Annual Report 2021

omasp

Contents

The Annual Report 2021 is a translation of the original Finnish version "Vuosikertomus 2021". If discrepancies occur, the Finnish version is dominant.

A busy and fruitful year

Record year on all key figures

Overall, 2021 was a year of strong growth for OmaSp and all key figures rose to new record levels. The profitable growth that has continued from year to year is reflected in the accumulation of equity, which enables future investments and an even greater distribution of profit to owners.

During the year, we continued to monitor closely the development of corona pandemic and made necessary changes to our operating models. Our strong financial position has ensured our ability to support our customers. Thanks to our flexible operating models, we have been able to develop our business and make a strong profit in a changing operating environment.

In December, we completed the acquisition of Eurajoen Savings Bank's business as planned. The acquisition increased our balance sheet by approximately EUR 335 million and increased the number of private and corporate customers by approximately 12,000. The positive profit impact of the acquisition on the company is estimated to be approximately EUR 14 million in total, of which EUR 7.5 million has been recognised in the company's profit before taxes for the financial year 2021.

Mortgages

+30%

We made mortgages approx. **7 times** the market rate

The rapid development of earnings and business continued to be excellent throughout the year. Demand for home mortgage loans and corporate loans was strong, and the quality of the loan portfolio improved further. Home mortgage loan portfolio grew by almost 30% compared to the previous year, and the growth rate was about seven times the market. Excluding the acquisition of Eurajoen Savings Bank's business, the growth of home mortgage loan portfolio was 20%. Both main sources of income developed strongly throughout the year; Net interest income increased by 18% and Fee and commission income and expenses by 15%. Comparable cost/income ratio reached an excellent level of 48%. Compensation received from the core banking project, approximately EUR 22 million, was recorded as a significant one-off item for the financial year.

Balance sheet grew by almost one billion during the financial year, exceeding EUR 5 billion for the first time, reaching EUR 5.4 billion. For January-December, profit before taxes increased by a whopping 121% to EUR 83.3 million. Comparable profit before taxes also doubled to EUR 53.1 million.

Net interest income

+18%

Fee and commission income

+15%

Investments in customer experience development

Our key aim is to serve our customers personally and to be local and close in both digital and traditional service channels. Significant investments have been made, among other things, in cloud and data security capabilities, mobile development and extensively to system development. We introduced to our customers a new type of online conferencing service as well as an OmaPostilaatikko mailbox to facilitate secure communication between the customer and the bank. The investments made will improve customer experience, bring immediate efficiency to our operations and strengthen our competitiveness even in the future.

With the acquisition of Eurajoen Savings Bank's business, our branch network expanded in Satakunta region. Now OmaSp's branches can also be found in Pori, Rauma and Eurajoki.

Both main sources of income, **Net interest income and Fee and commission income** developed strongly throughout the year.

Driven by strong growth, we have been able to make further investment again in the wellbeing of our personnel. In autumn of 2021, we launched an extensive training program for the entire organisation, On the road to a winning culture, with the aim of clarifying the organisation's operating models and developing managerial work.

We ensured our ability to meet the increased demand of our customers and issued two bonds during the year. In June, a covered bond of EUR 150 million and an unsecured senior bond of EUR 200 million in November.

Our cooperation with the European Investment Fund (EIF) continued. We signed a new EUR 150 million guarantee agreement provided by the European Guarantee Fund (EGF). It will enable us to support around 500 Finnish small and medium-sized enterprises over the financial crisis caused by corona.

Increasing dividend for the sixth year in a row

The ever-strengthening profitability enables a growing dividend to owners. Dividend proposal to the Annual General Meeting is record high, totalling EUR 0.50 per share. In accordance with the Board's profit distribution proposal, an actual dividend of EUR 0.30 per share is proposed based on the result of continuing operations for the last financial year, and an additional dividend of EUR 0.20 per share is proposed due to significant one-off items last year.

In the coming years, the company's use of capital will become even more efficient with IRB methods. OmaSp has been preparing the application of the IRB method in capital adequacy calculations for a long time, and we submitted an application for a permit to the Finnish Financial Supervisory Authority in early February. It is also important to us that the application of the IRB method improves risk management and raises OmaSp to a comparable position with benchmark banks.

Excellent customer and personnel experience as the basis for profitable growth

Our operation is based on excellent personnel and customer experience, and both components are at record highs as studied. OmaSp has been one of the most profitable and efficient banks in the Nordic countries in recent years, and we want to cherish it in the future as well. We are following with great interest the ongoing changes and possible restructuring in the financial sector. In line with our earnings guidance, we expect OmaSp's profitable growth to remain strong in 2022.

Warm thanks to customers, personnel, owners and partners for 2021!

Pasi Sydänlammi
CEO

Investor information

Calendar 2022

30 March	Annual General Meeting 2022
2 May	Interim Report January–March 2022
1 August	Interim Report January–June 2022
31 October	Report January–September 2022

Capital and Risk Management Report

Oma Savings Bank Plc's internal control, risk management and risks are described in more detail in the Capital and Risk Management Report 2021, 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 2022

Oma Savings Bank Plc's Annual General Meeting will be held on Wednesday 30 March 2022 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.**

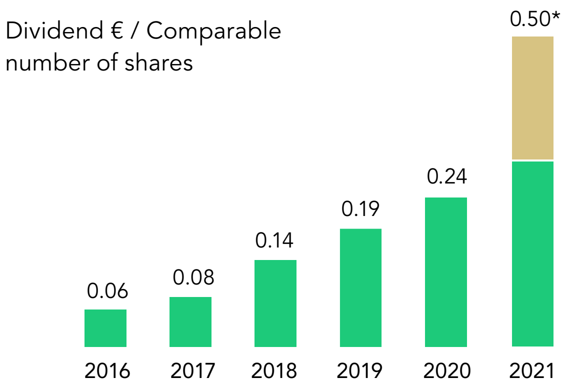
Shareholder, who is registered in the company's register of shareholder maintained by Euroclear Finland Ltd as at 18 March 2022, has the right to participate in the Annual General Meeting. A shareholder, whose shares are registered in his/her personal Finnish book-entry account, is registered in the 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-2022

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-2022** for any additional intructions or changes.

Rate development of Oma Savings Bank share 1 January 2021 – 31 December 2021

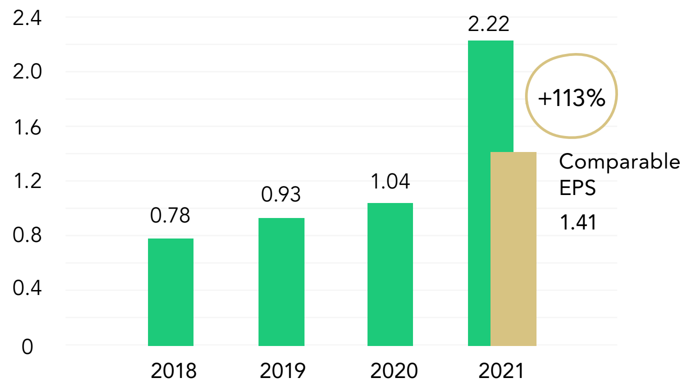
Development of Oma Savings Bank dividend



* The Board of Directors' dividend proposal to the Annual General Meeting:

- 0.30 €/share
- Extra dividend 0.20 €/share

Earnings per share of Oma Savings Bank (EPS)



Number of shares outstanding changed following the listing (pcs) in **2018** 25,822,093, **2019** 29,585,000, **2020** 29,585,000 **2021** 29,773,517

Financial goals

10–15%

Growth

10–15% annual growth in total operating income under the current market conditions (actual figure for 2021 41.0%)

>10%

Return on equity (ROE)

Long-term return on equity (ROE) over 10% (actual figure for 2021 17.6%)

<45%

Profitability

Cost/income ratio less than 45% (actual figure for 2021 41.9%)

14%

Capital adequacy

Common equity tier 1 capital (CET1) at least **14%** (actual figure for 2021 15.5%)

Key figures

Total operating income (EUR mill.)
156.6
Accounting period 1–12/2021

Profit before taxes (EUR mill.)
83.3
Accounting period 1–12/2021

Comparable profit before taxes (EUR mill.)
53.1
Accounting period 1–12/2021

Cost/income ratio
41.9%
Accounting period 1–12/2021

Balance sheet total (EUR mill.)
5,373
Accounting period 1–12/2021

Number of employees
315
Average, accounting period 1–12/2021

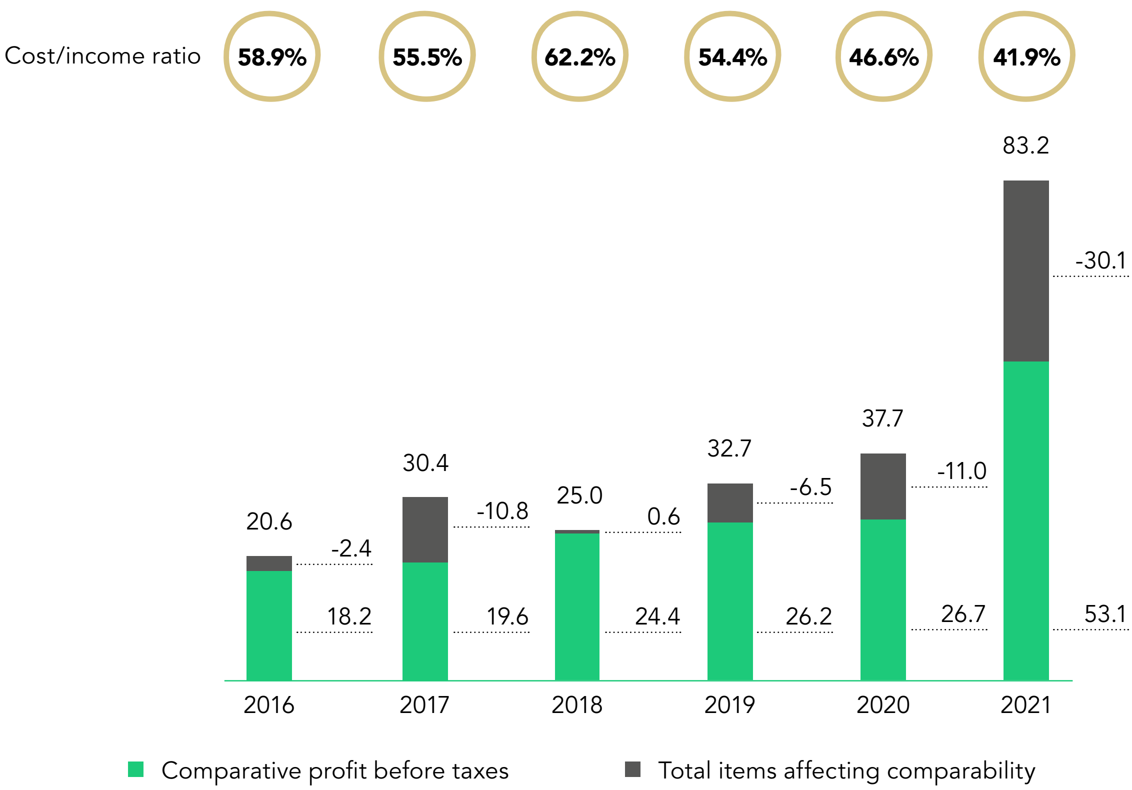
Employee satisfaction
4.5/5
Satisfaction in the company as a whole. 12/2021 -personnel survey.

Customers over
150,000
Private customers 84%, corporate customers 16%.

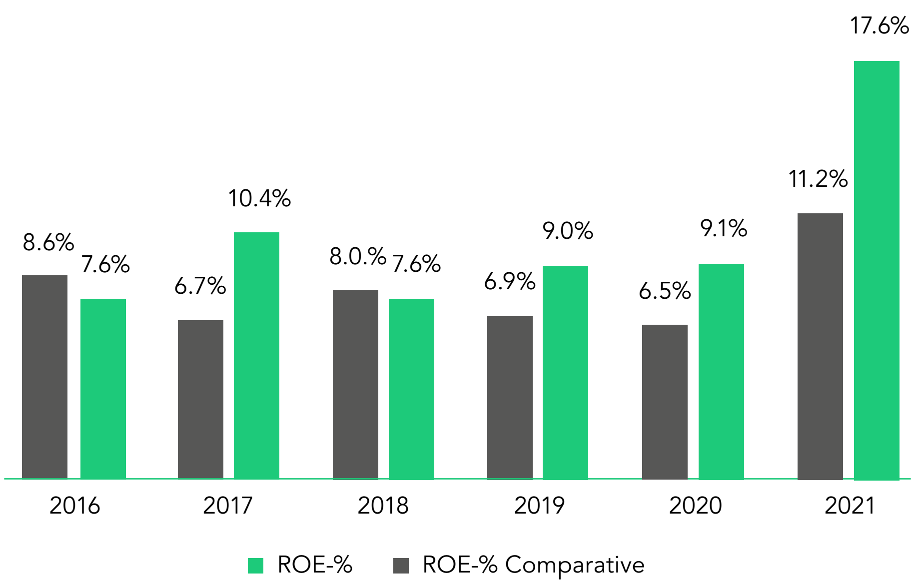
Customer satisfaction
4.4/5
Satisfaction in the company as a whole. Parasta palvelua 12/2021 -survey.

A profitably growing Finnish bank

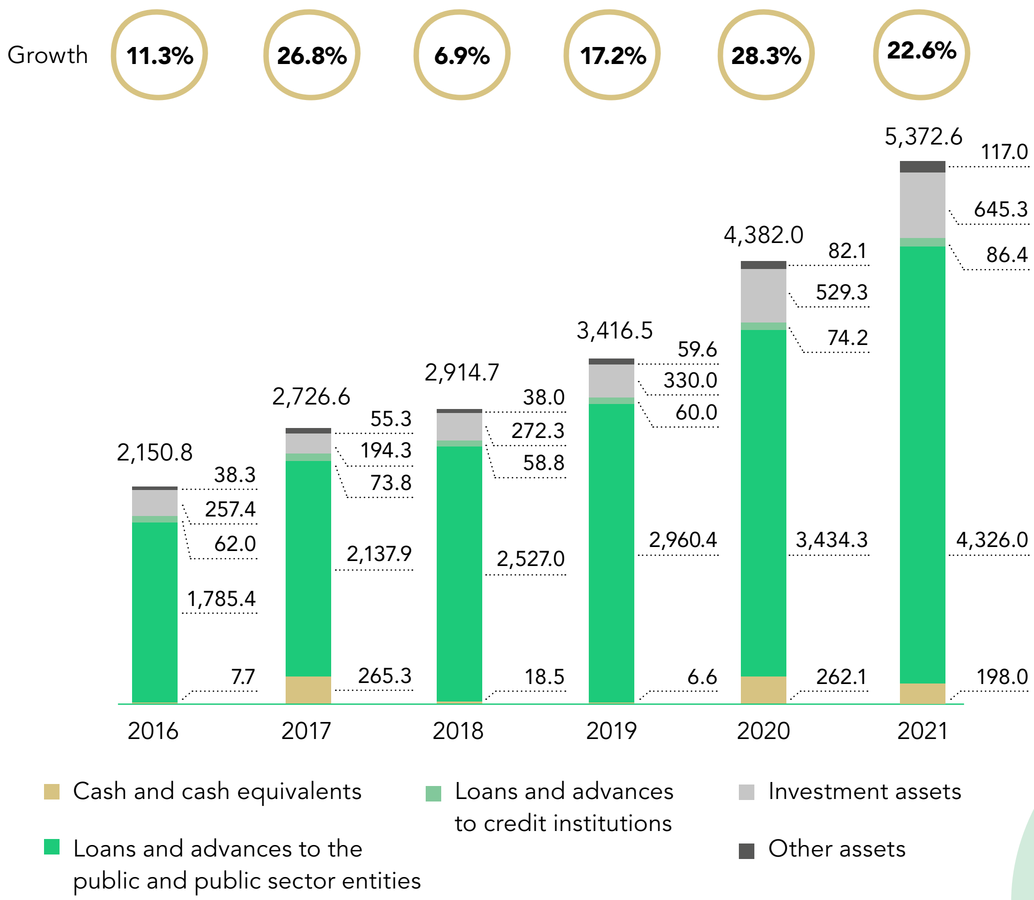
Profit before taxes, EUR mill.



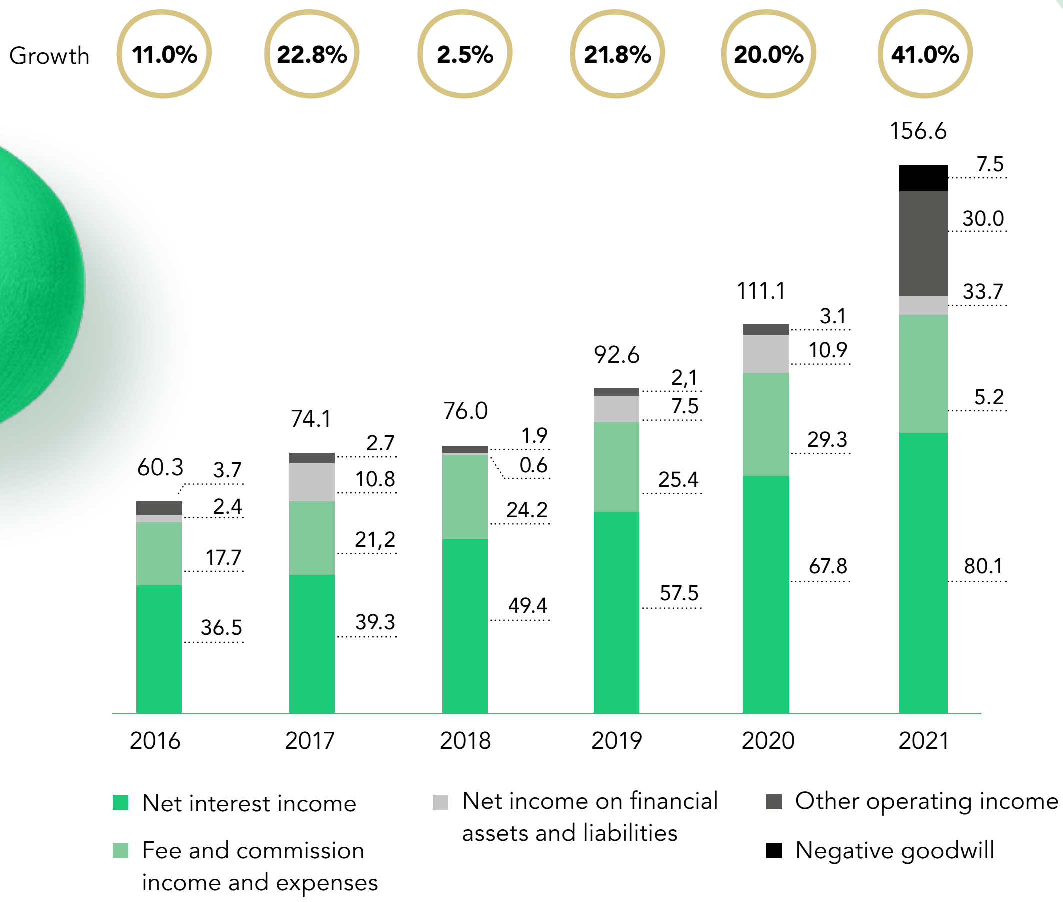
Return on equity (ROE) %



Balance sheet total, EUR mill.



Total operating income, EUR mill.



At the heart of the strategy

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

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

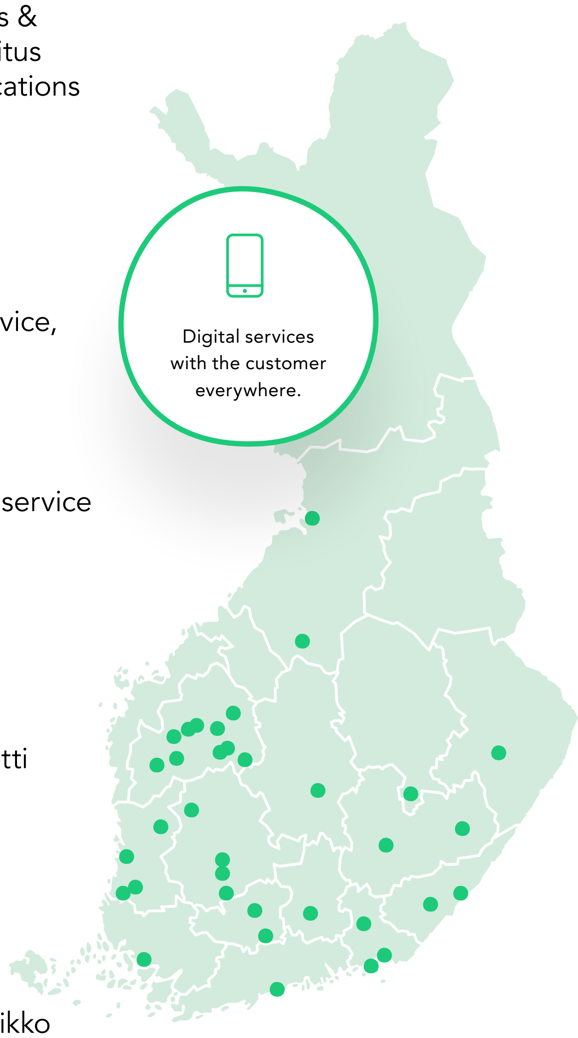
We grow profitably

Excellent, flexible customer service and efficiency in all operations.

Efficient sales and service network

35
OmaSp branches

- OmaVahvistus & OmaAllekirjoitus mobile applications
- OmaMobiili mobile bank
- Customer service, call center
- Online conferencing service
- Online bank
- Chat, OmaBotti
- Google Pay & Apple Pay
- OmaPostilaatikko mailbox



Digital services with the customer everywhere.

- Extensive opening hours in branches
- Cash service every weekday
- Own banking advisor and direct phone numbers
- Loan decisions locally
- Customer visits

Our goal is to offer the best local banking service local and close to you. Our goal is a high level of service experience and the highest customer satisfaction within the industry both in digital service channels and bank branches on site.

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 as well as guarantee products from the cooperation network.
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

10 y

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

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

Timo Kokkala, b. 1960
Board 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,
Chairman of the Board
2009–2014
Master of Science in Economics

Jarmo Partanen b. 1956
Board member,
Board member since 2021,
Chairman of the Board 2014-2019
Master of Arts, eMBA,
Commercial Counselor

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

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

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 30 March 2021:

Chairman of the Board	Jarmo Salmi
Vice Chairman of the Board	Jyrki Mäkynen
Member	Aila Hemminki
Member	Aki Jaskari
Member	Timo Kokkala
Member	Jarmo Partanen
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 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 30 March 2021:
Jarmo Salmi
Jyrki Mäkynen
Aila Hemminki

Nomination Committee

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

The company has published a separate Corporate Governance Statement, which is available on the company's website **https://sijoittaminen.omasp.fi/en**.

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.

Composition of the Group's Management Team 2021:

Pasi Sydänlammi
Pasi Turtio
Helena Juutilainen
Sarianna Liiri
Ville Rissanen
Minna Sillanpää
Kimmo Tapionsalo

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.

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, CBM

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.

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 Aussenhandelsassistent, Gross- und Aussenhandelskaufmann, College Degree in Foreign Trade, CBM

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 acts as a communication channel.

Members of the Extended Management Team in addition to the above:
Area Director Rafael Eerola (as of 1 December 2021), Area Director Harri Karjalainen, Director of customer and society Kari Mononen (as of 3 May 2021), Area Director Jarmo Nikunen, Area Director Markus Souru, Director of Corporate Banking Antti Varila and employee representative Joonas Haavisto.

Year 2021
Report of Board of Directors and Financial Statements

Year 2021 Report of Board of Directors and Financial Statements is a translation of the original Finnish version "Vuoden 2021 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 the company is open to reorganisations in line with its strategy. 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 and offers its customers a full range of banking services.

The company pays special attention to cost efficiency as well as comprehensive risk management. The business profile is stable as the company focuses on retail banking in Finland. The company aims to keep individual customer and investment risk concentrations limited and 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 operation

Oma Savings Bank offers its customers a full range of banking services. The company serves its customers through its branch network as well as 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 services provided by partner companies.

The company's savings and investment product range includes, in addition to its own products, such as accounts and OmaTuotto deposits, as well as the investment and savings products of the partners Sp-Rahastoyhtiö Oy and Sp-Henkivakuutus Oy. 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 2021, the customers had EUR 580 million in fund and insurance savings brokered by the company.

The company’s financial services are complemented by partner products such as loan insurances and various conditional guarantees. The company's partners in 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 finances the cards from its balance sheet.

Acquisition of Eurajoen Savings Bank's business

In accordance with the plan, the company completed the acquisition of Eurajoen Savings Bank's business in December. The acquisition increased the company's balance sheet by approximately EUR 335 million and increased the number of private and corporate customers by approximately 12,000. The positive profit impact of the acquisition on the company is estimated to be approximately EUR 14 million in total, of which EUR 7.5 million has been recognised in the company's profit before taxes for the financial year 2021. The rest of the profit impact is estimated to be recorded over the next five years. The transaction price was paid in part by cash and, in part, by issuing new shares. The total costs related to the acquisition of the business were approximately EUR 4.4 million and costs will be for 2021 and early 2022. The acquisition is expected to increase the company's profit before taxes by EUR 3-5 million annually.

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.

With the acquisition of Eurajoen Savings Bank's business, the company's branch network expanded to include the branches of Pori, Rauma and Eurajoki in Satakunta region. The development of the branch network continued with an extensive renovation of the Parkano branch, which was completed in late 2021. Investments in branch premises are part of Oma Savings Bank's ongoing investments in developing the customer experience.

Impacts of the corona pandemic on business

The company has closely monitored the development of the corona pandemic situation and made the necessary changes to its operating models. During the early autumn 2021, due to the progress of vaccine coverage, the corona restrictions were lifted, but the restrictions had to be tightened again towards the end of the year due to new virus variants. 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 well-being of personnel and customers and guarantee safe banking. In customer service, remote banking opportunities and guidance for customers have been increased. Customers have been served throughout the pandemic, both in branches and through digital channels during extensive opening hours.

The corona pandemic has not affected the growth of grace periods during 2021, and there have been no short-term peaks in demand for them. Nearly all of the pandemic-related grace periods granted in 2020 have already expired as customers continue to service loans under normal shortening plans.

During 2020 and the beginning of 2021, the company made additional credit loss allowances based on management's judgement, totalling EUR 5.9 million, 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. In September, the company decided to release its previous additional allowance of corona by EUR 2.0 million. The quality of the company's loan portfolio has remained at a good level throughout the pandemic. The company is releasing its loss allowance on corona in stages, as the restrictive measures had to be tightened again towards the end of the year, so the impact on the financial situation will be seen later. In connection with the corona pandemic, loss allowances are still available for EUR 3.9 million. The allowances anticipate the effects of the prolongation of the corona pandemic on company's loan portfolio and seeks to cover potential credit losses to the extent that the expected credit loss calculation model does not recognise them. The company continues monitoring the situation monthly.

Progress of key IT projects

In June 2021, the company announced the termination of the contract for the core banking platform mutually agreed with Cognizant. Samlink continues as an essential IT services provider for the company. As part of the agreement Cognizant paid the company a significant financial compensation, which had a positive impact of approximately EUR 22 million on company's profit before taxes. The company has continued to investigate the renewal of the core banking platform.

Development of digital services has continued, and the company introduced a new type of online conferencing service as well as an OmaPostilaatikko mailbox to its customers to facilitate secure communication between the customer and the bank at the end of the year. During the first quarter of 2022, the company will launch new savings and investment services in digital channels.

The IRB preliminary study project has progressed as planned. In February 2022, the company submitted an application to the Finnish Financial Supervisory Authority (FIN-FSA) for the application of IRB methods.

The system project to develop functions to prevent money laundering and terrorist financing is progressing according to plan. The system will be put into production in stages and the first operations have been put in place in late 2021. The system will be fully operational during 2022. In addition, the company has an ongoing project related to the development of data warehousing and data analytics solutions on the basis of which the company will renew amongst other things areas of the regulatory reporting.

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, was completed in early 2021 for the second programme. Altogether 10 experts and supervisors graduated from the training programme. The company carried out the training programme in co-operation with Tampere University and it was 15 credits. In autumn 2021, the company launched an extensive organization-wide training programme aimed at brightening the strategy and operating model of the organization and developing the work of close supervisors. The training programme will run until autumn 2022 and aims to improve customer satisfaction and personnel satisfaction, as well as growth in business profitability. The training program is a significant investment in the development of personnel skills. In addition to ongoing and regular training, the company offers supervisors and experts the opportunity to complete licensed real estate agent (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 2021, the company was involved in the Responsible Summer Job campaign, offering summer employment opportunities for about 40 young people in the company.

Updating profitability target

The company updated its financial targets as part of its strategy process in accordance with the guidelines established in connection with the stock exchange listing. The financial targets and target levels remained largely unchanged, but the target level for the cost/income ratio was updated to less than 45% as of 1 October 2021.

Issuance of bonds

The company issued two bonds during the year. In November, an unsecured senior bond of EUR 200 million was issued. In June, a covered bond of EUR 150 million was issued on same terms as the covered bond maturing on 25 November 2027.

Operating environment

The Finnish economy has recovered rapidly from the deep recession caused by the corona crisis, although the pandemic continues to overshadow the outlook. Private consumption is growing despite inflation. Finnish exports are expected to return rapidly to pre-crisis levels although global disruptions in supply chains and component availability are slowing recovery. The fluctuating disease situation increases economic uncertainty. Finland's GDP growth was strong in 2021 and strong growth will continue in 2022. After that, growth is forecasted to a level of close to the long-term growth rate. The Bank of Finland's estimate for GDP growth is 3.5% in 2021 and another 2.6% in 2022. [(1]

The seasonally adjusted savings rate of households decreased still in July-September compared to the previous quarter and was only 0.6%. The investment rate of households increased slightly from the previous quarter. The majority of investments of households are in housing investments. The investment rate in the corporate sector decreased. [(2]

According to Statistics Finland, there were 62,000 more employed and 24,000 fewer unemployed in November than a year ago. In November 2021, the employment rate was 72.8% (aged 15-64) and the average unemployment rate was 6.9%. [(3]

The consumer confidence indicator hit frost in December. All four components deteriorated. The confidence indicators 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. Expectations about the current state of Finland's and consumers' own finances were quiet. However, the estimate of the current state of the consumer's own economy corresponded to the long-term average. [(4]

According to Statistics Finland's preliminary data, the prices of old share dwellings rose in November 2021 compared to last year in the largest cities but the rise in prices has calmed down. Of the large cities, Turku and Helsinki saw the largest increases in house prices. There was an increase in both apartments and terraced houses. Prices increased by 3.6% throughout Finland. The number of home transactions rose across the country in the third quarter from the same time last year by 2.6%. [(5] In the company's view, the business environment in Finland is still stable in terms of household indebtedness and house prices, but the uncertainty brought by the corona pandemic has not disappeared from the market.

