Q2/2022

Oma Savings Bank Group
Half-Year Financial Report 30 June 2022

Half-Year Financial Report June 2022 is a translation of the original Finnish version "Puolivuosikatsaus 30.06.2022". If discrepancies occur, the Finnish version is dominant.

Oma Savings Bank Group´s Half-Year Financial Report January-June 2022

- Net interest income grew strongly by 25.6% in January-June compared to the same period last year. In the second quarter, net interest income increased by 23.2%.
- Home mortgage portfolio increased by a total of 24.9% over the previous 12 months. At the same time, corporate loan portfolio increased by 42.9%.
- Deposit stocks grew by 21.0% over the previous 12 months.
- Fee and commission income and expenses (net) item increased due to volume growth by 27.3% in January-June. In the second quarter, fee and commission income and expenses (net) item increased by 25.0%.
- Impairment losses on financial assets (net) decreased during the beginning of the year and a positive impact of EUR 1.1 (-3.6) million was recorded for the item. During the second quarter, impairment losses on financial assets (net) were EUR -1.4 (-0.8) million.
- In January-June, profit before taxes decreased due to a significant positive single item recorded in the comparative period 2021 (EUR 22.3 million). For the beginning of the year, profit before taxes totalled EUR 32.2 (50.0) million.
- For January-June, comparable profit before taxes increased significantly compared with the comparative period and was EUR 36.2 (24.7) million.
- For the second quarter, profit before taxes was EUR 13.9 (38.3) million. For the second quarter, comparable profit before taxes increased and was EUR 16.2 (14.6) million.
- For January-June, cost/income ratio weakened and was 54.7% (38.0%). For the beginning of the year, comparable cost/income ratio was 51.6% (49.6%).
- For the second quarter, cost/income ratio was 54.7% (32.0%). Comparable cost/income ratio was 51.4% (47.0%).
- Comparable return on equity (ROE) improved and was 15.4% (10.6%) for January-June. For the second quarter, comparable return on equity (ROE) was 14.2% (12.6)%.

Outlook for the financial year 2022 (unchanged)

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. More about the outlook in the Half-Year Financial Report on page 23.

The Group's key figures (1,000 euros)	1-6/2022	1-6/2021	Δ %	2022 Q2	2021 Q2	Δ%
Net interest income	47,316	37,668	26%	24,229	19,669	23%
Fee and commission income and expenses, net	20,981	16,485	27%	10,730	8,583	25%
Total operating expenses	-37,424	-32,834	14%	-18,521	-18,422	1%
Impairment losses on financial assets, net	1,126	-3,603	-131%	-1,372	-813	69%
Profit before taxes	32,168	49,956	-36%	13,942	38,284	-64%
Cost/income ratio, %	54.7%	38.0%	44%	54.7%	32.0%	71%
Balance sheet total	5,890,317	4,776,891	23%	5,890,317	4,776,891	23%
Equity	355,874	383,434	-7%	355,874	383,434	-7%
Return on assets (ROA) %	0.9%	1.7%	-46%	0.8%	2.6%	-70%
Return on equity (ROE) %	13.7%	21.6%	-37%	12.2%	33.1%	-63%
Earnings per share (EPS), EUR	0.86	1.34	-36%	0.37	1.03	-64%
Common Equity Tier 1 (CET1) capital ratio %	13.2%	16.4%	-20%	13.2%	16.4%	-20%
Comparable profit before taxes	36,171	24,679	47%	16,158	14,636	10%
Comparable cost/income ratio, %	51.6%	49.6%	4%	51.4%	47.0%	9%
Comparable return on equity (ROE) %	15.4%	10.6%	45%	14.2%	12.6%	13%

1-6/2022
Comparable profit before taxes EUR 36.2 million

CEO's review

Profitable growth continues - Comparable profit before taxes increased by 47% for the beginning of the year

OmaSp's development of the business has continued to be excellent, and we can be very satisfied with the results for the beginning of the year. Demand has remained strong in all key product areas, and volume growth in private and corporate loans has continued strong. About a thousand new customer relationships are created every month, and the number of customers rose to 160,000 at the end of June.

1-6/2022
Net interest income grew by 26% and Fee and commission income by 27%

Performance of both main sources of income, net interest income and fee and commission income, has continued to be strong. During the beginning of the year, net interest income increased by 26% and fee and commission income by 27% compared to the previous year.

Strong performance of the business is reflected in return on equity. From January to June, return on equity (ROE%) was 13.7% and comparable return on equity (ROE%) rose as high as 15.4%.

Balance sheet has grown by more than 1 billion compared to the comparison period and was EUR 5.9 billion. For the beginning of the year, profit before taxes was EUR 32.2 million and remained -36 percent from the comparison period. Last year, an exceptionally significant one-off item of around EUR 22 million was recorded. Comparable profit before taxes increased by a whopping 47% to EUR 36.2 million, an increase of more than EUR 11 million from the comparative period.

For the second quarter, comparable profit before taxes increased by 10% and was EUR 16.2 million.

We continue the year from excellent starting points

The merger negotiations with Liedon Savings Bank are progressing as planned. The goal is to implement the largest corporate reorganization in the history of our bank between November and December. The acquisition of the business significantly strengthens OmaSp's market position and service network in the Turku economic area and throughout Southwest Finland. The merger will increase OmaSp's balance sheet by approximately EUR 1.4 billion. We have estimated that the arrangement will increase the annual profit by approximately EUR 15-20 million in the next few years. Growing volumes will further improve cost efficiency and business profitability.

1-6/2022
Comparable ROE
15.4%

The permit process for the application of IRB approach in capital adequacy is progressing based on the dialogue with the supervisor. With the IRB approach, the use of capital will become more efficient in the coming years and bring OmaSp into a comparable position with the benchmark banks.

Investments to ensure future competitiveness and our investments in customer service and improving the customer experience will continue. The extensive extensions of Helsinki and Tampere branches were completed in late spring and in late autumn a new branch will open in Espoo shopping centre Iso Omena, one of Finland's busiest shopping centres.

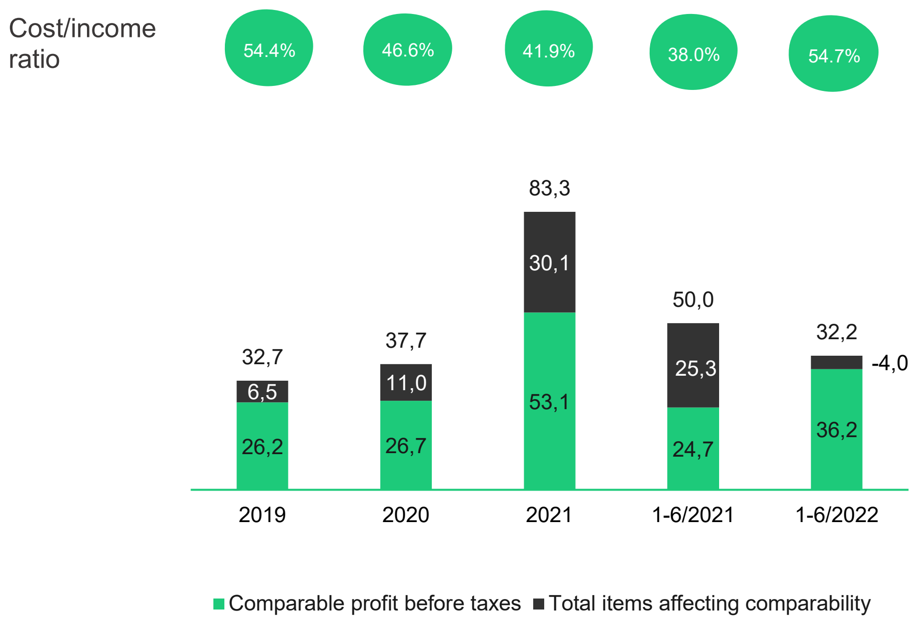
Until now direct effects of the Russian invasion war have been limited on OmaSp's operations and so far, this has not affected demand. The situation is generally reflected in the economic environment as an acceleration of inflation and a rise in interest rates, which for the bank means an increase in net interest income and an improvement in profitability.

I've been allowed to be involved in the success story of OmaSp already for fifteen years, and during that time OmaSp has grown from a small local bank to a Company on the main list of the stock exchange. Today, our Company is a unique combination of growth and profitability. The bank's financial position is strong, and we continue the financial year from excellent starting points.

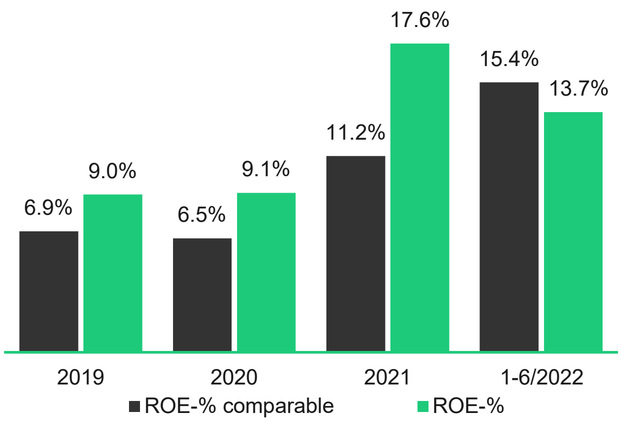
Pasi Sydänlammi
CEO

A profitably growing Finnish bank

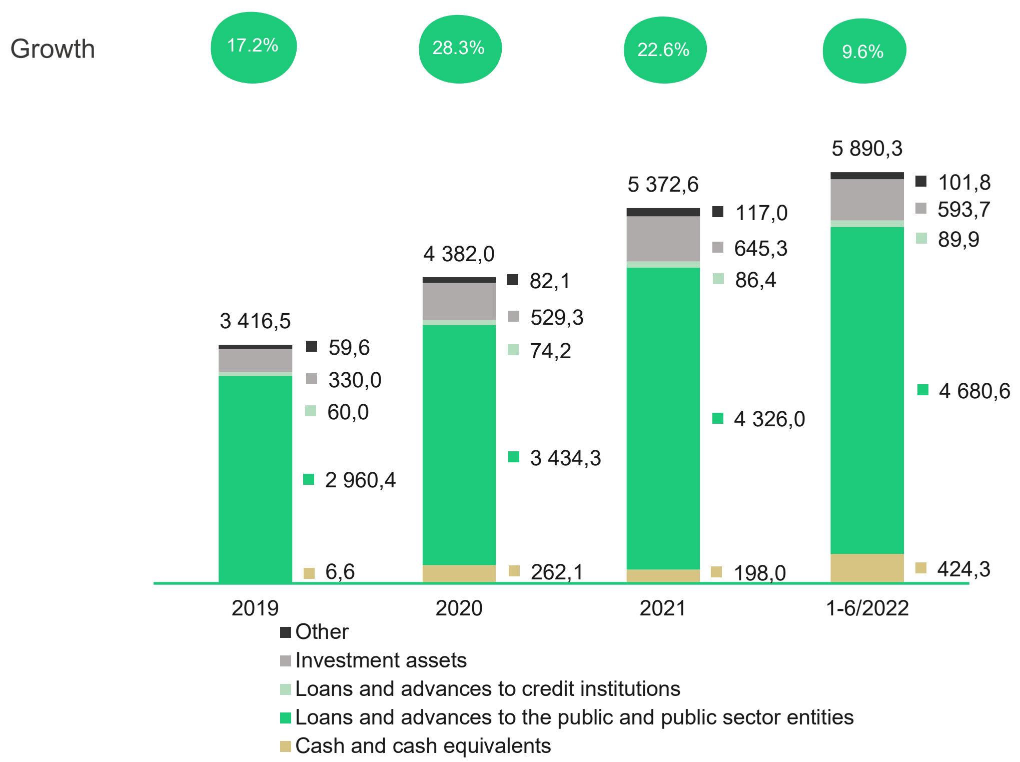
Profit before taxes, EUR mill.



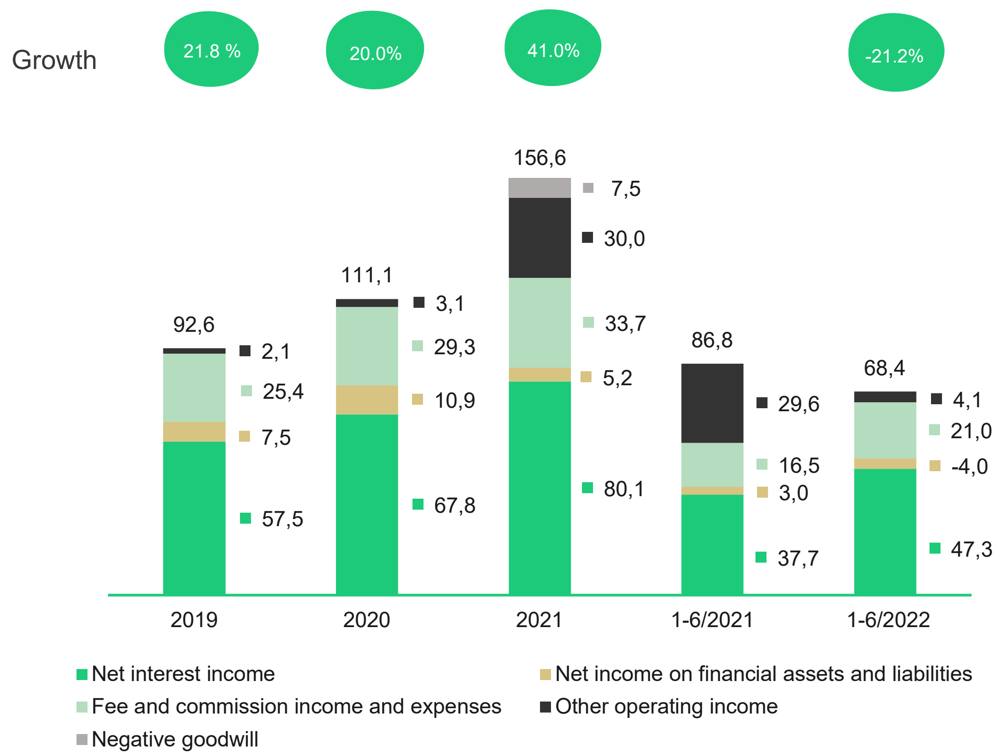
Return on equity (ROE) %



Balance sheet total, EUR mill.



Total operating income, EUR mill.



