



# Q3/2020

Oma Savings Bank Group

Interim Report 30 September 2020



Interim Report 30 September 2020 is a translation of the original Finnish version "Osavuositarkastus 30.9.2020". If discrepancies occur, the Finnish version is dominant.

## Oma Savings Bank's Interim Report January-September 2020


- Net interest income increased 18.0% in July-September and 15.1% in January-September compared to the same period last year.
- The home mortgage portfolio has increased by a total of 4.9% during third quarter. Over the previous 12 months, the home mortgage portfolio grew 17.0%. Corporate loan portfolio increased 3.6% during the third quarter and 11.2% over the previous 12 months.
- Deposit stocks grew 4.5% during the third quarter and growth for the previous 12 months was 12.4%.
- Total operating income grew by 24.6% in the third quarter and came to a total of EUR 26.4 (21.2) million. For the whole of the beginning of the year the total operating income grew by 14.9% to EUR 80.0 (69.6) million.
- Impairment losses on financial assets were EUR 1.5 (2.4) million in July-September and for the whole of the year EUR 14.0 (5.9) million.
- The cost/income ratio Q3 was 43.2 (49.4)% and from the beginning of the year cost/income ratio was 48.6 (52.7)%. The comparable cost/income ratio improved for the whole of the beginning of the year and was 53.1 (57.7)%.
- The third quarter profit before taxes was EUR 13.5 (8.3) million. Profit before taxes for the whole beginning of the year was EUR 27.2 (27.0) million.
- The comparable profit before taxes for July-September was EUR 10.9 (8.6) million and for the whole beginning of the year EUR 19.8 (21.0) million.

## Outlook for 2020 (unchanged)

The company's business volumes will continue strong growth in FY2020 despite the exceptionally uncertain economic environment. The company's profitable growth is supported by efforts in recent years to improve the customer experience and the availability of customer service through new digital service channels and opening of new units.

The company estimates that profitable growth will continue to be strong despite overall economic uncertainty and the group's 2020 profit before taxes will exceed the previous financial year's level (EUR 32.7 million).

The Group's key figures (1,000 euros)	1-9/2020	1-9/2019	Δ %	2020 Q3	2019 Q3	Δ %
Net interest income	48,929	42,503	15%	17,539	14,868	18%
Fee and commission income and expenses, net	20,925	19,087	10%	6,883	6,495	6%
Total operating expenses	38,918	36,668	6%	11,394	10,466	9%
Impairment losses on financial assets, net	-13,984	-5,923	136%	-1,531	-2,371	-35%
Profit before taxes	27,166	27,038	0%	13,488	8,342	62%
Cost/income ratio, %	48.6%	52.7%	-8%	43.2%	49.4%	-13%
Balance sheet total	3,952,766	3,370,459	17%	3,952,766	3,370,459	17%
Equity	343,208	318,145	8%	343,208	318,145	8%
Return on assets (ROA) %	0.8%	1.0%	-20%	1.1%	0.8%	34%
Return on equity (ROE) %	8.7%	10.0%	-13%	12.5%	8.5%	47%
Earnings per share (EPS), EUR	0.73	0.78	-6%	0.36	0.23	57%
Common Equity Tier 1 (CET1) capital ratio %	16.5%	17.4%	-5%	16.5%	17.4%	-5%
Comparable profit before taxes	19,819	20,958	-5%	10,853	8,614	26%
Comparable cost/income ratio, %	53.1%	57.7%	-8%	48.0%	48.8%	-2%
Comparable return on equity (ROE) %	6.3%	7.3%	-14%	10.0%	8.8%	14%



Home mortgage  
portfolio increased  
17%

## CEO's review

# OmaSp's profitability grows at record speed

**Our business has continued strong and the quarter was the best in the bank's history. In September, we issued a positive profit warning despite the general uncertainty in the operating environment. Our profitability has exceeded the previous peak prior to the corona crisis and the bank's business profitability has improved even more than expected. In terms of the cost/income ratio that describes banking efficiency, we have achieved an excellent level of 43.2%.**

Demand for home mortgages and corporate credit continued to be excellent throughout the year and the quality of the credit portfolio is at a good level. Our main sources of income have continued their strong growth. Net interest income rose a staggering 18% and fee and commission income increased 11.2% compared a year ago.

Profit before taxes for the third quarter was EUR 13.5 million, an increase of 62% over the comparative period. Comparable profit before taxes also advanced superbly, reaching nearly EUR 11 million, which is EUR 2.2 million better than in the comparative period.