In November 2021, total number of loans to households had increased by 4.1% over the previous 12 months. The mortgage loan portfolio growth was 4.2%. The volume of corporate loans increased 0.4% in the same period. The volume of households' deposits grew a total of 6.1% over a 12-month period. [(6]

The number of bankruptcies filed in January-November 2021 increased by 10.9% compared to the previous year. The number of personnel in the companies filing for bankruptcy came to 10,640, i.e. 0.6% more than in the corresponding period in 2020. [(7] The number of new building permits granted decreased by 8.7% in August-October compared to the previous year and was 9.1 million cubic meters. [(8]

1) Bank of Finland, Euro & Economy 5/2021. Published on 17 December 2021.
2) Statistics Finland, Household savings rate decline in the third quarter. Published on 17 December 2021.
3) Statistics Finland, Employment increased, and unemployment decreased in November. Published on 21 December 2021.
4) Statistics Finland, Consumer confidence fell into freezing temperatures during Christmas. Published on 27 December 2021.
5) Statistics Finland, Prices of old share dwellings rose in large cities in November. Published on 30 December 2021.
6) Bank of Finland, MFI balance sheet (loans and deposits) and interest rates, Mortgage market still brisk in November 2021. Published on 3 January 2022.
7) Statistics Finland, In January-November 2021, the number of bankruptcies increased by 11 percent from the previous year. Published on 22 December 2021.
8) Statistic Finland, In August-October, cubic volume of building permits issued lower than a year earlier. Published on 21 December 2021.

Oma Savings Bank Group's key figures

(1,000 euros)	1-12/2021	1-12/2020	Δ %
Net interest income	80,130	67,819	18%
Total operating income	156,565	111,073	41%
Total operating expenses	-65,294	-51,676	26%
1) Cost/income ratio, %	41.9%	46.6%	-10%
Impairment losses on financial assets, net	-7,294	-21,587	-66%
Profit before taxes	83,271	37,707	121%
Profit/loss for the accounting period	66,252	30,653	116%
Balance sheet total	5,372,633	4,381,999	23%
Equity	401,294	353,493	14%
1) Return on assets (ROA) %	1.4%	0.8%	70%
1) Return on equity (ROE) %	17.6%	9.1%	93%
1) Earnings per share (EPS), EUR	2.22	1.04	113%
1) Equity ratio %	7.5%	8.1%	-7%
1) Total capital (TC) ratio %	15.6%	16.2%	-4%
1) Common Equity Tier 1 (CET1) capital ratio %	15.5%	15.9%	-2%
1) Tier 1 (T1) capital ratio %	15.5%	15.9%	-2%
1) Liquidity coverage ratio (LCR) %	133.0%	184.9%	-28%
Average number of employees	315	299	5%
Employees at the end of the period	344	298	15%

Alternative performance measures excluding items affecting comparability:			
1) Comparable profit before taxes	53,142	26,729	99%
1) Comparable cost/income ratio, %	48.0%	51.2%	-6%
1) Comparable earnings per share (EPS), EUR	1.41	0.73	93%
1) Comparable return on equity (ROE) %	11.2%	6.5%	72%

1) The calculation principles of the key figures are presented in Note G37 of the Financial Statements. Comparable profit is presented in the Income Statement.

Result 1–12 / 2021

The Group's profit before taxes for January-December was EUR 83.3 (37.7) million and the profit for the period was EUR 66.3 (30.7) million. The cost/income ratio was 41.9 (46.6)%.

Comparable profit before taxes in January-December amounted to EUR 53.1 (26.7) million and the comparable cost/income ratio was 48.0 (51.2)%. The comparable profit before taxes has been adjusted for the net income on financial assets and liabilities, the items recorded for the termination of the contract regarding the core banking project as well the expenses related to the acquisition of Eurajoen Savings Bank's business and negative goodwill recognised on the acquisition.

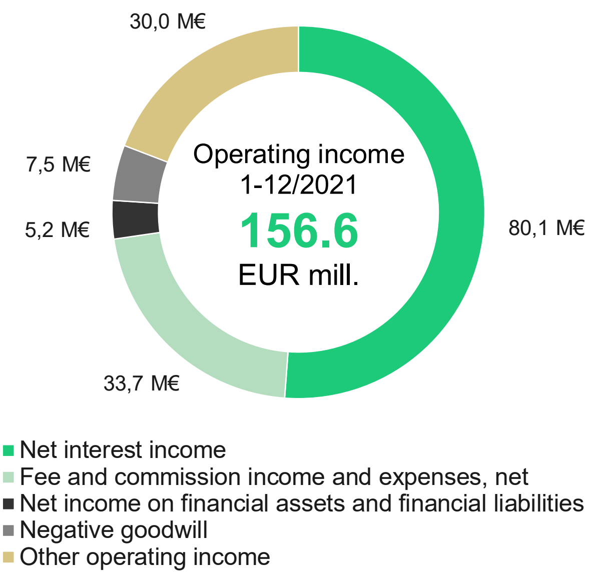
Income

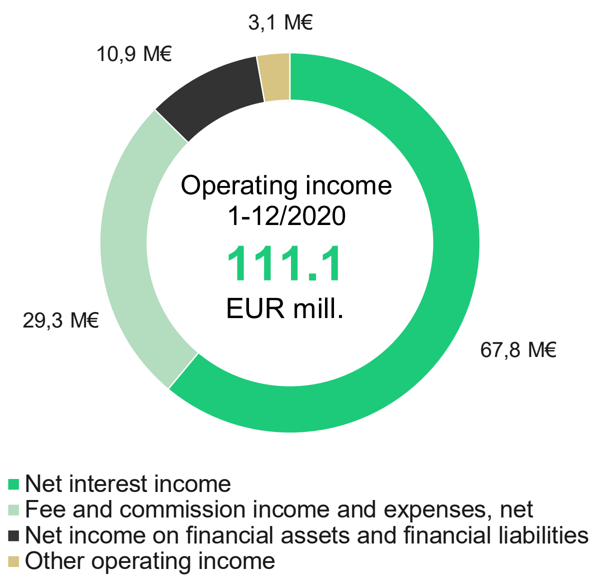
Total operating income was EUR 156.6 (111.1) million. Total operating income increased 41.0% year-on-year. Other operating income increased by EUR 26.9 million from the one-off item received for the termination of the project regarding the core banking platform during the second quarter and the negative goodwill of EUR 7.5 million recorded in the fourth quarter from the acquisition of Eurajoen Saving Bank's business. Comparable total operating income was EUR 116.9 (99.3) million and the increase of comparable total operating income was 17.7%.

Net interest income grew 18.2%, totalling EUR 80.1 (67.8) million. During the financial period, interest income grew 16.6% and was EUR 84.9 (72.8) million. The growth in interest income is largely explained by the increase in the loan stock of EUR 903 million as of 31 December 2020. In connection with the acquisition of Eurajoen Savings Bank's business, a total loan portfolio of EUR 328 million was transferred. During the period, the average margin of the company's loan stock has remained almost unchanged.

Interest expenses decreased year-on-year and was EUR 4.8 (5.0) million. The average interest on deposits paid to the company's customers was 0.01% (0.02%) at the end of the period.

Fee and commission income and expenses (net) grew by 15.1% and was EUR 33.7 (29.3) million. The total amount of fee and commission income was EUR 39.4 (34.2) million.





Commissions from cards and payment transactions net grew 15.3% compared on the comparative period and was EUR 19.0 (16.4) million. The increase is mainly explained by volume growth. The amount of commission income on lending was EUR 12.0 (11.1) million.

The net income on financial assets and liabilities was EUR 5.2 (10.9) million during the period. In February 2020, the company eased its investment portfolio, which was reflected in return of EUR 8 million in financial assets in the comparative period.

Other operating income was EUR 30.0 (3.1) million. The impact of the contract termination regarding the core banking platform is reflected in other operating income EUR 26.9 million.

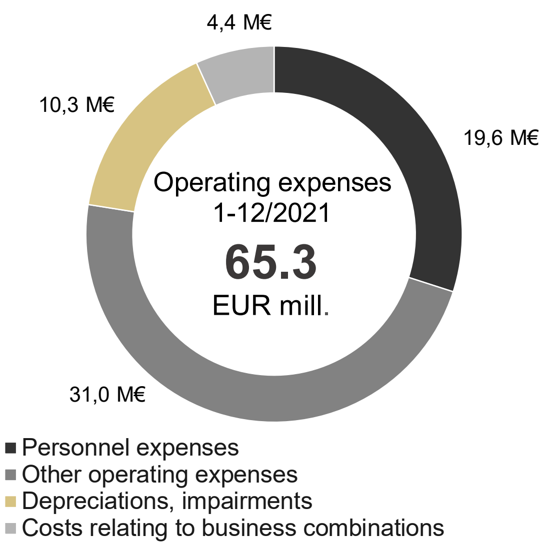
Expenses

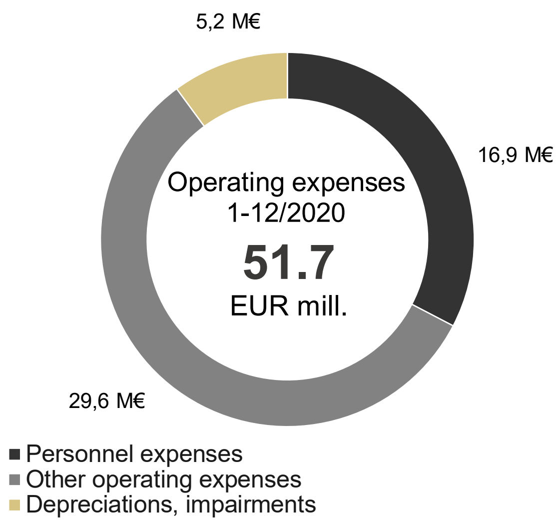
Operating expenses increased 26.4% compared to the previous year's corresponding period. Operating expenses came to a total of EUR 65.3 (51.7) million. Comparable operating expenses were EUR 55.7 (50.9) million. The increase of comparable operating expenses was 9.6%.

Personnel expenses increased 18.3%, totalling EUR 20.6 (16.9) million. The number of employees at the end of the period was 344 (298), of which 55 (38) were fixed-term. With the acquisition of the business, 33 people transferred from Eurajoen Savings Bank, and at the same time EUR 1.1 million was recorded in personnel expenses as one-off item arrangement costs in the fourth quarter.

Other operating expenses increased 16.2% to EUR 34.4 (29.6) million. The item includes office, IT, PR and marketing costs and those stemming from the business premises in own use. The increase in operating expenses was mainly due to development expenses of IT systems. The item includes costs related to the acquisition of Eurajoen Savings Bank's business of EUR 3.3 million.

Depreciation, amortisation and impairment on tangible and intangible assets were EUR 10.3 (5.2) million. During the second quarter, items recorded as impairment for the core banking project were in total EUR 4.6 million. During the fourth quarter, an impairment loss of EUR 0.5 million was recorded for an individual branch building.





Impairment losses on financial assets

Impairment losses on financial assets (net) decreased compared to the comparison year and were during the year EUR 7.3 (21.6) million. In the comparison year, the impairment losses on financial assets were highlighted by the provision for individual customer insolvency as well as the additional loss allowance based on management's judgement for the corona pandemic.

The net impact of final credit losses decreased compared to the comparison year and was in January-December EUR 4.4 (13.7) million. Credit losses recorded during the period are mostly targeted at corporate customers.

During January-December, the expected credit losses decreased compared to the comparison period and was EUR 2.9 (7.8) million. Of the change in expected credit losses, EUR 2.3 million was allocated to receivables from customers and off-balance sheet items. The change in the investment portfolio was EUR 0.6 million.

The company increased during the first quarter its additional loss allowance based on management's judgement related to corona pandemic from EUR 1.5 million to EUR 5.9 million. With the additional loss allowances the company is prepared for the possible consequences of the corona pandemic in the quality of the loan portfolio. The quality of the loan portfolio has remained at a good level throughout the pandemic. As vaccine coverage improved, restrictions related to the coronary pandemic were lifted in early autumn. During the third quarter, the company released additional loss allowances related to corona pandemic of EUR 2.0 million. As the corona pandemic weakened again towards the end of the year, restrictions had to be tightened in many areas.

As a result, the company did not release additional loss allowances in the fourth quarter.

Additional loss allowances remain for use EUR 3.9 million. A total of EUR 2.0 million of the additional loss allowances has been allocated to corporate customers and EUR 1.9 million to private customers. Additional allowances made are targeted to stage 2.

An additional loss allowance of EUR 4.8 million was recorded in the second and third quarter as anticipated for the increase in the credit risk of an individual customer. Accounting made are targeted to stage 3.

The company prepared for the introduction of the new definition of insolvency at the end of the financial year 2020 with an additional loss allowance of EUR 1.4 million. This additional allowance the company has offloaded during the first two quarters of financial year 2021.

Balance sheet

The Group's balance sheet total grew to EUR 5,372.6 (4,382.0) million during January-December 2021. The growth was 22.6%. Approximately EUR 335 million of the increase came from the acquisition of Eurajoen Savings Bank's business.

Loans and other receivables

In total, loans and other receivables grew 25.8% to EUR 4,412.3 (3,508.5) million in January-December. With the acquisition of Eurajoen Savings Bank's business, loans and receivables of EUR 328 million were transferred.

The average size of loans issued over the past 12 months has been approximately EUR 119 thousand.

Loan portfolio by customer group (excl. credit institutions), before the expected credit losses

Credit balance (1,000 euros)	31 Dec 2021	31 Dec 2020
Private customers	2,705,643	2,126,864
Business customers	882,817	687,367
Housing associations	388,306	321,913
Agricultural customers	277,743	268,141
Other	100,040	55,888
Total	**4,354,549**	**3,460,173**

Investment assets

The Group's investment assets grew 21.9% during the period, totalling EUR 645.3 (529.3) 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.

Intangible assets

At the end of the year, intangible assets totalled EUR 10,0 (11,2) million. The company terminated the core banking project during the second quarter and recognised an impairment of intangible assets, totalling EUR 4.6 million. In the fourth quarter, an impairment loss of EUR 0.5 million was recorded on shares of branch property.

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 19.6% to EUR 3,110.5 (2,600.3) million. About EUR 290 million of the growth came from the acquisition of Eurajoen Savings Bank's business.

The item consists mostly of deposits received from the public, which came to EUR 2,897.1 (2,376.7) million at the end of December. Liabilities to the credit institutions were EUR 212.7 million (EUR 223.5 million).

Debt securities issued to the public

Total debt securities issued to the public grew during the period by 30.9% to EUR 1,762.3 (1,346.8) million. The company issued a EUR 150 million covered bond in June. The covered bond was issued on same terms as the bond issued by the company on 18 November 2020.
In November, the company issued a EUR 200 million unsecured senior bond. The debt securities issued to the public are shown in more detail in Note 13.

Covered bonds are secured by loans to the value of EUR 1,690.4 (1,500.1) million.

Equity

The Group's equity EUR 401.3 (353.5) million grew by 13.5% during the period. The change mainly results from the strong profit for reviewing period, the payment of dividends, the directed share issue and the decrease in the value of the fair value reserve.

The company implemented a paid, directed share issue to Eurajoen Savings Bank. In the directed share issue 553,488 shares were given for subscription. The weighty reason for the directed issue was the development and expansion of the company's banking operations into a new business area through the business acquisition. The counterpart shares were paid off against the apport property formed by 50% of the business being divested.

A share issue of EUR 7.8 million was recorded in the reserve for invested non-restricted equity.
The fair value reserve decreased by EUR 11.3 million during the period due to changes in market prices.

Own shares

On 31 December 2021, the number of own shares held by Oma Savings Bank was 188,155.

The company announced a repurchase programme related to the acquisition of the company's own shares in the third quarter. Under the repurchase programme, a maximum of 198,300 shares will be repurchased in one or more tranches, corresponding to approximately 0.7% of the company's shares and votes. There is a weighty financial reason for the directed acquisition of own shares as they are acquired in relation to the implementation of a share-based incentive scheme for key personnel. During the fourth quarter, the company repurchased a total of 100,521 of its own shares. The repurchase of own shares will be terminated no later than 28 February 2022.

Share capital	31 Dec 2021	31 Dec 2020
Average number of shares (excluding own shares)	29,773,517	29,585,000
Number of shares at the end of the year (excluding own shares)	29,962,033	29,585,000
Number of own shares	188,155	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 31.0 (26.1) million, were mostly made up of bank guarantees and other guarantees. Irrevocable commitments given to a customer, which totalled EUR 377.8 (263.7) 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 achieve this goal, the company comprehensively identifies and evaluates the risks related to its operations and measures its risk-bearing capacity to correspond to the company's total risks. To secure its capital adequacy, the company 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, which also defines the risk limits related to operations. The Board also defines the operational levels of risks. Annually, the Board of Directors reviews the company's capital adequacy management risks, the capital plan as well as the limits set for the risks.

Capital adequacy position and own funds

The total capital (TC) ratio of Oma Savings Bank Group remained strong and was 15.6 (16.2)% at the end of the period. The Common Equity Tier 1 capital (CET1) ratio was 15.5 (15.9)% clearly exceeding the minimum level for the financial goals approved by the Board of Directors (14%). Risk-weighted assets grew 17.7% to EUR 2,398.1 (2,037.4) million. Risk-weighted assets grew most significantly due to the strong growth in the loan portfolio for private customers. The corporate loan portfolio also grew strongly during the period, but the impact on risk-weighted assets was mitigated by the application of the provisions of the EU Capital Requirement Regulation Update (CRR2) as of 28 June 2021. Under the new regulation, liabilities related to SMEs will receive a greater reduction in capital requirements.

Oma Savings Bank Group applies in the capital requirement calculation for credit risk calculation the standardised approach and for operational risk the basic indicator approach. The capital requirement for market risk is calculated using the basic method for the currency 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 44.9 million to 375.2 (330.3) million when the capital requirement for own funds was EUR 287.9 (244.6) million. Tier 1 capital (T1) was EUR 371.9 (324.0) million, consisting entirely of Common Equity Tier 1 capital (CET1), and Tier 2 capital (T2) was EUR 3.3 (6.3) million, consisting of debenture loans. The increase in own funds was most significantly the result of the profit for the accounting period 2021 that are included in the Common Equity Tier 1 capital on the basis of permission granted by the Finnish Financial Supervisory Authority (FIN-FSA).

The main items in the capital adequacy calculation

(1,000 euros)	31 Dec 2021	31 Dec 2020
Common Equity Tier 1 capital before regulatory adjustments	383,167	336,252
Regulatory adjustments on Common Equity Tier 1	-11,244	-12,243
Common Equity Tier 1 (CET1) capital, total	**371,923**	**324,009**
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	**371,923**	**324,009**
Tier 2 capital before regulatory adjustments	3,261	6,260
Regulatory adjustments on Tier 2 capital	-	-
Tier 2 (T2) capital, total	**3,261**	**6,260**
Total capital (TC = T1 + T2) / Total own funds	**375,184**	**330,268**
Risk-weighted assets		
Credit and counterparty risk, standardised approach	2,179,689	1,854,561
Credit valuation adjustment risk (CVA)	8,513	2,329
Market risk (foreign exchange risk)	8,668	7,986
Operational risk, basic indicator approach	201,272	172,536
Risk-weighted assets, total	**2,398,141**	**2,037,412**
Common Equity Tier 1 (CET1) capital ratio, %	15.51%	15.90%
Tier 1 (T1) capital ratio, %	15.51%	15.90%
Total capital (TC) ratio, %	15.64%	16.21%

The total capital requirement for banks' own funds consists of the Pillar I minimum capital requirement (8.0%) and various buffer requirements. Buffer requirements are among others 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.

The Finnish Financial Supervisory Authority (FIN-FSA) placed the first SREP requirement, 1.5%, on Oma Savings Bank Plc based on the authority's assessment that took effect on 30 June 2020 and is valid until further notice, however not later than 30 June 2023. The amendment to the Credit Institutions Act, which entered into force in the second quarter, will enable the SREP requirement to be partially covered by the additional Tier 1 capital and Tier 2 capital in addition to 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 the removal of the systematic risk buffer requirement for all credit institutions on 6 April 2020. The decision became effective immediately.

Group`s total capital requirement

31 Dec 2021
(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%	0.84%	2.50%	0.01%	0.00%	0.00%	7.85%	188,154
AT1	1.50%	0.29%					1.79%	42,807
T2	2.00%	0.38%					2.38%	56,956
Total	**8.00%**	**1.50%**	**2.50%**	**0.01%**	**0.00%**	**0.00%**	**12.01%**	**287,917**

* 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 6.7 (7.3)% 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 binding minimum leverage ratio requirement of 3% entered into force on 28 June 2021 as part of the update of the leverage regulation.

Leverage ratio (1, 000 euros)	31 Dec 2021	31 Dec 2020
Tier 1 capital	371,923	324,009
Total amount of exposures	5,527,533	4,466,075
Leverage ratio, %	6.73%	7.25%

Liquidity coverage ratio and net stable funding ratio

The Group's liquidity coverage ratio (LCR) remained good, coming to 133.0 (184.9)% at the end of the period, when the minimum LCR is 100%. Liquidity remained strong when the company added a loan to a covered bond maturing in the summer of 2027. In addition, the company issued a new unsecured senior bond in November.

	31 Dec 2021	31 Dec 2020
LCR	133.0%	184.9%
NSFR*	115.2%	125.5%

*As of 30 September 2020, the requirements of the CRR2 regulation have been taken into account in the calculation of the NSFR key figure, and the calculation principles have been corrected as of 31 March 2021. The figure for the comparison period has been changed retrospectively.

The net stable funding ratio (NSFR) was 115.2 (125.5)% at the end of the period. As of 30 September 2020, the requirements of the CRR2 regulation have been taken into account in the calculation of the NSFR key figure, and the calculation principles have been corrected as of 31 March 2021. The figure for the comparison period has been changed retrospectively. The requirement for permanent funding, at least 100%, became a binding requirement on June 28, 2021.

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 company 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 goal and business strategy approved by the

Board of Directors for the company, the risk management policy and instructions, the authorisation system and the risk and incident reporting generated from the most important business areas. In accordance with its strategy, the company operates in the low-risk area of retail banking activities. The company does not have too much customer or investment risk concentrations in relation to its financial capacity, nor does the company take them in accordance with its strategy.

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

Risk control and independent monitoring of compliance with regulations are performed by the risk control function and the company's compliance function. The first of these is further divided into three units. The risk control function maintains the operating principles and framework of risk management and promotes a healthy risk culture by supporting the business in its risk management. 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 ensures that the company complies with laws, regulations and internal guidelines in all its operations. The compliance function also ensures that the practises followed and the company's internal instructions are coordinated with the requirements of legislation and other regulations. The goal of the compliance function is to promote the company's compliance culture. The risk control function and the compliance function report directly to the CEO.

Oma Savings Bank's internal audit is an independent and objective assessment and assurance activity, the task of which is to check the adequacy, functionality and efficiency of the internal control system, risk management and management and governance processes in the bank's various units and functions.

Internal audit supports Oma Savings Bank's top management and the organization in achieving its goals by providing a systematic approach to the organisation's processes and providing added value to Oma Savings Bank and improving its operational reliability.

Credit ratings

Standard & Poor's confirmed a credit rating of BBB+ for Oma Savings Bank's long-term borrowing in June 2021, as well as a rating of A-2 for short-term borrowing. 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) rating.

Pillar III publication principles

In accordance with Regulation (EU) No 575/2013 of the European Parliament and the Council, Oma Savings Bank Group publishes information on capital adequacy and risk management listed in Part 8, Title II and its Supplementary Regulation (EU) 2019/876 annually in 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 publication, the company's Board of Directors assesses, on the proposal of independent operations, whether the published information provides market participants a comprehensive understanding of the company's risk profile.

Resolutions of the Annual General Meeting

Oma Savings Bank Plc's Annual General Meeting was held on 30 March 2021 by exceptional meeting procedure based on the temporary legislative act (677/2020) approved by the Finnish Parliament to limit spread of corona pandemic. The AGM confirmed the company's financial statements and consolidated financial statements for the 2020 financial year, granted discharge to the members of the company's Board of Directors and CEO from liability, and decided to approve the company's remuneration report.

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 0.24 per share for the financial year 2020 and in respect of dividends not paid in 2019 due to the authority's profit-sharing restrictions an additional payment of a dividend of up to EUR 0.06 on each share entitling to a dividend for 2020. According to the decision of the AGM, dividends will be paid upon completion of the authority's profit-sharing restrictions. The Board of Directors was authorised to decide the record date and date of payment for possible dividend.

In accordance with the Board's proposal, the AGM decided to remove the restriction on the age of the Board member and amend Section 4 of the company's Articles of Association to include the following:
The company has a board of directors comprising five (5) to eight (8) actual members and up to two (2) deputies. The term of the Board of Directors shall expire at the close of the Annual General Meeting following the election in the first place. The Board of Directors elects a Chairman from among its midst and one (1) to two (2) Vice-Chairmen. A quorum for a Board meeting is when more than half of the Board members are present. The Board of Directors represents the bank and manages its operations in accordance with the law and these Articles of Association.

In accordance with the proposal of the Shareholders' Nomination Committee, the AGM decided to keep the remuneration of Board members unchanged and the members shall be paid the following annual remuneration for the period ending at the AGM in 2022: 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 single-issue email meeting and committee meeting will be paid.

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. The recommendation is that 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, Jyrki Mäkynen, Jarmo Salmi and Jaana Sandström were re-elected as Board members and Jarmo Partanen was elected as a new member for a term ending at the end of the 2022 AGM.

KPMG Oy Ab, a firm of authorised public accountants, was elected to continue for a term ending at the 2022 AGM. M.Sc (Econ.), APA Fredrik Westerholm continued as responsible auditor. 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, Section 1 of the Finnish Companies Act, subject to the following conditions:

- Shares and special rights can be issued or disposed of in one or more instalments, either in return for payment 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, 2022. 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, representing approximately 1.7% of the company's total shares according to the situation on the date of the notice of the meeting, however, that the number of own shares held by the company does not exceed 10% of the company's 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 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 30 June 2022.

Oma Savings Bank Plc's Board of Directors consists of seven members. The Board of Directors convened 16 times during the year, of which five were email meetings.

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

Administration and personnel

Oma Savings Bank Plc Group employed an average of 315 people in 2021. 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 315 on average. The number of employees at SAV-Rahoitus Oyj was eight on 31 December 2021.

Oma Savings Bank invests considerably in the skills and ability of its personnel. The company has an extensive training package related to corporate culture, operating models and improving the customer experience. The training program is aimed the whole personnel and started in August 2021. The second extensive training package, OmaSp Master, was completed in early 2021 for the second group of participants. The training program is a 1.5-year package for supervisors and experts and is implemented together with the University of Tampere. The first OmaSp Master training program ended in February 2018. The training and development of personnel with various themes through training events, webinars and online training is the company's continuous development of competence and professional skills.

The company's personnel is generally very satisfied and committed. A significant portion of the company's personnel own company shares. The company has carried out two personnel issues in 2017 and 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 at an excellent level of 4.5/5 in December 2021.

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 Oma Savings Bank's 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 company's personnel, the purpose of which is to manage earnings and profit bonuses paid into it by the company 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 to 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 of the company.

CSR Report is a part of the Company's Annual Report and includes also a study of the effects and risks of climate change and the carbon footprint of the company's actual operations.

Significant events after the period

In early 2022, the company's Board of Directors approved the IRB permit application package and the company decided to initiate a permit process with the Finnish Financial Supervisory Authority (FIN-FSA) on the application of IRB method in capital adequacy. In the first stage, the company applies permission to apply an internal risk classification under the IRB method to calculate capital requirements for retail credit risk liabilities.

At its meeting on 26 January 2022, the Shareholders' Nomination Committee proposes to the company's Annual General Meeting on 30 March 2022 that the number of Board members 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 Partanen, Jarmo Salmi and Jaana Sandström to be re-elected as members of the Board of Directors.

There are no 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 2022

The company's business volumes will continue strong growth in FY2022. 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.

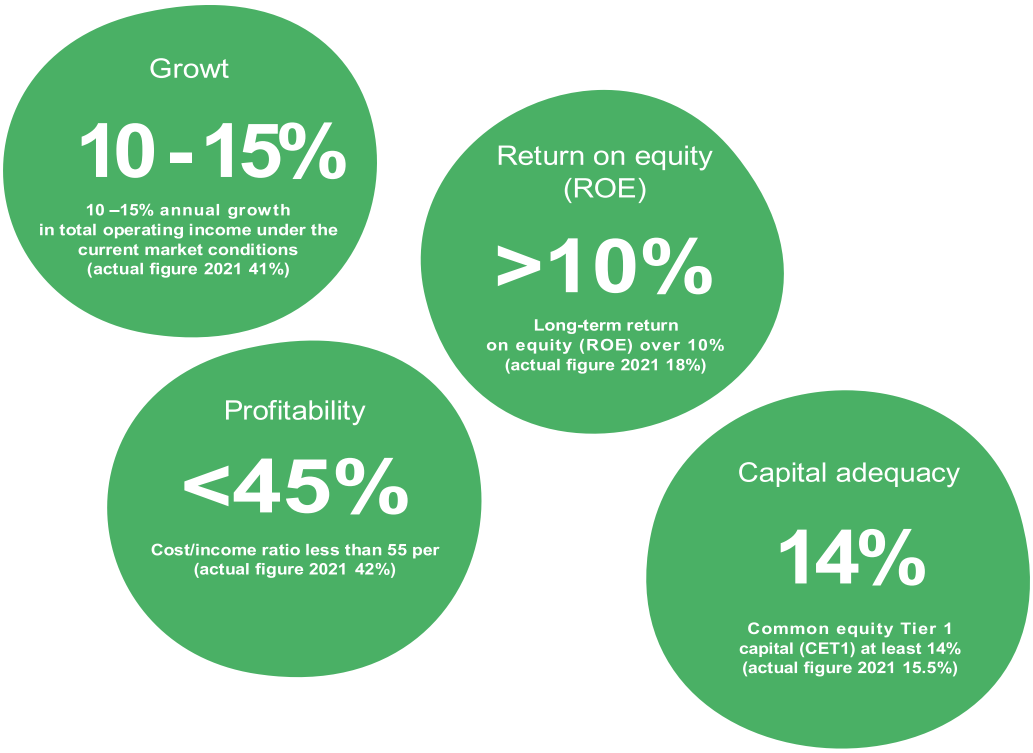
Oma Savings Bank Plc provides earnings guidance on comparable profit before taxes for 2022. A verbal description is used to make a comparison with the comparative period. Earnings guidance is based on the forecast for the entire year, which takes into account the current market and business situation. 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. The Group's 2022 comparable profit before taxes will increase compared to the previous financial year.

