In January 2021, Standard & Poor's changed its BICRA rating, and at the same time Oma Savings Bank's credit rating outlook back to stable.

Pillar III publication principles

In accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council, Oma Savings Bank Group publishes information on capital adequacy and risk management listed in Part 8, Title II annually in its Capital and Risk Management Report and for certain parts biannually together with its half-year report. The company’s independent operations evaluate and authenticate the relevance of the published information at the time of publication. At the time of approving the Capital and Risk Management Report and Pillar III information on capital adequacy and risk management, the company's Board of Directors assesses, on the proposal of independent operations, whether the published details give the market parties a comprehensive picture of the company's risk profile.

Resolutions of the Annual General Meeting

Oma Savings Bank Plc's Annual General Meeting was held on 15 June 2020. The Annual General Meeting approved the company's 2019 financial statements, which include the consolidated financial statements, and discharged the members of the company's Board of Directors and the CEO from liability for the 2019 financial period.

In accordance with the Board's proposal, the AGM decided to authorise the Board to decide on the payment of a dividend of up to EUR 0.19 per share for the financial year 2019 in one or more instalments no earlier than 1 October 2020. The authorisation granted is valid until the annual general meeting of 2021. In addition, the Board of Directors was authorised to decide the record date and date of payment for possible dividend, which the company will inform separately.

In accordance with the proposal of the Nomination Committee, the AGM decided that the members of the Board shall be paid the following annual remuneration for the period ending at the AGM in 2021: EUR 50,000 per year to the Chairman, EUR 37,500 per year to the Vice Chairman and for other members EUR 25,000 per year. In addition, the meeting fees of EUR 1,000 for each board meeting and EUR 500 for each committee meeting will be paid. A meeting fee of EUR 500 will be paid for the remote meeting.

A condition for obtaining and paying a fixed annual fee is that the Board Member commits to purchase Oma Savings Bank Plc shares amounting to 40% of the fixed annual remuneration on the regulated market (Nasdaq Helsinki Ltd) at a price determined by trading. A member of the Board of Directors shall not transfer the shares awarded as annual remuneration until the membership in the Board has expired.

The number of members of the Board of Directors was confirmed to be seven. Aila Hemminki, Aki Jaskari, Timo Kokkala, Heli Korpinen, Jyrki Mäkynen, Jarmo Salmi and Jaana Sandström were re-elected as members of the Board for a term ending at the end of the 2021 AGM.

KPMG Oy Ab, a firm of authorised public accountants, was re-elected as auditor and M.Sc (Econ.), APA Fredrik Westerholm as responsible auditor for a term ending at the 2021 AGM. The auditor's remuneration is paid against an invoice approved by the company.

The AGM decided, in accordance with the Board of Directors' proposal, to authorise the Board of Directors to resolve on the issuance of shares or transfer of the company's shares and the issuance of special rights entitled to shares as referred to in Chapter 10 (1) of the Companies Act, subject to the following conditions:

- Shares and special rights may be given or disposed of in one or more instalments, either for a fee or free of charge.
- The total number of shares to be issued under the authorisation, including shares acquired on the basis of special rights, cannot exceed 5,000,000 shares, which corresponds to approximately 17 per cent of the company's total shares on the day of the AGM.
- The Board of Directors decides on all terms and conditions related to the issuance of shares. The authorisation concerns both the issuance of new shares and the transfer of own shares.
- The authorisation is valid until the end of the next AGM, but not later than June 30, 2021. The authorisation revokes previous authorisations given by the AGM to decide on a share issue, as well as the option rights and the issuance of special rights entitling to shares.

The AGM decided, in accordance with the Board of Directors' proposal, to authorise the Board of Directors to decide on the repurchase of the company's own shares with funds belonging to the company's free equity under the following conditions: Maximum number of 500,000 own shares may be repurchased, which corresponds to approximately 1.7% of the company's total shares, depending on the situation on the date of the notice of the meeting, but the number of own shares held in the company does not exceed 10% of the total shares of the company at any time. This amount includes the own shares held by the company itself and its subsidiaries within the meaning of Chapter 15, Section 11 (1) of the Finnish Limited Liability Companies Act. The Board of Directors is authorised to decide how to acquire own shares. The authorisation is valid until the closing of the next AGM, but not later than June 30, 2021.

Oma Savings Bank Plc's Board of Directors consists of seven members. The Board of Directors convened 16 times during the year. Five of the meetings took place by means of email.

Board members:
Chairman of the Board Jarmo Salmi
Deputy chairman Jyrki Mäkynen
Member Aila Hemminki
Member Aki Jaskari
Member Timo Kokkala
Member Heli Korpinen
Member Jaana Sandström

Administration and personnel

Oma Savings Bank Plc Group employed an average of 299 people in 2020. The goal of the company is that every employee has a clear role in the organisation as well as adequate responsibilities and tasks. The number of employees in the company during the financial year was 292 on average. The number of employees at SAV-Rahoitus Oyj was seven on 31 December 2020.

Oma Savings Bank invests considerably in the skills and ability of its personnel. The bank started an OmaSp Master training programme for supervisors and experts together with the University of Tampere. The first OmaSp Master training programme ended in February 2018 and the second training group started its studies in May 2019. The training program has been running throughout 2020. As a new training, OmaSp Start Days for new employees were launched in the autumn of 2020.Training and developing personnel in different themes through training events, webinars and online courses is part of the company's continuous development of skills and competence.

The company's personnel is generally very satisfied and committed. A significant portion of the company's personnel own company shares. The company carried out its first personnel offering in November 2017 and its second during its IPO in 2018.

Personnel satisfaction is a key indicator for the company's operations and success. The company monitors personnel satisfaction through an annual personnel survey. The overall satisfaction was in the latest survey 4,4/5 in December 2020.

Corporate governance

The company's corporate governance principles are described in a separate document 'Oma Savings Bank Plc's Corporate Governance Statement', approved by the Board, which can be found on the Oma Savings Bank website.

Reward schemes

Oma Savings Bank complies with the requirements on reward schemes laid down in Section 8 of the Act on Credit Institutions. The company's Board of Directors has approved the general principles concerning the reward schemes and supervises and assesses their functioning and compliance with them regularly.

The reward scheme is aligned with the company's business strategy, goals and targets, and the company's long-term benefit. The goal of the reward scheme is to assist the bank in achieving its strategic and operative targets by keeping the personnel motivated and committed. Remuneration also impacts work satisfaction, work well-being and commitment. The reward scheme is also in line with the company's good and efficient risk management and risk-bearing capacity and promotes these.

One of the forms of rewards at Oma Savings Bank is the personnel fund. The personnel fund means a fund owned and managed by the bank's personnel, the purpose of which is to manage earnings and profit bonuses paid into it by the bank and other assets in accordance with the Act on Personnel Funds. The purpose of the personnel fund is to reward the whole personnel for achieving goals, improve the company's productivity and competitiveness and promote co-operation between the employer and the personnel and financial participation of the personnel. The company's Board of Directors decides annually on the amount of the profit sharing bonus to be distributed to the personnel fund and the objectives behind the distribution. All employees that have been working at Oma Savings Bank for six months, excluding the CEO and the members of the management team, become members of the personnel fund. The personnel fund rules determine how the bonus gets distributed to the personnel fund members. The operation of the personnel fund is regulated by the Act on Personnel Funds.

In February 2020, the company's Board of Directors decided on an incentive scheme for its key personnel. The purpose of the scheme is to harmonise the owners' and key personnel's goals in order to raise the company's long-term value and to commit the key personnel to implementing the company's strategy, goals and long-term interests and to offer them a competitive remuneration system based on the earning and accrual of shares.

The share remuneration scheme 2020–2021 consists of a single two-year-long earning period 1 January 2020 – 31 December 2021. The target audience of the scheme includes up to 15 key people, including the company's CEO and members of the group's management team. The remuneration paid from the scheme corresponds to the value of no more than 420,000 Oma Savings Bank Plc shares, including the portion paid in cash.

Salaries and rewards for the financial year are presented in note G21 (personnel expenses). The company publishes the Remuneration Report alongside the financial statements.

Corporate social responsibility and sustainability

Sustainability is one of the cornerstones of Oma Savings Bank's strategy. It is at the heart of the business and an important part of the future operations. The company publishes a separate Corporate Social Responsibility Report each year, describing the most important social, environmental and economic impacts of the company's operations. The company's CSR efforts are based on the company's values, Code of Conduct, stakeholder expectations and megatrends that affect the operations. Based on these, the company has defined four key sustainability themes - we are local and close to the customer, we take care of our personnel, we promote collective well-being and we contribute to sustainable development.

Oma Savings Bank builds sustainable economy and promotes mitigating and adapting to climate change. The company's products and services are developed so that they encourage customers to take sustainable and environmentally friendly action. The company aims to plan its operations to be as low carbon as possible in order to reduce the total carbon footprint.

The company's CSR Report will be supplemented and the year 2020 report will include, as new areas, a survey of impacts and risks related to climate change and the carbon footprint of the company's actual operations.

Significant events after the period

In accordance with the meeting held on 28 January 2021, the Shareholders' Nomination Committee proposes to the AGM on 30 March 2021, that the number of members of the Board of Directors is proposed to be further confirmed at seven. The Shareholders' Nomination Committee proposes that the current Board members Aila Hemminki, Aki Jaskari, Timo Kokkala, Jyrki Mäkynen, Jarmo Salmi and Jaana Sandström to be re-elected as members of the Board of Directors and as a new member Jarmo Partanen.

On January 28, 2021, the company's Board of Directors decided to distribute the dividend for the financial year 2019.The Board of Directors has taken into account the recommendations of the FIN-FSA Financial Supervisory Authority and decided to distribute a dividend of EUR 0.13 per share entitling to dividend for the financial year from

1 January to 31 December, 2019, amounting to EUR 3.8 million. In its decision, the Board of Directors has estimated that company's capital adequacy position is stable, and the company has been prepared for an exceptionally uncertain financial situation with an additional loss allowance, among other things. The dividend payment does not jeopardize the company's financial position or any other of its risk position. The record date for the dividend payable was 1 February 2021, and the payment date 8 February 2021.

In January 2021, Standard & Poor's changed the outlook for Oma Savings Bank's long-term credit rating from negative to stable with the update of the BICRA (Banking Industry Country Risk Assessment), which describes the state of the Finnish banking system.

In year 2020, the company agreed with the Savings Bank Group on a share transaction in which the company sold all its shares of Nooa Savings Bank Ltd, Sb Life Insurance Ltd, Sb-Fund Management Company Ltd, Säästöpankkien Holding Oy and Central Bank of Savings Banks Finland Plc to Savings Bank Group. The deal included 73,414pc of Nooa Savings Bank Ltd shares, of which 4,840 shares are still subject to ECB approval. Regulatory approval was obtained, and the transaction was completed in January 2021.

Other events following the end of the reporting period that would require the presentation of additional information or that would materially affect the company's financial position are unknown.

Outlook for 2021

The company's business volumes will continue strong growth FY2021 despite exceptionally uncertain economic environment. The company's profitable growth is supported by efforts in recent years to improve the customer experience and the availability of customer service through new digital service channels and opening of new units.

Oma Savings Bank provides earnings guidance on the profit before taxes as well as comparable profit before taxes. A verbal description is used to make a comparison with the comparative period. Earnings guidance is based on the forecast for the entire year, which takes into account the current market and business situation. Forecasts are based on the management's insight into the Group's business development.

The company estimates that profitable growth will continue to be strong despite overall economic uncertainty and the group's 2021 profit before taxes and comparable profit before taxes will grow compared to the previous accounting period.

Financial goals

Oma Savings Bank's Board of Directors has approved the following financial goals:

- **Growth:** 10–15% annual growth in total operating income under the current market conditions (actual figure for 2020 20%) valued through the fair value reserve or
- **Profitability:** Cost/income ratio less than 55% (actual figure for 2020 47%)
- **Return on equity (ROE):** Long-term return on equity (ROE) over 10% (actual figure for 2020 9%)
- **Capital adequacy:** Common Equity Tier 1 (CET1) capital ratio at least 14% as of 1 October 2020. Previously at least 16% (actual figure for 2020 16%)

Growth

10 - 15%

10 –15% annual growth in total operating income under the current market conditions (actual figure 2020 20%)

Return on equity (ROE)

>10%

Long-term return on equity (ROE) over 10% (actual figure 2020 9%)

Profitability

<55%

Cost/income ratio less than 55 per (actual figure 2020 47%)

Capital adequacy

14%

Common equity Tier 1 capital (CET1) at least 14% (actual figure 2020 16%)

Dividend policy

The company's target is to pay a steady and growing dividend of at least 20 per cent of the net profit. The Board of Directors of the company evaluates the balance between the dividends or the capital to be distributed and the amount of own funds required by the company's capital adequacy requirements and targets and, on the basis of this evaluation, makes a proposal on the amount of dividend or capital to be distributed.

Board of Directors' proposal for the distribution of profit

The Board of Directors proposes that, based on the financial statements to be approved for 2020, a dividend of EUR 0.24 be paid from the parent company's distributable profits for each share entitling the shareholder to dividend for 2020. The Board's proposal complies with the company's dividend policy. In addition, the Board of Directors proposes to pay a dividend of EUR 0.06 on each share entitling to a dividend for 2020 in respect of dividends not paid for 2019 due to the authority's profit-sharing restrictions. Dividends will be paid upon completion of the authority's profit-sharing restrictions. All of shares outstanding on the dividend record date are entitled to a dividend for 2020. No significant changes took place in the company's financial position after the end of the accounting period. The company's liquidity is good, and the proposed profit distribution does not compromise the company's liquidity according to the Board of Directors' insight. The dividend record and payment date shall be communicated separately.

General Meeting

Oma Savings Bank Plc's Annual General Meeting will be held on Tuesday, 30 March 2020. The Board of Directors shall convene the Annual General Meeting separately.

The Group's Financial Statements

Consolidated income statement

Note	(1,000 euros)	1-12/2020	1-12/2019
	Interest income	72,813	63,351
	Interest expenses	-4,993	-5,828
G17	**Net interest income**	**67,819**	**57,522**
	Fee and commission income	34,248	29,981
	Fee and commission expenses	-4,991	-4,567
G18	**Fee and commission income and expenses, net**	**29,257**	**25,414**
G19	Net income on financial assets and financial liabilities	10,866	7,518
G20	Other operating income	3,130	2,118
	Total operating income	**111,073**	**92,573**
G21	Personnel expenses	-16,866	-17,070
G22	Other operating expenses	-29,598	-28,191
G23	Depreciation, amortisations and impairment losses on tangible and intangible assets	-5,213	-5,048
	Total operating expenses	**-51,676**	**-50,309**
G24	Impairment losses on financial assets, net	-21,587	-9,567
	Share of profit of equity accounted entities	-103	-13
	Profit before taxes	**37,707**	**32,684**
G25	Income taxes	-7,054	-5,231
	Profit for the accounting period	**30,653**	**27,453**
	Of which:		
	Shareholders of Oma Savings Bank Plc	30,824	27,579
	Non-controlling interest	-171	-126
	Total	**30,653**	**27,453**
	Earnings per share (EPS), EUR	**1.04**	**0.93**
	Earnings per share (EPS) after dilution, EUR *	**1.04**	-

** Calculated as of 1 January 2020*

Profit before taxes excluding items affecting comparability

(1,000 euros)	1-12/2020	1-12/2019
Profit before taxes	**37,707**	**32,684**
Operating income:		
Net income on financial assets and liabilities*	-10,866	-7,518
One-time income related to closing of derivatives	-912	-
Operating expenses		
Sales loss of commercial premises in own use	800	-
Expenses from the co-operation negotiations	-	1,062
Comparable profit before taxes	**26,729**	**26,228**
Income taxes in income statement	-7,054	-5,231
Change of deferred taxes	2,196	1,291
Comparable profit/loss for the accounting period	**21,871**	**22,288**

*Net income from financial assets and liabilities includes impact of closing of derivatives in 2020 EUR 0.8 million.

Consolidated statement of comprehensive income

(1,000 euros)	1-12/2020	1-12/2019
Profit for the accounting period	**30,653**	**27,453**
Other comprehensive income before taxes		
Items that will not be reclassified through profit or loss		
Gains and losses on remeasurements from defined benefit pension plans	-	-53
Items that may later be reclassified through profit or loss		
Measured at fair value	10,862	7,778
Transferred to Income Statement as a reclassification change	-8,005	120
Other comprehensive income before taxes	**2,857**	**7,844**
Income taxes		
For items that will not be reclassified to profit or loss		
Gains and losses on remeasurements from defined benefit pension plans	-	11
Items that may later be reclassified to profit or loss		
Measured at fair value	-571	-1,580
Income taxes	**-571**	**-2,258**
Other comprehensive income for the accounting period after taxes	**2,286**	**6,276**
Comprehensive income for the accounting period	**32,939**	**33,729**
Attributable to:		
Shareholders of Oma Savings Bank Plc	33,110	33,855
Non-controlling interest	-171	-126
Total	**32,939**	**33,729**

Consolidated balance sheet

Note	Assets (1,000 euros)	31 Dec 2020	31 Dec 2019
G4	Cash and cash equivalents	262,087	6,626
G5	Loans and advances to credit institutions	74,206	60,005
G5	Loans and advances to the public and public sector entities	3,434,315	2,960,356
G6	Financial derivatives	796	5,634
G7	Investment assets	529,305	329,977
G35	Equity accounted entities	23,787	5,666
G8	Intangible assets	11,180	9,259
G9	Tangible assets	29,698	25,325
G10	Other assets	12,749	11,827
G11	Deferred tax assets	3,875	1,814
G11	Current income tax assets	-	41
	Total assets	**4,381,999**	**3,416,530**

Note	Liabilities (1,000 euros)	31 Dec 2020	31 Dec 2019
G12	Liabilities to credit institutions	223,510	88,045
G12	Liabilities to the public and public sector entities	2,376,743	2,005,573
G13	Debt securities issued to the public	1,346,815	938,348
G14	Subordinated liabilities	15,500	15,500
G15	Provisions and other liabilities	34,188	24,622
G11	Deferred tax liabilities	27,948	24,578
G11	Current income tax liabilities	3,803	-
	Total liabilities	**4,028,506**	**3,096,665**

Note	Equity	31 Dec 2020	31 Dec 2019
G16	Share capital	24,000	24,000
	Reserves	148,348	145,934
	Retained earnings	180,717	149,332
	Shareholders of Oma Savings Bank Plc	**353,066**	**319,266**
	Shareholders of Oma Savings Bank Plc	353,066	319,266
	Non-controlling interest	427	598
	Equity, total	**353,493**	**319,865**
	Total liabilities and equity	**4,381,999**	**3,416,530**

Group's off-balance sheet commitments (1,000 euros)	31 Dec 2020	31 Dec 2019
Off-balance sheet commitments		
Guarantees and pledges	25,976	21,781
Other commitments given to a third party	154	266
Commitments given to a third party on behalf of a customer	**26,130**	**22,047**
Undrawn credit facilities	263,736	190,478
Irrevocable commitments given in favour of a customer	**263,736**	**190,478**
Group's off-balance sheet commitments, total	**289,867**	**212,525**

Consolidated statement of changes in equity

(1,000 euros)	Share capital	Fair value reserve	Other reserves	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
Equity, January 1	**24,000**	**8,538**	**137,396**	**145,934**	**149,332**	**319,266**	**598**	**319,865**
Comprehensive income								
Profit for the accounting	-	-	-	-	30,824	30,824	-171	30,653
Other comprehensive income	-	2,286	-	2,286	-	2,286	-	2,286
Total comprehensive income	**-**	**2,286**	**-**	**2,286**	**30,824**	**33,110**	**-171**	**32,939**
Transactions with owners								
Distribution of dividends	-	-	-	-	-	-	-	-
Share-based incentive scheme	-	-	-	-	555	555	-	555
Other changes	-	-	134	134	-	134	-	134
Transactions with owners, total	**-**	**-**	**134**	**134**	**555**	**689**	**-**	**689**
Equity total	**24,000**	**10,824**	**137,530**	**148,354**	**180,712**	**353,066**	**427**	**353,493**

(1,000 euros)	Share capital	Fair value reserve	Other reserves	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
Equity, 1 January	**24,000**	**2,220**	**137,396**	**139,616**	**125,964**	**289,580**	**750**	**290,330**
Comprehensive income								
Profit for the accounting	-	-	-	-	27,579	27,579	-126	27,453
Other comprehensive income	-	6,318	-	6,318	-43	6,276	-	6,276
Total comprehensive income	**-**	**6,318**	**-**	**6,318**	**27,537**	**33,855**	**-126**	**33,729**
Transactions with owners								
Distribution of dividends	-	-	-	-	-4,168	-4,168	-26	-4,194
Other changes	-	-	-	-	-	-	-	-
Transactions with owners, total	**-**	**-**	**-**	**-**	**-4,168**	**-4,168**	**-26**	**-4,194**
Equity total	**24,000**	**8,538**	**137,396**	**145,934**	**149,332**	**319,266**	**598**	**319,865**

Consolidated cash flow statement

(1,000 euros)	1-12/2020	1-12/2019
Cash flow from operating activities		
Profit/loss for the accounting period	30,653	27,453
Changes in fair value	-114	59
Share of profit of equity accounted entities	103	13
Depreciation and impairment losses on investment properties	711	560
Depreciation, amortisation and impairment losses on tangible and intangible assets	5,213	5,047
Gains and losses on sales of tangible and intangible assets	2,061	80
Impairment and expected credit losses	21,587	9,567
Income taxes	7,054	5,231
Other adjustments	548	-4,011
Adjustments to the profit/loss of the accounting period	37,163	16,548
Cash flow from operations before changes in receivables and liabilities	**67,817**	**44,001**
Increase (-) or decrease (+) in operating assets		
Debt securities	-228,013	-32,089
Loans and advances to credit institutions	-8,556	3,205
Loans and advances to customers	-503,352	-444,559
Derivatives and hedge accounting	-13	100
Investment assets	26,513	-17,883
Other assets	-1,008	449
Total	**-714,429**	**-490,777**
Increase (+) or decrease (-) in operating liabilities		
Liabilities to credit institutions	135,465	-1,749
Deposits	376,881	243,143
Provisions and other liabilities	7,109	4,004
Total	**519,455**	**245,399**
Paid income taxes	**-2,473**	**-2,543**
Total cash flow from operating activities	**-129,630**	**-203,921**
Cash flow from investments		
Investments in tangible and intangible assets	-12,064	-12,769
Proceeds from sales of tangible and intangible assets	5,468	470
Acquisition of associated companies and joint ventures	-18,303	-
Changes in other investments	9,752	1,217
Total cash flow from investments	**-15,147**	**-11,082**
Cash flows from financing activities		
Other cash increases in equity items	123	-
Subordinated liabilities, changes	-	-9,700
Debt securities issued to the public	407,419	222,600
Payments of lease liabilities	-1,659	-1,220
Dividends paid	-	-4,194
Total cash flows from financing activities	**405,882**	**207,486**
Net change in cash and cash equivalents	**261,106**	**-7,517**
Cash and cash equivalents at the beginning of the accounting period	**51,888**	**59,405**
Cash and cash equivalents at the end of the accounting period	**312,994**	**51,888**
Cash and cash equivalents are formed by the following items		
Cash and cash equivalents	262,087	6,626
Receivables from credit institutions repayable on demand	50,907	45,262
Total	**312,994**	**51,888**
Received interest	81,646	64,550
Paid interest	-5,357	-5,724
Dividends received	199	1,393

Accounting principles for the consolidated financial statements

G1 Accounting principles for the consolidated financial statement

1. About the accounting principles

The Group's parent company is Oma Savings Bank Plc, whose domicile is in Seinäjoki and head office is in Lappeenranta, Valtakatu 32, 53100 Lappeenranta. Copies of the financial statements and interim reports are available on the bank's website www.omasp.fi.

The Board of Directors has approved the operating report and financial statements for the period from 1 January to 31 December 2020 at its meeting 26 February 2021, and the Annual General Meeting will approve there on 30 March 2021.

Oma Savings Bank Group is formed as follows:

Subsidiaries

- Real estate company Lappeenrannan Säästökeskus holding 100%
- Real estate company Sofian Tupa holding 100%
- SAV-Rahoitus Oyj holding 50.7%

Associated companies

- GT Invest Oy holding 48.7%
- City Kauppapaikat Oy holding 42.1%

Joint ventures and joint operations

- Figure Taloushallinto Oy holding 25%
- Deleway Projects Oy holding 49%
- Housing company Seinäjoen Oma Savings Bank house holding 25.5%

The consolidated financial statements of Oma Savings Bank Plc (hereinafter company) have been prepared in compliance with the International Financial Reporting Standards (IFRS), as approved by the European Union, and the SIC and IFRIC Interpretations. The preparation of the notes to the financial statements also took into account the Finnish accounting and entity legislation and the supplementary requirements of competent authorities' orders.
The consolidated financial statements (hereinafter Group) are presented in thousands of euros unless otherwise specified. The figures in the notes are rounded off, so the combined sum of single figures may deviate from the grand total presented in a table or a calculation. The accounting and functional currency of the Group and its companies is the euro.

The Group's consolidated financial statements have been prepared based on the historical cost except for financial assets recognised at fair value through profit or loss, financial assets held for trading, hedged items in a fair value hedge (in terms of hedged risk) and hedging derivatives used in fair value or cash flow hedging, that have been recognised at fair value.

1.1 New and revised standards and interpretations applied

Oma Savings Bank has applied the standard amendments and interpretations concerning the company that came into force during the financial year. The changes that took effect in 2020 have not had a material effect on the Group's result for the financial year, financial position or presentation of the financial statements.

On February 17, 2020, the Board of Directors of Oma Savings Bank decided to establish a share-based incentive scheme for the Group's Management Team to which the Group has applied for the first time IFRS 2 Share-based Payment requirement in its reporting during the financial year. Details of the arrangement are presented in note G33.

2. Consolidation principles

2.1. Subsidiaries

The Group's consolidated financial statements include the parent company and its subsidiaries in which the bank has control. The bank has control when it, by having an interest in the company, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Mutual ownership in the Group has been eliminated using the acquisition method. The consideration transferred, the identifiable assets of the acquired entity and liabilities assumed are valued at fair value at the date of acquisition. Expenditure related to acquisition has been recorded as an expense. The non-controlling owners share is valued at an amount equal to the non-controlling owners" share of the identifiable net assets of the subject of the acquisition. The acquired subsidiaries are included in the consolidated financial statements from the moment that the Group gains control over them and the sold subsidiaries are included until control ceases. Internal transactions, receivables and liabilities, unrealised profits and internal profit distribution in the Group have been eliminated in the consolidated financial statements.