Cost/income  
ratio at excellent  
43.2% level

### We support our customers success

The role of the financial sector in building Finnish prosperity is significant. Especially now, Finland needs successful businesses and a functioning national economy. As a prudential bank, we are able to support our customers in all circumstances. Our bank's competitiveness is based on an excellent customer experience, the cornerstones of which are easy accessibility, the realisation of appointments at short notice and quick decisions.

During the exceptional period, remote appointments and electronical signatures have also come to play a more important role. We continually evolve our operations while listening to our customers.

#### **Favourable dividend outlook**

With OmaSp's strong financial situation, we have the desire and ability to

pay a dividend in line with the AGM's alignment as soon as the authorities lift the dividend payment restrictions on the entire industry. We continue to invest in profitable growth and expect our profitability to improve further.

**Net interest income  
increased by a  
staggering 18%**

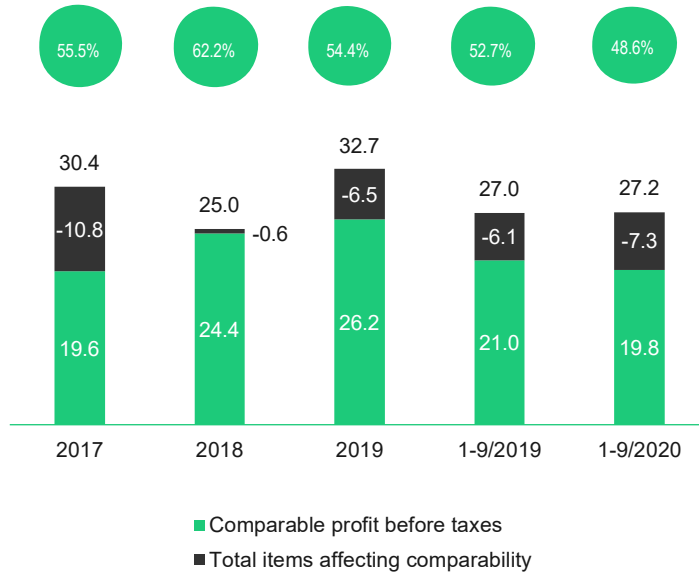


Pasi Sydänlammi  
CEO

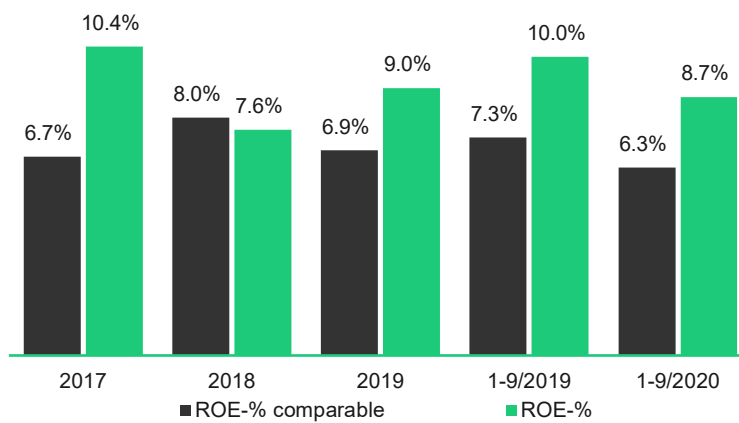
# A profitably growing Finnish bank

Profit before taxes, EUR, mill.