Significant events during the period

- In May 2022, the Company launched negotiations to merge Liedon Savings Bank's banking business into its business. The acquisition plan has been registered in the Trade Register in June. The goal is to implement the merger on 30 November 2022. The acquisition of the business will have a significant positive impact on the Company's annual profitability. In the next few years, it is estimated to increase the Company's profit before taxes by approximately EUR 15-20 million annually. In the longer term, business in the Turku economic area is expected to significantly increase the Company's earnings. The merger will increase the Company’s balance sheet by approximately EUR 1.4 billion. The arrangement will significantly strengthen the Company's market position and service network in the Turku economic area and throughout Southwest Finland. The number of the Company's private and corporate customers will increase to more than 200,000 after the merger. The growing volumes will further improve the Company's cost efficiency and business profitability. More about the effects of the merger is described on page 22 of the Half-Year Financial Report.

- The Company's project of transitioning to the application of the IRB approach is progressing. In the first stage, the Company has applied permission to apply an internal risk classification under the IRB approach to calculate capital requirements for retail credit risk liabilities. Later, the Company will apply for a similar permit for corporate liabilities as well as renewable retail liabilities. In February, the Company has submitted an application to the Finnish Financial Supervisory Authority (FIN-FSA) for the application of the IRB approach in capital adequacy, and the application process is progressing based on the dialogue with the supervisor.

- In June, the Finnish Financial Supervisory Authority (FIN-FSA) granted the Company a new business license in accordance with the Mortgage Credit Bank and Covered Bonds Act (151/2022).

- On 30 June 2022, according to the list of shareholders, representatives of the five largest shareholders were appointed to the Nomination Committee of the Company: Raimo Härmä, appointed by Etelä-Karjalan Säästöpankkisäätiö; Ari Lamminmäki, appointed by Parkanon Säästöpankkisäätiö; Aino Lamminmäki, appointed by Töysän Säästöpankkisäätiö; Simo Haarajärvi, appointed by Kuortaneen Säästöpankkisäätiö and Jukka Kuivaniemi, appointed by Hauhon Säästöpankkisäätiö. The task of the Nomination Committee is to prepare proposals for the election and remuneration of Board members for the next annual general meeting and, if necessary, an extraordinary general meeting. The Nomination Committee complies with the rules of procedure approved by the Annual General Meeting.

- In May, the Company issued a EUR 350 million covered bond. The bond matures on 18 December 2026 and it was issued under the Company's EUR 3 billion bond program.

- The cooperation between the Company and the Nordic Investment Bank (NIB) continues and the banks signed a new loan agreement of EUR 50 million in May. The loan funds small and medium-sized companies and small midcap companies operating in Finland.

- The Company agreed with Mandatum on cooperation related to securities trading. In the future, the Company will recommend Mandatum Trader trading service to its customers, which offers extensive securities trading services. As part of the cooperation, the Company will give up offering its own value share accounts. The cooperation model does not include commission refunds and has no effect on the fund and insurance investments offered by OmaSp, which remain unchanged.

- The organizing meeting of the Board of Directors was held in April. At the organizing meeting, Jarmo Salmi was elected to continue as Chairman of the Board and Jyrki Mäkynen as Vice Chairman.

- In February, the Company agreed on a long-term partnership with Kyndryl-Samlink. Samlink went into ownership of Kyndryl in early 2022. The Company will develop its IT systems as reasonable entities and from the business needs. Through long-term cooperation, the Company aims for an even more modern and cost-effective IT environment.

- In February, the Company announced that it was responding to demand in the metropolitan area and opening a new full-service branch in Espoo, a major growth centre as Finland's second largest city. The Company's investment decision has emerged from rising demand.

- In February, the Company's Board of Directors confirmed the fulfilment of the 2020-2021 share-based incentive scheme's earning criteria and the payment of 336,150 shares, including the amount to be paid in cash. The share rewards will be paid in four installments within three years.

- In February 2022, the Company's Board of Directors decided to establish a new share-based incentive scheme for key persons of the Group. The aim of the scheme is to combine the interests of owners and key persons in order to increase the value of the Company in the long term, and to commit the key persons to implement the Company's strategy, objectives and long-term interest and to provide them with competitive earnings of the Company's shares and a remuneration scheme based on accrual.
The incentive scheme 2022-2023 has one two-year earning period and a commitment period of 1-5 years. The fees payable under the scheme corresponds to a maximum value of 400,000 shares of Oma Savings Bank Plc, including the amount to be paid in cash.

- The Company completed the repurchase programme of its own shares, which started on 17 September 2021 and ended on 24 February 2022. During this period, a total of 198,300 own shares were repurchased for an average price of EUR 16.2543 per share. The amount corresponds to approximately 0.7% of the Company's total share amount. The shares were repurchased on the basis of the authorisation given by the Annual General Meeting on 30 March 2021. The shares were acquired to implement a share-based incentive scheme for key persons.

Oma Savings Bank Group's key figures

(1,000 euros)	1-6/2022	1-6/2021	Δ %	1-12/2021	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Net interest income	47,316	37,668	26%	80,130	24,229	23,086	21,873	20,588	19,669
Total operating income	68,386	86,770	-21%	156,565	33,843	34,543	39,452	30,343	57,628
Total operating expenses	-37,424	-32,834	14%	-65,294	-18,521	-18,903	-19,518	-12,942	-18,422
[1] Cost/income ratio, %	54.7%	38.0%	44%	41.9%	54.7%	54.6%	49.9%	42.6%	32.0%
Impairment losses on financial assets, net	1,126	-3,603	131%	-7,294	-1,372	2,498	-1,632	-2,058	-813
Profit before taxes	32,168	49,956	-36%	83,271	13,942	18,227	17,967	15,348	38,284
Profit/loss for the accounting period	25,932	39,769	-35%	66,252	11,114	14,818	14,244	12,239	30,528
Balance sheet total	5,890,317	4,776,891	23%	5,372,633	5,890,317	5,518,011	5,372,633	4,902,204	4,776,891
Equity	355,874	383,434	-7%	401,294	355,874	371,118	401,294	384,963	383,434
[1] Return on assets (ROA) %	0.9%	1.7%	-46%	1.4%	0.8%	1.1%	1.1%	1.0%	2.6%
[1] Return on equity (ROE) %	13.7%	21.6%	-37%	17.6%	12.2%	15.3%	14.5%	12.7%	33.1%
[1] Earnings per share (EPS), EUR	0.86	1.34	-36%	2.22	0.37	0.49	0.48	0.41	1.03
[1] Equity ratio %	6.0%	8.0%	-25%	7.5%	6.0%	6.7%	7.5%	7.9%	8.0%
[1] Total capital (TC) ratio %	13.2%	16.7%	-21%	15.6%	13.2%	14.7%	15.6%	16.7%	16.7%
[1] Common Equity Tier 1 (CET1) capital ratio %	13.2%	16.4%	-20%	15.5%	13.2%	14.6%	15.5%	16.5%	16.4%
[1] Tier 1 (T1) capital ratio %	13.2%	16.4%	-20%	15.5%	13.2%	14.6%	15.5%	16.5%	16.4%
[1] Liquidity coverage ratio (LCR) %	151.4%	160.6%	-6%	133.0%	151.4%	123.1%	133.0%	139.3%	160.6%
Average number of employees	347	308	13%	315	362	331	323	321	317
Employees at the end of the period	366	329	11%	344	366	335	344	315	329
Alternative performance measures excluding items affecting comparability:									
[1] Comparable profit before taxes	36,171	24,679	47%	53,142	16,158	20,013	14,448	14,015	14,636
[1] Comparable cost/income ratio, %	51.6%	49.6%	4%	48.0%	51.4%	51.9%	47.9%	44.3%	47.0%
[1] Comparable earnings per share (EPS), EUR	0.97	0.66	47%	1.41	0.43	0.54	0.38	0.37	0.40
[1] Comparable return on equity (ROE) %	15.4%	10.6%	45%	11.2%	14.2%	16.8%	11.6%	11.6%	12.6%

1) The calculation principles of the key figures are presented in Note 16 of the Half-Year Financial Report.
Comparable profit calculation is presented in the Income Statement.

Operating environment

The Finnish economy was recovering from the recession caused by the corona crisis and private consumption started to grow. Global problems with the availability of components, logistical problems, as well as the different corona situations on the continents have brought challenges to global recovery. Russia's invasion war to Ukraine brought a new kind of uncertainty to the economy and also affected industrial sectors, as well as accelerated inflation and the rise of interest rates. The economic sanctions of Russia and Belarus brought by the war are slowing down the economic recovery. [(1] The annual change in consumer prices calculated by Statistics Finland was 7.0%. The increase in inflation was influenced by, for example, the rise in the price of fuel and electricity. [(2]

The European Central Bank aims to keep inflation at the level of 2% over the medium term, so the development of inflation guides the rate of change in monetary policy. At the July meeting, ECB raised all three key interest rates by 0.5 percentage points and said that it is monitoring the situation and is ready for rate hikes in future meetings as well. [(9] Financial conditions in Finland have remained mild so far, but general interest rates have nevertheless turned to a clear rise during the beginning of the year. During the first half of the year, the quotation of the 12-month Euribor rate has risen by more than 1.5 percentage points. [(1]

Finland's GDP growth was strong in 2021 and strong growth was expected to continue in 2022 as well. According to Statistics Finland's updated data, total output grew by 3.5% in 2021. Russia's invasion war to Ukraine is undermining global economic growth by increasing uncertainty, exacerbating supply disruptions and raising raw material and energy prices. In addition, high inflation dampens the growth of private consumption. According to the preliminary calculations of the Bank of Finland, the projected growth of GDP in 2022 would be 1.7% and in 2023, growth is predicted to be only 0.5%. In 2024, the difficulties of economic growth are expected to ease and increase to 1.5%. [(1]

The seasonally adjusted savings rate of households increased in the first quarter of 2022 compared to the previous quarter. Households' disposable income increased by 3.3% compared to the previous quarter, when refined from price changes, income remained at the same level. The investment rate rose slightly from the previous quarter's level. The majority of investments of households are in housing investments. The corporate investment rate decreased compared to the previous quarter. [(3]

According to Statistics Finland, there were 61,000 more employed and 68,000 fewer unemployed in May than a year ago. In May 2022, the employment rate was 74.7% (aged 15-64) and the average unemployment rate was 7.9%. [(4]

According to Statistics Finland's preliminary data, prices of old dwellings in housing companies rose by 3.2% in April. The growth was slightly more upbeat outside the big cities. In the six largest cities, the prices of old dwellings in housing companies rose by 2.6% compared to last year in April, while the growth in the rest of Finland was 4.5%. At the same time, the number of transactions through real estate agents decreased by 15% from the comparison period. [(5]

In May, mortgage loans totalled EUR 1.9 billion, which is EUR 180 million less than in the previous year. The average interest rate for new home loans was 1.13% in May. Unsecured consumer loans were taken out 15% more than in the same period a year ago. The number of card credits has also been found to have increased in recent months. In May 2022, the annual growth rate of all loans granted to households was 3.2%. The annual growth rate of the mortgage portfolio was 3.2%. The number of corporate loans increased by 4.2% in the same period. The amount of household deposits increased by a total of 5.1% during the 12-month period. [(6]

The number of bankruptcies filed in January-May 2022 decreased by 4.0% compared to the previous year. The number of personnel in the companies filing for bankruptcy came to 4,403, i.e. 25.3% less than in the corresponding period in 2021. [(7] The number of new building permits granted decreased by 21.0% in February-April compared to the previous year and was 10.2 million cubic meters. This was more than a fifth less than the comparable figure a year earlier. [(8]

In the Company's view, the business environment in Finland is stable in terms of household indebtedness and housing prices, but Russian invasion war in Ukraine as well as the accelerated inflation are bringing new kind of uncertainty to the market.

1) Bank of Finland, War folds economic recovery as well as Forecast tables for 2022-2024 (June 2022). Published on 21 June 2022.
2) Statistics Finland, Inflation 7.0% in May 2022. Published on 14 June 2022
3) Statistics Finland, Households' saving rate increased in the first quarter of 2022. Published on 22 June 2022.
4) Statistics Finland, Employment continued to grow in May 2022 compared to a year ago. Published on 21 June 2022.
5) Statistics Finland, Prices of old dwellings in housing companies rose in April. Published on 31 May 2022.
6) Bank of Finland, MFI balance sheet (loans and deposits) and interest rates, In May, significantly more unsecured consumer loans were purchased than before. Published on 1 July 2022.
7) Statistics Finland, In May 2022, 264 bankruptcies were filed. Published on 15 June 2022.
8) Statistics Finland, Number of issued building permits decreased in February-April 2022 from a year ago. Published on 21 June 2022.
9) Bank of Finland, ECB's monetary policy decisions. Published 21 July 2022.

Impacts of the Russian invasion war and the corona pandemic on business

Russian invasion war to Ukraine has led to global sanctions on Russia and Belarus. The direct effects of the war on the Company's operations have so far been limited. Most significantly, Russia's invasion of Ukraine has affected financial markets and, by extension, the functioning of the refinancing markets in terms of access to financing and pricing. The invasion war and the sanctions against Russia have strongly accelerated the inflation that started in 2021. High inflation has increased the pressure to raise interest rates, which has been reflected in a strong rise in interest rates during the second quarter. The Company's investment portfolio mainly consists of fixed-rate bonds, whereby the value of the Company's investment portfolio has declined as a result of rising interest rates. Correspondingly, the rise in market interest rates will be reflected in growing interest income during the coming periods.

The war has also highlighted the existence of cyber threats in particular: a denial-of-service attack can disrupt or paralyze information systems. Cyber threats and other risks have been identified in cooperation with service providers to ensure that the bank is well prepared in the event of a possible disruption. The Company has updated its own preparedness measures and operating guidelines especially with respect to the control of sanctions. In addition, the authorities have developed their own precautionary measures.

The Company has closely monitored the development of the corona pandemic situation and made the necessary changes to its operating models. Although the news of the pandemic has been overshadowed by the Russian invasion war and the restrictions have been lifted, the pandemic is not yet over. During the pandemic, 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.

Neither the Russian invasion war nor the protracted corona pandemic have affected the growth of grace periods during the beginning of 2022, and there have been no short-term peaks in demand for them.

The quality of the Company's loan portfolio has remained at a good level. However, the Russian invasion war has brought a new kind of uncertainty to the financial markets and operating environment. The Company released ECL allowance for corona pandemic and Russian invasion war of EUR 2.0 million as according to the analysis carried out, the pandemic and the war have had a limited impact on the growth of customer credit risk. As of 30 June 2022, the Company has a total of EUR 1.9 million of allowances left for the effects of the corona pandemic and the war. The Company continues to monitor the situation and assess the situation on a monthly basis.

The impacts of the crises are described in more detail in Note 2.

Credit rating and liquidity

Standard & Poor's confirmed a credit rating of BBB+ for Oma Savings Bank's long-term borrowing in June 2022, as well as a rating of A-2 for short-term borrowing. The outlook for a long-term credit rating has been confirmed as stable.

