



omasp

Q1/2020

Oma Savings Bank Group

Interim Report 31 March 2020



Interim Report 31 March 2020 is a translation of the original Finnish version "Osavuositarkastus 31.3.2020". If discrepancies occur, the Finnish version is dominant.

Oma Savings Bank Group's interim report January–March 2020

- Net interest income continued its strong growth, by close to 18% in January–March compared to the same period last year.
- The home mortgage portfolio grew 3.3% during Q1. Over the previous 12 months, the home mortgage portfolio grew 19.2%. At the same time, the corporate loan portfolio increased 1.2% and 15.2% respectively.
- Deposit stocks grew during the first quarter by 1.4% and growth for the previous 12 months was 10.3%.
- The 'Fee and commission income and expenses (net)' item increased in January–March by 8.2% compared to the same period last year. Comparability is impacted by the clarification of the fee and commission income recognition principles, the impact of which on fee and commission income was EUR -0.7 (0.0) million.
- Net income on financial assets and liabilities during January–March 2020 was EUR 5.5 (6.7) million and they included non-recurring items during the reporting and comparative period. The item includes EUR 8.0 million in profits, which consist of the sale of bonds belonging to the company's investment portfolio.
- Total operating income grew by 9.4% in Q1 and came to a total of EUR 30.0 (27.4) million. Total operating expenses EUR 14.2 (14.3) million remained at last year's level despite the strong growth in volume.
- Personnel expenses fell 10% on the comparative period and came to a total of EUR 3.9 (4.3) million.
- Impairment losses on financial assets were EUR 8.5 (1.2) million in January–March. A significant portion of the growth, EUR 6.7 million, is the result of a group-specific additional loss allowance based on management judgement, with which the company can pre-emptively prepare for the impacts of the corona pandemic and a loss allowance with which it prepares for individual customers' credit risk growth.
- The cost/income ratio for Q1 improved clearly compared to the corresponding period in 2019 and was 47.5% (52.2%). The comparable cost/income ratio improved and was 56.6% (69.1%) for the period.
- The Group's Q1 profit before taxes was EUR 7.2 (11.9) million. The comparable profit before taxes for January–March was EUR 2.4 (5.2) million. The main factor affecting the Q1 result was the additional allowance for expected credit losses based on management judgement.

Outlook for 2020 (updated)

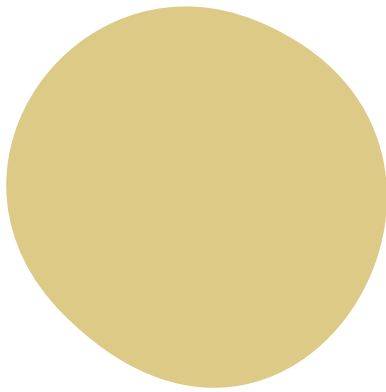
Despite the general economic uncertainty, the company's financial position is strong and the flexible operating models allows rapid response to changes in the operating environment. The company's earning is expected to increase during the FY2020 in both key sources of income, net interest income and fee and commission income. At the same time, operating costs are

projected to remain approximately at current level, so the profitability of the company's core business is expected to continue to improve in FY2020.

More detailed earnings guidance will be provided by the company as the economic outlook for the corona pandemic progression becomes clearer and the economic impact can be better assessed.

The Group's key figures (1,000 euros)

	1–3/2020	1–3/2019	Δ %	1–12/2019
Net interest income	15,505	13,195	18%	57,522
Fee and commission income and expenses, net	6,714	6,204	8%	25,414
Impairment losses on financial assets, net	-8,531	-1,205	608%	-9,567
Profit before taxes	7,222	11,892	-39%	32,684
Cost/income ratio, %	47.5%	52.2%	-9%	54.4%
Balance sheet total	3,526,023	3,351,058	5%	3,416,530
Equity	317,519	304,486	4%	319,865
Return on assets (ROA) %	0.7%	1.4%	-51%	0.9%
Return on equity (ROE) %	7.4%	14.5%	-49%	9.0%
Earnings per share (EPS), euro	0.20	0.36	-45%	0.93
Common Equity Tier 1 (CET1) capital ratio %	16.6%	17.6%	-6%	16.8%
Comparable profit before taxes	2,369	5,193	-54%	28,045
Comparable cost/income ratio, %	56.6%	69.1%	-18%	56.7%
Comparable return on equity (ROE) %	2.5%	5.6%	-55%	7.4%



CEO's review

Bank's business showed strong growth during Q1 – preparations made for changes in operating environment

Oma Savings Bank's first quarter proceeded in line with expectations up until the exceptional circumstances caused by the coronavirus.

With regard to the first quarter, we are extremely satisfied with our key sources of income, i.e. the excellent development of net interest income and the 'Fee and commission income and expenses (net)' item. Net interest income showed strong growth, almost 18% compared to the previous year. Our 'Fee and commission income and expenses (net)' item grew by more than 8% and 19% when considering the impact of the clarification of recognition principles. Fee and commission expenses and personnel expenses are clearly lower than in the previous year. Fee and commission expenses fell by more than 27% and personnel expenses by 10%.

Net interest income showed strong growth, almost 18% and fee and commission income 19% with comparable figures.

Fee and commission expenses fell by more than 27% and personnel expenses by 10%.

Impairment losses on financial assets show our preparations for the changes in the operating environment caused by the coronavirus. We recorded some EUR

8.5 million in expected credit losses in the first quarter. A major part of this, some EUR 6.7 million, resulted from the preparations for the corona crisis based on the management's estimates and the growth in the credit risks of individual customers.

In Q1, we benefitted from the good market situation and divested part of our investment portfolio. We recorded some EUR 8 million in profit. The corona crisis has had a comprehensive impact on the market value of financial assets and, as a result, we recognised some EUR –1.9 million in changes in fair value.

Profit before taxes for January–March was at a good level despite the exceptional conditions, ending up at EUR 7.2 million. The comparable profit before taxes was EUR 2.4 million. The result was affected significantly by credit loss allowance based on management judgement and changes in fair value, altogether EUR 8.7 million. The bank's balance sheet total grew in the first quarter by more than 3%, coming to around EUR 3.5 billion.

Prompt reaction to a rapidly changing market situation

We have closely monitored the development of the corona epidemic and made the necessary changes to our operating models. The precautionary measures secure the personnel's and customers' well-being and bolster our financial position. At the start of April, we issued a EUR 250 million bond with which we will ensure our ability to respond to customers' growing demand and the renegotiation of their loans.

As a bank, we are strongly committed to working on behalf of the well-being of Finnish society. Early on in the epidemic, the number of enquiries and loan amendment applications increased ten-fold and we cleared the

backlog created by the exceptional situation through additional resources and opening hours on weekends. Our personnel showed excellent resilience and a get-go spirit in this situation.

Our operations are based on satisfied customers and a motivated personnel. Customer and personnel surveys carried out in Q1 confirmed that the personnel's high level of expertise is reflected in excellent service and satisfied customers.

Strong financial position

We are well-prepared for the current changes in the operating environment and we have confidence in our competitiveness. Our strategy relies on profitable growth, a straightforward business model and efficient risk management. In these exceptional times, the bank's societal significance is highlighted and our strong financial position ensures that we are here for our customers. Due to our flexible operating models, we can develop our business and guarantee a strong result also in a changing environment.



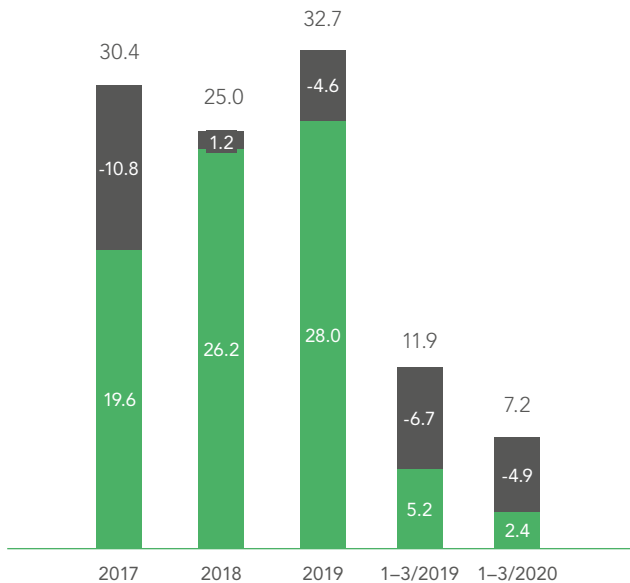
Pasi Sydänlammi
CEO

A profitably growing Finnish bank

Profit before taxes, EUR mill.

Cost-income ratio

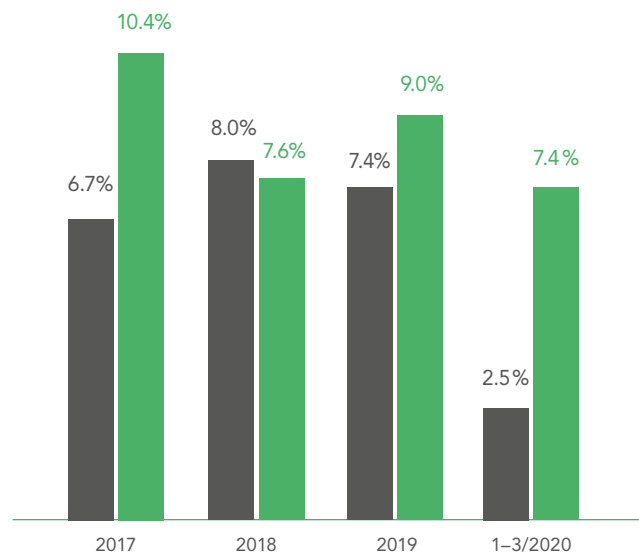
55.5% 62.2% 54.4% 52.2% 47.5%



■ Comparable profit before taxes. Comparable result before taxes for 2017 is the result before taxes less financial assets and net debt. Net income from financial assets and liabilities corresponds to the year 2017 financial statements for the items "Net income from trading" and "Net investment income".

■ Total items affecting comparability

Return on equity (ROE) %

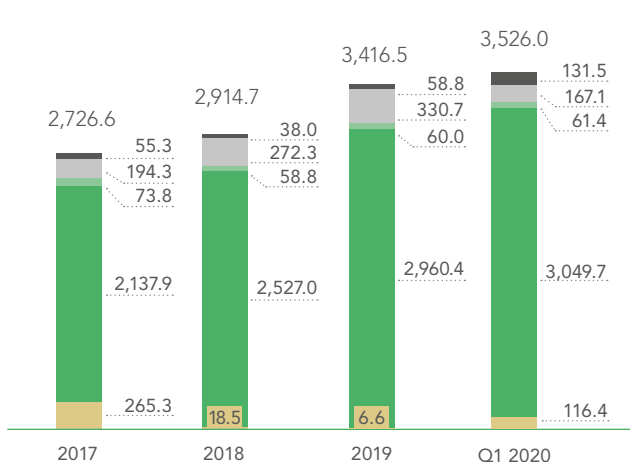


■ ROE-% ■ ROE-% comparable

Balance sheet total, EUR mill.