Unrealised losses are not eliminated if the loss is due to impairment. The distribution of profit or loss for the period to the controlling and non-controlling interests of the parent company is disclosed separately in the income statement. The distribution of comprehensive income for the period to the controlling and non-controlling interests of the parent company is presented in the statement of comprehensive income. Profit or loss for the period and comprehensive income are allocated to the controlling and non-controlling interests of the parent company, even if this were to result in the non-controlling interest becoming negative. The share of equity belonging to non-controlling interest is presented as a separate item in the balance sheet, as part of equity.

2.2. Joint ventures and associated companies

Joint ventures are defined as joint arrangements in which the bank has joint control together with other parties to the arrangement and the arrangement brings the bank the right to the arrangement's net assets. Joint ventures and associated companies have been consolidated using the equity method. The investment is initially recognized at cost, after which the Group's share of the profit of the joint venture for the period is consolidated in the income statement. Similarly, the potential Group's share of other comprehensive income of the joint venture or associate company is recognised in the Group's comprehensive income.

A joint venture is an arrangement in which the Group has right to the arrangement's net assets, while in a joint operation, the Group has rights to the assets and liabilities of the arrangement. Mutual real estate companies are joint operations from which the Group has combined its own assets, liabilities, income and expenses and its own share of common assets, liabilities, income and expenses.

3. Goodwill

Goodwill arising from the combination of business operations is recognised in the amount by which the combined amount of transferred consideration, non-controlling interest in the acquired item and the previously owned share exceeds the fair value of the acquired net assets.

No depreciation is recognised in goodwill, but it is tested in case of impairment at least on every reporting day and whenever there is any indication that the value may have decreased. Goodwill is valued at the initial acquisition value less impairment.

4. Financial instruments

4.1. Classification and valuation of financial assets

On initial recognition, the item belonging to financial assets is valued at fair value in accordance with IFRS 9. If the financial asset is an item not recognised at fair value through profit or loss, the incremental direct transaction costs from the acquisition of the assets are added to it or deducted from it.

Financial assets are classified in one of the three following classes when they are initially recognised:

- valued at amortised cost,
- valued at fair value through other comprehensive income or

- financial assets valued at fair value through profit or loss.

Immediately subsequent to the initial recognition, a loss allowance concerning expected credit losses (ECL) is recognised on the financial assets, if the financial asset is valued at amortised cost or at fair value through other comprehensive income. Impairments of financial assets are assessed for each receivable and receivable category. Impairments that cannot be allocated to individual receivables are recognised as impairments of a receivable category.

The classification and valuation of financial assets is based on the company's business model and nature of contractual cash flows. Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

4.1.1 Financial assets valued at amortised cost

Financial assets are valued at amortised cost when the contractual cash flows only include capital repayments and interest payments and the company holds them as part of a business model whose objective is to collect contractual cash flows over the life of the contract. Loans and advances customers and credit institutions and cash and cash equivalents belong to financial assets valued at amortised cost.

4.1.2 Financial assets valued at fair value through other comprehensive income

Financial assets are valued at fair value through other comprehensive income when the contractual cash flows consist only of capital repayments and interest payments and the company holds the financial asset as part of a business model whose objective is both collecting contractual cash flows and possibly selling the financial assets before the maturity date. Oma Savings Bank has classified some of its debt instruments to be valued at fair value through other comprehensive income.

4.1.3 Financial assets valued at fair value through profit or loss

Financial assets are valued at fair value through profit or loss, unless they are valued at amortised cost or at fair value through other comprehensive income. Items that do not meet the SPPI test are also recognized at fair value through profit or loss. Mainly financial assets whose business model is to trade actively, and which have been acquired to generate earnings in the short term, are recognised at fair value through profit or loss. Oma Savings Bank has classified some of its debt securities in this class.

4.2 Equity instrument

Equity instruments are recognised at fair value through profit or loss, unless the company irrevocably chooses to measure an individual asset at fair value through other comprehensive income.

The Group does not have equity investments valued at fair value through other comprehensive income. All equity instruments recognised according to IFRS 9 are recognised at fair value through profit and loss.

4.2.1 Assessment of business models

The company specifies the business model objective for each portfolio according to how business operations are managed and reported to the management. The objectives are specified on the basis of the investment and lending policy approved by the company.

The business model describes a portfolio-specific earnings model with the purpose of collecting only contractual cash flows, collecting contractual cash flows and cash flows from sales of financial assets or collecting cash flows from trading in financial assets.

4.2.2 Cash flow testing

If the business model is other than trading, the company assesses whether the contractual cash flows are based solely on payment of principal and interest (so called SPPI test). If the cash flow criterion is not met, the financial asset is recognised at fair value through profit or loss.

In assessing whether contractual cash flows are solely payments of principal and interest, the company will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of cash flows so that it does not meet the SPPI contractual cash flow characteristics test requirements.

All retail and corporate loans granted by the company contain a prepayment feature. This feature does meet the cash flow testing criteria as, in connection with a prematurely repaid loan, the company is entitled to collect reasonable compensation for the premature termination of the contract.

4.3 Changes in contractual cash flows

Whenever a change is made to a financial asset or liability valued at amortised cost without removing the asset or liability from the balance sheet any profit or loss must be recognised. The profit or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the contractual interest rate.

An example of a situation of this kind are changes made to the amortisation plan for a loan granted to the customer or granting amortisation suspension. Changes due to a deterioration in the customers solvency are treated as a significant growth in credit risk.

In connection with significant loan term changes, the loan is derecognised from the balance sheet and a new loan is recognised in its place. If the credit risk of the loan derecognised from the balance sheet has grown significantly, the new loan is recognised in the balance sheet as credit-impaired.

4.4 Derecognition

The Group derecognises a financial asset when the contractual rights to cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group does not retain control of the financial assets.

4.5 Impairment of financial assets

The impairment estimate, the expected credit loss (ECL), is recognised on all debt instruments belonging to financial assets valued at amortised cost and valued at fair value through the fair value reserve and on off-balance sheet loan commitments and guarantee contracts.

For financial assets valued at amortised cost, a loss allowance for the expected credit loss is recognised in a separate account as a reduction in the carrying amount. The expected credit loss on the financial assets valued at fair value through other comprehensive income is recognized in the fair value reserve through other comprehensive income. For off-balance-sheet items, the expected credit loss is recognised as a provision.

The expected credit losses are measured at an amount equal to lifetime ECL of the financial asset when, on the date of reporting, the credit risk related to the financial asset has significantly increased since its initial recognition (stage 2) or when the contract is credit-impaired (stage 3). Otherwise, the expected credit loss is calculated based on the assessment that default event will occur within 12 months of the date of reporting.

The expected credit losses are recognised for each date of reporting and they describe:

- an unbiased and probability-weighted monetary amount that is determined by evaluating a range of possible outcomes,
- the time value of money and
- reasonable and justifiable information that is available on the date of reporting without any excessive costs or efforts and which applies to past events, current circumstances and forecasts of the economic environment.

The financial assets used in the calculations are classified into three stages, which describe the weakening of the quality of the financial assets compared to the initial recognition.

Stage 1: Contracts whose credit risk has not grown since the initial recognition and for which a 12-month ECL is calculated.

Stage 2: Contracts whose credit risk has grown significantly since the initial recognition and for which a lifetime ECL is calculated.

Stage 3: Credit-impaired contracts (counterparty has been classified as being in default) for which a lifetime ECL is calculated.

4.5.1 Significant increase in credit risk

In assessing whether the credit risk related to a financial instrument has increased significantly, the change in the risk of a default occurring over the expected life of the financial instrument shall be observed. When carrying out this assessment, the risk of default occurring over the expected life of the instrument at the reporting date is compared with the risk of default at the date of initial recognition. A significant increase in credit risk leads to the transfer of the loan from stage 1 to stage 2. The company uses both quantitative and qualitative indicators in credit risk assessment.

Indicators for assessing significant increase in credit risk vary between different portfolios, but for the largest loan receivables (private and corporate customer loans), the company considers changes in behavioural scoring and credit rating, as well as certain qualitative indicators such as forbearance, placement on watchlist and 30-day delays in contractual payments.

The company has automated a credit scoring system which is based, depending on the type of the loan, on changes in the behavioural scoring of private customers and on changes in credit ratings of corporate customers as well as qualitative indicators. Loan-specific stage allocation is monitored regularly. A probation period is applied for the transfers of loans out of stage 2 to stage 1 only after the delay period.

4.5.2 Definition of default

The company has defined defaults (stage 3) as occurring in accordance with IFRS 9 in the following situations:

- Contractual payments are 90 days overdue,
- A loan is non-performing or assigned to a collection agency,
- The customer is bankrupt or subject to debt restructuring or
- 20% or more of the customer's loans meet the above default conditions, as a result of which all of the customer's loans are considered to be in default.

The definition corresponds with the definition of default used by the Group in its regulatory reporting and is consistent with the definition of customer default. In assessing when a debtor is in default, the company takes into account qualitative indicators (such as breaches of loan terms) and quantitative indicators (such as the number of days past due date) by using internal and external sources to collect information on the debtor's financial position.

4.5.3 Inputs of expected credit loss model

The calculation of the expected credit losses is based on portfolio-specific calculation rules. The Group's loan portfolio is divided on the basis of product-specific risk characteristics into the following clusters:

- Loans to housing corporations
- Private customers' home mortgages and consumer credits
- Accounts with overdraft facilities
- Credit cards
- Loans to farmers
- Student loans
- Loans to corporates

Private customers' home mortgages and consumer credits and corporate customers' loans form the Group's two most significant clusters. With regard to these two clusters, the calculation of the expected credit losses is based on the Exposure at Default (EAD), Probability of Default (PD) and the Loss Given Default (LGD). The company uses the recorded customers' repayment behaviour data, customer-specific ratings and loan-specific collateral values as the basis for determining the parameters.

When calculating home mortgages and consumer credits, the PD parameter used is based on vintage analysis, in which loans are monitored based on their maturity. In terms of corporate loans, the PD parameter is based on a transition matrix describing changes in the customer-specific ratings. Credit rating is a grade assigned by an external party. In smaller portfolios, the PD parameter applied by the company is a simple loss rate model.

The Exposure at Default (EAD) is the amount of exposure at the reporting date. Calculation of the EAD takes into account the payments to the loan as stated in the payment plan. However, certain financial instruments include both a loan principal and an undrawn portion of a loan commitment. The undrawn portion of a loan is taken into account in the exposures for the total limit granted. With credit card receivables, EAD calculation applies the so-called CCF coefficient when taking into account undrawn limits. Loss Given Default (LGD) describes the credit losses' share of the loan capital after loan-specific collateral has been factored in, when the receivable is classified in stage 3.

For debt security investments, the Group determines the allowance for credit loss using the formula EAD*PD*LGD. Instrument-specific material from the market database is used as the source for calculating PDs. In addition, a low credit risk exception for debt security investments with a credit rating of at least investment grade at the reporting date is used. In these cases, the allowance for credit loss will be measured at an amount equal to the 12-month expected credit losses.

The management of the company monitors the development of an allowance for credit loss to ensure that the model properly reflects the amount of expected credit loss. If necessary, the management refines the calculation parameters.

4.6 Recognising final credit losses

Financial assets are derecognised from the balance sheet when it is expected that payment on the loans will no longer be received and the final credit loss can be calculated. The previously recognised expected credit loss is reversed at the same time as the item is removed from the balance sheet and the final credit loss is recognised.

The loans are removed from the balance sheet when their enforcement activities have been finished or when the loan terms are changed significantly, for example in connection with refinancing. After derecognition, payments allocated to recoveries of amounts previously written off are recognised through profit or loss in the item 'Impairment losses on financial assets, net'.

4.7 Classification and valuation of financial liabilities

At the time of the initial recognition, financial liabilities are classified in one of the following classes:

- financial assets valued at amortised cost, or
- recognised at fair value through profit and loss.

Financing liabilities are originally recognised at fair value. Consequently, financial liabilities, with the exception of liabilities recognised at fair value through profit and loss, are valued at amortised cost using the effective interest method. Transaction costs are included in the original carrying value of financial liabilities valued at amortised cost. Transaction costs related to financial liabilities recognised at fair value through profit or loss are expensed as incurred.

Financial liabilities valued at fair value through profit or loss comprise derivative instruments to which hedge accounting is not applied. At the reporting date, the Group does not have derivative instruments valued at fair value through profit or loss.

Liabilities to credit institutions, liabilities to the public and general government as well as debt securities issued to the public are recognised in other financial liabilities valued at amortised cost.

Financial liabilities are not reclassified subsequent to their initial recognition.

4.8 Offsetting financial assets and liabilities

Financial assets have not been netted in the Group's financial statements.

4.9 Items denominated in foreign currencies

Assets and liabilities denominated in foreign currencies outside of the euro zone have been translated into to euros as per the European Central Bank's average rate on the reporting date. On the income statement, foreign currency differences arising from valuation have been recognised in net gains from investment operations.

4.10 Cash and cash equivalents

Cash and cash equivalents consist of cash, bank receivables and short-term deposits of less than three months.

4.11 Determining the fair value

Fair value is the price that would be received for the sale of an asset or that would be paid for assuming a liability between market participants in a common transaction occurring on the valuation date.

The fair value of a financial instrument is determined either utilising quoted prices obtained from active markets or, if active markets do not exist, utilising an established valuation method. Markets are considered to be active if price quotes are easily and regularly available and if they reflect real and regularly reoccurring market transactions between parties that are independent of each other. The current bid price is used as the quoted market price of financial assets.

If there is an established valuation method in the markets for financial instruments for which a market price cannot be directly acquired, the fair value is based on the generally used calculation model of market price and on the input quotes used by the model.

If the valuation method is not well-established in the markets, a specific widely recognised valuation model for the product in question is used to determine the market value. Valuation models are based on widely utilized calculation methods and they cover all factors that market participants would take into consideration when calculating prices. When determining the fair value, uses observable prices of market transactions, discounted cash flows and the fair value at the time of financial statements of another, essentially similar instrument. The valuation methods take into account credit risk assessments, used discount rates, the possibility of prepayments and other factors that impact the valuation of the financial instrument's fair value.

The fair values of financial instruments are divided in three hierarchies according to how the fair value is determined:

Level 1: Fair values quoted in active markets for identical assets or liabilities.

Level 2: Fair values that have been determined by the use of input information other than quoted Level 1 prices that are verifiable for assets or liabilities either directly (e.g. as prices) or indirectly (e.g. derived from prices).

Level 3: Fair values that have been determined for assets or liabilities using inputs that are not essentially based on verifiable market prices.

The hierarchy levels of fair values are determined based on the lowest level of input that is significant for the investee. The significance of an input is assessed against the item valued at fair value in its entirety. Transfers between fair value hierarchy levels are determined to have occurred on the date when the event or change in circumstances occures.

5. Derivatives and hedge accounting

Oma Savings Bank hedges its interest-bearing loans against interest rate fluctuations with derivatives and applies hedge accounting in addition to regularly evaluating the effectiveness of such hedging and changes in fair values. Hedge accounting conforms to the IFRS 9 standard's provision that allows to continue to apply portfolio hedge accounting pursuant to the IAS 39 standard. At the time of its financial statements, the Group has no derivatives that protect interest-bearing loans.

Interest rate swaps are used to hedge fixed-rate deposit stocks and stock derivatives have been used to hedge deposits, whose yield is tied to changes in stock value.

At the time of its financial statements, the Group has equity derivatives to hedge deposits whose returns are tied to the change in the value of the shares.

Derivative contracts are valued at fair value and changes in value are recognised through profit or loss or, if hedge accounting is applied, through other comprehensive income. The positive fair values of derivative contracts are presented in the balance sheet assets under 'Derivatives'. The credit valuation adjustment (CVA) is taken into account in the valuation of assets.

The negative fair values of derivative contracts are presented in the balance sheet's liabilities under the 'Derivative contracts' item. The debit valuation adjustment (DVA) is taken into account in the valuation. Derivative contracts are valued at fair value and hedge accounting is applied to them. The changes in the fair value of hedged items and hedging instruments designated for hedging the fair value are entered in the income statement item 'Net income on financial assets and liabilities' and in the balance sheet as an adjustment of the item in question. The interest expenses of hedge derivatives are presented under interest expenses and the income under interest income.

Derivatives are not held for the purpose of trading. Before beginning hedge accounting, the connection between hedging derivatives and instruments to be hedged (economic hedge relationship) and the effectiveness of hedging are documented.

6. Intangible assets

The most significant intangible assets in the consolidated financial statements are the information systems used in the banking operations and intangible assets related to customer relationships recognised in the balance sheet in connection with acquisitions.

Intangible assets are recognised in the balance sheet if it is likely that the expected economic benefits associated with the asset will flow to the Group and the acquisition cost of the asset can be measured reliably.

The acquisition cost comprises the purchase price including expenditure that are direct results of preparing the asset for its intended purpose. Internal development work related directly to the information system project is also in the carrying amount of the asset. Expenses related to the use of the asset and the training of personnel are not included in the acquisition cost, nor are administrative expenses or other general expenses. Subsequent to initial recognition, the intangible asset is measured at cost less accumulated amortisation and any impairment losses.

Intangible assets are recognised in the balance sheet under 'Intangible assets' and any amortisation is recognized on the income statement under 'Depreciation, amortisation and impairment losses on tangible and intangible assets'.

The acquisition cost of intangible assets is recognized as depreciation in accordance with useful life. Depreciations of intangible assets are commenced at the moment when the asset is ready for use. The useful life of intangible assets is reviewed annually.

The estimated useful lives are as follows:

- Information systems: 3 – 10 years
- Customer relationships related to deposits: 6 years
- Other intangible assets: 3 – 5 years

Goodwill arising from business combinations is recognized in the amount by which the combined amount of transferred consideration, non-controlling interest in investee and the previously ownership interest exceeds the fair value of the acquired net assets.

Goodwill is not amortised. It is tested in case of impairment annually and whenever there is any indication that the value may have decreased. For this purpose, goodwill is allocated on units that produce cash flow. Goodwill is valued at the initial acquisition value less impairment.

7. Tangible assets and investment properties

Based on the purpose of use, the Group's properties are divided into properties in own use and investment properties. The purpose of investment properties is to generate rental income or increases in capital value. If a property is both in own and investment use, the assets are presented separately only if they can be sold separately. In these cases, the division is based on the ratio of square metres in different uses.

If these parts could be sold separately, they are processed separately in bookkeeping by the purpose of use. If the parts cannot be sold separately, the property is treated as an investment property only if merely a small portion of the property is in own or the personnel's use. If the parts cannot be sold separately, the premises are classified as per the purpose of use of the larger area in use.

Property, plant and equipment are recognised in the balance sheet under ‘Tangible assets’ and investment properties are recognised under ‘Investment assets’. On the income statement, income related to properties in own use is recognised under ‘Other operating income’ and the related expenses are recognised under ‘Other operating expenses’. Depreciation and impairment losses from all property, plant and equipment are recognized under ‘Depreciation, amortisation and impairment losses from tangible and intangible assets’. Net income from investment properties, including accumulated depreciation, amortisation and impairment, are included in ‘Net income from investment activities’. Gains or losses arising from disposal or retirement are recognised as a difference between received income and balance sheet value.

Property, plant and equipment as well as investment properties are valued at acquisition cost less depreciation and impairment. Depreciations are based on estimates on the assets’ useful lives. Depreciations are not made for land areas. Subsequent expenditure on asset is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates, or the economic life is extended.

The estimated useful lives are primarily as follows:

- Buildings: 10 – 40 years
- Machines and equipment: 5 – 8 years
- Other tangible assets: 3 – 10 years

8. Lease agreements

Leases in which the Group functions as a lessee are recognised in the balance sheet as lease liability and as a right-of-use asset. The right-of-use assets recognized in the Group’s balance sheet are related to the leases on properties, flats and machines and equipment.
At the commencement date of the lease, the right-of-use asset is valued at acquisition cost, which includes an initial amount of lease liability and any initial direct costs and an estimate of costs to dismantle and any rents paid by the commencement date of the lease, minus received incentives.

The lease term of a lease agreement is defined as a period during which the agreement cannot be terminated. A period including a possible extension or termination option is added to the lease term, if it is relatively certain that the Group will exercise the extension option or not use the termination option. The company’s management has determined that the duration of offices’ permanent leases is five years.

After the start of the agreement, the Group values the fixed asset in accordance with the acquisition cost model. Depreciation and interest expenses related to lease liabilities are recognised in the fixed asset item. Depreciation is recognised in the period between the date of commencement of the contract and the end of the economic life of the fixed asset or the end of the lease term.

The lease liability is initially measured at the present value of the rents to be paid during the lease term, which have not yet been paid. Leases are discounted at using the interest rate implicit in the lease or the Group’s incremental borrowing rate. When a variable lease is based on the index or price, these are taken into account in determining the lease liability. Subsequently the lease liability is measured using the effective interest method. Rents consist of fixed payments and variable lease payments, which depend on the index. The lease liability is remeasured when a change occurs in future leases, which results from a change in the index or price level used to determine the payment in question or a change occurs in the expected amounts paid based on the residual value guarantee. Also changes in estimates concerning the purchase option or extension or termination option of the underlying asset can lead to a reassessment of the lease liability. The amount resulting from the remeasurement of the lease liability is used to adjust the the carrying amount of the right-of-use asset, or if the value of the right-of-use asset is zero, it is recognised in profit or loss. The Group applies the recognition exemptions under IFRS 16 for leases of no more than 12 months and low value assets. These are expensed on a straight-line basis over the lease term. These are not recognised as assets and their related liabilities in the balance sheet.

As a lessor, Oma Savings Bank Group does not have any contracts that are classified as finance leases. Leases classified as operating leases are recognised on a straight-line basis over the lease term in the income statement item ‘Net income from investment assets’ or ‘Other operating income’. Some fixed-term leases include extension options, the effect of which is taken into account in the calculation if it can be assumed with reasonable certainty that the option in the agreement will be exercised.

9. Provisions

Provisions are recognised when the Group has a legal or an actual obligation resulting from a previous event, the fulfilment of the obligation is likely, and the management team can evaluate the amount of the obligation in a reliable manner. If it is certain that partial compensation for the obligation will be received from a third party, the compensation is recognised as a separate item. Provisions are reviewed annually on the date of reporting and adjusted if necessary. Provisions are valued at the current value of the amount that is expected in order to fulfil the obligation.

10. Employee benefits

The Group’s employee benefits as per the IAS 19 Employee Benefits standard comprise short-term employee benefits, benefits related to the termination of employment and benefits after the employment has been terminated.

Short-term employee benefits are, for example, salaries and benefits in kind, annual holidays, performance rewards and additional insurance that are expected to be paid in full within 12 months from the end of the accounting period during which the employees perform the work in question.

Benefits based on the termination of employment comprise severance payments. Pension plans related to benefits after the employment has been terminated are classified as defined benefit plans and defined contribution plans. Defined benefits plans are, for the most part, agreements that include additional pension schemes.

In terms of defined contribution plans, the Group makes fixed pension insurance payments to pension insurance companies and there is no legal or actual obligation to make additional payments if the pension insurance company is unable to make payments on such benefits. Expenses are recognised as expenses during the relevant accounting period.

In terms of defined benefit plans, the Group has obligations after making payments during the accounting period. For defined benefit plans, liability is presented as the current value of obligations resulting from the plans on the date of reporting less the fair value of funds in the plans. The Group uses an external actuary to define the obligations resulting from benefits after employment has been terminated.

In February 2020, Oma Savings Bank's Board of Directors decided on a share-based incentive scheme for the Group's key personnel, in which payments are made partly in the form of equity instruments and partly in cash. The purpose of the cash contribution is to cover taxes and tax-like payments incurred to the key personnel. Benefits under the plan are valued at fair value at the time they are granted and are recognised as an expense in the income statement during the period of entitlement The amount recognised as an expense is based on an estimate of the number of shares to which are expected to be entitled. The fees are fully recognised as a share-based arrangement payable in equity and the expense is amortised for the entire entitlement period and the expense effect is presented in the income statement under personnel expenses. The Group revises the expected number of shares that are expected to be ultimately exercised at each financial statement date. Changes in estimates are recognised in the income statement. The amount recognised as an expense is subsequently adjusted to reflect the number of shares finally issued.

11. Revenue recognition principles

11.1 Interest income and expenses

Interest income and expenses are recognised over the duration of the contract. Interest income and expenses are recognised on the income statement under 'Net interest income'.

Significant arrangement and transaction fees are recognized using the effective interest method based on the average expected maturity of the loan rather than recognising the income as a one-off gain. The clarification of recognition principles relates to new credit issued to corporates and housing companies.

11.2 Fee and commission income and expenses

Income from services offered to customers related to, for instance, payment transactions and lending, and fee and commission income related to funds are recognised in fee and commission income. The income is recognized when control of the performance obligation has transferred to the customer in the amount that the Group considers itself entitled to against services rendered. Income from services is recognised over time. For fees and commissions spanning several years, the portion related to the accounting period is entered. Fee and commission expenses mainly include fees and commissions related to card and payment transactions and costs related to the obtaining funding.

On the basis of the exemption allowed by the IFRS 15 standard, information is not presented for the transaction prices allocated to the remaining performance obligations, which transaction prices are part of an agreement whose original expected duration is no more than one year, or if the Group is entitled to invoice the customer for a consideration, the cash amount of which directly corresponds with the value of the performance provided by the Group to the customer by the moment of review.

11.3 Net income on financial assets and financial liabilities

The following are recognised in net income on financial assets and liabilities: gains and losses from sales, valuation gains and losses, dividend income from financial instruments recognised at fair value in profit and loss, including equity instruments and net income from financial assets held for trading and net income from investment properties. Dividend income has been recognized when an entitlement to dividend exists.

Additionally, net income from currency exchanges as well as net income from fair value hedge accounting are recognised under the same item.

12. Income taxes

Result-based taxes of the accounting period for companies in the Group, adjustments to taxes for previous accounting periods and changes in deferred taxes are recognised in the Group's income statement. Taxes are recognised on the income statement except for items that are directly related to equity or other items recognised in the comprehensive income statement. In these cases, the tax is also recognised under these items. Income taxes are recognised based on the estimated taxable income for the year.

Deferred taxes are calculated on the taxable temporary and deductible differences between bookkeeping and taxation. Deferred tax assets are recognised up to the amount for which there is likely to be future taxable income, against which the temporary difference can be applied. Deferred tax assets based on unused losses verified in taxation are recognised if the accumulation of taxable income is likely and the asset can be utilised.

13. Operating segments

The company's banking operations form a segment as per the definition in the IFRS 8 Operating Segments standard. Based on the company's business model and the nature of operations, the entire Group is treated as a reportable segment. The Group only conducts business in Finland.

14. Accounting principles for the financial statements requiring management's judgement and factors of uncertainty related to estimates

Preparing financial statements in compliance with the IFRS standards has required the Group's management to make certain estimates and assumptions that impact the amounts of items presented in the financial statements and the information included in the accompanying notes. The essential estimates by the management team relate to the future and the material factors of uncertainty in terms of the date of reporting. They are closely related to, for example, the determination of fair value and the impairment of financial assets, loans and other receivables as well as tangible and intangible assets. Even though the estimates are based on management's best current perception, it is possible that the outcome deviate from the estimates used in the financial statements.