	31 Dec 2021	31 Dec 2020
LCR	151.4%	133.0%
NSFR	109.9%	115.2%

The Group's Liquidity Coverage Ratio (LCR) remained at a good level, standing at 151.4% in the second quarter of 2022. The Net Stable Funding Ratio (NSFR) was 109.9%.

The Russian invasion war that began in February 2022 as well as rising interest rates, appear as an increase in uncertainty in refinancing markets. The situation has been particularly evident in the investment certificate market, where the price of financing has risen. In terms of long-term funding, the market continues to perform well, especially for covered bonds, but uncertainty has moved investors' maturity preference shorter. The deposit portfolio has continued to grow during the second quarter of year 2022, keeping the loan-deposit ratio stable.

Related party disclosures

Related party is defined as key persons in a leading position at Oma Savings Bank Plc and their family members, subsidiaries, associated companies and joint ventures, joint operations and companies in which a key person in a leading position has control or significant influence, and organizations that have significant influence in Oma Savings Bank Plc. Key persons are members of the Board of Directors, the CEO and deputy to the 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.

More detailed information on related parties is given in Note G31 of the 2021 Financial Statements.

More detailed information on the share-based remuneration scheme for the management is given in Note G32 of the Financial Statements and in Note 14 of the Half-Year Financial Report.

Financial statements

The corresponding period last year has been used as the year under comparison in income statement items, and the date 31 December 2021 as the comparative period for the balance sheet and capital adequacy.

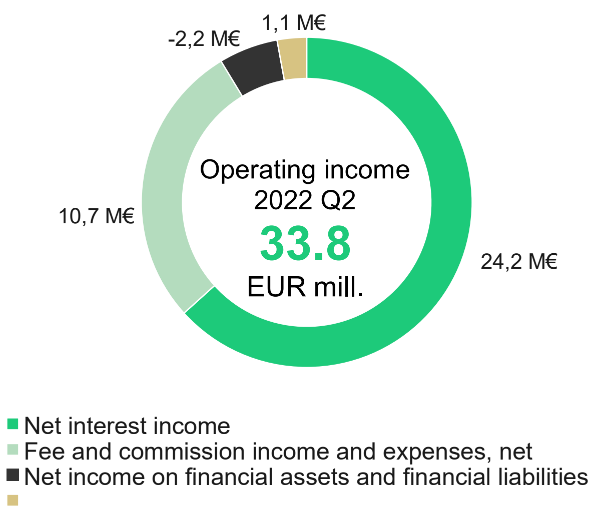
Result 4–6 / 2022

For the second quarter, the Group's profit before taxes was EUR 13.9 (38.3) million and the profit for the period was EUR 11.1 (30.5) million. The cost/income ratio was 54.7 (32.0)%.

Comparable profit before taxes amounted to EUR 16.2 (14.6) million in the second quarter and the comparable cost/income ratio was 51.4 (47.0)%. The comparable profit has been adjusted for the net income on financial assets and liabilities as well as the items recorded for the termination of the contract regarding the core banking project in the comparison period 2021.

Income

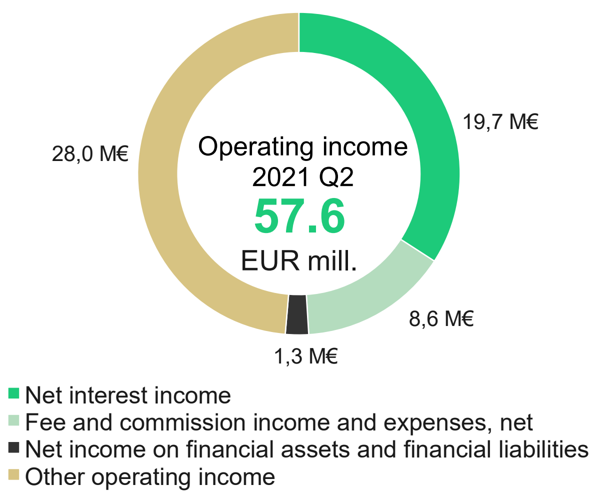
Total operating income was EUR 33.8 (57.6) million. Total operating income decreased -41.3% year-on-year. In the comparison period, total operating income increased by EUR 26.9 million from the one-off item received for the termination of the core banking platform. Comparable total operating income growth was 22.9%



Net interest income grew by 23.2%, totalling EUR 24.2 (19.7) million. During the review period, interest income grew by 27.8%, totalling EUR 26.3 (20.6) million. The growth in interest income is largely explained by the increase in the loan portfolio of EUR 908 million as of 30 June 2021. During the year, the average margin on the loan portfolio has slightly increased. The general rise in interest rates during the second quarter was not significantly reflected in interest income, but the effects in interest income will be seen in future reporting periods.

Interest expenses were EUR 2.1 (0.9) million in the second quarter. The average interest on deposits paid to the Company's customers was 0.01% (0.01%) at the end of the period. The increase in interest expenses can be explained by the interest rate on the new bond issued in May due to the rise in market interest rates.

Fee and commission income and expenses (net) grew by 25.0% to EUR 10.7 (8.6) million. The total amount of fee and commission income was EUR 12.3 (10.0) million.



Net fee and commission income from cards and payment transactions was EUR 6.0 (4.6) million. The item increased by 31.9%. The increase is mainly explained by the increase in customer volume. The amount of commission income from lending was EUR 3.6 (3.3) million.

The net income on financial assets and liabilities were during the period EUR -2.2 (1.3) million during the period. Losses recorded on financial assets are due to changes in the market prices of investments due to market uncertainty and resulting valuation losses.

Other operating income was EUR 1.1 (28.0) million. EUR 0.7 million was recorded in other operating income from realized income due to the valuation of the joint liability debt transferred from Eurajoen Savings Bank. Due to the change in the Group structure, the loss of control in SAV-Rahoitus Oyj and the valuation of the remaining investment at fair value of EUR 0.4 million was recorded in other operating income. In the comparison period, a compensation received from the termination of the core banking project was recorded in other operating income.

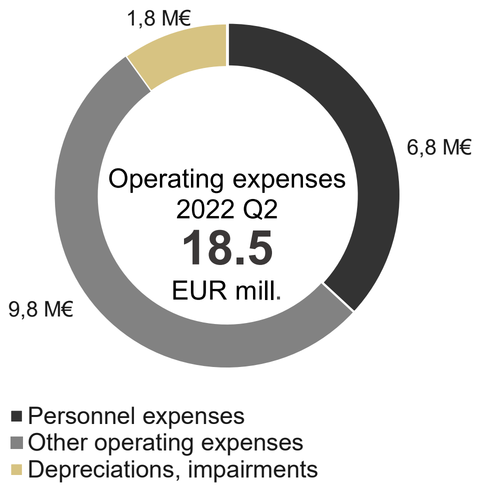
Expenses

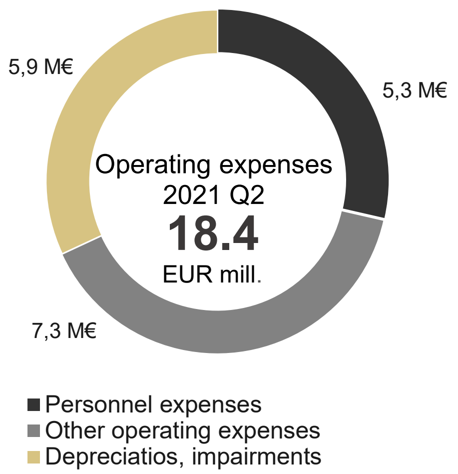
Operating expenses came to a total of EUR 18.5 (18.4) million and increased 0.5% compared to the previous year's corresponding period. In the comparison period, operating expenses were increased by EUR 4.6 million due to recorded impairment on the balance sheet regarding the core banking project. The increase in comparable operating expenses was 34.3%.

Personnel expenses increased 29.8%, totalling EUR 6.8 (5.3) million. The number of employees at the end of the period was 366 (329), of which 83 (62) were fixed-term. With the acquisition of the business, 33 people transferred from Eurajoen Savings Bank in December 2021 which partly explains the increased personnel expenses compared to the comparison period.

Other operating expenses increased 35.3% to EUR 9.8 (7.3) million. The item includes authority fees, office, IT, PR and marketing costs and those stemming from the business premises in own use. The increase in expenses compared to the comparison period was mainly due to the increase in the number of branches and personnel due to the acquisition of the Eurajoen Savings Bank's business at the end of 2021. In other operating expenses, there was also an increase in IT systems development expenses as well as in authority fees, which have increased with the growth of the business.

Depreciation, amortisation and impairments on tangible and intangible assets were EUR 1.8 (5.9) million. For the comparative period, the impairments reflected the impact of the contract termination regarding the core banking platform and the item recorded as impairment, totalling EUR 4.6 million.





Impairment losses on financial assets

During the second quarter, impairment losses on financial assets (net) were EUR 1.4 (0.8) million.

The net amount of realised credit losses decreased compared to the comparison and was EUR 0.3 (1.6) million.

During the second quarter, the provision for expected credit losses increased EUR 1.1 (-0.8) million. Of the change in expected credit losses, EUR 1.3 million was allocated to receivables from customers and off-balance sheet items. The change in the investment portfolio was EUR 0.2 million.

In the second quarter, the Company released EUR 2.0 million of additional loss allowances aimed at an increase in credit risk caused by the Russian invasion war and the corona pandemic, as based on the Company's assessment, the corona pandemic and the war have had a limited effect on the growth of customers' credit risk. Additional loss allowances of EUR 1.9 million remain for use by the Company. A total of one million of these additional loss allowances has been allocated to corporate customers and EUR 0.9 million to private customers. Additional allowances made are targeted to stage 2.

Result 1–6 / 2022

The Group's profit before taxes for January-June was EUR 32.2 (50.0) million and the profit for the period was EUR 25.9 (39.8) million. The cost/income ratio was 54.7 (38.0)%.

Comparable profit before taxes amounted to EUR 36.2 (24.7) million in January-June and the comparable cost/income ratio was 51.6 (49.6)%. The comparable profit before taxes has been adjusted for the net income on financial assets and liabilities and the items recorded for the termination of the contract regarding the core banking project.

Income

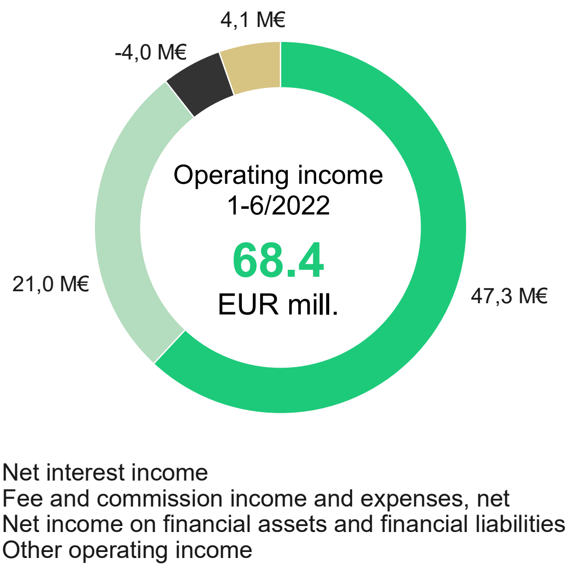
Total operating income was EUR 68.4 (86.8) million. Total operating income decreased -21.2% year-on-year. The one-time item caused by the change in the Group structure and the revaluation of the joint debt recorded in connection with the acquisition carried out last year were recorded in operating income. The combined effect of these on operating income was EUR 1.1 million. In the comparison period, 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 2021.

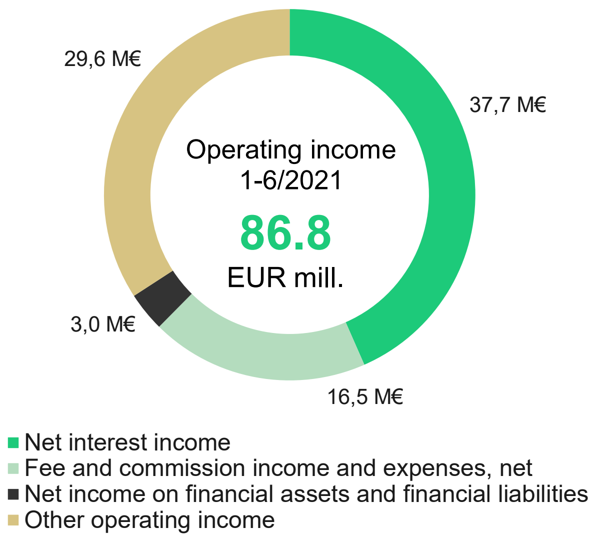
Comparable total operating income was EUR 72.4 (56.9) million and the increase of comparable total operating income was 27.3%. During the reporting period, net income on financial assets and liabilities of EUR -4.0 (3.0) million has been eliminated from operating income as an item affecting comparability.

Net interest income grew 25.6%, totalling EUR 47.3 (37.7) million. During the reporting period, interest income grew 26.4% and was EUR 50.4 (39.8) million. The growth in interest income is largely explained by the increase in the loan portfolio of EUR 908 million as of 30 June 2021. During the period, the average margin of the Company's loan portfolio has remained almost unchanged, increasing 0.03 percentage. The general rise in interest rates during the beginning of the year was not significantly reflected in interest income, but the effects in interest income will be seen in future reporting periods.

Interest expenses increased year-on-year and was EUR 3.0 (2.2) million. The average interest on deposits paid to the Company's customers was 0.01% (0.01%) at the end of the period. A large part of the increase in interest expenses can be explained by the interest on the new bond issued in May due to the increase in market interest rates.

Fee and commission income and expenses (net) grew by 27.3% and was EUR 21.0 (16.5) million. The total amount of fee and commission income was EUR 24.1 (19.1) million.





Commissions from cards and payment transactions net grew 32.2% compared on the comparative period and was EUR 11.8 (8.9) million. The increase is mainly explained by volume growth and an improvement in pricing power. The amount of commission income on lending was EUR 7.1 (6.2) million.

The net income on financial assets and liabilities was EUR -4.0 (3.0) million during the period.

Other operating income was EUR 4.1 (29.6) million. EUR 0.7 million was recorded from the valuation of the joint debt in connection with the Eurajoen Savings Bank's business transaction as well as EUR 0.4 million caused by the change in the Group structure as a positive impact. In the comparison period, the impact of the contract termination regarding the core banking platform was EUR 26.9 million.