Growth

26.8% 6.9% 17.2% 3.2%

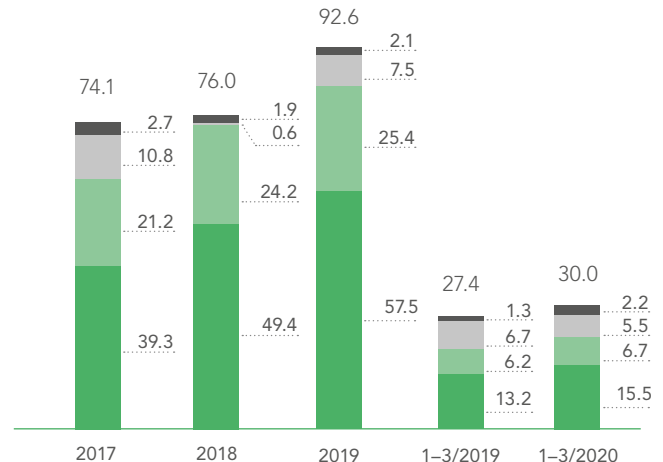


■ Cash and cash equivalents ■ Investment assets
■ Loans and advances to the public and public sector entities ■ Other assets
■ Loans and advances to credit institutions

Total operating income, EUR mill.

Growth

22.8% 2.5% 21.8% 9.4%



■ Net interest income ■ Net income on financial assets and liabilities
■ Fee and commission income and expenses ■ Other operating income

Significant events during 2019

- The company cancelled its earnings guidance for 2020 in a press release on 25 March 2020 due to the uncertainty caused by the corona pandemic. The company estimates that the economic outlook has changed and weakened rapidly due to the uncertainty resulting from the pandemic. As the financial impacts of the situation are difficult to assess, the company cancelled the earnings guidance it gave for 2020 in conjunction with the financial statements release. The earnings guidance will be given when the economic outlook becomes clearer and the financial impacts can be assessed.
- The company's Board of Directors decided on an incentive scheme for its key personnel in February 2020. The purpose of the scheme is to harmonise the owners' and key personnel's goals in order to raise the company's long-term value and to commit the key personnel to implementing the company's strategy, goals and long-term interests and to offer them a competitive remuneration system based on the earning and accrual of shares. The share remuneration scheme 2020–2021 consists of a single two-year-long earning period. The remuneration paid from the scheme corresponds to the value of no more than 420,000 Oma Savings Bank Plc shares, including the portion paid in cash. The possible remuneration of the scheme is based on a comparable cost-income ratio, an increase in operating income (by comparable figures), and customer and employee satisfaction. The reward is paid after the end of the earning period, within about three years in four instalments.
- Oma Savings Bank is among the first banks to adopt the Asuntokauppapalvelu service opened by Asiakasti-eto, in which the delivery and signature of documents related to housing transactions are managed digitally. The service has enabled buying and selling housing company shares entirely digitally, regardless of time and place. The digital service for buying and selling housing company shares is part of the company's continuous investments to improve the customer experience and flexible services.
- In January, the Nomination Committee proposed to the General Meeting that, as a condition for receiving and paying the fixed annual remuneration, the member of the Board of Directors commits to purchase, directly based on the decision of the Annual General Meeting, Oma Savings Bank Plc shares amounting to 40% of the fixed annual remuneration on the regulated market (Nasdaq Helsinki Ltd) at a price determined by trading. It is the recommendation of the Nomination Committee that the member of the Board of Directors would not transfer the shares awarded as an annual remuneration until the membership in the Board has expired.

Oma Savings Bank Plc's financial reporting in 2020

Oma Savings Bank will publish its 2020 financial information as follows:

- August 10, 2020
Half-Year Financial Report
January–June 2020
- November 9, 2020
Interim report
January–September 2020

Oma Savings Bank Group's key figures

The Group's key figures (1,000 euros)	2020 Q1	2019 Q1	Δ %	1-12/2019	2019 Q4	2019 Q3	2019 Q2
Net interest income	15,505	13,195	18%	57,522	15,020	14,868	14,440
Total operating income	29,978	27,392	9%	92,573	22,937	21,181	21,063
Total operating expenses	14,233	14,292	0%	50,309	13,641	10,466	11,910
¹⁾ Cost/income ratio, %	47.5%	52.2%	-9%	54.4%	59.5%	49.4%	56.5%
Impairment losses on financial assets, net	-8,531	-1,205	608%	-9,567	-3,644	-2,371	-2,348
Profit before taxes	7,222	11,892	-39%	32,684	5,646	8,342	6,804
Profit/loss for the accounting period	5,860	10,789	-46%	27,453	4,527	6,677	5,461
Balance sheet total	3,526,023	3,351,058	5%	3,416,530	3,416,530	3,370,459	3,243,770
Equity	317,519	304,486	4%	319,865	319,865	318,145	309,383
¹⁾ Return on assets (ROA) %	0.7%	1.4%	-51%	0.9%	0.5%	0.8%	0.7%
¹⁾ Return on equity (ROE) %	7.4%	14.5%	-49%	9.0%	5.7%	8.5%	7.1%
¹⁾ Earnings per share (EPS), euro	0.20	0.36	-45%	0.93	0.16	0.23	0.18
¹⁾ Equity ratio %	9.0%	9.1%	-1%	9.4%	9.4%	9.4%	9.5%
¹⁾ Total capital (TC) ratio %	17.1%	18.3%	-6%	17.3%	17.3%	18.0%	17.9%
¹⁾ Common Equity Tier 1 (CET1) capital ratio %	16.6%	17.6%	-5%	16.8%	16.8%	17.4%	17.3%
¹⁾ Tier 1 (T1) capital ratio %	16.6%	17.6%	-5%	16.8%	16.8%	17.4%	17.3%
¹⁾ Liquidity coverage ratio (LCR) %	79.7%	458.8%	-83%	140.1%	140.1%	145.6%	154.2%
Average number of employees	273	299	-9%	300	288	302	310
Employees at the end of the period	282	301	-6%	279	279	294	311

Alternative performance measures excluding items affecting comparability:

¹⁾ Comparable profit before taxes	2,369	5,193	-54%	28,045	5,835	9,123	7,894
¹⁾ Comparable cost/income ratio, %	56.6%	69.1%	-18%	56.7%	57.0%	47.7%	53.8%
¹⁾ Comparable earnings per share (EPS), euro	0.07	0.14	-51%	0.76	0.16	0.25	0.21
¹⁾ Comparable return on equity (ROE) %	2.5%	5.6%	-55%	7.4%	5.9%	9.3%	8.3%

¹⁾ The formulas for calculating the key figures are presented in note G14 of the interim report.
Comparable profit is presented in the income statement.

Operating environment

The corona pandemic and the restriction measures taken as a result caused the global economy to come to a sudden halt. The restriction measures taken to stop the virus and consumer's cautiousness have suppressed economic activity dramatically. The corona shock impacts the economy through several channels by reducing both demand and supply. In order to control the spread of the virus and to support the capacity of the health care services, many countries have taken into use exceptionally strong measures to restrict the movement of people and business operations. The immediate impacts of the restrictive measures affect especially service sectors based on human contact, where employment has fallen rapidly.⁽¹⁾

According to Statistics Finland's labour survey, there were 21,000 fewer employed persons and 6,000 more unemployed in March 2020 than in the previous year's comparative period. In March 2020, the employment rate trend was 72.9% (72.6%) and the average unemployment rate was 6.6% (6.4%)⁽²⁾

The consumer confidence indicator (CCI) was -13.9 in April compared to -7.1 in March. In April 2019, the figure was -1.7. The confidence indicator is formed from four factors, which are: views on the consumers' own economy now, expectations concerning their own and Finland's economy in 12 months, and intentions to spend money on durable goods in the next 12 months. In April, all four components of the CCI weakened clearly from the previous month. Many people in April were still thinking of buying a dwelling and taking out a loan in the next 12 months.⁽³⁾

According to Statistics Finland's preliminary data, prices of old dwellings in housing companies rose by 1.6 per cent in Greater Helsinki during the last quarter of 2019, while elsewhere in Finland prices decreased by some two per cent compared to the corresponding period of 2019.⁽⁴⁾ In the company's view, the Finnish business environment is, for now, also stable in terms of household indebtedness and housing prices, but uncertainty has

grown significantly. The impacts of the corona pandemic on household indebtedness and savings are dependent on the duration of the restrictions it has caused.

In February 2020, total loans to households had increased by 3.2% over the previous 12 months, with the home mortgage portfolio accounting for 2.8% of that growth. The number of corporate loans grew 8.2% in the same period. The volume of households' deposits grew a total of 6.9% over a 12-month period.⁽⁵⁾

The number of bankruptcies filed in January–March 2020 grew 14.0% year-on-year, i.e. the total of bankruptcies filed was 772. The number of personnel in the companies filing for bankruptcy came to 3,417, i.e. 8.9% more than in the corresponding period of 2019. According to Statistics Finland, any impacts of the coronavirus on the number of bankruptcies cannot be discerned from the Q1 figures.⁽⁶⁾

The number of new building permits granted fell in December–February by 30.0% compared to the previous year and was 6.4 million cubic metres. The cubic volume of residential building fell by 23.5% and other than residential building 32.6%. Residential building permits were granted for 2.0 (2.6) million cubic metres. The cubic volume of blocks of flats diminished by 31.3% and that of detached houses by 4.8% on the comparative period.⁽⁷⁾ The decline in the number of granted building permits has not impacted the company's operations; instead the volume of new lending has been increased by growing the market shares.

The company does not consider the impact of the corona pandemic to be significant in Q1 lending. The impacts will appear starting in the second quarter. The severity of the corona pandemic's impacts on the Finnish economy depends on the duration of the crisis and, according to forecasts, it will reduce Finland's GDP. Recovery from the crisis hinges of the duration of the corona pandemic restrictions, the government's stimulus measures and the length of time required for the economy to normalise.