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 2021 41%)
- **Profitability:** Cost/income ratio less than 45% (actual figure for 2021 42%)
- **Return on equity (ROE):** Long-term return on equity (ROE) over 10% (actual figure for 2021 18%)
- **Capital adequacy:** Common Equity Tier 1 (CET1) capital ratio at least 14% actual figure for 2021 15.5%)



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 2021, a dividend of EUR 0.30 to be paid from the parent company’s distributable profits for each share entitling the shareholder to dividend for 2021. In addition, the Board of Directors proposes to pay an additional dividend due to the strong earnings and significant one-off items for the financial year 2021. An additional dividend of EUR 0.20 is proposed for each share entitling to a dividend for 2021. A total dividend of EUR 0.50 per share for 2021 would be paid for the financial year 2021. Record date for dividends would be 1 April 2022 and payment date 8 April 2022.

The Board’s proposal complies with the company’s dividend policy. 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.

General Meeting

Oma Savings Bank Plc’s Annual General Meeting will be held on Wednesday 30 March 2022. The company's Board of Directors will convene the Annual General Meeting separately at a later date.

The Group's Financial Statements

Consolidated income statement

Note	(1,000 euros)	1-12/2021	1-12/2020
	Interest income	84,908	72,813
	Interest expenses	-4,778	-4,993
G17	**Net interest income**	**80,130**	**67,819**
	Fee and commission income	39,438	34,248
	Fee and commission expenses	-5,752	-4,991
G18	**Fee and commission income and expenses, net**	**33,686**	**29,257**
G19	Net income on financial assets and financial liabilities	5,203	10,866
G20	Negative goodwill	7,535	-
G20	Other operating income	30,012	3,130
	Total operating income	**156,565**	**111,073**
G21	Personnel expenses	-20,631	-16,866
G22	Other operating expenses	-34,396	-29,598
G23	Depreciation, amortisations and impairment losses on tangible and intangible assets	-10,267	-5,213
	Total operating expenses	**-65,294**	**-51,676**
G24	Impairment losses on financial assets, net	-7,294	-21,587
	Share of profit of equity accounted entities	-706	-103
	Profit before taxes	**83,271**	**37,707**
G25	Income taxes	-17,019	-7,054
	Profit for the accounting period	**66,252**	**30,653**
	Of which:		
	Shareholders of Oma Savings Bank Plc	66,158	30,824
	Non-controlling interest	95	-171
	Total	**66,252**	**30,653**
	Earnings per share (EPS), EUR	**2.22**	**1.04**
	Earnings per share (EPS) after dilution, EUR	**2.20**	**1.04**

Profit before taxes excluding items affecting comparability

(1,000 euros)	1-12/2021	1-12/2020
Profit before taxes	**83,271**	**37,707**
Operating income:		
Net income on financial assets and liabilities*	-5,203	-10,866
One-off income related to closing of derivatives		-912
Impact of contract termination regarding core banking project	-26,936	-
Negative goodwill	-7,535	-
Operating expenses		
Impact of contract termination regarding core banking project, impairment losses	4,629	-
Costs relating to business combinations	4,416	-
Real estate sales and impairment losses	500	800
Comparable profit before taxes	**53,142**	**26,729**
Income taxes in income statement	-17,019	-7,054
Change of deferred taxes	6,026	2,196
Comparable profit/loss for the accounting period	**42,149**	**21,871**

*Net income from financial assets and liabilities includes EUR 1.5 million losses on the sale of investment properties in year 2020.

Consolidated statement of comprehensive income

(1,000 euros)	1-12/2021	1-12/2020
Profit for the accounting period	**66,252**	**30,653**
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	-359	-
Items that may later be reclassified through profit or loss		
Measured at fair value	-14,153	10,862
Transferred to Income Statement as a reclassification change	8	-8,005
Other comprehensive income before taxes	**-14,504**	**2,857**
Income taxes		
For items that will not be reclassified to profit or loss		
Gains and losses on remeasurements from defined benefit pension plans	72	-
Items that may later be reclassified to profit or loss		
Measured at fair value	2,829	-571
Income taxes	**2,901**	**-571**
Other comprehensive income for the accounting period after taxes	**-11,603**	**2,286**
Comprehensive income for the accounting period	**54,649**	**32,939**
Attributable to:		
Shareholders of Oma Savings Bank Plc	54,554	33,110
Non-controlling interest	95	-171
Total	**54,649**	**32,939**

Consolidated balance sheet

Note	Assets (1,000 euros)	31 Dec 2021	31 Dec 2020
G4	Cash and cash equivalents	198,046	262,087
G5	Loans and advances to credit institutions	86,371	74,206
G5	Loans and advances to the public and public sector entities	4,325,950	3,434,315
G6	Financial derivatives	2,240	796
G7	Investment assets	645,275	529,305
G34	Equity accounted entities	22,884	23,787
G8	Intangible assets	10,025	11,180
G9	Tangible assets	27,887	29,698
G10	Other assets	46,880	12,749
G11	Deferred tax assets	7,077	3,875
	Total assets	**5,372,633**	**4,381,999**

Note	Liabilities (1,000 euros)	31 Dec 2021	31 Dec 2020
G12	Liabilities to credit institutions	212,685	223,510
G12	Liabilities to the public and public sector entities	2,897,865	2,376,743
G13	Debt securities issued to the public	1,762,324	1,346,815
G14	Subordinated liabilities	15,500	15,500
G15	Provisions and other liabilities	42,512	34,188
G11	Deferred tax liabilities	31,122	27,948
G11	Current income tax liabilities	9,331	3,803
	Total liabilities	**4,971,339**	**4,028,506**
G16	Equity	31 Dec 2021	31 Dec 2020
	Share capital	24,000	24,000
	Reserves	144,833	148,354
	Retained earnings	231,939	180,712
	Shareholders of Oma Savings Bank Plc	**400,772**	**353,066**
	Shareholders of Oma Savings Bank Plc	400,772	353,066
	Non-controlling interest	522	427
	Equity, total	**401,294**	**353,493**
	Total liabilities and equity	**5,372,633**	**4,381,999**

Group's off-balance sheet commitments (1,000 euros)	31 Dec 2021	31 Dec 2020
Off-balance sheet commitments		
Guarantees and pledges	30,818	25,976
Other commitments given to a third party	212	154
Commitments given to a third party on behalf of a customer	**31,030**	**26,130**
Undrawn credit facilities	377,826	263,736
Irrevocable commitments given in favour of a customer	**377,826**	**263,736**
Group's off-balance sheet commitments, total	**408,855**	**289,867**

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**	**10,824**	**137,530**	**148,354**	**180,712**	**353,066**	**427**	**353,493**
Comprehensive income								
Profit for the accounting period	-	-	-	-	66,158	66,158	95	66,252
Other comprehensive income	-	-11,316	-	-11,316	-288	-11,603	-	-11,603
Total comprehensive income	**-**	**-11,316**	**-**	**-11,316**	**65,870**	**54,554**	**95**	**54,649**
Transactions with owners								
Share issue	-	-	7,800	7,800	-	7,800	-	7,800
Repurchase of own shares	-	-	-	-	-2,863	-2,863	-	-2,863
Distribution of dividends	-	-	-	-	-12,699	-12,699	-	-12,699
Share-based incentive scheme	-	-	-	-	913	913	-	913
Other changes	-	-	-6	-6	6	-	-	-
Transactions with owners, total	**-**	**-**	**7,794**	**7,794**	**-14,643**	**-6,848**	**-**	**-6,848**
Equity total	**24,000**	**-492**	**145,324**	**144,833**	**231,939**	**400,772**	**522**	**401,294**

(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**	**8,538**	**137,396**	**145,934**	**149,332**	**319,266**	**598**	**319,865**
Comprehensive income								
Profit for the accounting period	-	-	-	-	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								
Share issue	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	-	-	-	-	-
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**

Consolidated cash flow statement

(1,000 euros)	1-12/2021	1-12/2020
Cash flow from operating activities		
Profit/loss for the accounting period	66,252	30,653
Changes in fair value	-9	-114
Share of profit of equity accounted entities	706	103
Depreciation and impairment losses on investment properties	46	711
Depreciation, amortisation and impairment losses on tangible and intangible assets	10,267	5,213
Gains and losses on sales of tangible and intangible assets	54	2,061
Impairment and expected credit losses	7,294	21,587
Negative goodwill	-7,535	-
Income taxes	17,019	7,054
Other adjustments	2,031	548
Adjustments to the profit/loss of the accounting period	29,872	37,163
Cash flow from operations before changes in receivables and liabilities	**96,124**	**67,817**
Increase (-) or decrease (+) in operating assets		
Debt securities	-120,976	-228,013
Loans and advances to credit institutions	-5,288	-8,556
Loans and advances to customers	-631,749	-503,352
Derivatives, in hedge accounting	138	-13
Investment assets	1,903	26,513
Other assets	-2,413	-1,008
Total	**-758,384**	**-714,429**
Increase (+) or decrease (-) in operating liabilities		
Liabilities to credit institutions	-91,094	135,465
Deposits	298,605	376,881
Provisions and other liabilities	-7,721	7,109
Total	**199,790**	**519,455**
Paid income taxes	**-7,301**	**-2,473**
Total cash flow from operating activities	**-469,770**	**-129,630**
Cash flow from investments		
Investments in tangible and intangible assets	-5,976	-12,064
Proceeds from sales of tangible and intangible assets	5,797	5,468
Acquisition of associated companies and joint ventures	-	-18,303
Changes in other investments	-	9,752
Total cash flow from investments	**-180**	**-15,147**
Cash flows from financing activities		
Other cash increases in equity items	-	123
Repurchase of own shares	-2,863	-
Debt securities issued to the public	384,937	407,419
Acquisition or disposal of business	43,305	-
Payments of lease liabilities	-1,943	-1,659
Dividends paid	-12,699	-
Total cash flows from financing activities	**410,738**	**405,882**
Net change in cash and cash equivalents	**-59,212**	**261,106**
Cash and cash equivalents at the beginning of the accounting period	**312,994**	**51,888**
Cash and cash equivalents at the end of the accounting period	**253,782**	**312,994**
Cash and cash equivalents are formed by the following items		
Cash and cash equivalents	198,046	262,087
Receivables from credit institutions repayable on demand	55,736	50,907
Total	**253,782**	**312,994**
Received interest	84,177	81,646
Paid interest	-4,146	-5,357
Dividends received	300	199

Notes to the consolidated financial statements

G1 Accounting principles for the consolidated financial statement

1. About the accounting principles

Oma Savings Bank Plc is a Finnish public limited company, whose domicile is in Seinäjoki and head office in Lappeenranta, Valtakatu 32, 53100 Lappeenranta. The Group's parent company is Oma Savings Bank Plc. 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 2021 at its meeting 24 February 2022, and the Annual General Meeting will approve them on 30 March 2022.

Oma Savings Bank Group is formed as follows:

Subsidiaries

- Real estate company Lappeenrannan Säästökeskus 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), and in accordance with SIC and IFRIC interpretations. The preparation of the Notes to the Financial Statements took into account also the Finnish accounting and entity legislation and the supplementary requirements of authorities' requirements.

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 Consolidated Financial Statements can also be signed electronically.

The Group's Consolidated Financial Statements have been prepared on a historical cost basis, except for financial assets recognised at fair value through profit or loss, financial assets held for trading, fair value hedges (for hedged risk) and hedging derivatives used in fair value or cash flow hedges that are 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 2021 have not had a material effect on the Group's result for the financial year, financial position or presentation of Financial Statements.

In April 2021, the IFRS Interpretations Committee issued a final agenda decision on the accounting for configuration and customization costs for cloud services (IAS 38 Intangible Assets). In this agenda decision IFRS IC considered, whether, applying IAS 38, the customer recognises an intangible asset in relation to configuration or customisation of the application software, and if an intangible asset is not recognised, how the customer accounts for the configuration or customisation costs. The company has taken into account the effects of the agenda decision on the handling of cloud services during the financial period and stated that the decision has not had a significant impact on the company's financial reporting.

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. Control arises when the Group, by participating in an entity, is exposed to or is entitled to a variable return on an investee and is able to exercise that return by exercising its power over the investee.

Mutual ownership in the Group has been eliminated using the acquisition method. The consideration transferred, the identifiable assets of the acquired entity and liabilities taken for liability are valued at fair value at the time of acquisition. Any goodwill shall be recorded in the amount by which the cost exceeds the Group's share of the fair value of acquired assets and liabilities at the time 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. If the consideration given undercuts identifiable assets and liabilities taken for liability, negative goodwill arise due to low cost trading, recorded in the Income Statement under other operating income.

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 recognised 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. Financial assets valued at amortised cost include receivables from customers and credit institutions, as well as cash assets.

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 recognised 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 makes an irrevocable choice at the time of acquisition to measure the investment 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.

The retail bank 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 recognised 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.

The company uses as indicators to assess a significant increase in credit risk, among other things, changes in the behavioral scoring and rating classifications. In the case of classifications, absolute change is used, i.e., if the retail customer's behavioral scoring gets a value of C or lower, or if the rating of a corporate customer is B or lower, the credit risk is considered to have significantly increased. In addition to classifications, credit risk is considered to have increased significantly if the customer has a forbearance, the customer is on the watch list or contractual payments are at least 30 but not more than 90 days delayed. This review is automated in the calculation.

Loan-specific stage allocations are monitored monthly. The loan can improve at most one step per calculation date. Loans from stage 2 are transferred to stage 1 only after a delay period. With a loan at stage 2, improvement to stage 1 requires at least two consecutive months in which the loan does not meet the criteria of stage 2 or 3. This means that the loan is always at least two months in stage 2, regardless of whether it is a loan improved from stage 3, which has not met the stage 2 or 3 criteria at any stage after improvement, or which has met the criteria for stage 2 or initially in stage 2 been a loan that would be entering stage 1.

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 has insolvency marking,
- 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. A debtor is default when the aggregate amount of its overdue credit obligations exceeds both of the thresholds listed below. All receivables due at the overall level are taken into account, regardless of maturity.

- Absolute threshold of EUR 100 / EUR 500: The total amount of receivables due to the Group is at least EUR 100 for retail exposures or at least EUR 500 for all other “non-retail” receivables.
- Relative 1% threshold: The total amount of payments due to the Group in relation to the total amount of each debtor's liabilities is at least 1% of the total receivables

Once both thresholds have been met for 90 consecutive days, the customer is classified as insolvent. The other criterion of uncertain repayment may also result in customer default if it is likely that the customer will not repay their credit obligation in full without resorting to collateral liquidation.

In assessing when a debtor is in a state of default, the company takes into account qualitative indicators such as violations of loan terms or covenants 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
- Corporate loans

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 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 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 lossrate model.

The Exposure at Default (EAD) is the amount of exposure at the reporting date. Its calculation takes into account the repayments 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. The CCF coefficient is 100% for all limite-related products, in which case it is considered that at the time of the default of the loan, all undrawn share is still available to the counterparty. In ECL calculation, the maturity of check accounts is defined as three years and five years for credit card receivables.

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, the low credit risk exemption is applied for debt security investments with a credit rating of at least investment grade at the reporting date. The investment grade level is the highest possible rating level that debt security investments can receive from credit rating agencies and therefore the low credit risk exemption may apply to such investments. 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 differencies that arising from during valuation have been recognised in net gains from investment operations.

4.10 Cash and cash equivalents

Cash and cash equavalents 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 in 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 occurs.

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. The fair value of interest rate risk is hedged using the IAS 39 "carve out" method.

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. The Group also has interest rate derivatives that protect avista-conditional interest-bearing loans.

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.
The fair values of discontinued hedging calculation derivatives are amortised over the period to the original maturity.

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. After initial recognition, the intangible asset is measured at cost less amortisation and impairments.

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

The acquisition cost of intangible assets is recognised 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

The accounting for cloud computing arrangements depends on whether cloud-based software is classifies as a software intangible asset or a service contract. Those arrangements where the Company does not have control over the underlying software are accounted as service contracts providing the Company the right to access the cloud provider's application software over the contract period. The ongoing licensing fees to the application software, together with related configuration or customisation cost incurred, are recognised under Other operating expenses when the services are received. Prepayments paid to the cloud vendor customizing services which are not distinct are recognised over the contract period.

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 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 recognised 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: 3 – 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 recognised 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 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 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 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 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 Statements 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. The requirements of IFRS 2 Share-based Payment apply to the incentive scheme.

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 recognised 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 recognised 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 as well as costs related to obtaining financing.

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 recognised 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 in 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 conducts business only 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. 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.

During the financial years 2020 and 2021, there have been changes in the accounting principles and uncertainties related to estimates that require management's judgment 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 group-specific additional loss allowances. Due to the corona pandemic, the company generally offered its customers loan grace periods or other arrangements under in accordance with its normal credit policy especially in the early stages of corona pandemic. Further details of the impact of 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.

Calculation models and parameters for different portfolios have been selected based on their business significance and criticality. More complex models and parameters are customer numbers. The company has emphasized the model most suitable for each type of loan in its ECL model choices, as well as considering the company's size using the principle of proportionality.

In ECL computation, the company notes information based on future prospects. The company uses quantitative adjustments to the PD parameter of housing and consumer credit for corporate customers and private customers based on projections of macroeconomic environment development. In the macroeconomic model, PD values are adjusted from the moment of calculation to the next three years based on projections of Finland's GDP developments and the scenarios generated from these. Three scenarios and related realization probabilities have been defined: baseline scenario (50%), negative scenario (30%), and positive scenario (20%). The weight of the negative scenario is relatively high due to continuing uncertainty in the economy. GDP changes have historically predicted the number of bankruptcies well and have therefore been chosen as an explanatory variable for the model. The bankruptcy indirectly presents the number of insolvency events and its use instead of the internal default variable has been concluded due to the insufficient size and quality of the internal material.

14.2 Evaluation of fair value

The management's judgement 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 assesses when it considers that the market for financial instruments is not functioning. Such a situation could arise as a result of widespread disruption to the global economy. 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

In business consolidation, the determination of fair values requires consideration from the company's management regarding the recognition and valuation at fair value of the consideration given and identifiable assets, liabilities and contingent liabilities. The company recognised in other operating income the negative goodwill of EUR 7.5 million arising in connection with the acquisition of Eurajoen Savings Bank's business in December. As part of the arrangement, a payment obligation related to the fixed-term liability through profit or loss was recorded EUR 6.5 million for the five-year periodic of Eurajoen Savings Bank being a credit institution member leaving the consortium of savings banks. The effect of the valuation of the loan portfolio at the time of acquisition on the expected credit losses was EUR 0.5 million. More detailed information of the business acquisition is presented in Note G35.

15. IFRS standards and interpretations not yet in effect

New and amended standards and interpretations published by IASB by 31 December 2021 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 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 company's operations. The goal of the risk control function is to develop systematic and preemptive risk management, through which the company's business can be developed safely. In the company'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 a principle of three defence lines, 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. Oma Savings Bank has developed new credit rating models that meet IRB requirements during 2021, and these models were introduced in late 2021.

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 company'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 2021, the share of exposures secured by immovable property of the credit risks was 45.5% (42.3%), the share of retail exposures 17.2% (19.6%) and exposures to corporates 27.7% (28.4%). Credit risk exposures are well-diversified geographically and sector-wise, which reduces the company's concentration risk. Oma Savings Bank has introduced the definition of non-performing loans according to EBA/GL/2016/07. Non-performing loans accounted for 1.4% 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

Corona pandemic has not affected in the amount of grace periods during 2021, and there have been no short-term peaks in demand for them. Nearly all of the pandemic-related grace periods granted in 2020 have already expired as customers continue to service loans under normal shortening plans. At the end of the reporting period, the total grace periods of the loans from the entire loan stock amounted to EUR 259.5 million. All grace periods in force at the end of the reporting period, 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 financial year. Part of the increase is due to the acquisition of Eurajoen Savings Bank's business. The quality of the loan portfolio has remained at a good level despite the corona pandemic. However, the pandemic is once again in the process of accelerating, which may lead to a deterioration in the quality of the loan portfolio in the future. The company made during 2020 and early 2021 additional loss allowances based on management’s judgement, totalling EUR 5.9 million, 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. In September, the company decided to release previous additional loss allowances of corona by EUR 2.0 million. Additional loss allowances related to corona pandemic are still available for EUR 3.9 million. The company has intensified its monitoring of the credit risk situation and its development based on credit risk management methods during the corona 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. The allowances anticipate the effects of the prolongation of the corona pandemic on Oma Savings Bank's loan portfolio and seeks to cover potential credit losses to the extent that the expected credit loss calculation model does not recognise them. The company continues monitoring the situation monthly.

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 classifies 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.

Loan portfolio and expected credit losses per customer group

(1,000 euros)	31 Dec 2021	31 Dec 2020
Private customer	2,705,643	2,126,864
-Expected credit losses	-11,968	-13,046
Company	882,817	687,367
-Expected credit losses	-14,949	-11,367
Housing cooperative	388,306	321,913
-Expected credit losses	-102	-116
Agricultural customers	277,743	268,141
-Expected credit losses	-1,379	-854
Others	100,040	55,888
-Expected credit losses	-200	-475
Total	**4,354,549**	**3,460,173**
Total expected credit losses	-28,599	-25,858

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 2021	%	31 Dec 2020	%
AAA	263,105	9.7%	190,331	8.9%
AA	812,212	30.0%	575,207	27.0%
A	632,881	23.4%	493,466	23.2%
B	424,340	15.7%	335,964	15.8%
C	368,559	13.6%	334,206	15.7%
D	145,985	5.4%	122,690	5.8%
Not rated	32,174	1.2%	32,123	1.5%
Defaulted	26,386	1.0%	42,876	2.0%
Private customers	**2,705,643**	**100.0%**	**2,126,864**	**100.0%**

Credit ratings for companies and housing corporations

Credit ratings (1,000 euros)	31 Dec 2021	%	31 Dec 2020	%
AAA	629,223	49.5%	386,823	38.3%
AA	324,328	25.5%	323,585	32.1%
A+	171,359	13.5%	173,902	17.2%
A	75,809	6.0%	47,206	4.7%
B	35,654	2.8%	39,028	3.9%
C	6,033	0.5%	9,810	1.0%
Defaulted	28,717	2.3%	28,926	2.9%
Companies and housing corporations	**1,271,123**	**100.0%**	**1,009,280**	**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: Low-risk items are considered to include the bank's internal credit rating of AAA-AA level private customers, AAA-AA + level corporate, housing association and agricultural customers.

Risk rating 2: Reasonable risk items include the bank's internal credit rating of A-B level private customers, AA-A + level corporate and housing associations and AA-A level agricultural customers.

Risk rating 3: Increased risk items include the bank's internal credit rating of C-level private customers and A-level corporate and housing associations, as well as B-C-level agricultural customers.

Risk rating 4: The highest risk items are considered to be the bank's internal credit rating of D-level private customers, B-D-level corporate and housing associations, D-level agricultural customers and insolvent customers.

Other customers are based on the bank's internal assessment of the risk rating.

The ‘No rating’ item includes loans and debt securities for which the company has not defined credit ratings or for which there are no external credit ratings available.

Households

Loans and receivables and off-balance sheet commitments	31 Dec 2021	31 Dec 2020
Risk rating 1	1,173,015	810,847
Risk rating 2	1,108,238	839,829
Risk rating 3	380,596	333,873
Risk rating 4	173,926	161,607
No rating	34,153	29,471
Capital items by risk category, total	**2,869,927**	**2,175,626**
Loss allowance	12,279	13,325
Total	**2,857,648**	**2,162,301**

Corporates

Loans and receivables and off-balance sheet commitments	31 Dec 2021	31 Dec 2020
Risk rating 1	390,795	224,187
Risk rating 2	428,432	405,272
Risk rating 3	104,111	59,052
Risk rating 4	68,249	70,735
No rating	-	30
Capital items by risk category, total	**991,588**	**759,277**
Loss allowance	15,514	11,851
Total	**976,073**	**747,425**

Housing association

Loans and receivables and off-balance sheet commitments	31 Dec 2021	31 Dec 2020
Risk rating 1	286,724	198,650
Risk rating 2	151,619	154,545
Risk rating 3	18,643	13,465
Risk rating 4	2,786	7,910
Capital items by risk category, total	**459,771**	**374,571**
Loss allowance	106	119
Total	**459,665**	**374,452**

Agricultural customers

Loans and receivables and off-balance sheet commitments	31 Dec 2021	31 Dec 2020
Risk rating 1	40,372	40,642
Risk rating 2	136,276	120,431
Risk rating 3	85,082	91,664
Risk rating 4	22,894	26,476
No rating	75	5
Capital items by risk category, total	**284,699**	**279,217**

Loss allowance	1,390	887
Total	**283,310**	**278,330**

Others

Loans and receivables and off-balance sheet commitments	31 Dec 2021	31 Dec 2020
Risk rating 1	40,829	17,588
Risk rating 2	63,716	39,380
Risk rating 3	449	1,314
Risk rating 4	3,697	587
No rating	44	44
Capital items by risk category, total	**108,735**	**58,913**

Loss allowance	236	650
Total	**108,499**	**58,263**

Debt securities	31 Dec 2021	31 Dec 2020
Risk rating 1	489,539	387,121
Risk rating 2	15,129	11,450
No rating	112,842	101,323
Capital items by risk category, total	**617,511**	**499,894**

Loss allowance	1,158	493
Total	**616,353**	**499,401**

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 2021	31 Dec 2020
Enterprises	677,835	608,143	121,456	70,040	40	**1,477,514**	**1,144,739**
Real estate	412,825	334,137	76,728	31,743	-	**855,433**	**646,954**
Agriculture	4,374	36,557	1,570	876	40	**43,417**	**32,757**
Construction	38,194	46,794	7,236	3,758	-	**95,983**	**78,231**
Accommodation and food service activities	28,916	28,779	3,327	6,241	-	**67,263**	**55,920**
Wholesale and retail	28,033	55,734	10,384	5,488	-	**99,639**	**86,178**
Finance and insurance	19,184	15,416	1,794	895	-	**37,288**	**21,571**
Others	146,309	90,727	20,417	21,038	-	**278,492**	**223,127**
Public sector entities	629	2,635	-	1,017	-	**4,280**	**3,239**
Non-profit communities	10,401	6,213	425	2,680	44	**19,764**	**17,385**
Financial and insurance institutions	29,724	54,313	24	-	-	**84,061**	**37,936**
Households	1,213,146	1,216,975	466,977	197,815	34,188	**3,129,101**	**2,444,305**
Total 31.12.	**1,931,735**	**1,888,280**	**588,882**	**271,552**	**34,271**	**4,714,720**	**3,647,604**

3.5 Collaterals

Credit risk is managed through collaterals and covenants. Collaterals are taken for exposures to secure repayment. As a general rule, loans must have a secure collateral position, a collateral shortfall can be accepted in the best credit categories. In corporate 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 losses per loan that is limited to the amount of total liabilities less the value of collateral.

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

Mortgage Bank's LTV distribution

LTV	31 Dec 2021	31 Dec 2020
0-50%	23.3%	23.2%
50-60%	14.3%	13.7%
60-70%	19.1%	20.1%
70-80%	15.3%	15.1%
80-90%	13.5%	13.3%
90-100%	14.6%	14.6%
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 table categories, 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 is calculated in the LTV category at 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 2021	31 Dec 2020	Description of collateral held
Home mortgages	2,280,264	1,780,099	Mostly residential real estate collateral
Corporate loans	1,196,696	934,719	Mostly property collateral
Consumer credit	362,862	329,771	Mostly residential real estate collateral
Other	489,402	394,435	Mostly property collateral
Loans and advances to the public and public sector entities	**4,329,225**	**3,439,023**	

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 difference in maturity of borrowing and lending.

The company's liquidity has remained stable during 2021, and during the corona pandemic the company has been monitoring the changes in liquidity risk more closely. The investment certificate market has largely recovered from the uncertainty of the early stages of the corona pandemic and is operating at almost pre-corona levels. The company's liquidity has continued to strengthen after the company made a loan amount increase to its covered bond due in the summer of 2027. In addition to this, the company issued a new unsecured senior bond in November.

In addition to the issuance of the company's bonds in June and November, the company's deposit portfolio has continued to grow steadily during 2021, keeping the credit-deposit ratio stable. Growth in new lending has also continued to be strong. The company matures a bond of EUR 350 million in December 2022.

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 2021					
(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	-	4,014	187,085	275,293	98,297	564,690
Loans and advances to credit institutions	55,736	30,634	-	-	-	86,371
Loans and advances to the public and public sector entities	72,307	439,210	1,448,778	1,106,186	1,259,469	4,325,950
Debt securities	1,551	1,501	32,855	16,131	621	52,659
Derivative contracts	46	584	1,609	-	-	2,240
Total	**129,641**	**475,944**	**1,670,327**	**1,397,610**	**1,358,386**	**5,031,909**

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 public sector entities	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 liabilities	31 Dec 2021					
(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	10,784	12,217	173,321	16,364	-	212,685
Liabilities to the public and public sector entities	2,794,997	57,823	45,012	33	-	2,897,865
Debt securities issued to the public	20,000	534,464	803,150	404,710	-	1,762,324
Subordinated debts	-	-	15,500	-	-	15,500
Total	**2,825,781**	**604,504**	**1,036,983**	**421,107**	**-**	**4,888,374**

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 public sector entities	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**

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, being 133.0 (184.9)% at the end of 2021. Net stable funding ratio (NSFR) was 115.2 (125.5)% in year 2021. As of 30 September 2020, the requirements of the 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%. The binding application of the NSFR began on 28 June 2021.

LCR & NSFR Development by Quarter

	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
LCR, %	133%	139%	161%	139%
NSFR, %	115%	119%	122%	120%

LCR and NSFR figures are unaudited.

5. Market risk

5.1. Equity risk

The company eased the risk weight of its investment portfolio in early 2020, as a result of which the effects of uncertainty and unawareness caused by the corona pandemic on the company's investment portfolio were limited last year. During 2021, the size of the investment portfolio has grown steadily, and the risks associated with it are well diversified. The effects of the corona pandemic are still considered moderate. 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. The company monitors monthly 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 trade in shares for trading purposes. A sensitivity analysis of share price risk has not been presented as it does not have a material effect on the Group's financial position.

Distribution of investment assets total

(1,000 euros)	31 Dec 2021		31 Dec 2020	
	Fair value	%	Fair value	%
Shares and other equity instruments	26,212	4.1%	22,463	4.2%
Debt securities	617,349	95.7%	499,572	94.4%
Investment properties	1,787	0.3%	7,307	1.4%
Investment assets total	**645,348**	**100%**	**529,342**	**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, market interest rates affect the market prices of the securities in the investment portfolio. 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.

For 2021, the effects of the corona pandemic on interest rate risk remained moderate. Due to the structure of the company's balance sheet, net interest income increases as interest rates rise and at the same time the effects of falling interest rates are limited. The company constantly monitors interest rate sensitivities and, if necessary, the company has the capacity 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 the key 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 2021		31 Dec 2020	
	-1% change	+1% change	-1% change	+1% change
Change 1-12 months	-4,416	11,666	-4,220	9,253
Change 13-24 months	-9,657	28,741	-8,596	18,405

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 potential losses resulting from the risk are not always easy to measure. Reasons for this may include the delayed realisation 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, growing regulatory reporting requirements and information security risks. Cyber risks are monitored as part of risk management. During the second quarter, the company terminated the core banking project. The termination of the project will not affect customers' banking services and the company will continue to develop digital services. 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.