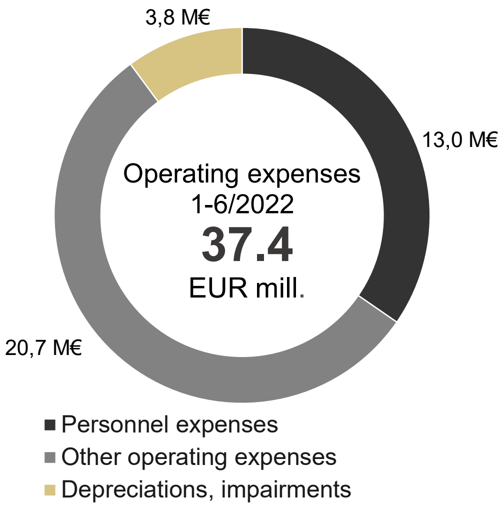
Expenses

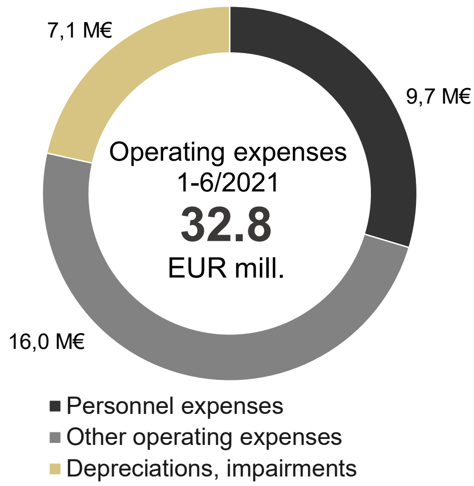
Operating expenses increased 14.0% compared to the previous year's corresponding period. Operating expenses came to a total of EUR 37.4 (32.8) million. The reporting period did not include expenses effecting comparability. In the comparison period, the operating expenses included the write-down of the core banking project, so the comparable operating expenses were EUR 37.4 (28.2) million. The increase of comparable operating expenses was 32.7%.

Personnel expenses increased 33.0%, totalling EUR 13.0 (9.7) million. The increase in personnel expensed is effected by the business transaction made at the end of 2021, in which the personnel of Eurajoen Savings Bank transferred to Oma Savings Bank. The number of employees at the end of the period was 366 (329), of which 83 (62) were fixed-term.

Other operating expenses increased 29.1% to EUR 20.7 (16.0) million. Part of the increase in expenses is explained by the increase in authority fees due to the bank's growth. The item includes authority fees, office, IT, PR and marketing costs and those stemming from the business premises in own use.

Depreciation, amortisation and impairment on tangible and intangible assets were EUR 3.8 (7.1) million. During the second quarter 2021, items recorded as impairment for the core banking project were in total EUR 4.6 million.





Impairment losses on financial assets

Impairment losses on financial assets (net) decreased compared to the comparison year and a positive effect on the result of EUR 1.1 million was recorded for the item, when the impairment losses of financial assets recorded in the comparison period were 3.6 million.

The net impact of final credit losses increased slightly compared to the comparison year and was in January-June EUR 2.5 (2.1) million. Credit losses recorded during the period are mostly targeted at corporate customers.

During January-June, the amount of expected credit losses decreased by EUR 3.6 million, while expected credit losses increased by EUR 1.5 million in the comparison period. Of the change in expected credit losses, EUR 3.0 million was allocated to receivables from customers and off-balance sheet items. The change in the investment portfolio was EUR 0.6 million. At the beginning of the year, the Company switched to using new, more advanced ECL models as part of the development of IRB credit risk models. This reduced expected credit losses by EUR 2.6 million.

During the first quarter, the Company released EUR 2.0 million of the additional loss allowances related to the corona pandemic. However, the Russian invasion war that began in February added economic uncertainty, which is why the Company made an additional loss allowance of EUR 2.0 million based on management's judgement. In the second quarter, based on the Company's assessment, the effects of the invasion war and the corona pandemic on the Company's credit base will remain limited, which is why the Company released EUR 2.0 million of the additional loss allowances. Additional loss allowances of EUR 1.9 million remain for use by the Company after the second quarter. A total of one million of these additional loss allowances has been allocated to corporate customers and EUR 0.9 million to private customers. Additional allowances made are targeted to stage 2.

Balance sheet

The Group's balance sheet total grew to EUR 5,890.3 (5,372.6) million during January-June 2022. The growth was 9.6%.

Loans and other receivables

In total, loans and other receivables grew 8.1% to EUR 4,770.6 (4,412.3) million in January-June.

The average size of loans issued over the past 12 months has been approximately EUR 123 thousand.

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

Credit balance (1,000 euros)	30 Jun 2022	31 Dec 2021	30 Jun 2021
Private customers	2,828,794	2,705,643	2,319,926
Business customers	1,074,982	882,817	752,401
Housing associations	417,133	388,306	345,689
Agricultural customers	279,213	277,743	279,475
Other	103,604	100,040	114,853
Total	**4,703,725**	**4,354,549**	**3,812,344**

Investment assets

The Group's investment assets decreased -8.0% during the period, totalling EUR 593.7 (645.3) million. The decrease was due to changes in the value of the liquidity portfolio due to continued increases in market interest rates during the second quarter. The primary purpose of managing investment assets is securing the Company's liquidity position.

Intangible assets

At the end of the period, intangible assets totalled EUR 9.6 (10.0) million.

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

Liabilities to credit institutions and to the public and public sector entities grew during the period by 8.7% to EUR 3,379.7 (3,110.5) million.

The item consists mostly of deposits received from the public, which came to EUR 3,113.7 (2,897.1) million at the end of June. Liabilities to the credit institutions were EUR 265.6 million (EUR 212.7 million).

Debt securities issued to the public

Total debt securities issued to the public grew during the period by 16.5% to EUR 2,053.5 (1,762.3) million. The Company issued a EUR 350 million covered bond in May. The debt securities issued to the public are shown in more detail in Note 8.

Covered bonds are secured by loans to the value of EUR 2,145.1 (1,690.4) million.

Equity

The Group's equity EUR 355.9 (401.3) million decreased by -11.3% during the period. The change results from the decrease in the value of the fair value reserve. The fair value reserve decreased by EUR 55 million during the period as a result of changes in market prices caused by the increase in interest rates.

Own shares

On 30 June 2022, the number of own shares held by Oma Savings Bank was 130,847. The Company has repurchased shares of its own under the repurchase program, which ended in February 2022. There was a weighty financial reason for the directed acquisition of own shares as they were acquired in relation to the implementation of a share-based incentive scheme for key personnel.

Share capital	30 Jun 2022	31 Dec 2021
Average number of shares (excluding own shares)	29,990,687	29,773,517
Number of shares at the end of the year (excluding own shares)	30,019,341	29,962,033
Number of own shares	130,847	188,155
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 35.2 (31.0) million, were mostly made up of bank guarantees and other guarantees. Irrevocable commitments given to a customer, which totalled EUR 349.1 (377.8) million at the end of June, consisted mainly of undrawn credit facilities.

Progress of key development projects

In February 2022, the Company agreed on a long-term collaboration with Kyndryl-Samlink. The Company will develop its IT systems as reasonable entities and from the business needs. Through long-term cooperation, the Company aims for an even more modern and cost-effective IT environment.

The Company's project of transitioning to the application of the IRB approach is progressing. In the first stage, the Company has applied permission to apply an internal risk classification under the IRB approach to calculate capital requirements for retail credit risk liabilities. Later, the Company will apply for a similar permit for corporate liabilities as well as renewable retail liabilities. In February, the Company has applied to the Finnish Financial Supervisory Authority (FIN-FSA) for the application of the IRB approach in capital adequacy, and the application process is progressing based on the dialogue with the supervisor.

The system project to prevent money laundering and terrorist financing is progressing according to plan. The system has been introduced in stages and 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.

Merger negotiations with Liedon Savings Bank

In May 2022, the Company launched negotiations to merge Liedon Savings Bank's banking business into its business. The acquisition plan of the merger has been approved by the Boards of both banks and the acquisition plan was registered in the Trade Register in June. The goal is to implement the merger on 30 November 2022. The acquisition of the business will have a significant positive impact on the Company's annual profitability. In the next few years, it is estimated to increase the Company's profit before taxes by approximately EUR 15-20 million annually. In the longer term, business in the Turku economic area is expected to significantly increase the Company's earnings. The merger will increase the Company's balance sheet by approximately EUR 1.4 billion. The arrangement will significantly strengthen the Company's market position and service network in the Turku economic area and throughout Southwest Finland. The number of the Company's private and corporate customers will increase to more than 200,000 after the merger. The growing volumes will further improve the Company's cost efficiency and business profitability.

The acquisition of the business is planned to be carried out through a directed share issue to Liedon Savings Bank, in which it will receive 3,125,049 shares of Oma Savings Bank Plc. The additional purchase price will be paid in cash based on Liedon Savings Bank's customer business results for the period 1 May to 30 November 2022. Following the transfer of the banking business, Liedon Savings Bank is to become a regional Savings Bank Foundation.

Significant events after the period

In July, the Company announced the change of the responsible auditor. KPMG Oy Ab, the firm of authorised public accountants acting as the auditor of Oma Savings Bank Plc, has appointed APA Tuomas Ilveskoski as responsible auditor when APA Fredrik Westerholm will transfer to another employer.

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.

Dividend policy and dividend payment

The Company aims to pay a steady and growing dividend, at least 20% of net income. The Company's Board of Directors assesses the balance between the dividend or capital return to be distributed and the amount of own funds required by the Company's solvency requirements and target on an annual basis and makes a proposal on the amount of dividend or capital return to be distributed.

Financial goals

The Company has financial goals set by the Board of Directors for growth, profitability, return on equity and capital adequacy.

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.
Profitability: Cost/income ratio less than 45%.
Return on equity (ROE): Long-term return on equity (ROE) over 10%.
Capital adequacy: Common Equity Tier 1 (CET1) capital ratio at least 14%.

Financial reporting in 2022

The Company will publish financial information in 2022 as follows:

31 October 2022 Interim Report January-September 2022

Outlook for the 2022 accounting period (unchanged)

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.

Capital adequacy

The total capital (TC) ratio of Oma Savings Bank Group decreased 9.6% and was 13.2 (15.6)% at the end of the period. The Common Equity Tier 1 capital (CET1) ratio was 13.2 (15.5)%, below the minimum level of the medium-term financial goal set by the Board of Directors (14%). Risk-weighted assets grew 6.7% to EUR 2,558.1 (2,398.1) million. Risk-weighted assets grew most significantly due to the strong growth in the loan portfolio for private and corporate customers. 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 basic method is applied when calculating the capital requirement for market risk for the foreign exchange position. The Company's transition project to the application of the IRB approach is proceeding as planned.

At the end of the review period, the capital structure of the Group remained sufficient and consisted mostly of Common Equity Tier 1 capital (CET1). The Group’s own funds (TC) of EUR 338.9 (375.2) million exceeded by EUR 31.8 million the total capital requirement for own funds EUR 307.1 (287.9) million. Own funds were most significantly increased by retained earnings for the financial year 2022, which have been included in the Common Equity Tier 1 capital with the permission granted by the Finnish Financial Supervisory Authority (FIN-FSA). Decrease in fair value reserve EUR 55.0 million significantly reduced own funds. The binding minimum leverage ratio requirement of 3% entered into force on 28 June 2021 as part of the update of the Solvency Regulation. The Group´s leverage ratio was 5.6 (6.7)% at the end of the period.

The main items in the capital adequacy calculation (1,000 euros)	30 Jun 2022	31 Dec 2021	30 Jun 2021
Common Equity Tier 1 capital before regulatory adjustments	347,905	383,167	362,047
Regulatory adjustments on Common Equity Tier 1	-10,238	-11,244	-10,025
Common Equity Tier 1 (CET1) capital, total	**337,667**	**371,923**	**352,023**
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	**337,667**	**371,923**	**352,023**
Tier 2 capital before regulatory adjustments	1,774	3,261	4,773
Regulatory adjustments on Tier 2 capital	-500	-	-
Tier 2 (T2) capital, total	**1,274**	**3,261**	**4,773**
Total capital (TC = T1 + T2), total	**338,941**	**375,184**	**356,795**
Risk-weighted assets			
Credit and counterparty risk, standardised approach	2,344,843	2,179,689	1,949,265
Credit valuation adjustment risk (CVA)	4,732	8,513	11,790
Market risk (foreign exchange risk)	7,238	8,668	8,835
Operational risk, basic indicator approach	201,272	201,272	172,536
Risk-weighted assets, total	**2,558,085**	**2,398,141**	**2,142,427**
Common Equity Tier 1 (CET1) capital ratio, %	13.20%	15.51%	16.43%
Tier 1 (T1) capital ratio, %	13.20%	15.51%	16.43%
Total capital (TC) ratio, %	13.25%	15.64%	16.65%

Leverage ratio (1,000 euros)	30 Jun 2022	31 Dec 2021	30 Jun 2021
Tier 1 capital	337,667	371,923	352,023
Total amount of exposures	6,054,393	5,527,533	4,919,404
Leverage ratio	**5.58%**	**6.73%**	**7.16%**

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 SREP requirement set by the Finnish Financial Supervisory Authority (FIN-FSA) for Oma Savings Bank Plc, based on the authority's assessment, 1.5%, is valid until further notice, however not later than 30 June 2023. The amendment to the Credit Institutions Act, which entered into force during the second quarter 2021, enables the SREP claim to be partially covered by Tier 1 capital and Tier 2 capital in addition to Common Equity. FIN-FSA decides on the countercyclical buffer requirement quarterly and a countercyclical buffer requirement has thus far not been imposed on Finnish credit institutions. The FIN-FSA will introduce a renewed risk meter to guide the setting of a variable additional capital requirement in the third quarter of 2022. As the Russian invasion war to Ukraine continues to weaken Europe's economic outlook and the operating conditions of the financial sector, the Finnish Financial Supervisory Authority (FIN-FSA) does not apply the systemic risk buffer to Finnish credit institutions for the time being. As soon as the situation permits, the requirement is set to the level required by the risks.

The Financial Stability Authority has issued a decision to Oma Savings Bank Plc on the Minimum Requirement for Own Funds and Eligible Liabilities requirement (MREL) within the meaning of Chapter 8, Section 7 of the Resolution Act (1194/2014) on 6 April 2022. The requirement under the decision consists of an overall risk-based requirement (9.5%) and a requirement based on the total amount of liabilities used to calculate the leverage ratio (3%). MREL requirements must be fully met as of 30 June 2022. On 30 June 2022, Oma Savings Bank Plc meets the set requirement with own funds.

Group`s total capital requirement
30 Jun 2022
(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%	200,783
AT1	1.50%	0.28%					1.78%	45,566
T2	2.00%	0.38%					2.38%	60,755
Total	**8.00%**	**1.50%**	**2.50%**	**0.01%**	**0.00%**	**0.00%**	**12.01%**	**307,103**

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

The Group publishes information on capital adequacy and risk management compliant with Pillar III in its Capital and Risk Management Report. The document will be released as a separate report in connection with the Annual Report and it provides a more detailed description of Oma Savings Bank Group's capital adequacy and risk position. The substantial information in accordance with Pillar III will be published as a separate report alongside the Half-Year Financial Report.