1) Bank of Finland, Coronavirus causes sudden halt in global economy. The Euro and the Economy 1/2020. Published on 22 April 2020

2) Statistics Finland, Employment turned to a decline in March. Published on 23 April 2020

3) Statistics Finland, Consumer confidence fell to its weakest ever. Published on 27 April 2020

4) Statistics Finland, Prices of old dwellings in housing companies rose in Greater Helsinki and decreased elsewhere in Finland in the latter part of 2019. Published on 31 March 2020

5) Bank of Finland, MFI balance sheet (loans and deposits) and interest rates. Published on 31 March 2020

6) Statistics Finland, The number of bankruptcies grew 14.0 per cent year-on-year in January–March 2020. Published on 22 April 2020

7) Statistics Finland, Cubic volume of granted building permits decreased. Published on 28 April 2020

Credit rating and liquidity

In September 2019, Standard & Poor's confirmed a credit rating of BBB+ for Oma Savings Bank's long-term borrowing and A-2 for short-term borrowing.

	31 Mar 2020	31 Dec 2019	31 Mar 2019
LCR	79.7%	140.1%	458.8%
NSFR	147.5%	147.6%	142.2%

The Group's liquidity coverage ratio (LCR), which describes short-term liquidity, was 79.7% on 31 March 2020. The figure was below the 100% limit due to the market insecurity caused by the corona pandemic. The LCR figure rose back over the limit due to the cash flow from the EUR 250 million bond issued on 1 April 2020. During the corona pandemic, the European Central Bank Banking Supervision (ECB) has granted relief for the LCR limit, for example.

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 organisations 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 G32 of the 2019 financial statements. No significant changes have occurred in related party transactions after 31 December 2019. More detailed information on the share-based remuneration scheme for the management is given in the Interim Report's accounting principles.

Financial statements

The corresponding period last year has been used as the year under comparison in income statement items, and the date 31 December 2019 as the comparative period for the balance sheet and capital adequacy.

Result 1–3/2020

The Group's profit before taxes for Q1 was EUR 7.2 (11.9) million and the profit for the accounting period was EUR 5.9 (10.8) million. The cost/income ratio was 47.5% (52.2%).

Comparable profit before taxes in the first quarter amounted to EUR 2.4 (5.2) million and the comparable cost/income ratio was 56.6% (69.1%). The comparable profit has not been adjusted during January–March for the additional expected credit loss allowance based on management judgement.

Income

Total operating income was EUR 30.0 (27.4) million, growing by 9.4% year-on-year.

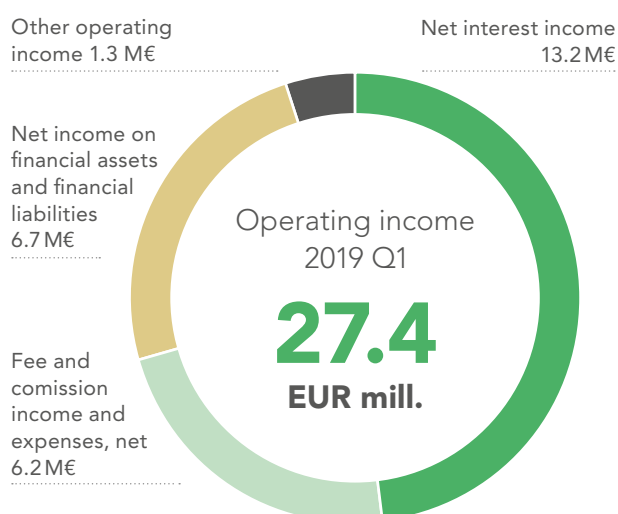
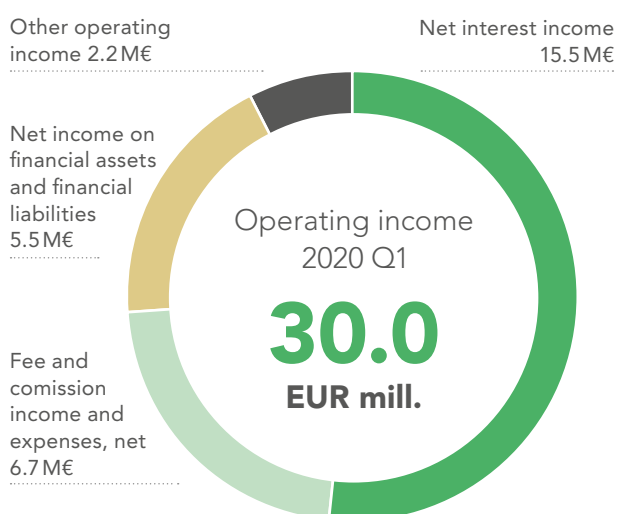
Net interest income grew 17.5%, totalling EUR 15.5 (13.2) million. During the review period, interest income grew 14.6%, totalling EUR 16.8 (14.7) million. The growth in interest income can be largely attributed to a growth in the loan stock of EUR 424.6 million as of 31 March 2019. During the same period, the average margin of the company's loan stock has remained almost unchanged, falling 0.08 percentage points.

Interest expenses fell by 10.8% year-on-year, and were EUR 1.3 (1.5) million in the first quarter. The change in the interest terms for customer deposits made during

March impacts interest expenses in full as of the second quarter. The average interest on the deposits paid to the company's customers was 0.02% (0.09%) at the end of the review period.

Fee and commission income and expenses (net) grew by 8.2% to EUR 6.7 (6.2) million. The total amount of fee and commission income was EUR 7.6 (7.4) million. Fee and commission income from lending fell 16% due to a clarification of the recognition principles for lending fees and commissions carried out during the second quarter of 2019. The net effect of the refining made was EUR -0.7 (0.0) million during the first quarter. The corona pandemic has not significantly impacted the total Q1 lending and the lending fees and commissions. The impacts are not expected to become evident until the second quarter onward. The 11.3% increase in commissions from card payments and payment transactions is the result of higher customer volumes. The costs related to the item fell 23.0%.

The net income on financial assets and liabilities was EUR 5.5 (6.7) million during the period. Valuation gains and losses on shares and fund units came to EUR -1.9 (6.9) million. The valuation losses for the quarter resulted from the fall in stock prices caused by the corona pandemic. The excellent result in the comparative period is explained by the profit and extra dividend from Samlink's shares. Financial assets valued at fair value through other items of comprehensive income came to EUR 8.0 (0.0) million. The item includes the sale of bonds belonging to the company's investment portfolio. In February 2020, the company sold some EUR 150 million in investments to reduce the investment portfolio's risks.



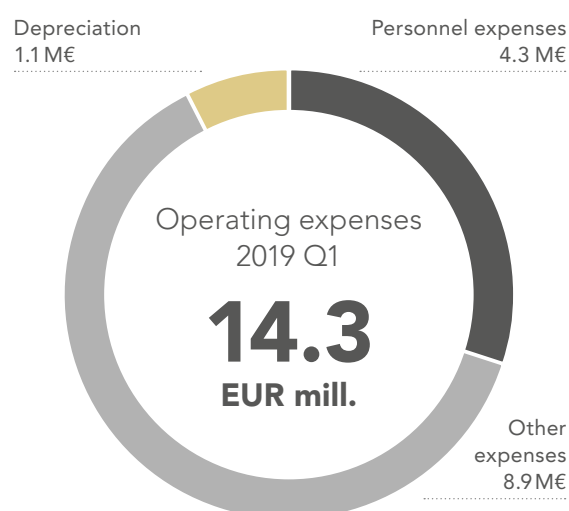
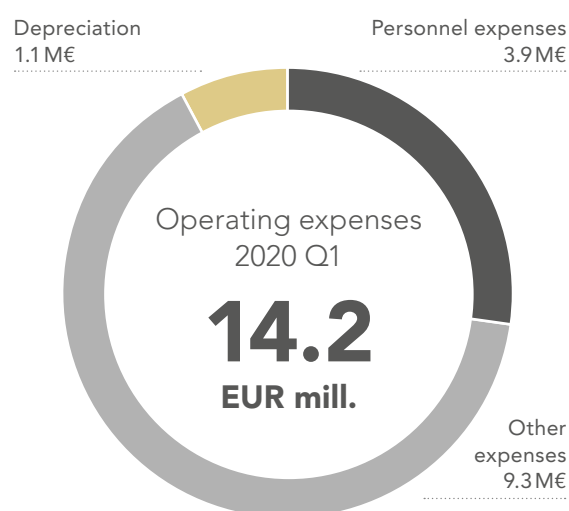
■ Net interest income ■ Fee and commission income and expenses, net ■ Net income on financial assets and financial liabilities ■ Other operating income

Other operating income was EUR 2.2 (1.3) million. The item includes accrual of EUR 2.0 million of the 2020 refund from the old Deposit Guarantee Fund. The refund from the old Deposit Guarantee Fund is used to annually offset the contributions to the new Deposit Guarantee Fund and Resolution Fund, so the items have no effect on the result.

Expenses

Operating expenses remained on a par with the previous year's corresponding period. Operating expenses came to a total of EUR 14.2 (14.3) million.

Personnel expenses fell 10.0%, coming to EUR 3.9 (4.3) million. In the review period, the average number of employees was 273 (299). The number of personnel was impacted by the co-operation negotiations held in late 2019 and the changes in the branch network.



■ Personnel expenses ■ Other operating expenses
 ■ Depreciation, amortisations and impairment losses on tangible and intangible assets

Other operating expenses grew 3.6%, to EUR 9.3 (8.9) million. Other operating expenses include accrual of the annual deposit guarantee contributions to the Deposit Guarantee Fund and the financial stability contribution to the Resolution Fund. The total amount recognised is EUR 2.0 million. The refund from the old Deposit Guarantee Fund is used to annually offset the contributions to the new Deposit Guarantee Fund and Resolution Fund, so the items have no effect on the result.

Depreciation, amortisation and impairments on tangible and intangible assets were EUR 1.1 (1.1) million.

Impairment losses on financial assets

During the first quarter, impairment losses on financial assets (net) were EUR –8.5 (–1.2) million. The item includes the change in expected credit losses, final credit losses and credit loss refunds on customer loans and off-balance sheet commitments.

Final credit losses over January–March amounted to EUR 0.9 (0.8) million.

The net impact of expected credit losses in the first quarter was EUR –7.6 (–0.4) million. New granted loans increased the expected credit losses by EUR 1.2 million while payments to loans and the falling due of loans decreased expected credit losses by EUR 2.5 million. The change in the expected credit losses resulting from the change in credit risk and stage transfers totalled EUR +2.2 million.

Adjustments were made to the expected credit losses' calculation principles during Q1, as a result of which expected credit losses grew EUR 0.5 million. As part of the annual validation of the calculation rules, changes to the calculation principles were made in the calculation rules for housing corporations and rural entrepreneurs.

During January–March, an additional expected credit loss allowance based on management's judgement was made in a total of EUR 6.7 million. The loss allowance is used to prepare for growth in individual customers' credit risks and the impacts of the corona pandemic.