Changes have occurred in the accounting principles and uncertainties related to estimates requiring the management's judgement, which are described in the 2019 financial statements, as result of the corona pandemic. The application of the impairment losses on financial assets model under IFRS 9 requires the management to make estimates and assumptions about whether the credit risk associated with the financial instrument has increased significantly since the initial recognition and requires forward-looking information to be taken into account in the recognition of on-demand credit losses. The company's management has assessed the effects of the ongoing corona pandemic on an industry-by-industry basis and made a group-specific additional loss allowance to the corporate loan portfolio. Due to the corona pandemic, the company has offered its customers loan grace periods or other arrangements in accordance with its normal credit policy especially in the early stages of corona pandemic. According to the company's assessment, uncertainty caused by the corona pandemic and the weak outlook for the economy is further undermining the credit risk outlook. Further details of the impact of the corona pandemic on the company's risk position are provided in note G2.

14.1 Impairment of financial assets

The model for impairment of financial assets brought by IFRS 9 requires management to make decisions, estimates and assumptions especially on the following topics:

- Selecting and defining calculation models,
- Assessing whether the credit risk related to a financial instrument has increased significantly after initial recognition and
- Taking into account forward-looking information in the recognition of expected credit losses.

14.2 Evaluation of fair value

The management's discretion is also used in cases where the fair value of a financial instrument is determined through valuation methods. If no verifiable market inputs exist on which the used valuation methods can be based, the management team has to assess which other inputs to use to determine fair value. The principles used to determine fair value are described in more detail in the section 'Determining the fair value'.

Management exercise judgement in determining when the markets for financial instruments are inactive. Additionally, it must be evaluated whether a single financial instrument is the object of active trading and whether the price information received from the market is a reliable indicator of the fair value of the financial instrument.

14.3 Impairment of tangible and intangible assets

In connection with the financial statements, the management reviews the impairment of tangible and intangible assets. Impairment tests require the management team's discretion and assessment of the amount of money accrued by the asset in the future, its financial useful life and used discount rate.

14.4 Business combinations

The management's discretion and assessments are used in determining the fair values of the assets and liabilities received from shares transferred during the combination of businesses.

15. IFRS standards and interpretations not yet in effect

New and amended standards and interpretations published by IASB by 31 December 2020 are not expected to have a significant impact on Oma Savings Bank's consolidated financial statements.

G2 Risk management notes

Oma Savings Bank Plc focuses on retail banking operations and provides its clients with a broad range of banking services both through its own balance sheet as well as by acting as an intermediary for its partners' products. The intermediated products include credit, investment and loan insurance products. The company is also engaged in mortgage banking operations. The company's key risk types are credit risk, operational risk, market risk and liquidity risk.

The Group's internal control, risks and risk management and disclosure requirements of CRR, Part 8, (Pillar III) are discussed in more detail in the Capital and Risk Management Report, which is released as a separate report alongside the financial statements.

1. Organising risk management

Risk management is an essential part of the bank's business and internal control. Oma Savings Bank's risk management principles are defined by the risk management policy approved by the Board of Directors. The purpose of the company's risk management is to ensure that the company's significant risks are identified, assessed and quantified, and that the risks are monitored and controlled as part of day-to-day business management. The company's risks are evaluated regularly and the Board of Directors regularly assesses the company's risk management strategy, risk-bearing ability and approach towards risk-taking. Risk surveys and measures taken based on the surveys, systematic monitoring and the analysis of the operating environment and market are used to control risks. Functions independent of business operations have been arranged to ensure efficient and comprehensive risk management and internal control as follows:

- Risk control function
- Compliance function
- Internal audit function

It is the task of the Board of Directors to ensure that the risk control function, compliance function and internal audit function have adequate and competent personnel resources with respect to the nature, scope and diversity of the bank's operations. The goal of the risk control function is to develop systematic and preemptive risk management, through which the bank's business can be developed safely. In the bank's organisation the risk control function reports directly to the CEO and reports to the Board of Directors, the CEO and other executive management.

Risk management has three lines of defence

The framework for Oma Savings Bank's risk management function is based on the three defence lines principle, which are

1st line of defence: Business units.
The entire company's personnel, both the customer interface and those working with other tasks, must comply in their daily work with the bank's Code of Conduct and risk management principles.

2nd line of defence: Risk management and compliance function.
The risk control function monitors and ensures that the company's operations comply with the set strategies and limits. The function carries out continuous monitoring and ensures that the practices develop over time. The compliance function monitors compliance with regulations.

3rd line of defence: Internal audit.
Internal audit assesses and ensures the sufficiency, functioning and efficiency of internal control in the company's different units, functions and subsidiaries.

2. Capital adequacy management

Risk management reports on capital adequacy on a quarterly basis in connection with the Board of Director's risk reporting. The reporting monitors the total capital ratio and common equity Tier 1 capital. The company's Board of Directors has approved a minimum common equity Tier 1 capital (CET1) financial target of at least 14 per cent. The objective is to ensure the sufficiency of capital also when the economy slackens.

More detailed information on the Group's capital adequacy is available in the Report of Board of Directors and the Capital and Risk Management Report.

3. Credit risk

Credit risk refers to the possibility that a counterparty fails to meet its obligations in accordance with agreed terms and conditions. Oma Savings Bank's credit risk largely consists of granted loans.

Counterparty risk is defined as a risk of loss or a negative valuation difference resulting from a weakening of the counterparty's credit rating. Credit risk and counterparty risk also result from other receivables, such as bonds in the bank's investment portfolio, debt securities and derivative contracts and off-balance sheet commitments, such as undrawn credit facilities and limits, guarantees and letters of credit.

Oma Savings Bank's credit risk primarily consists of exposures secured by immovable property, retail exposures and business loans. On 31 December 2020, the share of exposures secured by immovable property of the credit risks was 42.3% (41.9%), the share of retail exposures is 19.6% (20.7%) and exposures to corporates 28.4% (27.1%). Credit risk exposures are well-diversified geographically and sector-wise, which reduces the company's concentration risk. The company considers non-performing loans to be loans with at least 90 days of outstanding payments or otherwise estimated to remain outstanding. Non-performing loans accounted for 1.9% of the loan portfolio.

The goal of credit risk management is to limit the profit and loss and capital adequacy effects of risks resulting from customer exposures to an acceptable level. Credit and counterparty risk are measured by estimating expected credit losses. Expected credit losses are estimated using the ECL model, in accordance with IFRS 9.

3.1 Loan relief granted by the company

Due to the corona pandemic, requests by customers for grace periods grew significantly between March and April. By mid-June the demand for grace periods had returned to the pre-pandemic level. The number of grace periods granted during the third quarter was normal level. Most of the shortening leave granted in the spring has already expired as customers continue to service loans under normal shortening plans. At the end of the financial year, the total grace periods of the loans from the entire loan stock amounted to EUR 346.5 million. All grace periods in force at the end of the financial year, regardless of the reason or start date, have been included in the capital.

3.2 Calculation of expected credit losses

The calculation of Expected Credit Loss (ECL) is carried out monthly for each loan. In ECL calculation, the expected credit loss for each month is calculated for each loan, based on the Probability of Default (PD) and the Loss Given Default (LGD).

The company's loan portfolio is classified into different clusters based on customers' different risk characteristics. In assessing whether the credit risk related to a financial instrument has increased significantly, the change in the risk of a default occurring over the expected life of the financial instrument shall be observed. When carrying out this assessment, the risk of default occurring over the expected life of the instrument at the reporting date is compared with the risk of default at the date of initial recognition. A significant increase in credit risk leads to the transfer of the loan from stage 1 to stage 2.

The company's loan portfolio has grown strongly during the accounting period and, despite the corona pandemic, the quality of its loan portfolio has improved. However, the pandemic is in a re-acceleration phase that could weaken the quality of the loan portfolio in the future. The company recognised a EUR 1.4 million credit loss allowance based on the management's judgement during Q1, which predicted growth in credit risk in specific sectors. The sectors were selected based on both their significance and the estimated size of the pandemic's impact. The situation of customers in those selected sectors has not weakened during the quarter. The company has intensified its monitoring of the credit risk situation and its development based on credit risk management methods during the coronavirus pandemic. Customers, especially the problematic accounts, have been monitored intensively during the pandemic. The economic outlook is still uncertain, and uncertainty may increase on the financial markets if the corona pandemic takes a turn for the worse in Finland and elsewhere in the world. Due to the still ongoing uncertainty surrounding the corona pandemic, the company increased its loss allowance based on management judgement by EUR 3 million in December. The loss allowance anticipates the effects of the second wave of the corona pandemic on Oma Savings Bank's credit base and to cover potential bad debts to the extent that the model for calculating expected bad loans is not recognized. The company continues to evaluate the situation on a monthly basis.

In the transition to stage 3, significant growth in credit risk is identified, in particular, through the definition of default and related criteria. The move from stage 2 to stage 3 is due to the significant increase in credit risk associated with the gain. Stage 3 of the ECL calculation shall classify all loans that the company considers to meet the definition of default. Category criteria for stage 3 include delays in contractual payments by 90 days, customer debt renovation or bankruptcy, or loan recovery transfer. The calculation of expected credit losses is described in more detail in note G1 Accounting principles for the consolidated financial statements.

The company has adopted new guidance from the European Banking Authority (EBA) on the definition of insolvency (Guidance on the application of the definition of insolvency in accordance with Article 178 of Regulation (EU) No 575/2013) from 1 January 2021. The company has estimated that the number of default findings and, consequently, the amount of credit losses expected to increase with the new definition. The company has made a provision of EUR 1.4 million based on management's estimate as a result of the introduction of the definition of insolvency.

Loan portfolio and expected credit losses per customer group

(1000 euros)	31 Dec 2020	31 Dec 2019
Private customer	2,074,984	1,780,900
-Expected credit losses	-12,977	-7,866
Company	742,629	641,470
-Expected credit losses	-11,441	-9,276
Housing cooperative	321,913	264,829
-Expected credit losses	-116	-361
Agriculture client	268,141	255,906
-Expected credit losses	-854	-524
Others	52,507	35,457
-Expected credit losses	-470	-178
Total	**3,460,173**	**2,978,562**
Total expected credit losses	-25,858	-18,206

3.3 Non-performing loans

The company’s credit risk management guidelines define the operating models for monitoring problem customers and non-performing loans. Non-performing loans mean commitments that become subject to monitoring based on predetermined criteria. The criteria correspond with stage 3 of ECL calculation. In addition to stage 3 criteria, loans at stage 2 of ECL calculation also become subject to scrutiny when their size or collateral risk rises over the limit values for the credit guidelines. In addition to these definitions, the customer can be classified as a problem customer in deviation to these criteria, using discretion.

The review performed in the case of these commitments on, for example, the securing of the receivable, changing the customer’s credit rating and recognising credit losses. The purpose of monitoring is to identify non-performing loans or loans that are becoming non-performing loans as early as possible. Problem customers and liabilities are monitored by branch and in relation to the loan portfolio’s size. An action plan is drawn up for each problem customer, when the limits defined in the credit guidelines are exceeded.

Credit ratings for private customers

Credit ratings (1,000 euros)	31 Dec 2020	Change%	31 Dec 2019	Change%
AAA-A	1,131,333	54.5%	989,810	55.6%
B	704,492	34.0%	546,014	30.7%
C	157,930	7.6%	169,501	9.5%
D	46,255	2.2%	45,036	2.5%
No rating	34,974	1.7%	30,539	1.7%
Private customers	**2,074,984**	**100.0%**	**1,780,900**	**100.0%**

Credit ratings for companies and housing corporations

Credit ratings (1,000 euros)	31 Dec 2020	Change%	31 Dec 2019	Change %
AAA	66,859	6.3%	41,917	4.6%
AA+	362,558	34.1%	329,958	36.4%
AA	127,944	12.0%	95,385	10.5%
A+	224,594	21.1%	164,177	18.1%
A	163,318	15.3%	158,874	17.5%
B	56,286	5.3%	46,688	5.2%
C	55,359	5.2%	51,667	5.7%
D or no rating	7,623	0.7%	17,632	1.9%
Companies and housing corporations	**1,064,542**	**100.0 %**	**906,299**	**100.0%**

3.4 Distribution by risk class

The company classifies its customers into risk classes based on information available on the counterparty. External credit rating data or an internal assessment is used for credit rating. Monitoring is continuous and can lead to a transfer from one risk class to another.

In lending, a risk concentration is born or can be born, for example when the loan portfolio includes large amounts of loans and other liabilities:

- to a single counterparty
- to groups that are made up of individual counterparties or entities tied to them
- to specific sectors
- against specific collateral
- whose maturity is the same or
- whose product/instrument is the same

Distribution of financial assets by risk class and credit risk concentrations

Risk rating 1: Customers with an A level rating in the bank's internal credit rating system and external credit ratings of AAA–Baa3 are considered to be low risk items.

Risk rating 2: Customers with a B level rating in the bank's internal credit rating system and external credit ratings of Ba1–Ba3 are considered to be medium risk items.

Risk rating 3: Customers with a C level rating in the bank's internal credit rating system and external credit ratings of B1–Caa3 are considered to be higher risk items.

Risk rating 4: Customers with a D level rating in the bank's internal credit rating system and external credit ratings of Ca–bankruptcy are considered to be higher risk items.

The 'No rating' item includes loans and debt securities for which the bank has not defined credit ratings or for which there are no external credit ratings available. The loans belonging to the group are mainly card or consumer credits

Loans and receivables and off-balance sheet commitments	Stage 1	Stage 2	Stage 3	31 Dec 2020	31 Dec 2019
Risk rating 1	2,091,695	125,131	7,533	**2,224,360**	**1,879,946**
Risk rating 2	906,125	130,978	6,069	**1,043,172**	**821,713**
Risk rating 3	160,320	62,563	4,820	**227,703**	**242,586**
Risk rating 4	13,480	58,727	34,376	**106,583**	**100,569**
No rating	28,937	4,718	12,131	**45,786**	**49,862**
Capital items by risk category, total	**3,200,558**	**382,117**	**64,929**	**3,647,604**	**3,094,677**
Loss allowance	2,067	8,322	16,442	**26,832**	**18,820**
Total	**3,198,491**	**373,795**	**48,487**	**3,620,772**	**3,075,857**

Debt securities	Stage 1	Stage 2	Stage 3	31 Dec 2020	31 Dec 2019
Risk rating 1	387,121	-	-	**387,121**	**246,244**
Risk rating 2	11,450	-	-	**11,450**	**-**
Risk rating 3	-	-	-	**-**	**-**
Risk rating 4	-	-	-	**-**	**-**
No rating	85,834	15,489	-	**101,323**	**22,687**
Capital items by risk category, total	**484,404**	**15,489**	**-**	**499,894**	**268,931**
Loss allowance	313	180	-	**493**	**660**
Total	**484,092**	**15,309**	**-**	**499,401**	**268,271**

Loans and receivables and off-balance sheet commitments by industry	Risk rating 1	Risk rating 2	Risk rating 3	Risk rating 4	No rating	31 Dec 2020	31 Dec 2019
Enterprises	887,312	162,200	38,725	50,231	6,271	**1,144,739**	**918,719**
Agriculture	28,765	1,772	1,404	805	10	32,757	25,670
Real estate	525,300	85,316	9,110	25,234	1,995	646,954	478,106
Construction	54,324	16,239	3,233	3,038	1,397	78,231	73,237
Wholesale and retail	60,464	15,580	6,208	2,900	1,026	86,178	88,010
Industry	39,575	8,420	2,875	6,855	333	58,058	49,572
Transportation and storage	23,314	3,666	712	1,492	398	29,582	21,004
Other	155,568	31,207	15,183	9,908	1,113	212,978	183,120
General government	3,089	-	-	-	150	**3,239**	**3,180**
Non-profit communities	12,542	3,214	30	1,004	596	**17,385**	**13,919**
Financial and insurance institutions	36,659	1,154	2	-	122	**37,936**	**23,282**
Households	1,284,759	876,605	188,945	55,348	38,648	**2,444,305**	**2,135,577**
Total	**2,224,360**	**1,043,172**	**227,703**	**106,583**	**45,786**	**3,647,604**	**3,094,677**

3.5 Collaterals

Credit risk is managed through collaterals and covenants. Collaterals are taken for exposures to secure repayment. For the most part, loans must have a secure collateral position, except in the best credit classes we can accept a credit shortfall. In business loans, risk is often hedged by agreeing with the customer on a covenant, which enables the company to renegotiate the terms linked to the loan if the customer's risk position changes.

Loan collateral is included in the expected credit loss models as an item reducing the loss allowance. The collateral value is affected by the type of collateral, for instance a cash deposit, business or residential property. Collateral defines the maximum amount of expected credit loss for a loan so that it is no more than the amount of total liabilities less the values of the collateral.

The company is engaged in mortgage banking activities and as a result it monitors the development of the amount of eligible assets to ensure refinancing through covered bonds.

Mortgage bank's LTV distribution

LTV	31 Dec 2020	31 Dec 2019
0-50%	23.2%	25.7%
50-60%	13.7%	14.9%
60-70%	20.1%	19.9%
70-80%	15.1%	15.9%
80-90%	13.3%	14.0%
90-100%	14.6%	9.7%
Total	**100.0%**	**100.0%**

The table shows the LTV distributions of loans secured at the time of reporting, based on the regulations of the Mortgage Bank. In the categories in the table, the total loan amount is displayed in the LTV category to which its highest LTV value belongs. For example, a loan of EUR 55,000 secured by a property of EUR 100,000 will be counted in its entirety in LTV category between 50-60%.

Impact of collaterals and other arrangements improving the quality of loans

Amount exposed to credit risk covered by collateral (1,000 euros)	31 Dec 2020	31 Dec 2019	Description of collateral held
Home mortgages	1,780,099	1,521,604	Mostly residential real estate collateral
Corporate loans	934,719	793,276	Mostly property collateral
Consumer credit	329,771	314,835	Mostly residential real estate collateral
Other	394,435	343,351	Mostly property collateral
Loans and advances to the public and general	**3,439,023**	**2,973,067**	

4. Liquidity risk

Liquidity risk can be defined as the difference in the balance between incoming and outgoing cash flows. The risk may materialise if the company cannot meet its maturing payment obligations or an acceptable balance is not achieved within the limits of tolerable costs. The company's greatest liquidity risks arise from the maturity difference in borrowing and lending.

The corona pandemic has created its own challenges, but the company's liquidity was stable at the start of the pandemic. During the corona pandemic, the company has closely monitored the changes occurring in liquidity risk. At the end of March, the company was unable to renew its financing as planned, as a result of which the LCR (Liquidity Coverage Ratio) fell below the 100% requirement level. However, the company was able to issue the bond as early as the beginning of April as the market stabilized and as a result, the company's liquidity rose again to a strong level. The decline in the LCR level is due to the imputed nature of LCR, but the company's cash and cash equivalents did not fall to an alarming level at any point. During March-April, obtaining market-based funding posed its own challenges, but liquidity was constantly available through central bank facilities. Since the summer, the market has recovered closer to pre-pandemic levels, although uncertainty is more pronounced. The market for certificates of deposits has also partially recovered from the initial uncertainty of the corona pandemic but continues to perform weakly due to the current situation.

The company's liquidity strengthened with the issuance of spring and autumn bonds and the company's participation in the European Central Bank's TLTRO operation in June. In addition, the company's deposit portfolio grew steadily during 2020, keeping the credit-deposit ratio stable.

The management of Oma Savings Bank's liquidity risk is based on the company's ability to procure sufficient cash that is competitive in price in both the short and long term. A key component of liquidity risk management is the planning of the liquidity position in both the short and long term. Additionally, by planning the liquidity reserve, the bank can prepare for weakening economic trends on the markets and for any changes to legislation. The goal of the company's liquidity reserve is to cover one month's outflows.

Liquidity risk management is supported by active risk management, monitoring of the balance sheet and cash flows and internal calculation models. The continuous monitoring of the liquidity situation is important so that the company can manage outgoing cash flows.

The company's liquidity risk is also managed by monitoring and forecasting changes in market factors and market development. If forecasts show that market liquidity is falling, the company can set tighter internal limits for liquidity risk management. Liquidity risk management also includes liquidity reserve management. This ensures that the company has sufficient amounts of liquid securities available to cover the collateral requirements of different business activities.

Maturity distribution of financial assets and liabilities

Financial assets	31 Dec 2020					
(1,000 euros)	less than 3 months	3 - 12 months	1 - 5 years	5 - 10 years	over 10 years	Total
Debt securities eligible for refinancing with central banks	-	2,013	155,288	187,150	115,248	459,699
Loans and advances to credit institutions	50,907	23,299	-	-	-	74,206
Loans and advances to the public and general government	70,135	403,415	1,111,175	881,761	967,829	3,434,315
Debt securities	-	1,362	26,214	12,296	-	39,872
Derivative contracts	-	141	656	-	-	796
Total	**121,042**	**430,230**	**1,293,333**	**1,081,207**	**1,083,077**	**4,008,889**

Financial assets	31 Dec 2019					
(1,000 euros)	less than 3 months	3 - 12 months	1 - 5 years	5 - 10 years	over 10 years	Total
Debt securities eligible for refinancing with central banks	-	-	130,245	98,774	5,894	234,913
Loans and advances to credit institutions	45,262	14,743	-	-	-	60,005
Loans and advances to the public and general government	72,284	348,850	974,769	773,525	790,929	2,960,356
Debt securities	-	2,259	18,957	12,405	-	33,621
Derivative contracts	-	561	5,073	-	-	5,634
Total	**117,546**	**366,412**	**1,129,044**	**884,704**	**796,823**	**3,294,529**

Financial liabilities	31 Dec 2020					
(1,000 euros)	less than 3 months	3 - 12 months	1 - 5 years	5 - 10 years	over 10 years	Total
Liabilities to credit institutions and central banks	10,768	9,029	185,532	18,182	-	223,510
Liabilities to the public and general government	2,209,560	118,765	48,362	56	-	2,376,743
Debt securities issued to the public	8,000	132,293	951,921	254,601	-	1,346,815
Subordinated debts	-	-	15,500	-	-	15,500
Total	**2,228,327**	**260,087**	**1,201,314**	**272,839**	**-**	**3,962,567**

Financial liabilities	31 Dec 2019					
(1,000 euros)	less than 3 months	3 - 12 months	1 - 5 years	5 - 10 years	over 10 years	Total
Liabilities to credit institutions and central banks	16,052	7,441	36,781	7,771	20,000	88,045
Liabilities to the public and general government	1,741,655	181,281	82,557	81	-	2,005,573
Debt securities issued to the public	-	279,866	658,481	-	-	938,348
Subordinated debts	-	-	15,500	-	-	15,500
Total	**1,757,708**	**468,588**	**793,318**	**7,852**	**20,000**	**3,047,466**

Liquidity risk is measured through a liquidity buffer requirement (LCR) and a long-term funding minimum requirement (NSFR). The Group's liquidity requirement (LCR) was at a good level at the end of 2020 184.9 (140.1)%. Net stable funding ratio (NSFR), was in year 2020 134.6 (124.3)%. As of 30 September 2020, the requirements in accordance with CRR2 regulation have been taken into account for the calculation of the NSFR key figures. The figure for the comparative period has been changed retroactively and corrected on the calculation principles at the same time. The minimum level of both requirements is 100%.

LCR & NSFR Development by Quarter

	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2020
LCR, %	185%	134%	133%	80%
NSFR, %	135%	130%	131%	112%

As of 30 September 2020, the requirements in accordance with CRR2 regulation have been taken into account for the calculation of the NSFR key figures. The figures for the comparative period have been changed retroactively and corrected on the calculation principles at the same time. The figures are unaudited.

5. Market risk

5.1. Equity risk

The effects of the uncertainty and unawareness caused by corona pandemic on the company's investment portfolio have been limited, as the investment portfolio was eased already at the beginning of the year, when about half of the investment portfolio was sold. Due to the liquidity situation, the size of the investment portfolio increased towards the end of the year, but the risks associated with it are well diversified and the effects of the corona pandemic are considered to be limited. In addition, the company's investments are mainly in well-rated government bonds and covered bonds, whose reactions to negative news were, for example, more moderate than in the corporate bond market.

Market risk is managed, for example, by diversifying the contents of the investment portfolio sufficiently. Diversifying the portfolio reduces the concentration risk resulting from individual investments. Monthly, the company monitors the market values of securities acquired for investment purposes and the cash flows related to their transactions. Regular reports are made to the Board of Directors on the contents and balance sheet position of the securities portfolio. Market risk contained in the securities portfolio is assessed in relation to the company’s result and own funds. Limits and other monitoring limits have been set for measuring and monitoring market risks.

Oma Savings Bank does not conduct equity trading for trading purposes. The sensitivity analysis for equity price risk has not been presented because it does not have a material impact on the Group’s financial position.

Distribution of investment assets total

(1,000 euros)	31 Dec 2020		31 Dec 2019	
	Fair value	%	Fair value	%
Shares and other equity instruments	22,463	4.2%	54,615	16.5%
Debt securities	499,572	94.4%	268,534	81.0%
Investment properties	7,307	1.4%	8,180	2.5%
Investment assets total	**529,342**	**100%**	**331,329**	**100%**

5.2 Interest rate risk

The interest rate risk in the banking book forms the majority of the company's interest rate risk. The interest rate risk results from differences in the interest rate levels and maturities of assets and liabilities. In addition, the market rates impact the market prices of the investment portfolio's securities. The amount of interest rate risk is reported regularly to the Board of Directors, which has set an upper limit for the interest rate risk.

The effects of the corona pandemic on interest rate risk have been moderate, even if interest rates momentarily rose sharply. The company's balance sheet structure supports interest rate risk management and as interest rates rise, interest rate margin rises, but the impact of the decline in interest rates is not significant in terms of interest rate coverage. In September, the company decided to close most of the derivative contracts in hedge accounting that had hedged the interest rate risk of fixed-rate liabilities. Derecognised derivative contracts have contributed to the company's interest rate risk position, so that after derecognition of derivatives, interest rate sensitivities have increased in both positive and negative shocks. The company monitors interest rate sensitivities continuously and, if necessary, the company is ready to open new hedging positions.

In accordance with the company's interest rate risk policy, the company may use derivatives to manage interest rate risk. For covered bonds, the company may make derivatives to hedge risk. In accordance with the company's policy, interest rate swaps can be used mainly for hedging. The company's goal is to balance the interest rate bases for assets and liabilities and reduce unexpected changes in the net interest income. The pricing of lending and borrowing is material in terms of the development of the company's net interest income.