Tables and notes to the Half-Year Financial Report

Consolidated condensed income statement

Note	(1,000 euros)	1-6/2022	1-6/2021	1-12/2021	2022 Q2	2021 Q2
	Interest income	50,351	39,831	84,908	26,296	20,577
	Interest expenses	-3,036	-2,163	-4,778	-2,066	-907
9	**Net interest income**	**47,316**	**37,668**	**80,130**	**24,229**	**19,669**
	Fee and commission income	24,083	19,122	39,438	12,259	10,023
	Fee and commission expenses	-3,102	-2,637	-5,752	-1,528	-1,440
10	**Fee and commission income and expenses, net**	**20,981**	**16,485**	**33,686**	**10,730**	**8,583**
11	Net income on financial assets and financial liabilities	-4,003	2,970	5,203	-2,217	1,341
	Negative goodwill	-	-	7,535	-	-
	Other operating income	4,092	29,647	30,012	1,100	28,035
	Total operating income	**68,386**	**86,770**	**156,565**	**33,843**	**57,628**
	Personnel expenses	-12,954	-9,740	-20,631	-6,832	-5,264
	Other operating expenses	-20,682	-16,024	-34,396	-9,846	-7,279
	Depreciation, amortisation and impairment losses on tangible and intangible assets	-3,787	-7,071	-10,267	-1,842	-5,880
	Total operating expenses	**-37,424**	**-32,834**	**-65,294**	**-18,521**	**-18,422**
12	Impairment losses on financial assets, net	1,126	-3,603	-7,294	-1,372	-813
	Share of profit of equity accounted entities	81	-377	-706	-9	-109
	Profit before taxes	**32,168**	**49,956**	**83,271**	**13,942**	**38,284**
	Income taxes	-6,236	-10,187	-17,019	-2,827	-7,756
	Profit for the accounting period	**25,932**	**39,769**	**66,252**	**11,114**	**30,528**
	Of which:					
	Shareholders of Oma Savings Bank Plc	25,934	39,766	66,158	11,103	30,399
	Non-controlling interest	-2	3	95	11	130
	Total	**25,932**	**39,769**	**66,252**	**11,114**	**30,528**
	Earnings per share (EPS), EUR	**0.86**	**1.34**	**2.22**	**0.37**	**1.03**
	Earnings per share (EPS) after dilution, EUR	**0.86**	**1.34**	**2.20**	**0.37**	**1.02**

Profit before taxes excluding items affecting comparability

(1,000 euros)	1-6/2022	1-6/2021	1-12/2021	2022 Q2	2021 Q2
Profit before taxes	**32,168**	**49,956**	**83,271**	**13,942**	**38,284**
Operating income:					
Net income on financial assets and liabilities	4,003	-2,970	-5,203	2,217	-1,341
Impact of contract termination regarding core banking project	-	-26,936	-26,936	-	-26,936
Negative goodwill	-	-	-7,535	-	-
Operating expenses					
Impact of contract termination regarding core banking project, impairment losses	-	4,629	4,629	-	4,629
Costs relating to business combinations	-	-	4,416	-	-
Real estate sales and impairment losses	-	-	500	-	-
Comparable profit before taxes	**36,171**	**24,679**	**53,142**	**16,158**	**14,636**
Income taxes in income statement	-6,236	-10,187	-17,019	-2,827	-7,756
Change of deferred taxes	-801	5,055	6,026	-443	4,730
Comparable profit/loss for the accounting period	**29,134**	**19,548**	**42,149**	**12,888**	**11,610**

Consolidated statement of comprehensive income

(1,000 euros)	1-6/2022	1-6/2021	1-12/2021	2022 Q2	2021 Q2
Profit for the accounting period	**25,932**	**39,769**	**66,252**	**11,114**	**30,528**
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	-	-218	-359	-	-
Items that may later be reclassified through profit or loss					
Measured at fair value	-68,662	-7,955	-14,153	-33,263	-1,435
Transferred to Income Statement as a reclassification change	-97	12	8	285	13
Other comprehensive income before taxes	**-68,760**	**-8,161**	**-14,504**	**-32,979**	**-1,422**
Income taxes					
For items that will not be reclassified to profit or loss					
Gains and losses on remeasurements from defined benefit pension plans	-	44	72	-	-
Items that may later be reclassified to profit or loss					
Measured at fair value	13,752	1,589	2,829	6,596	284
Income taxes	**13,752**	**1,632**	**2,901**	**6,596**	**284**
Other comprehensive income for the accounting period after taxes	**-55,008**	**-6,529**	**-11,603**	**-26,383**	**-1,137**
Comprehensive income for the accounting period	**-29,076**	**33,240**	**54,649**	**-15,269**	**29,391**
Attributable to:					
Shareholders of Oma Savings Bank Plc	-29,073	33,237	54,554	-15,280	29,262
Non-controlling interest	-2	3	95	11	130
Total	**-29,076**	**33,240**	**54,649**	**-15,269**	**29,391**

Consolidated condensed balance sheet

Note	Assets (1,000 euros)	30 Jun 2022	31 Dec 2021	30 Jun 2021
	Cash and cash equivalents	424,254	198,046	245,118
4	Loans and advances to credit institutions	89,940	86,371	76,746
4	Loans and advances to the public and public sector entities	4,680,626	4,325,950	3,785,610
5	Financial derivatives	375	2,240	1,967
6	Investment assets	593,689	645,275	587,810
	Equity accounted entities	24,289	22,884	23,213
	Intangible assets	9,586	10,025	8,878
	Tangible assets	29,485	27,887	27,853
	Other assets	19,031	46,880	14,627
	Deferred tax assets	18,314	7,077	5,069
	Current income tax assets	728	-	-
	Assets, total	**5,890,317**	**5,372,633**	**4,776,891**

Note	Liabilities (1,000 euros)	30 Jun 2022	31 Dec 2021	30 Jun 2021
7	Liabilities to credit institutions	265,609	212,685	222,319
7	Liabilities to the public and public sector entities	3,114,058	2,897,865	2,573,558
8	Debt securities issued to the public	2,053,515	1,762,324	1,516,110
	Subordinated liabilities	15,000	15,500	15,500
	Provisions and other liabilities	52,825	42,512	30,040
	Deferred tax liabilities	33,435	31,122	29,113
	Current income tax liabilities	-	9,331	6,817
	Liabilities, total	**5,534,442**	**4,971,339**	**4,393,457**

Equity	30 Jun 2022	31 Dec 2021	30 Jun 2021
Share capital	24,000	24,000	24,000
Reserves	89,825	144,833	141,994
Retained earnings	242,049	231,939	217,009
Shareholders of Oma Savings Bank Plc	**355,874**	**400,772**	**383,003**
Shareholders of Oma Savings Bank Plc	355,874	400,772	383,003
Non-controlling interest	-	522	431
Equity, total	**355,874**	**401,294**	**383,434**
Liabilities and equity, total	**5,890,317**	**5,372,633**	**4,776,891**

Group's off-balance sheet commitments (1,000 euros)	30 Jun 2022	31 Dec 2021	30 Jun 2021
Off-balance sheet commitments			
Guarantees and pledges	35,168	30,818	28,394
Other commitments given to a third party	52	212	142
Commitments given to a third party on behalf of a customer	**35,220**	**31,030**	**28,536**
Undrawn credit facilities	349,054	377,826	307,950
Irrevocable commitments given in favour of a customer	**349,054**	**377,826**	**307,950**
Group's off-balance sheet commitments, total	**384,273**	**408,855**	**336,487**

Consolidated statement of changes in equity

(1,000 euros)

30 Jun 2022	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 2022	**24,000**	**-492**	**145,324**	**144,833**	**231,939**	**400,772**	**522**	**401,294**
Comprehensive income								
Profit for the accounting period	-	-	-	-	25,934	25,934	-2	25,932
Other comprehensive income	-	-55,008	-	-55,008	-	-55,008	-	-55,008
Comprehensive income, total	**-**	**-55,008**	**-**	**-55,008**	**25,934**	**-29,073**	**-2**	**-29,076**
Transactions with owners								
Emission of new shares	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	-	880	880	-	880
Distribution of dividends	-	-	-	-	-15,011	-15,011	-	-15,011
Share-based incentive scheme	-	-	-	-	-1,730	-1,730	-	-1,730
Loss of control in a partially owned subsidiary	-	-	-	-	37	37	-520	-482
Transactions with owners, total	**-**	**-**	**-**	**-**	**-15,824**	**-15,824**	**-520**	**-16,344**
Equity total, 30 June 2022	**24,000**	**-55,499**	**145,324**	**89,825**	**242,049**	**355,874**	**-**	**355,874**

31 Dec 2021	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 2021	**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
Comprehensive income, total	**-**	**-11,316**	**-**	**-11,316**	**65,870**	**54,554**	**95**	**54,649**
Transactions with owners								
Emission of new shares	-	-	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, 31 December 2021	**24,000**	**-492**	**145,324**	**144,833**	**231,939**	**400,772**	**522**	**401,294**

30 Jun 2021	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 2021	**24,000**	**10,824**	**137,530**	**148,354**	**180,712**	**353,066**	**427**	**353,493**
Comprehensive income								
Profit for the accounting period	-	-	-	-	39,766	39,766	3	39,769
Other comprehensive income	-	-6,354	-	-6,354	-175	-6,529	-	-6,529
Comprehensive income, total	**-**	**-6,354**	**-**	**-6,354**	**39,591**	**33,237**	**3**	**33,240**
Transactions with owners								
Emission of new shares	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-3,846	-3,846	-	-3,846
Share-based incentive scheme	-	-	-	-	546	546	-	546
Other changes	-	-	-	-	-	-	-	1
Transactions with owners, total	**-**	**-**	**-**	**-**	**-3,300**	**-3,300**	**-**	**-3,299**
Equity total, 30 June 2021	**24,000**	**4,470**	**137,530**	**142,000**	**217,003**	**383,003**	**431**	**383,434**

Consolidated condensed cash flow statement

(1,000 euros)	1-6/2022	1-6/2021	1-12/2021
Cash flow from operating activities			
Profit/loss for the accounting period	25,932	39,769	66,252
Changes in fair value	3	-	-9
Share of profit of equity accounted entities	-81	377	706
Depreciation and impairment losses on investment properties	20	24	46
Depreciation, amortisation and impairment losses on tangible and intangible assets	3,787	7,071	10,267
Gains and losses on sales of tangible and intangible assets	-276	32	54
Impairment and expected credit losses	-1,126	3,603	7,294
Negative goodwill	-	-	-7,535
Income taxes	6,236	10,187	17,019
Other adjustments	6,582	1,786	2,031
Adjustments to the profit/loss of the accounting period	15,146	23,079	29,872
Cash flow from operations before changes in receivables and liabilities	**41,078**	**62,848**	**96,124**
Increase (-) or decrease (+) in operating assets			
Debt securities	-20,623	-71,550	-120,976
Loans and advances to credit institutions	-2,302	-2,209	-5,288
Loans and advances to customers	-385,837	-357,752	-631,749
Derivatives in hedge accounting	-	-102	138
Investment assets	-	-388	1,903
Other assets	27,262	241	-2,413
Total	**-381,500**	**-431,760**	**-758,384**
Increase (+) or decrease (-) in operating liabilities			
Liabilities to credit institutions	81,019	-1,191	-91,094
Deposits	218,105	195,732	298,605
Provisions and other liabilities	8,597	-3,366	-7,721
Total	**307,722**	**191,176**	**199,790**
Paid income taxes	**-12,507**	**-5,570**	**-7,301**
Total cash flow from operating activities	**-45,207**	**-183,305**	**-469,770**
Cash flow from investments			
Investments in tangible and intangible assets	-1,935	-2,999	-5,976
Proceeds from sales of tangible and intangible assets	400	5,567	5,797
Acquisition of associated companies and joint ventures	1	-	-
Total cash flow from investments	**-1,534**	**2,568**	**-180**
Cash flows from financing activities			
Repurchase of own shares	-367	-	-2,863
Debt securities issued to the public	290,840	168,992	384,937
Acquisition or sale of business	-28	-	43,305
Payments of lease liabilities	-1,217	-961	-1,943
Dividends paid	-15,010	-3,846	-12,699
Total cash flows from financing activities	**274,218**	**164,185**	**410,738**
Net change in cash and cash equivalents	**227,477**	**-16,553**	**-59,212**
Cash and cash equivalents at the beginning of the accounting period	**253,782**	**312,994**	**312,994**
Cash and cash equivalents at the end of the accounting period	**481,258**	**296,355**	**253,782**
Cash and cash equivalents are formed by the following items			
Cash and cash equivalents	424,254	245,118	198,046
Receivables from credit institutions repayable on demand	57,004	51,237	55,736
Total	**481,258**	**296,355**	**253,782**
Received interest	**51,662**	**41,764**	**84,177**
Paid interest	**-2,955**	**-1,973**	**-4,146**
Dividends received	**425**	**113**	**300**

Consolidated condensed income statement, quarterly trend

Note	(1 000 euros)	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
	Interest income	26,296	24,055	23,201	21,876	20,577
	Interest expenses	-2,066	-969	-1,328	-1,287	-907
9	**Interest income, net**	**24,229**	**23,086**	**21,873**	**20,588**	**19,669**
	Fee and commission income	12,259	11,825	10,730	9,586	10,023
	Fee and commission expenses	-1,528	-1,574	-1,636	-1,479	-1,440
10	**Fee and commission income and expenses, net**	**10,730**	**10,251**	**9,094**	**8,107**	**8,583**
11	Net income on financial assets and financial liabilities	-2,217	-1,786	735	1,498	1,341
	Negative goodwill	-	-	7,535	-	-
	Other operating income	1,100	2,992	215	149	28,035
	Operating income, total	**33,843**	**34,543**	**39,452**	**30,343**	**57,628**
	Personnel expenses	-6,832	-6,122	-6,532	-4,359	-5,264
	Other operating expenses	-9,846	-10,836	-11,110	-7,263	-7,279
	Depreciation, amortisation and impairment losses on tangible and intangible assets	-1,842	-1,945	-1,876	-1,320	-5,880
	Operating expenses, total	**-18,521**	**-18,903**	**-19,518**	**-12,942**	**-18,422**
12	Impairment losses on financial assets, net	-1,372	2,498	-1,632	-2,058	-813
	Share of profit from joint ventures and associated companies	-9	89	-334	5	-109
	Profit before taxes	**13,942**	**18,227**	**17,967**	**15,348**	**38,284**
	Income taxes	-2,827	-3,409	-3,723	-3,109	-7,756
	Profit for the accounting period	**11,114**	**14,818**	**14,244**	**12,239**	**30,528**
	Of which:					
	Shareholders of Oma Savings Bank Plc	11,103	14,831	14,258	12,133	30,399
	Non-controlling interest	11	-14	-14	106	130
	Total	**11,114**	**14,818**	**14,244**	**12,239**	**30,528**
	Earnings per share (EPS), EUR	**0.37**	**0.49**	**0.48**	**0.41**	**1.03**
	Earnings per share (EPS) after dilution, EUR	**0.37**	**0.49**	**0.47**	**0.41**	**1.02**

Profit before taxes excluding items affecting comparability:	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Profit before taxes	**13,942**	**18,227**	**17,967**	**15,348**	**38,284**
Operating income:					
Net income on financial assets and liabilities	2,217	1,786	-735	-1,498	-1,341
Impact of contract termination regarding core banking project	-	-	-	-	-26,936
Negative goodwill	-	-	-7,535	-	-
Operating expenses					
Costs relating to business combinations	-	-	4,251	165	-
Impact of contract termination regarding core banking project	-	-	-	-	4,629
Sales and impairment losses of commercial premises in own use	-	-	500	-	-
Comparable profit before taxes	**16,158**	**20,013**	**14,448**	**14,015**	**14,636**
Income taxes in income statement	-2,827	-3,409	-3,723	-3,109	-7,756
Change of deferred taxes	-443	-357	704	267	4,730
Comparable profit/loss for the accounting period	**12,888**	**16,247**	**11,428**	**11,173**	**11,610**

Note 1 Accounting principles for the Half-Year Financial Report

1. About the accounting principles

The Group's parent Company is Oma Savings Bank Plc, whose domicile is in Seinäjoki and head office is in Lappeenranta, Valtakatu 32, 53100 Lappeenranta. Copies of the Financial Statements, Financial Statements Release, Interim and Half-Year Financial Reports are available on the bank's website www.omasp.fi.