Cost/income  
ratio



Return on equity (ROE) %



## Balance sheet total, EUR mill.

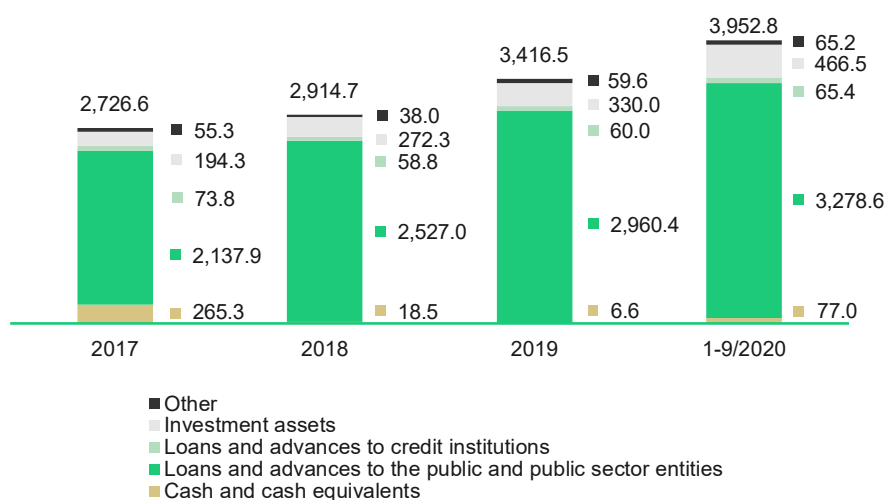
Growth

26.8%

6.9%

17.2%

15.7%



## Total operating income, EUR mill.

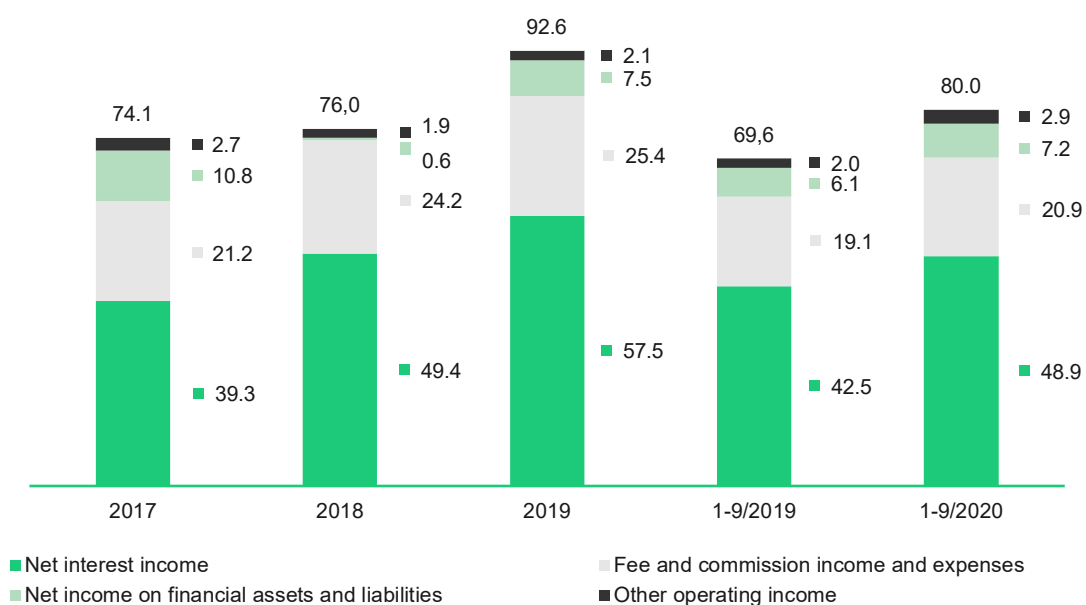
Growth

22.8%

2.5%

21.8%

14.9%



# Significant events during January-September 2020

- The company refined its previous 2020 outlook and earnings guidance in September and issued a positive profit warning. Under the new guidance, the company's 2020 profit before taxes will exceed the previous year's level. The improved earnings outlook is driven by strong continued growth in business volumes and earning and improved cost efficiency.
- The company agreed in August with the Savings Bank Group on the terms of the transaction under which the company will sell all its shares of Nooa Savings Bank Ltd, Sb Life Insurance Ltd, Sb-Fund Management Company Ltd, Säästöpankkien Holding Oy and Central Bank of Savings Banks Finland Plc. The transactions will be completed in early November and they will have a positive profit impact of EUR 1.9 million on the company's result.
- The composition of the Nomination Committee was confirmed by the company's Board in September. According to the shareholder list on 1 June 2020, representatives of the five largest shareholders have been appointed to the Nomination Committee: Raimo Härmä, appointed by Etelä-Karjalan Säästöpankkisäätiö, Ari Lamminmäki, appointed by Parkanon Säästöpankkisäätiö, Aino Lamminmäki, appointed by Töysän Säästöpankkisäätiö, Jukka Sysilampi, appointed by Kuortaneen Säästöpankkisäätiö and Jukka Kuivaniemi, appointed by Hauhon Säästöpankkisäätiö. The Chairman of the Board Jarmo Salmi attends the meetings of the Nomination Committee as an expert.
- The company updated its financial goals as part of its strategy process in line with the policy confirmed in connection with the listing on the stock exchange. The financial goals and target levels remained largely the same, but the company has updated its target level for the Common Equity Tier 1 (CET1) capital ratio. The target level is at least 14 per cent as of 1 October 2020.
- In line with its strategy, the company lightened its real estate portfolio in June and sold some of its real estate holdings to reduce the continuous cost burden related to the real estate and the administrative process resulting from ownership of the properties. The real estate transaction mainly concerned the company's investment properties and partly properties in its own use. The sale of the real estate does not impact the operating of the bank's branches, the company continues to serve its customers in familiar premises. As a result of the transaction, the company recognized EUR 2.3 million in sales losses. For own-occupied properties of the bank, a lease liability and a corresponding right-use-of-asset of EUR 2.7 million has been recorded on the balance sheet.
- The company issued two bonds in the first half of the year. In April, the company issued a EUR 250 million bond and in June a EUR 55 million unsecured senior bond. Both issues took place under the EUR 1.5 billion bond programme.