Interest rate risk sensitivity to 1% change in interest rate

(1, 000 euros)	31 Dec 2020		31 Dec 2019	
	-1% change	+1% change	-1% change	+1% change
Change 1-12 months	-4,220	9,253	1,084	4,563
Change 13-24 months	-8,596	18,405	-656	9,614

6. Operational risk

Operational risk means a consequence or risk of loss resulting from inadequate or deficient internal processes, systems or people or external factors. Reputational risk, legal risks, compliance risk, information security risks and risks related to money laundering and the funding of terrorism are also included in operational risks. Outsourced functions also generate operational risk. Realised operational risks can lead to financial losses or a loss of reputation for the company. Operational risk forms a significant risk area for Oma Savings Bank. It is typical for operational risk that any losses resulting from the risk are not always easy to measure. Reasons for this may include the delayed realization of the risk or that the risks, when they are realised, cannot be quantified as concrete financial losses.

Oma Savings Bank's most significant sources of operational risk are the ongoing pandemic and the ongoing renewal of the banking platform. Other key operational risk sources include disturbances in the functioning of IT systems, damage and errors caused by the launching of new products and services and the personnel's actions, damage to property and non-compliance with regulations.

The company's Board of Directors annually approves the operational risk management principles. In the management of operational risk, the company's main objective is to manage reputation risk and to ensure the continuity of business activities and compliance with regulations in the short and long term. Operational risk management ensures that the values and strategy of Oma Savings Bank are achieved throughout the business activities. Operational risk management covers all material risks related to business activities.

Operational risk management is applied in all of the company's business units by identifying, measuring, monitoring and assessing the operational risks linked to the units. The business units also assess the likelihood of the risks and their impacts if the risks materialise. The company-wide process allows the management to assess the extent of any losses stemming from operational risk when the risk materialises.

The risk assessment process is updated at least once a year and always when the business's operational environment changes.

As part of operational risk management, the company aims to reduce the likelihood of operational risk through its internal code of conduct and by training personnel. The control points defined for the processes are also a key component of preventing operational risk. The company reduces the impact of operational risk also by maintaining insurance for real estate and the fixed assets it owns.

Materialised operational risks are reported to the management teams of the business units. The company's management receives risk assessments and a report on materialised risks at least annually from the business units, based on which a separate operational risk matrix is compiled, which is reported to the Board of Directors. Based on the created process, the Board of Directors can form an overall picture of the operational risks targeting the business activities and their possible impacts on the company. The risk identification process helps the Board of Directors to decide on risk management measures and the focus areas with regard to operational risk. The company has introduced a new risk management system towards the end of the year and through this it improves operational risk management and monitoring.

7 Measures to reduce the risks posed by corona pandemic

The company's customer service has been in operation throughout the exceptional period in order to ensure the basic banking services needed by customers. The company has closely monitored the development of the coronavirus situation and made the necessary changes to its operating models. The guidelines and recommendations of the government and other authorities have been applied to customer service and to the personnel's work. Personnel has been advised to avoid unnecessary travelling.

As regards credit risk, preventative measures have included the aforementioned granting of abbreviation leave to customers, enhanced monitoring of problem customers and credit arrears, careful assessment of collateral values and, where appropriate, reassessment. In addition, in new lending, the applicant's ability to pay and collateral values are considered in view of the economic uncertainty caused by the corona pandemic.

G3 Classification of financial assets and liabilities

Assets (1,000 euros) 31 Dec 2020	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	Carrying value, total	Fair value
Cash and cash equivalents	262,087	-	-	-	262,087	262,087
Loans and advances to credit institutions	74,206	-	-	-	74,206	74,206
Loans and advances to customers	3,434,315	-	-	-	3,434,315	3,434,315
Derivatives, hedge accounting	-	-	-	796	796	796
Debt instruments	-	499,401	171	-	499,572	499,572
Equity instruments	-	-	22,463	-	22,463	22,463
Financial assets total	**3,770,608**	**499,401**	**22,634**	**796**	**4,293,439**	**4,293,439**
Investments in associated companies					23,787	23,787
Investment properties					7,270	7,307
Non-financial assets					57,503	57,503
Assets total	**3,770,608**	**499,401**	**22,634**	**796**	**4,381,999**	**4,382,036**

Liabilities (1,000 euros) 31 Dec 2020	Other liabilities	Hedging derivatives	Carrying value, total	Fair value
Liabilities to credit institutions	223,510	-	223,510	223,510
Liabilities to customers	2,376,743	-	2,376,743	2,376,743
Debt securities issued to the public	1,346,815	-	1,346,815	1,346,815
Subordinated liabilities	15,500	-	15,500	15,500
Total financial liabilities	**3,962,567**	**-**	**3,962,567**	**3,962,567**
Non-financial liabilities			65,938	65,938
Liabilities total	**3,962,567**	**-**	**4,028,506**	**4,028,506**

Assets (1,000 euros) 31 Dec 2019	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	Carrying value, total	Fair value
Cash and cash equivalents	6,626	-	-	-	6,626	6,626
Loans and advances to credit institutions	60,005	-	-	-	60,005	60,005
Loans and advances to customers	2,960,356	-	-	-	2,960,356	2,960,356
Derivatives, hedge accounting	-	-	-	5,634	5,634	5,634
Debt instruments	-	268,271	263	-	268,534	268,534
Equity instruments	-	-	54,615	-	54,615	54,615
Total financial assets	**3,026,987**	**268,271**	**54,878**	**5,634**	**3,355,770**	**3,355,770**
Investments in associated companies					5,666	5,666
Investment properties					6,828	8,180
Non-financial assets					48,266	48,266
Assets December 31, 2019	**3,026,987**	**268,271**	**54,878**	**5,634**	**3,416,530**	**3,417,882**

Liabilities (1,000 euros) 31 Dec 2019	Other liabilities	Hedging derivatives	Carrying value, total	Fair value
Liabilities to credit institutions	88,045	-	88,045	88,045
Liabilities to customers	2,005,573	-	2,005,573	2,005,573
Debt securities issued to the public	938,348	-	938,348	938,348
Subordinated liabilities	15,500	-	15,500	15,500
Total financial liabilities	**3,047,465**	**-**	**3,047,465**	**3,047,465**
Non-financial liabilities			49,200	49,200
Liabilities December 31, 2019	**3,047,465**	**-**	**3,096,665**	**3,096,665**

G4 Cash and cash equivalents

(1,000 euros)	31 Dec 2020	31 Dec 2019
Cash in hand	5,540	6,626
Current account in the Bank of Finland	256,547	-
Cash and cash equivalents, total	**262,087**	**6,626**

G5 Loans and other receivables

(1,000 euros)	31 Dec 2020	31 Dec 2019
Loans and advances to credit institutions		
Deposits	50,907	45,262
Other	23,299	14,743
Loans and advances to credit institutions, total	**74,206**	**60,005**
Loans and advances to the public and public sector entities		
Loans	3,332,952	2,860,451
Utilised overdraft facilities	72,894	72,429
Loans intermediated through the State's assets	66	100
Credit cards	28,064	27,349
Bank guarantee receivables	339	27
Loans and advances to the public and public sector entities, total	**3,434,315**	**2,960,356**
Loans and advances, total	**3,508,521**	**3,020,361**

Reconciliations from the opening and the closing balances of the expected credit losses are presented in note G24 Impairment losses on financial assets.

G6 Financial derivatives

Assets (1,000 euros)	31 Dec 2020	31 Dec 2019
Fair value hedge		
Interest rate derivatives	-	5,337
Other hedging derivatives		
Share and share index derivatives	796	297
Total derivative assets	**796**	**5,634**

Liabilities (1,000 euros)	31 Dec 2020	31 Dec 2019
Fair value hedge		
Interest rate derivatives	-	-
Share and share index derivatives	-	-
Total derivative liabilities	**-**	**-**

Change in the value of hedged object / Fair value hedge	**-**	**-6,131**
Change in the value of hedged object / Other hedging derivatives	**-253**	**164**

In September, the company decided to close most of the derivative contracts in the hedge accounting that had protected interest rate risk on fixed-rate liabilities. At the same time, the non-retroactive application of these fair value hedging calculations was discontinued. The impact of the profit related to the closing of derivatives and other items related to the wind-up of derivatives on the earnings for the year was EUR 1.7 million. The change in the accrued fair value of the hedging item on the balance sheet, EUR 8.4 million, will be recognized in profit or loss as interest income within the original running period of closed derivatives from 2020 to 2024.

Nominal values of underlying items and fair values of derivatives (1,000 euros)	Remaining maturity				Fair values	
31 Dec 2020	Less than 1	1-5 years	Over 5 years	Total	Assets	Liabilities
Fair value hedge	**-**	**-**	**-**	**-**	**-**	**-**
Interest rate swaps	-	-	-	-	-	-
Cva and Dva adjustments	-	-	-	-	-	-
Other hedging derivatives	**32,948**	**48,274**	**-**	**81,222**	**796**	**-**
Share and share index derivatives	32,948	48,274	-	81,222	853	-
Cva and Dva adjustments	-	-	-	-	-57	-
Derivatives total	**32,948**	**48,274**	**-**	**81,222**	**796**	**-**

Nominal values of underlying items and fair values of derivatives (1,000 euros)	Remaining maturity				Fair values	
31 Dec 2019	Less than 1	1-5 years	Over 5 years	Total	Assets	Liabilities
Fair value hedge	**15,000**	**650,000**	**-**	**665,000**	**5,337**	**-**
Interest rate swaps	15,000	650,000	-	665,000	5,897	-
Cva and Dva adjustments	-	-	-	-	-561	-
Other hedging derivatives	**25,791**	**49,644**	**-**	**75,436**	**297**	**-**
Share and share index derivatives	25,791	49,644	-	75,436	423	-
Cva and Dva adjustments	-	-	-	-	-125	-
Derivatives total	**40,791**	**699,644**	**-**	**740,436**	**5,634**	**-**

G7 Investment assets

Investment assets (1,000 euros)	31 Dec 2020	31 Dec 2019
Measured at fair value through profit or loss		
Debt securities	171	263
Shares and other equity instruments	22,463	54,615
Assets measured at fair value through profit or loss, total	**22,634**	**54,878**
Measured at fair value through other comprehensive income		
Debt securities	499,401	268,271
Shares and other equity instruments	-	-
Measured at fair value through other comprehensive income, total	**499,401**	**268,271**
Investment properties	**7,270**	**6,828**
Total investment assets	**529,305**	**329,977**

Reconciliations from the opening and the closing balances of the expected credit losses are presented in note G24 Impairment losses on financial assets.

Changes in investment properties (1,000 euros)		31 Dec 2020	31 Dec 2019
Cost January 1		**12,634**	**12,635**
+	Increases	5,650	274
-	Decreases	-7,380	-274
+/-	Transfers	-414	-
Cost at the end of the period		**10,491**	**12,634**
Accumulated depreciation and impairment losses		**-5,806**	**-5,458**
+/-	Accumulated depreciation of decreases and transfers	1,987	143
-	Depreciation	-201	-317
+/-	Impairment loss and their return	800	-174
Accumulated depreciation and impairment at the end of the period		**-3,221**	**-5,806**
Opening balance		**6,828**	**7,176**
Closing balance		**7,270**	**6,828**

31 Dec 2020 Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	Equity instruments				Debt-based				
	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	All total
Quoted									
Public sector entities	-	-	-	-	170,628	-	-	170,628	170,628
From others	-	13,837	-	13,837	328,560	-	-	328,560	342,397
Non-quoted									
From others	-	8,626	-	8,626	212	171	-	383	9,009
Total	**-**	**22,463**	**-**	**22,463**	**499,401**	**171**	**-**	**499,572**	**522,035**

31 Dec 2019 Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	Equity instruments				Debt-based				
	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	All total
Quoted									
Public sector entities	-	-	-	-	115,011	-	-	115,011	115,011
From others	-	29,305	-	29,305	151,709	-	-	151,709	181,014
Non-quoted									
From others	-	25,309	-	25,309	1,551	263	-	1,814	27,123
Total	**-**	**54,615**	**-**	**54,615**	**268,271**	**263**	**-**	**268,534**	**323,149**

G8 Intangible assets

(1,000 euros)	31 Dec 2020	31 Dec 2019
Other intangible rights	2,073	3,116
Information systems	251	514
Customer relationships related to deposits	1,775	2,550
Other	46	52
Intangible assets on progress	8,054	5,089
Goodwill	1,054	1,054
Total intangible assets	**11,180**	**9,259**

Changes in intangible assets 2020		In progress: intangible assets	Other intangible rights	Goodwill
Cost January 1		**5,089**	**8,343**	**1,054**
+	Increases	2,965	-	-
-	Decreases	-	-	-
+/-	Transfers	-	-	-
Cost December 31		**8,054**	**8,343**	**1,054**
Accumulated amortisation and impairment loss January 1		**-**	**-5,227**	**-**
+/-	Accumulated amortisation of decreases and transfers	-	-	-
-	Amortisation	-	-1,044	-
-	Impairment	-	-	-
+/-	Other changes	-	-	-
Accumulated amortisation and impairment loss December 31		**-**	**-6,271**	**-**
Opening balance, January 1		**5,089**	**3,116**	**1,054**
Closing balance, December 31		**8,054**	**2,073**	**1,054**

Changes in intangible assets 2019		In progress: intangible assets	Other intangible rights	Goodwill
Cost January 1		**269**	**8,022**	**954**
+	Increases	4,952	321	100
-	Decreases	-	-	-
+/-	Transfers	-132	-	-
Cost December 31		**5,089**	**8,343**	**1,054**
Accumulated amortisation and impairment loss January 1		**-**	**-4,207**	**-**
+/-	Accumulated amortisation of decreases and transfers	-	-	-
-	Amortisation	-	-1,020	-
-	Impairment	-	-	-
+/-	Other changes	-	-	-
Accumulated amortisation and impairment loss December 31		**-**	**-5,227**	**-**
Opening balance, January 1		**269**	**3,816**	**954**
Closing balance, December 31		**5,089**	**3,116**	**1,054**

G9 Tangible assets

(1,000 euros)	31 Dec 2020	31 Dec 2019
Properties in own use	20,987	19,304
Land and water areas	1,424	338
Buildings	19,563	18,966
Buildings and constructions, right-of-use assets	6,362	4,415
Machinery and equipment	1,654	920
Machinery and equipment, right-of-use assets	243	361
Other tangible assets	293	290
Assets under construction	160	35
Tangible assets, total	**29,698**	**25,325**

	Land and water losses	Buildings	Buildings right-of-use assets	Machinery and equipment	Machinery and equipment, right-of-use assets	Other tangble assets	Assets under construction
Cost January 1	**358**	**31,184**	**5,624**	**10,326**	**532**	**290**	**35**
+ Increases	1,104	7,141	3,473	1,323	69	3	133
- Decreases	-24	-7,357	-	-	-	-	-9
+/- Transfers	-	414	-	-	-	-	-
Cost December 31	**1,439**	**31,381**	**9,097**	**11,649**	**601**	**293**	**160**
Accumulated depreciation and impairment loss January 1	**-20**	**-12,218**	**-1,209**	**-9,405**	**-172**	**-**	**-**
+/- Accumulated depreciation of decreases and transfers	5	817	-	-	-	-	
- Depreciation		-1,509	-1,526	-590	-186	-	
- Impairment	-	1,091	-	-	-	-	
Accumulated depreciation and impairment loss December 31	**-15**	**-11,818**	**-2,735**	**-9,995**	**-358**	**-**	**-**
Opening balance January 1	**338**	**18,966**	**4,415**	**920**	**361**	**290**	**35**
Opening balance December 31	**1,423**	**19,563**	**6,362**	**1,654**	**243**	**293**	**160**

	Land and water losses	Buildings	Buildings right-of-use assets	Machinery and equipment	Machinery and equipment, right-of-use assets	Other tangble assets	Assets under construction
Cost January 1	**371**	**25,172**	**5,934**	**9,985**	**122**	**287**	**103**
+ Increases	-	6,151	107	412	410	3	33
- Decreases	-13	-372	-416	-71	-	-	-
+/- Transfers	-	233	-	-	-	-	-101
Cost December 31	**358**	**31,184**	**5,624**	**10,326**	**532**	**290**	**35**
Accumulated depreciation and impairment loss January 1	**-20**	**-10,394**	**-**	**-8,957**	**-**	**-**	**-**
+/- Accumulated depreciation of decreases and transfers	-	242	59	50	-	-	
- Depreciation	-	-1,430	-1,269	-498	-172	-	
- Impairment	-	-635	-	-	-	-	
Accumulated depreciation and impairment loss December 31	**-20**	**-12,218**	**-1,209**	**-9,405**	**-172**	**-**	**-**
Opening balance January 1	**352**	**14,778**	**5,934**	**1,027**	**122**	**287**	**103**
Opening balance December 31	**338**	**18,966**	**4,415**	**920**	**361**	**290**	**35**

G10 Other assets

(1,000 euros)	31 Dec 2020	31 Dec 2019
Receivables on payment transfers	100	60
Accrued income	11,924	10,927
Interests	8,985	7,686
Other advance payments	281	346
Other accrued income	2,658	2,895
Other	725	839
Other assets, total	12,749	11,827

G11 Tax assets and liabilities

(1,000 euros)	31 Dec 2020	31 Dec 2019
Tax assets		
Current income tax assets	-	41
Deferred tax assets	3,875	1,814
Tax assets, total	**3,875**	**1,854**
Tax liabilities		
Current income tax liabilities	3,803	-
Deferred tax liabilities	27,948	24,578
Tax liabilities, total	**31,751**	**24,578**

Deferred tax assets 2020	1.1	Recognised through profit or loss	Other comprehensive income	31.12
Assets at fair value through other comprehensive income	11	-	64	75
Tangible assets	461	-283	-	177
Defined benefit pension plans	45	-	-	45
Confirmed losses	426	-117	-	308
Other items	871	2,398	-	3,269
Deferred tax assets, total	**1,814**	**1,997**	**64**	**3,875**

Deferred tax liabilities 2020	1.1	Recognised through profit or loss	Other comprehensive income	31.12
On taxable reserves	21,872	2,861	-	24,733
Assets at fair value through other comprehensive income	2,146	-	635	2,781
Business acquisitions	510	-155	-	355
Other items	50	29	-	79
Deferred tax liabilities, total	24,578	2,735	635	27,948

Deferred tax assets 2019	1.1	Recognised through profit or loss	Other comprehensive income	31.12
Assets at fair value through other comprehensive income	104		-93	11
Tangible assets	414	46	-	461
Defined benefit pension plans	35		10	45
Confirmed losses	491	-66	-	426
Other items	297	574	-	871
Deferred tax assets, total	1,342	555	-83	1,814

Deferred tax liabilities 2019	1.1	Recognised through profit or loss	Other comprehensive income	31.12
On taxable reserves	19,509	2,363	-	21,872
Assets at fair value through other comprehensive income	659	-	1,486	2,146
Business acquisitions	665	-155	-	510
Other items	32	18	-	50
Deferred tax liabilities, total	20,866	2,226	1,486	24,578

G12 Liabilities to the public and public sector entities and liabilities to credit institutions

(1,000 euros)	31 Dec 2020	31 Dec 2019
Liabilities to credit institutions		
Liabilities to Central Banks	150,000	-
Repayable on demand	10,768	16,052
Other than repayable on demand	62,742	71,992
Total liabilities to credit institutions	**223,510**	**88,045**
Liabilities to the public and public sector entities		
Deposits	2,376,687	1,999,362
Repayable on demand	2,187,809	1,691,021
Other	188,878	308,341
Other financial liabilities	56	81
Other than repayable on demand	56	81
Changes in fair value in terms of borrowing	-	6,131
Liabilities to the public and public sector entities, total	**2,376,743**	**2,005,573**
Liabilities to the public and public sector entities and liabilities to credit institutions, total	**2,600,253**	**2,093,618**

The liabilities to Central Banks item is a TLTRO secured credit withdrawn on June 2020. The loan matures 30 June 2023, but repayment of it is possible as of 29 September 2021. The determination of the interest rate is influenced by the average of the European Central Bank's deposit rate over the course of the loan, as well as the increase in the OmaSp's credit portfolio approved for monitoring. The interest rate on the loan will be reviewed after the loan matures.

G13 Debt securities issued to the public

(1,000 euros)	31 Dec 2020	31 Dec 2019
Bonds	1,206,522	772,074
Certificates of deposit	140,293	166,274
Total debt securities issued to the public	**1,346,815**	**938,348**

					Closing balance	
Maturity of bonds	Nominal value	Interest	Year of issue	Due date	31 Dec 2020	31 Dec 2019
OmaSp Plc 3.4.2020	125,000	margin 0,880% /variable	2017	4/3/2020	-	124,984
OmaSp Plc 12.12.2022, covered bond	350,000	0,125 %/fixed	2017-2018	12/12/2022	349,015	348,512
OmaSp Plc 3.4.2024, covered bond	300,000	0,125 %/fixed	2019	4/3/2024	298,912	298,578
OmaSp plc 6.4.2023, covered bond	250,000	0,125 %/fixed	2020	4/6/2023	248,998	-
OmaSp Plc 17.1.2024	55,000	margin 1 % / variable	2020	17.1.2024	54,996	-
OmaSp Plc 25.11.2027, covered bond	250,000	0,01%/fixed	2020	11/25/2027	254,601	-
					1,206,522	**772,074**

Maturity of deposit certificates	less than 3 months	3-6 months	6-9 months	9-12 months	Closing balance, total
31 Dec 2020	70,991	53,320	-	15,981	**140,293**
31 Dec 2019	47,489	45,979	46,433	26,373	**166,274**

G14 Subordinated liabilities

(1,000 euros)	31 Dec 2020	31 Dec 2019
Subordinated loans	500	500
Debentures	15,000	15,000
Subordinated liabilities, total	15,500	15,500

Details of liabilities	31 Dec 2020	31 Dec 2019	Interest %	Due date
Oma Sp debenture loan I/2017	15,000	15,000	1.25%	2/1/2023
	15,000	**15,000**		

Amount included in own funds	31 Dec 2020	31 Dec 2019
Oma Sp debenture loan I/2017	6,260	9,266
Total	**6,260**	**9,266**

Terms and conditions of prepayment: The Group retains on all loans the right to claim the loan either partially or in full before the due date. However, prepayment is only possible if permitted by the Finnish Financial Supervisory Authority, excluding minor claims that the Bank will resell shortly after claiming.

Regulations on loan priorities and potential exchanging of loans for shares: Loans have been issued as a debenture loan in accordance with Article 34 of the Promissory Notes Act (622/47). These loans are subordinated to the issuer's other loans.

G15 Provisions and other liabilities

(1,000 euros)	31 Dec 2020	31 Dec 2019
Provisions		
Pension provisions	223	224
Expected credit loss from irrevocable commitments given in favour of a customer	974	614
Provisions total	1,197	838
Other liabilities		
Liabilities on payment transfers	10,971	9,899
Accruals	15,023	8,851
Interest payable	1,814	1,438
Advance interest payments received	7,588	1,914
Other accruals	5,496	5,412
Advance payments received	124	87
Other	6,997	5,034
Other liabilities total	32,991	23,784
Provisions and other liabilities total	**34,188**	**24,622**

Changes in provisions	31 Dec 2020	31 Dec 2019
Provisions January 1	**838**	**770**
Increase/decrease in defined benefit pension plans	-1	48
Increase in expected credit loss from irrevocable commitments given in favour of a customer	360	20
Provisions December 31	**1,197**	**838**

Pension provisions are formed by defined benefit pension plans, which are described in more detail in note G28 Pension liability.

G16 Equity

(1,000 euros)	31 Dec 2020	31 Dec 2019
Share capital	24,000	24,000
Other reserves	148,348	145,934
Fair value reserve	10,824	8,538
Measured at fair value	10,824	8,538
Reserve for invested non-restricted equity	137,396	137,396
Other reserves	128	-
Retained earnings	180,717	149,332
Retained earnings (loss)	149,893	121,753
Profit (loss) for the accounting period	30,824	27,579
Equity, total	**353,066**	**319,266**
Shareholders of Oma Savings Bank Plc	353,066	319,266
Non-controlling interest	427	598
Equity, total	**353,493**	**319,865**

Movements in the fair value reserve	31 Dec 2020	31 Dec 2019
Fair value reserve January 1	**8,538**	**2,220**
Change in fair value, other financial instruments	3,024	7,786
Deferred taxes	-571	-1,580
Expected credit loss on debt securities	-167	112
Fair value reserve December 31	**10,824**	**8,538**

Shares and shareholder rights

The number of Oma Savings Bank Plc's shares is 29,585,000 (excluding own shares) and the number of votes per share is 1 vote / share. The share has no nominal value. The company owns 11,700 shares. The company has no different share classes. All shares have equal dividend rights and other rights.

The Annual General Meeting has authorised the Board to decide on the issue or transfer of the company's shares, as well as on the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act. The number of shares to be issued under the authorisation, including shares to be received on the basis of special rights, may not exceed a total of 5,000,000 shares; and to decide on the repurchase of a maximum of 500,000 of the company's own shares with the company's unrestricted equity. The authorisations are valid until the end of the next Annual General Meeting, however, not later than 30 June 2021.

Other reserves

Fair value reserve

The fair value reserve includes the change in fair value of financial assets at fair value through other comprehensive income less deferred taxes. The items recognised in the reserve are transferred to the income statement when a security held for trading is sold or when impairment is recognised. The net change of the value of interest derivatives hedged by cash flow can also be recognised in the reserve when this net change of value is found to be effective and adjusted by deferred taxes. Changes in value are realised in the income statement for the accounting period during which cash flows being hedged occur.

Reserve for invested non-restricted equity

The assets raised in the institutional and public offerings and personnel offerings in 2017–2018 are entered in the reserve for invested non-restricted equity. In addition, the reserve for invested non-restricted equity includes the assets gained from issued shares in connection with reorganisations in previous accounting periods

Retained earnings

Retained earnings are earnings accumulated over previous accounting periods that have not been distributed as dividends to owners. Retained earnings also include voluntary reserves included in the separate financial statements and the depreciation difference, minus deferred tax liabilities.