Oma Savings Bank Group is formed as follows:

Subsidiaries

- Real estate company Lappeenrannan Säästökeskus holding 100%

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%
- SAV-Rahoitus Oyj holding 48.2%
- Housing company Seinäjoen Oma Savings Bank house holding 25.5%

Due to changes in ownership and control of SAV-Rahoitus Oyj, the company will be consolidated into the Group as a joint venture as of 1 June 2022.

The Half-Year Financial Report is drawn up in accordance with the IAS 34 *Interim Financial Reporting* standard. The accounting principles for the Half-Year Financial Report are the same as for the 2021 Financial Statements.

The figures of Half-Year Financial Report 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 Board of Directors has approved the Half-Year Financial Report 1 January - 30 June 2022 in its meeting on 1 August 2022.

2. Changes to the accounting principles

No standard changes took effect at the beginning of the financial year which would have had impact on the Group's financial statements. Nor are future new standards or changes in standards published by IASB expected to have a material impact on the consolidated financial statements.

The calculation rules for expected credit losses used by the Company (according to IFRS9) are described in the accounting principles for Financial Statements 2021, section 4.5.3 "Expected credit losses - model inputs". In February 2022, the Company applied an IRB application to the Finnish Financial Supervisory Authority (FIN-FSA). As part of the IRB application, the Company has updated the credit risk models of ECL-calculations to reflect the application's internal credit risk models. In the model change the number of scenarios increased and a macroeconomic model based on GDP change, real estate prices, employment and inflation was introduced.

3. Accounting principles and uncertainties related to estimates requiring management's judgement

The preparation of this Financial Statements Release in accordance with IFRS has required certain estimates and assumptions from the Group's management that affects the number of items presented in the Half-Year Financial Report and the information provided in the notes. The management's key estimates concern the future and key uncertainties about the reporting date. They relate to, among other things, fair value assessment, impairment of financial assets, loans and other assets, investment assets and tangible and intangible assets. Although the estimates are based on the management's current best view, it is possible that the realisations differ from the estimates used in the Half-Year Financial Report.

The uncertainties contained in the accounting principles that require management's judgement and those contained in the estimates are described in the 2021 Financial Statements. The Russian invasion war and the subsequent accelerating inflation and interest rate movements, as well as the corona pandemic may bring changes to management's judgement estimates presented in the Financial Statements in relation to the moment of closing the Financial Statements. The Company's management has assessed the effects of the Russian invasion war and the ongoing corona pandemic on an industry-by-industry basis and made a group-specific additional loss allowance to the corporate loan portfolio as well as for households. Further details of the impact of the Russian invasion war and the corona pandemic on the Company's risk position are provided in Note 2.

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 has updated calculation models during the first quarter. The Company's management has estimated that the calculation models and scenarios corresponding to the IRB application better reflect the Company's credit risk for housing and consumer loans of private customers and off-balance sheet items. With the updates made to the ECL calculation models, the loan portfolio is divided into calculation portfolios based on the PD (Probability of default) parameter calculated for the customer. With the change, the Group's credit loan portfolio has been divided into the following calculation portfolios based on product-specific risk characteristics:

- Personal customers
- SME customers
- Other agricultural entrepreneurs
- Other housing stock companies
- Others

Private customers’ home mortgages and consumer credits and corporate customers’ loans form the two most significant portfolios. With regard to these two portfolios, 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). As a basis for determining the parameters, the Company uses customers' historical payment behavior and customer data, as well as liability and collateral values. In the determination of the values of the PD and LGD variables, macroeconomic forecasts concerning the future development of the national economy, the change in GDP, the development of housing prices and the number of employed people are used.

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. In December 2021, in connection with the acquisition of Eurajoen Savings Bank’s business, the Company recognised a liability of EUR 6.5 million at fair value through profit or loss for the five-year periodic concerning the liability of Eurajoen Savings Bank as a credit institution member leaving the consortium of Savings Banks. The amount of the debt that can be valued with an impact on profit has been re-assessed during the review period and the amount of the debt has been reduced by EUR 0.7 million.

Note 2 Impacts of the Russian invasion war and the corona pandemic on the risk position

1. Liquidity risk

During the Russian invasion war and the corona pandemic, the Company has been monitoring changes in liquidity risk more effectively. In terms of liquidity, the Company's situation has been stable throughout and the effects of the Russian invasion war on the Company's liquidity have remained moderate. The Company's liquidity has remained strong with, among other things, the covered bond issued in May 2022 as well as continued growth in its deposit portfolio.

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, the planning of the liquidity reserve prepares for deteriorating economic conditions in the market and possible changes in 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 Company's liquidity is monitored daily by the Company's Treasury unit. The main objective of the Treasury unit is to ensure that the liquidity position always remains above the regulated and internally set threshold values. The unit monitors and measures the amount of incoming and outgoing cash flows and assesses the possible occurrence of liquidity shortfalls over the course of the day.

The Group's liquidity ratio (LCR), which describes short-term liquidity, was 151.4% on 30 June 2022. The Company's liquidity has remained strong despite the unstable market situation. In addition, the Company's deposit portfolio has continued to grow for the second quarter of 2022, maintaining a stable credit-deposit ratio. New lending has also continued to grow strongly.

2. Credit risk

Credit risk refers to the risk that a contracting party to a financial instrument is not to fulfil its obligations, thereby causing a financial loss to the other party. Oma Savings Bank's credit risk primarily consists of exposures secured by immovable property, retail exposures and corporate loans. 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 risk management and procedures have been described in Note G2 of the 2021 Financial Statements.

2.1 Loan reliefs granted by the Company

Neither the Russian invasion war nor the corona pandemic has affected the growth of grace periods during 2022, and there have been no short-term peaks in demand for them. At the end of the reporting period, the total grace periods of the loans from the entire loan stock amounted to EUR 323.2 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.

2.2 Allowances based on the management's judgement

The Company's loan portfolio has grown strongly during the financial period. The quality of the loan portfolio has remained at a good level, but the situation requires active monitoring due to the continuation of the pandemic and the Russian invasion war. In addition, rising interest rates and costs have been identified as new risks.

The Company has intensified its monitoring of the credit risk situation and its development based on credit risk management methods since the beginning of the corona pandemic. As a result of the Russian invasion war, the need for intensified monitoring has further increased, as a result of which the Company has analyzed the largest responsible customers. The analysis identified only a limited number of customers for whom the credit risk has increased.

During the years 2020-2022, the Company made additional loss allowances based on management's judgement, of which EUR 1.9 million remained at the end of the second quarter. The Company released EUR 2.0 million of the additional loss allowances as based on the Company's assessment, the corona pandemic and the war have had a limited effect on the growth of customers' credit risk. The remaining allowance will be allocated to the impact of the corona pandemic and the war. The Company continues monitoring the situation monthly.

2.3 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, risk concentration may occur, 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 rating and credit risk concentrations

Risk rating 1: Low-risk items are considered to include the Company'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 Company'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 Company'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 Company'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 Company'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	30 Jun 2022	31 Dec 2021
Risk rating 1	1,522,402	1,173,015
Risk rating 2	913,561	1,108,238
Risk rating 3	371,539	380,596
Risk rating 4	192,820	173,926
No rating	3,390	34,153
Capital items by risk category, total	3,003,712	2,869,927
Loss allowance	10,448	12,279
Total	2,993,264	2,857,648

Corporates

Loans and receivables and off-balance sheet commitments	30 Jun 2022	31 Dec 2021
Risk rating 1	478,818	390,795
Risk rating 2	511,651	428,432
Risk rating 3	91,020	104,111
Risk rating 4	126,046	68,249
Capital items by risk category, total	1,207,534	991,588
Loss allowance	10,201	15,514
Total	1,197,333	976,073

Housing association

Loans and receivables and off-balance sheet commitments	30 Jun 2022	31 Dec 2021
Risk rating 1	332,660	286,724
Risk rating 2	80,955	151,619
Risk rating 3	41,002	18,643
Risk rating 4	5,786	2,786
Capital items by risk category, total	460,403	459,771
Loss allowance	221	106
Total	460,182	459,665

Agriculture, forestry, fishing industry

Loans and receivables and off-balance sheet commitments	30 Jun 2022	31 Dec 2021
Risk rating 1	**69,554**	**40,372**
Risk rating 2	**133,527**	**136,276**
Risk rating 3	**62,992**	**85,082**
Risk rating 4	**20,766**	**22,894**
No rating	**919**	**75**
Capital items by risk category, total	**287,758**	**284,699**
Loss allowance	**865**	**1,390**
Total	**286,893**	**283,310**

Others

Loans and receivables and off-balance sheet commitments	30 Jun 2022	31 Dec 2021
Risk rating 1	**62,198**	**40,829**
Risk rating 2	**47,659**	**63,716**
Risk rating 3	**1,088**	**449**
Risk rating 4	**22**	**3,697**
No rating	**-**	**44**
Capital items by risk category, total	**110,968**	**108,735**
Loss allowance	**80**	**236**
Total	**110,887**	**108,499**

Debt securities	30 Jun 2022	31 Dec 2021
Risk rating 1	**470,852**	**489,539**
Risk rating 2	**16,288**	**15,129**
Risk rating 3	**101**	**-**
No rating	**82,237**	**112,842**
Capital items by risk category, total	**569,477**	**617,511**
Loss allowance	**571**	**1,158**
Total	**568,906**	**616,353**

Loans and receivables and off-balance sheet commitments by industry	Risk rating 1	Risk rating 2	Risk rating 3	Risk rating 4	No rating	30 Jun 2022	31 Dec 2021
Enterprises	816,316	624,253	130,353	132,360	884	**1,704,167**	**1,477,514**
Real estate	440,651	287,722	72,028	72,516	-	**872,917**	**855,433**
Agriculture	4,245	39,914	1,689	2,328	884	**49,061**	**43,417**
Construction	56,176	53,604	5,757	10,573	-	**126,110**	**95,983**
Accommodation and food service activities	25,806	36,657	8,286	4,643	-	**75,392**	**67,263**
Wholesale and retail	97,465	65,353	12,182	17,903	-	**192,902**	**99,639**
Finance and insurance	34,883	16,336	1,671	838	-	**53,729**	**37,288**
Others	157,090	124,667	28,740	23,559	-	**334,056**	**278,492**
General government	1,025	2,768	-	-	-	**3,794**	**4,280**
Non-profit communities	887	29,115	600	-	-	**30,602**	**19,764**
Financial and insurance institutions	55,706	15,775	466	22	-	**71,969**	**84,061**
Households	1,591,697	1,015,441	436,222	213,058	3,425	**3,259,842**	**3,129,101**
Total	**2,465,631**	**1,687,353**	**567,641**	**345,440**	**4,309**	**5,070,374**	**4,714,720**

3. Measures to mitigate the risks caused by Russian invasion war and the corona pandemic

The Company's customer service has operated without interruption throughout the corona pandemic; the supply of banking services to customers has been continuous. 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.

With regard to credit risk, preventive measures have included the above-mentioned grace periods granted to customers, increased monitoring of problem customers and loans in arrears, careful assessment of collateral values and monitoring. Due to the increased risk due to the Russian invasion war and sanctions, the Company has performed a loan portfolio analysis. The review has identified only a limited number of customers who may be experiencing loan management difficulties. Additionally, when granting new loans, the applicant's repayment capacity and the value of collateral are monitored bearing in mind the above-mentioned crises and the financial uncertainty they cause. In addition, rising interest rates and costs has been identified as new risks.

In particular, the risk of cyber threats is increased: a denial-of-service attack can disrupt or paralyze information systems. Cyber threats and other risks have been identified in cooperation with service providers to ensure that the bank is well prepared in the event of a possible disruption. The Company has updated its own preparedness measures and operating guidelines by assessing various threat scenarios and their probabilities and impacts. The authorities have also developed their own precautionary measures.