## Oma Savings Bank Group's key figures

(1,000 euros)	1-9/2020	1-9/2019	Δ %	1-12/2019	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3
Net interest income	48,929	42,503	15%	57,522	17,539	15,886	15,505	15,020	14,868
Total operating income	79,989	69,636	15%	92,573	26,386	23,625	29,978	22,937	21,181
Total operating expenses	38,918	36,668	6%	50,309	11,394	13,291	14,233	13,641	10,466
<sup>1)</sup> Cost/income ratio, %	48.6%	52.7%	-8%	54.4%	43.2%	56.2%	47.5%	59.5%	49.4%
Impairment losses on financial assets, net	-13,984	-5,923	136%	-9,567	1,531	-3,922	-8,531	-3,644	-2,371
Profit before taxes	27,166	27,038	0%	32,684	13,488	6,457	7,222	5,646	8,342
Profit/loss for the accounting period	21,627	22,927	-6%	27,453	10,523	5,244	5,860	4,527	6,677
Balance sheet total	3,952,766	3,370,459	17%	3,416,530	3,952,766	3,838,097	3,526,023	3,416,530	3,370,459
Equity	343,208	318,145	8%	319,865	343,208	329,789	317,519	319,865	318,145
<sup>1)</sup> Return on assets (ROA) %	0.8%	1.0%	-20%	0.9%	1.1%	0.6%	0.7%	0.5%	0.8%
<sup>1)</sup> Return on equity (ROE) %	8.7%	10.0%	-13%	9.0%	12.5%	6.5%	7.4%	5.7%	8.5%
<sup>1)</sup> Earnings per share (EPS), EUR	0.73	0.78	-6%	0.93	0.36	0.18	0.20	0.16	0.23
<sup>1)</sup> Equity ratio %	8.7%	9.4%	-8%	9.4%	8.7%	8.6%	9.0%	9.4%	9.4%
<sup>1)</sup> Total capital (TC) ratio %	16.8%	18.0%	-6%	17.3%	16.8%	16.8%	17.1%	17.3%	18.0%
<sup>1)</sup> Common Equity Tier 1 (CET1) capital ratio %	16.5%	17.4%	-5%	16.8%	16.5%	16.4%	16.6%	16.8%	17.4%
<sup>1)</sup> Tier 1 (T1) capital ratio %	16.5%	17.4%	-5%	16.8%	16.5%	16.4%	16.6%	16.8%	17.4%
<sup>1)</sup> Liquidity coverage ratio (LCR) %	134.0%	145.6%	-8%	140.1%	134.0%	132.6%	79.7%	140.1%	145.6%
Average number of employees	298	303	-2%	300	306	308	273	288	302
Employees at the end of the period	296	294	1%	279	296	320	282	279	294
<b>Alternative performance measures excluding items affecting comparability:</b>									
<sup>1)</sup> Comparable profit before taxes	19,819	20,958	-5%	26,228	10,853	7,276	1,690	5,270	8,614
<sup>1)</sup> Comparable cost/income ratio, %	53.1%	57.7%	-8%	57.9%	48.0%	52.8%	58.2%	58.5%	48.8%
<sup>1)</sup> Comparable earnings per share (EPS), EUR	0.53	0.57	-6%	0.71	0.28	0.20	0.05	0.15	0.23
<sup>1)</sup> Comparable return on equity (ROE) %	6.3%	7.3%	-14%	6.9%	10.0%	7.3%	1.8%	5.3%	8.8%

1) The calculation principles of the key figures are presented in note 16 of the interim report. Comparable profit is presented in the income statement.