Oma Savings Bank calculates the operational risk in accordance with Pilar I using the basic indicator approach for the capital adequacy. This amount in 2021 was EUR 201.3 million, of which the own funds requirement was EUR 16.1 million. The increase is due to a significant increase in net interest income and commission income.

Operational risk

(1, 000 euros)	2021	2020	2019
Gross income	122,229	105,751	94,055
The revenue indicator	18,334	15,863	14,108
Requirement for own funds of operational risk			16,102
Risk-weighted amount of operational risk			201,272

The company's Board of Directors annually approves the operational risk management principles. In managing 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 if the risk were to materialise. 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. Each employee is responsible for managing operational risk in their own job role. Realised operational risks are reported to the management of the business unit.

New products, services, and outsourced service providers are approved separately through a separate company approval process prior to deployment. The approval process ensures that the risks associated with new products and services are properly identified and assessed. The same approval process also applies when developing existing products.

The monitoring, control and reporting of operational risks are handled by the company's risk control. At least annually, the company's management receives the risk assessments and a report on realized risks of the business units' on the realized risks, based on which a separate operational risk matrix is compiled, which is reported to the Board of Directors. The created process allows the Board to form an overall picture of the operational risks to the business and their potential effects on the company. The risk identification process enables the Board to decide on risk management measures and priorities regarding operational risk. The new risk management system used during the year has improved the management, monitoring and reporting of operational risks.

7 Measures to reduce the risks posed by corona pandemic

The company's customer service has operated uninterrupted throughout the exceptional circumstances, and this has ensured necessary banking services to customers. The company has continuously monitored the development of the corona virus situation and personnel has been notified concerning health-related matters, in accordance with the guidelines of the Finnish government and the authorities. Internal operating models have been adapted to the situation.

In terms of credit risk, preventive measures have included the above-mentioned grace periods granted to customers, increased monitoring of problem customers and loans in arrears and the careful assessment and, if required, reassessment, of collateral values. Additionally, when granting new loans, the applicant's repayment capacity and the value of collateral are monitored bearing in mind the economic uncertainty caused by the pandemic.

G3 Classification of financial assets and liabilities

Assets (1,000 euros) 31 Dec 2021	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	198,046	-	-	-	198,046	198,046
Loans and advances to credit institutions	86,371	-	-	-	86,371	86,371
Loans and advances to customers	4,325,950	-	-	-	4,325,950	4,325,950
Derivatives, hedge accounting	-	-	-	2,240	2,240	2,240
Debt instruments	-	616,353	995	-	617,349	617,349
Equity instruments	-	-	26,212	-	26,212	26,212
Financial assets, total	**4,610,366**	**616,353**	**27,208**	**2,240**	**5,256,167**	**5,256,167**
Investments in associated companies					22,884	22,884
Investment properties					1,713	1,787
Other assets					91,868	91,868
Assets, total	**4,610,366**	**616,353**	**27,208**	**2,240**	**5,372,633**	**5,372,707**

Liabilities (1,000 euros) 31 Dec 2021	Other liabilities	Hedging derivatives	Carrying value, total	Fair value
Liabilities to credit institutions	212,685	-	212,685	212,685
Liabilities to customers	2,897,865	-	2,897,865	2,897,865
Debt securities issued to the public	1,762,324	-	1,762,324	1,762,324
Subordinated liabilities	15,500	-	15,500	15,500
Financial liabilities, total	**4,888,374**	**-**	**4,888,374**	**4,888,374**
Non-financial liabilities			82,965	82,965
Liabilities, total	**4,888,374**	**-**	**4,971,339**	**4,971,339**

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
Other 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
Financial liabilities, total	**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**

G4 Cash and cash equivalents

(1,000 euros)	31 Dec 2021	31 Dec 2020
Cash in hand	5,616	5,540
Current account in the Bank of Finland	192,429	256,547
Cash and cash equivalents, total	**198,046**	**262,087**

G5 Loans and other receivables

(1,000 euros)	31 Dec 2021	31 Dec 2020
Loans and advances to credit institutions		
Deposits	55,736	50,907
Other	30,634	23,299
Loans and advances to credit institutions, total	**86,371**	**74,206**
Loans and advances to the public and public sector entities		
Loans	4,218,377	3,332,952
Utilised overdraft facilities	70,504	72,894
Loans intermediated through the State's assets	48	66
Credit cards	36,813	28,064
Bank guarantee receivables	209	339
Loans and advances to the public and public sector entities, total	**4,325,950**	**3,434,315**
Loans and advances, total	**4,412,321**	**3,508,521**

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 2021	31 Dec 2020
Fair value hedge		
Interest rate derivatives	662	-
Other hedging derivatives		
Share and share index derivatives	1,578	796
Derivative assets, total	**2,240**	**796**

Liabilities (1,000 euros)	31 Dec 2021	31 Dec 2020
Fair value hedge		
Interest rate derivatives	-	-
Share and share index derivatives	-	-
Derivative liabilities, total	**-**	**-**
Change in the value of hedged object / Fair value hedge	**-688**	**-**
Change in the value of hedged object / Other hedging derivatives	**-1,166**	**-253**

Nominal values of underlying items and fair values of derivatives (1,000 euros)	Remaining maturity				Fair values	
31 Dec 2021	Less than 1 year	1-5 years	Over 5 years	Total	Assets	Liabilities
Fair value hedge	**5,000**	**10,000**	**-**	**15,000**	**662**	**-**
Interest rate swaps	5,000	10,000	-	15,000	686	-
Cva and Dva adjustments	-	-	-	-	-24	-
Other hedging derivatives	**16,516**	**43,880**	**-**	**60,396**	**1,578**	**-**
Share and share index derivatives	16,516	43,880	-	60,396	1,628	-
Cva and Dva adjustments	-	-	-	-	-50	-
Derivatives, total	**21,516**	**53,880**	**-**	**75,396**	**2,240**	**-**

Nominal values of underlying items and fair values of derivatives (1,000 euros)	Remaining maturity				Fair values	
31 Dec 2020	Less than 1 year	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**	**-**

G7 Investment assets

Investment assets (1,000 euros)	31 Dec 2021	31 Dec 2020
Measured at fair value through profit or loss		
Debt securities	995	171
Shares and other equity instruments	26,212	22,463
Assets measured at fair value through profit or loss, total	**27,208**	**22,634**
Measured at fair value through other comprehensive income		
Debt securities	616,353	499,401
Shares and other equity instruments	-	-
Measured at fair value through other comprehensive income, total	**616,353**	**499,401**
Investment properties	**1,713**	**7,270**
Investment assets, total	**645,275**	**529,305**

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 2021	31 Dec 2020
Cost January 1		**10,491**	**12,634**
+	Increases	5,390	5,650
-	Decreases	-11,342	-7,380
+/-	Transfers	5	-414
Cost at the end of the period		**4,544**	**10,491**
Accumulated depreciation and impairment losses		**-3,221**	**-5,806**
+/-	Accumulated depreciation of decreases and transfers	410	1,987
-	Depreciation	-21	-201
+/-	Impairment loss and their return	25	800
Accumulated depreciation and impairment at the end of the period		**-2,830**	**-3,221**
Opening balance		**7,270**	**6,828**
Closing balance		**1,713**	**7,270**

31 Dec 2021	Equity instruments				Debt-based				
Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	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	-	-	-	-	171,122	-	-	171,122	171,122
From others	-	16,948	-	16,948	445,023	185	-	445,208	462,157
Non-quoted									
From others	-	9,264	-	9,264	208	638	-	846	10,110
Total	**-**	**26,212**	**-**	**26,212**	**616,353**	**823**	**-**	**617,176**	**643,389**

31 Dec 2020	Equity instruments				Debt-based				
Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	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**

G8 Intangible assets

(1,000 euros)	31 Dec 2021	31 Dec 2020
Other intangible rights	4,873	2,073
Information systems	3,984	251
Customer relationships related to deposits	889	1,775
Other	-	46
Intangible assets on progress	4,098	8,054
Goodwill	1,054	1,054
Total intangible assets	**10,025**	**11,180**

Changes in intangible assets 2021	In progress: intangible assets	Other intangible rights	Goodwill
Cost January 1	**8,054**	**8,343**	**1,054**
+ Increases	-3,956	6	-
- Decreases	-	-352	-
+/- Transfers	-	4,439	-
Cost December 31	**4,098**	**12,436**	**1,054**
Accumulated amortisation and impairment loss January 1	**-**	**-6,271**	**-**
+/- Accumulated amortisation of decreases and transfers	-	-	-
- Amortisation	-	-1,292	-
- Impairment	-	-	-
+/- Other changes	-	-	-
Accumulated amortisation and impairment loss December 31	**-**	**-7,562**	**-**
Opening balance, January 1	**8,054**	**2,073**	**1,054**
Closing balance, December 31	**4,098**	**4,873**	**1,054**

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**

G9 Tangible assets

(1,000 euros)	31 Dec 2021	31 Dec 2020
Properties in own use	19,944	20,987
Land and water areas	1,357	1,424
Buildings	18,586	19,563
Buildings and constructions, right-of-use assets	6,051	6,362
Machinery and equipment	1,461	1,654
Machinery and equipment, right-of-use assets	138	243
Other tangible assets	293	293
Assets under construction	-	160
Tangible assets, total	**27,887**	**29,698**

Changes in tangible assets 2021	Land and water areas	Buildings	Buildings right-of-use assets	Machinery and equipment	Machinery and equipment, right-of-use assets	Other tangible assets	Assets under construction
Cost January 1	**1,439**	**31,381**	**9,097**	**11,649**	**601**	**293**	**160**
+ Increases	-	101	1,475	291	71	-	134
- Decreases	-63	-628	-	-4	-	-	-
+/- Transfers	-5	804	-	62	-	-	-293
Cost December 31	**1,370**	**31,658**	**10,572**	**11,997**	**672**	**293**	**-**
Accumulated depreciation and impairment loss January 1	**-15**	**-11,818**	**-2,735**	**-9,995**	**-358**	**-**	**-**
+/- Accumulated depreciation of decreases and transfers	2	566	-	4	-	-	-
- Depreciation	-	-1,360	-1,786	-545	-176	-	-
- Impairment	-	-460	-	-	-	-	-
Accumulated depreciation and impairment loss December 31	**-13**	**-13,071**	**-4,521**	**-10,536**	**-534**	**-**	**-**
Opening balance January 1	**1,424**	**19,563**	**6,362**	**1,654**	**243**	**293**	**160**
Opening balance December 31	**1,357**	**18,586**	**6,051**	**1,461**	**138**	**293**	**-**

Changes in tangible assets 2020	Land and water areas	Buildings	Buildings right-of-use assets	Machinery and equipment	Machinery and equipment, right-of-use assets	Other tangible 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	**1,424**	**19,563**	**6,362**	**1,654**	**243**	**293**	**160**

G10 Other assets

(1,000 euros)	31 Dec 2021	31 Dec 2020
Receivables on payment transfers	82	100
Accrued income	15,485	11,924
Interests	11,826	8,985
Other advance payments	247	281
Other accrued income	3,412	2,658
Other*	31,313	725
Other assets, total	46,880	12,749

* The item Other includes receivables of securities of EUR 30.0 million.

G11 Tax assets and liabilities

(1,000 euros)	31 Dec 2021	31 Dec 2020
Tax assets		
Deferred tax assets	7,077	3,875
Tax assets, total	**7,077**	**3,875**
Tax liabilities		
Current income tax liabilities	9,331	3,803
Deferred tax liabilities	31,122	27,948
Tax liabilities, total	**40,453**	**31,751**

Deferred tax assets 2021	1.1.	Recognised through profit or loss	Other comprehensive income*	Business acquisitions	31.12.
Assets at fair value through other comprehensive income	75	-	1,361	-	1,436
Tangible assets	177	85	-	-	262
Defined benefit pension plans	45	1	72	-	118
Impairment	-	-	-	10	10
Confirmed losses	308	-92	-	-	217
Derivatives	-	-	-	6	6
Liabilities	-	-	-	1,300	1,300
Other items	3,269	458	-		3,727
Deferred tax assets, total	**3,875**	**453**	**1,433**	**1,316**	**7,077**

Deferred tax liabilities 2021	1.1.	Recognised through profit or loss	Other comprehensive income*	Business acquisitions	31.12.
On taxable reserves	24,733	4,763	-	-	29,496
Assets at fair value through other comprehensive income	2,781	-	-1,467	-	1,314
Derivatives	-	-	-	6	6
Liabilities	355	-171	-	10	194
Other items	79	34	-		113
Deferred tax liabilities, total	**27,948**	**4,626**	**-1,467**	**16**	**31,122**

The item of acquisition cost calculation includes the deferred tax asset and liability for the acquisition of the Eurajoen Savings Bank's business.

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

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

(1,000 euros)	31 Dec 2021	31 Dec 2020
Liabilities to credit institutions		
Liabilities to Central Banks	150,000	150,000
Repayable on demand	10,784	10,768
Other than repayable on demand	51,901	62,742
Liabilities to credit institutions, total	**212,685**	**223,510**
Liabilities to the public and public sector entities		
Deposits	2,897,144	2,376,687
Repayable on demand	2,770,980	2,187,809
Other	126,164	188,878
Other financial liabilities	33	56
Other than repayable on demand	33	56
Changes in fair value in terms of borrowing	688	-
Liabilities to the public and public sector entities, total	**2,897,865**	**2,376,743**
Liabilities to the public and public sector entities and liabilities to credit institutions, total	**3,110,550**	**2,600,253**

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. The TLTRO loan has been treated as a debt under IFRS 9 standard. During the second quarter, the company has reviewed the interest rate estimates with prudence and increased interest level.

G13 Debt securities issued to the public

(1,000 euros)	31 Dec 2021	31 Dec 2020
Bonds	1,557,380	1,206,522
Certificates of deposit	204,944	140,293
Debt securities issued to the public, total	**1,762,324**	**1,346,815**

					Closing balance	
Maturity of bonds	Nominal value	Interest	Year of issue	Due date	31 Dec 2021	31 Dec 2020
OmaSp Plc 12.12.2022, covered bond	350,000	0,125%/fixed	2017-2018	12/12/2022	349,520	349,015
OmaSp Plc 3.4.2024, covered bond	300,000	0,125%/fixed	2019	4/3/2024	299,245	298,912
OmaSp Plc 6.4.2023, covered bond	250,000	0,125%/fixed	2020	4/6/2023	249,440	248,998
OmaSp Plc 17.1.2024	55,000	margin 1%/variable	2020	17.1.2024	54,997	54,996
OmaSp Plc 25.11.2027, covered bond	400,000	0,01%/fixed	2020-2021	11/25/2027	404,710	254,601
OmaSp Plc 19.5.2025	200,000	margin 0,2%/variable	2021	5/19/2025	199,468	-
					1,557,380	**1,206,522**

Maturity of deposit certificates	Less than 3 months	3-6 months	6-9 months	9-12 months	Closing balance, total
31 Dec 2021	64,996	80,982	28,992	29,974	**204,944**
31 Dec 2020	70,991	53,320	-	15,981	**140,293**

G14 Subordinated liabilities

(1,000 euros)	31 Dec 2021	31 Dec 2020
Subordinated loans	500	500
Debentures	15,000	15,000
Subordinated liabilities, total	15,500	15,500

Details of liabilities	31 Dec 2021	31 Dec 2020	Interest %	Due date
OmaSp debenture loan I/2017	15,000	15,000	1.25%	2/1/2023
	15,000	**15,000**		

Amount included in own funds	31 Dec 2021	31 Dec 2020
OmaSp debenture loan I/2017	3,261	6,260
Total	**3,261**	**6,260**

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 Company 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 2021	31 Dec 2020
Provisions		
Pension provisions	589	223
Expected credit loss from irrevocable commitments given in favour of a customer	926	974
Provisions total	**1,515**	**1,197**
Other liabilities		
Liabilities on payment transfers	10,696	10,971
Accruals	16,831	15,023
Interest payable	1,971	1,814
Advance interest payments received	4,613	7,588
Other accruals	10,129	5,496
Advance payments received	118	124
Other	13,470	6,997
Payment liability, consortium of Savings Banks	6,500	-
Other liabilities	6,970	6,997
Other liabilities total	**40,997**	**32,991**
Provisions and other liabilities total	**42,512**	**34,188**

Changes in provisions	31 Dec 2021	31 Dec 2020
Provisions January 1	**1,197**	**838**
Increase/decrease in defined benefit pension plans	366	-1
Increase in expected credit loss from irrevocable commitments given in favour of a customer	-48	360
Provisions December 31	**1,515**	**1,197**

Payment liability in Other liabilities, consortium of Savings Banks relates to the acquisition of the Eurajoen Savings Bank's business, which is described in more detail in Note K35.

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 2021	31 Dec 2020
Share capital	24,000	24,000
Other reserves	144,833	148,354
Fair value reserve	-492	10,824
Measured at fair value	-492	10,824
Reserve for invested non-restricted equity	145,196	137,396
Other reserves	128	134
Retained earnings	231,939	180,712
Retained earnings (loss)	165,781	149,893
Profit (loss) for the accounting period	66,158	30,819
Equity, total	**400,772**	**353,066**
Shareholders of Oma Savings Bank Plc	400,772	353,066
Non-controlling interest	522	427
Equity, total	**401,294**	**353,493**

Movements in the fair value reserve	31 Dec 2021	31 Dec 2020
Fair value reserve January 1	**10,824**	**8,538**
Change in fair value, other financial instruments	-14,809	3,024
Deferred taxes	2,829	-571
Expected credit loss on debt securities	664	-167
Fair value reserve December 31	**-492**	**10,824**

Shares and shareholder rights

The number of Oma Savings Bank Plc's shares is 29,962,033 (excluding own shares) and the number of votes per share is 1 vote / share. The share has no nominal value. On 31 December 2021, the number of own shares held by the company was 188,155. The company has no different share classes. All shares have equal dividend rights and other rights.

On 30 March 2021, 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 2022.

During the third quarter, the company launched a repurchase program related to the acquisition of own shares to implement a share-based incentive scheme for key persons. Under the repurchase program, it was possible to acquire a maximum of 198,300 shares in one or more tranches, which corresponds to approximately 0.7% of the company's shares and votes. The company repurchased a total of 176,455 of its own shares during the financial year.

On 21 September 2021, the Board of Directors decided to carry out a paid directed share issue. All new shares of Oma Savings Bank to be issued in the share issue, 553,488pcs, were issued for subscription to Eurajoen Savings Bank as consideration for the transfer of the business on 30 November 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 and the funds received from the directed share issue to Eurajoen Savings Bank in the ended financial year.

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)	1-12/2021	1-12/2020
Interest income		
Loans and advances to the public and public sector entities	76,981	66,058
Debt securities	2,812	2,031
Derivatives	3,039	3,785
Other interest income	2,076	939
Total interest income	**84,908**	**72,813**
Interest expenses		
Liabilities to credit institutions	-761	-335
Liabilities to the public and public sector entities	-692	-820
Debt securities issued to the public	-2,750	-2,752
Subordinated liabilities	-189	-187
Other interest expenses	-387	-900
Total interest expenses	**-4,778**	**-4,993**
Net interest income	**80,130**	**67,819**

G18 Fee and commission income and expenses

(1,000 euros)	1-12/2021	1-12/2020
Fee and commission income		
Lending	11,969	11,124
Deposits	67	62
Card and payment transactions	18,986	16,472
Intermediated securities	193	158
Funds	3,930	2,825
Legal services	499	504
Brokered products	1,725	1,485
Granting of guarantees	1,301	923
Other fee and commission income	768	695
Total fee and commission income	**39,438**	**34,248**
Fee and commission expenses		
Card and payment transactions	-4,663	-4,043
Securities	-84	-41
Other fee and commission expenses	-1,004	-906
Total fee and commission expenses	**-5,752**	**-4,991**
Fee and commission income and expenses, net	**33,686**	**29,257**

G19 Net income on financial assets and financial liabilities

(1,000 euros)	1-12/2021	1-12/2020
Net income on financial assets measured at fair value through profit or loss		
Debt securities		
Capital gains and losses	-43	-
Valuation gains and losses	66	-92
Total debt securities	**23**	**-92**
Shares and other equity instruments		
Dividend income	300	199
Capital gains and losses	226	1,597
Valuation gains and losses	4,331	2,704
Total shares and other equity instruments	**4,856**	**4,499**
Net income on financial assets measured at fair value through profit or loss, total	**4,879**	**4,407**
Net income on financial assets measured at fair value through other comprehensive income		
Debt securities		
Capital gains and losses	29	39
Difference in valuation reclassified from the fair value reserve to the income statement	-8	8,005
Total debt securities	**21**	**8,044**
Net income on financial assets measured at fair value through other comprehensive income, total	**21**	**8,044**

Net income from investment properties (1,000 euros)	1-12/2021	1-12/2020
Rent and dividend income	280	383
Capital gains and losses	-15	-1,473
Other gains from investment properties	8	8
Maintenance expenses	-96	-534
Depreciation and impairment on investment properties	-46	-711
Rent expenses on investment properties	-9	-10
Net income from investment properties, total	**123**	**-2,337**

Net gains on trading in foreign currencies	**160**	**-175**
Net gains from hedge accounting	**8**	**114**
Net income from trading	**12**	**814**
Net income on financial assets and financial liabilities, total	**5,203**	**10,866**

G20 Other operating income and negative goodwill

(1,000 euros)	1-12/2021	1-12/2020
Rent income from properties in own use	99	193
Other income from banking operations	29,913	2,937
Total other operating income	**30,012**	**3,130**

Negative goodwill

(1,000 euros)	1-12/2021	1-12/2021
Acquisition of Eurajoen Savings Bank business	7,535	-
Total	**7,535**	**-**

Negative goodwill has been booked to Other income from banking operations and presented on a separate row in Consolidated income statement. More details on business acquisition can be found in Note G35.

G21 Personnel expenses

(1,000 euros)	1-12/2021	1-12/2020
Salaries and rewards	-16,155	-14,914
Pensions	-3,010	-2,086
Defined contribution plans	-2,977	-2,055
Defined benefit plans	-7	1
Other fixed post-employment benefits	-26	-32
Share-based incentive scheme payments	913	555
Other social security expenses	-553	-421
Personnel expenses, total	**-20,631**	**-16,866**

Number of employees December 31	1-12/2021	1-12/2020
Full time	288	253
Part time	1	6
Temporary	55	39
Total	344	298
Average number of employees in accounting period	**315**	**299**

Details about the employment benefits and loans of the related parties are presented in Note G31 Management compensation and related party transactions.

G22 Other operating expenses

(1,000 euros)	1-12/2021	1-12/2020
Other personnel expenses	-1,468	-1,313
Office expenses	-2,646	-2,752
Data administration and IT expenses	-16,450	-13,658
Telephony expenses	-1,302	-1,269
Marketing expenses	-1,480	-1,534
Rent expenses	-1,229	-978
Expenses from properties in own use	-1,147	-2,062
Insurance and security expenses	-3,127	-2,259
Monitoring, control and membership fees	-670	-586
Other	-4,876	-3,187
Other operating expenses, total	-34,396	-29,598

Auditors' fees

(1,000 euros)	1-12/2021	1-12/2020
KPMG Oy Ab		
Statutory audit	358	280
Services related to auditing	12	6
Services related to acquisitions	16	
Other services	30	60
Total	**416**	**346**

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

(1,000 euros)	1-12/2021	1-12/2020
On buildings	-463	-439
From buildings, right-of-use assets	-1,786	-1,526
Machinery and equipment	-544	-588
From machinery and equipment, right-of-use assets	-176	-186
Intangible assets	-2,190	-2,159
Impairment loss on properties in own use	-460	-314
Impairment loss on intangible assets	-4,649	-
Total depreciation, amortisation and impairment losses	**-10,267**	**-5,213**

G24 Impairment losses on financial assets

(1,000 euros)	1-12/2021	1-12/2020
ECL from advances to customers and off-balance sheet items	-2,254	-8,012
ECL from debt instruments	-602	167
Expected credit losses, total	**-2,856**	**-7,846**
Final credit losses		
Final credit losses	-5,476	-13,978
Refunds on realised credit losses	1,038	237
Recognised credit losses, net	**-4,438**	**-13,741**
Impairment on receivables, total	**-7,294**	**-21,587**

Reconciliations from the opening and closing balances of the expected credit losses have been formed from 1 January 2021 and 31 December 2021 on the basis of changes in euro denominated loan exposures and expected credit losses.

Expected credit losses, loans and advances

				1-12/2021	1-12/2020
Loans and advances to credit institutions and to public and public sector entities, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	Total	Total
Expected credit losses 1 January	**1,587**	**7,955**	**16,317**	**25,858**	**18,205**
Transfer to stage 1	182	-524	166	-175	244
Transfer to stage 2	-134	550	-784	-369	297
Transfer to stage 3	-11	-243	4,064	3,810	3,224
New debt securities	1,363	470	1,234	3,067	2,518
Matured debt securities	-705	-803	-3,482	-4,990	-4,979
Realised credit losses	3	-13	-3,200	-3,209	-4,878
Recoveries on previous realised credit losses	-9	129	-25	95	1
Changes in credit risk	-90	-486	2,392	1,816	5,854
Changes in the ECL model parameters	-	-	-	-	241
Changes based on management estimates	-205	-500	3,401	2,696	5,131
Expected credit losses period end	**1,981**	**6,535**	**20,083**	**28,599**	**25,858**

The company´s management has assessed the effects of the corona pandemic on an industry-by-industry basis. The group-specific additional loss allowance was decreased from EUR 5.9 million to EUR 3.9 million in the third quarter. A total of EUR 2.0 million has been allocated to corporate customers and EUR 1.9 million for private customers of the additional loss allowances based on management's judgement. Allowances made are targeted to stage 2. Additional allowance was made for the new definition of insolvency, which entered into force on 1 January 2021, by recording an additional loss allowance of EUR 1.4 million. The additional allowance has been offloaded through profit or loss during January-June. The expected credit losses from the acquisition of Eurajoen Savings Bank's business at the time of the acquisition are EUR 0.5 million and presented in New debt securities.

				1-12/2021	1-12/2020
Off-balance sheet commitments (1,000 euros)	Stage 1	Stage 2	Stage 3	Total	Total
Expected credit losses 1 January	**480**	**368**	**126**	**974**	**614**
Transfer to stage 1	16	-223	-4	-211	11
Transfer to stage 2	-3	43	-1	38	-
Transfer to stage 3	-	-2	43	40	-
New debt securities	287	104	86	477	625
Matured debt securities	-381	-54	-29	-464	-305
Realised credit losses	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-
Changes in credit risk	162	-55	-35	73	28
Changes in the ECL model parameters	-	-	-	-	-
Changes based on management estimates	-	-	-	-	-
Expected credit losses period end	**561**	**180**	**184**	**926**	**974**

Expected credit losses, investment assets

Debt securities, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	1-12/2021 Total	1-12/2020 Total
Expected credit losses 1 January	**313**	**180**	**-**	**493**	**660**
Transfer to stage 1	12	-130	-	-118	-
Transfer to stage 2	-2	-	-	-1	15
Transfer to stage 3	-	-	-	-	-
New debt securities	194	31	-	225	375
Matured debt securities	-71	-41	-	-112	-512
Realised credit losses	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-
Changes in credit risk	156	-21	-	135	1,760
Changes in the ECL model parameters	-	-	-	-	-
Changes based on management estimates	536	-	-	536	-1,805
Expected credit losses period end	**1,138**	**19**	**-**	**1,158**	**493**

G25 Income taxes

(1,000 euros)	1-12/2021	1-12/2020
Income tax for accounting period	-12,849	-6,368
Income tax on primary operations	-12,848	-6,366
Other direct taxes	-1	-2
Taxes for the previous accounting periods	20	52
Change in deferred tax assets	469	2,246
Change in deferred tax liabilities	-4,659	-2,984
Total income taxes	**-17,019**	**-7,054**
Income tax rate	**20%**	**20%**
Accounting profit before taxes	**83,271**	**37,707**
Proportion of the result in accordance with tax rate	**-16,654**	**-7,541**
+ Tax-exempt income on the income statement	21	107
- Non-deductible expenses on the income statement	-274	-147
+ Deductible expenses not included in the income statement	11	554
+ Use of confirmed losses from previous years	-	9
- Unrecognised under losses: deferred tax assets	-143	-21
+/- Taxes for previous accounting periods	20	-15
Taxes on income statement	**-17,019**	**-7,054**

G26 Guarantees granted and received

Collaterals given (1,000 euros)	31 Dec 2021	31 Dec 2020
Given for own liabilities and provisions	1,690,392	1,500,076
Guarantees granted, total	**1,690,392**	**1,500,076**

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

Nominal value of covered bonds in the balance sheet is EUR 1,300 million on 31 December 2021.

Collaterals received (1,000 euros)	31 Dec 2021	31 Dec 2020
Property collateral	3,958,089	3,162,909
Cash collateral	15,243	10,340
Guarantees received	160,527	108,031
Other	58,400	41,510
Guarantees received, total	**4,192,260**	**3,322,789**

G27 Off-balance sheet commitments

(1,000 euros)	31 Dec 2021	31 Dec 2020
Guarantees	30,818	25,976
Loan commitments	377,826	263,736
Other	212	154
Off-balance sheet commitments, total	**408,855**	**289,867**

G28 Pension liability

(1,000 euros)	31 Dec 2021	31 Dec 2020
Expenses on the income statement	11	-1
The current service cost	9	-3
Net interest	2	2
Expenses on the statement of comprehensive income		
Remeasurements	359	-
Comprehensive income for the accounting period	**371**	**-1**

	31 Dec 2021	31 Dec 2020
Current value of obligation January 1	**2,678**	**2,807**
The current service cost	9	22
Interest expense	15	27
Actuarial gains (-) and losses (+) on experienced changes	91	-
Actuarial gains (-) and losses (+) on changes in financial assumptions	238	-
Benefits paid	-242	-178
Gained in acquisition of business	916	-
Current value of obligation December 31	**3,705**	**2,678**

	31 Dec 2021	31 Dec 2020
Fair value of funds under the plan January 1	**2,455**	**2,582**
Interest income	12	25
Return on assets in the plan excl. item belonging in the interest expense/income	-31	-
Benefits paid	-242	-178
Gained in acquisition of business	813	-
Employer contributions	108	25
Fair value of funds under the plan December 31	**3,116**	**2,455**

	31 Dec 2021	31 Dec 2020
Present value of obligation	3,705	2,678
Fair value of plan assets	3,116	2,455
Liability on the balance sheet December 31	**589**	**223**

	31 Dec 2021	31 Dec 2020
Liability on the balance sheet January 1	223	224
Expenses on the income statement	11	24
Payments made into the plan	-108	-25
Remeasurements in other comprehensive income items	359	-
Gained in acquisition of business	103	-
Liability on the balance sheet December 31	**589**	**223**

Actuarial assumptions	2021	2020
Discount rate, %	1.05%	0.75%
Wage development, %	2.60%	2.00%
Increase in pension, %	2.35%	1.65%
Inflation, %	2.10%	1.50%

Sensitivity Analysis	2021 Defined Benefit Obligation		2020 Defined Benefit Obligation	
Effect of a change in assumptions used	Increase	Decrease	Increase	Decrease
Discount rate (0,5% change)	-7.30%	8.30%	-7.20%	8.20%
Future pension increase (0,25% change)	3.30%	-3.20%	3.00%	-2.90%

Sensitivity Analysis	2021 Fair Value of Plan Assets		2020 Fair Value of Plan Assets	
Effect of a change in assumptions used	Increase	Decrease	Increase	Decrease
Discount rate (0,5% change)	-6.60%	7.40%	-6.50%	7.30%

Duration based on weighted average of obligations is 15.2 years.