Note 3 Classification of financial assets and liabilities

Assets (1,000 euros) 30 Jun 2022	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	424,254	-	-	-	424,254	424,254
Loans and advances to credit institutions	89,940	-	-	-	89,940	89,940
Loans and advances to customers	4,680,626	-	-	-	4,680,626	4,680,626
Derivatives, hedge accounting	-	-	-	375	375	375
Debt instruments	-	568,906	892	-	569,799	569,799
Equity instruments	-	-	22,197	-	22,197	22,197
Financial assets, total	**5,194,820**	**568,906**	**23,089**	**375**	**5,787,190**	**5,787,190**
Investments in associated companies	-	-	-	-	24,289	24,289
Investment properties	-	-	-	-	1,693	1,782
Other assets	-	-	-	-	77,144	77,144
Assets, total	**5,194,820**	**568,906**	**23,089**	**375**	**5,890,317**	**5,890,405**

Liabilities (1,000 euros) 30 Jun 2022	Other liabilities	Hedging derivatives	Carrying value, total	Fair value
Liabilities to credit institutions	265,609	-	265,609	265,609
Liabilities to customers	3,114,058	-	3,114,058	3,114,058
Debt securities issued to the public	2,053,515	-	2,053,515	2,053,515
Subordinated liabilities	15,000	-	15,000	15,000
Financial liabilities, total	**5,448,182**	**-**	**5,448,182**	**5,448,182**
Non-financial liabilities	-	-	86,261	86,261
Liabilities, total	**5,448,182**	**-**	**5,534,442**	**5,534,442**

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) 30 Jun 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	245,118	-	-	-	245,118	245,118
Loans and advances to credit institutions	76,746	-	-	-	76,746	76,746
Loans and advances to customers	3,785,610	-	-	-	3,785,610	3,785,610
Derivatives, hedge accounting	-	-	-	1,967	1,967	1,967
Debt instruments	-	562,356	182	-	562,538	562,538
Equity instruments	-	-	23,432	-	23,432	23,432
Financial assets, total	**4,107,474**	**562,356**	**23,614**	**1,967**	**4,695,411**	**4,695,411**
Investments in associated companies	-	-	-	-	23,213	23,213
Investment properties	-	-	-	-	1,840	1,901
Other assets	-	-	-	-	56,426	56,426
Assets, total	**4,107,474**	**562,356**	**23,614**	**1,967**	**4,776,891**	**4,776,952**

Liabilities (1,000 euros) 30 Jun 2021	Other liabilities	Hedging derivatives	Carrying value, total	Fair value
Liabilities to credit institutions	222,319	-	222,319	222,319
Liabilities to customers	2,573,558	-	2,573,558	2,573,558
Debt securities issued to the public	1,516,110	-	1,516,110	1,516,110
Subordinated liabilities	15,500	-	15,500	15,500
Financial liabilities, total	**4,327,487**	**-**	**4,327,487**	**4,327,487**
Non-financial liabilities	-	-	65,970	65,970
Liabilities, total	**4,327,487**	**-**	**4,393,457**	**4,393,457**

Note 4 Loans and other receivables

(1,000 euros)	30 Jun 2022	31 Dec 2021	30 Jun 2021
Loans and advances to credit institutions			
Deposits	57,004	55,736	51,237
Other	32,936	30,634	25,508
Loans and advances to credit institutions, total	**89,940**	**86,371**	**76,746**
Loans and advances to the public and public sector entities			
Loans	4,574,578	4,218,377	3,686,352
Utilised overdraft facilities	64,794	70,504	68,860
Loans intermediated through the State's assets	35	48	54
Credit cards	40,803	36,813	30,168
Bank guarantee receivables	416	209	176
Loans and advances to the public and public sector entities, total	**4,680,626**	**4,325,950**	**3,785,610**
Loans and advances, total	**4,770,566**	**4,412,321**	**3,862,356**

Reconciliations from the opening and the closing balances of the expected credit losses are presented in Note 12 Impairment losses on financial assets.

Note 5 Financial derivatives

Assets (1,000 euros)	30 Jun 2022	31 Dec 2021	30 Jun 2021
Fair value hedge			
Interest rate derivatives	281	662	-
Other hedging derivatives			
Share and share index derivatives	93	1,578	1,967
Derivative assets, total	**375**	**2,240**	**1,967**

Liabilities (1,000 euros)	30 Jun 2022	31 Dec 2021	30 Jun 2021
Fair value hedge			
Interest rate derivatives	-	-	-
Share and share index derivatives	-	-	-
Derivative liabilities, total	**-**	**-**	**-**
Change in the value of hedged object / Fair value hedge	**-296**	**-688**	**-**
Change in the value of hedged object / Other hedging derivatives	**354**	**-1,166**	**-1,336**

Nominal values of underlying items and fair values of derivatives (1,000 euros)	Remaining maturity				Fair values	
30 Jun 2022	Less than 1 year	1-5 years	Over 5 years	Total	Assets	Liabilities
Fair value hedge	**5,000**	**5,000**	**-**	**10,000**	**281**	**-**
Interest rate swaps	5,000	5,000	-	10,000	291	-
Cva and Dva adjustments	-	-	-	-	-10	-
Other hedging derivatives	**32,906**	**27,490**	**-**	**60,396**	**93**	**-**
Share and share index derivatives	32,906	27,490	-	60,396	107	-
Cva and Dva adjustments	-	-	-	-	-14	-
Derivatives, total	**37,906**	**32,490**	**-**	**70,396**	**375**	**-**

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	
30 Jun 2021	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**	**60,826**	**-**	**93,775**	**1,967**	**-**
Share and share index derivatives	32,948	60,826	-	93,775	2,037	-
Cva and Dva adjustments	-	-	-	-	-70	-
Derivatives, total	**32,948**	**60,826**	**-**	**93,775**	**1,967**	**-**

Note 6 Investment assets

Investment assets (1,000 euros)	30 Jun 2022	31 Dec 2021	30 Jun 2021
Measured at fair value through profit or loss			
Debt securities	892	995	182
Shares and other equity instruments	22,197	26,212	23,432
Assets measured at fair value through profit or loss, total	**23,089**	**27,208**	**23,614**
Measured at fair value through other comprehensive income			
Debt securities	568,906	616,353	562,356
Shares and other equity instruments	-	-	-
Measured at fair value through other comprehensive income, total	**568,906**	**616,353**	**562,356**
Investment properties	**1,693**	**1,713**	**1,840**
Investment assets, total	**593,689**	**645,275**	**587,810**

Reconciliations from the opening and the closing balances of the expected credit losses are presented in Note 12 Impairment losses on financial assets.

Changes in investment properties (1,000 euros)	30 Jun 2022	31 Dec 2021	30 Jun 2021
Cost January 1	**4,544**	**10,491**	**10,491**
+ Increases	-	5,390	5,391
- Decreases	-	-11,342	-11,208
+/- Transfers	-	5	-
Cost at the end of the period	**4,544**	**4,544**	**4,674**
Accumulated depreciation and impairment losses	**-2,830**	**-3,220**	**-3,220**
+/- Accumulated depreciation of decreases and transfers	-	410	410
- Depreciation	-20	-21	-24
+/- Impairment loss and their return	-	25	-
+/- Other changes	-	-25	-
Accumulated depreciation and impairment at the end of the period	**-2,851**	**-2,830**	**-2,834**
Opening balance	**1,713**	**7,270**	**7,270**
Closing balance	**1,693**	**1,713**	**1,840**

30 Jun 2022	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	-	-	-	-	169,320	-	-	169,320	169,320
From others	-	12,857	-	12,857	399,388	125	-	399,513	412,370
Non-quoted									
From others	-	9,340	-	9,340	199	767	-	967	10,306
Total	**-**	**22,197**	**-**	**22,197**	**568,906**	**892**	**-**	**569,799**	**591,996**

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**	**995**	**-**	**617,349**	**643,561**

30 Jun 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	-	-	-	-	174,751	-	-	174,751	174,751
From others	-	15,061	-	15,061	387,395	-	-	387,395	402,456
Non-quoted									
From others	-	8,371	-	8,371	210	182	-	392	8,763
Total	**-**	**23,432**	**-**	**23,432**	**562,356**	**182**	**-**	**562,538**	**585,970**

Note 7 Liabilities to the public and public sector entities and liabilities to credit institutions

(1,000 euros)	30 Jun 2022	31 Dec 2021	30 Jun 2021
Liabilities to credit institutions			
Liabilities to Central Banks	150,000	150,000	150,000
Repayable on demand	19,913	10,784	12,495
Other than repayable on demand	95,696	51,901	59,824
Liabilities to credit institutions, total	**265,609**	**212,685**	**222,319**
Liabilities to the public and public sector entities			
Deposits	3,113,733	2,897,144	2,573,517
Repayable on demand	2,966,079	2,770,980	2,417,068
Other	147,654	126,164	156,449
Other financial liabilities	29	33	41
Other than repayable on demand	29	33	41
Changes in fair value in terms of borrowing	296	688	-
Liabilities to the public and public sector entities, total	**3,114,058**	**2,897,865**	**2,573,558**
Liabilities to the public and public sector entities and liabilities to credit institutions, total	**3,379,667**	**3,110,550**	**2,795,877**

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 has been 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 Company's loan 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. The Company evaluates the interest rate of the loan in each review period, and no changes were made to the interest rate in the second quarter.

Note 8 Debt securities issued to the public

(1,000 euros)	30 Jun 2022	31 Dec 2021	30 Jun 2021
Bonds	1,906,863	1,557,380	1,357,671
Certificates of deposit	146,652	204,944	158,439
Debt securities issued to the public, total	**2,053,515**	**1,762,324**	**1,516,110**

					Closing balance		
Maturity of bonds	Nominal value	Interest	Year of issue	Due date	30 Jun 2022	31 Dec 2021	30 Jun 2021
OmaSp Plc 12.12.2022, covered bond	350,000	0,125%/fixed	2017-2018	12/12/2022	349,771	349,520	349,265
OmaSp Plc 3.4.2024, covered bond	300,000	0,125%/fixed	2019	4/3/2024	299,411	299,245	299,077
OmaSp Plc 6.4.2023, covered bond	250,000	0,125%/fixed	2020	4/6/2023	249,659	249,440	249,217
OmaSp Plc 17.1.2024	55,000	margin 1 %/variable	2020	17.1.2024	54,998	54,997	54,996
OmaSp Plc 25.11.2027, covered bond	400,000	0,01%/fixed	2020-2021	11/25/2027	404,312	404,710	405,116
OmaSp Plc 19.5.2025	200,000	margin 0,2 %/variable	2021	5/19/2025	199,546	199,468	-
OmaSp Plc 18.12.2026, covered bond	350,000	1,5%/fixed	2022	12/18/2026	349,166	-	-
					1,906,863	**1,557,380**	**1,357,671**

Maturity of deposit certificates	Less than 3 months	3-6 months	6-9 months	9-12 months	Closing balance, total
30 Jun 2022	79,987	50,675	15,990	-	**146,652**
31 Dec 2021	64,996	80,982	28,992	29,974	**204,944**
30 Jun 2021	57,497	60,978	24,982	14,982	**158,439**

Note 9 Net interest income

(1,000 euros)	1-6/2022	1-6/2021	1-12/2021	2022 Q2	2021 Q2
Interest income					
Loans and advances to the public and public sector entities	45,884	36,219	76,981	24,120	18,739
Debt securities	1,508	1,330	2,812	759	690
Derivatives	1,749	1,480	3,039	854	744
Other interest income	1,210	802	2,076	563	403
Interest income, total	**50,351**	**39,831**	**84,908**	**26,296**	**20,577**
Interest expenses					
Liabilities to credit institutions	-492	-323	-761	-331	-104
Liabilities to the public and public sector entities	-216	-242	-692	-118	-108
Debt securities issued to the public	-2,161	-1,158	-2,750	-1,532	-589
Subordinated liabilities	-93	-94	-189	-47	-47
Other interest expenses	-73	-346	-387	-39	-60
Interest expenses, total	**-3,036**	**-2,163**	**-4,778**	**-2,066**	**-907**
Net interest income	**47,316**	**37,668**	**80,130**	**24,229**	**19,669**

Note 10 Fee and commission income and expenses

(1,000 euros)	1-6/2022	1-6/2021	1-12/2021	2022 Q2	2021 Q2
Fee and commission income					
Lending	7,102	6,165	11,969	3,613	3,335
Deposits	44	35	67	21	16
Card and payment transactions	11,788	8,914	18,986	6,021	4,566
Intermediated securities	205	97	193	143	43
Funds	2,314	1,831	3,930	1,114	952
Legal services	219	254	499	111	146
Brokered products	1,051	831	1,725	495	454
Granting of guarantees	889	628	1,301	492	326
Other fee and commission income	472	366	768	248	185
Fee and commission income, total	**24,083**	**19,122**	**39,438**	**12,259**	**10,023**
Fee and commission expenses					
Card and payment transactions	-2,457	-2,123	-4,663	-1,180	-1,194
Securities	-44	-40	-84	-32	-25
Other fee and commission expenses	-601	-474	-1,004	-316	-221
Fee and commission expenses, total	**-3,102**	**-2,637**	**-5,752**	**-1,528**	**-1,440**
Fee and commission income and expenses, net	**20,981**	**16,485**	**33,686**	**10,730**	**8,583**

Note 11 Net income on financial assets and financial liabilities

(1,000 euros)	1-6/2022	1-6/2021	1-12/2021	2022 Q2	2021 Q2
Net income on financial assets measured at fair value through profit or loss					
Debt securities					
Capital gains and losses	-	-45	-43	-	-
Valuation gains and losses	-103	56	66	-15	53
Debt securities, total	**-103**	**11**	**23**	**-15**	**53**
Shares and other equity instruments					
Dividend income	425	113	300	249	77
Capital gains and losses	-	202	226	-	13
Valuation gains and losses	-4,191	2,470	4,331	-2,308	1,262
Shares and other equity instruments, total	**-3,766**	**2,785**	**4,856**	**-2,058**	**1,352**
Net income on financial assets measured at fair value through profit or loss, total	**-3,869**	**2,796**	**4,879**	**-2,073**	**1,405**
Net income on financial assets measured at fair value through other comprehensive income					
Debt securities					
Capital gains and losses	-500	29	29	-27	22
Difference in valuation reclassified from the fair value reserve to the income statement	97	-12	-8	-285	-13
Debt securities, total	**-403**	**17**	**21**	**-312**	**9**
Net income on financial assets measured at fair value through other comprehensive income, total	**-403**	**17**	**21**	**-312**	**9**

Net income from investment properties (1,000 euros)	1-6/2022	1-6/2021	1-12/2021	2022 Q2	2021 Q2
Rent and dividend income	102	178	280	49	55
Capital gains and losses	-	7	-15	-	-68
Other gains from investment properties	3	4	8	1	2
Maintenance expenses	-38	-59	-96	-17	-34
Depreciation and impairment on investment properties	-20	-24	-46	-10	-11
Rent expenses on investment properties	-1	-	-9	-1	-
Net income from investment properties, total	**46**	**106**	**123**	**23**	**-56**

Net gains on trading in foreign currencies	**176**	**64**	**160**	**135**	**-20**
Net gains from hedge accounting	**-3**	**-**	**8**	**-2**	**-**
Net income from trading	**50**	**-14**	**12**	**12**	**3**
Net income on financial assets and financial liabilities, total	**-4,003**	**2,970**	**5,203**	**-2,217**	**1,341**

Note 12 Impairment losses on financial assets

(1,000 euros)	1-6/2022	1-6/2021	1-12/2021	2022 Q2	2021 Q2
ECL from advances to customers and off-balance sheet items	3,023	-826	-2,254	-1,271	954
ECL from debt instruments	587	-640	-602	153	-127
Expected credit losses, total	**3,610**	**-1,466**	**-2,856**	**-1,118**	**827**
Final credit losses					
Final credit losses	-2,723	-2,950	-5,476	-360	-2,050
Refunds on realised credit losses	239	813	1,038	107	410
Recognised credit losses, net	**-2,484**	**-2,137**	**-4,438**	**-253**	**-1,640**
Impairment on receivables, total	**1,126**	**-3,603**	**-7,294**	**-1,372**	**-813**

Reconciliations from the opening and closing balances of the expected credit losses have been formed from 1 January 2022 and 31 March 2022 on the basis of changes in euro denominated loan exposures and expected credit losses.