# Operating environment

The global economy has weakened considerably as a result of the corona pandemic and restriction measures taken. The restriction measures taken to stop the spread of the virus and consumer's cautiousness have suppressed economic activity very strongly. The longer the extraordinary uncertainty of the pandemic persists, the more it will cause long-term harm to the economy by increasing bankruptcies and unemployment. Finland's economy is forecasted to contract drastically due to the corona pandemic. Gross domestic product is projected to decline by about 4.7% in 2020 and to increase by about 2-3% in 2021-2022. The forecast is accompanied by exceptionally high uncertainty and alternative scenarios suggest that economic contraction in 2020 may remain at 5 per cent or deepen to 11 per cent depending on how the epidemic situation in Finland progresses and how it is managed to control. <sup>(1)</sup>

According to Statistics Finland's labour survey, there were 35,000 fewer employed persons and 47,000 more unemployed in September 2020 than in the previous year's comparative period. In September 2020, the employment rate trend was 71.4% and the average unemployment rate was 8.4%. <sup>(2)</sup>

The consumer confidence indicator (CCI) was -6.9 (-6.6) in October, while still in June it was -3.9. In October, consumers' view of the current state of their own economy and spending on durable goods within a year improved slightly. The picture of Finland's economic development and the near future of its own economy deteriorated, but the assessment of its current situation was nevertheless bright. The moment was considered favorable for saving, but bad for buying durable goods and borrowing. However, several consumers were about to take out loans to buy an apartment or car, or to renovate an apartment. <sup>(3)</sup>

According to Statistics Finland's preliminary data, prices of old dwellings in housing companies rose by 5.2 per cent in September 2020 compared to September 2019 in Greater Helsinki and decreased elsewhere in Finland by 1 per cent. The number of deals made through real estate agents in September increased by 6% compared to September 2019. <sup>(4)</sup> 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 due to corona pandemic.

In September 2020, total number of loans to households had increased by 3.1% over the previous 12 months, of which the mortgage loan portfolio growth was 2.9%. In September, new mortgage loans were raised EUR 170 million more than at the same time in the comparative year. The volume of corporate loans increased 9.1% in the same period. The volume of households' deposits grew a total of 8.2% over a 12-month period. <sup>(5)</sup>

The number of bankruptcies filed between January and September 2020 was 11.7% less compared to the comparative period. The number of personnel in the companies filing for bankruptcy came to 9,300, i.e. 0.8% less than in the previous year. <sup>(6)</sup> During the corona pandemic, efforts have been made to reduce the number of bankruptcies through, for example, loan grace periods. Several companies have simultaneously laid off their personnel and, in particular, in the accommodation and tourism sector businesses have been closed unprofitable. The second wave of the corona pandemic, coupled with the expiry of grace periods granted by banks, could affect the rest of the year and the number of bankruptcies in early 2021.

The number of new building permits granted fell in June-August 24.7% year-on-year and was 8.8 million cubic meters. <sup>(7)</sup> The decline in the number of granted building permits has not impacted the company's operations.

1) Bank of Finland, Recession will be followed by a slow recovery. Published on 14 September 2020.

2) Statistics Finland, Unemployment rose clearly in September compared with a year ago. Published on 20 October 2020.

3) Statistics Finland, Decay of consumer confidence continued in October. Published 27 October 2020.

4) Statistics Finland, Prices of old dwellings in housing companies rose over 5 per cent in September in Greater Helsinki. Published 29 October 2020.

5) Bank of Finland, MFI balance sheet (loans and deposits) and interest rates. Exceptionally few business loans were raised in September 2020. Published 30 September 2020.

6) Statistics Finland, In January-September 2020, the number of bankruptcies decreased by 11.7% from the previous year. Published 21 October 2020.

7) Statistics Finland, Cubic volume of granted building permits continued to decrease from year-on-year. Published 20 October 2020.

# Impacts of the corona pandemic on business

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

Due to the corona pandemic, customer requests for grace periods grew significantly in March, but by June demand for grace periods had returned to pre-corona pandemic level. The number of grace period granted during the third quarter was at pre-corona pandemic level. Some of the grace periods granted in the spring has already expired as customers continue to service loans under normal shortening plans.

In March, the company made a EUR 1.4 million credit loss allowance based on the management's judgement, which predicted growth in credit risk in specific sectors. The sectors were selected based on both their significance and the estimated size of the pandemic's impact. The situation of the selected sectors has not materially weakened since the loss allowance was made. The economic outlook remains uncertain and uncertainty may increase on the financial markets if the coronavirus pandemic drags on in Finland and elsewhere in the world. Due to the uncertainty related to the corona pandemic, the company decided to maintain its provision at its previous level and to continue monitoring the situation monthly.

The impacts of the corona pandemic are described in more detail in note 1.

## Credit rating and liquidity

In September 2020, Standard & Poor's confirmed a credit rating of BBB+ for Oma Savings Bank's long-term borrowing and A-2 for short-term borrowing.

In May 2020, Standard & Poor's changed Oma Savings Bank's long-term credit rating outlook from stable to negative as the Banking Industry Country Risk Assessment (BICRA) trend changed from stable to negative.