G17 Net interest income

(1,000 euros)	1-12/2020	1-12/2019
Interest income		
Loans and advances to the public and public sector entities	66,058	58,312
Debt securities	2,031	2,148
Derivatives	3,785	2,359
Other interest income	939	531
Total interest income	**72,813**	**63,351**
Interest expenses		
Liabilities to credit institutions	-335	-402
Liabilities to the public and public sector entities	-820	-1,798
Debt securities issued to the public	-2,752	-2,761
Subordinated liabilities	-187	-289
Other interest expenses	-900	-577
Total interest expenses	**-4,993**	**-5,828**
Net interest income	**67,819**	**57,522**

G18 Fee and commission income and

(1,000 euros)	1-12/2020	1-12/2019
Fee and commission income		
Lending	11,124	10,355
Deposits	62	73
Card and payment transactions	16,472	13,386
Intermediated securities	158	98
Funds	2,825	2,460
Legal services	504	681
Brokered products	1,485	1,328
Granting of guarantees	923	884
Other fee and commission income	695	715
Total fee and commission income	**34,248**	**29,981**
Fee and commission expenses		
Card and payment transactions	-4,043	-3,442
Securities	-41	-157
Other fee and commission expenses	-906	-967
Total fee and commission expenses	**-4,991**	**-4,567**
Fee and commission income and expenses, net	**29,257**	**25,414**

G19 Net income on financial assets and financial liabilities

(1,000 euros)	1-12/2020	1-12/2019
Net income on financial assets measured at fair value through profit or loss		
Debt securities		
Valuation gains and losses	-92	-
Total debt securities	**-92**	**-**
Shares and other equity instruments		
Dividend income	199	1,393
Capital gains and losses	1,597	489
Valuation gains and losses	2,704	6,765
Total shares and other equity instruments	**4,499**	**8,647**
Net income on financial assets measured at fair value through profit or loss, total	**4,407**	**8,647**
Net income on financial assets measured at fair value through other comprehensive income		
Debt securities		
Capital gains and losses	39	131
Difference in valuation reclassified from the fair value reserve to the income statement	8,005	-120
Total debt securities	**8,044**	**11**
Net income on financial assets measured at fair value through other comprehensive income, total	**8,005**	**11**

Net income from investment properties (1,000 euros)	1-12/2020	1-12/2019
Rent and dividend income	383	709
Capital gains and losses	-1,473	-60
Other gains from investment properties	8	10
Maintenance expenses	-534	-865
Depreciation and impairment on investment properties	-711	-560
Rent expenses on investment properties	-10	-13
Net income from investment properties, total	**-2,337**	**-780**

Net gains on trading in foreign currencies	**-175**	**23**
Net gains from hedge accounting	**114**	**-121**
Net income from trading	**814**	**-262**
Net income on financial assets and financial liabilities, total	**10,866**	**7,518**

G20 Other operating income

(1,000 euros)	1-12/2020	1-12/2019
Rent income from properties in own use	193	89
Other income from banking operations	2,937	2,030
Total other operating income	**3,130**	**2,118**

G21 Personnel expenses

(1,000 euros)	1-12/2020	1-12/2019
Salaries and rewards	-14,914	-14,257
Pensions	-2,086	-2,478
Defined contribution plans	-2,055	-2,449
Defined benefit plans	1	5
Other fixed post-employment benefits	-32	-35
Share-based incentive scheme payments	555	-
Other social security expenses	-421	-335
Personnel expenses, total	**-16,866**	**-17,070**

Number of employees December 31	1-12/2020	1-12/2019
Full time	253	237
Part time	6	6
Temporary	39	36
Total	298	279
Average number of employees in accounting period	**299**	**300**

Details about the employment benefits and loans of the related parties are presented in note G32 'Management compensation and related party transactions'.

G22 Other operating expenses

(1,000 euros)	1-12/2020	1-12/2019
Other personnel expenses	-1,313	-1,968
Office expenses	-2,752	-2,918
Data administration and IT expenses	-13,658	-12,446
Telephony expenses	-1,269	-1,329
Marketing expenses	-1,534	-1,739
Rent expenses	-978	-1,075
Expenses from properties in own use	-2,062	-1,500
Insurance and security expenses	-2,259	-1,998
Monitoring, control and membership fees	-586	-655
Other	-3,187	-2,563
Other operating expenses, total	-29,598	-28,191

Auditors' fees

(1,000 euros)	1-12/2020	1-12/2019
KPMG Oy Ab		
Statutory audit	280	315
Services related to auditing	6	-
Other services	60	70
Total	**346**	**386**

G23 Depreciation, amortisation and impairment losses on tangible and intangible assets

(1,000 euros)	1-12/2020	1-12/2019
On buildings	-439	-372
From buildings, right-of-use assets	-1,526	-1,269
Machinery and equipment	-588	-517
From machinery and equipment, right-of-use assets	-186	-172
Intangible assets	-2,159	-2,083
Impairment loss on properties in own use	-314	-635
Total depreciation, amortisation and impairment losses	**-5,213**	**-5,048**

G24 Impairment losses on financial assets

(1,000 euros)	1-12/2020	1-12/2019
ECL from advances to customers and off-balance sheet items	-8,012	-6,649
ECL from debt instruments	167	-112
Expected credit losses, total	**-7,846**	**-6,761**
Final credit losses		
Final credit losses	-13,978	-2,888
Refunds on realised credit losses	237	82
Recognised credit losses, net	**-13,741**	**-2,806**
Impairment on receivables, total	**-21,587**	**-9,567**

Reconciliations from the opening and closing balances of the expected credit losses have been formed from 1 January 2020 and 31 December 2020 on the basis of changes in euro denominated loan exposures and expected credit losses.

Expected credit losses, loans and advances

				1-12/2020	1-12/2019
Loans and advances to credit institutions and to public and general government, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	Total	Total
Expected credit losses 1 January	**2,408**	**3,186**	**12,612**	**18,206**	**11577**
Transfer to stage 1	96	-75	224	244	339
Transfer to stage 2	-174	1,453	-982	297	118
Transfer to stage 3	-19	-589	3,832	3,224	5594
New debt securities	1,043	749	726	2,518	2422
Matured debt securities	-382	-737	-3,860	-4,979	-4467
Realised credit losses	-766	-483	-3,629	-4,878	-1172
Recoveries on previous realised credit losses	-3	21	-17	1	6
Changes in credit risk	-46	-6	5,907	5,854	1948
Changes in the ECL model parameters	-60	34	266	241	1319
Changes based on management estimates	-510	4,402	1,239	5,131	520
Expected credit losses	**1,587**	**7,955**	**16,317**	**25,858**	**18205**

The company´s management has assessed the effects of the ongoing corona pandemic on an industry-by-industry basis and made a group-specific additional loss allowance of EUR 4.4 million. A total of EUR 2.5 million of the additional loss allowance has been allocated to corporate customers and EUR 1.9 million to private customers. Allowances are targeted to stage 2. The new definition of insolvent, which will enter into force on 1 January 2021, has been provided by recording an additional allowance of EUR 1.4 million to private customers. Additional loss allowance is targeted to stage 3.

				1-12/2020	1-12/2019
Off-balance sheet commitments (1,000 euros)	Stage 1	Stage 2	Stage 3	Total	Total
Expected credit losses 1 January	**377**	**122**	**115**	**614**	**594**
Transfer to stage 1	30	-17	-2	11	7
Transfer to stage 2	-9	9	-	-	-
Transfer to stage 3	-	-4	4	-	-
New debt securities	276	280	69	625	297
Matured debt securities	-195	-48	-62	-305	-292
Realised credit losses	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-
Changes in credit risk	2	26	1	28	8
Changes in the ECL model parameters	-	-	-	-	-
Changes based on management estimates	-	-	-	-	-
Expected credit losses	**480**	**368**	**126**	**974**	**614**

Expected credit losses, investment assets

Debt securities, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	1-12/2020 Total	1-12/2019 Total
Expected credit losses 1 January	**569**	**91**	**-**	**660**	**548**
Transfer to stage 1	-	-	-	-	-14
Transfer to stage 2	-3	17	-	15	-
Transfer to stage 3	-	-	-	-	-
New debt securities	257	118	-	375	73
Matured debt securities	-467	-45	-	-512	-11
Realised credit losses	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-
Changes in credit risk	1,761	-	-	1,760	24
Changes in the ECL model parameters	-	-	-	-	39
Changes based on management estimates	-1,805	-	-	-1,805	-
Expected credit losses	**313**	**180**	**-**	**493**	**660**

G25 Income taxes

(1,000 euros)	1-12/2020	1-12/2019
Income tax for accounting period	-6,368	-3,558
Income tax on primary operations	-6,366	-3,556
Other direct taxes	-2	-1
Taxes for the previous accounting periods	52	-1
Change in deferred tax assets	2,246	554
Change in deferred tax liabilities	-2,984	-2,226
Total income taxes	**-7,054**	**-5,231**
Income tax rate	**20%**	**20%**
Accounting profit before taxes	**37,707**	**32,684**
Proportion of the result in accordance with tax rate	**-7,541**	**-6,537**
+ Tax-exempt income on the income statement	107	1,340
- Non-deductible expenses on the income statement	-147	-20
- Taxable income not included in the income statement	-	-37
+ Deductible expenses not included in the income statement	554	7
+ Aiempien vuosien vahvistettujen tappioiden käyttö	9	17
- Unrecognised under losses: deferred tax assets	-21	-
+/- Taxes for previous accounting periods	-15	-1
Taxes on income statement	**-7,054**	**-5,231**

G26 Guarantees granted and received

Collaterals given (1,000 euros)	31 Dec 2020	31 Dec 2019
Given for own liabilities and provisions	1,500,076	875,020
Guarantees granted, total	**1,500,076**	**875,020**

Guarantees granted are loan receivables given as collateral for covered bonds.

Nominal value of covered bonds is 1 150 million euros in December 31,2020.

Collaterals received (1,000 euros)	31 Dec 2020	31 Dec 2019
Property collateral	3,162,909	2,711,750
Cash collateral	10,340	9,409
Guarantees received	108,031	79,746
Other	41,510	36,772
Guarantees received, total	**3,322,789**	**2,837,677**

G27 Off-balance sheet commitments

(1,000 euros)	31 Dec 2020	31 Dec 2019
Guarantees	25,976	21,781
Loan commitments	263,736	190,478
Other	154	266
Off-balance sheet commitments, total	**289,867**	**212,525**

G28 Pension liability

(1,000 euros)	31 Dec 2020	31 Dec 2019
Expenses on the income statement	-1	24
The current service cost	-3	21
Net interest	2	3
Remeasurements	-	53
Comprehensive income for the accounting period	**-1**	**77**

	31 Dec 2020	31 Dec 2019
Current value of obligation January 1	**2,807**	**2,613**
The current service cost	22	21
Interest expense	27	43
Actuarial gains (-) and losses (+) on experienced changes	-	65
Actuarial gains (-) and losses (+) on changes in financial assumptions	-	248
Benefits paid	-178	-184
Current value of obligation December 31	**2,678**	**2,807**

	31 Dec 2020	31 Dec 2019
Fair value of funds under the plan January 1	**2,582**	**2,437**
Interest income	25	40
Return on assets in the plan excl. item belonging in the interest expense/income	-	260
Benefits paid	-178	-184
Employer contributions	25	29
Fair value of funds under the plan December 31	**2,455**	**2,582**

	31 Dec 2020	31 Dec 2019
Present value of obligation	2,678	2,807
Fair value of plan assets	2,455	2,582
Liability on the balance sheet December 31	**223**	**224**

	31 Dec 2020	31 Dec 2019
Liability on the balance sheet January 1	224	176
Expenses on the income statement	24	24
Payments made into the plan	-25	-29
Remeasurements in other comprehensive income items	-	53
Liability on the balance sheet December 31	**223**	**224**

Actuarial assumptions	2020	2019
Discount rate, %	0.75%	1.00%
Wage development, %	2.00%	2.00%
Increase in pension, %	1.65%	1.65%
Inflation, %	1.50%	1.50%

Sensitivity Analysis	2020 Defined Benefit Obligation		2019 Defined Benefit Obligation	
Effect of a change in assumptions used	Increase	Decrease	Increase	Decrease
Discount rate (0,5% change)	-7.20%	8.20%	-7.20%	8.20%
Future pension increase (0,25% change)	3.00%	-2.90%	3.00%	-2.90%

Sensitivity Analysis	2020 Fair Value of Plan Assets		2019 Fair Value of Plan Assets	
Effect of a change in assumptions used	Increase	Decrease	Increase	Decrease
Discount rate (0,5% change)	-6.50%	7.30%	-6.50%	7.30%

Duration based on weighted average of obligations is 15.0 years.

In 2021, the Group expects to pay approximately 15 thousand euros into its defined benefit pension plans.

In addition to the statutory pension scheme, Oma Savings Bank provides defined benefit pension plans to the management team, key personnel in certain key roles, and employees who were members of Säästöpankkien Eläkekassat (Savings Banks' Pension Fund) when its operation ceased on 31 December 1992. For these plans, the retirement age is 60-65 years and the amount of pension is 60% of the salary eligible for pension.

In the pension scheme, the amount of assets describes the part of the obligation for which the insurance company is liable, and it is calculated using the same discount rate as the liability. The assets included in the scheme include 100% acceptable insurance policies. Because the liabilities have been insured, the company is not liable for significant risks. The company remains primarily liable for increases in pensions tied to the employment pension index and the effect of changes in the discount rate and pay increases on the net liabilities.

The assets of defined benefit plans managed in insurance companies are part of the insurance companies' investment assets and the investment risk lies with the insurance company.

G29 Offsetting financial assets and financial liabilities

(1,000 euros)	Monetary amounts not offset in the Balance Sheet			
Financial assets 31 Dec 2020	Financial instruments	Received security collateral	Received cash collateral	Net amount
Derivative assets	796	-	-	796
Other	-	-	-	-
Total financial assets	**796**	**-**	**-**	**796**

	Monetary amounts not offset in the Balance Sheet			
Financial liabilities 31 Dec 2020	Financial instruments	Granted security collateral	Granted cash collateral	Net amount
Derivative liabilities	-	-	-	-
Other	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**

	Monetary amounts not offset in the Balance Sheet			
Financial assets 31 Dec 2019	Financial instruments	Received security collateral	Received cash collateral	Net amount
Derivative assets	5,634	-	-	5,634
Other	-	-	-	-
Total financial assets	**5,634**	**-**	**-**	**5,634**

	Monetary amounts not offset in the Balance Sheet			
Financial liabilities 31 Dec 2019	Financial instruments	Granted security collateral	Granted cash collateral	Net amount
Derivative liabilities	-	-	-	-
Other	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**

G30 Fair values in accordance with the valuation

The determination of the fair value of financial instruments is set out in note G2 Accounting principles under “Determining the fair value” of the financial statements for the year 2020.

Level 3 equity securities include the shares of companies that are strategic to Oma Savings Bank’s operations.

Financial assets and liabilities measured at fair value

		31 Dec 2020		
Financial assets (1,000 euros)	**Level 1**	**Level 2**	**Level 3**	**Total**
At fair value through profit or loss				
Equity securities	13,837	1,854	6,772	22,463
Debt securities	87	-	84	171
Derivatives	-	796	-	796
At fair value through other comprehensive income				
Debt securities	499,401	-	-	499,401
Financial assets total	**513,325**	**2,650**	**6,856**	**522,831**

		31 Dec 2019		
Financial assets (1,000 euros)	**Level 1**	**Level 2**	**Level 3**	**Total**
Measured at fair value through profit or loss				
Equity securities	29,305	1,763	23,547	54,615
Debt securities	179	-	84	263
Derivatives	-	5,634	-	5,634
Measured at fair value through other comprehensive income				
Debt securities	268,271	-	-	268,271
Financial assets total	**297,755**	**7,397**	**23,631**	**328,783**

Investment transactions, categorised to Level 3

Financial assets at fair value through profit or loss (1,000 euros)		31 Dec 2020 Equity securities	Debt securities	Total	31 Dec 2019 Equity securities	Debt securities	Total
Opening balance		**23,547**	**84**	**23,631**	**20,003**	**84**	**20,087**
+	Acquisitions	-	-	-	7,450	-	7,450
-	Sales	-18,418	-	-18,418	-9,199	-	-9,199
-	Matured during the year	-	-	-	-	-	-
+/-	Realised changes in value recognised on the income statement	1,675	-	1,675	5,427	-	5,427
+/-	Unrealised changes in value recognised on the income statement	-31	-	-31	-135	-	-135
+	Transfers to Level 3	-	-	-	-	-	-
-	Transfers to Level 1 and 2	-	-	-	-	-	-
Closing balance		**6,772**	**84**	**6,856**	**23,547**	**84**	**23,631**

At fair value through other comprehensive income (1,000 euros)		31 Dec 2020 Equity securities	Debt securities	Total	31 Dec 2019 Equity securities	Debt securities	Total
Opening balance		**-**	**-**	**-**	**-**	**289**	**289**
+	Acquisitions	-	-	-	-	4,965	4,965
-	Sales	-	-	-	-	3	3
-	Matured during the year	-	-	-	-	-	-
+/-	Realised changes in value recognised on the income statement	-	-	-	-	-	-
+/-	Unrealised changes in value recognised on the income statement	-	-	-	-	315	315
+/-	Changes in value recognised in other comprehensive income	-	-	-	-	-	-
+	Transfers to Level 3	-	-	-	-	-	-
-	Transfers to Level 1 and 2	-	-	-	-	-5,573	-5,573
Closing balance		**-**	**-**	**-**	**-**	**-**	**-**

Sensitivity analysis for financial assets on Level 3

(1,000 euros)

Equity securities	Hypo-thetical change	31 Dec 2020 Potential impact on equity Market value	Positive	Negative	31 Dec 2019 Potential impact on equity Market value	Positive	Negative
At fair value through profit or loss	+/- 15%	6,772	1,016	-1,016	23,547	3,532	-3,532
Total		**6,772**	**1,016**	**-1,016**	**23,547**	**3,532**	**-3,532**

Debt securities	Hypo-thetical change	31 Dec 2020 Potential impact on equity Market value	Positive	Negative	31 Dec 2019 Potential impact on equity Market value	Positive	Negative
At fair value through profit or loss	+/- 15%	84	13	-13	84	13	-13
Total		**84**	**13**	**-13**	**84**	**13**	**-13**

G31 Subsidiaries included in consolidated accounts

Subsidiaries and associated companies and joint ventures consolidated in the Oma Savings Bank Group

	Domicile	Type of interest	The Group's share of ownership	
			31 Dec 2020	31 Dec 2019
Real estate company Lappeenrannan Säästökeskus	Lappeenranta	Subsidiary	100.00%	100.00%
SAV-Rahoitus Oyj	Helsinki	Subsidiary	50.73%	50.73%
Real estate company Sofian Tupa	Seinäjoki	Subsidiary	100.00%	0.00%
Figure Taloushallinto Oy	Helsinki	Joint venture	25.00%	25.00%
GT Invest Oy	Helsinki	Associated company	48.67%	48.67%
City Kauppapaikat	Helsinki	Associated company	42.10%	0.00%
Housing company Seinäjoen Oma Säästöpankin talo	Seinäjoki	Joint operation	25.50%	0.00%
Deleway Projects Oy	Helsinki	Associated company	49.00%	0.00%

G32 Management compensation and related party transactions

Related parties refer to key personnel in leading positions at Oma Savings Bank and their close family members, as well as subsidiaries, joint ventures and companies, where key personnel in leading positions have control authority or considerable influence, and entities that have significant influence in Oma Savings Bank Plc. Key personnel include Board members, CEO, Deputy CEO and the rest of the Management Team. Loans and guarantees have been granted with conditions that are applied to similar loans and guarantees granted to customers.

Compensation received by key personnel in the management team	Salaries and rewards		Statutory pension costs		Cost for voluntary supplementary pension	
(1,000 euros)	1-12/2020	1-12/2019	1-12/2020	1-12/2019	1-12/2020	1-12/2019
Pasi Sydänlammi, CEO	649	649	113	113	119	119
Pasi Turtio, Deputy CEO	252	189	44	33	38	38
The rest of the management team*	629	553	109	96	-	-
Total	**1,530**	**1,391**	**265**	**241**	**157**	**156**

In addition to the short-term employment benefits reported in the table below, the management has not been paid any post-employment benefits or share-based benefits. Since the financial year 2020, the Group's Management Team has had a share-based incentive scheme. The share-based incentive scheme payments recorded for the financial year 2020 totalled EUR 555 thousand. Further information on the share-based incentive scheme is provided in note G33.

Compensation received by Board members	Salaries and rewards		Statutory pension costs		Cost for voluntary supplementary pension	
(1,000 euros)	1-12/2020	1-12/2019	1-12/2020	1-12/2019	1-12/2020	1-12/2019
Partanen Jarmo, Chairman until 29 April 2019	-	174	-	30	-	-
Salmi Jarmo, Chairman from 29 April 2019	64	57	-	-	-	-
Hemminki Aila	37	30	-	-	-	-
Jaskari Aki	38	30	-	-	-	-
Kokkala Timo	38	30	-	-	-	-
Korpinen Heli	37	29	-	-	-	-
Mäkynen Jyrki	50	39	-	-	-	-
Sandström Jaana, from 29 April 2019	38	17	-	-	-	-
Total	**302**	**406**	**-**	**30**	**-**	**-**

* The rest of the management team: Juutilainen Helena, Liiri Sarianna, Sillanpää Minna, Tapionsalo Kimmo, Rissanen Ville

The Managing Director and Deputy Managing Director are entitled to a statutory pension and the retirement age is determined based on the statutory earnings-related pension system. The statutory pension expenditure for the CEO and Deputy CEO in 2020 was altogether EUR 157 thousand (EUR 146 thousand in 2019).

The CEO and Deputy CEO have additionally voluntary pension insurance taken out by the company, based on which old-age pension will be paid upon application based on the insurance terms and conditions when the insured is 60 years and 1 month to 70 years of age. The pension amount is calculated based on the calculation bases, insurance terms and conditions and the insurance savings accrued for the insured according to the price list. If the insured dies or becomes permanently disabled, the beneficiary is paid a lump sum as compensation based on the insurance terms and conditions, which is 100% of the insured's insurance savings. The voluntary pension expenses for the CEO and Deputy CEO in 2020 were altogether EUR 156 thousand (EUR 156 thousand in 2019).

	31 Dec 2020			31 Dec 2019		
Related party transactions (1,000 euros)	Key personnel and their family members	Joint ventures and associated companies	Other related parties	Key personnel and their family members	Joint ventures and associated companies	Other related parties
Loans	4,742	17,028	2,959	3,130	-	3,222
Deposits	1,217	528	5,854	832	1	6,214
Guarantees	50	-	-	100	-	-
Received interests	2	15	7	25	-	90
Service fees	-	-	4	52	-	28
Services bought	-	1,405	-	-	1,344	-

G33 Share-based incentive scheme

On 17 February 2020, the Board of Directors of the Oma Savings Bank decided to establish a share-based incentive scheme for the Group's management, to which the Group has applied the requirements of IFRS 2 Share-Based Payments Standard in the financial year.

The potential reward for the system is based on the comparable cost/income ratio, growth in operating income (with comparable figures), and customer and personnel satisfaction. The reward will be paid after the expiry of the 2020-2021 earning period within about three years in four installments. The reward is paid partly in company shares and partly in cash. The purpose of the cash contribution is to cover taxes and tax-like payments arising from the remuneration to the key employee.

The Group updates the assumption of the final number of shares on each financial year. Changes in estimates are recorded in the income statement. The entries for the financial year are set out in note G21 Personnel expenses.

The remuneration payable from the scheme are equivalent to a total value of up to 420,000 shares of Oma Savings Bank Plc.

The terms of the share-based incentive scheme follow the principles of variable remuneration outlined in the company's remuneration policy.

Share-based incentive scheme

(1,000 euros)	1-12/2020	1-12/2019
Maximum estimated number of gross shares at the start of the scheme	420,000	-
Date of issue	1/1/2020	-
Share price at issue, weighted average fair value	8.79	-
Earning period begins	1/1/2020	-
Earning period ends	12/31/2021	-
Persons at the close of the financial year	10	-

G34 Leases

Assets, premises (1,000 euros)	31 Dec 2020	31 Dec 2019
Cost January 1	**5,624**	**5,934**
+ Increases (1	3,473	107
- Decreases	-	-416
Cost at the end of the period	**9,097**	**5,624**
Accumulated depreciation and impairment losses January 1	**-1,209**	**-**
+/- Accumulated depreciation of decreases and transfers	-	59
- Depreciation	-1,526	-1,269
Accumulated depreciation and impairment losses at the end of the	**-2,735**	**-1,209**
Opening balance January 1	**4,415**	**5,934**
Closing balance at the end of the period	**6,362**	**4,415**
Refundable at the end of the lease	-	15
	-	**15**

1) Largely the increases in costs relate to the leaseback of real estate sales in the financial year for the premises that the bank has in its own use.

Assets, equipment (1,000 euros)	31 Dec 2020	31 Dec 2019
Cost January 1	**532**	**122**
+ Increases	69	410
Cost at the end of the period	**601**	**532**
Accumulated depreciation and impairment losses January 1	**-172**	**-**
- Depreciation	-186	-172
Accumulated depreciation and impairment losses at the end of the	**-358**	**-172**
Opening balance January 1	**361**	**122**
Closing balance at the end of the period	**243**	**361**

Liabilities (1,000 euros)	31 Dec 2020	31 Dec 2019
Lease liabilities at the end of the period	6,733	4,851

Maturity analysis (undiscounted cash flows)		less than 1 year	1–5 years	over 5 years
	31 Dec 2020	1,879	4,826	29
	31 Dec 2019	1,433	3,445	107

Impact on result (1,000 euros):	31 Dec 2020	31 Dec 2019
Rental income, other operating income	193	89
Rental income, investment properties	383	709
Depreciation		
Premises	-1,526	-1,269
Equipment	-186	-172
Interest expenses	-75	-79
Leases of short-term leases	-84	-252
Leases of low-value assets	-893	-823
Lease expenses total	**-2,189**	**-1,797**

Cash flow from leases	**31 Dec 2020**	**31 Dec 2019**
	-2,059	-1,587

G35 Investments in associates and joint ventures

Acquisition during the 2020 accounting period

Since June 2020, Housing company Seinäjoen Oma Savings Bank house has been combined as a joint operation. In the property operates Oma Savings bank's Seinäjoki branch and the shareholding in the company is 25.5%.

In June, Oma Savings Bank made an investment in Deleway Projects Ltd. The industry of the company is real estate investing. The Group's ownership stake in the company is 49%. The shares, the investment made in the company and the share of the result after the acquisition are recorded as one item in the consolidated balance sheet under "Equity accounted entities".

In October, Oma Savings Bank invested in City Kauppapaikat Oy, which specializes in real estate investment. The Group's holding is 42.1%. The shareholding and the share of the result after the acquisition are recorded as one item in the consolidated balance sheet under the item "Equity accounted entities".

In October, Oma Savings Bank invested in Housing company Sofia Tupa. The company's business area is land management and rental. The Group's holding in the company is 100% and the company is treated as a subsidiary consolidated into the Group.

Acquisition during the 2019 accounting period

Oma Savings Bank acquired 48.7% of share capital of GT Invest Oy. GT Invest Oy owns 51% of the joint venture which invests in rental flats built in Finland. The acquired shares and private equity are recognised in the consolidated balance sheet in the item 'Shares of companies consolidated by the equity method'.