Due to the corona pandemic, the number of loan grace periods requested by the bank's customers increased ten-fold compared to the normal level. The number of applications for grace periods was at its highest during weeks 13–15, after which the situation has levelled out. Grace periods have been granted to solvent customers in accordance with the normal credit process. Grace periods granted to customers have not automatically resulted in transfers of credit to stages 2 or 3. Possible changes in customer repayment behaviour and growth in credit risks are not expected to show in the bank's figures until as of the second quarter.

Balance sheet

The Group's balance sheet in total grew during January–March 2020 by 3.2% to EUR 3,526.0 (3,416.5) million.

Loans and other receivables

In total, loans and other receivables grew in January–March by 3.0% to EUR 3,111.0 (3,020.4) million. The corona pandemic had no significant impact on the total Q1 lending. The impacts are not expected to become evident until the second quarter onward.

The average size of loans issued over the past 12 months has been approximately EUR 97 thousand.

Bank's loan portfolio by customer group, before impairment allowances

Credit balance (1,000 euros)	31 Mar 2020	31 Dec 2019	31 Mar 2019
Private customers	1,830,930	1,780,900	1,564,091
Business customers	648,938	641,470	563,389
Housing associations	290,652	264,829	242,205
Agriculture, forestry, fishing industry	264,206	255,906	237,055
Other	40,765	35,457	34,013
Total	3,075,490	2,978,562	2,640,753

Investment assets

The Group's investment assets fell 49.4% during the period, totalling EUR 167.1 (330.0) million. In February, the company sold some EUR 150 million in bond investments to reduce the investment portfolio's risks. The primary purpose of managing investment assets is securing the bank's liquidity position.

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 3.6% to EUR 2,168.2 (2,093.6) million.

The item consists mostly of deposits received from the public, which came to EUR 2,028.1 (1,999.4) million at the end of March. The average interest on the deposits paid to the company's customers was 0.02% on 31 March 2020.

Liabilities to credit institutions grew 49.8% during the period, totalling EUR 131.5 (88.0) million. In order to ensure liquidity, the company took part in the European Central Bank's LTRO operation at the end of March. The size of the loan is EUR 50 million.

Debt securities issued to the public

Total debt securities issued to the public grew during the period by 3.9% to EUR 974.8 (938.3) million. This growth was the result of an increase in the number of certificates of deposit. Total debt securities issued to the public are shown in more detail in note G7.

Covered bonds are secured by loans to the value of EUR 1,250.2 (875.0) million. A new EUR 250 million covered bond was issued on 1 April 2020.

Equity

The Group's equity fell 0.7% during the period, totalling EUR 317.5 (319.9) million. The fair value reserve fell by EUR 8.3 million. In February, the company sold some EUR 150 million in financial assets valued at fair value through other comprehensive income in order to reduce its investment portfolio risks.

Own shares

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

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

Off-balance-sheet commitments

Off-balance-sheet commitments included commitments given to a third party on behalf of a customer and irrevocable commitments given to a customer. Commitments given to a third party on behalf of a customer, EUR 21.9 (22.0) million, were mostly made up of bank guarantees and other guarantees. Irrevocable commitments given to a customer, which totalled EUR 208.8 (190.5) million at the end of March, consisted mainly of undrawn credit facilities.

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

In early 2019, Oma Savings Bank started up a modernisation project involving the core banking platform. The new core banking platform is based on Temenos technology and is supplied by Oy Samlink Ab. The project is proceeding according to plan. The delivery of the core banking platform will cost Oma Savings Bank about EUR 20 million and at the end of March, the capitalised investment cost for the project came to altogether EUR 2.8 million.

Alongside the renewal of the core banking platform, the company launched a project to develop functions to prevent money laundering and terrorist financing. In addition, the company launched a development project related to developing a data warehouse and data analytics solutions.

Significant events after the period

On 1 April 2020, the company issued a EUR 250 million covered bond. The bond's maturity is 3 years and its maturity date is 6 April 2023. The bond has an annual interest rate of 0.125%. The bond's issue took place under the EUR 1,500 million bond programme.

On 3 April 2020, the company updated its notice of general meeting based on the recommendations of FIN-FSA. Due to the epidemic caused by the coronavirus, FIN-FSA recommended that credit institutions should not pay and should not commit to pay dividends or other distribution of profit until 1 October 2020 for the 2019 and 2020 accounting periods, to ensure the continuation of financing to households and companies. For this reason, Oma Savings Bank's Board of Directors changed its dividend distribution proposal for the 2020 Annual General Meeting. In addition, the Board of Directors moved its Annual General Meeting to be held on 15 June 2020. The Board of Directors proposes that the Annual General Meeting authorise the Board of Directors to decide on the distribution of a dividend of no more than 0.19 euros per share for the 2019 accounting year in one or more instalments, however not earlier than 1 October 2020. The authorisation would be in force until the 2021 Annual General Meeting. A proposal will also be made to the General Meeting that the Board of Directors be authorised to decide on a possible dividend record date and payment date, which the company will report on separately. The remainder of the distributable assets will be left in the equity capital.

With the corona pandemic significantly weakening the global economic outlook and the operating conditions of the financial sector, the Board of the Financial Supervisory Authority (FIN-FSA) decided on 6 April 2020 to remove the additional capital requirement covered by common equity Tier 1 capital, determined on the basis of the structural characteristics of the financial system (systemic risk buffer), from all credit institutions. The decision became effective immediately.

The company is not aware of the occurrence of any other events after the end of the reporting period that would require the presentation of additional information or would have a material impact on the financial position.

Financial goals

Oma Savings Bank's Board of Directors approved the following financial goals in September 2018:

- **Growth:** 10–15% annual growth in total operating income under the current market conditions
- **Profitability:** Cost/income ratio less than 55%
- **Return on equity (ROE):**
Long-term return on equity (ROE) over 10%
- **Capital adequacy:**
Common equity tier 1 capital (CET1) at least 16%

Outlook for the 2020 accounting period (updated)

The company's business volumes are predicted to maintain their strong growth during the 2020 accounting period. 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 the opening of new units. At the same time, the company has adapted its branch network to correspond even better to a changing operating environment. Due to the uncertainty caused by the coronavirus, the outlook for the economy changed and rapidly weakened towards the end of the first quarter. Due to the difficulty of assessing the financial impact of the situation, the company withdrew its February earnings guidance in March.

Despite the general economic uncertainty, the company's financial position is strong and the flexible operating models allows rapid response to changes in the operating environment. The company's earning is expected to increase during the FY2020 in both key sources of income, net interest income and fee and commission income. At the same time, operating costs are projected to remain approximately at current level, so the profitability of the company's core business is expected to continue to improve in FY2020.

More detailed earnings guidance will be provided by the company as the outlook for the corona pandemic progression becomes clearer and the economic impact can be better assessed.

Capital adequacy

The total capital (TC) ratio of the Oma Savings Bank Group remained strong and was 17.1% (17.3%) at the end of the period. The common equity Tier 1 capital (CET1) ratio to risk-weighted assets was 16.6% (16.8%), exceeding the minimum level for the financial goals approved by the Board of Directors, 16%. Risk-weighted assets, EUR 1,776.7 (1,783.6) million, remained on a par with the comparative period. Risk-weighted assets decreased mainly due to the sale of reserve investments, while simultaneously, the growth of the loan portfolio for private customers continued to be strong. In its capital requirement calculations, Oma Savings Bank Group applies the standardised approach for credit risks and the basic indicator approach for operational risks. The standardized approach is applied when calculating the capital requirement for market risk for the foreign exchange position.

At the end of the review period, the capital structure of Oma Savings Bank Group remained strong, consisting mostly of common equity Tier 1 capital (CET1). The Group's total own funds (TC) decreased EUR 4.5 million to EUR 304.1 (308.6) million. However, the amount of own funds clearly exceeded the total capital requirement of EUR 204.4 (205.3) million. Tier 1 capital (T1) was EUR 295.6 (299.4) million, consisting entirely of common equity Tier 1 capital (CET1). The retained earnings for the 2020 accounting period are included in the common equity Tier 1 capital on the basis of permission granted by the Finnish Financial Supervisory Authority. Tier 2 capital (T2) was EUR 8.5 (9.3) million, consisting of debenture loans. Own funds fell most significantly due to the decline in the fair value reserve resulting from the sale of investment assets. The leverage ratio was 8.2% (8.6%) at the end of the period.

The main items in the capital adequacy calculation (1,000 euros)	31 Mar 2020	31 Dec 2019	31 Mar 2019
Common Equity Tier 1 capital before regulatory adjustments	305,987	309,553	294,297
Regulatory adjustments on Common Equity Tier 1	-10,371	-10,184	-6,298
Common Equity Tier 1 (CET1) capital, total	295,616	299,369	287,999
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	295,616	299,369	287,999
Tier 2 capital before regulatory adjustments	8,519	9,266	11,799
Regulatory adjustments on Tier 2 capital	-	-	-
Tier 2 (T2) capital, total	8,519	9,266	11,799
Total capital (TC = T1 + T2) / Total own funds	304,134	308,635	299,798
Risk-weighted assets			
Credit and counterparty risk, standardised approach	1,618,642	1,620,817	1,501,024
Credit valuation adjustment risk (CVA)	10,714	8,913	12,878
Market risk (foreign exchange risk)	-	6,598.01	-
Operational risk, basic indicator approach	147,320	147,320	126,170
Risk-weighted assets, total	1,776,675	1,783,648	1,640,073
Common Equity Tier 1 (CET1) capital ratio, %	16.64%	16.78%	17.56%
Tier 1 (T1) capital ratio, %	16.64%	16.78%	17.56%
Total capital (TC) ratio, %	17.12%	17.30%	18.28%
Leverage ratio (1,000 euros)	31 Mar 2020	31 Dec 2019	31 Mar 2019
Tier 1 capital	295,616	299,369	287,999
Total amount of exposures	3,593,534	3,482,083	3,408,285
Leverage ratio	8.23%	8.60%	8.45%

The total capital requirement for banks' own funds consists of the Pillar I minimum capital requirement (8.0%) and various buffer requirements. Buffer requirements include, but are not limited to, 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 systemic risk buffer.