	30 Sep 2020	31 Dec 2019
LCR	134.0%	140.1%
NSFR*	129.6%	124.3%

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

The Group's liquidity coverage ratio (LCR), which describes short-term liquidity, was 134.0% on 30 September 2020. As a whole, the deposit portfolio has

grown steadily over the course of 2020, keeping the credit-deposit ratio stable. The market for certificates of deposit has partially recovered from the initial uncertainty of the corona pandemic but continues to perform weakly due to the current situation.

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

## 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 7–9 / 2020

The Group's profit before taxes for the third quarter was EUR 13.5 (8.3) million and the profit for the accounting period was EUR 10.5 (6.7) million. The cost/income ratio was 43.2 (49.4)%.

Comparable profit before taxes in the third quarter amounted to EUR 10.9 (8.6) million and the comparable cost/income ratio was 48.0 (48.8)%. The comparable profit has been adjusted for the net income on financial assets and liabilities as well as the one-time income effects from closing of interest rate derivatives.

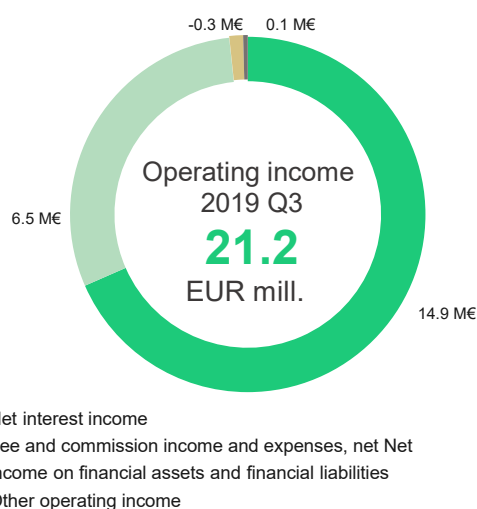


## Income

Total operating income was EUR 26.4 (21.2) million. Total operating income grew 24.6% year-on-year. Net interest income grew EUR 18.0%, totalling EUR 17.5 (14.9) million. During the review period, interest income grew 15.0%, totalling EUR 18.7 (16.3) million. The growth in interest income can be partly explained by the increase in the loan stock of EUR 416.6 million as of 30 September 2019. During the same period, the average margin of the company's loan stock has remained almost unchanged, falling 0.04 percentage. The interest income includes additionally income resulting from the closing of interest rate derivatives.

Interest expenses decreased by 15.8% year-on-year and were EUR 1.2 (1.4) million in the third quarter. The change in the interest terms for customer deposits made during March decreased interest expenses. The average interest on deposits paid to the company's customers was 0.02% (0.08%) at the end of the review period.

Fee and commission income and expenses (net) grew by 6.0% to EUR 6.9 (6.5) million. The total amount of fee and commission income was EUR 8.3 (7.5) million.

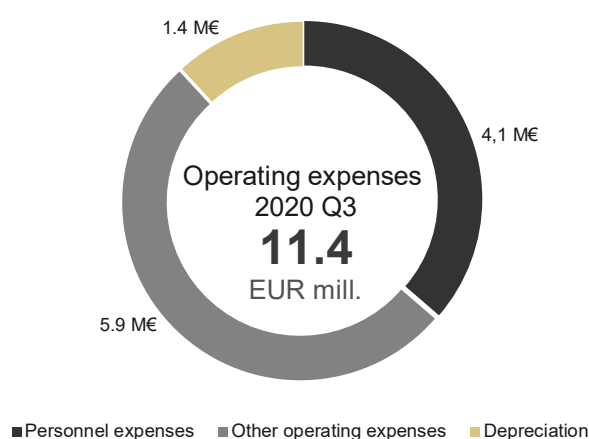


The commissions from card payments and payment transactions increased 24.9%. The increase is the result of higher customer volumes and the change in the actuarial processing of payment card business fee and commission income. The change in the actuarial processing of payment card business fee and commission income increased fee and commission income and expenses equally, and as a result of the change, the fee and commission income and expenses of the payment card business are at a higher level than before. Fee and commission expenses on cards and payment transactions grew 37.8% on the comparative period. The amount of commission income on lending was EUR 2.5 (2.5) million.

The net income on financial assets and liabilities was EUR 1.7 (-0.3) million during the period. The item included valuation gains (net) of EUR 1.2 (0.0) million.