Investments in significant associates and joint ventures

Value of the investment (1,000 euros)	31 Dec 2020	31 Dec 2019
Figure Taloushallinto Oy	200	200
GT Invest Oy	5,500	5,500
Deleway Projects Oy	2,000	-
City Kauppapaikat Oy	16,300	-
Total balance sheet value	**24,000**	**5,700**

	Holding, %			
	31 Dec 2020	31 Dec 2019	Main activity	Domicile
Figure Taloushallinto Oy	25.0%	25.0%	Other financial service activities	Espoo
GT Invest Oy	48.7%	48.7%	Other financial service activities	Helsinki
Deleway Projects Oy	49.0%	-	Trade of own real estate	Seinäjoki
City Kauppapaikat Oy	42.1%	-	Rental and management of other properties	Helsinki

G36 Significant events after the period

In accordance with the meeting held on 28 January 2021, the Shareholders' Nomination Committee proposes to the AGM on 30 March 2021, that the number of members of the Board of Directors is proposed to be further confirmed at seven. The Shareholders' Nomination Committee proposes that the current Board members Aila Hemminki, Aki Jaskari, Timo Kokkala, Jyrki Mäkynen, Jarmo Salmi and Jaana Sandström to be re-elected as members of the Board of Directors and as a new member Jarmo Partanen.

On January 28, 2021, the company's Board of Directors decided to distribute the dividend for the financial year 2019. The Board of Directors has taken into account the recommendations of the FIN-FSA Financial Supervisory Authority and decided to distribute a dividend of EUR 0.13 per share entitling to dividend for the financial year from 1 January to 31 December 2019, amounting to EUR 3.8 million. In its decision, the Board of Directors has estimated that company's capital adequacy position is stable, and the company has been prepared for an exceptionally uncertain financial situation with an additional loss allowance, among other things. The dividend payment does not jeopardize the company's financial position or any other of its risk position. The record date for the dividend payable was 1 February 2021, and the payment date 8 February 2021.

In January 2021, Standard & Poor's changed the outlook for Oma Savings Bank's long-term credit rating from negative to stable with the update of the BICRA (Banking Industry Country Risk Assessment), which describes the state of the Finnish banking system.

In year 2020, the company agreed with the Savings Bank Group on a share transaction in which the company sold all its shares of Nooa Savings Bank Ltd, Sb Life Insurance Ltd, Sb-Fund Management Company Ltd, Säästöpankkien Holding Oy and Central Bank of Savings Banks Finland Plc to Savings Bank Group. The deal included 73,414pc of Nooa Savings Bank Ltd shares, of which 4,840 shares are still subject to ECB approval. Regulatory approval was obtained, and the transaction was completed in January 2021.

The company executed a transaction agreed with the Savings Bank Group earlier this year in November under which the company will sell all its shares of Nooa Savings Bank Ltd, Sb Life Insurance Ltd, Sb-Fund Management Company Ltd, Säästöpankkien Holding Oy and Central Bank of Savings Banks Finland Plc. The transaction will have a positive profit impact of around EUR 1.9 million on the company's result for the financial year 2020.

Other events following the end of the reporting period that would require the presentation of additional information or that would materially affect the company's financial position are unknown.

G37 Alternative Performance Measures (APM) and calculation of the key figures

Oma Savings Bank Plc's financial reporting presents Alternative Performance Measures (APM) that describe the company's historical financial result, financial position or cash flows. The APMs are drawn up in line with the guidelines set by the European Securities and Markets Authority (ESMA). APMs are not key figures defined or specified in compliance with IFRS standards, solvency, regulations (CRD/CRR) or Solvency II (SII) regulations. The Company presents APMs as supplementary information to the key figures that are presented in the Group's IFRS-compliant income statement, Group balance sheets and cash flow statements.

In the Company's view, alternative key figures provide meaningful and useful information to investors, securities market analysts and others concerning Oma Savings Bank Plc's performance, financial position and cash flows.

Oma Savings Bank Plc uses the following Alternative Performance Measures:

- Comparable profit before taxes
- Cost/income ratio, %
- Total return on assets, ROA %
- Return on equity, ROE %
- Equity ratio, %
- Comparable cost/income ratio, %
- Comparable return on equity, ROE %
- Comparable earnings per share (EPS), EUR

Calculation of key figures

Operating income, total

Net interest income, net fee and commission income and expenses, net income on financial assets and liabilities, other operating income

Total operating expenses

Personnel expenses, other operating expenses, depreciation, amortisation and impairment losses on tangible and intangible assets

Liquidity coverage ratio (LCR), %

Minimum liquidity buffer relative to net cash and collateral outflows in a 30-day stress scenario

Net stable funding ratio (NSFR)%

$$\frac{\text{Available amount of stable funding}}{\text{Required amount of stable funding}} \text{ X 100}$$

Cost/income ratio, %

$$\frac{\text{Total operating expenses}}{\text{Total operating income + share of profit from joint ventures and associated companies (net)}} \text{ X 100}$$

Comparable cost/income ratio, %

$$\frac{\text{Total operating expenses without items affecting comparability}}{\text{Total operating income without items affecting comparability + share of profit from joint ventures and associated companies (net)}} \text{ X 100}$$

Comparable profit before taxes

Profit/loss before taxes without items effecting comparability

Return on equity, ROE %

$$\frac{\text{Profit/loss for the accounting period}}{\text{Equity (average of the beginning and the end of the year)}} \text{ X 100}$$

Comparable return on equity, ROE %

$$\frac{\text{Comparable profit/loss for the accounting period}}{\text{Equity (average of the beginning and the end of the year)}} \text{ X 100}$$

Total return on assets, ROA %

$$\frac{\text{Profit/loss of the accounting period}}{\text{Average balance sheet total}} \text{ X 100}$$

(average of the beginning and the end of the year)

Equity ratio, %

$$\frac{\text{Equity}}{\text{Balance sheet total}} \text{ X 100}$$

Total capital (TC), %

$$\frac{\text{Own funds total (TC)}}{\text{Risk-weighted assets (RWA) total}} \text{ X 100}$$

Common Equity Tier 1 (CET1) capital ratio, %

$$\frac{\text{Common Equity Tier 1 (CET1) capital}}{\text{Risk-weighted assets (RWA) total}} \text{ X 100}$$

Tier 1 (T1), capital ratio, %

$$\frac{\text{Tier 1 (T1) capital}}{\text{Risk-weighted assets (RWA) total}} \text{ X 100}$$

Leverage ratio, %

$$\frac{\text{Tier 1 (T1) capital}}{\text{Exposures total}} \text{ X 100}$$

Earnings per share (EPS), EUR

$$\frac{\text{Profit/loss for the accounting period belonging to the parent company owners}}{\text{Average number of shares outstanding}}$$

Earnings per share after dilution (EPS), EUR

$$\frac{\text{Profit/loss for the accounting period belonging to the parent company}}{\text{Average number of shares outstanding after dilution of share-based rewarding}}$$

Comparable earnings per share (EPS), EUR

$$\frac{\text{Comparable profit/loss – Share of non-controlling interests}}{\text{Average number of shares outstanding}}$$

Oma Savings Bank Plc's financial statements

Oma Savings Bank Plc Income statement

Note	(1,000 euros)	1-12/2020	1-12/2019
P25	Interest income	71,194	62,188
P25	Interest expenses	-4,096	-5,266
	Net interest income	**67,098**	**56,922**
P26	Income from equity investments	284	1,393
P27	Fee and commission income	32,586	28,213
P27	Fee and commission expenses	-4,502	-4,071
P28	Net income from securities trading and foreign currency trading	4,847	7,014
P29	Net income from assets at fair value through fair value reserve	8,044	11
P30	Net income from hedge accounting	114	-121
P31	Net income from investment properties	-3,300	-711
P32	Other operating income	2,841	1,959
	Administrative expenses	**-37,020**	**-37,578**
P33	Personnel expenses	-15,855	-16,626
P34	Other administrative expenses	-21,165	-20,952
P35	Depreciation, amortisation and impairment on tangible and intangible assets	-2,713	-3,163
P32	Other operating expenses	-10,124	-7,766
P36	Expected credit losses from financial assets at amortised cost	-20,170	-8,502
P36	Expected credit losses and impairment from other financial assets	167	-120
	Operating profit	**38,151**	**33,482**
	Appropriations	-14,304	-11,815
	Income taxes	-4,075	-3,043
	Profit (loss) from ordinary activites after taxes	**19,772**	**18,624**
	Profit (loss) for the period	**19,772**	**18,624**

Oma Savings Bank Plc Balance sheet

Note	Assets (1,000 euros)	31 Dec 2020	31 Dec 2019
	Cash and cash equivalents	262,087	6,626
	Debt securities eligible for refinancing with central banks	459,699	234,913
P3	Loans and advances to credit institutions	74,161	59,666
P3	Loans and advances to the public and general government	3,426,670	2,949,443
P4	Debt securities	39,872	33,621
	General government	11,440	5,192
	From others	28,432	28,429
P5	Shares and other equity	47,973	61,809
P6	Derivative contracts	796	5,634
P7	Intangible assets	13,123	10,165
-	Tangible assets	23,619	27,563
	Investment property and shares and interests in investment property	7,231	8,100
	Other property and shares and interests in property companies	14,491	18,300
	Other tangible assets	1,897	1,163
P10	Other assets	412	526
P11	Accrued income and prepayments	11,715	10,696
P17	Deferred tax assets	3,099	794
	Assets, total	**4,363,227**	**3,401,456**

Note	Liabilities and equity (1,000 euros)	31 Dec 2020	31 Dec 2019
	Liabilities		
P11	Liabilities to credit institutions	223,510	88,045
P11	Liabilities to the public and general government	2,376,799	2,005,643
	Deposits	2,376,743	2,005,563
	Other liabilities	56	81
P12	Debt securities issued to the public	1,333,975	926,957
P13	Other liabilities	12,130	10,610
P14	Accrued expenses and deferred income	18,496	8,881
P14	Subordinated liabilities	15,000	15,000
P16	Deferred tax liabilities	2,781	2,146
	Liabilities, total	**3,982,691**	**3,057,282**
	Appropriations		
P13	Voluntary provisions	123,663	109,359
	Appropriations, total	**123,663**	**109,359**
P23	**Equity**		
P24	Share capital	24,000	24,000
	Other restricted reserves		
	Fair value reserve	10,824	8,538
	Non-restricted reserves	137,488	137,488
	Reserve for invested non-restricted equity	137,488	137,488
	Retained earnings (loss)	64,790	46,165
	Profit (loss) for the period	19,772	18,624
	Equity, total	**256,873**	**234,816**
	Liabilities and equity, total	**4,363,227**	**3,401,456**

Off-balance sheet commitments (1,000 euros)		31 Dec 2020	31 Dec 2019
Commitments given to a third party on behalf of a customer		**26,130**	**22,047**
	-	25,976	21,781
	-	154	266
Irrevocable commitments given in favour of a customer		**264,741**	**191,164**
	-	264,741	191,164

Cash flow statement

(1,000 euros)	1-12/2020	1-12/2019
Cash flow from operating activities		
Operating income after taxes	**19,772**	**18,624**
End-of-period adjustments*	**45,251**	**23,252**
Increase (-) or decrease (+) in receivables from operating activities	**-711,783**	**-480,973**
Debt securities	-228,013	-32,089
Loans and advances to credit institutions	-8,556	3,205
Loans and advances to the public and general government	-500,567	-435,194
Shares and other equity	26,513	-17,883
Other assets	-1,159	989
Increase (+) or decrease (-) in liabilities from operating activities	**519,317**	**245,597**
Liabilities to credit institutions	135,465	-1,749
Liabilities to the public and general government	376,869	243,197
Other liabilities	6,984	4,149
Paid income taxes	-2,473	-2,543
Cash flow from operating activities, total	**-129,916**	**-196,043**
Cash flow from investing activities		
Investments in shares and other equity, increases	-18,309	-5,504
Investments in shares and other equity, decreases	9,752	6,721
Investments in tangible and intangible assets	-11,556	-12,168
Transfers of tangible and intangible assets	5,460	130
Cash flow from investing activities, total	**-14,654**	**-10,821**
Cash flow from financing activities		
Subordinated liabilities, decreases	-	-10,000
Dividends paid	-	-4,142
Debt securities issued to the public	405,970	213,199
Cash flow from financing activities, total	**405,970**	**199,057**
Net change in cash and cash equivalents	**261,400**	**-7,807**
Cash and cash equivalents at the beginning of the period	51,549	59,355
Cash and cash equivalents at the end of the period	312,948	51,549
Cash and cash equivalents in the cash flow statement consist of the following items:		
Cash and cash equivalents	262,087	6,626
Receivables from credit institutions repayable on demand	50,861	44,923
Total	**312,948**	**51,549**
Additional information on the cash flow statement		
Received interests	80,016	63,365
Paid interests	4,491	5,325
Dividends received	284	1,393
***End-of-period adjustments:**		
Appropriations	14,304	11,815
Taxes on income statement	-2,241	-516
Changes in fair value	-114	121
Expected credit losses and impairment losses	20,004	8,622
Depreciation, amortisation and impairment loss on intangible and tangible assets	3,066	3,647
Other adjustments	10,232	-437
Total	**45,251**	**23,252**

Parent company's notes

P1 Parent company's accounting policies

The parent company Oma Savings Bank Plc draws up separate financial statements in accordance with the provisions of the Accounting Act and Act on Credit Institutions, the Decree of the Ministry of Finance on financial statements and consolidated financial statements of credit institutions (698/2014) and Regulations and Guidelines 2/2016 of the Financial Supervisory Authority on accounting, financial statements and management reports in the financial sector.

Items denominated in foreign currencies

Assets and liabilities tied to items denominated in foreign currencies outside of the euro zone have been converted to euros as per the European Central Bank's closing price on the reporting date. On the income statement, foreign exchange differences that emerged during valuation have been recognised in net gains on trading in foreign currencies.

Financial instruments

2.1 Classification and valuation of financial assets

In connection with initial recognition, the item belonging to financial assets is valued at fair value. If the item is an item not recognised at fair value through profit or loss, the transaction costs immediately resulting from the acquisition of the item are added to it or deducted from it.

Immediately subsequent to the initial recognition, a loss allowance concerning expected credit losses (ECL) is recognised on the financial assets, if the financial asset is valued at amortised cost or through a fair value reserve. Impairments of financial assets are assessed for each receivable and receivable category. Impairments that cannot be allocated to individual receivables are recognized as impairments of a receivable category.

Financial assets are classified in one of the three following categories when they are initially recognised:

- valued at amortised cost
- valued through the fair value reserve or
- financial assets valued at fair value through profit or loss.

The classification and valuation of financial assets is based on the company's business model and nature of contractual cash flows. Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

2.1.1 Financial assets valued at amortised cost

Financial assets are valued at amortised cost when the contractual cash flows only include capital repayments and interest payments and the company holds them as part of a business model whose objective is to collect contractual cash flows over the life of the contract. Loans and advances customers and credit institutions and cash assets belong to financial assets valued at amortised cost.

2.1.2 Financial assets valued through the fair value reserve

Financial assets are valued at fair value through the fair value reserve when the contractual cash flows consist only of capital repayments and interest payments and the company holds the financial asset as part of a business model whose objective is both collecting contractual cash flows and possibly selling the financial assets before the maturity date. Oma Savings Bank has classified some of its debt securities in this class.

2.1.3 Financial assets valued at fair value through profit or loss

Financial assets are valued at fair value through profit or loss, unless they are valued at amortised cost or at fair value through the fair value reserve. Mainly financial assets whose business model is to trade actively, and which have been acquired to generate earnings in the short term are recognised at fair value through profit or loss. Oma Savings Bank has classified some of its debt securities in this class.

2.2 Equity instruments

Equity instruments are recognised at fair value through profit or loss, unless the company irrevocably chooses to measure an individual asset at fair value through the fair value reserve.

The company does not have equity-based investments valued at fair value through the fair value reserve. All equity instruments recognised according to IFRS 9 are recognised at fair value through profit and loss.

2.2.1 Assessment of business models

The company specifies the business model objective for each portfolio according to how business operations are managed and reported to the management. The objectives are specified on the basis of the investment and lending policy approved by the company.

The business model describes a portfolio-specific earnings model with the purpose of collecting only contractual cash flows, collecting contractual cash flows and cash flows from sales of financial assets or collecting cash flows from trading in financial assets.

2.2.2 Cash flow testing

If the business model is other than trading, the company assesses whether the contractual cash flows are based solely on payment of principal and interest (SPPI test). If the cash flow criterion is not met, the financial asset is recognised at fair value through profit or loss.

In assessing whether contractual cash flows are solely payments of principal and interest, the company will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of cash flows so that it does not meet the SPPI (solely payments of principal and interest) contractual cash flow characteristics test requirements.

All retail and company loans granted by the company contain a prepayment feature. This feature does meet the cash flow testing criteria as, in connection with a prematurely repaid loan, the company is entitled to collect reasonable compensation for the premature termination of the contract.

2.3 Derecognition

The Group derecognises a financial asset when the contractual rights to cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group does not retain control of the financial assets.

2.4 Impairment of financial assets

The impairment estimate, the expected credit loss (ECL), is recognised on all debt instruments belonging to financial assets valued at amortised cost and valued at fair value through the fair value reserve and on off-balance sheet loan commitments and guarantee contracts.

For financial assets valued at amortised cost, a loss allowance for the expected credit loss is recognised in a separate account as a reduction in the carrying amount. The expected credit loss is recognised on the financial assets valued at fair value through the fair value reserve in the fair value reserve. For off-balance-sheet commitments, the expected credit loss is recognised as a provision.

The expected credit losses are calculated for the entire effective period of the financial asset when, on the date of reporting, the credit risk related to the financial asset has significantly increased since its initial recognition (stage 2) or when the contract is impaired (stage 3). Otherwise, the expected credit loss is calculated based on the assessment that default of payment will occur within 12 months of the date of reporting.

The expected credit losses are recognised for each date of reporting and they describe:

- an unbiased and probability-weighted monetary amount that is determined by evaluating a range of possible outcomes,
- the time value of money and
- reasonable and justifiable information that is available on the date of reporting without any excessive costs or efforts and which applies to past events, current circumstances and forecasts of the economic environment.

The financial assets used in the calculations are classified into three stages, which describe the weakening of the quality of the financial assets compared to the initial recognition.

Stage 1: Contracts whose credit risk has not grown since the initial recognition and for which a 12-month ECL is calculated.

Stage 2: Contracts whose credit risk has grown significantly since the initial recognition and for which a lifetime ECL is calculated.

Stage 3: Credit-impaired contracts (counterparty has been classified as being in default) for which a lifetime ECL is calculated.

2.4.1 Significant increase in credit risk

In assessing whether the credit risk related to a financial instrument has increased significantly, the change in the risk of a default occurring over the expected life of the financial instrument shall be observed. When carrying out this assessment, the entity shall compare the risk of default occurring over the expected life of the instrument at the reporting date with the risk of default at the date of initial recognition. A significant increase in credit risk leads to the transfer of the loan from stage 1 to stage 2. The company uses both quantitative and qualitative indicators in credit risk assessment.

Indicators for assessing significant increase in credit risk vary between different portfolios, but for the largest loan receivables (private and business customer loans), the company considers changes in behavioural scoring and credit rating, as well as certain qualitative indicators such as forbearance, placement on watchlist and 30-day delays in contractual payments.

The company has automated a credit scoring system which is based, depending on the type of the loan, on changes in the behavioural scoring of private customers and on changes in credit ratings of business customers as well as qualitative indicators. Loan-specific stage allocation is monitored regularly. A probation period is applied for the transfers of loans out of stage 2 to stage 1.

2.4.2 Definition of default

The company has defined defaults (stage 3) as occurring in accordance with IFRS 9 in the following situations:

- Contractual payments are 90 days overdue,
- A loan is non-performing or assigned to a collection agency,
- The customer is bankrupt or subject to debt restructuring or
- 20% or more of the customer's loans meet the above default conditions, as a result of which all of the customer's loans are considered to be in default.

The definition corresponds with the definition of default used by the company in its regulatory reporting and is consistent with the definition of customer default. In assessing when a debtor is in default, the company takes into account qualitative indicators (such as breaches of loan terms) and quantitative indicators (such as the number of days past due date) by using internal and external sources to collect information on the debtor's financial position.

2.4.3 Inputs of expected credit loss model

The calculation of the expected credit losses is based on portfolio-specific calculation rules. The loan portfolio is divided on the basis of product-specific risk characteristics into the following clusters:

- Loans to housing corporations
- Private customers' home mortgages and consumer credits
- Accounts with overdraft facilities
- Credit cards
- Loans to farmers
- Student loans
- Business customer

Private customers' home mortgages and consumer credits and business customers' loans form the company's two most significant clusters. With regard to these two clusters, the calculation of the expected credit losses is based on the Exposure at Default (EAD), Probability of Default (PD) and the Loss Given Default (LGD). The company uses the recorded customers' repayment behaviour data, customer-specific ratings and loanspecific collateral values as the basis for determining the parameters.

When calculating home mortgages and consumer credits, the PD parameter used is based on vintage analysis, in which loans are monitored based on their maturity. In terms of corporate loans, the PD parameter is based on a transition matrix describing changes in the customerspecific ratings. Credit rating is a grade assigned by an external party. In smaller portfolios, the PD parameter applied by the company is a simple loss-rate model.

The Exposure at Default (EAD) is the amount of exposure at the reporting date. Calculation of the EAD takes into account the payments to the loan as stated in the payment plan. However, certain financial instruments include both a loan principal and an undrawn portion of a loan commitment. The undrawn portion of a loan is taken into account in the exposures for the total limit granted. With credit card receivables, EAD calculation applies the so-called CCF coefficient when taking into account undrawn limits.

Loss Given Default (LGD) describes the credit losses' share of the loan capital after loan-specific collateral has been factored in, when the receivable is classified in stage 3.

For debt security investments, the company determines the allowance for credit loss using the formula EAD*PD*LGD. Instrument-specific material from the market database is used as the source for calculating PDs. In addition, a low credit risk exception for debt security investments with a credit rating of at least investment grade at the reporting date is used. In these cases, the allowance for credit loss will be measured at an amount equal to the 12-month expected credit losses.

The management of the company monitors the development of a loss allowance to ensure that the model properly reflects the amount of expected credit loss. If necessary, the management refines the calculation parameters.

2.4.4 Changing contractual cash flows

Whenever a change is made to a financial asset or liability valued at amortised cost without removing the asset or liability from the balance sheet any profit or loss must be recognised. The profit or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the contractual interest rate.

An example of a situation of this kind are changes made to the amortisation plan for a loan granted to the customer or granting deferred amortisation. Changes to the loan terms resulting from a customer's weakened solvency are treated as a significant growth in credit risk.

In connection with significant loan term changes, the loan is removed from the balance sheet and a new loan is recognised in its place. If the credit risk of the loan removed from the balance sheet has grown significantly, the new loan is recognised in the balance sheet as impaired.

2.5 Recognising final credit losses

Financial assets are removed from the balance sheet when it is expected that payment on the loans will no longer be received and the final credit loss can be calculated. The previously recognised expected credit loss is reversed at the same time as the item is removed from the balance sheet and the final credit loss is recognised.

The loans are removed from the balance sheet when their collection proceedings have been finished or when the loan terms are changed significantly, for example in connection with refinancing. After derecognition, payments allocated to credit loss receivables are recognized through profit or loss in the item 'Expected credit loss from financial assets recognised at amortised cost'.

2.6 Classification and valuation of financial liabilities

At the time of the initial recognition, financial liabilities are classified in one of the following items:

- financial assets valued at amortised cost, or,
- recognised at fair value through profit and loss.

Financing liabilities are originally recognised in the statements at fair value. Later, financial liabilities, with the exception of liabilities recognised at fair value through profit and loss, are valued at amortised cost using the effective interest method. Transaction costs are included in the original bookkeeping value of financial liabilities valued at amortised cost. Transaction costs related to financial liabilities recognised at fair value through profit or loss are recognised as expenditure.

Financial liabilities valued at fair value through profit or loss are formed by derivative liabilities to which hedge accounting is not applied. At the reporting date, the company does not have derivative liabilities valued at fair value through profit or loss.

Liabilities to credit institutions, liabilities to the public and general government as well as debt securities issued to the public are recognised in other financial liabilities valued at amortised cost.

Financial liabilities are not reclassified subsequent to their initial recognition.

2.7 Offsetting financial assets and liabilities

Financial assets have not been netted in the company's financial statements.

2.8 Items denominated in foreign currencies

Assets and liabilities tied to items denominated in foreign currencies outside of the euro zone have been converted to euros as per the European Central Bank's average rate on the reporting date. On the income statement, foreign exchange differences that emerged during valuation have been recognised in net gains from investment operations.

2.9 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks as well as short-term deposits of less than three months.

2.10 Determining the fair value

Fair value is the price that could be received for the sale of an asset or that could be paid for assuming a debt between market parties in a common transaction occurring on the valuation date.

The fair value of a financial instrument is determined either utilising price quotes obtained from active markets or, if active markets do not exist, utilising an established valuation method. Markets are considered to be active if price quotes are easily and regularly available and if they reflect real and regularly reoccurring market transactions between parties that are independent of each other. The current bid price is used as the quoted market price of financial assets.

If there is an established valuation method in the markets for financial instruments for which a market price cannot be directly acquired, the fair value is based on the generally used calculation model of market price and on the input quotes used by the model.

If the valuation method is not well-established in the markets, a specific generally used valuation model for the product in question is used to determine the market value. Valuation models are based on generally utilised calculation methods and they cover all factors that parties in the markets would take into consideration when calculating prices. When determining the fair value, the utilised aspects are the prices of market transactions, discounted cash flows and the fair value at the time of financial statements of another, essentially similar instrument. The valuation methods take into account credit risk assessments, used discount rates, the possibility of prepayments and other factors that impact the valuation of the financial instrument's fair value.

The fair values of financial instruments are divided in three hierarchies according to how the fair value is determined:

Level 1: Fair values quoted in active markets for identical assets or liabilities.
Level 2: Fair values that have been determined by the use of input information other than quoted Level 1 prices that are verifiable for assets or liabilities either directly (e.g. as prices) or indirectly (e.g. derived from prices).

Level 3: Fair values that have been determined for assets or liabilities using inputs that are not essentially based on verifiable market prices.

The hierarchy levels of fair values are determined based on the lowest level of input that is significant for the investment item. The significance of an input is assessed against the item valued at fair value in its entirety. Transfers between fair value hierarchy levels are determined to have occurred on the date when the event or change in circumstances occurred.

Derivatives and hedge accounting

Oma Savings Bank protects its interest-bearing loans against interest rate fluctuations with derivatives and applies hedge accounting regulations in addition to regularly following the effectiveness of such hedging and changes in fair values. Hedge accounting conforms to the IFRS 9 standard's provision that makes it possible to continue to apply portfolio hedge accounting pursuant to the IAS 39 standard.

Interest rate swaps are used to hedge fixed-rate deposit stocks and stock derivatives have been used to hedge deposits, whose yield is tied to changes in stock value. At the end of the accounting period, the company does not have derivatives that hedge the cash flow.