In 2022, the Group expects to pay approximately 50 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 2021	Financial instruments	Received security collateral	Received cash collateral	Net amount
Derivative assets	2240	-	-	2240
Other	-	-	-	-
Total financial assets	**2240**	**-**	**-**	**2240**

	Monetary amounts not offset in the Balance Sheet			
Financial liabilities 31 Dec 2021	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 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	**-**	**-**	**-**	**-**

G30 Fair values in accordance with the valuation method

The determination of the fair value of financial instruments is set out in Note G1 Accounting principles under "Determining the fair value" of the Financial Statements for the year 2021.

Equity securities recorded to stage 3 include shares in unlisted companies.

Financial assets and liabilities measured at fair value

	31 Dec 2021			
Financial assets (1,000 euros)	**Level 1**	**Level 2**	**Level 3**	**Total**
At fair value through profit or loss				
Equity securities	16,948	1,987	7,277	26,212
Debt securities	726	-	96	823
Derivatives	-	2,240	-	2,240
At fair value through other comprehensive income				
Debt securities	616,353	-	-	616,353
Financial assets, total	**634,028**	**4,227**	**7,374**	**645,628**

	31 Dec 2020			
Financial assets (1,000 euros)	**Level 1**	**Level 2**	**Level 3**	**Total**
Measured 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
Measured at fair value through other comprehensive income				
Debt securities	499,401	-	-	499,401
Financial assets, total	**513,325**	**2,650**	**6,856**	**522,831**

Investment transactions, categorised to Level 3

Financial assets at fair value through profit or loss (1,000 euros)		31 Dec 2021 Equity securities	Debt securities	Total	31 Dec 2020 Equity securities	Debt securities	Total
Opening balance		**6,772**	**84**	**6,856**	**23,547**	**84**	**23,631**
+	Acquisitions	926	12	938	-	-	-
-	Sales	-612	-	-612	-18,418	-	-18,418
-	Matured during the year	-	-	-	-	-	-
+/-	Realised changes in value recognised on the income statement	188	-	188	1,644	-	1,644
+/-	Unrealised changes in value recognised on the income statement	2	-	2	-	-	-
+	Transfers to Level 3	-	-	-	-	-	-
-	Transfers to Level 1 and 2	-	-	-	-	-	-
Closing balance		**7,277**	**96**	**7,374**	**6,772**	**84**	**6,856**

At fair value through other comprehensive income (1,000 euros)		31 Dec 2021 Equity securities	Debt securities	Total	31 Dec 2020 Equity securities	Debt securities	Total
Opening balance		-	-	-	-	-	-
+	Acquisitions	-	-	-	-	-	-
-	Sales	-	-50	-50	-	-	-
-	Matured during the year	-	-226	-226	-	-	-
+/-	Realised changes in value recognised on the income statement	-	16	16	-	-	-
+/-	Unrealised changes in value recognised on the income statement	-	7	7	-	-	-
+/-	Changes in value recognised in other comprehensive income	-	-14	-14	-	-	-
+	Transfers to Level 3	-	268	268	-	-	-
-	Transfers to Level 1 and 2	-	-	-	-	-	-
Closing balance		-	-	-	-	-	-

Sensitivity analysis for financial assets on Level 3

(1,000 euros)		31 Dec 2021 Potential impact on equity			31 Dec 2020 Potential impact on equity		
Equity securities	Hypo-thetical change	Market value	Positive	Negative	Market value	Positive	Negative
At fair value through profit or loss	+/- 15%	7,277	1,092	-1,092	6,772	1,016	-1,016
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-
Total		**7,277**	**1,092**	**-1,092**	**6,772**	**1,016**	**-1,016**

(1,000 euros)		31 Dec 2021 Potential impact on equity			31 Dec 2020 Potential impact on equity		
Debt securities	Hypo-thetical change	Market value	Positive	Negative	Market value	Positive	Negative
At fair value through profit or loss	+/- 15%	96	14	-14	84	13	-13
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-
Total		**96**	**14**	**-14**	**84**	**13**	**-13**

G31 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.

Remuneration received by members of management	Salaries and rewards		Statutory pension costs		Cost for voluntary supplementary pension	
(1,000 euros)	1-12/2021	1-12/2020	1-12/2021	1-12/2020	1-12/2021	1-12/2020
Pasi Sydänlammi, CEO	600	649	104	113	119	119
Pasi Turtio, Deputy CEO	253	252	44	44	38	38
The rest of the Management Team*	635	629	110	109	-	-
Total	**1,488**	**1,530**	**257**	**265**	**156**	**156**

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

In addition to the short-term employment benefits reported in the table below, the management has not been paid any post-employment 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 2021 totalled EUR 913 thousand. Further information on the share-based incentive scheme is provided in Note G32.

Management employee benefits		
(1,000 euros)	31 Dec 2021	31 Dec 2020
Salaries and short-term employee benefits	1,488	1,530
Termination benefits	-	-
Post-employment benefits	156	156
Other long-term employee benefits	-	-
Share-based benefits	-	-
Total	**1,644**	**1,686**

The CEO and Deputy CEO are entitled to a statutory pension and the retirement age is determined by the statutory earnings-related pension plan. The statutory pension expenditure for the CEO and Deputy CEO in 2021 was altogether EUR 257 thousand (EUR 265 thousand in 2020).

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 amount of the pension is calculated on the basis of the calculation criteria, the terms of insurance and the price list of the accumulated insurance savings per insurer. In the event of death or permanent incapacity of the insured, a one-off indemnity of 100 percent of the insured's individual insurance savings will be paid to the beneficiary in accordance with the terms of the insurance. The voluntary pension expenses for the CEO and Deputy CEO in 2021 were altogether EUR 156 thousand (EUR 156 thousand in 2020).

Compensation for Board members	Salaries and rewards		Statutory pension costs		Cost for voluntary supplementary pension	
(1,000 euros)	1-12/2021	1-12/2020	1-12/2021	1-12/2020	1-12/2021	1-12/2020
Salmi Jarmo, Chairman	66	64	-	-	-	-
Mäkynen Jyrki, Vice Chairman	53	50	-	-	-	-
Hemminki Aila	40	37	-	-	-	-
Jaskari Aki	38	38	-	-	-	-
Kokkala Timo	39	38	-	-	-	-
Korpinen Heli, until 31 March 2021	5	37	-	-	-	-
Partanen Jarmo, from 31 March 2021	35	-	-	-	-	-
Sandström Jaana	39	38	-	-	-	-
Total	**312**	**302**	**-**	**-**	**-**	**-**

	31 Dec 2021			31 Dec 2020		
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	6,009	29,639	3,469	4,742	17,028	2,959
Deposits	1,433	1,970	7,664	1,217	528	5,854
Guarantees	50			50	-	-
Received interests	38	1,347	78	2	15	7
Service fees	3	22	10	-	-	4
Services bought		1,156		-	1,405	-

G32 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)	1-12/2021	1-12/2020
Maximum estimated number of gross shares at the start of the scheme	420,000	420,000
Date of issue	1/1/2020	1/1/2020
Share price at issue, weighted average fair value	8.79	8.79
Earning period begins	1/1/2020	1/1/2020
Earning period ends	12/31/2021	12/31/2021
Persons at the close of the financial year	11	10

G33 Leases

Assets, premises (1,000 euros)	31 Dec 2021	31 Dec 2020
Cost January 1	**9,097**	**5,624**
+ Increases (*	1,475	3,473
Cost at the end of the period	**10,572**	**9,097**
Accumulated depreciation and impairment losses January 1	**-2,735**	**-1,209**
- Depreciation	-1,786	-1,526
Accumulated depreciation and impairment losses at the end of the period	**-4,521**	**-2,735**
Opening balance January 1	**6,362**	**4,415**
Closing balance at the end of the period	**6,051**	**6,362**

*) Largely the increases in costs relate to the acquisition of Eurajoen Savings Bank's business and transferred lease agreements to equipment and premises. The expansion of Helsinki branch will increase the amount of lease liabilities with EUR 1.5 million during the second quarter in 2022.

Assets, equipment (1,000 euros)	31 Dec 2021	31 Dec 2020
Cost January 1	**601**	**532**
+ Increases	71	69
Cost at the end of the period	**672**	**601**
Accumulated depreciation and impairment losses January 1	**-358**	**-172**
- Depreciation	-176	-186
Accumulated depreciation and impairment losses at the end of the period	**-534**	**-358**
Opening balance January 1	**243**	**361**
Closing balance at the end of the period	**138**	**243**

Liabilities (1,000 euros)	31 Dec 2021	31 Dec 2020
Lease liabilities at the end of the period	8,648	6,733

Maturity analysis (undiscounted cash flows)		less than 1	1–5 years	over 5 years
	31 Dec 2021	2,339	6,185	124
	31 Dec 2020	1,879	4,826	29

Impact on result (1,000 euros):	31 Dec 2021	31 Dec 2020
Rental income, other operating income	99	193
Rental income, investment properties	280	383
Depreciation		
Premises	-1,786	-1,526
Equipment	-176	-186
Interest expenses	-79	-75
Leases of short-term leases	-194	-84
Leases of low-value assets	-1,035	-893
Lease expenses total	**-2,892**	**-2,189**

Cash flow from leases	31 Dec 2021	31 Dec 2020
	-2,793	-2,059

G34 Entities and changes in the Group structure included in the Consolidated Financial Statements

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

	Domicile	Type of interest	The Group's share of ownership	
			31.12.2021	31.12.2020
Kiinteistö Oy Lappeenrannan Säästökeskus	Lappeenranta	Subsidiary	100.00%	100.00%
SAV-Rahoitus Oyj	Helsinki	Subsidiary	50.73%	50.73%
Kiinteistö Oy Sofian Tupa	Seinäjoki	Subsidiary	0.00%	100.00%
Figure Taloushallinto Oy	Espoo	Joint venture	25.00%	25.00%
GT Invest Oy	Helsinki	Associated company	48.67%	48.67%
City Kauppapaikat	Helsinki	Associated company	42.10%	42.10%
Asunto Oy Oma Säästöpankin talo	Seinäjoki	Joint operation	25.50%	25.50%
Deleway Projects Oy	Seinäjoki	Associated company	49.00%	49.00%

Changes for the financial year 2021

In June, Oma Savings Bank sold the shares of real estate company Sofian Tupa. It was an investment property. The company will no longer be consolidated into Oma Savings Bank Group.

Changes for the financial year 2020

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 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 Kiinteistö Osakeyhtiö Sofian 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.

Investments in significant associates and joint ventures

Value of the investment (1,000 euros)	31 Dec 2021	31 Dec 2020
Figure Taloushallinto Oy	200	200
GT Invest Oy	5,500	5,500
Deleway Projects Oy	2,000	2,000
City Kauppapaikat Oy	16,300	16,300
Total balance sheet value	**24,000**	**24,000**

	Holding, %			
	31 Dec 2021	31 Dec 2020	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%	49.0%	Trade of own real estate	Seinäjoki
City Kauppapaikat Oy	42.1%	42.1%	Rental and management of other properties	Helsinki

G35 Business acquisitions

Acquisition of Eurajoen Savings Bank's business

Company's Board of Directors decided to acquire the business of Eurajoen Savings Bank in accordance with the acquisition plan. In September, in accordance with a decision made by the governing body of Eurajoen Savings Bank, Eurajoen Savings Bank transferred its entire business to the company except for the minor assets mentioned in the acquisition plan. The registration date for the implementation of the business transfer was 30 November 2021. The purchase price of the business acquisition was paid half in cash and half by issuing shares.

The values of the assets acquired and liabilities taken to bear were at the time of acquisition:

Business combination	EUR million
Loans and advances to public and credit institutions	328.3
Accruals and other assets	6.3
Deposits from public and credit institutions	-294.2
Accruals and other liabilities	-10.9
Liability, consortium of Saving banks	-6.5
Acquired net assets	**23.0**
Purchase price, settled in cash	7.7
Purchase price, settled in share issue	7.7
Cost of combination	**15.5**
Negative goodwill	**7.5**

According to estimates, the positive profit impact of the business transfer will be EUR 14.0 million for the company. Of this profit impact, EUR 7.5 million is negative goodwill, which has been recognised in the company's results for the financial year 2021. Negative goodwill has been formed as the difference between the net assets of the acquired business and the purchase price. The formation of negative goodwill was facilitated by market conditions at the time of the agreement and favorable terms for the company. The net assets acquired in the acquisition of the business exceeded the acquisition price. Assets and liabilities are measured at fair value. Leases have been valued in accordance with IFRS 16.

In connection with the transitioning of the business, a liability of EUR 6.5 million was recognised in the company's balance sheet to cover a payment obligation related to the fixed-term liability of Eurajoen Savings Bank being a credit institution member leaving the consortium of savings banks (Law on the consortium of deposit banks 599/2010). The amount of liability will be estimated annually, and the liability item is estimated to be recognised as income over the next five years.

The value of receivables received in the acquisition of the business is approx. EUR 328.3 million and in this at the time of the acquisition has been taken into account the gross value of receivables of EUR 0.5 million as a reduction in expected credit losses. The effect is presented in Note G24 under "New debt securities".

Negative goodwill recognised from the acquisition is presented in the cash flow statement in cash flow adjustments. The cash payment paid for the acquisition and the net effect of the merging bank on balance sheet items is EUR 43.3 million presented in the cash flow statement is line Acquisition or sale of business, in Cash flows from financing activities.

Operating income after the acquisition, EUR 0.5 million are included in the income statement for 2021. According to the management's estimate, Oma Savings Bank Group's operating income in 2021 would have been EUR 163 million and profit before taxes EUR 86.3 million, if the acquired business had been consolidated in the consolidated financial statements from the beginning of the financial year 2021.

The acquisition increased the company's balance sheet by approximately EUR 335 million. Approximately 12,000 private and corporate customers transferred in the acquisition of the business. 33 people transferred as former employees. The total cost of the arrangement was EUR 4.4 million and will mainly be for 2021.

G36 Significant events after the period

In early 2022, the company's Board of Directors approved the IRB permit application package and the company decided to initiate a permit process with the Finnish Financial Supervisory Authority (FIN-FSA) on the application of IRB method in capital adequacy. In the first stage, the company applies permission to apply an internal risk classification under the IRB method to calculate capital requirements for retail credit risk liabilities.

At its meeting on 26 January 2022, the Shareholders' Nomination Committee proposed to the company's Annual General Meeting that the number of Board members 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, Partanen, Jarmo Salmi and Jaana Sandström to be re-elected as members of the Board of Directors. All nominees have given their consent to the election and are independent at the time of the election in their relationship with the company and its significant shareholders.

There are no 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 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's balance sheets and Group's 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)%

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

Cost/income ratio, %

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

Comparable cost/income ratio, %

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

Comparable profit before taxes

Profit/loss before taxes without items effecting comparability

Return on equity, ROE %

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

Comparable return on equity, ROE %

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

Total return on assets, ROA %

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

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

Equity ratio, %

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

Total capital (TC), %

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

Common Equity Tier 1 (CET1) capital ratio, %

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

Tier 1 (T1), capital ratio, %

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

Leverage ratio, %

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

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)	1-12/2021	1-12/2020
P25	Interest income	83,838	71,194
P25	Interest expenses	-4,403	-4,096
	Net interest income	**79,436**	**67,098**
P26	Income from equity investments	497	284
P27	Fee and commission income	37,912	32,586
P27	Fee and commission expenses	-5,352	-4,502
P28	Net income from securities trading and foreign currency trading	4,752	4,847
P29	Net income from assets at fair value through fair value reserve	21	8,044
P30	Net income from hedge accounting	8	114
P31	Net income from investment properties	112	-3,300
P32	Negative goodwill	7,535	-
P32	Other operating income	29,712	2,841
	Administrative expenses	**-43,245**	**-37,020**
P33	Personnel expenses	-19,350	-15,855
P34	Other administrative expenses	-23,895	-21,165
P35	Depreciation, amortisation and impairment on tangible and intangible assets	-7,590	-2,713
P32	Other operating expenses	-11,543	-10,124
P36	Expected credit losses from financial assets at amortised cost	-6,036	-20,170
P36	Expected credit losses and impairment from other financial assets	-602	167
	Operating profit	**85,615**	**38,151**
	Appropriations	-23,815	-14,304
	Income taxes	-12,349	-4,075
	Profit (loss) from ordinary activities after taxes	**49,451**	**19,772**
	Profit (loss) for the period	**49,451**	**19,772**

Oma Savings Bank Plc Balance sheet

Note	Assets (1,000 euros)	31 Dec 2021	31 Dec 2020
	Cash and cash equivalents	198,046	262,087
	Debt securities eligible for refinancing with central banks	564,690	459,699
P3	Loans and advances to credit institutions	86,330	74,161
P3	Loans and advances to the public and public sector entities	4,331,047	3,426,670
P4	Debt securities	52,659	39,872
	Public sector entities	11,109	11,440
	From others	41,550	28,432
P5	Shares and other equity	51,722	47,973
P6	Derivative contracts	2,240	796
P7	Intangible assets	12,247	13,123
P8	Tangible assets	17,245	23,619
	Investment property and shares and interests in investment property	1,709	7,231
	Other property and shares and interests in property companies	13,837	14,491
	Other tangible assets	1,699	1,897
P10	Other assets	30,759	412
P11	Accrued income and prepayments	15,393	11,715
P17	Deferred tax assets	6,258	3,099
	Assets, total	**5,368,635**	**4,363,227**

Note	Liabilities and equity (1,000 euros)	31 Dec 2021	31 Dec 2020
	Liabilities		
P11	Liabilities to credit institutions	212,685	223,510
P11	Liabilities to the public and public sector entities	2,897,879	2,376,799
	Deposits	2,897,846	2,376,743
	Other liabilities	33	56
P12	Debt securities issued to the public	1,762,324	1,333,975
P13	Other liabilities	18,661	12,130
P14	Accrued expenses and deferred income	26,047	18,496
P14	Subordinated liabilities	15,000	15,000
P16	Deferred tax liabilities	1,314	2,781
	Liabilities, total	**4,933,909**	**3,982,691**
	Appropriations		
P13	Voluntary provisions	147,478	123,663
	Appropriations, total	**147,478**	**123,663**
P23	**Equity**		
P24	Share capital	24,000	24,000
	Other restricted reserves		
	Fair value reserve	-492	10,824
	Non-restricted reserves	145,288	137,488
	Reserve for invested non-restricted equity	145,288	137,488
	Retained earnings (loss)	69,000	64,790
	Profit (loss) for the period	49,451	19,772
	Equity, total	**287,247**	**256,873**
	Liabilities and equity, total	**5,368,635**	**4,363,227**

Off-balance sheet commitments (1,000 euros)	31 Dec 2021	31 Dec 2020
Commitments given to a third party on behalf of a customer	**31,030**	**26,130**
Guarantees and pledges	30,818	25,976
Other	212	154
Irrevocable commitments given in favour of a customer	**379,163**	**264,741**
Undrawn credit facilities	379,163	264,741

Oma Savings Bank Plc Cash flow statement

(1,000 euros)	1-12/2021	1-12/2020
Cash flow from operating activities		
Operating income after taxes	**49,451**	**19,772**
End-of-period adjustments*	**43,763**	**45,251**
Increase (-) or decrease (+) in receivables from operating activities	**-770,364**	**-711,783**
Debt securities	-120,976	-228,013
Loans and advances to credit institutions	-5,288	-8,556
Loans and advances to the public and public sector entities	-643,835	-500,567
Shares and other equity	1,903	26,513
Other assets	-2,169	-1,159
Increase (+) or decrease (-) in liabilities from operating activities	**199,923**	**519,317**
Liabilities to credit institutions	-91,094	135,465
Liabilities to the public and public sector entities	298,563	376,869
Other liabilities	-7,545	6,984
Paid income taxes	-7,301	-2,473
Cash flow from operating activities, total	**-484,527**	**-129,916**
Cash flow from investing activities		
Investments in shares and other equity, increases	-	-18,309
Investments in shares and other equity, decreases	-	9,752
Investments in tangible and intangible assets	-5,940	-11,556
Transfers of tangible and intangible assets	5,654	5,460
Cash flow from investing activities, total	**-287**	**-14,654**
Cash flow from financing activities		
Dividends paid	-12,699	-
Other monetary increases in equity items	-2,863	-
Acquisition or sale of business	43,391	-
Debt securities issued to the public	397,777	405,970
Cash flow from financing activities, total	**425,606**	**405,970**
Net change in cash and cash equivalents	**-59,207**	**261,400**
Cash and cash equivalents at the beginning of the period	312,948	51,549
Cash and cash equivalents at the end of the period	253,741	312,948
Cash and cash equivalents in the cash flow statement consist of the following items:		
Cash and cash equivalents	198,046	262,087
Receivables from credit institutions repayable on demand	55,695	50,861
Total	**253,741**	**312,948**
Additional information on the cash flow statement		
Received interests	83,096	80,016
Paid interests	3,599	4,491
Dividends received	497	284
***End-of-period adjustments:**		
Appropriations	23,815	14,304
Taxes on income statement	-480	-2,241
Changes in fair value	-9	-114
Expected credit losses and impairment losses	6,638	20,004
Depreciation, amortisation and impairment loss on intangible and tangible assets	7,606	3,066
Negative goodwill	-7,535	-
Other adjustments	13,727	10,232
Total	**43,763**	**45,251**

Parent Company's Notes

P1 Accounting principles for the Parent Company

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 Finnish Financial Supervisory Authority on accounting, financial statements and management reports for the financial sector.

1. 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.

2. 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 recognised 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 financial assets when the contractual rights to cash flows from the financial assets 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 corporate customer loans), the company considers changes in behavioral 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 behavioral 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
- Loans to corporate customers

Private customers' home mortgages and consumer credits and corporate 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 behavior 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 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 recognised 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.

3. 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.

4. 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 recognised 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 recognised 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.

5. 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.

6. 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.

7. 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.

8. 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 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.

9. 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 3–8 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.

10. 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.

11. 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 2021

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	198,046	-	-	198,046	198,046
Loans to credit institutions	86,330	-	-	86,330	86,330
Loans to the public and public sector entities	4,330,374	-	-	4,330,374	4,330,374
Debt securities	-	995	616,353	617,349	617,349
Shares and other equity	-	26,069	-	26,069	26,069
Derivatives	-	2,240	-	2,240	2,240
Loans to the public and public sector entities	-	673	-	673	673
Assets total	**4,614,750**	**29,977**	**616,353**	**5,261,080**	**5,261,080**
Shares, participations and subsidiaries				**25,653**	**25,653**
Investment property				**1,709**	**1,787**
Non-financial assets				**80,192**	**80,192**
Total assets				**5,368,635**	**5,368,713**

31 Dec 2021

Financial liabilities (1 000 euros)	Amortised cost	Fair value through profit or loss	Bookkeeping value, total	Fair value
Loans and advances to credit institutions	212,685	-	212,685	212,685
Loans to the public and public sector entities	2,897,879	-	2,897,879	2,897,879
Subordinated loans	15,000	-	15,000	15,000
Debt securities issued to the public	1,762,324	-	1,762,324	1,762,324
Financial liabilities total	**4,887,888**	**-**	**4,887,888**	**4,887,888**
Other than financial liabilities			46,021	46,021
Total liabilities			**4,933,909**	**4,933,909**

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 public sector entities	-	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	**3,015,235**	**61,005**	**268,271**	**4,363,227**	**4,363,303**

31 Dec 2020 Financial liabilities (1,000 euros)	Amortised cost	Fair value through profit or loss	Book 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**

P3 Loans and advances to credit institutions and to the public and public sector entities

Loans and advances to credit institutions (1,000 euros)	31 Dec 2021	Of which loss allowance	31 Dec 2020	Of which loss allowance
Payable on demand	**55,695**	**-**	**50,861**	**-**
From the central financial institution	45,991	-	40,187	-
From domestic credit institutions	9,705	-	10,674	-
Other	**30,634**	**-**	**23,299**	**-**
Minimum reserve deposit	30,134	-	22,799	-
From domestic credit institutions	500	-	500	-
Total	**86,330**	**-**	**74,161**	**-**

Loans and advances to the public and public sector entities (1,000 euros)	31 Dec 2021	Of which loss allowance	31 Dec 2020	Of which loss allowance
Companies and housing associations	1,342,297	14,753	1,050,819	11,271
Financial and insurance institutions	77,786	134	36,322	30
Public sector	3,538	12	3,009	-
Households	2,888,946	8,977	2,320,942	11,577
Non-profit organisations serving households	18,479	1,940	15,578	440
Total	**4,331,047**	**25,817**	**3,426,670**	**23,318**
- of which subordinated receivables	673	-	500	-

Matured and non-performing receivables (1,000 euros)	31 Dec 2021	31 Dec 2020
over 90 days matured receivables	27,942	44,236
of which likely to be unpaid, which are undue or less than 90 days due	58,182	14,003
Matured and non-performing receivables, total	**86,123**	**58,239**
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	2,219	350
Amount of final credit losses recorded on assets for the financial year	4,998	13,120

Loans and advances to credit institutions, amortised (1 000 euros)	Stage 1	Stage 2	Stage 3	31 Dec 2021 Total	31 Dec 2020 Total
Expected credit losses 1.1.	**1,935**	**8,273**	**14,084**	**24,292**	**17,523**
Transfer to stage 1	114	-866	-57	-809	-114
Transfer to stage 2	-99	606	-346	161	588
Transfer to stage 3	-12	-245	4,107	3,850	3,224
New debt securities	1,650	574	1,319	3,543	3,007
Matured debt securities	-1,058	-898	-3,590	-5,547	-5,866
Realised credit losses	-	-1	-3,000	-3,001	-4,777
Recoveries on previous realised credit losses	-	-	-	1,558	-
Changes in credit risk	82	-527	2,002	-	5,336
Changes in the ECL model parameters	-	-	-	-	241
Manual corrections, at credit level	-205	-500	3,401	2,696	5,131
Expected credit losses 31.12.	**2,407**	**6,416**	**17,920**	**26,743**	**24,292**

P4 Debt securities

(1,000 euros)	31 Dec 2021			31 Dec 2020		
	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	**995**	**-**	**-**	**171**	**-**	**-**
Other	185	-	-	171	-	-
Publicly quoted	810			-		
Recognised at fair value through fair value reserve	**616,353**	**564,690**	1,158	**499,401**	**459,699**	**493**
Publicly quoted	616,145	564,690	1,156	499,189	459,699	490
Other	208	-	1	212	-	3
Total	**617,349**	**564,690**	**1,158**	**499,572**	**459,699**	**493**
of which subordinated receivables	374	-	-	171	-	-

				31 Dec 2021	31 Dec 2020
Debt securities, amortised (1 000 euros)	Stage 1	Stage 2	Stage 3	Total	Total
Expected credit losses 1.1.2018	**313**	**180**	**-**	**493**	**660**
Transfer to stage 1	12	-130	-	-118	-
Transfer to stage 2	-2	-	-	-1	15
Transfer to stage 3	-	-	-	-	-
New debt securities	194	31	-	225	387
Matured debt securities	-71	-41	-	-112	-512
Realised credit losses	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-
Changes in credit risk	156	-21	-	135	4,908
Changes in the ECL model parameters	-	-	-	-	-3,170
Changes based on management estimates	536	-	-	536	-1,794
Expected credit losses 31 December	**1,138**	**19**	**-**	**1,158**	**493**

P5 Shares and other equity

(1,000 euros)	31 Dec 2021	31 Dec 2020
At fair value through profit or loss		
Publicly quoted	16,948	13,837
Other	9,263	8,626
At fair value through profit or loss, total	**26,212**	**22,463**
Of which in credit institutions	2,300	1,844
Of which in other companies	23,912	20,619
At amortised cost		
Shares and holdings in participation companies	**23,989**	**23,988**
Of which in credit institutions	-	-
Of which in other companies	23,989	23,988
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	**25,511**	**25,510**
Total shares	**51,722**	**47,973**

P6 Derivative contracts

Nominal values of derivative contracts

(1,000 euros)	31 Dec 2021			
Residual maturity	**less than 1 year**	**1-5 years**	**over 5 years**	**Total**
Hedging derivative contracts	21,516	53,880	-	75,396
Fair value hedge				
Interest rate derivatives				
Interest rate swaps	5,000	10,000	-	15,000
Other hedging derivatives				
Stock derivatives	16,516	43,880	-	60,396

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**	**-**	**81,222**
Fair value hedge				
Interest rate derivatives				
Interest rate swaps	32,948	48,274	-	81,222

Fair values of derivative contracts

	31 Dec 2021		31 Dec 2020	
(1,000 euros)	Assets	Liabilities	Assets	Liabilities
Hedging derivative contracts				
Fair value hedge	**686**	**-**	**-**	**-**
Interest rate derivatives	686	-	-	-
CVA and DVA adjustments	-	-	-	-
Other hedging derivatives	**1,554**	**-**	**796**	**-**
Stock derivatives	1,628	-	853	-
CVA and DVA adjustments	-74	-	-57	-
Total	**2,240**	**-**	**796**	**-**

Profit or loss resulting from the hedged risk of the hedging instrument (1 000 euros)	31 Dec 2021	31 Dec 2020
Change in the value of hedged object	1,854	253

P7 Intangible assets

(1,000 euros)	31 Dec 2021	31 Dec 2020
IT expenses	3,984	251
Goodwill	1,000	1,500
Unfinished intangible assets	4,098	8,054
Other intangible assets	3,165	3,318
Total	**12,247**	**13,123**

Intangible assets	31 Dec 2021	31 Dec 2020
Acquisition cost January 1	**25,194**	**20,690**
+ increases during the accounting period	1,065	3,974
- decreases during the accounting period	-	-394
+ transfers between items	-62	924
Acquisition cost December 31	26,197	25,194
Accrued amortisation and impairment January 1	-12,070	-10,524
+/- accrued amortisation on decreases and transfers	-	305
- amortisation during the accounting period	-1,880	-1,851
Accrued amortisation and impairment December 31	-13,950	-12,070
Closing balance December 31	**12,247**	**13,123**
Opening balance January 1	13,123	10,165

P8 Tangible assets

(1,000 euros)	31 Dec 2021 Book value	31 Dec 2021 Fair value	31 Dec 2020 Book value	31 Dec 2020 Fair value
Land and water				
In own use	252	252	319	319
Used for investments	764	764	876	876
Total	**1,016**	**1,016**	**1,195**	**1,195**
Buildings				
In own use	226	226	313	313
Used for investments	44	44	68	68
Total	**270**	**270**	**381**	**381**
Shares and other equity in property companies				
In own use	13,359	13,359	13,859	13,859
Used for investments	901	979	6,287	6,363
Total	**14,260**	**14,338**	**20,146**	**20,222**
Other tangible assets	**1,699**		**1,897**	
Tangible assets, total	**17,245**		**23,619**	

Investment properties have been measured at acquisition cost.