Expected credit losses, loans and advances

Loans and advances to credit institutions and to public and general government, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	1-6/2022 Total	1-6/2021 Total	1-12/2021 Total
Expected credit losses 1 January	**1,981**	**6,535**	**20,083**	**28,599**	**25,858**	**25,858**
Transfer to stage 1	85	-580	-89	-585	-100	-175
Transfer to stage 2	-101	1,548	-238	1,209	-37	-369
Transfer to stage 3	-4	-112	986	870	2,093	3,810
New debt securities	215	230	165	611	1,302	3,067
Matured debt securities	-15	-301	-1,000	-1,316	-3,223	-4,990
Realised credit losses	-	-	-2,489	-2,489	-2,126	-3,209
Recoveries on previous realised credit losses	-	-	163	163	4	95
Changes in credit risk	151	-285	963	828	1,956	1,816
Changes in the ECL model parameters	-1,299	1,410	-2,099	-1,988	-	-
Changes based on management estimates	-353	-2,303	-148	-2,804	1,007	2,696
Expected credit losses period end	**659**	**6,142**	**16,298**	**23,099**	**26,734**	**28,599**

Due to the change in the Group structure, ECL of SAV-Rahoitus loan portfolio is no longer included in the Group's balance sheet. Due to the change, ECL decreased by EUR 3.1 million compared to the turn of the year.

Off-balance sheet commitments (1,000 euros)	Stage 1	Stage 2	Stage 3	1-6/2022 Total	1-6/2021 Total	1-12/2021 Total
Expected credit losses 1 January	**561**	**180**	**184**	**926**	**974**	**974**
Transfer to stage 1	3	-34	-	-31	-	-211
Transfer to stage 2	-5	96	-	90	-	38
Transfer to stage 3	-	-1	-	-1	-	40
New debt securities	73	46	-	118	324	477
Matured debt securities	-51	-42	-	-93	-349	-464
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	8	-10	-	-3	-25	73
Changes in the ECL model parameters	-425	-38	-185	-649	-	-
Changes based on management estimates	-7	-	-	-7	-	-
Expected credit losses period end	**156**	**196**	**-1**	**351**	**924**	**926**

Expected credit losses, investment assets

Debt securities, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	1-6/2022 Total	1-6/2021 Total	1-12/2021 Total
Expected credit losses 1 January	**1,138**	**19**	**-**	**1,158**	**493**	**493**
Transfer to stage 1	4	-17	-	-13	-111	-118
Transfer to stage 2	-1	20	-	19	-	-1
Transfer to stage 3	-	-	-	-	-	-
New debt securities	17	13	-	30	120	225
Matured debt securities	-125	-1	-	-125	-10	-112
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	-497	-	-	-498	107	135
Changes in the ECL model parameters	-	-	-	-	-	-
Changes based on management estimates	-	-	-	-	535	536
Expected credit losses period end	**536**	**34**	**-**	**571**	**1,133**	**1,158**

Note 13 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

	30 Jun 2022			
Financial assets (1,000 euros)	**Level 1**	**Level 2**	**Level 3**	**Total**
At fair value through profit or loss				
Equity securities	12,857	1,967	7,372	22,197
Debt securities	683	-	209	892
Derivatives	-	375	-	375
At fair value through other comprehensive income				
Debt securities	568,906	-	-	568,906
Financial assets, total	**582,447**	**2,342**	**7,581**	**592,370**

	30 Jun 2022			
Other liabilities (1,000 euros)	**Level 1**	**Level 2**	**Level 3**	**Total**
At fair value through profit or loss				
Payment liability, consortium of Savings Banks	-	-	5,850	5,850
Total	**-**	**-**	**5,850**	**5,850**

	31 Dec 2021				30 Jun 2021			
Financial assets (1,000 euros)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Measured at fair value through profit or loss								
Equity securities	16,948	1,987	7,277	26,212	15,061	2,044	6,327	23,432
Debt securities	726	-	269	995	98	-	84	182
Derivatives	-	2,240	-	2,240	-	1,967	-	1,967
Measured at fair value through other comprehensive income								
Debt securities	616,353	-	-	616,353	562,148	-	208	562,356
Financial assets, total	**634,028**	**4,227**	**7,374**	**645,801**	**577,307**	**4,011**	**6,619**	**587,937**

	31 Dec 2021				30 Jun 2021			
Other liabilities (1,000 euros)	**Level 1**	**Level 2**	**Level 3**	**Total**	**-**	**-**	**-**	**-**
At fair value through profit or loss								
Payment liability, consortium of Savings Banks	-	-	6,500	6,500	-	-	-	-
Total	**-**	**-**	**6,500**	**6,500**	**-**	**-**	**-**	**-**

Investment transactions, categorised to Level 3

Financial assets at fair value through profit or loss (1,000 euros)	30 Jun 2022 Equity securities	30 Jun 2022 Debt securities	30 Jun 2022 Total	31 Dec 2021 Equity securities	31 Dec 2021 Debt securities	31 Dec 2021 Total	30 Jun 2021 Equity securities	30 Jun 2021 Debt securities	30 Jun 2021 Total
Opening balance	**7,277**	**269**	**7,546**	**6,772**	**84**	**6,856**	**6,772**	**84**	**6,856**
+ Acquisitions	-	-	-	926	185	1,111	-	-	-
- Sales	-1	-	-1	-612	-	-612	-612	-	-612
- Matured during the year	-	-	-	-	-	-	-	-	-
+/- Realised changes in value recognised on the income statement	-	-	-	188	-	188	188	-	188
+/- Unrealised changes in value recognised on the income statement	96	-60	36	2	-	2	-22	-	-22
+ Transfers to Level 3	-	-	-	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-	-	-	-
Closing balance	**7,372**	**209**	**7,581**	**7,277**	**269**	**7,546**	**6,327**	**84**	**6,411**

At fair value through other comprehensive income (1,000 euros)	30 Jun 2022 Equity securities	30 Jun 2022 Debt securities	30 Jun 2022 Total	31 Dec 2021 Equity securities	31 Dec 2021 Debt securities	31 Dec 2021 Total	30 Jun 2021 Equity securities	30 Jun 2021 Debt securities	30 Jun 2021 Total
Opening balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
+ Acquisitions	-	-	-	-	-	-	-	-	-
- Sales	-	-	-	-	-50	-50	-	-50	-50
- Matured during the year	-	-	-	-	-226	-226	-	-	-
+/- Realised changes in value recognised on the income statement	-	-	-	-	16	16	-	4	4
+/- Unrealised changes in value recognised on the income statement	-	-	-	-	7	7	-	-	-
+/- Changes in value recognised in other comprehensive income	-	-	-	-	-14	-14	-	-14	-14
+ Transfers to Level 3	-	-	-	-	268	268	-	268	268
- Transfers to Level 1 and 2	-	-	-	-	-	-	-	-	-
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**208**	**208**

Transactions in other liabilities, categorised to Level 3

Other liabilities at fair value through profit or loss (1,000 euros)	30 Jun 2022 Equity securities	30 Jun 2022 Debt securities	30 Jun 2022 Total	31 Dec 2021 Equity securities	31 Dec 2021 Debt securities	31 Dec 2021 Total	30 Jun 2021 Equity securities	30 Jun 2021 Debt securities	30 Jun 2021 Total
Opening balance	**-**	**6,500**	**6,500**	**-**	**-**	**-**	**-**	**-**	**-**
+ Acquisitions	-	-	-	-	6,500	6,500	-	-	-
- Sales	-	-	-	-	-	-	-	-	-
- Matured during the year	-	-	-	-	-	-	-	-	-
+/- Realised changes in value recognised on the income statement	-	-	-	-	-	-	-	-	-
+/- Unrealised changes in value recognised on the income statement	-	-650	**-650**	-	-	-	-	-	-
+ Transfers to Level 3	-	-	-	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-	-	-	-
Closing balance	**-**	**5,850**	**5,850**	**-**	**6,500**	**6,500**	**-**	**-**	**-**

Sensitivity analysis for financial assets on Level 3

(1,000 euros)		30 Jun 2022 Potential impact on equity			31 Dec 2021 Potential impact on equity			30 Jun 2021 Potential impact on equity		
Equity securities	**Hypo-thetical change**	**Market value**	**Positive**	**Negative**	**Market value**	**Positive**	**Negative**	**Market value**	**Positive**	**Negative**
At fair value through profit or loss	+/- 15%	7,372	1,106	-1,106	7,277	1,092	-1,092	6,327	949	-949
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-	-	-	-
Total		**7,372**	**1,106**	**-1,106**	**7,277**	**1,092**	**-1,092**	**6,327**	**949**	**-949**

(1,000 euros)		30 Jun 2022 Potential impact on equity			31 Dec 2021 Potential impact on equity			30 Jun 2021 Potential impact on equity		
Debt securities	**Hypo-thetical change**	**Market value**	**Positive**	**Negative**	**Market value**	**Positive**	**Negative**	**Market value**	**Positive**	**Negative**
At fair value through profit or loss	+/- 15%	209	9	-9	269	40	-40	84	13	-13
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-	208	31	-31
Total		**209**	**9**	**-9**	**269**	**40**	**-40**	**292**	**44**	**-44**

Note 14 Share-based incentive schemes

As of 30 June 2022, the Company has the following existing share-based incentive programs:

Program 2020-2021
On 17 February 2020, Oma Savings Bank's Board of Directors decided to set up a share-based incentive scheme for the Group's management. The remuneration is based on comparable cost-income ratio, an increase in operating income (in comparable figures) and customer and employee satisfaction. The program includes the earning period 2020-2021 and subsequent commitment periods, during which the shares will be disposed approximately in four installments within three years. The reward is paid partly in shares of the Company and partly in cash. The cash portion is used to cover taxes and tax charges incurred by the reward to the person. If a person's employment or employment relationship ends before the payment of the commission, the remuneration, as a rule, is not paid. The fees payable under the scheme correspond to a total of up to 420,000 Oma Savings Bank Plc shares. The target group of the scheme includes a maximum of 10 key persons.

Program 2022-2023
On 24 February 2022, Oma Savings Bank's Board of Directors decided to set up a new share-based incentive scheme for key persons of the Group. The remuneration is based on comparable cost-income ratio, an increase in operating income (in comparable figures) and customer and employee satisfaction. The possible reward is based on a comparable cost-income ratio, an increase in operating income (by comparable figures), and customer and employee satisfaction. The program includes a two-year long earning period, 2022-2023 and subsequent commitment periods, during which the shares will be disposed in approximately six instalments within five years. The reward is paid partly in shares of the Company and partly in cash. The cash portion is used to cover taxes and tax charges incurred by the reward to the person. If a person's employment or employment relationship ends before the payment of the commission, the remuneration, as a rule, is not paid. The fees payable under the scheme corresponds to a maximum value of 400,000 shares of Oma Savings Bank Plc, including the amount to be paid in cash. The target group of the scheme includes a maximum of 30 key persons, including the Company's CEO and members of the Group's Management Team.

Share-based incentive scheme	1-6/2022	1-6/2022	1-12/2021
	Program 2022-2023	Program 2020-2021	Program 2020-2021
Maximum estimated number of gross shares at the start of the scheme	400,000	420,000	420,000
Date of issue	1/1/2022	1/1/2020	1/1/2020
Share price at issue, weighted average fair value	16.90	8.79	8.79
Earning period begins	1/1/2022	1/1/2020	1/1/2020
Earning period ends	12/31/2023	12/31/2021	12/31/2021
Persons at the close of the financial year	27	10	11

Events for the financial year (pcs)	1-6/2022	1-6/2022	1-12/2021
1/1/2022	Program 2022-2023	Program 2020-2021	Program 2020-2021
Those who were out at the beginning of the period	-	-	-
Changes during the period			
Granted during the period	-	336,150	-
Lost during the period	-	-	-
Implemented during the period	-	159,600	-
Expired during the period	-	-	-
Out at the end of the period	**-**	**176,550**	**-**

Note 15 Changes in Group structure

The 2022 accounting period

As a result of the arrangement carried out in June, Oma Savings Bank Plc's control was removed from SAV-Rahoitus Oyj, which had previously been consolidated as a subsidiary. After the arrangement, the Company's ownership in the company is 48.2% and it will be consolidated as a joint venture based on the shareholders' agreement using the equity method. In this context, the value of the Company's remaining investment was valued at fair value. The effect of the change on the profit was EUR 0.5 million.

The 2021 accounting period

In June, Oma Savings Bank Plc 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.

Note 16 Alternative Performance Measures (APM) and calculation of the key figures

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

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

Oma Savings Bank Plc uses the following Alternative Performance Measures:

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

Calculation of key figures

Operating income, total

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

Total operating expenses

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

Liquidity coverage ratio (LCR), %

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

Net stable funding ratio (NSFR)%

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

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 net income from financial assets and liabilities and other 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

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

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Independent Auditor's Report on Review of Consolidated Half-Year Financial Report of Oma Savings Bank Plc

To the Board of Directors of Oma Savings Bank Plc

Introduction

We have reviewed the accompanying consolidated Half-Year Financial Report of Oma Savings Bank Plc which comprise the condensed consolidated balance sheet as at 30 June 2022, condensed consolidated income statement, statement of comprehensive income, changes in equity, and cash flows for the six months ended 30 June 2022 and notes to the condensed interim information. The Board of Directors and the CEO are responsible for the preparation and presentation of the condensed consolidated Half-Year Financial Report in accordance with IAS 34 "Interim Financial Reporting" standard and other regulations governing the preparation of interim financial statements in Finland. Our responsibility is to express a conclusion on this condensed consolidated half-year financial information based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements ISRE 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity".*

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated Half-Year Financial Report of Oma Savings Bank Plc as at 30 June 2022 and for the six month period ended 30 June 2022 has not been prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting standard and other regulations governing the preparation of interim financial statements in Finland.

In Helsinki, 1 August 2022

KPMG OY AB

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