Derivative contracts are valued at fair value and changes in value have been recognised on the balance sheet and the income statement. The positive fair values of derivative contracts are recognised in the balance sheet's assets' item 'Derivative contracts'. The credit valuation adjustment (CVA) is taken into account in the valuation of assets.
The negative fair values of derivative contracts are presented under 'Derivative contracts and other liabilities held for trading' in the balance sheet's liabilities. The debit valuation adjustment (DVA) is taken into account in the valuation.

Derivative contracts are valued at fair value and hedge accounting is applied to them. The changes in the fair value of hedged items and hedging instruments designated for hedging the fair value are entered in the income statement item 'Net income from hedge accounting' and in the balance sheet as an adjustment of the item in question. The interest expenses of hedge derivatives are presented under interest expenses and the income under interest income.

Derivatives are not created for the purpose of trading. The connection between hedging derivatives and instruments to be hedged (hedge relationship) and the effectiveness of hedging are documented.

Tangible and intangible assets

Properties and shares in property companies have been divided into properties in the company's own use and investment properties, based on the purpose of use.

Properties have been recognised in the balance sheet at acquisition cost less planned depreciation. Shares and other equity in investment properties are recognized on the balance sheet at acquisition cost. The bank does not apply the option provided in Section 12, Article 8 of the Credit Institution Act, which allows the valuation of investment properties at fair value.

The balance sheet values of properties in the company's own use and shares and other equity in property companies are based on the value of the assets relative to the expected income of core business operations.

The difference between the bookkeeping value of investment properties and shares and other equity in property companies, and the permanently lower likely transfer price, if it is significant, is an impairment loss recognised as an expense under 'Net income of investment properties'. Any reversals of impairment are recognized as adjustments in the same item.

The company's key investment properties have been evaluated by property with the purchase price allocation method or the yield value method. The estimates of the yield value method are based on the amounts of net rent income from the property and the yield requirement of property markets. The fair values of investment properties are listed in note P8.

Appropriations

5.1 Tax-based provisions
Tax-based provisions, such as credit loss provisions, are used in the planning of the company's financial statements and taxes. As such, the amounts of tax-based provisions and their changes do not depict the risks faced by the company.

In the company's financial statements, appropriations are listed without deducting the deferred tax liability.

Off-balance-sheet commitments

Off-balance-sheet commitments are commitments given to a third party on behalf of a customer and irrevocable commitments given in favour of a customer.

Commitments given to a third party on behalf of a customer are, for example, guarantees and guarantee commitments equated to them. Commitments are listed at the maximum amounts of the guarantees or guarantee commitments at the end of the year.

Irrevocable commitments given in favour of a customer are, for example, binding loan commitments, granted undrawn loans as well as unused credit limits. Commitments are listed at the maximum amounts that could be payable at the end of the accounting period.

Interest income and expenses

All interest income and expenses derived from interest bearing assets and liabilities are recognised in 'Interest income and expenses'. Interest is recognised on an accrual basis excluding interest for late payments, which are recognised when payments are received.

Also recognised as interest income or expense is the difference between the acquisition cost and nominal value of receivables and liabilities, which is amortised on the maturity period of the receivable or the liability. The counterpart is recognised as a change in receivable or liability. Interest income has also been accrued on impaired receivables' remaining balance in the bookkeeping at the original effective interest rate in the contract.

Significant lending transaction and processing fee income is recognised in interest income over time using the effective interest method in accordance with the average expected maturity of the loan rather than recognising the income as a one-off gain. The clarification of the over-time accounting principles concerns new credit issued to companies and housing companies.

Impairment of financial assets

The model for impairment of financial assets brought by IFRS 9 requires management to make decisions, estimates and assumptions especially on the following topics:

- Selecting and defining calculation models,
- Assessing whether the credit risk related to a financial
- instrument has increased significantly after initial
- recognition and
- Taking into account forward-looking information in the
- recognition of expected credit losses.

8.1 Evaluation of fair value
The management team's discretion is also used in cases where the fair value of a financial instrument is determined through valuation methods. If no verifiable market inputs exist on which the used valuation methods can be based, the management team has to assess which other inputs to use to determine fair value. The principles used to

determine fair value are described in more detail in the section 'Determining the fair value'.

The management team decides when it considers the markets of financial instruments to be inactive. Additionally, it must be evaluated whether a single financial instrument is the object of active trading and whether the price information received from the market is a reliable indicator of the fair value of the financial instrument.

Depreciation principles

The acquisition costs of buildings and other wearable tangible and intangible assets are depreciated based on the financial holding time in equal instalments and in accordance with a previously created depreciation plan. The depreciation time is 10–40 years for buildings and 5–8 years for machinery and equipment. Depreciations are not performed for land.

Development expenses and licences of computer software are added under 'Intangible rights' and depreciated within 3–10 years. Long-term expenses are depreciated during their useful life of 3–5 years.

Income and expenses from other than ordinary activities and statutory provision

The company has not recognised income or expenses from other than ordinary activities. If the exact sum of a future loss or cost is not known, it must be entered as a statutory provision in the balance sheet.

Taxes

Income taxes are recognised in the company's financial statements based on the calculations of taxable income. Of the positive change in value included in the fair value reserve, deferred tax liabilities are recognised on the balance sheet, and of the negative change in value, deferred tax assets are recognised on the balance sheet. Additionally, of the negative change in value transferred from the fair value reserve to the result, deferred tax assets are recognised. Other deferred taxes have not been recognised at company level.

P2 Categorisation of financial assets and financial liabilities

31 Dec 2020

Financial assets (1 000 euros)	Amortised cost	Fair value through profit or loss	Fair value through fair value reserve	Book value, total	Fair value
Cash and cash equivalents	262,087	-	-	262,087	262,087
Loans to credit institutions	74,161	-	-	74,161	74,161
Loans to the public and public sector entities	3,426,170	-	-	3,426,170	3,426,170
Debt securities	-	171	499,401	499,572	499,572
Shares and other equity	-	22,463	-	22,463	22,463
Derivatives	-	796	-	796	796
Loans to the public and general government	-	500	-	500	500
Assets total	**3,762,418**	**23,930**	**499,401**	**4,285,749**	**4,285,749**
Shares, participations and subsidiaries				**25,510**	**25,510**
Investment property				**7,231**	**7,307**
Non-financial assets				**44,737**	**44,737**
Total assets				**4,363,227**	**4,363,303**

31 Dec 2020

Financial liabilities (1 000 euros)	Amortised cost	Fair value through profit or loss	Bookkeeping value, total	Fair value
Loans and advances to credit institutions	223,510	-	223,510	223,510
Loans to the public and public sector entities	2,376,799	-	2,376,799	2,376,799
Subordinated loans	15,000	-	15,000	15,000
Debt securities issued to the public	1,333,975	-	1,333,975	1,333,975
Financial liabilities total	**3,949,284**	**-**	**3,949,284**	**3,949,284**
Other than financial liabilities			33,407	33,407
Total liabilities			**3,982,691**	**3,982,691**

31 Dec 2019 Financial assets (1,000 euros)	Amortised cost	Fair value through profit or loss	Fair value through fair value reserve	Book value, total	Fair value
Cash and cash equivalents	6,626	-	-	6,626	6,626
Loans to credit institutions	59,666	-	-	59,666	59,666
Loans to the public and public sector entities	2,948,943	-	-	2,948,943	2,948,943
Debt securities	-	263	268,271	268,534	268,534
Shares and other equity	-	54,608	-	54,608	54,608
Derivatives	-	5,634	-	5,634	5,634
Loans to the public and general government	-	500	-	500	500
Assets total	**3,015,235**	**61,005**	**268,271**	**3,344,511**	**3,344,511**
Shares, participations and subsidiaries				7,200	7,200
Investment property				8,100	8,180
Non-financial assets				41,644	41,644
Total assets	**3,015,235**	**61,005**	**268,271**	**3,401,456**	**3,401,535**

31 Dec 2019 Financial liabilities (1,000 euros)	Amortised cost	Fair value through profit or loss	Book value, total	Fair value
Loans and advances to credit institutions	88,045	-	88,045	88,045
Loans to the public and public sector entities	2,005,643	-	2,005,643	2,005,643
Subordinated loans	15,000	-	15,000	15,000
Debt securities issued to the public	926,957	-	926,957	926,957
Financial liabilities total	**3,035,645**	**-**	**3,035,645**	**3,035,645**
Other than financial liabilities			21,637	21,637
Total liabilities			**3,057,282**	**3,057,282**

P3 Loans and advances to credit institutions and to the public and general government

Loans and advances to credit institutions (1,000 euros)	31 Dec 2020	Of which loss allowance	31 Dec 2019	Of which loss allowance
Payable on demand	**50,861**	**-**	**44,923**	**-**
From the central financial institution	40,187	-	39,430	-
From domestic credit institutions	10,674	-	5,492	-
Other	**23,299**	**-**	**14,743**	**-**
Minimum reserve deposit	22,799	-	14,743	-
From domestic credit institutions	500	-	-	-
Total	**74,161**	**-**	**59,666**	**-**

Loans and advances to the public and general government (1,000 euros)	31 Dec 2020	Of which loss allowance	31 Dec 2019	Of which loss allowance
Companies and housing associations	1,050,819	11,271	879,783	9,390
Financial and insurance institutions	36,322	30	21,990	65
Public sector	3,009	-	2,755	-
Households	2,320,942	11,577	2,031,702	7,331
Non-profit organisations serving households	15,578	440	13,212	113
Total	**3,426,670**	**23,318**	**2,949,443**	**16,898**
- of which subordinated receivables	500	-	500	-

Matured and non-performing receivables (1,000 euros)	31 Dec 2020	31 Dec 2019
over 90 days matured receivables	44,236	37,231
of which likely to be unpaid, which are undue or less than 90 days due	14,003	9,496
Matured and non-performing receivables, total	**58,239**	**46,727**
Contract residual amount of financial assets that have been written off as final credit losses during the reporting period, and which are further subject to recovery measures	350	508
Amount of final credit losses recorded on assets for the financial year	13,120	2,226

Loans and advances to credit institutions, amortised (1 000 euros)	Stage 1	Stage 2	Stage 3	31 Dec 2020 Total	31 Dec 2019 Total
Expected credit losses 1.1.	**3,451**	**2,701**	**11,371**	**17,523**	**11,521**
Transfer to stage 1	35	-112	-37	-114	41
Transfer to stage 2	-164	1,466	-715	588	271
Transfer to stage 3	-19	-592	3,836	3,224	5,594
New debt securities	1,182	1,029	795	3,007	2,745
Matured debt securities	-587	-790	-4,490	-5,866	-4,990
Realised credit losses	-773	-476	-3,527	-4,777	-1,129
Recoveries on previous realised credit losses	-	-	-	-	-
Changes in credit risk	-39	29	5,346	5,336	1,631
Changes in the ECL model parameters	-60	34	266	241	1,319
Manual corrections, at credit level	-510	4,402	1,239	5,131	520
Expected credit losses 31.12.	**2,517**	**7,691**	**14,084**	**24,292**	**17,523**

P4 Debt securities

(1,000 euros)	31 Dec 2020			31 Dec 2019		
	Total	Of which central bank funding entitling debt securities	Of which loss allowance	Total	Of which central bank funding entitling debt securities	Of which loss allowance
Recognised at fair value through profit and loss	**171**	**-**	**-**	**263**	**-**	**-**
Other	171	-	-	263	-	-
Recognised at fair value through fair value reserve	**499,401**	**459,699**	**493**	**268,271**	**234,913**	**660**
Publicly quoted	499,189	459,699	490	266,720	234,913	608
Other	212	-	3	1,551	-	51
Total	**499,572**	**459,699**	**493**	**268,534**	**234,913**	**660**
of which subordinated receivables	171	-	-	263		

				31 Dec 2020	31 Dec 2019
Debt securities, amortised (1 000 euros)	Stage 1	Stage 2	Stage 3	Total	Total
Expected credit losses 1.1.2018	**569**	**91**	**-**	**660**	**548**
Transfer to stage 1	-	-	-	-	-14
Transfer to stage 2	-3	17	-	15	-
Transfer to stage 3	-	-	-	-	-
New debt securities	269	118	-	387	73
Matured debt securities	-467	-45	-	-512	-11
Realised credit losses	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-
Changes in credit risk	4,913	-6	-	4,908	24
Changes in the ECL model parameters	-3,175	5	-	-3,170	39
Manual corrections, at credit level	-1,794	-	-	-1,794	-
Expected credit losses 31 December	**313**	**180**	**-**	**493**	**660**

P5 Shares and other equity

(1,000 euros)	31 Dec 2020	31 Dec 2019
At fair value through profit or loss		
Publicly quoted	13,837	29,305
Other	8,626	25,303
At fair value through profit or loss, total	**22,463**	**54,608**
Of which in credit institutions	1,844	12,117
Of which in other companies	20,619	42,491
At amortised cost		
Shares and holdings in participation companies	**23,988**	**5,679**
Of which in credit institutions	-	-
Of which in other companies	23,988	5,679
Shares and holdings in companies belonging to the same Group	**1,521**	**1,521**
Of which in other companies	1,521	1,521
Total at amortised cost	**25,510**	**7,200**
Total shares	**47,973**	**61,809**

P6 Derivative contracts

Nominal values of derivative contracts (1,000 euros)		31 Dec 2020		
Residual maturity	less than 1 year	1-5 years	over 5 years	Total
Hedging derivative contracts	32,948	48,274	-	81
Fair value hedge				
Interest rate derivatives				
Interest rate swaps	32,948	48,274	-	81

Nominal values of derivative contracts (1,000 euros)			31 Dec 2019		
Residual maturity		less than 1 year	1-5 years	over 5 years	Total
Hedging derivative contracts		40,791	699,644	-	740,436
Fair value hedge					
Interest rate derivatives					
Interest rate swaps		15,000	650,000	-	665,000
	-				
	-	25,791	49,644	-	75,436

Fair values of derivative contracts		31 Dec 2020		31 Dec 2019	
(1,000 euros)		Assets	Liabilities	Assets	Liabilities
Hedging derivative contracts					
Fair value hedge		**-**	**-**	**5,337**	**-**
Interest rate derivatives		-	-	5,897	-
	-	-	-	-561	-
Other hedging derivatives		**796**	**-**	**297**	**-**
Stock derivatives		853	-	423	-
CVA and DVA adjustments		-57	-	-125	-
Total		**796**	**-**	**5,634**	**-**

Profit or loss resulting from the hedged risk of the hedging instrument (1 000 euros)	31 Dec 2020	31 Dec 2019
Change in the value of hedged object	253	5,966

P7 Intangible assets

(1,000 euros)	31 Dec 2020	31 Dec 2019
IT expenses	251	514
Goodwill	1,500	2,000
Unfinished intangible assets	8,054	5,089
Other intangible assets	3,318	2,562
Total	**13,123**	**10,165**

Intangible assets	31 Dec 2020	31 Dec 2019
Acquisition cost January 1	**20,690**	**15,393**
+ increases during the accounting period	3,974	5,322
- decreases during the accounting period	-394	-42
+ transfers between items	924	16
Acquisition cost December 31	25,194	20,689
Accrued amortisation and impairment January 1	-10,524	-8,652
+/- accrued amortisation on decreases and transfers	305	39
- amortisation during the accounting period	-1,851	-1,878
- impairment during the accounting period	-	-33
Accrued amortisation and impairment December 31	-12,070	-10,524
Closing balance December 31	**13,123**	**10,165**
Opening balance January 1	10,165	6,741

P8 Tangible assets

(1,000 euros)	31 Dec 2020 Book value	31 Dec 2020 Fair value	31 Dec 2019 Book value	31 Dec 2019 Fair value
Land and water				
In own use	319	319	338	338
Used for investments	876	876	910	910
Total	**1,195**	**1,195**	**1,248**	**1,248**
Buildings				
In own use	313	313	474	474
Used for investments	68	68	353	353
Total	**381**	**381**	**827**	**827**
Shares and other equity in property companies				
In own use	13,859	13,859	17,488	17,488
Used for investments	6,287	6,363	6,837	8,180
Total	**20,146**	**20,222**	**24,325**	**25,668**
Other tangible assets	1,897		1,163	
Tangible assets, total	23,619		27,563	

Investment properties have been measured at acquisition cost.

31 Dec 2020

Changes in tangible assets during the accounting period (1,000 euros)	Investment properties and investment property shares	Other properties and property shares	Other tangible assets	Total
Acquisition cost January 1	**11,760**	**23,390**	**9,755**	**44,906**
+ increases during the accounting period	5,391	1,768	438	7,597
- decreases during the accounting period	-8,271	-6,088	-	-14,359
+/- transfers between items	-557	-1,249	881	-924
Acquisition cost December 31	**8,324**	**17,821**	**11,074**	**37,220**
Accrued depreciation and impairment January 1	**-3,660**	**-5,090**	**-8,592**	**-17,342**
+/- accrued depreciation on decreases and transfers	2,710	2,011	-	4,721
- depreciation during the accounting period	-75	-81	-585	-742
- impairment during the accounting period	-68	-170	-	-238
Accrued depreciation and impairment December 31	-1,093	-3,330	-9,177	-13,601
Closing Balance December 31	**7,231**	**14,491**	**1,897**	**23,619**
Opening Balance January 1	**8,100**	**18,300**	**1,163**	**27,563**

31 Dec 2019

Changes in tangible assets during the accounting period (1,000 euros)	Investment properties and investment property shares	Other properties and property shares	Other tangible assets	Total
Acquisition cost January 1	**11,679**	**17,652**	**9,413**	**38,743**
+ increases during the accounting period	274	6,135	414	6,823
- decreases during the accounting period	-192	-380	-72	-644
+/- transfers between items	-	-16	-	-16
Acquisition cost December 31	**11,760**	**23,390**	**9,755**	**44,906**
Accrued depreciation and impairment January 1	**-3,414**	**-4,495**	**-8,149**	**-16,058**
+/- accrued depreciation on decreases and transfers	156	223	50	429
- depreciation during the accounting period	-82	-86	-494	-661
- depreciation during the accounting period	-320	-732	-	-1,052
Accrued depreciation and impairment December 31	-3,660	-5,090	-8,592	-17,343
Closing Balance December 31	**8,100**	**18,300**	**1,163**	**27,563**
Opening Balance January 1	**8,265**	**13,156**	**1,264**	**22,685**

P9 Other assets

(1,000 euros)	31 Dec 2020	31 Dec 2019
Receivables on payment transfers	100	60
Other	312	465
Total	412	526

P10 Accrued income and prepayments

(1,000 euros)	31 Dec 2020	31 Dec 2019
Interests	8,795	7,502
Other	2,921	3,194
Total	**11,715**	**10,696**

P11 Liabilities to the public and general government and liabilities to credit institutions

Liabilities to the public and general government

(1,000 euros)	31 Dec 2020	31 Dec 2019
Deposits	**2,376,743**	**2,005,563**
Repayable on demand	2,187,865	1,697,222
Other	188,878	308,341
Other liabilitites	**56**	**81**
Other	56	81
Total	**2,376,799**	**2,005,563**

Liabilities to credit institutions

(1,000 euros)	31 Dec 2020	31 Dec 2019
Liabilities to central banks	150,000	-
Repayable on demand	10,768	16,052
Other	62,742	71,992
Total	**223,510**	**88,045**

P12 Debt securities issued to the public

(1,000 euros)	31 Dec 2020 Closing balance	31 Dec 2020 Nominal value	31 Dec 2019 Closing balance	31 Dec 2019 Nominal value
Certificates of deposit	127,453	127,500	154,883	155,000
Bonds	1,206,522	1,205,000	772,074	775,000
Total	**1,333,975**	**1,332,500**	**926,957**	**930,000**

Maturity of bonds	Nominal value	Interest	Year of issue	Due date	Closing balance 31 Dec 2020	Closing balance 31 Dec 2019
OmaSp Plc 3.4.2020	125,000	margin 0,880 % / variable	2017	4/3/2020	-	124,984
OmaSp Plc 12.12.2022, covered bond	350,000	0,125%/fixed	2017-2018	12/12/2022	349,015	348,512
OmaSp Plc 3.4.2024, covered bond	300,000	0,125%/fixed	2019	4/3/2024	298,912	298,578
OmaSp Plc 6.4.2023, covered bond	250,000	0,125%/fixed	2020	4/6/2023	248,998	-
OmaSp Plc 17.1.2024	55,000	margin 1% / variable	2020	1/17/2024	54,996	-
OmaSp Plc 25.11.2027	250,000	0,01%/fixed	2020	11/25/2027	254,601	-
					1,206,522	**772,074**

Maturity of deposit certificates	less than 3 months	3-6 months	6-9 months	9-12 months	Closing balance, total
12/31/2020	70,991	40,480	-	15,981	**127,452**
12/31/2019	47,489	45,979	46,433	14,982	**154,883**

P13 Provisions

Provisions (1,000 euros)	31 Dec 2020	31 Dec 2019
Other provisions	123,663	109,359
Total	**123,663**	**109,359**

Other provisions consist entirely of tax-based credit loss provisions.

Other liabilities (1,000 euros)	31 Dec 2020	31 Dec 2019
Liabilities on payment transfers	7,313	7,389
Expected credit loss on loan commitments	974	625
Other	3,844	2,596
Total	**12,130**	**10,610**

P14 Accrued expenses and deferred income

(1,000 euros)	31 Dec 2020	31 Dec 2019
Interests	9,041	3,058
Other	9,455	5,823
Total	**18,496**	**8,881**

P15 Subordinated liabilities

Subordinated liabilities whose bookkeeping value exceeds 10 % of total amount of these liabilities

(1,000 euros)	Bookkeeping value			
Identifying details of liability	31 Dec 2020	31 Dec 2019	Interest %	Due date
Oma Savings Bank Plc's debenture loan I/2017	15,000	15,000	1.25	2/1/2023
Total				

	Amount included in own funds	
Identifying details of liability	31 Dec 2020	31 Dec 2019
Oma Savings Bank Plc's debenture loan I/2017	6,260	9,266
Total		

All listed loans are denominated in euro. In the solvency calculation, the listed loans are included in the credit institution's lower tier 2 capital.

Terms and conditions of prepayment:

The bank retains on all loans the right to claim the loan either partially or in full before the due date. However, prepayment is only possible if permitted by the Financial Supervisory Authority, excluding minor claims that the bank will resell shortly after claiming.

Regulations on loan priorities and potential exchanging of loans for shares:

Loans have been issued as a debenture loan in accordance with Article 34 of the Promissory Notes Act (622/47). These loans are subordinated to the issuer's other loans.

P16 Deferred tax liabilities and tax assets

(1,000 euros)	31 Dec 2020	31 Dec 2019
Tax receivables calculated from other temporary differences	3,024	783
Amount of deferred tax assets due to fair value reserve	75	11
Deferred tax assets total	**3,099**	**794**
Tax liabilities calculated from other temporary differences	99	132
Amount of deferred tax liabilities due to fair value reserve	2,682	2,014
Deferred tax liabilities total	**2,781**	**2,146**

Deferred tax liabilities and tax assets are recognised in the fair value reserve through the changes in recognised fair value and financial assets available for sale, and the deferred tax liabilities through the fair value reserve as an impairment loss on the negative change in value transferred to the result and the depreciation of necessary shares. Other deferred tax liabilities and tax assets have not been recognised on the bank's balance sheet.

P17 Maturity distribution of financial assets and liabilities

Financial assets (1,000 euros)	Less than 3	3 - 12 months	31 Dec 2020 1 - 5 years	5 - 10 years	Over 10 years	Total
Debt securities eligible for refinancing with central banks	-	2,013	155,288	187,150	115,248	**459,699**
Loans and advances to credit institutions	50,861	23,299	-	-	-	**74,161**
Loans and advances to the public and general	74,282	403,843	1,095,754	883,092	969,699	**3,426,670**
Debt securities	-	1,362	26,214	12,296	-	**39,872**
Derivative contracts	-	141	656	-	-	**796**
Total	**125,143**	**430,658**	**1,277,913**	**1,082,538**	**1,084,947**	**4,001,199**

Financial assets (1,000 euros)	Less than 3	3 - 12 months	31 Dec 2019 1 - 5 years	5 - 10 years	Over 10 years	Total
Debt securities eligible for refinancing with central banks	-	-	130,245	98,774	5,894	**234,913**
Loans and advances to credit institutions	44,923	14,743	-	-	-	**59,666**
Loans and advances to the public and general	75,027	350,858	958,934	773,696	790,929	**2,949,443**
Debt securities	-	2,259	18,957	12,405	-	**33,621**
Derivative contracts	-	561	5,073	-	-	**5,634**
Total	**119,949**	**368,421**	**1,113,209**	**884,875**	**796,823**	**3,283,277**

Financial liabilities (1,000 euros)	Less than 3	3 - 12 months	31 Dec 2020 1 - 5 years	5 - 10 years	Over 10 years	Total
Liabilities to credit institutions and central banks	10,768	9,029	185,532	18,182	-	**223,510**
Liabilities to the public and general government	2,209,616	118,765	48,362	56	-	**2,376,799**
Debt securities issued to the public	8,000	119,453	951,921	254,601	-	**1,333,975**
Subordinated debts	-	-	15,000	-	-	**15,000**
Total	**2,228,384**	**247,247**	**1,200,814**	**272,839**	**-**	**3,949,284**

Financial liabilities (1,000 euros)	Less than 3	3 - 12 months	31 Dec 2019 1 - 5 years	5 - 10 years	Over 10 years	Total
Liabilities to credit institutions and central banks	16,052	7,441	36,781	7,771	20,000	**88,045**
Liabilities to the public and general government	1,741,725	181,281	82,557	81	-	**2,005,643**
Debt securities issued to the public	-	279,866	647,090	-	-	**926,957**
Subordinated debts	-	-	15,000	-	-	**15,000**
Total	**1,757,778**	**468,588**	**781,427**	**7,852**	**20,000**	**3,035,645**

Loans and advances to the public and general government, repayable on demand:
Other than fixed-term deposits and overdraft accounts are listed in the category of less than 3 months.

P18 Itemisation of assets and liabilities in domestic and foreign denominations

Assets (1,000 euros)	31 Dec 2020 Domestic currency	31 Dec 2020 Foreign currency	31 Dec 2019 Domestic currency	31 Dec 2019 Foreign currency
Debt securities eligible for refinancing with central banks	459,699	-	234,913	-
Loans and advances to credit institutions	74,161	-	59,666	-
Loans and advances to the public and general government	3,426,670	-	2,949,443	-
Debt securities	39,872	-	33,621	-
Derivative contracts	796	-	5,634	-
Other assets	360,174	1,854	116,417	1,763
Total	**4,361,373**	**1,854**	**3,399,694**	**1,763**

Liabilities (1,000 euros)	31 Dec 2020 Domestic currency	31 Dec 2020 Foreign currency	31 Dec 2019 Domestic currency	31 Dec 2019 Foreign currency
Liabilities to credit institutions and central banks	223,510	-	88,045	-
Liabilities to the public and general government	2,376,799	-	2,005,643	-
Debt securities issued to the public	1,333,975	-	926,957	-
Subordinated liabilities	15,000	-	15,000	-
Other liabilities	14,911	-	12,756	-
Accrued expenses and deferred income	18,496	-	8,881	-
Total	**3,982,691**	**-**	**3,057,282**	**-**

P19 Fair values and book values of financial assets and liabilities and fair value hierarchy

The fair values of financial assets have been determined primarily on the basis of the quoted market prices. If a quoted market price was not available, the current value discounted by the market interest rate or another generally accepted valuation model or method was used in the valuation. The book value was used as the fair value for other financial assets. The book value was used as the fair value for financial liabilities.