31 Dec 2021 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	**8,324**	**17,821**	**11,074**	**37,220**
+ increases during the accounting period	-	-	280	280
- decreases during the accounting period	-5,950	-694	-4	-6,648
+/- transfers between items	5	-5	62	62
Acquisition cost December 31	**2,380**	**17,122**	**11,412**	**30,914**
Accrued depreciation and impairment January 1	**-1,093**	**-3,330**	**-9,177**	**-13,601**
+/- accrued depreciation on decreases and transfers	436	570	4	1,010
- depreciation during the accounting period	-13	-25	-539	-577
- impairment during the accounting period	-	-500	-	-500
Accrued depreciation and impairment December 31	-670	-3,285	-9,712	-13,668
Closing Balance December 31	**1,709**	**13,837**	**1,699**	**17,245**
Opening Balance January 1	**7,231**	**14,491**	**1,897**	**23,619**

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
- depreciation 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**

P9 Other assets

(1,000 euros)	31 Dec 2021	31 Dec 2020
Receivables on payment transfers	82	100
Receivables from securities	30,034	-
Other	643	312
Total	30,759	412

P10 Accured income and prepayments

(1,000 euros)	31 Dec 2021	31 Dec 2020
Interests	11,632	8,795
Other	3,761	2,921
Total	**15,393**	**11,715**

P11 Liabilities to the public and public sector entities and liabilities to credit institutions

Liabilities to the public and public sector entities

(1,000 euros)	31 Dec 2021	31 Dec 2020
Deposits	**2,897,846**	**2,376,743**
Repayable on demand	2,771,682	2,187,865
Other	126,164	188,878
Other liabilitites	**33**	**56**
Other	33	56
Total	**2,897,879**	**2,376,799**

Liabilities to credit institutions

(1,000 euros)	31 Dec 2021	31 Dec 2020
Liabilities to central banks	150,000	150,000
Repayable on demand	10,784	10,768
Other	51,901	62,742
Total	**212,685**	**223,510**

P12 Debt securities issued to the public

(1,000 euros)	31 Dec 2021 Closing balance	31 Dec 2021 Nominal value	31 Dec 2020 Closing balance	31 Dec 2020 Nominal value
Certificates of deposit	204,944	205,000	127,453	127,500
Bonds	1,557,380	1,555,000	1,206,522	1,205,000
Total	**1,762,324**	**1,760,000**	**1,333,975**	**1,332,500**

Maturity of bonds	Nominal value	Interest	Year of issue	Due date	Closing balance 31 Dec 2021	Closing balance 31 Dec 2020
OmaSp Plc 12.12.2022, covered bond	350,000	0,125%/fixed	2017-2018	12/12/2022	349,520	349,015
OmaSp Plc 3.4.2024, covered bond	300,000	0,125%/fixed	2019	4/3/2024	299,245	298,912
OmaSp Plc 6.4.2023, covered bond	250,000	0,125%/fixed	2020	4/6/2023	249,440	248,998
OmaSp Plc 17.1.2024	55,000	margin 1%/variable	2020	17.1.2024	54,997	54,996
OmaSp Plc 25.11.2027, covered bond	400,000	0,01%/fixed	2020-2021	11/25/2027	404,710	254,601
OmaSp Plc 19.5.2025	200,000	margin 0,2%/variable	2021	5/19/2025	199,468	-
					1,557,380	**1,206,522**

Maturity of deposit certificates	less than 3 months	3-6 months	6-9 months	9-12 months	Closing balance, total
12/31/2021	64,996	80,982	28,992	29,974	**204,944**
12/31/2020	70,991	40,480	-	15,981	**127,452**

P13 Provisions

Provisions (1,000 euros)	31 Dec 2021	31 Dec 2020
Tax-based credit loss provisions	147,478	123,663
Total	**147,478**	**123,663**

Other liabilities (1,000 euros)	31 Dec 2021	31 Dec 2020
Liabilities on payment transfers	8,977	7,313
Expected credit loss on loan commitments	926	974
Payment liability, consortium of Savings Banks	6,500	-
Other	2,259	3,844
Total	**18,661**	**12,130**

Payment liability booked to Oma Savings Bank in the acquisition of Eurajoen Savings bank's business. More details are given in Note G35.

P14 Accrued expenses and deferred income

(1,000 euros)	31 Dec 2021	31 Dec 2020
Interests	6,379	9,041
Other	19,669	9,455
Total	**26,047**	**18,496**

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 2021	31 Dec 2020	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 2021	31 Dec 2020
Oma Savings Bank Plc's debenture loan I/2017	3,261	6,260
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 2021	31 Dec 2020
Tax receivables calculated from other temporary differences	4,821	3,024
Amount of deferred tax assets due to fair value reserve	1,436	75
Deferred tax assets total	**6,258**	**3,099**

Tax liabilities calculated from other temporary differences	232	99
Amount of deferred tax liabilities due to fair value reserve	1,082	2,682
Deferred tax liabilities total	**1,314**	**2,781**

Deferred tax liabilities and assets are recognised in the fair value reserve for changes in the fair value of certificates of receivables and equity securities and expected credit losses, as well as other temporary differences between accounting and taxation. In connection with the acquisition of Eurajoen Savings Bank's business, a deferred tax asset of EUR 1.3 million was recorded in the balance sheet.

P17 Maturity distribution of financial assets and liabilities

Financial assets (1,000 euros)	31 Dec 2021					
	Less than 3	3 - 12 months	1 - 5 years	5 - 10 years	Over 10 years	Total
Debt securities eligible for refinancing with central banks	-	4,014	187,085	275,293	98,297	**564,690**
Loans and advances to credit institutions	55,695	30,634	-	-	-	**86,330**
Loans and advances to the public and public sector entities	75,952	451,620	1,434,371	1,107,424	1,261,680	**4,331,047**
Debt securities	1,551	1,501	32,855	16,131	621	**52,659**
Derivative contracts	46	584	1,609	-	-	**2,240**
Total	**133,24**	**488,354**	**1,655,921**	**1,398,848**	**1,360,597**	**5,036,965**

Financial assets (1,000 euros)	31 Dec 2020					
	Less than 3	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	50,861	23,299	-	-	-	**74,161**
Loans and advances to the public and public sector entities	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	**125,14**	**430,658**	**1,277,913**	**1,082,538**	**1,084,947**	**4,001,199**

Financial liabilities (1,000 euros)	31 Dec 2021					
	Less than 3	3 - 12 months	1 - 5 years	5 - 10 years	Over 10 years	Total
Liabilities to credit institutions and central banks	10,784	12,217	173,321	16,364	-	**212,685**
Liabilities to the public and public sector entities	2,795,011	57,823	45,012	33	-	**2,897,879**
Debt securities issued to the public	20,000	534,464	803,150	404,710	-	**1,762,324**
Subordinated debts	-	-	15,000	-	-	**15,000**
Total	**2,825,795**	**604,504**	**1,036,483**	**421,107**	**-**	**4,887,888**

Financial liabilities (1,000 euros)	31 Dec 2020					
	Less than 3	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 public sector entities	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**

Loans and advances to the public and public sector entities, 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	31 Dec 2021		31 Dec 2020	
(1,000 euros)	Domestic currency	Foreign currency	Domestic currency	Foreign currency
Debt securities eligible for refinancing with central banks	564,690	-	459,699	-
Loans and advances to credit institutions	86,330	-	74,161	-
Loans and advances to the public and public sector entities	4,331,047	-	3,426,670	-
Debt securities	52,659	-	39,872	-
Derivative contracts	2,240	-	796	-
Other assets	329,683	1,987	360,174	1,854
Total	**5,366,648**	**1,987**	**4,361,373**	**1,854**

Liabilities	31 Dec 2021		31 Dec 2020	
(1,000 euros)	Domestic currency	Foreign currency	Domestic currency	Foreign currency
Liabilities to credit institutions and central banks	212,685	-	223,510	-
Liabilities to the public and public sector entities	2,897,879	-	2,376,799	-
Debt securities issued to the public	1,762,324	-	1,333,975	-
Subordinated liabilities	15,000	-	15,000	-
Other liabilities	19,974	-	14,911	-
Accrued expenses and deferred income	26,047	-	18,496	-
Total	**4,933,909**	**-**	**3,982,691**	**-**

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 2021		31 Dec 2020	
(1,000 euros)	Book value	Fair value	Book value	Fair value
Cash and cash equivalents	198,046	198,046	262,087	262,087
Loans and advances to credit institutions	86,330	86,330	74,161	74,161
Loans and advances to the public and the public sector entities	4,331,047	4,331,047	3,426,670	3,426,670
Debt securities	617,349	617,349	499,572	500,072
Shares and other equity	51,722	51,722	47,973	47,973
Derivative contracts	2,240	2,240	796	796
Total	**5,286,733**	**5,286,733**	**4,311,259**	**4,311,759**

Financial liabilities	31 Dec 2021		31 Dec 2020	
(1,000 euros)	Book value	Fair value	Book value	Fair value
Liabilities to credit institutions	212,685	212,685	223,510	223,510
Liabilities to the public and public sector entities	2,897,879	2,897,879	2,376,799	2,376,799
Debt securities issued to the public	1,762,324	1,762,324	1,333,975	1,333,975
Subordinated liabilities	15,000	15,000	15,000	15,000
Total	**4,887,888**	**4,887,888**	**3,949,284**	**3,949,284**

31 Dec 2021	Level 1	Level 2	Level 3	Total
Financial instruments measured at fair value	634,028	4,227	7,546	**645,801**

31 Dec 2020	Level 1	Level 2	Level 3	Total
Financial instruments measured at fair value	513,325	2,650	6,856	**522,831**

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 2021			31 Dec 2020		
	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	616,353	-8	-1,772	499,401	8,005	13,037
Financial assets at fair value through profit or loss	29,448	4,397	-	23,430	2,612	-
Total	**645,801**	**4,389**	**-1,772**	**522,831**	**10,616**	**13,037**

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 D-level in the bank's internal credit rating and credit ratings Ca - bankruptcy of external credit ratings, are considered to be defaulting.

The 'No rating' item includes loans and debt securities for which the company 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 2021	31 Dec 2020
Loans and off-balance sheet commitments (1,000 euros)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Total**
Risk rating 1	2,740,333	123,540	13,403	2,877,276	2,247,303
Risk rating 2	1,154,393	128,782	7,865	1,291,041	1,043,172
Risk rating 3	178,281	83,574	7,316	269,171	227,703
Risk rating 4	13,303	43,933	41,301	98,537	106,583
No rating	181,015	1,110	2,421	184,547	15,143
Capital items by risk rating, total	**4,267,326**	**380,939**	**72,306**	**4,720,571**	**3,639,904**
Allowance for credit losses	2,407	6,416	17,920	26,743	**18,492**
Total	**4,264,918**	**374,523**	**54,386**	**4,693,827**	**3,621,412**

				31 Dec 2021	31 Dec 2020
Debt securities (1,000 euros)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Total**
Risk rating 1	436,250	-	-	436,250	324,850
Risk rating 2	14,000	-	-	14,000	10,000
Risk rating 3	-	-	-	-	-
Risk rating 4	-	-	-	-	-
No rating	142,876	2,900	-	145,776	126,676
Capital items by risk rating, total	**593,126**	**2,900**	**-**	**596,026**	**461,526**
Allowance for credit losses	1,138	19	-	1,158	**493**
Total	**591,988**	**2,881**	**-**	**594,868**	**461,033**

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 defaulting.

The 'No rating' item includes loans and debt securities for which the company 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 2021	31 Dec 2020
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	1,129,335	220,406	52,647	44,780	74,062	**1,521,230**	**1,167,682**
Agriculture	36,922	4,398	979	1,021	117	**43,437**	**32,757**
Real estate	646,380	121,662	20,980	22,084	49,875	**860,980**	**652,398**
Construction	73,219	14,293	5,976	2,388	2,871	**98,746**	**78,231**
Wholesale and retail	95,689	25,252	3,541	3,043	4,209	**131,735**	**103,678**
Industry	42,725	8,279	3,734	6,753	2,381	**63,872**	**58,058**
Transportation and storage	28,775	1,899	1,115	1,176	593	**33,559**	**29,582**
Other	205,624	44,624	16,321	8,315	14,017	**288,901**	**212,978**
Public sector entities	3,264	-	-	-	1,017	**4,280**	**3,239**
Non-profit organisations	15,673	912	56	20	3,274	**19,935**	**17,385**
Finance and insurance	82,628	1,474	119	-	114	**84,334**	**37,936**
Households	1,646,376	1,068,249	216,349	53,737	106,080	**3,090,791**	**2,413,662**
Total December 31	**2,877,276**	**1,291,041**	**269,171**	**98,537**	**184,547**	**4,720,571**	**3,639,904**

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 2021**	**31 Dec 2020**	**Description of collateral held**
Home mortgages	2,280,264	1,780,099	Mostly residential real estate collateral
Corporate loans	1,226,335	951,807	Mostly property collateral
Consumer credit	333,469	300,188	Mostly residential real estate collateral
Other	489,402	394,435	Mostly property collateral
Loans and advances to the public and public sector entities	**4,329,471**	**3,426,528**	

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	10,824	63,771	-75,087	-492
Fair value reserve	10,824	63,771	-75,087	-492
Measured at fair value	10,824	63,771	-75,087	-492
Non-restricted reserves	137,488	7,800	-	145,288
Reserve for invested non-restricted equity	137,488	7,800	-	145,288
Retained earnings	64,790	19,772	-15,562	69,000
Profit for the period	19,772	49,451	-19,772	49,451
Equity, total	**256,873**	**140,794**	**-110,420**	**287,247**

Changes in fair value reserve during the accounting period

	31 Dec 2021			
(1,000 euros)	Debt securities	Shares and other equity	Cash flow hedge	Total
Fair value reserve January 1, 2021	**10,824**	**-**	**-**	**10,824**
Increases	12,461	-	-	12,461
Decreases	-24,315	-	-	-24,315
Reclassified from the fair value reserve to the income statement	7	-	-	7
Expected credit losses	532	-	-	532
Changes in fair value reserve 2021, total	**-11,316**	**-**	**-**	**-11,316**
Fair value reserve December 31, 2020 (gross)	-614	-	-	-614
Deferred tax assets (+)/ liabilities (-)	123	-	-	123
Fair value reserve December 31, 2021	**-492**	**-**	**-**	**-492**

	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, 2019 (gross)	13,530	-	-	13,530
Deferred tax assets (+)/ liabilities (-)	-2,706	-	-	-2,706
Fair value reserve December 31, 2020	**10,824**	**-**	**-**	**10,824**

Calculation of distributable equity (1,000 euros)	31 Dec 2021	31 Dec 2020
Retained earnings	69,000	64,790
Profit for the financial period	49,451	19,772
Invested unrestricted equity fund	145,288	137,488
Capitalized development expenditure	-6,690	-4,802
Total	**257,049**	**217,247**

Other committed 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 and the funds received from the directed share issue to Eurajoen Savings Bank in the ended financial year.

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 29,62,033 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, 2021		Ownership December 31, 2020	
	Number of shares	% in shares	Number of shares	% in shares
South Karelia's Savings Bank Foundation	9,078,759	30.3	10,078,759	34.1
Parkano's Savings Bank Foundation	3,290,000	11.0	3,366,000	11.4
Töysä's Savings Bank Foundation	2,970,000	9.9	2,970,000	10.0
Kuortane's Savings Bank Foundation	1,920,000	6.4	1,960,000	6.6
Hauho's Savings Bank Foundation	1,649,980	5.5	1,680,000	5.7
Renko's Savings Bank Foundation	1,079,661	3.6	1,120,000	3.8
Suodennieme's Savings Bank Foundation	805,000	2.7	805,000	2.7
Elo Mutual Pension Insurance Company	788,405	2.6	788,405	2.7
Savolainen Heikki Antero*	777,158	2.6	-	-
Joroinen's Oma Cooperative	689,150	2.3	689,150	2.3
Varma Mutual Pension Insurance Company**	-	-	530,000	1.8
10 largest shareholders	**23,048,113**	**76.9**	**23,987,314**	**81.1**
Other	6,913,920	23.1	5,597,686	18.9
Total	**29,962,033**	**100.0**	**29,585,000**	**100.0**

*Savolainen Heikki Antero not among the 10 biggest owners on 31 December 2020
** Varma Mutual Pension Insurance Company not among the 10 largest owners as of 31 December 2021

The company holds 188,155 shares on 31 December 2021.

The company has no different share classes. All shares have equal dividend rights and other rights.

On 30 March 2021, the Annual General Meeting authorised the Board of Directors to decide on the issue or transfer of the company's shares and 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, but not later than 30 June 2022.

During the third quarter, the company launched a share repurchase program to implement a share-based incentive plan for key personnel. Under the repurchase program, it was possible to repurchase a maximum of 198,300 shares in one or more tranches, corresponding to approximately 0.7% of the company's shares and votes. The company repurchased a total of 176,455 of its own shares during the financial year.

On 21 September 2021, the Board of Directors decided to carry out a paid directed share issue. All the new shares of Oma Savings Bank Plc to be issued in the share issue, 553,488, were issued for subscription to Eurajoen Savings Bank as consideration for the transfer of the business on 30 November 2021.

P25 Interest income and expenses

(1,000 euros)	1-12/2021	1-12/2020
Interest income		
Debt securities eligible for refinancing with central banks	2,317	1,605
Receivables from the public and pubic sector entities	75,912	64,439
On debt securities	495	426
Derivate contracts	3,032	3,195
Negative interest expenses from financial liabilities	1,357	590
Other interest income	725	940
Total	**83,838**	**71,194**
Interest income on financial assets recorded in stage 3	1,889	1,707

(1,000 euros)	1-12/2021	1-12/2021
Interest expenses		
Liabilities to credit institutions	-12	-48
Liabilities to the public and public sector entities	-483	-803
Debt securities issued to the public	-2,750	-2,752
Subordinated liabilities	-189	-187
Negative interest income from financial assets	-958	-303
Other interest expenses	-12	-3
Total	**-4,403**	**-4,096**

P26 Income from equity investments

(1,000 euros)	1-12/2021	1-12/2020
Dividend income from financial assets at fair value through profit and loss	497	284
Total	**497**	**284**

P27 Fee and commission income and expenses

(1,000 euros)	1-12/2021	1-12/2020
Fee and commission income		
Lending	11,698	9,442
Borrowing	67	1,174
Payment transactions	17,781	15,380
Asset management	965	914
Brokered products	5,605	4,309
Granting of guarantees	1,301	923
Other fee and commission income	495	444
Total	**37,912**	**32,586**
Fee and commission expenses		
Paid delivery fees	-1,362	-1,263
Other	-3,990	-3,239
Total	**-5,352**	**-4,502**

P28 Net income from securities and currency trading

(1,000 euros)	1-12/2021 Capital gain and loss (net)	1-12/2021 Transfers from the fair value reserve	1-12/2021 Total	1-12/2020 Capital gain and loss (net)	1-12/2020 Transfers from the fair value reserve	1-12/2020 Total
On debt securities	-43	66	23	-	-92	-92
Shares and other equity	215	4,331	4,546	1,597	2,704	4,300
Derivative instruments and other receivables	11	12	23	384	430	814
Net income from securities trading, total	183	4,409	4,592	1,980	3,042	5,022
Net income from currency trading	160	-	160	-175	-	-175
Net income from securities and currency trading, total	**343**	**4,409**	**4,752**	**1,805**	**3,042**	**4,847**

P29 Net income from financial assets recognised at fair value through fair value reserve

(1,000 euros)	1-12/2021 Capital gain and loss (net)	1-12/2021 Transfers from the fair value reserve	1-12/2021 Total	1-12/2020 Capital gain and loss (net)	1-12/2020 Transfers from the fair value reserve	1-12/2020 Total
On debt securities	29	-8	21	39	8,005	8,044
Total	**29**	**-8**	**21**	**39**	**8,005**	**8,044**

P30 Net income from hedge accounting

(1,000 euros)	1-12/2021	1-12/2020
Changes in fair value of hedge instruments	766	3,166
Changes in fair value of hedged items	-758	-3,052
Total	**8**	**114**

P31 Net income from investment

(1,000 euros)	1-12/2021	1-12/2020
Rent income	217	365
Depreciation	-15	-285
Capital gain and loss (net)	54	-2,744
Impairment loss	-	-68
Other income	-	1
Other expenses	-144	-569
Total	**112**	**-3,300**

P32 Other operating income and expenses and negative goodwill

(1,000 euros)	1-12/2021	1-12/2020
Other operating income		
Rent income from properties in own use	93	102
Gains on own-occupied real estate assets	6	-
Compensation received from insurance companies that does not apply to investment properties	1	-
Other income	29,612	2,739
Total	**29,712**	**2,841**

One time compensation of EUR 26.9 million was received when the core banking project was terminated in second quarter of 2021.

Negative goodwill

(1,000 euros)	1-12/2021	1-12/2020
Acquisition of Eurajoen Savings Bank's business	7,535	-
Total	**7535**	**-**

More details on acquisition of business can be found in Note G35. IFRS16 items are not included in the financial reporting of the parent company.

Other operating expenses	1-12/2021	1-12/2020
Rent expenses	-2,246	-1,791
Expenses on properties in own use	-1,254	-1,525
Capital loss from properties in own use	-39	-1,273
Guarantee Fund expenses	-1,611	-1,305
Other expenses	-6,393	-4,231
Total	**-11,543**	**-10,124**

Expenses arising from the acquisition of Eurajoen Savings Bank's business amounted to EUR 4.4 million in 2021.

Auditor's fees

(1,000 euros)	1-12/2021	1-12/2020
KPMG Oy Ab		
Auditor's fees by assignment group:		
Audit	329	263
Assignments as provided for in Section 1, Sub-section 1, Clause 2 of the Auditing Act	12	6
Acquisition-related expenses	16	-
Other services	30	60
Total	**388**	**329**

P33 Personnel expenses

(1,000 euros)	1-12/2021	1-12/2020
Salaries and rewards	-15,853	-13,413
Long-term benefits	-3,497	-2,442
Pensions	-2,949	-2,035
Other long-term benefits	-549	-407
Total	**-19,350**	**-15,855**

In December 2021, with the acquisition of Eurajoen Savings Bank's business, a one-off item of EUR 1.1 million was recorded in personnel expenses.

Number of employees	31 Dec 2021	31 Dec 2020
Permanent full-time employees	282	246
Permanent part-time employees	1	6
Temporary employees	53	39
Total	**336**	**291**
Average number of employees during the financial year.	**308**	**292**

In December 2021, with the acquisition of Eurajoen Savings Bank's business, 33 people transferred to Oma Savings Bank.

Pension liabilities
Personnel's retirement provisions are arranged with pension insurance company Ilmarinen and there are no uncovered pension liabilities.

P34 Other administration expenses

(1,000 euros)	1-12/2021	1-12/2020
Other personnel expenses	-1,426	-1,281
Office expenses	-2,501	-2,604
IT expenses	-17,262	-14,528
Telephony expenses	-1,203	-1,188
Marketing expenses	-1,468	-1,512
Other	-35	-51
Total	**-23,895**	**-21,165**

P35 Depreciation, amortisation and impairment on tangible and intangible assets

(1,000 euros)	1-12/2021	1-12/2020
Depreciation and amortisation	**-2,441**	**-2,543**
Tangible assets	-564	-666
Intangible assets	-1,877	-1,876
Impairment and reversals of impairment losses	**-5,149**	**-170**
Tangible assets	-500	-170
Intangible assets	-4,649	-
Total	**-7,590**	**-2,713**

Impairment losses on the core banking project of EUR 4.6 million was recognised in the second quarter of 2021. An impairment loss on the branch property of EUR 0.5 million was recognised in the fourth quarter.

P36 Expected credit losses on loans and other commitments and other financial assets

(1,000 euros)	1-12/2021			
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	-104	-	-	-
Receivables from the public and public sector entities	-4,967	3,001	974	-4,998
Off-balance sheet commitments	57	-	-	-
Total	**-5,013**	**3,001**	**974**	**-4,998**
Expected credit losses on other financial assets				
Debt securities at fair value through fair value reserve	-602	-	-	-
Total	**-602**	**-**	**-**	**-**
Expected credit losses total	**-5,616**	**3,001**	**974**	**-4,998**

(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**
Receivables from credit institutions	191	-	-	-
Receivables from the public and public sector entities	-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**

P37 Rent liabilities and off-balance sheet commitments

Rent liabilities

Minimum rent payable based on irrevocable rent agreements.

(1,000 euros)	31 Dec 2021	31 Dec 2020
Within one year	2,339	1,161
During 1-5 years	6,185	3,070
Within more than 5 years	124	-
Total	**8,648**	**4,232**

Expansion of Helsinki office will increase the amount of rent liabilities with 1,5 million euros in the second quarter of year 2022.

Off-balance sheet commitments

(1 000 euros)	31 Dec 2021	31 Dec 2020
Commitments given to a third party on behalf of a customer		
Guarantees	30,818	25,976
Other commitments given to a third party on behalf of a customer	212	154
Irrevocable commitments given in favour of a customer	379,163	264,741
Off-balance sheet commitments, total	**410,193**	**290,871**

Other off-balance sheet arrangements

The company belongs to Oy Samlink Ab's value added tax obligation group.

(1,000 euros)	31 Dec 2021	31 Dec 2020
The joint liability amount related to the group registration of value added tax	715	2,323

P38 Investment services provided 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 issuance 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

In Helsinki, 24 February 2022

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

Jarmo Partanen

Jaana Sandström

Pasi Sydänlammi
CEO

Auditor's Note

An audit report has been provided today.
In Helsinki, 24 February 2022

KPMG Oy Ab

APA Fredrik Westerholm

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, 2021. 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 4.326 million, is the most significant item on Oma Savings Bank Plc Group's balance sheet, accounting for 81% 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.
- 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.
- 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.

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 evaluated the correctness of accounting treatment for the, during the financial year, terminated core banking project and the acquisition of Eurajoen Savings Bank´s business. In addition, we assessed the appropriateness of the disclosures on the business acquisition.

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 six 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, 24 February 2022

KPMG OY AB

FREDRIK WESTERHOLM
Authorised Public Accountant, KHT

Corporate Social Responsibility Report
2021

Contents

Our bank operates broadly throughout Finland with more than 145 years of history
We offer comprehensive banking services all over in Finland and through several digital service channels. We have over 150,000 private and corporate customers served by about 315 motivated and entrepreneurial experts. In 2018, we were listed on the Nasdaq Helsinki Ltd stock exchange. A significant part of our personnel are also as owners of the company.

OmaSp's Corporate Social Responsibility Report

(Unaudited)

Sustainability

Sustainability is one of the basic pillars of our strategy. It is at the heart of our business and an important part of our future operations. This is Oma Savings Bank's Corporate Social Responsibility (CSR) Report, describing the most important social, environmental and economic impacts of the company's operations.

Our CSR efforts are based on our company's values, Code of Conduct, stakeholder expectations and megatrends that affect our operations. Based on these, we have defined four key sustainability themes for the company: 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.

As part of the CSR reporting, we have prepared our company's sustainability targets for 2019–2023. We will use the annual CSR Report to monitor the implementation of the targets. In addition, we have made a commitment to support the UN's 17 Sustainable Development Goals. Our aim is to include five of the targets that have the greatest impact on our operations in OmaSp's management, strategy and day-to-day operations.

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

We are local and close to the customer

People-oriented customer service is very important to us, and we regularly monitor our customer satisfaction.

We take care of our personnel

We diversely promote the well-being of our employees and we support career development through continuous training.

omasp

We promote collective well-being

We promote the vitality of local communities, and we support the well-being of children and adolescents.

We contribute to sustainable development

We enable sustainable investments and minimise emissions from our own operations.

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

17 PARTNERSHIPS FOR THE GOALS

Starting points for sustainability efforts

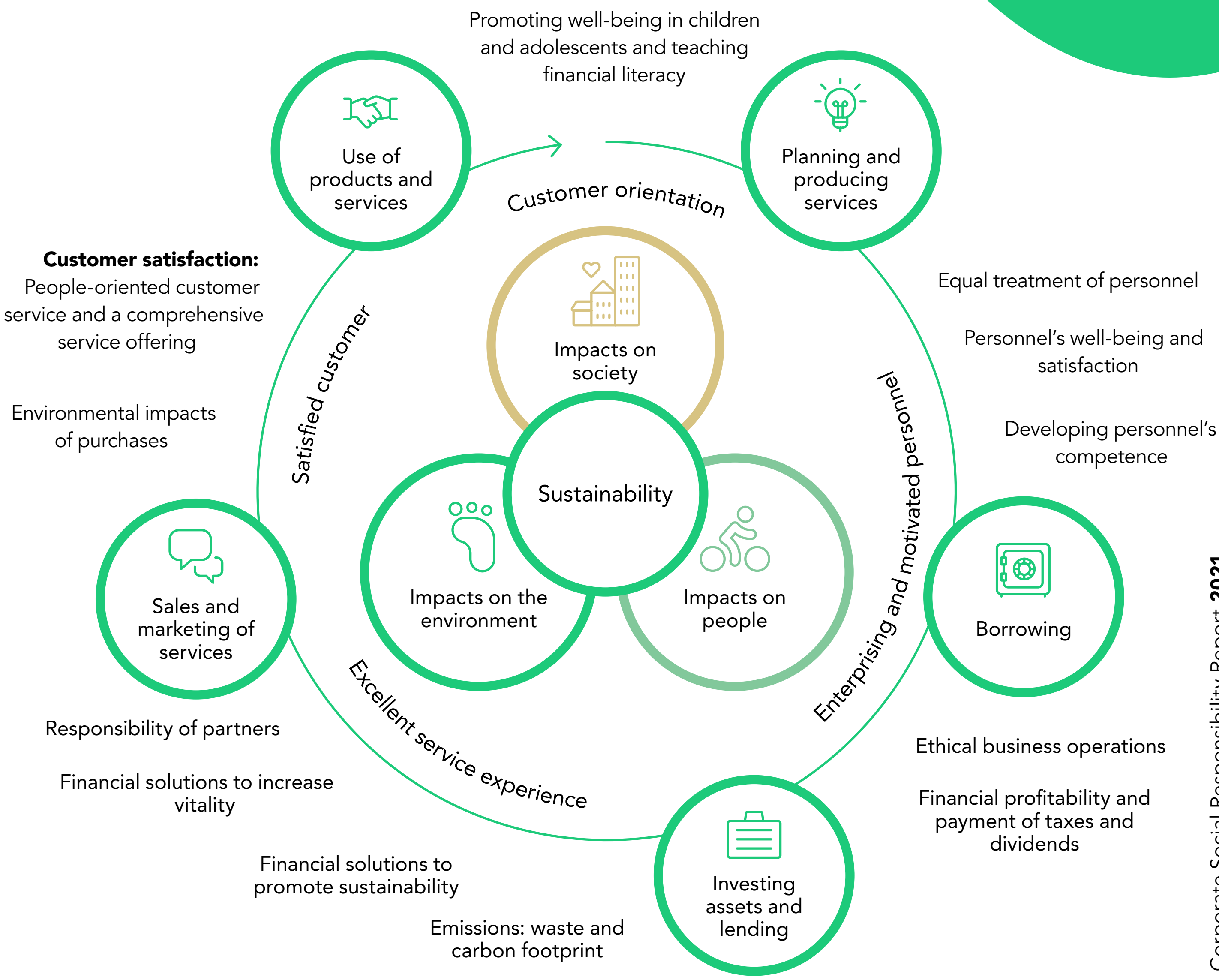
Value chain and operating environment

Sustainability in the financial sector means complying with the common practices, laws, regulations and sustainable development principles that govern the sector. The idea is to bear responsibility for economic and social stability, as well as for the climate and the environment.