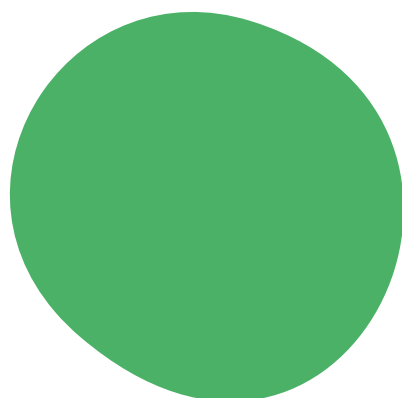
In December 2019, the Finnish Financial Supervisory Authority (FIN-FSA) imposed on Oma Savings Bank Plc the first supervisory review and evaluation process (SREP) requirement of 1.5% based on the supervisory authority's assessment. The requirement will enter into force starting on 30 June 2020 and will be in force for the time being, however not later than 30 June 2023. The requirement shall be covered by the common equity Tier 1 capital. FIN-FSA decides on the countercyclical buffer requirement quarterly, and a countercyclical buffer requirement has thus far not been imposed on Finnish credit institutions. The systemic risk buffer to be covered by the consolidated common equity Tier 1 capital is 1% as of March 31, 2020. With the corona pandemic significantly weakening the global economic outlook and the operating conditions of the financial sector, FIN-FSA decided on 6 April 2020 on the removal of the systemic risk buffer requirement for all credit institutions. The decision became effective immediately.

Group's total capital requirement, March 31, 2020 (1,000 euros)

Capital	Pillar I minimum capital requirement*	Buffer requirements					Total capital requirement	
		Pillar II (SREP) capital requirement	Capital conservation buffer	Counter-cyclical buffer**	O-SII	Systemic risk buffer		
CET1	4.50%	0.00%	2.50%	0.00%	0.00%	1.00%	8.00%	142,209
AT1	1.50%						1.50%	26,650
T2	2.00%						2.00%	35,534
Total	8.00%	0.00%	2.50%	0.00%	0.00%	1.00%	11.50%	204,393

* 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 will publish 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.

Interim Report tables

Consolidated condensed income statement

Note	(1,000 euros)	1-3/2020	1-3/2019	1-12/2019
	Interest income	16,848	14,699	63,351
	Interest expenses	-1,343	-1,505	-5,828
G8	Net interest income	15,505	13,195	57,522
	Fee and commission income	7,562	7,368	29,981
	Fee and commission expenses	-848	-1,164	-4,567
G9	Fee and commission income and expenses, net	6,714	6,204	25,414
G10	Net income on financial assets and financial liabilities	5,532	6,699	7,518
G11	Other operating income	2,227	1,294	2,118
	Total operating income	29,978	27,392	92,573
	Personnel expenses	-3,876	-4,306	-17,070
	Other operating expenses	-9,258	-8,932	-28,191
	Depreciation, amortisations and impairment losses on tangible and intangible assets	-1,099	-1,055	-5,047
	Total operating expenses	-14,233	-14,292	-50,309
G11	Impairment losses on financial assets, net	-8,531	-1,205	-9,567
	Share of profit of equity accounted entities	7	-3	-13
	Profit before taxes	7,222	11,892	32,684
	Income taxes	-1,362	-1,103	-5,231
	Profit for the accounting period	5,860	10,789	27,453
	Of which:			
	Shareholders of Oma Savings Bank Plc	5,897	10,791	27,579
	Non-controlling interest	-37	-3	-126
	Total	5,860	10,789	27,453
	Earnings per share (EPS), EUR	0.20	0.36	0.93
	Earnings per share (EPS) after dilution, EUR*	0.20		

* Calculated as of January 1, 2020

Profit before taxes excluding items affecting comparability:	1-3/2020	1-3/2019	1-12/2019
Profit before taxes	7,222	11,892	32,684
Operating income:			
Fee and comission income amortised impact	679	-	1,817
Net income on financial assets and liabilities	-5,532	-6,699	-7 518
Operating expenses			
Expenses from the co-operation negotiations	-	-	1,062
Comparable profit before taxes	2,369	5,193	28,045
Income taxes in income statement	-1,362	-1,103	-5,231
Change of deferred taxes	971	40	-372
Comparable profit/loss for the accounting period	1,977	4,129	22,442

Consolidated condensed statement of comprehensive income

(1,000 euros)	1-3/2020	1-3/2019	1-12/2019
Profit for the accounting period	5,860	10,789	27,453
Other comprehensive income before taxes			
Items that will not be reclassified through profit or loss			
Gains and losses on remeasurements from defined benefit pension plans	-	-21	-53
Items that may later be reclassified through profit or loss			
Measured at fair value	-2,425	4,230	7,778
Transferred to Income Statement as a reclassification change	-8,006	-	120
Other comprehensive income before taxes	-10,431	4,209	7,844
Income taxes			
For items that will not be reclassified to profit or loss			
Gains and losses on remeasurements from defined benefit pension plans	-	4	11
Items that may later be reclassified to profit or loss			
Measured at fair value	2,086	-846	-1,580
Income taxes	2,086	-842	-1,569
Other comprehensive income for the accounting period after taxes	-2,485	3,367	6,276
Comprehensive income for the accounting period	-2,485	14,156	33,729
Attributable to:			
Shareholders of Oma Savings Bank Plc	-2,448	14,159	33,855
Non-controlling interest	-37	-3	-126
Total	-2,485	14,156	33,729

Consolidated condensed balance sheet

Note	Assets (1,000 euros)	31 Mar 2020	31 Dec 2019	31 Mar 2019
	Cash and cash equivalents	116,398	6,626	6,360
G3	Loans and advances to credit institutions	61,385	60,005	59,168
G3	Loans and advances to the public and public sector entities	3,049,650	2,960,356	2,628,694
G4	Financial derivatives	7,097	5,634	3,393
G5	Investment assets	167,053	329,977	304,967
	Equity accounted entities	5,673	5,666	5,673
	Intangible assets	9,261	9,259	5,507
	Tangible assets	26,409	25,325	22,093
	Other assets	80,422	11,827	312,354
	Deferred tax assets	2,632	1,814	1,288
	Current income tax assets	41	41	1,560
	Total assets	3,526,023	3,416,530	3,351,058

Note	Liabilities (1,000 euros)	31 Mar 2020	31 Dec 2019	31 Mar 2019
G6	Liabilities to credit institutions	131,493	88,045	86,752
G6	Liabilities to the public and public sector entities	2,036,678	2,005,573	1,841,951
G7	Debt securities issued to the public	974,836	938,348	1,045,343
	Subordinated liabilities	15,500	15,500	25,200
	Provisions and other liabilities	25,967	24,622	24,966
	Deferred tax liabilities	22,580	24,578	22,360
	Current income tax liabilities	1,449	-	-
	Total liabilities	3,208,504	3,096,665	3,046,572

	Equity	31 Mar 2020	31 Dec 2019	31 Mar 2019
	Share capital	24,000	24,000	24,000
	Reserves	137,590	145,934	143,000
	Retained earnings	155,368	149,332	136,738
	Shareholders of Oma Savings Bank Plc	316,958	319,266	303,738
	Shareholders of Oma Savings Bank Plc	316,958	319,266	303,738
	Non-controlling interest	561	598	748
	Equity, total	317,519	319,865	304,486
	Total liabilities and equity	3,526,023	3,416,530	3,351,058

	Group's off-balance sheet commitments (1,000 euros)	31 Mar 2020	31 Dec 2019	31 Mar 2019
	Off-balance sheet commitments			
	Guarantees and pledges	21,606	21,781	22,112
	Other commitments given to a third party	266	266	266
	Commitments given to a third party on behalf of a customer	21,872	22,047	22,378
	Undrawn credit facilities	208,819	190,478	168,892
	Irrevocable commitments given in favour of a customer	208,819	190,478	168,892
	Group's off-balance sheet commitments, total	230,690	212,525	191,270

Consolidated condensed cash flow statement

(1,000 euros)	1-3/2020	1-3/2019	1-12/2019
Cash flow from operating activities			
Profit/loss for the accounting period	5,860	10,789	27,453
Changes in fair value	495	24	59
Share of profit of equity accounted entities	-7	3	13
Depreciation and impairment losses on investment properties	84	97	560
Depreciation, amortisation and impairment losses on tangible and intangible assets	1,099	1,055	5,047
Gains and losses on sales of tangible and intangible assets	13	-	80
Impairment and expected credit losses	8,531	1,205	9,567
Income taxes	1,362	1,103	5,231
Other adjustments	3,582	-5,229	-4,011
Adjustments to the profit/loss of the accounting period	15,158	-1,742	16,548
Cash flow from operations before changes in receivables and liabilities	21,018	9,046	44,001
Increase (-) or decrease (+) in operating assets			
Debt securities	133,371	-22,784	-32,089
Loans and advances to credit institutions	-6,213	-406	3,205
Loans and advances to customers	-98,536	-102,903	-444,559
Derivatives and hedge accounting	36	138	100
Investment assets	-1	-449	-17,883
Other assets	-746	-1,547	449
Total	27,911	-127,951	-490,777
Increase (+) or decrease (-) in operating liabilities			
Liabilities to credit institutions	-6,552	-3,041	-1,749
Deposits	29,091	82,281	243,143
Provisions and other liabilities	302	1,224	4,004
Total	22,842	80,464	245,399
Paid income taxes	-643	-900	-2,543
Total cash flow from operating activities	71,128	-39,341	-203,921

(1,000 euros)	1-3/2020	1-3/2019	1-12/2019
Cash flow from investments			
Investments in tangible and intangible assets	-2,216	-1,016	-12,769
Proceeds from sales of tangible and intangible assets	65	-	470
Acquisition of associated companies and joint ventures	-	-3,501	-
Changes in other investments	-	-20	1,217
Total cash flow from investments	-2,151	-4,537	-11,082
Cash flows from financing activities			
Subordinated liabilities, changes	-	-	-9,700
Debt securities issued to the public	36,262	31,960	222,600
Acquisition of non-controlling interests	-	-	-
Other monetary changes in equity items	-	-	-
Payments of lease liabilities	-299	-313	-1,220
Dividends paid	-	-	-4,194
Total cash flows from financing activities	35,962	31,647	207,486
Net change in cash and cash equivalents	104,940	-12,231	-7,517
Cash and cash equivalents at the beginning of the accounting period	51,888	59,405	59,405
Cash and cash equivalents at the end of the accounting period	156,827	47,174	51,888
Cash and cash equivalents are formed by the following items			
Cash and cash equivalents	116,398	6,360	6,626
Receivables from credit institutions repayable on demand	40,429	40,814	45,262
Total	156,827	47,174	51,888
Received interest	17,112	13,309	64,550
Paid interest	-1,069	-726	-5,724
Dividends received	707	1,153	1,393