## Expenses

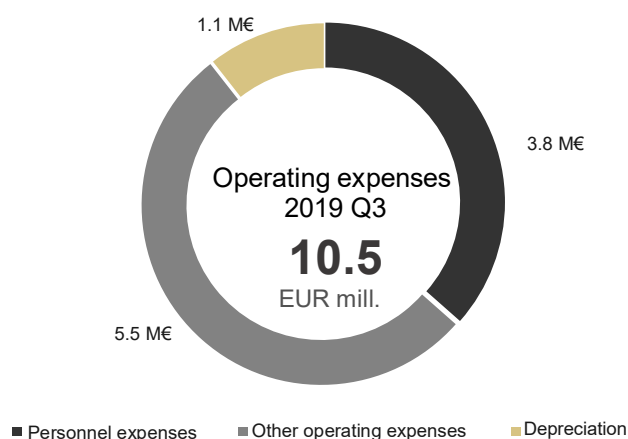
Operating expenses grew 8.9% compared to the previous year's corresponding period. Operating expenses came to a total of EUR 11.4 (10.5) million.



Personnel expenses grew 8.3%, totalling EUR 4.1 (3.8) million. Personnel expenses were increased by the personnel fund bonuses' payments and reserves, which came to a total of EUR 0.3 (0.0) million. In the review period, the average number of employees was 306 (302). The number of employees at the end of the period was 296 (294), of which 40 (37) were fixed-term.

Other operating expenses grew 6.6%, to EUR 5.9 (5.5) million. The item includes office, IT, PR and marketing costs and those stemming from the business premises in own use.

Depreciation, amortisation and impairments on tangible and in tangible assets were EUR 1.4 (1.1) million.



## Impairment losses on financial assets

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During the third quarter, impairment losses on financial assets (net) were EUR 1.5 (2.4) 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.

The net impact of final credit losses during July-September was EUR -1.5 (-0.2) million.

The net impact of expected credit losses in the third quarter was in total EUR -0,0 (-2,2) million.

During third quarter no significant changes were made to the expected credit loss allowance based on the management's judgement. The principles for calculating expected credit losses were refined by bringing macro variables prognosis into the calculation of the probability of credit loss. The forecast takes into account the ratio of Finland's gross domestic product to the number of bankruptcies in three different scenarios, which are: positive, negative and neutral growth scenarios.

## Result 1–9 / 2020

The Group's profit before taxes for January-September was EUR 27.2 (27.0) million and the profit for the period was EUR 21.6 (22.9) million. The cost/income ratio was 48.6 (52.7)%.

Comparable profit before taxes for the whole year was EUR 19.8 (21.0) million and the comparable cost/income ratio was 53.1 (57.7)%. The comparable profit has been adjusted for the net income on financial assets and liabilities, the sales losses resulting from the sale of real estates in the second quarter, and as well as the one-time income effects from closing of interest rate derivatives.

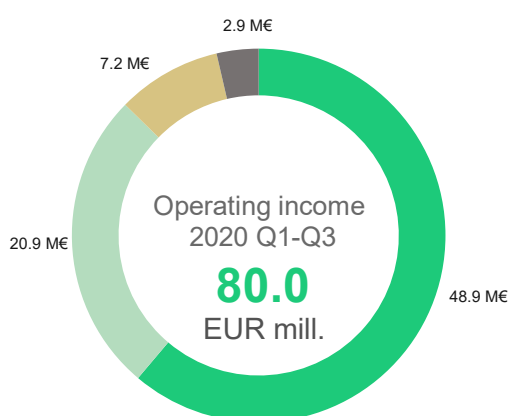
## Income

Total operating income was EUR 80.0 (69.6) million, growing by 14.9% year-on-year.

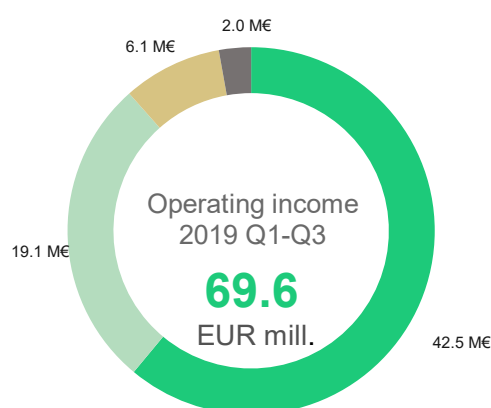
Net interest income grew 15.1%, totalling EUR 48.9 (42.5) million. Interest income grew 12.3%, totalling EUR 52.7 (46.9) million. The growth in interest income can be largely attributed to a growth in loan stock of EUR 416.6 million as of 30 September 2019. During the same period, the average margin of the company's loan stock has remained almost unchanged, falling 0.04 percentage points.