The financial sector has played an important role in building well-being in Finland. It guarantees a stable society and basic security for citizens. At OmaSp, we also have an impact on society, people and the environment, both directly and indirectly. We have identified these impacts, and we take them into account in every stage of our value chain.

We contribute to producing direct basic services and opportunities for citizens, companies and organisations. Our efforts have an impact both locally and nationwide. Promoting the financial literacy of young people is one of the financial sector's most important sustainability themes – and it is for us, too. We also have a significant role in steering financing toward sustainable development targets.

At the heart of our strategy is satisfied customers. Our goal is to achieve the highest level of customer satisfaction in the sector, and we are getting there by being present in our customers' lives. Our efforts are boosted by our enterprising and motivated personnel. We know that when it comes to responsible and sustainable operations, taking stakeholders into account brings a considerable competitive advantage. That is why we are strongly committed to our customers, our personnel and our operating environment. We strive to take the interests of all our stakeholders into account in our operations. In this way, we are contributing to building an economically, socially and environmentally sustainable society.



Promoting well-being in children and adolescents and teaching financial literacy
Use of products and services
Planning and producing services
Customer orientation
Customer satisfaction:
People-oriented customer service and a comprehensive service offering
Environmental impacts of purchases
Satisfied customer
Impacts on society
Sustainability
Impacts on the environment
Impacts on people
Equal treatment of personnel
Personnel's well-being and satisfaction
Developing personnel's competence
Enterprising and motivated personnel
Sales and marketing of services
Borrowing
Excellent service experience
Responsibility of partners
Financial solutions to increase vitality
Ethical business operations
Financial profitability and payment of taxes and dividends
Financial solutions to promote sustainability
Investing assets and lending
Emissions: waste and carbon footprint

Megatrends affecting the operating environment

One challenge faced by the financial sector is the transformation of the operating environment; this includes, e.g., the aging of the population and the shift in working life. These transformations in the operating environment, i.e. global megatrends, are the main thrust of the development that is shaping the structures of societies and companies.

We are keeping a keen eye on changes in our operating environment. In order to respond to future challenges better, we have identified five global megatrends that significantly influence our operations. We take these megatrends into account in all stages of our value chain.

Globalisation links societies, economies and actors together. The political and economic situation has a major impact on the competitive playing field. International supervision and regulation is increasing, and the sector is expected to react quickly, adapt and display international service know-how. Active monitoring and forecasting of the political and economic situation are highlighted. The financial sector must reinforce solvency, the financial structure and liquidity in order to balance the economy.

Technological development is changing the financial sector in many ways. Customer behaviour is changing and new digital services are being introduced alongside traditional services. It is possible to compile and utilise large volumes of data, which places demands on IT management and especially on information security.

The financial sector plays a central role in safeguarding well-being **in a demographic shift**, as general prosperity and the elderly population grow and urbanisation continues. As the elderly population grows, opportunities for personal service must be ensured. Services must take into account the aging of the users. The service offering also outside cities must be taken into account in order to ensure a good customer experience. It is important to promote the operations of vital growth centres by being present.

The shift in working life is also affecting the financial sector. In working life, workers of different ages and the different ways of working must be taken into account. The importance of personal competence development is growing. It is becoming increasingly difficult to secure the best talents, which means employers must stand out from the competition.

The scarcity of natural resources and **climate change** pose major challenges on a global scale. The financial sector is also expected to operate more transparently and sustainably. In addition, demand for financial solutions and products related to sustainable development is growing

First-rate service experience

- Personal and readily available service
- Broad network of branch offices
- Comprehensive digital service channels
- A pro-active approach

Sustainability and customer orientation

- The company's CSR efforts are at the core
- Customer-oriented development of product and service offering

Enterprising and motivated personnel

- We support career development through continuous development and training
- Varied and sustainable work
- A significant proportion of our personnel are owners of the bank

Values and Code of Conduct

Our values and our Code of Conduct form the foundation for our sustainability efforts. Our values are **customer orientation, co-operation, reliability, expertise and results**. Our Code of Conduct is based on these values, and they describe the ethical foundation of our operating rules and values and our sustainability.

At the heart of our strategy is satisfied customers, which we aim to reach through a first-rate service experience, sustainable operations and customer orientation, not to mention with our enterprising and motivated personnel.

Values and Code of Conduct

We look after the customer's interests

We are committed to confidentiality and the protection of privacy

We communicate openly

We require sustainability from our stakeholders

We comply with insider and trade regulations

We avoid conflicts of interest and identify them in advance

We do not give or receive bribes

We comply with good governance

Together we create a successful work community

Stakeholder co-operation

Open dialogue with our stakeholders is important to us. We have identified six important stakeholder groups that we communicate with every day. Well-functioning stakeholder co-operation increases transparency and a common understanding about our operations and how we develop them. We develop our operations in accordance with the perspectives and hopes of our stakeholders, and their expectations also serve as the starting point for our sustainability efforts.

Our owners and investors expect our operations to provide good shareholder value and to generate a sufficient return on investments. They also place importance on open and active dialogue and clear communication. Approximately 75% of Oma Savings Bank's shares belong to non-profit organisations. The largest individual owner is the savings bank foundation Etelä-Karjalan Säästöpankkisäätiö, with a roughly 30% stake. In 2018, we were listed on the Nasdaq Helsinki Ltd stock exchange, thanks to which the bank now has more than 6,600 shareholders.

At the heart of the service offering are daily banking services intended for private and corporate customers. Customers expect from us good, continuous and personal service in all our service channels, as well as competitive products. Diverse service channels, good availability and confidentiality are considered important.

We engage in active dialogue with various authorities. The authorities expect us to comply with the legislation and requirements and to react to any changes.

We employ approximately 315 experts in different parts of Finland. Our personnel expect a stable and attractive workplace where they enjoy being at work. Our employees are highly enterprising people. Opportunities for personal development and to influence as well as an appreciation of expertise are considered important. Personnel also expects fair and equal treatment.

We collaborate with different co-operation partners, subcontractors and the media. Importance is placed on a safe partnership with shared values. The media, for its part, expects open communication and active dialogue.

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

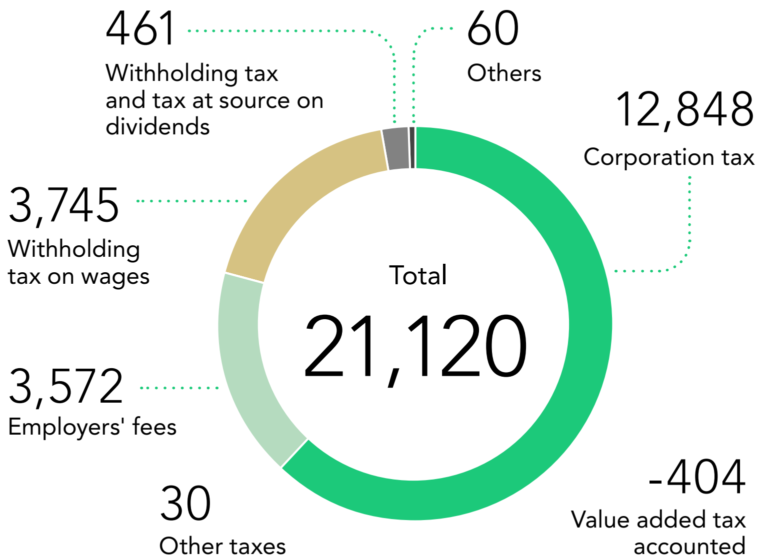
We are strongly committed to working on behalf of the well-being of Finnish society. **We actively promote and develop the vitality of local communities** by offering jobs outside urban areas and by financing local SMEs. The education and competence of Finns is especially important to us, **which is 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. **We map emissions generated by our own operations and strive to minimise them.**

Responsibility reporting

Taxation footprint 2021 (1,000 euros)



Taxes payable (1,000 euros)	**OmaSp**
Corporation tax	12,848
Employers' fees	3,572
Other taxes	30
Taxes to be collected and accounted (1,000 euros)	
Value added tax accounted	-404
Withholding tax on wages	3,745
Withholding tax and tax at source on dividends	461
Others	60
Yhteensä	**21,120**

We are local and close to the customer

Overall service satisfaction
4.4/5*

Satisfaction with the customer's own contact person
4.7/5*

Employee satisfaction
4.5/5**
Respondents: 88% of personnel

Days of training /employee 2021
8.4
days

We take care of our personnel

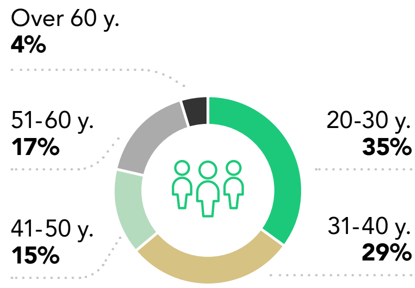
OmaSp's extensive extensive management and expert training programme, **OmaSp Master**, ended on 13 January 2021 and a total of 10 people completed it.

Gender distribution of employees

A significant part of the employees are owners.
60%

Average age of employees (years)
38.1

Age distribution of employees



* OmaSp Parasta palvelua survey 12/2021
** Satisfaction with the company as a whole Personnel survey 12/2021

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.

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.

UN Sustainable Development Goals

People-oriented customer service is very important to us, and we regularly monitor our customer satisfaction.

We are local and close to the customer

We are present in the day-to-day lives of our customers in our 35 offices around Finland, in addition to which, we serve our customers via our digital channels – at anytime and wherever they are in the world. Our broad network of offices and comprehensive digital services ensure that **our services are conveniently available** in the form that suits the customer. Each one of our offices is the bank's flagship in that area. Thanks to our broad network of offices, we know the local market and our customer base. This allows us to make decisions easily and quickly in the customer's own office.

35 offices throughout Finland	OmaMobiili & OmaVahvistus	Online bank	Customer visits	Customer service, call center & chat

Overall service satisfaction

4.4/5*

Satisfaction with the customer's own contact person

4.7/5*

During the year, we continued to closely monitor the development of the corona pandemic situation and made the necessary changes to our operating models taking into account the guidelines and recommendations of the Finnish government and other authorities. We have invested in guaranteeing and promoting safe banking and encouraged customers to take advantage of digital service channels. The precautionary measures undertaken are intended to secure well-being of personnel and customers and guarantee safe banking. Customers have been served throughout the pandemic, both in branches and through digital channels during extensive opening hours.

Thanks to our way of operating, we are the bank of satisfied customers. Our goal is a high level of service experience, which we aim for with personal service and easy access to our services. We place great importance on the quality of our customer service and on ensuring that our services are flexibly available. We also serve our customers during weekday evenings and on Saturdays. Every customer is also offered their own personal bank advisor. Same personal advisor can serve both private banking needs and corporate finance matters. We have strengthened our position in key growth centers in line with our strategy in recent years. Distribution network has been developed during the year by investing in the development of digital services and by expanding and developing the branch network. Accessibility of the branch network expanded with the acquisition of Eurajoen Saving Bank's business in Satakunta region, when Pori, Rauma and Eurajoki became the branches of Oma Savings Bank. Parkano branch underwent a major renovation, which was completed in late 2021 as part of Oma Savings Bank's ongoing investments in developing the customer experience. The key goal is to serve customers in person and to be local and close both in digital and traditional service channels. Our operations and our product and service offering are furthermore developed with an eye to the customer's needs.

Determined development of digital services has continued. The changing operating environment has provided new opportunities in the field of digital services, and significant investments have been made in areas such as cloud and security capabilities, mobile development and broadly to system development, among other things. A new type of web conferencing service and OmaPostilaatikko mailbox have been introduced to customers to facilitate secure communication between the customer and the bank. We enable the process of buying and selling homes fully electronically to facilitate the process of buying and selling an apartment from the perspective of both the customer, the bank and the real estate agent. We offer easy and safe ways to modern payment. Depending on the phone, mobile payments can be made using either Apple Pay or Google Pay. 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. The comprehensive development of the accessibility of our online services has continued and meets the requirements. As many users as possible are able to use our digital services using assistive technologies. Consideration of accessibility is part of development of our daily digital services.

* We measure the level of our customer satisfaction annually through a customer survey. Our annual goal is to achieve the highest rating in both customer satisfaction and customer service in the sector. According to the Parasta Palvelua survey 12/2021, we have a **very high level of customer satisfaction**.

We diversely promote the well-being of our employees and we support career development through continuous training.

We take care of our personnel

We employ about 315 motivated and entrepreneurial experts across Finland. A significant part, about 60% of our employees are bank owners, which increases engagement and motivation for work. **We promote and maintain the diversity of our work community by recruiting experts of all ages.** The gender and age distribution of our personnel is more equal than average. We allow responsible and diverse work tasks for our personnel with training opportunities, in addition to ensuring the comfort and well-being of our employees at both physical and mental levels. Investments in the **work ability and well-being** of personnel through an encouraging and developing work environment have increased. As part of Oma Savings Bank's occupational well-being and sustainability policy, the personnel were offered a new bicycle benefit to employees, around which a competition to support well-being at work and a charity campaign were carried out to support Hope, a registered, non-profit organisation. Well-being of personnel and satisfied customers create the basis for the development and success of our bank even in the future.

Training opportunities, such as OmaSp Master	Extensive occupational health care	Workplace health promotion events and WHP days	Exercise and meal benefits, bicycle benefit to employees

We offer our personnel responsible and diverse work tasks, in addition to which we support career development through development and training. **Employees are motivated and encouraged, among other things, through a common remuneration system.** Year 2021 was a record year for Oma Savings Bank on all key figures. Growth and success are built together with the entire personnel and it is reflected in the way OmaSp is rewarding personnel. For 2021, it was decided to pay a record profit bonus of EUR 1,000,000 to the personnel fund.

It is important for Oma Savings Bank to have a helping and learning work community, where employees have the opportunity to develop themselves in any way they want. Competence of personnel is also a key competitive factor and we are constantly investing in the development of competence. An example of this is the **OmaSp Master's training program** in collaboration with the University of Tampere, with a total of 10 experts and managers graduating from the second group in early 2021. In the autumn of 2021, we launched an extensive training program for the entire organisation, On the road to a winning culture, with the aim of clarifying the organisation's operating models and developing managerial work. Job applicant experience has been developed with the introduction of a new recruitment system. The induction process as a whole has also been improved.

We monitor our employees' well-being, work satisfaction and satisfaction with the employer through annual personnel satisfaction surveys. We also keep track of work absences and the number of hours spent in training. We also continuously work to prevent bullying at the workplace. Our annual goal is to achieve the highest rating in employee work satisfaction in the sector. **Personnel satisfaction increased in the latest survey and was at a very high level.**

Employee owners
60%

Employees are committed to change
4.8/5*

Overall satisfaction
4.5/5*

*Personnel study 12/2021

We promote the vitality of local communities and the well-being of children and adolescents.

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 and regional communities by offering jobs outside urban areas and by financing local SMEs. In addition, owner foundations and co-operatives distribute grants and subsidies for non-profit purposes every year. They support, for example, economic education, research, children's sports, youth work, culture and nature conservation. We contribute to society indirectly through our economic impact, for example, through the taxes we pay. These proceeds are used to safeguard the basic functions of society and build well-being. **Our business is steered by our Code of Conduct.** In 2021, there were no reports of breaches of our Code of Conduct.

Employment and tax footprint	Financing local SMEs	Grants and subsidies	Promoting well-being in children and adolescents

We are committed to promoting **sustainable economic growth and productive employment**. The salaries and social benefits paid to personnel have a positive effect on employees, and through them, on the surrounding communities. We also enjoy collaborating with educational institutions, and we offer several training positions and permanent jobs suitable for a range of educational levels.

We are involved in the **Responsible employer campaign**. Organisations involved in the campaign are committed to promoting the six principle of the campaign: non-discrimination, flexibility and working life balance, investment in supervisory work, content of work and importance, remuneration for the job and good applicant experience.

We are also involved in the nationwide **Responsible Summer Job campaign**. We commit to the principles of good summer work in the campaign that will help to make summer work experience good for both the summer worker and the employer.

We promote the well-being and financial literacy of children and adolescents through our involvement in various **programmes that teach financial literacy**:

Oma Onni is a web-based learning environment for developing young people's financial literacy. In the school year 2021–2022 more than 3,140 pupils in 29 secondary schools and 13 locations across Finland will study in Oma Onni programme. Six foundations that own Oma Savings Bank and six organisers of upper secondary education are involved.

Yrityskylä is a learning environment on working life, the economy and society that is aimed at sixth- and ninth-grade pupils. It operates nationwide in ten regions and is based on the Finnish school curriculum. Up to 80% of sixth-graders participate in the activities of Yrityskylä. Oma Savings Bank is part of TAT Southeast Finland reaching 5,107 sixth-graders in 2021. A new international play arena was opened for ninth-graders.

It is important to us to **promote the vitality of local communities in Finland and the success of entrepreneurs living outside urban centres**, which is why we are the first bank in Finland to support, together with the European Investment Fund, micro-entrepreneurs and social enterprises. Existing agreements are based on the EU's programme for Employment and Social Innovation (EaSi) and they facilitate access to credit for the above mentioned companies. One of the objectives is to make it easier for special groups to set up and develop companies and businesses. Such special groups can be, for example, unemployed persons or persons at threat of unemployment or otherwise difficult to find employment.

In addition, we have an agreement with the Nordic Investment Bank on a loan programme to finance small and medium-sized enterprises, small midcap companies and environmental projects. It aims to increase productivity and benefit the environment.

Our cooperation with the European Investment Fund (EIF) continued. We signed a new EUR 150 million guarantee agreement provided by the European Guarantee Fund (EGF). It will enable us to support around 500 Finnish small and medium-sized enterprises over the financial crisis caused by corona.

We enable sustainable investments and we minimise our emissions.

We contribute to sustainable development

We know that the financial sector plays a major role in promoting sustainable development in society and globally. Sustainable development is one of the guiding perspectives in our financing decisions. We aim to steer assets toward targets that are sustainable for the well-being of the environment, the climate and people.

Through our financing decisions we can also promote the development of green products and services by enabling sustainable investments. Going forward, our aim will be to increase our customers' awareness of the state of the environment. For that reason, we also examine the impacts of our own operations on the environment, biodiversity and the climate.

Sustainable financial decisions

Sustainable investments

Minimising our own emissions

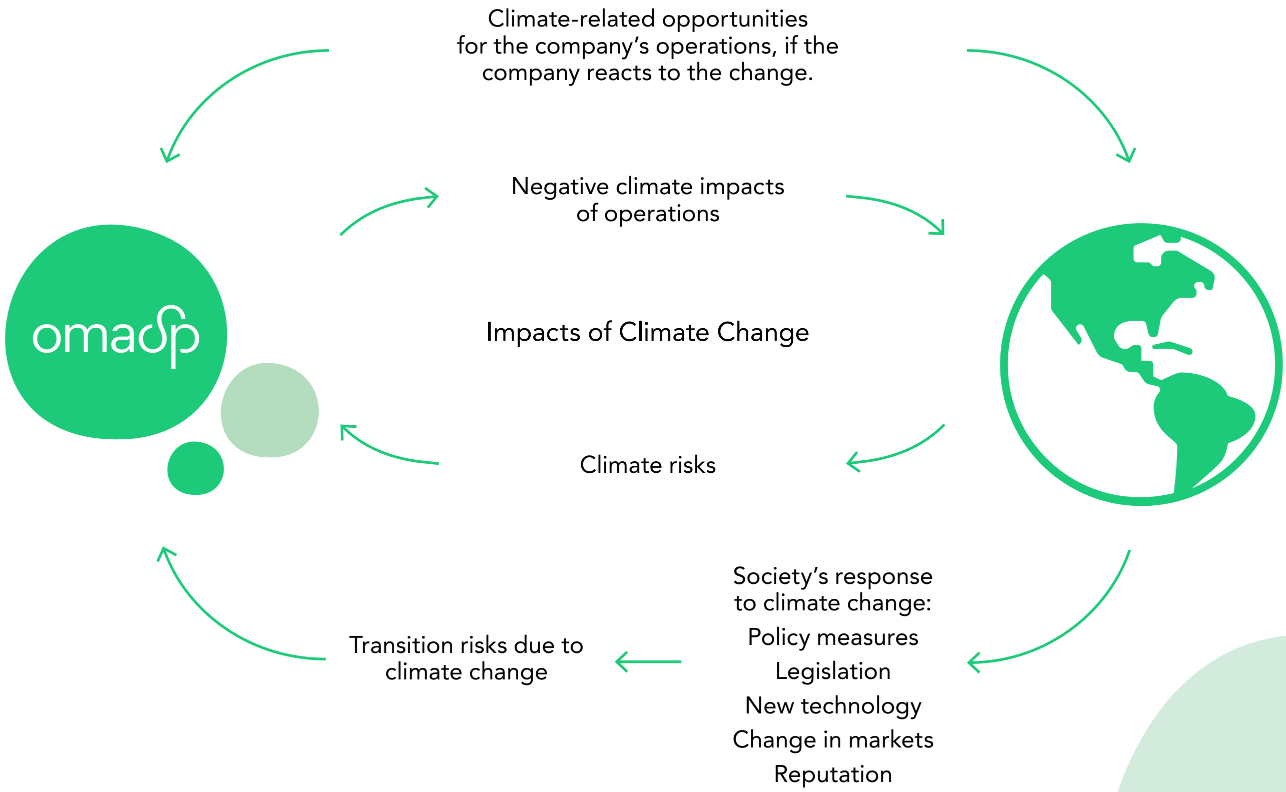
We aim to ensure the financial sustainability of both society and individuals, now and for years to come. Therefore, **sustainable development is the starting point for our financing solutions**. We believe that in our financing decisions we must also bear responsibility for our customers' financial well-being. We implement our decisions in a way that is sustainable both for us and for our customers:

- We focus mostly on granting secured loans to solvent customers.
- We work to combat the increase in short-term loans and we teach young people financial literacy through, among other things, the Oma Onni programme.
- We are involved in the Nordic Investment Bank (NIB) funding programme, whereby the Bank will assess whether the project to be financed meets the requirements of the Common Environmental Mandate if it is assumed to reduce greenhouse emissions or nutrient load on the water system.
- Investment activities take into account the environment, social responsibility and good governance, i.e. the so-called issues related to ESG (Environment, Social and Governance) factors.
- Our pricing is transparent.

A large percentage of our corporate customers are SMEs or agriculture and forestry customers. Through our financing decisions we can promote the development of environmentally sustainable products and services through these companies. **We enable sustainable investments** in both new technology and services.

Together with the Nordic Investment Bank (NIB), we are financing not only SMEs and midcaps, but also numerous environmental projects. These projects may include, e.g., renovation projects to improve the energy efficiency of residential buildings. Going forward, our aim will be to increase our customers' awareness of the state of our environment.

In terms of our own operations, our goal is to **minimise our impacts on the environment, biodiversity and the climate.** We take advantage of opportunities to work remotely, and we encourage our employees to use public transport to get to work or bicycle benefit to employees. As a means of boosting our own environmental efforts we examine the environmental impacts of our operations and report on our carbon footprint. In terms of customer travel, we can minimise the emissions generated by developing digital services and enabling online negotiation.



Survey of impacts and risks related to climate change

Impacts of climate change on Oma Savings Bank's operations

The financial sector plays an important role in building well-being and sustainability in Finland. This also involves controlling and mitigating climate-related risks and climate emissions.

Climate change calls for new practices to limit the rise in global average temperature to 2°C in accordance with the Paris Agreement. Oma Savings Bank wants to contribute to climate work, and the company has therefore drawn up a preliminary survey of the impacts of climate change on its operations.

As part of the survey, Oma Savings Bank has identified key risks and opportunities in the company's operations due to climate change. Furthermore, the company has identified the climate impacts of its operations and defined the means for assessing the company's climate change mitigation measures as a whole.

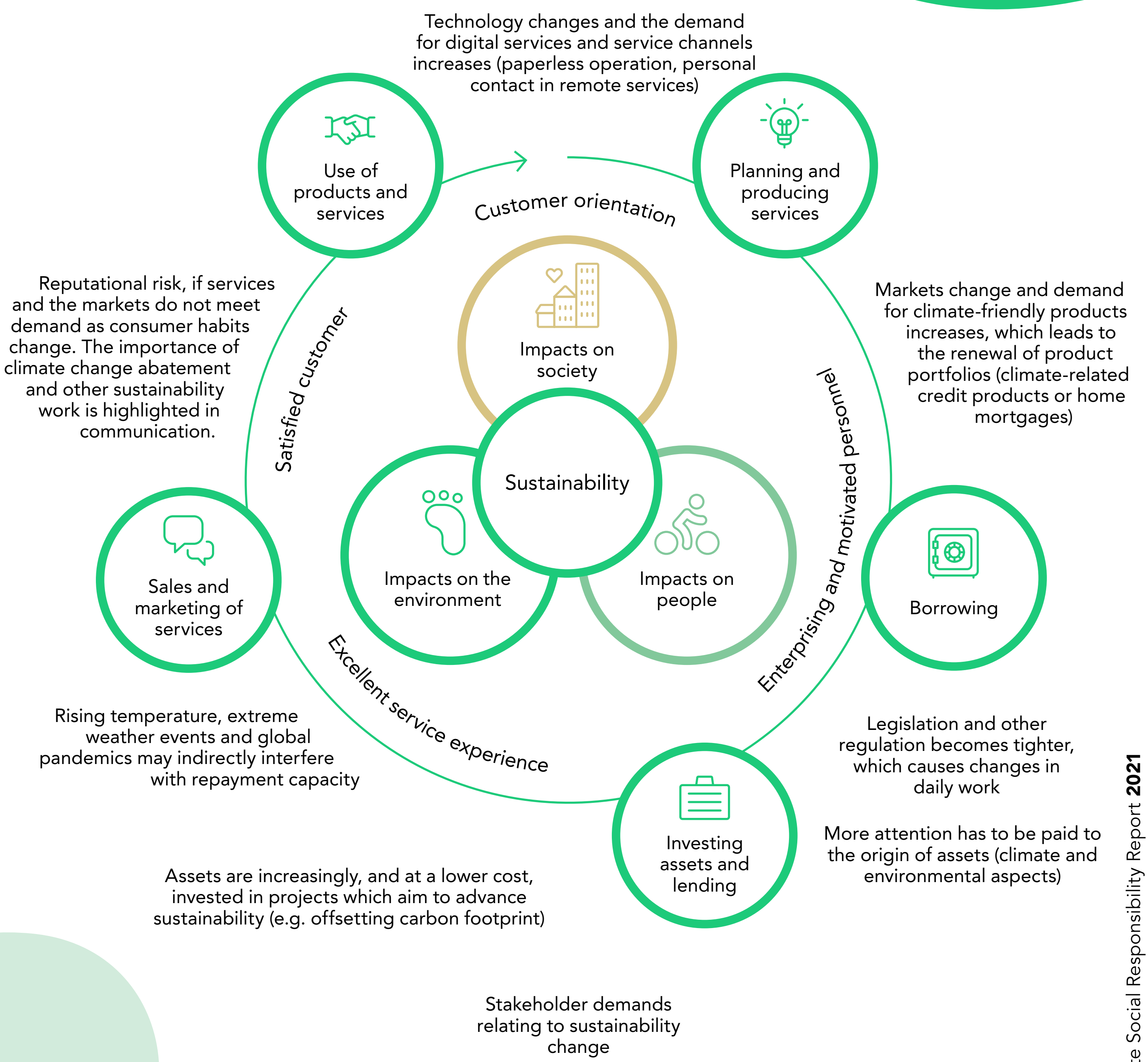
Risks and opportunities of climate change

Climate change creates risks and opportunities within the financial sector across asset classes. Addressing these risks and opportunities is strategically vital in order to be able to identify climate-change tools for reducing the carbon footprint.

Oma Savings Bank has identified the key climate risks and opportunities at different stages of its operation's value chain. Climate risks impacting the company consist almost entirely of transition risks, which arise as economic operators reduce their emissions and change their practices towards low-carbon operations. The main transition risk is reputational risk as the market and stakeholder expectations change. Other transition risks include tighter legislation and changes in technology.

Physical risks arising from climate change are risks directly caused by climate change, such as extreme weather events and more frequent pandemics. Physical risks may affect Oma Savings Bank's operations by indirectly interfering with repayment capacity.

Transition risks also entail several business opportunities, including the renewal of the product portfolio and increase in digital services. The company's investment strategy can be used to influence how assets are allocated to companies, projects and households in need of financing. Sustainable development is one of the guiding perspectives in our financing decisions.


Technology changes and the demand for digital services and service channels increases (paperless operation, personal contact in remote services)
Use of products and services
Planning and producing services
Customer orientation
Reputational risk, if services and the markets do not meet demand as consumer habits change. The importance of climate change abatement and other sustainability work is highlighted in communication.
Satisfied customer
Impacts on society
Markets change and demand for climate-friendly products increases, which leads to the renewal of product portfolios (climate-related credit products or home mortgages)
Enterprising and motivated personnel
Sustainability
Sales and marketing of services
Impacts on the environment
Impacts on people
Borrowing
Excellent service experience
Rising temperature, extreme weather events and global pandemics may indirectly interfere with repayment capacity
Legislation and other regulation becomes tighter, which causes changes in daily work
More attention has to be paid to the origin of assets (climate and environmental aspects)
Investing assets and lending
Assets are increasingly, and at a lower cost, invested in projects which aim to advance sustainability (e.g. offsetting carbon footprint)
Stakeholder demands relating to sustainability change

Climate impacts of operations

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.

Oma Savings Bank has identified the main climate impacts of its operations and defined the preliminary measures that will help the company to minimise its climate impacts. The company's climate emissions are primarily indirect emissions, which include emissions from energy purchased for offices and emissions from the value chain. These include purchased goods and services, waste generated in operations, business travel and employee commuting.

Indirect emissions also include emissions caused by expenditure, such as financing, funds and investments. Oma Savings Bank's goal is to increase the transparency of responsible investment in its funds and, through this, promote sustainable economy and minimise the carbon footprint of its investments.