Consolidated statement of changes in equity

	Share capital	Reserve for invested non-restricted equity	Fair value reserve	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
March 31, 2020 (1,000 euros)								
Equity, January 1, 2020	24,000	137,396	8,538	145,934	149,332	319,266	598	319,865
Comprehensive income								
Profit/loss for the accounting period	-	-	-	-	5,897	5,897	-37	5,860
Other comprehensive income	-	-	-8,345	-8,345	-	-8,345	-	-8,345
Total comprehensive income	-	-	-8,345	-8,345	5,897	-2,448	-37	-2,485
Transactions with owners								
Distribution of dividends	-	-	-	-	-	-	-	-
Share-based incentive scheme	-	-	-	-	139	139	-	139
Other changes	-	-	-	-	-	-	-	-
Transactions with owners, total	-	-	-	-	139	139	-	139
Equity total, March 31, 2020	24,000	137,396	194	137,590	155,368	316,958	561	317,519

December 31, 2019 (1,000 euros)	Share capital	Reserve for invested non-restricted equity	Fair value reserve	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
Equity, January 1, 2019	24,000	137,396	2,220	139,616	125,964	289,580	750	290,330
	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-	-	-
Profit/loss for the accounting period	-	-	-	-	27,579	27,579	-126	27,453
Other comprehensive income	-	-	6,318	6,318	-43	6,276	-	6,276
Total comprehensive income	-	-	6,318	6,318	27,537	33,855	-126	33,729
	-	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-4,168	-4,168	-26	-4,194
Other changes	-	-	-	-	-	-	-	-
Transactions with owners, total	-	-	-	-	-4,168	-4,168	-26	-4,194
Equity total, December 31, 2019	24,000	137,396	8,538	145,934	149,332	319,266	598	319,865

March 31, 2019 (1,000 euros)	Share capital	Reserve for invested non-restricted equity	Fair value reserve	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
Equity, January 1, 2019	24,000	137,396	2,220	139,616	125,964	289,580	750	290,330
Comprehensive income								
Profit/loss for the accounting period	-	-	-	-	10,791	10,791	-3	10,789
Other comprehensive income	-	-	3,384	3,384	-17	3,367	-	3,367
Total comprehensive income	-	-	3,384	3,384	10,774	14,158	-3	14,156
Transactions with owners								
Share capital increase	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-
Transactions with owners, total	-	-	-	-	-	-	-	-
Equity total, March 31, 2019	24,000	137,396	5,604	143,000	136,738	303,738	748	304,486

Consolidated condensed income statement, quarterly trend

Note	(1,000 euros)	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
	Interest income	16,848	16,401	16,281	15,969	14,699
	Interest expenses	-1,343	-1,381	-1,413	-1,529	-1,505
G8	Net interest income	15,505	15,020	14,868	14,440	13,195
	Fee and commission income	7,562	7,590	7,477	7,546	7,368
	Fee and commission expenses	-848	-1,262	-982	-1,159	-1,164
G9	Fee and commission income and expenses, net	6,714	6,327	6,495	6,387	6,204
G10	Net income on financial assets and financial liabilities	5,532	1,438	-272	-347	6,699
	Other operating income	2,227	152	90	583	1,294
	Total operating income	29,978	22,937	21,181	21,063	27,392
	Personnel expenses	-3,876	-5,051	-3,822	-3,892	-4,306
	Other operating expenses	-9,258	-6,838	-5,536	-6,885	-8,932
	Depreciation, amortisation and impairment losses on tangible and intangible assets	-1,099	-1,752	-1,108	-1,133	-1,055
	Total operating expenses	-14,233	-13,641	-10,466	-11,910	-14,292
G11	Impairment losses on financial assets, net	-8,531	-3,644	-2,371	-2,348	-1,205
	Share of profit from joint ventures and associated companies	7	-6	-2	-2	-3
	Profit before taxes	7,222	5,646	8,342	6,804	11,892
	Income taxes	-1,362	-1,119	-1,665	-1,343	-1,103
	Profit for the accounting period	5,860	4,527	6,677	5,461	10,789
	Of which:					
	Shareholders of Oma Savings Bank Plc	5,897	4,616	6,713	5,458	10,791
	Non-controlling interest	-37	-90	-36	2	-3
	Total	5,860	4,527	6,677	5,461	10,789
	Earnings per share (EPS), EUR	0.20	0.16	0.23	0.18	0.36
	Earnings per share (EPS) after dilution, EUR*	0.20				

* Calculated as of January 1, 2020

Profit before taxes excluding items affecting comparability:	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
Profit before taxes	7,222	5,646	8,342	6,804	11,892
Operating income:					
Fee and commission income amortised impact	679	565	509	743	-
Net income on financial assets and liabilities	-5,532	-1,438	272	347	-6,699
Operating expenses					
Expenses from the co-operation negotiations	-	1,062	-	-	-
Comparable profit before taxes	2,369	5,835	9,123	7,894	5,193
Income taxes in income statement	-1,362	-1,119	-1,665	-1,343	-1,103
Change of deferred taxes	971	-38	-156	-218	40
Comparable profit/loss for the accounting period	1,977	4,678	7,302	6,332	4,129

Interim Report notes

G1 Accounting principles for the interim report	28
G2 Classification of financial assets and liabilities	30
G3 Loans and other receivables	33
G4 Financial derivatives	34
G5 Investment assets	35
G6 Liabilities to the public and public sector entities and liabilities to credit institutions	37
G7 Debt securities issued to the public	37
G8 Net interest income	38
G9 Fee and commission income and expenses	38
G10 Net income on financial assets and financial liabilities	39
G11 Impairment losses on financial assets	40
G12 Fair values in accordance with the valuation method	42
G13 Business combinations	44
G14 Alternative Performance Measures (APM) and calculation of the key figures	45

G1 Accounting principles for the interim 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 and interim reports are available on the Bank's website www.omasp.fi.

Oma Savings Bank Group comprises the parent company Oma Savings Bank Plc, its two subsidiaries (real estate company Lappeenrannan Säästökeskus, 100% holding, and SAV-Rahoitus Oyj, 50.7% holding). The Group has an associate company GT Invest Oy (holding 48.7%) and a joint venture Paikallisspankkien PP-Laskenta Oy (holding 25%).

The interim report is drawn up in accordance with the IAS 34 Interim Financial Reporting. The accounting principles for the interim report are the same as for the 2019 financial statements except for the IFRS 2 Share-Based Payments applied with the introduction of the share remuneration scheme, which Oma Savings Bank Group has applied to the Group's share-based incentive scheme.

The interim report figures 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 interim report for 1 January – 31 March 2020 in its meeting on 11 May 2020.

2. Changes to the accounting principles

The standard changes that took effect at the beginning of the financial year have had no 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.

2.1 Application of IFRS 2 Share-Based Payments

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

The possible remuneration of the scheme is based on a comparable cost-income ratio, an increase in operating income (by comparable figures), and customer and employee satisfaction. The reward is paid after the end of the vesting period 2020–2021 within about three years in four instalments. The remuneration is paid partly in company shares and partly in cash. The cash contribution aims to cover taxes and tax payments incurred by a key person from the remuneration.

Benefits granted under the scheme have been valued at fair value at grant date and are recognised as expenses in the income statement during the entitlement period. The amount to be recognised as an expense is based on an estimate of the number of shares to which an entitlement is expected. Remunerations are recognized in full as a share-based arrangement payable in equity and the expense is amortized over the entire entitlement period and the expense effect is presented in the income statement in personnel expenses. The Group revises the expected number of shares that are expected to be ultimately exercised at each financial statement date. Changes in estimates are recorded in the income statement. The fees payable under the scheme correspond to the value of up to 420,000 Oma Savings Bank Plc shares. The company's homepage provides more details about the incentive scheme.

2.2 Clarification of the recognition principles for fee and commission income in 2019

Oma Savings Bank changed the accounting principles for fee and commission income during the second quarter of the year under comparison. Significant arrangement and transaction fees are recognised using the effective interest method based on the average expected maturity of the loan rather than recognising the income as a one-off gain. The impact of the adjustment on fee and commission income of Q1 of 2020 is EUR –817 thousand and on interest income EUR +139 thousand. The clarification of the recognition principles relates to new credit issued to corporates and housing companies.

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

The preparation of this interim report in accordance with IFRS has required certain estimates and assumptions from the Group's management that affect the number of items presented in the interim 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 interim report.

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

Dividend income of EUR 0.6 million has been recorded in net income on financial assets and liabilities, the realization of which includes uncertainty. However, according to the company's view, the dividend will be made during the year.

G2 Classification of financial assets and liabilities

Assets March 31, 2020 (1,000 euros)	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	116,398	-	-	-	116,398	116,398
Loans and advances to credit institutions	61,385	-	-	-	61,385	61,385
Loans and advances to customers	3,049,650	-	-	-	3,049,650	3,049,650
Derivatives, hedge accounting	-	-	-	7,097	7,097	7,097
Debt instruments	-	125,865	241	-	126,106	126,106
Equity instruments	-	-	34,248	-	34,248	34,248
Total financial assets	3,227,434	125,865	34,489	7,097	3,394,886	3,394,886
Investments in associated companies					5,673	5,673
Investment properties					6,698	8,130
Non-financial assets					118,765	118,765
Assets March 31, 2020	3,227,434	125,865	34,489	7,097	3,526,023	3,527,454

Liabilities March 31, 2020 (1,000 euros)	Other liabilities	Hedging derivatives	Carrying value, total	Fair value
Liabilities to credit institutions	131,493	-	131,493	131,493
Liabilities to customers	2,036,678	-	2,036,678	2,036,678
Debt securities issued to the public	974,836	-	974,836	974,836
Subordinated liabilities	15,500	-	15,500	15,500
Total financial liabilities	3,158,508	-	3,158,508	3,158,508
Non-financial liabilities			49,996	49,996
Liabilities March 31, 2020	3,158,508	-	3,208,504	3,208,504

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

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

Assets March 31, 2019 (1,000 euros)	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	Carrying value, total	Fair value
Cash and cash equivalents	6,360	-	-	-	6,360	6,360
Loans and advances to credit institutions	59,168	-	-	-	59,168	59,168
Loans and advances to customers	2,628,610	-	84	-	2,628,694	2,628,694
Derivatives, hedge accounting	-	-	-	3,393	3,393	3,393
Debt instruments	-	255,391	261	-	255,652	255,652
Equity instruments	-	-	42,232	-	42,232	42,232
Total financial assets	2,694,139	255,391	42,577	3,393	2,995,501	2,995,501
Investments in associated companies					5,673	5,673
Investment properties					7,083	9,006
Non-financial assets					342,801	342,801
Assets March 31, 2019	2,694,139	255,391	42,577	3,393	3,351,058	3,352,981

Liabilities March 31, 2019 (1,000 euros)	Other liabilities	Hedging derivatives	Carrying value, total	Fair value
Liabilities to credit institutions	86,752	-	86,752	86,752
Liabilities to customers	1,841,951	-	1,841,951	1,841,951
Debt securities issued to the public	1,045,343	-	1,045,343	1,045,343
Subordinated liabilities	25,200	-	25,200	25,200
Total financial liabilities	2,999,247	-	2,999,247	2,999,247
Non-financial liabilities			47,325	47,325
Liabilities March 31, 2019	2,999,247	-	3,046,572	3,046,572

G3 Loans and other receivables

(1,000 euros)	31 Mar 2020	31 Dec 2019	31 Mar 2019
Loans and advances to credit institutions			
Deposits	40,429	45,262	40,814
Other	20,956	14,743	18,354
Loans and advances to credit institutions, total	61,385	60,005	59,168
Loans and advances to the public and public sector entities			
Loans	2,949,273	2,860,451	2,545,957
Utilised overdraft facilities	73,362	72,429	58,568
Loans intermediated through the State's assets	96	100	310
Credit cards	26,892	27,349	23,822
Bank guarantee receivables	27	27	37
Loans and advances to the public and public sector entities, total	3,049,650	2,960,356	2,628,694
Loans and advances, total	3,111,036	3,020,361	2,687,862

Reconciliations from the opening and the closing balances of the expected credit losses are presented in note G11 Impairment losses on financial assets.