Financial assets	31 Dec 2020		31 Dec 2019	
(1,000 euros)	Book value	Fair value	Book value	Fair value
Cash and cash equivalents	262,087	262,087	6,626	6,626
Loans and advances to credit institutions	74,161	74,161	59,666	59,666
Loans and advances to the public and general	3,426,670	3,426,670	2,949,443	2,949,443
Debt securities	499,572	500,072	268,534	268,534
Shares and other equity	47,973	47,973	54,608	54,608
Derivative contracts	796	796	5,634	5,634
Total	**4,311,259**	**4,311,759**	**3,344,511**	**3,344,511**

Financial liabilities	31 Dec 2020		31 Dec 2019	
(1,000 euros)	Book value	Fair value	Book value	Fair value
Liabilities to credit institutions	223,510	223,510	88,045	88,045
Liabilities to the public and general government	2,376,799	2,376,799	2,005,643	2,005,643
Debt securities issued to the public	1,333,975	1,333,975	926,957	926,957
Subordinated liabilities	15,000	15,000	15,000	15,000
Total	**3,949,284**	**3,949,284**	**3,035,645**	**3,035,645**

31 Dec 2020	Level 1	Level 2	Level 3	Total
Financial instruments measured at fair value	513,325	2,650	6,856	**522,831**

31 Dec 2019	Level 1	Level 2	Level 3	Total
Financial instruments measured at fair value	297,755	7,397	23,624	**328,776**

Fair value and changes in value entered directly into the income statement as well as changes, entered into the fair value reserve, from each group of financial instruments measured at fair value

(1,000 euros)	31 Dec 2020			31 Dec 2019		
	Fair value	Change in value in income statement	Fair value reserve 31.12.	Fair value	Change in value in income statement	Fair value reserve 31.12.
Financial assets at fair value through fair value reserve	499,401	8,005	13,037	268,271	-120	10,013
Financial assets at fair value through profit or loss	23,430	2,612	-	60,505	6,765	-
Total	**522,831**	**10,616**	**13,037**	**328,776**	**6,645**	**10,013**

P20 Distribution of financial assets by risk rating

Risk rating 1: Customers with an A-level rating in the bank's internal credit rating system and external credit ratings of AAA–Baa3 are considered to be low-risk items.

Risk rating 2: Customers with a B-level rating in the bank's internal credit rating system and external credit ratings of Ba1–Ba3 are considered to be medium-risk items.

Risk rating 3: Customers with a C-level rating in the bank's internal credit rating system and external credit ratings of B1–Caa3 are considered to be higher-risk items.

Risk rating 4: Customers with a D-level rating in the bank's internal credit rating system and external credit ratings of Ca – bankruptcy, are considered to be higher-risk items.

The 'No rating' item includes loans and debt securities for which the bank has not defined credit ratings or for which there are no external credit ratings available. The loans belonging to the group are mainly card or consumer credits.

				31 Dec 2020	31 Dec 2019
Loans and off-balance sheet commitments (1,000 euros)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Total**
Risk rating 1	2,114,639	125,131	7,533	2,247,303	1,895,471
Risk rating 2	906,125	130,978	6,069	1,043,172	821,713
Risk rating 3	160,320	62,563	4,820	227,703	242,586
Risk rating 4	13,480	58,727	34,376	106,583	100,569
No rating	8,949	1,596	4,598	15,143	24,247
Capital items by risk rating, total	**3,203,513**	**378,995**	**57,396**	**3,639,904**	**3,084,587**
Allowance for credit losses	2,517	3,291	12,684	18,492	**17,523**
Total	**3,200,996**	**375,704**	**44,712**	**3,621,412**	**3,067,063**

				31 Dec 2020	31 Dec 2019
Debt securities (1,000 euros)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Total**
Risk rating 1	324,850	-	-	324,850	246,244
Risk rating 2	10,000	-	-	10,000	-
Risk rating 3	-	-	-	-	-
Risk rating 4	-	-	-	-	-
No rating	111,700	14,976	-	126,676	22,687
Capital items by risk rating, total	**446,550**	**14,976**	**-**	**461,526**	**268,931**
Allowance for credit losses	313	180	-	493	**660**
Total	**446,237**	**14,796**	**-**	**461,033**	**268,271**

P21 Credit risk concentrations

Risk rating 1: Customers with an A level rating in the bank's internal credit rating system and external credit ratings of AAA–Baa3 are considered to be low risk items.

Risk rating 2: Customers with a B level rating in the bank's internal credit rating system and external credit ratings of Ba1–Ba3 are considered to be medium risk items.

Risk rating 3: Customers with a C level rating in the bank's internal credit rating system and external credit ratings of B1–Caa3 are considered to be higher risk items.

Risk rating 4: Customers with a D level rating in the bank's internal credit rating system and external credit ratings of Ca–bankruptcy, are considered to be higher risk items.

The 'No rating' item includes loans and debt securities for which the bank has not defined credit ratings or for which there are no external credit ratings available. The loans belonging to the group are mainly card or consumer credits.

						31 Dec 2020	31 Dec 2019
Loans and off-balance sheet commitments by industry	**Risk rating 1**	**Risk rating 2**	**Risk rating 3**	**Risk rating 4**	**No rating**	**Total**	**Total**
Companies	910,255	162,200	38,725	50,231	6,271	**1,167,682**	**934,744**
Agriculture	28,765	1,772	1,404	805	10	**32,757**	**25,670**
Real estate	530,743	85,316	9,110	25,234	1,995	**652,398**	**478,631**
Construction	54,324	16,239	3,233	3,038	1,397	**78,231**	**73,237**
Wholesale and retail	77,964	15,580	6,208	2,900	1,026	**103,678**	**103,510**
Industry	39,575	8,420	2,875	6,855	333	**58,058**	**49,572**
Transportation and storage	23,314	3,666	712	1,492	398	**29,582**	**21,004**
Other	155,568	31,207	15,183	9,908	1,113	**212,978**	**183,120**
General government	3,089	-	-	-	150	**3,239**	**3,180**
Non-profit organisations	12,542	3,214	30	1,004	596	**17,385**	**13,919**
Finance and insurance	36,659	1,154	2	-	122	**37,936**	**23,282**
Households	1,284,759	876,605	188,945	55,348	8,004	**2,413,662**	**2,109,463**
Total December 31	**2,247,303**	**1,043,172**	**227,703**	**106,583**	**15,143**	**3,639,904**	**3,084,587**

P22 Impact of collaterals and other arrangements improving the quality of loans

	Amount exposed to credit risk covered by collateral		
(1,000 euros)	**31 Dec 2020**	**31 Dec 2019**	**Description of collateral held**
Home mortgages	3,426,528	2,961,264	Mostly residential real estate
Business loans	1,780,099	1,521,604	Mostly property collateral
Consumer credit	951,807	807,588	Mostly residential real estate
Other	300,188	288,721	Mostly property collateral
Loans and advances to the public and general government	**394,434,627**	**343,351,001**	

P23 Changes in equity during the accounting period

(1,000 euros)	At the beginning of the accounting period	Increases	Decreases	At the end of the accounting period
Share capital	20,700	-	-	20,700
Credit loss provisions transferred to share capital	3,300	-	-	3,300
Other restricted reserves	8,538	20,435	-18,149	10,824
Fair value reserve	8,538	20,435	-18,149	10,824
Measured at fair value	8,538	20,435	-18,149	10,824
Non-restricted reserves	137,488	-	-	137,488
Reserve for invested non-restricted equity	137,488	-	-	137,488
Retained earnings	46,165	18,624	-	64,790
Profit for the period	18,624	19,772	-18,624	19,772
Equity, total	**234,816**	**58,831**	**-36,774**	**256,873**

Changes in fair value reserve during the accounting period

	31 Dec 2020			
(1,000 euros)	**Debt securities**	**Shares and other equity**	**Cash flow hedge**	**Total**
Fair value reserve January 1, 2020	**8,538**	**-**	**-**	**8,538**
Increases	15,467	-	-	15,467
Decreases	-6,644	-	-	-6,644
Reclassified from the fair value reserve to the income statement	-6,404	-	-	-6,404
Expected credit losses	-133	-	-	-133
Changes in fair value reserve 2020, total	**2,286**	**-**	**-**	**2,286**
Fair value reserve December 31, 2020 (gross)	13,530	-	-	13,530
Deferred tax assets (+)/ liabilities (-)	-2,706	-	-	-2,706
Fair value reserve December 31, 2020	**10,824**	**-**	**-**	**10,824**

	31 Dec 2019			
(1,000 euros)	**Debt securities**	**Shares and other equity**	**Cash flow hedge**	**Total**
Fair value reserve January 1, 2019	**2,220**	**-**	**-**	**2,220**
Increases	11,248	-	-	11,248
Decreases	-5,115	-	-	-5,115
Reclassified from the fair value reserve to the income statement	96	-	-	96
Expected credit losses	90	-	-	90
Changes in fair value reserve 2019, total	**6,318**	**-**	**-**	**6,318**
Fair value reserve December 31, 2019 (gross)	10,673	-	-	10,673
Deferred tax assets (+)/ liabilities (-)	-2,135	-	-	-2,135
Fair value reserve December 31, 2019	**8,538**	**-**	**-**	**8,538**

Calculation of distributable equity (1,000 euros)	**31 Dec 2020**	**31 Dec 2019**
Retained earnings	64,790	46,166
Profit for the financial period	19,772	18,624
Invested unrestricted equity fund	137,488	137,488
Capitalized development expenditure	-4,802	-2,775
Total	**217,247**	**199,503**

Other restricted reserves

Fair value reserve

The fair value reserve includes the change in fair value of financial assets less deferred taxes. The net change of the value of interest derivatives hedged by cash flow can also be recognised in the reserve when this net change of value is found to be effective and adjusted by deferred taxes. Changes in value are realised in the income statement for the accounting period during which cash flows being hedged occur.

Non-restricted reserves

Reserve for invested non-restricted equity

The assets raised in the institutional and public offerings and personnel offerings in 2017–2018 are entered in the reserve for invested non-restricted equity. In addition, the reserve for invested non-restricted equity includes the assets gained from issued shares in connection with reorganisations in previous accounting periods.

Retained earnings

Retained earnings are earnings accrued over the group's companies' previous accounting periods that have not been distributed as dividends to owners.

P24 Shares and shareholder right

The number of shares is 29,585,000 in total (excluding own shares) and the number of votes per share is 1 vote / share. The shares do not have a nominal value.

	Ownership December 31, 2020		Ownership December 31, 2019	
	Number of shares	% in shares	Number of shares	% in shares
Etelä-Karjalan Säästöpankkisäätiö	10,078,759	34.1	10,578,759	35.8
Parkanon Säästöpankkisäätiö	3,366,000	11.4	3,400,000	11.5
Töysän Säästöpankkisäätiö	2,970,000	10.0	3,000,000	10.1
Kuortaneen Säästöpankkisäätiö	1,960,000	6.6	2,000,000	6.8
Hauhon Säästöpankkisäätiö	1,680,000	5.7	1,680,000	5.7
Rengon Säästöpankkisäätiö	1,120,000	3.8	1,120,000	3.8
Suodenniemen Säästöpankkisäätiö	805,000	2.7	800,000	2.7
Elo Mutual Pension Insurance Company	788,405	2.7	788,405	2.7
Joroisten Oma Osuuskunta	689,150	2.3	689,150	2.3
Varma Mutual Pension Insurance Company*	530,000	1.8	-	-
Pyhäselän Oma Osuuskunta**	-	-	658,850	2.2
10 largest shareholders	**23,987,314**	**81.1**	**24,715,164**	**83.5**
Other	5,597,686	18.9	4,869,836	16.5
Total	**29,585,000**	**100.0**	**29,585,000**	**100.0**

* Varma Mutual Pension Insurance Company is not among the 10 largest owners on 31 December 2019
** Pyhäselän Oma Osuuskunta is not among the 10 largest owners on 31 December2020

The company owns 11,700 shares.

The company has no different share classes, all shares carry the same rights.

The Annual General Meeting has authorised the Board

1) decide on the issue or transfer of the company's shares, as well as on the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act. The number of shares to be issued under the authorisation, including shares to be received on the basis of special rights, may not exceed of 5,000,000 shares in total; and

2) decide on the repurchase of a maximum of 500,000 of the company's own shares with the company's unrestricted equity.

The authorisations are valid until the end of the next Annual General Meeting, however, not later than 30 June 2021.

P25 Interest income and expenses

(1,000 euros)	1-12/2020	1-12/2019
Interest income		
Debt securities eligible for refinancing with central banks	1,605	1,510
Receivables from the public and general government	64,439	57,150
On debt securities	426	638
Derivate contracts	3,195	1,594
Negative interest expenses from financial liabilities	590	764
Other interest income	940	531
Total	**71,194**	**62,188**
Interest income on financial assets recorded in stage 3	1,707	1,395

(1,000 euros)	1-12/2020	1-12/2020
Interest expenses		
Liabilities to credit institutions	-48	-33
Liabilities to the public and general government	-803	-1,798
Debt securities issued to the public	-2,752	-2,761
Subordinated liabilities	-187	-289
Negative interest income from financial assets	-303	-369
Other interest expenses	-3	-15
Total	**-4,096**	**-5,266**

P26 Income from equity investments

(1,000 euros)	1-12/2020	1-12/2019
Dividend income from financial assets at fair value through profit and loss	284	230
From financial assets at fair value through fair value reserve	-	1,163
Total	**284**	**1,393**

P27 Fee and commission income and expenses

(1,000 euros)	1-12/2020	1-12/2019
Fee and commission income		
Lending	9,442	8,568
Borrowing	1,174	1,175
Payment transactions	15,380	12,305
Asset management	914	1,034
Brokered products	4,309	3,786
Granting of guarantees	923	884
Other fee and commission income	444	461
Total	32,586	28,213
Fee and commission expenses		
Paid delivery fees	-1,263	-1,185
Other	-3,239	-2,886
Total	-4,502	-4,071

P28 Net income from securities and currency trading

(1,000 euros)	1-12/2020 Capital gain and loss (net)	1-12/2020 Transfers from the fair value reserve	1-12/2020 Total	1-12/2019 Capital gain and loss (net)	1-12/2019 Transfers from the fair value reserve	1-12/2019 Total
On debt securities	-	-92	-92	-	-	-
Shares and other equity	1,597	2,704	4,300	491	6,765	7,255
Derivative instruments and other receivables	384	430	814	8	-272	-264
Net income from securities trading, total	1,980	3,042	5,022	499	6,492	6,992
Net income from currency trading	-175	-	-175	23	-	23
Net income from securities and currency trading, total	**1,805**	**3,042**	**4,847**	**522**	**6,492**	**7,014**

P29 Net income from financial assets recognised at fair value through fair value reserve

(1,000 euros)	1-12/2020 Capital gain and loss (net)	1-12/2020 Transfers from the fair value reserve	1-12/2020 Total	1-12/2019 Capital gain and loss (net)	1-12/2019 Transfers from the fair value reserve	1-12/2019 Total
On debt securities	39	8,005	8,044	131	-120	11
Total	**39**	**8,005**	**8,044**	**131**	**-120**	**11**

P30 Net income from hedge accounting

(1,000 euros)	1-12/2020	1-12/2019
Changes in fair value of hedge instruments	3,166	4,188
Changes in fair value of hedged items	-3,052	-4,309
Total	**114**	**-121**

P31 Other operating income and expenses

(1,000 euros)	1-12/2020	1-12/2019
Other operating income		
Rent income from properties in own use	102	89
Other income	2,739	1,870
Total	**2,841**	**1,959**

Other operating expenses	1-12/2020	1-12/2019
Rent expenses	-1,791	-1,680
Expenses on properties in own use	-1,525	-1,543
Capital loss from properties in own use	-1,273	-35
Guarantee Fund expenses	-1,305	-1,232
Other expenses	-4,231	-3,276
Total	**-10,124**	**-7,766**

Auditor's fees

(1,000 euros)	1-12/2020	1-12/2019
KPMG Oy Ab		
Auditor's fees by assignment group:		
Audit	263	290
Assignments as provided for in Section 1, Sub-section 1, Clause 2 of the Auditing Act	6	-
Other services	60	70
Total	**329**	**360**

P32 Net income from investment properties

(1,000 euros)	1-12/2020	1-12/2019
Rent income	365	709
Rent expenses	-	-1
Depreciation	-285	-164
Capital gain and loss (net)	-2,744	-37
Impairment loss	-68	-320
Other income	1	3
Other expenses	-569	-900
Total	**-3,300**	**-711**

P33 Personnel expenses

(1,000 euros)	1-12/2020	1-12/2019
Salaries and rewards	-13,413	-13,858
Long-term benefits	-2,442	-2,768
Pensions	-2,035	-2,443
Other long-term benefits	-407	-325
Total	**-15,855**	**-16,626**

Number of employees	31 Dec 2020	31 Dec 2019
Permanent full-time employees	246	230
Permanent part-time employees	39	6
Temporary employees	6	36
Total	**291**	**272**
Average number of employees during the financial year.	**292**	**294**

Pension liabilities
Personnel's retirement provisions are arranged with pension insurance company Ilmarinen and there are no uncovered pension liabilities.

P34 Depreciation, amortisation and impairment on tangible and intangible assets

(1,000 euros)	1-12/2020	1-12/2019
Depreciation and amortisation	**-2,543**	**-2,398**
Tangible assets	-666	-601
Intangible assets	-1,876	-1,797
Impairment and reversals of impairment losses	-170	-765
Tangible assets	-170	-765
Total	**-2,713**	**-3,163**

P35 Other administration expenses

(1,000 euros)	1-12/2020	1-12/2019
Other personnel expenses	-1,281	-1,907
Office expenses	-2,604	-2,817
IT expenses	-14,528	-13,269
Telephony expenses	-1,188	-1,258
Marketing expenses	-1,512	-1,700
Other	-51	-
Total	-21,165	-20,952

P36 Expected credit losses on loans and other commitments and other financial assets

(1,000 euros)	1-12/2020			
Expected credit loss on financial assets at amortised cost and guarantees and other off-balance sheet commitments	**Contractual expected credit losses, gross**	**Reversals**	**Reversals of final credit losses recognised in the income statement**	**Final credit losses recognised in the income stetement**
Advances to credit institutions	191	-	-	-
Advances to the public and general government	-11,388	4,777	141	-13,543
Off-balance sheet commitments	-349	-	-	-
Total	**-11,545**	**4,777**	**141**	**-13,543**
Expected credit losses on other financial assets				
Debt securities at fair value through fair value reserve	167	-	-	-
Total	**167**	**-**	**-**	**-**
Expected credit losses total	**-11,379**	**4,777**	**141**	**-13,543**

(1,000 euros)	1-12/2019			
Expected credit loss on financial assets at amortised cost and guarantees and other off-balance sheet commitments	**Contractual expected credit losses, gross**	**Reversals**	**Reversals of final credit losses recognised in the income statement**	**Final credit losses recognised in the income stetement**
Receivables from credit institutions	95	-	-	-
Receivables from the public and public entities	-7,213	1,129	40	-2,540
Off-balance sheet commitments	-13	-	-	-
Total	**-7,131**	**1,129**	**40**	**-2,540**
Expected credit losses on other financial assets				
Debt securities at fair value through fair value reserve	-112	-	-	-
Impairment on shares and other equity in subsidiaries and associated companies	-	-	-	-8
Total	**-112**	**-**	**-**	**-8**
Expected credit losses total	**-7,243**	**1,129**	**40**	**-2,547**

P37 Rent liabilities and off-balance sheet commitments

Rent liabilities

Minimum rent payable based on irrevocable rent agreements.

(1,000 euros)	31 Dec 2020	31 Dec 2019
Within one year	1,161	1,318
During 1-5 years	3,070	2,866
Within more than 5 years	-	-
Total	**4,232**	**4,184**

Off-balance sheet commitments

(1 000 euros)	31 Dec 2020	31 Dec 2019
Commitments given to a third party on behalf of a customer		
Guarantees	25,976	21,781
Other commitments given to a third party on behalf of a customer	154	266
Irrevocable commitments given in favour of a customer	264,741	191,164
Off-balance sheet commitments, total	**290,871**	**213,211**

Other off-balance sheet arrangements

The bank belongs to Oy Samlink Ab's value added tax obligation group.

(1,000 euros)	31 Dec 2020	31 Dec 2019
The joint liability amount related to the group registration of value added tax	2,323	1,604

P38 Investment services offered by Oma Savings Bank

Oma Savings Bank Plc offers the following investment services mentioned in Chapter 1, Article 15 of the Act on Investment Services:

- receiving and transmission of orders concerning financial instruments
- execution of orders concerning financial instruments on behalf of a customer
- trading on its own account
- investment advisory services
- arranging the issue of financial instruments

Oma Savings Bank Plc does not offer the following investment services mentioned in Chapter 1, Article 15 of the Act on Investment Services:

- arranging multilateral trading in financial instruments
- arranging trade in bonds, structured financial products, emission rights or derivative contracts in an organised trading system as provided by the law on trading financial instruments (arranging organised trading)
- managing financial instruments based on a contract made with a customer such that the power to make decisions on investments has been fully or partially given to the recipient of the order (asset management)
- arranging the issuance or sale of financial instruments by providing the related subscription or purchase undertaking (underwriting of financial instruments);

Oma Savings Bank Plc offers the following ancillary services mentioned in Chapter 2, Article 3 of the Act on Investment Services:

- granting loans and other financing related to the investment service to the customer;
- offers custody and management of financial instruments on behalf of the customer, which includes custody services and other related services, except for providing and maintaining securities accounts at the top tier level pursuant to the EU's regulation on improving securities settlement in

Signatures on the financial statements and the annual report

Helsinki February 26, 2021

OMA SAVINGS BANK PLC'S BOARD OF DIRECTORS

Jarmo Salmi
Chairman of the Board

Jyrki Mäkynen
Vice Chairman of the Board

Aila Hemminki

Aki Jaskari

Timo Kokkala

Heli Korpinen

Jaana Sandström

Pasi Sydänlammi
CEO

Auditor's Note

An audit report has been provided today.
Helsinki, February 26, 2021

KPMG Oy Ab
APA Fredrik Westerholm

The document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

Auditor's Report

To the Annual General Meeting of Oma Savings Bank Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Oma Savings Bank Plc (business identity code 2231936-2) for the year ended 31 December 2020. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note K22 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.
We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

The Key Audit Matter	How the matter was addressed on the audit
Loans and advances to customers - valuation (Note K1 Accounting principles for the consolidated financial statements and notes K2, K5 and K24 to the consolidated financial statements)	
• Loans and advances to the public and public sector entities, totalling EUR 3.434 million, is the most significant item on Oma Savings Bank Plc Group’s balance sheet, accounting for 78% of the consolidated total assets. • Oma Savings Bank Plc applies IFRS 9 Financial Instruments to recognition of impairment losses on receivables and in calculating expected credit loss (ECL) using models in accordance with the standard. • In the financial year 2020, the COVID-19 pandemic has impacted the operating environment, credit risk level and components of accounting for expected credit losses of Oma Savings Bank Plc. • Calculation of expected credit losses involves assumptions, estimates and management judgment, for example in determining the probability and amount of expected credit losses, value of any collaterals as well as the significant increases in credit risk. • Due to the significance of the carrying amount involved, complexity of the accounting methods used for measurement purposes and management valuation judgements, valuation of loans and advances to customers are addressed as a key audit matter.	• We evaluated compliance with the lending instructions and assessed the appropriateness of the recognition and measurement principles, as well as tested controls over valuation of loan receivables and collaterals. • We assessed the models and the key assumptions for calculating expected credit losses, as well as tested the related controls over the calculation process. • We considered the impacts of the COVID-19 pandemic on the credit risk position and the accounting for expected credit losses. The main areas were parameters for macroeconomic assumptions as well as changes in repayment terms. • Our IFRS and financial instruments specialists were involved in the audit. • Furthermore, we considered the appropriateness of the disclosures provided in respect of receivables and expected credit losses.

Valuation of investment assets
(Note K1 Accounting principles for the consolidated financial statements and notes K3, K7 and K30 to the consolidated financial statements)

- Investment assets are carried at EUR 529 million, for which financial assets measured at fair value totaled EUR 522 million, representing 12 % of the consolidated total assets of Oma Savings Bank Plc Group.
- The fair value of financial instruments is determined using either prices quoted in an active market or Oma Savings Bank Plc's own valuation techniques where no active market exists. Determining fair values for investments and investment properties involves management judgements, especially in respect of those instruments for which market-based data is not available.
- Due to the significant carrying amounts of investment assets and management judgements related to measurement of illiquid investments, valuation of investment assets is addressed as a key audit matter

- We evaluated the appropriateness of the valuation principles applied by Oma Savings Bank Plc and compliance with the applicable financial reporting framework.
- Our audit procedures comprised testing controls over valuation of financial assets measured at fair value and assessing carrying amounts of investment properties, among others.
- As part of our year-end audit procedures we compared the fair values used in valuation of investment assets to market quotations and other external price references.
- Finally, we considered the appropriateness of the disclosures on investment assets.

Control environment relating to financial reportind process and IT systems

- In respect of the accuracy of the financial statements of Oma Savings Bank Plc, the key reporting processes are dependent on information systems. Therefore, information technology plays an essential role for business continuity, incident management and the accuracy of financial reporting.
- The most significant risks relate to integrity of data, confidentiality and services disruptions.
- Consequently, the IT environment related to the financial reporting process and the application controls of individual IT systems have a significant effect on the selected audit approach.

- We obtained an understanding of the IT systems related to financial reporting and the associated control environment and tested the effectiveness of the related internal controls. We also utilised assurance reports received from external service providers.
- As part of our audit we performed substantive procedures and data analyses relating to various aspects in the financial reporting process.
- We also followed the progress of the new banking platform development project during the year. In total EUR 4 million development costs relating to the project has been recorded as intangible assets in the consolidated balance sheet. As part of our audit we evaluated that the definition and criteria for recognizing these as intangible assets were met.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on April 9, 2016, and our appointment represents a total period of uninterrupted engagement of five years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 26 February 2021

KPMG OY AB

FREDRIK WESTERHOLM
Authorised Public Accountant, KHT

omasp.fi

Oma Savings Bank Plc
tel +358 20 764 0600, omasp@omasp.fi