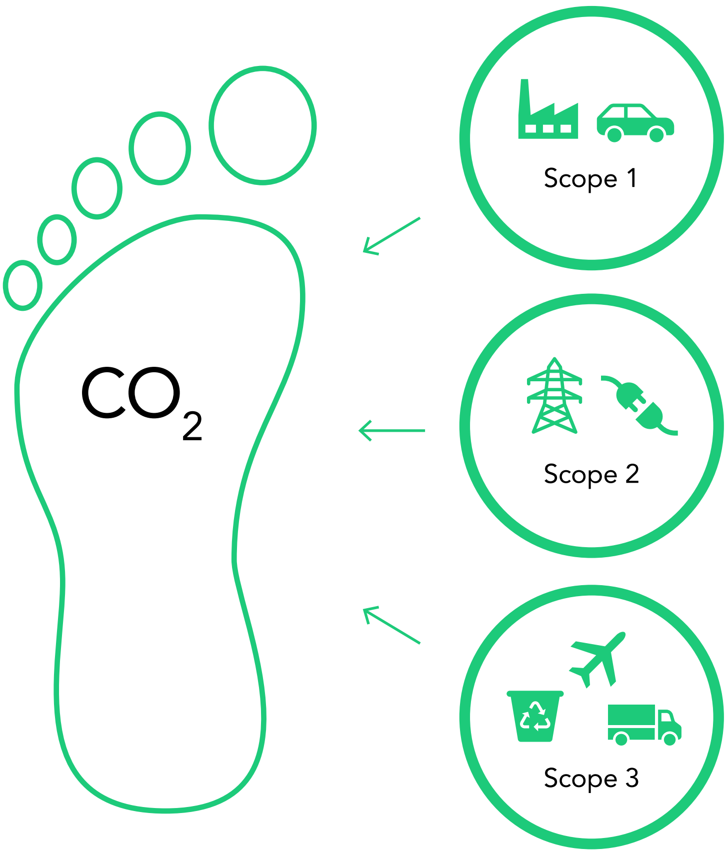
We are committed to Finance Finland's common targets. As a distributor of investment funds, we follow, as applicable, the reporting recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which covers climate-related issues from the perspective of governance, strategy, risk management, and metrics and targets:

Governance: the key indicators depict the company's decision making and internal processes in terms of addressing climate change

Strategy: the key indicators provide a general description of how climate change is taken into account in the company's investment strategy

Risk management: the key indicators help identify risks related to climate change (e.g. scenario analysis)

Metrics and targets: investing companies may measure their investment portfolio's exposure to climate risks



Direct emissions
Emission sources under the company's own control (e.g. own energy production and company-owned vehicles)

Indirect emissions
Emissions from purchased energy (market-based and location-based)

Indirect emissions
Emissions from the value chain which are not under the company's direct control, including purchased goods and services, waste generated in operations, business travel and employee commuting. Also emissions from investments, such as financing, funds and real-estate investments, project funding and other investment activities.

Description of risks and opportunities, and measures to mitigate them

<table>
<tr><th>Risk</th><th></th><th>Description</th><th>Future steps for minimising the risks</th></tr>
<tr><td rowspan="4">Transition risks</td><td>Change in markets</td><td>Markets change and demand for climate-friendly products increases, which leads to the renewal of product portfolios. Assets are increasingly, and at a lower cost, invested in projects which aim to advance sustainability, and investments with negative impacts are avoided.</td><td rowspan="5">We provide added value for customers sustainably by continuously developing new services and sustainable solutions (e.g. online housing transactions, changes in payment methods, climate-related credit products or home mortgages, offsetting the carbon footprint in the investment of assets).
We develop personnel's ways of working and ensure environmentally-friendly operations by analysing the carbon footprint of our operations and drawing up a plan for reducing emissions.
Furthermore, we develop remote services while guaranteeing continued access to personal service.
We develop customer communications by reporting on, for example, the financing of environmentally sustainable projects together with the European Investment Fund. We provide the OmaOnni and Yrityskylä services with material on climate and sustainability.
We follow Finance Finland's common climate targets and, as a distributor of investment funds, we follow TCFD's reporting recommendations, as applicable.</td></tr>
<tr><td>Changes in policy measures and legislation</td><td>Legislation and other regulation becomes tighter, which causes changes in daily work. Companies are expected to establish hands-on targets for climate-change related work.</td></tr>
<tr><td>Technological development</td><td>Technology changes and the demand for digital services and service channels increases.</td></tr>
<tr><td>Reputational risk</td><td>Stakeholder demands relating to sustainability change, and more attention is paid to the origin of assets (climate and environmental aspects). Reputational risk is realised, if services and the markets do not meet demand as consumer expectations change. The importance of climate change abatement and other sustainability work is also highlighted in communication.</td></tr>
<tr><td>Physical risks</td><td>Extreme weather events and pandemics</td><td>Rising temperature, extreme weather events and global pandemics may indirectly interfere with repayment capacity.</td></tr>
</table>

Carbon Footprint Report 2021

This report brings together Oma Savings Bank Plc's carbon footprint from year 2021. The calculation has been made at the organisational level identifying the main sources of emissions from the activity. The report deals with the calculation methods used as well as the calculation score. The carbon footprints for 2018–2020 have also been calculated in the report for comparison.

What is a carbon footprint?

The carbon footprint refers to the climate emissions that are generated as a result of human actions and deeds. It can be calculated for an individual person, company, organisation, individual activity or product. The carbon footprint often consists of the movement of people, food and drink, the energy and materials used, and the amount of waste generated. The most significant greenhouse gases affecting the carbon footprint are carbon dioxide, methane and nitrous oxide.

The company's carbon footprint

Calculating the carbon footprint of a company and organisation means arising through its activities calculation of greenhouse gas emissions. Carbon footprint formation and its magnitude vary considerably depending on the type of industry in which the company operates. That’s why a company’s carbon footprint is always calculated open on a case-by-case basis.

Greenhouse gas emissions in the calculation of the carbon footprint expressed as carbon dioxide equivalents, of which the abbreviation CO_2 equivalent (CO_2e) is used. The carbon dioxide equivalent reflects different greenhouse gases modified for global warming effect corresponding the effect of carbon dioxide in the atmosphere.

Calculation method

The carbon footprint calculation method used in this work is based on GHG Protocol guidelines. GHG Protocol is the sustainable development of the world economy Council (WBCSD) and the World Resource Center (WRI) standard published in 1998 that allows companies to define their operations greenhouse gas emissions. According to the instructions the resulting greenhouse gas emissions are sorted into three different dimension:

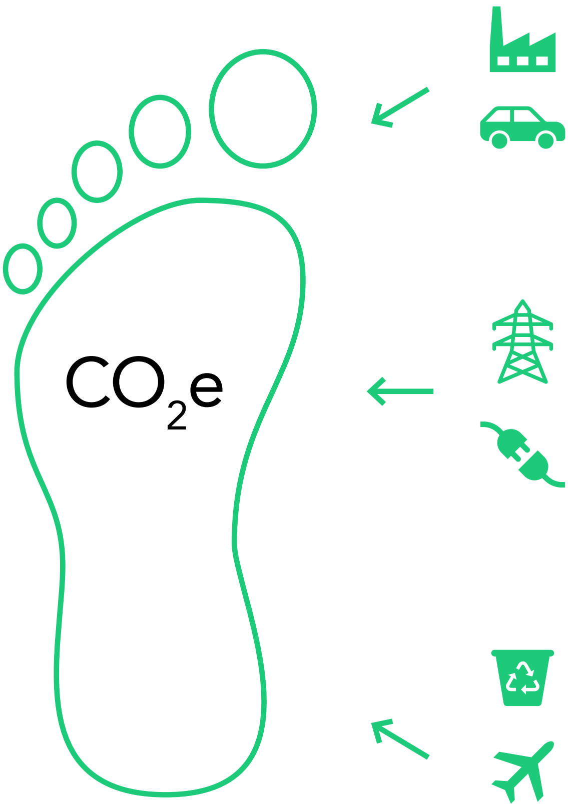
- **Scope 1:** Emissions resulting directly from the company's operations which the company usually has the possibility to influence. These include, among other things, your own energy production or moving with own cars.
- **Scope 2:** Indirect emission from the company’s operations arising from the purchase of the company energy production. These include: district heating and cooling and electricity.
- **Scope 3**: Other emissions resulting indirectly from the company's activities during the supply chain. These arises from, amongst other things, business travel, purchases and waste generated.

Emissions from scopes 1 and 2 are always included in the calculation, while emission from scope 3 are included only those most important sources of emissions.

Oma Savings Bank's carbon footprint formation

Climate emissions are mainly indirect emissions that we cannot directly influence. These include purchased products and services, business travel and employee business travel. Indirect emissions also include emissions from investments such as finance, funds and investments.

Oma Savings Bank's climate emissions can be divided into three different scopes:



Scope 1: direct emissions
Direct emissions are generated by company-owned or journeys made by leaseholed vehicles, and emissions from refrigeration equipment in some few premises.

Scope 2: Indirect purchasing energy emissions
Oma Savings Bank has premises where electricity, district heating and long-distance cold are purchased. The emissions generated by these purchasing energies fall under this scope. OmaSp is able to indirectly influence purchasing energy emissions through its energy choices. In practice, the company has the potential to influence only the purchase of electricity.

Scope 3: Indirect value chain emissions
Oma Savings Bank's indirect value chain emissions arise indirectly during the entire chain of operations of the company. The most essential emissions arise from purchased products and services, business travel and commuting, and waste generated. In addition, emissions from investments such as finance, funds and real estate investments fall into this category.

Baseline data, assumptions and limitations

The calculation of the carbon footprint was included the actual business of the company. After reviewing the operating environment and identifying the greatest climate impacts of the operation, calculation limits were defined to determine the carbon footprint. It was decided to include in the calculation:

- **Scope 1**: Emissions from company-owned or leased car journeys
- **Scope 2**: Emissions from purchasing energy of premises, i.e. electricity, district heating and district cooling
- **Scope 3**: Products and services purchased, leased products and employee business travel

Calculation limitations

The following things were excluded from the calculation due to irrelevance or challenging access to data:

- **Scope 1**: emissions from refrigeration equipments located in individual premises
- **Scope 3**: Employees commute between home and workplace, as well as investment emissions i.e. emission from financing, funds, real estate investments, project financing and other investment activities

The calculation applies to 2021 and as comparison years 2020, 2019 and 2018.

The GHG Protocol standard serves as the reference frame, so scope 2 emissions have been calculated on the basis of location and procurement according to the guidance. The aggregate emissions have taken advantage of procurement based value.

On 1 July 2020, OmaSp switched to fully renewable truly green electricity.

Emissions have been calculated using the following input data:

Scope 1 emissions

Driven by the company 's own or leased vehicles kilometers based on mileage allowances paid. It is assumed that all trips are made by gasoline. Emission factors VTT's Lipasto / Bionova.

Scope 2 emissions

In the case of electricity, consumption is based on payments figures and, to a lesser extent, an estimate of the average specific consumption of electricity in office buildings. For district heating and cooling, consumption is based on an estimate of the average district heating specific consumption in office properties.

- **Location-based:** Country-specific average emission factors are used in the calculation. Electricity emission factors are based on Statistics Finland's electricity production data for 2017–2019, Ecoinvent / Bionova. District heating emission factors are based on district heating statistics for 2018–2019, Statistics Finland Ecoinvent 3.3 / Bionova. District cooling emission factors are based on Statistics Finland's 2011 Finnish district cooling production data, Ecoinvent / Bionova.
- **Purchase-based:** For 2021 figures, purchased green electricity has been taken into account. For 2020 figures, purchased green electricity has been taken into account from 1 July 2020, other share is calculated using the residual distribution. Power emission factors Ecoinvent / Bionova. District heating emission factors are based on district heating statistics for 2018–2019, Statistics Finland's Ecoinvent 3.3 / Bionova. District cooling emission factors are based on Statistics Finland's 2011 Finnish district cooling production data.

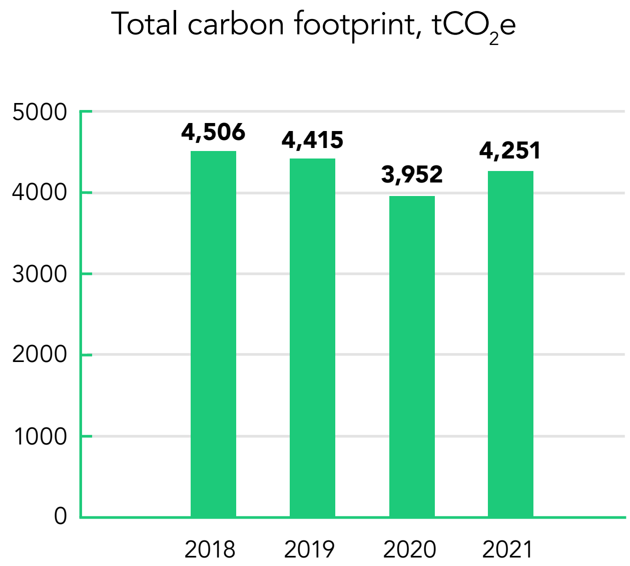
Scope 3 emissions

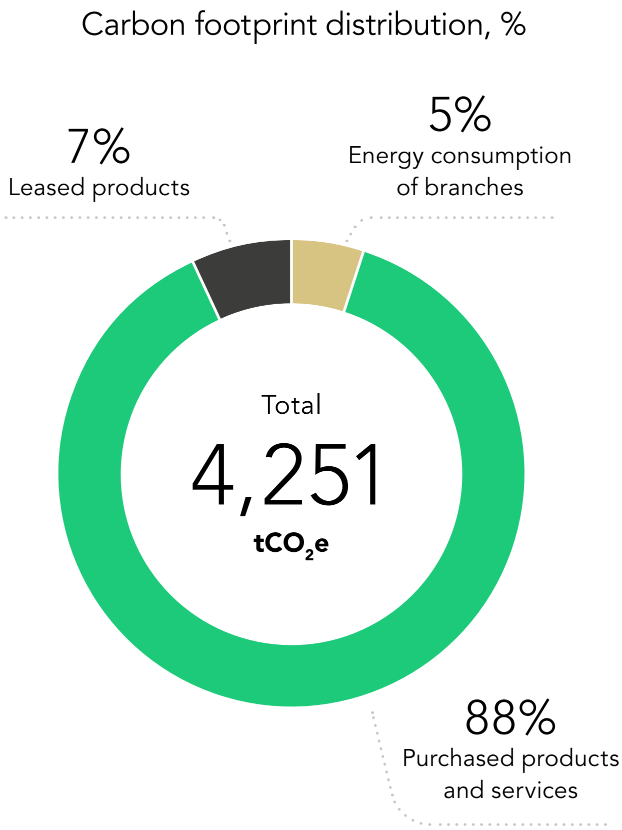
- **Purchased products and services:** input data on purchased goods and services and leased goods were collected at the euro level using the accounts. Emission factors DEFRA / Bionova.
- **Business Travel:** During employee working hours business trips by public transport were collected using the accounts at a level denominated in euro. Emission factors VTT's Lipasto / Bionova.

Total carbon footprint

According to the calculation Oma Savings Bank Plc's total carbon footprint was 4,251 tons CO_2e in 2021 (a total of 3,952 tons CO_2e in 2020). The carbon footprint increased by almost 8% from the previous year, which means about 299 tons more emissions compared to 2020. The increase was due to increased use of computer programming and professional services, which in turn is the result of OmaSp's investment in growth.

Almost all emissions, i.e., almost 95% (89%) of CO_2 emissions, consist of purchased or leased products, and services for which the company has no direct emissions effect. About 7% (9%) of total emissions come from computers and other devices in use, which have been leased. Energy consumption of offices accounts for about 5% (11%) of total emissions. Emissions from mobility, i.e., dimensions 1 and 3, account for less than 1% of a company's total emissions.





In 2021

299

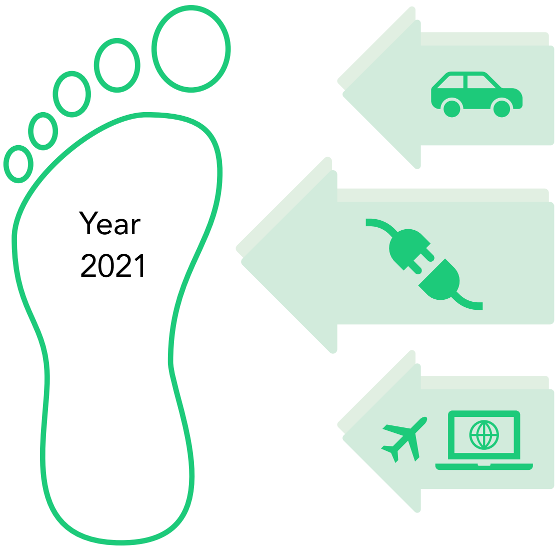
Tons more emissions due to growth investments compared to 2020

In 2021

8%

higher carbon footprint compared to 2020

Oma Savings Bank's carbon footprint distribution to direct and indirect emission (scopes) according to GHG Protocol guidelines are presented in the figure and table below. As stated above, the most significant emissions are from scope 3, i.e. purchased products and services, leased products and business travel. If only the direct emissions (scope 1) of the company were taken into account, they were approximately 4 tons CO_2e in total, about 0.09% of total emissions, in year 2021.



Scope 1:
Emissions from company cars
4 tCO_2e

Scope 2:
Emissions from energy consumption
223 tCO_2e

Scope 3:
Other indirect emissions (procurement and business travel)
4024 tCO_2e

Oma Savings Bank's carbon dioxide emissions (tCO_2e)	2018	2019	2020	2021
Scope 1. Direct emissions				
Category 1: Emissions from company cars	10.4	7.3	2.2	4.2
Scope 2. Indirect emissions, purchase-based				
Category 1: Purchased electricity	422.7	360.4	177.3	0
Category 2: Purchased district heating	248.1	261.2	216.9	208.0
Category 3: Purchased district cooling	17.9	17.9	17.9	15.0
Scope 2. Indirect emissions, location-based				
Category 1: Purchased electricity	208.4	232.4	200.0	206.0
Category 2: Purchased district heating	248.1	261.2	216.9	208.0
Category 3: Purchased district cooling	7.9	17.9	17.9	15.0
Scope 3. Other indirect emissions				
Category 1: Purchased products and services	3,467.5	3,407.5	3,169.6	3,728.4
Category 2: Leased products	325.9	351.9	365.1	293.0
Category 3: Business travel	13.4	8.4	2.7	2.7
Total emissions, tCO_2e	**4,506.1**	**4,414.9**	**3,951.6**	**4,251.3**
Emission intensity, tCO_2e/employee	**15.0**	**14.7**	**13.2**	**14.2**

Calculated as a reference according to GHG Protocol guidelines. Purchase-based figures are used for total emissions.

In 2021
46%
less emissions from energy consumption compared to 2020

100%
of the purchased electricity renewable from 1 July 2020

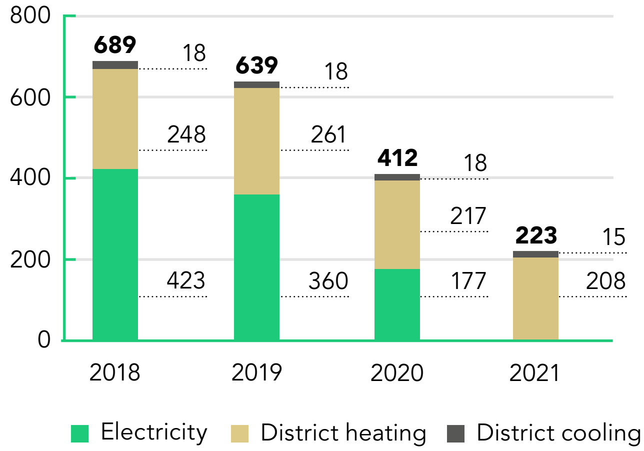
In 2021
40%
more emissions from work-related travelling compared to 2020

Carbon footprint by emission source

Switching to green electricity zeroed emissions from electricity

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. As of July 2020, Oma Savings Bank switched to renewable green electricity at all its premises, so in 2021 no electricity emissions were generated. Purchased energy emissions decreased by up to 46% compared to 2020.

Energy emissions (tCO_2e)

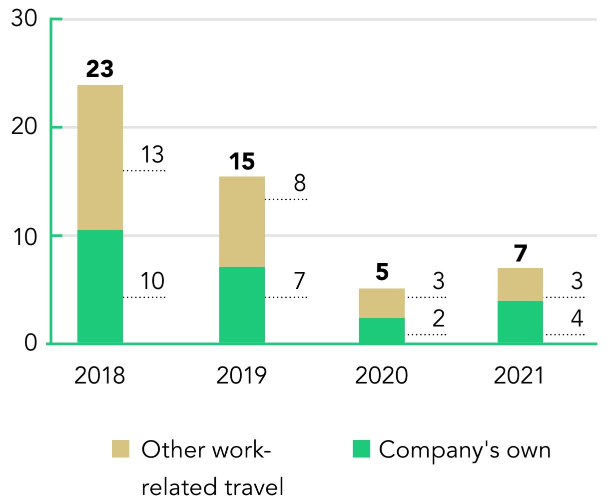


Corona pandemic reduced movement emissions

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. In 2021, emissions from movement increased by 40% compared to the previous year, as work-related travel returned to normal. On the other hand, travel continued to decline in rail traffic.

Emissions from movement (tCO_2e)



Highest emissions from purchased services

There have been no significant changes in the emissions of Oma Savings Bank's purchases during 2018-2021. However, emissions from purchases have increased by 14% in 2021 compared to 2020. The most significant emissions consist of services purchased outside the company. These services account for about 82% (79%) of total emissions.

Largest sources of emissions from purchases are formed as follows:

- 34% of emissions come from IT services (36%)
- 33% of computer programming and consultancy services (23%)
- 7% of leased computers and office equipment (10%).

Other major sources of emissions are postal services, accounting and auditing services, and information services. The biggest change in purchases has been in emissions from computer programming and consultancy services. These emissions have increased by 495 tons, or 60%, compared to 2020, as Oma Savings Bank has invested in growth. In addition, IT services have increased by 96 tons, or 8%, compared to the previous year.

In 2021

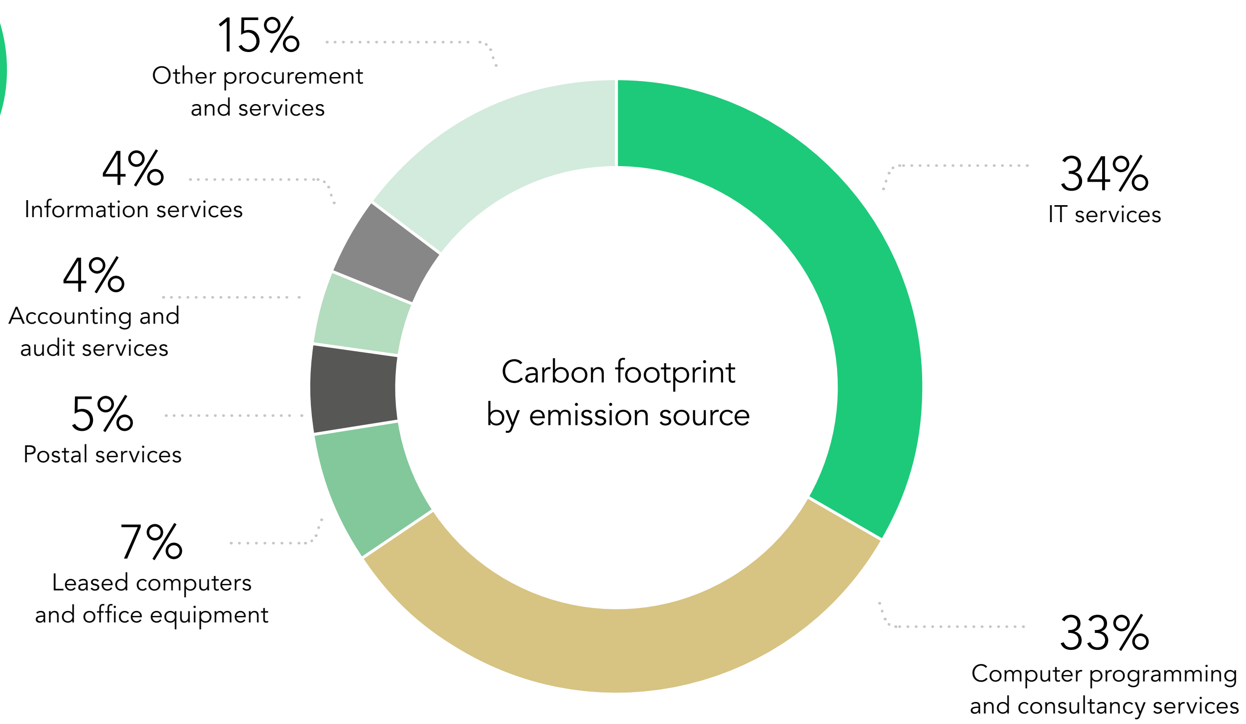
60%

More emissions on computer programming and consultancy service compared to 2020

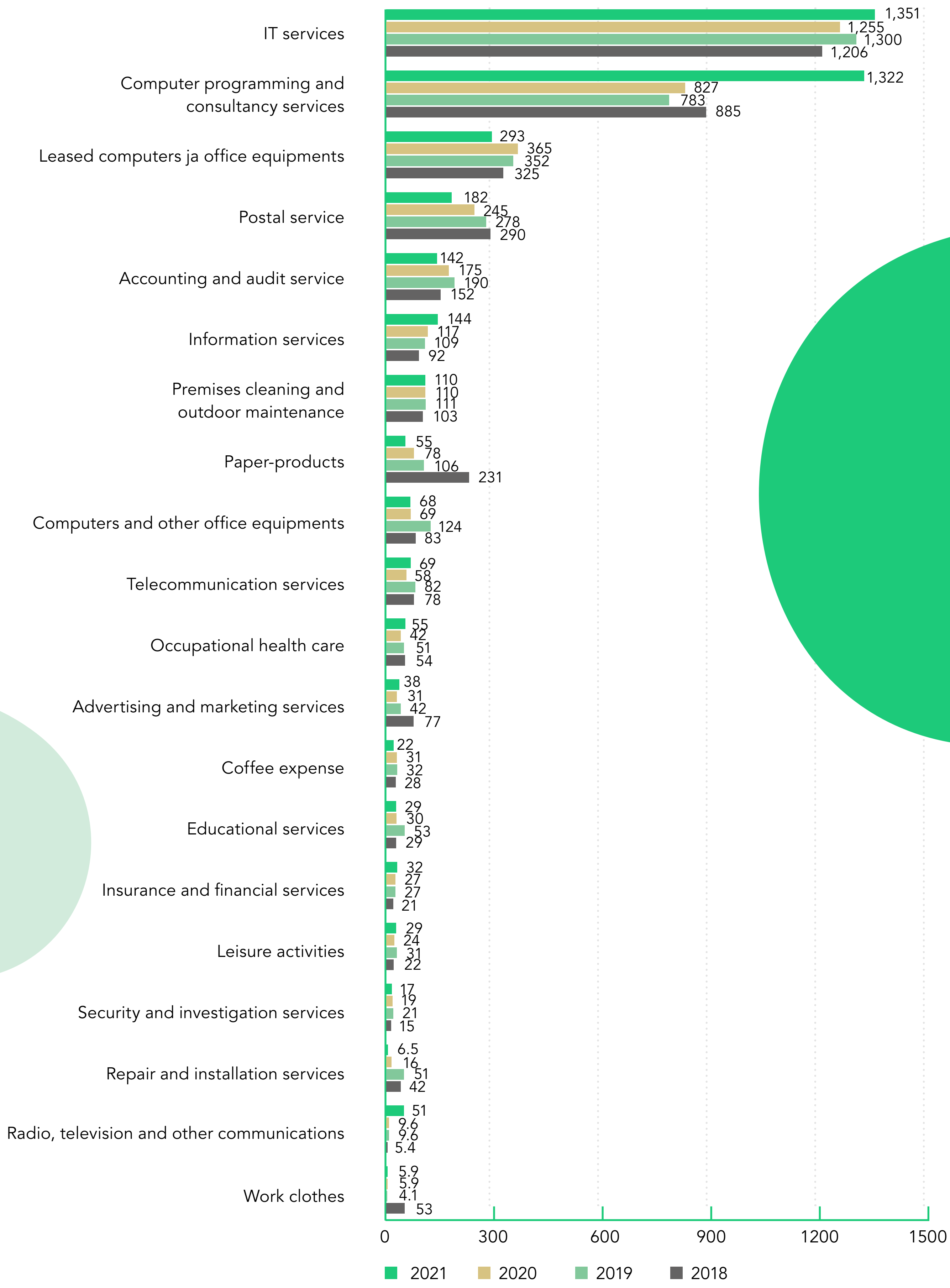
In 2021

82%

of total emissions came from purchased services outside



CO_2 emissions from purchases (tCO_2e)



In 2021

56%

lower emission intensity per employee (scopes 1 and 2) compared to the industry average

In 2021

43%

lower emission intensity per employee (scopes 1 and 2) compared to 2020

Carbon footprint comparison

Emissions still below industry average

Based on the carbon footprint calculation, Oma Savings Bank's greenhouse gas emissions are still lower than the industry average. The comparison is indicative, as the results of the calculation is greatly influenced by the differences between the calculation limits and methods. Therefore, the comparison of emissions is challenging and there are hardly any benchmarks, as the calculation of emissions is only becoming more common in Finland. The comparison is based on public reports in the field.

If only OmaSp's direct greenhouse gas emissions and indirect purchasing energy emissions are taken into account (scopes 1 and 2) and purchases (scope 3) are not taken into account, the emission intensity per employee is about 0.8 tCO_2e/employee (1.4 tCO_2e/employee).

OmaSp's emission intensity per employee for scopes 1 and 2 has decreased by 43% compared to 2020. This emission intensity in the industry has averaged 1.8 tCO_2e/employee in recent years. In 2021, OmaSp's emissions per employee (scopes 1 and 2) were thus about 56% lower than the industry average.

A comparison with employee emissions per business trip in the industry should be made once the pandemic situation has subsided. For 2021, it is good to note that OmaSp has invested in charging points for electric cars and encouraged commuter cycling by providing a bicycle benefit to employees.

Benchmarks

Oma Savings Bank has a carbon footprint of **4,251tCO_2e** in 2021.

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This corresponds to about **413 Finns'** annual carbon footprint[1].

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The same amount of emissions are generated in less than **23 days** from the Finnish rail transport[2].

Emissions per employee (scopes 1-2) was about **0.8 tCO_2e/person** in 2021.

cf

Emissions per employee (scopes 1-3) was about **14.2 tCO_2e/person** in 2021.

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The same about of emissions is generated per employee from **74 flights** from Helsinki to Oulu.[3]

1) Sitra 2018, 2) Finnish Transport Intrastructure Agency 2020, 3) VTT's Lipasto

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