G4 Financial derivatives

Assets (1,000 euros)	31 Mar 2020	31 Dec 2019	31 Mar 2019
Fair value hedge			
Interest rate derivatives	7,097	5,337	3,171
Other hedging derivatives			
Share and share index derivatives	-	297	223
Total derivative assets	7,097	5,634	3,393
Liabilities (1,000 euros)	31 Mar 2020	31 Dec 2019	31 Mar 2019
Fair value hedge			
Interest rate derivatives			-
Share and share index derivatives	-	-	-
Total derivative liabilities	-	-	-
Change in the value of hedged object / Fair value hedge	-8,498	-6,131	-3,643
Change in the value of hedged object / Other hedging derivatives	517	164	192

Nominal values of underlying items and fair values of derivatives March 31, 2020

(1,000 euros)	Remaining maturity			Fair values		
	Less than 1 year	1–5 years	Over 5 years	Total	Assets	Liabilities
Fair value hedge	15,000	650,000	-	665,000	7,097	-
Interest rate swaps	15,000	650,000	-	665,000	7,770	-
Cva and Dva adjustments	-	-	-	-	-672	-
Other hedging derivatives	10,397	66,284	-	76,681	-	-
Share and share index derivatives	10,397	66,284	-	76,681	33	-
Cva and Dva adjustments	-	-	-	-	-33	-
Derivatives total	35,794	782,568	-	818,363	7,097	-

Nominal values of underlying items and fair values of derivatives December 31, 2019

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

Nominal values of underlying items and fair values of derivatives March 31, 2019

(1,000 euros)	Remaining maturity			Fair values		
	Less than 1 year	1–5 years	Over 5 years	Total	Assets	Liabilities
Fair value hedge	-	365,000	-	365,000	3,171	-
Interest rate swaps	-	365,000	-	365,000	3,535	-
Cva and Dva adjustments	-	-	-	-	-364	-
Other hedging derivatives	22,301	43,345	-	65,646	223	-
Share and share index derivatives	22,301	43,345	-	65,646	357	-
Cva and Dva adjustments	-	-	-	-	-134	-
Derivatives total	22,301	408,345	-	430,646	3,393	-

G5 Investment assets

Investment assets (1,000 euros)	31 Mar 2020	31 Dec 2019	31 Mar 2019
Measured at fair value through profit or loss			
Debt securities	241	263	261
Shares and other equity instruments	34,249	54,615	42,232
Assets measured at fair value through profit or loss, total	34,490	54,878	42,493
Measured at fair value through other comprehensive income			
Debt securities	125,865	268,271	255,391
Shares and other equity instruments	-	-	-
Measured at fair value through other comprehensive income, total	125,865	268,271	255,391
Investment properties	6,698	6,828	7,083
Total investment assets	167,053	329,977	304,967
Changes in investment properties (1,000 euros)	31 Mar 2020	31 Dec 2019	31 Mar 2019
Cost January 1	12,634	12,635	12,635
+ Increases	3	274	3
- Decreases	-68	-274	-
+/- Transfers	-	-	-
Cost at the end of the period	12,570	12,634	12,638
Accumulated depreciation and impairment losses	-5,806	-5,458	-5,458
+ Accumulated depreciation of decreases and transfers	19	143	-
- Depreciation	-84	-317	-97
+/- Impairment loss and their returns	-	-174	-
Other changes	-	-	-
Accumulated depreciation and impairment at the end of the period	-5,872	-5,806	-5,555
Opening balance	6,828	7,176	7,176
Closing balance	6,698	6,828	7,083

Reconciliations from the opening and the closing balances of the expected credit losses are presented in note G11 Impairment losses on financial assets.

Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros) March 31, 2020	Equity instruments				Debt-based				All total
	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	
Quoted									
Public sector entities	-	-	-	-	29,172	-	-	29,172	29,172
From others	-	9,170	-	9,170	94,980	-	-	94,980	104,150
Non-quoted									
From others	-	25,079	-	25,079	1,713	241	-	1,954	27,033
Total	-	34,249	-	34,249	125,865	241	-	126,106	160,355

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

Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros) March 31, 2019	Equity instruments				Debt-based				All total
	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	
Quoted									
Public sector entities	-	-	-	-	110,152	-	-	110,152	110,152
From others	-	15,390	-	15,390	143,673	-	-	143,673	159,064
Non-quoted									
From others	-	26,842	-	26,842	1,566	261	-	1,826	28,668
Total	-	42,232	-	42,232	255,391	261	-	255,652	297,884

G6 Liabilities to the public and public sector entities and liabilities to credit institutions

(1,000 euros)	31 Mar 2020	31 Dec 2019	31 Mar 2019
Liabilities to credit institutions			
Liabilities to Central Banks	50,000	-	-
Repayable on demand	9,498	16,052	7,802
Other than repayable on demand	71,995	71,992	78,951
Total liabilities to credit institutions	131,493	88,045	86,752
Liabilities to the public and public sector entities			
Deposits	2,028,100	1,999,362	1,838,039
Repayable on demand	1,733,048	1,691,021	1,602,027
Other	295,052	308,341	236,013
Other financial liabilities	81	267	269
Other than repayable on demand	81	267	269
Changes in fair value in terms of borrowing	8,498	1,884	3,643
Liabilities to the public and public sector entities, total	2,036,678	1,757,911	1,841,951
Liabilities to the public and public sector entities and liabilities to credit institutions, total	2,168,171	1,845,956	1,928,704

G7 Debt securities issued to the public

(1,000 euros)	31 Mar 2020	31 Dec 2019	31 Mar 2019
Bonds	752,497	772,074	881,394
Certificates of deposit	222,339	166,274	163,948
Total debt securities issued to the public	974,836	938,348	1,045,343

Maturity of bonds	Nominal value	Interest	Year of issue	Due date	Closing balance		
					31 Mar 2020	31 Dec 2019	31 Mar 2019
OmaSp Plc 6.5.2019	110,000	margin 1.000% / variable	2016	6.5.2019	-	-	109,994
OmaSp Plc 3.4.2020	125,000	margin 0.880% / variable	2017	3.4.2020	105,200	124,984	124,935
OmaSp Plc 12.12.2022, covered bond	350,000	0.125% / fixed	2017–2018	12.12.2022	348,637	348,512	348,133
OmaSp Plc 3.4.2024, covered bond	300,000	0.125% / fixed	2019	3.4.2024	298,661	298,578	298,332
					752,497	772,074	881,394

Maturity of deposit certificates	less than 3 months	3–6 months	6–9 months	9–12 months	Closing balance, total
31 Mar 2020	100,991	83,953	24,980	12,415	222,339
31 Dec 2019	47,489	45,979	46,433	26,373	166,274
31 Mar 2019	133,968	29,980	-	-	163,948

G8 Net interest income

(1,000 euros)	31 Mar 2020	31 Dec 2019	31 Mar 2019
Interest income			
Loans and advances to the public and public sector entities	15,397	13,654	58,312
Debt securities	482	524	2,148
Derivatives	833	420	2,359
Other interest income	137	102	531
Total interest income	16,848	14,699	63,351
Interest expenses			
Liabilities to credit institutions	-50	-96	-402
Liabilities to the public and public sector entities	-415	-529	-1,798
Debt securities issued to the public	-628	-690	-2,761
Subordinated liabilities	-46	-112	-289
Other interest expenses	-204	-78	-577
Total interest expenses	-1,343	-1,505	-5,828
Net interest income	15,505	13,195	57,522

G9 Fee and commission income and expenses

(1,000 euros)	1-3/2020	1-3/2019	1-12/2019
Fee and commission income			
Lending	2,251	2,675	10,355
Deposits	17	25	73
Card and payment transactions	3,627	3,260	13,386
Intermediated securities	48	29	98
Reserves	768	559	2,460
Legal services	110	164	681
Brokered products	352	303	1,328
Granting of guarantees	217	187	884
Other fee and commission income	171	165	715
Total fee and commission income	7,562	7,368	29,981
Fee and commission expenses			
Card and payment transactions	-586	-761	-3,442
Securities	-9	-91	-157
Other fee and commission expenses	-252	-311	-967
Total fee and commission expenses	-848	-1,164	-4,567
Fee and commission income and expenses, net	6,714	6,204	25,414

G10 Net income on financial assets and financial liabilities

(1,000 euros)	1-3/2020	1-3/2019	1-12/2019
Net income on financial assets measured at fair value through profit or loss			
Debt securities			
Capital gains and losses	-	-	-
Valuation gains and losses	-22	-3	-
Total debt securities	-22	-3	-
Shares and other equity instruments			
Dividend income	707	1,160	1,393
Capital gains and losses	-118	-2	489
Valuation gains and losses	-2,439	5,768	6,765
Total shares and other equity instruments	-1,851	6,927	8,647
Net income on financial assets measured at fair value through profit or loss, total	-1,873	6,924	8,647
Net income on financial assets measured at fair value through other comprehensive income			
Debt securities			
Capital gains and losses	38	-	131
Difference in valuation reclassified from the fair value reserve to the income statement	8,006	-	-120
Total debt securities	8,044	-	11
Net income on financial assets measured at fair value through other comprehensive income, total	8,044	-	11
Net income from investment properties (1,000 euros)			
	1-3/2020	1-3/2019	1-12/2019
Rent and dividend income	150	172	709
Capital gains and losses	-13	-	-60
Other gains from investment properties	4	2	10
Maintenance expenses	-227	-258	-865
Depreciation and impairment on investment properties	-84	-97	-560
Rent expenses on investment properties	-0	-0	-13
Net income from investment properties, total	-170	-181	-780
Net gains on trading in foreign currencies	44	27	23
Net gains from hedge accounting	-495	-137	-121
Net income from trading	-19	66	-262
Net income on financial assets and financial liabilities, total	5,532	6,699	7,518

G11 Impairment losses on financial assets

(1,000 euros)	1-3/2020	1-3/2019	1-12/2019
ECL from loans and advances to customers and off-balance sheet items	-7,983	-427	-6,649
ECL from debt instruments	380	-21	-112
Expected credit losses, total	-7,603	-448	-6,761
Final credit losses			
Final credit losses	-955	-776	-2,888
Refunds on realised credit losses	26	20	82
Recognised credit losses, net	-928	-757	-2,806
Impairment on receivables, total	-8,531	-1,205	-9,567

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	31 Mar 2020	31 Mar 2019	31 Dec 2019
				Total	Total	Total
Expected credit losses 1 January	2,407	3,186	12,612	18,205	11,577	11,577
Transfer to stage 1	45	-87	3	-39	-155	339
Transfer to stage 2	-130	709	-527	53	221	118
Transfer to stage 3	-766	-892	8,714	7,056	709	5,594
New debt securities	390	120	104	614	491	2,422
Matured debt securities	-148	-210	-1,494	-1,851	-518	-4,467
Realised credit losses	5	-7	-526	-528	-232	-1,172
Recoveries on previous realised credit losses	-10	25	-22	-7	-	6
Changes in credit risk	-274	206	-4,839	-4,907	-37	1,948
Changes in the ECL model parameters	-160	-561	1,270	548	-	1,319
Changes based on management estimates	131	1,632	4,931	6,694	3	520
Expected credit losses	1,491	4,123	20,226	25,840	12,058	18,205

The company's management has assessed the effects of the ongoing corona pandemic on an industry-by-industry basis and made a group-specific additional loss allowance of EUR 1.4 million to the corporate loan portfolio to prepare for credit risk growth. Loss allowance is subject to Stage 2.

Off-balance sheet commitments (1,000 euros)	Stage 1	Stage 2	Stage 3	31 Mar 2020	31 Mar 2019	31 Dec 2019
				Total	Total	Total
Expected credit losses 1 January	377	122	115	614	594	594
Transfer to stage 1	15	-4	-0	11	15	7
Transfer to stage 2	-13	15	-2	-	-	-
Transfer to stage 3	-0	-0	0	-	-	-
New debt securities	177	376	23	576	178	297
Matured debt securities	-159	-42	-31	-233	-261	-292
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	0	-7	0	-6	13	8
Changes in the ECL model parameters	-	-	-	-	-	-
Changes based on management estimates	-	-	-	-	-	-
Expected credit losses	397	460	106	962	539	614

Expected credit losses, investment assets

Debt securities, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	31 Mar 2020	31 Mar 2019	31 Dec 2019
				Total	Total	Total
Expected credit losses 1 January	569	91	-	660	548	548
Transfer to stage 1	-	-	-	-	-14	-14
Transfer to stage 2	-4	31	-	27	-	-
Transfer to stage 3	-	-	-	-	-	-
New debt securities	27	-	-	27	25	73
Matured debt securities	-415	-45	-	-460	-0	-11
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	-5	32	-	26	10	24
Changes in the ECL model parameters	-	-	-	-	-	39
Changes based on management estimates	-	-	-	-	-	-
Expected credit losses	172	108	-	280	569	660

G12 Fair values in accordance with the valuation method

The determination of the fair value of financial instruments is set out in note G2 Accounting principles under "Determining the fair value" of the financial statements for the year 2019.

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

Financial assets and liabilities measured at fair value

Financial assets (1,000 euros)	31 Mar 2020			
	Level 1	Level 2	Level 3	Total
At fair value through profit or loss				
Equity securities	9,170	1,550	23,529	34,248
Debt securities	157	-	84	241
Derivatives	-	7,097	-	7,097
At fair value through other comprehensive income				
Debt securities	125,865	-	-	125,865
Financial assets total	135,192	8,647	23,613	167,452

Financial assets (1,000 euros)	31 Dec 2019				31 Mar 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Measured at fair value through profit or loss								
Equity securities	29,305	1,763	23,547	54,615	15,388	1,475	25,369	42,232
Debt securities	179	-	84	263	177	-	84	261
Derivatives	-	5,634	-	5,634	-	3,393	-	3,393
Measured at fair value through other comprehensive income								
Debt securities	268,271	-	-	268,271	249,997	-	5,395	255,391
Financial assets total	297,755	7,397	23,631	328,783	265,561	4,869	30,848	301,278

Investment transactions, categorised to Level 3

Financial assets at fair value through profit or loss (1,000 euros)	31 Mar 2020			31 Dec 2019			31 Mar 2019		
	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total
Opening balance	23,547	84	23,631	20,003	84	20,087	20,003	84	20,087
+ Acquisitions	-	-	-	7,450	-	7,450	20	-	20
- Sales	-2	-	-2	-9,199	-	-9,199	-	-	-
- Matured during the year	-	-	-	-	-	-	-	-	-
+/- Realised changes in value recognised on the income statement	2	-	2	5,427	-	5,427	-	-	-
+/- Unrealised changes in value recognised on the income statement	-18	-	-18	-135	-	-135	5,346	-	5,346
+ Transfers to Level 3	-	-	-	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-	-	-	-
Closing balance	23,529	84	23,613	23,547	84	23,631	25,369	84	25,453

At fair value through other comprehensive income (1,000 euros)	31 Mar 2020			31 Dec 2019			31 Mar 2019		
	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total
Opening balance	-	-	-	-	289	289	-	289	289
+ Acquisitions	-	-	-	-	4,965	4,965	-	4,965	4,965
- Sales	-	-	-	-	3	3	-	1	1
- Matured during the year	-	-	-	-	-	-	-	-	-
+/- Realised changes in value recognised on the income statement	-	-	-	-	-	-	-	-	-
+/- Unrealised changes in value recognised on the income statement	-	-	-	-	315	315	-	139	139
+/- Changes in value recognised in other comprehensive income	-	-	-	-	-	-	-	-	-
+ Transfers to Level 3	-	-	-	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-5,573	-5,573	-	-	-
Closing balance	-	-	-	-	-	-	-	5,395	5,395

Sensitivity analysis for financial assets on Level 3 (1,000 euros)

Equity securities	Hypothetical change	March 31, 2020 Potential impact on equity			December 31, 2019 Potential impact on equity			March 31, 2019 Potential impact on equity		
		Market value	Positive	Negative	Market value	Positive	Negative	Market value	Positive	Negative
At fair value through profit or loss	+/- 15%	23,529	3,529	-3,529	23,547	3,532	-3,532	25,369	3,805	-3,805
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-	-	-	-
Total		23,529	3,529	-3,529	23,547	3,532	-3,532	25,369	3,805	-3,805

Debt securities	Hypothetical change	March 31, 2020 Potential impact on equity			December 31, 2019 Potential impact on equity			March 31, 2019 Potential impact on equity		
		Market value	Positive	Negative	Market value	Positive	Negative	Market value	Positive	Negative
At fair value through profit or loss	+/- 15%	84	13	-13	84	13	-13	84	13	-13
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-	5,395	809	-809
Total		84	13	-13	84	13	-13	5,479	822	-822

G13 Business combinations

Acquisition during the 2020 accounting period

No acquisitions have been made during accounting period 2020.

Acquisition during the 2019 accounting period

Oma Savings Bank acquired 48.7% of share capital of GT Invest Oy. GT Invest Oy owns 51% of the joint venture which invests in rental flats built in Finland.

The acquired shares and private equity are recognised in the consolidated balance sheet in the item 'Shares of companies consolidated by the equity method'.

The total value of the private equity and equity holdings is EUR 5.5 million.

G14 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 Bank presents APMs as supplementary information to the key figures that are presented in the Group's IFRS-compliant income statements, Group balance sheets and cash flow statements.

In the Bank'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), %

Available amount of stable funding
X 100
Required amount of stable funding

Cost/income ratio, %

Total operating expenses
X 100
Total operating income +
share of profit from joint ventures
and associated companies (net)

Comparable cost/income ratio, %

Total operating expenses without items
affecting comparability
X 100
Total operating income without items
affecting comparability + share of profit from
joint ventures and associated companies (net)

Comparable profit before taxes

Profit/loss before taxes without items
affecting comparability

Return on equity (ROE), %

Profit/loss for the accounting period
X 100
Equity (average of the beginning and the end of the year)

Comparable return on equity (ROE), %

Comparable profit/loss for the accounting period
X 100
Equity (average of the beginning and the end of the year)

Total return on assets (ROA), %

Profit/loss for the accounting period
X 100
Average balance sheet total
(average of the beginning and the end of the year)

Equity ratio, %

Equity
X 100
Balance sheet total

Total capital (TC) ratio, %

Own funds total (TC)
X 100
Risk-weighted assets (RWA) total

Common Equity Tier 1 (CET1) capital ratio, %

Common Equity Tier 1 (CET1) capital
X 100
Risk-weighted assets (RWA) total

Tier 1 (T1) capital ratio, %

Tier 1 (T1) capital
X 100
Risk-weighted assets (RWA) total

Leverage ratio, %

Tier 1 (T1) capital
X 100
Exposures total

Earnings per share (EPS), EUR

Profit/loss for the accounting period
belonging to the parent company owners

Average number of shares outstanding

Earnings per share after dilution (EPS), EUR

Profit/loss for the accounting period
belonging to the parent company

Average number of shares outstanding after
dilution of share-based rewarding

Comparable earnings per share (EPS), EUR

Comparable profit/loss – Share of
non-controlling interests

Average number of shares outstanding

Independent Auditor's Report on Review of Consolidated Interim Report of Oma Savings Bank Plc

To the Board of Directors of Oma Savings Bank Plc

Introduction

We have reviewed the accompanying consolidated interim report of Oma Savings Bank Plc which comprise the condensed consolidated balance sheet as at 31 March 2020, condensed consolidated income statement, statement of comprehensive income, changes in equity, and cash flows for the three months ended 31 March 2020 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 interim 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 interim 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 interim report of Oma Savings Bank Plc as at 31 March 2020 and for the three month period ended 31 March 2020 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.

KPMG OY AB

Helsinki, 11 May 2020

Fredrik Westerholm
Authorised Public Accountant, KHT



omasp.fi



omasp

Oma Savings Bank Plc

Valtakatu 32, 53100 Lappeenranta
tel. +358 20 764 0600, omasp@omasp.fi