Interest expenses decreased by 15.1% year-on-year and were EUR 3.8 (4.4) million. The change in the interest terms for customer deposit made during March 2020 impacted interest expenses full as of the second quarter. The average interest on the deposits paid to the company's customers was 0.02% (0.08%) at the end of the review period.

Fee and commission income and expenses (net) grew by 9.6% to EUR 20.9 (19.1) million. The total amount of fee and commission income was EUR 24.6 (22.4) million with an increase of 9.7%.



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



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

The commissions from card payments and payment transactions increased 20.6%. The increase is the result of higher customer volumes and the change in the actuarial processing of payment card business fee and commission income. The change in the actuarial processing of payment card business fee and commission income increased fee and commission income and expenses equally, and as a result of the change, the fee and commission and expenses of the payment card business are at a higher level than before. Fee and commission expenses on cards and payment transactions grew 27.2% on the comparative period.

The net income on financial assets and liabilities was EUR 7.2 (6.1) million during the period. Net valuation gains and losses on shares and fund units came to EUR 0,7 (7,5) million. The result in the comparative period is explained by the profit and extra dividend on Samlink's shares. Financial assets valued at fair value through other comprehensive income came to EUR 8.0 (0.0) million. The item consists of 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 risk.

Net income on real estate was EUR -2.2 (-0.4) million. The sales losses included in the item, EUR 1.5 million, are the result of the real estate transactions carried in the second quarter.

Other operating income was EUR 2.9 (2.0) million. The item includes an old over-time recognition for 2020 and a bank tax refund of EUR 1.9 (1.6) million. The refund from the old Deposit Guarantee Fund and bank tax is used to annually offset the contributions to the new Deposit Guarantee Fund and Resolution Fund, so the items have no effect on the result.

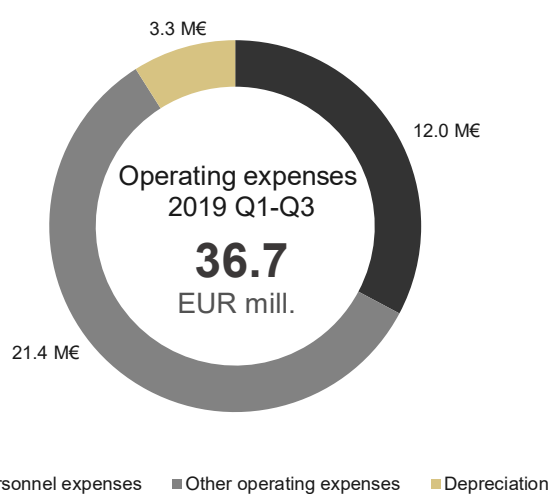
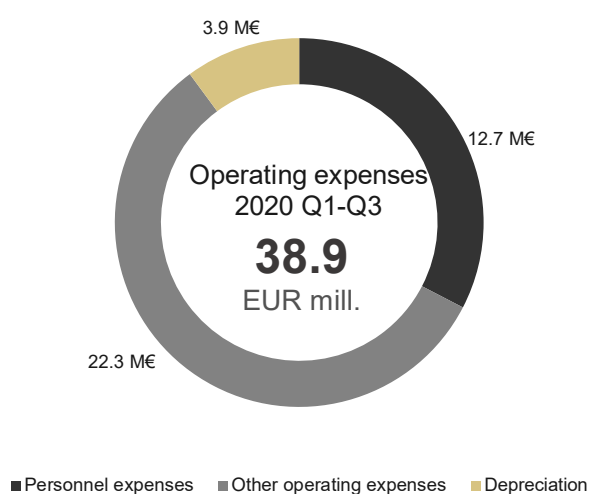
## Expenses

Operating expenses grew 6.1% compared to the previous year's corresponding period. Operating expenses came to a total of EUR 38.9 (36.7) million.

Personnel expenses grew 5.6%, totalling EUR 12.7 (12.0) million. In the review period, the average number of employees was 298 (303).

Other operating expenses grew 4.4%, to EUR 22.3 (21.4) million. The item includes office, IT, PR and marketing costs and those stemming from the business premises in the bank's own use, as well the contributions to the Deposit Guarantee Fund and the Resolution Fund. The item includes sales losses of EUR 0.6 (0.0) million on the sale of premises in own use during the second quarter. ICT costs increased by 9.3% to EUR 10.2 (9,3) million.

Depreciation, amortisation and impairment on tangible and intangible assets were about 3.9 (3.9) million.





## Impairment losses on financial assets

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Impairment losses on financial assets were EUR 14.0 (5.9) million in January-September.

Final credit losses over January-September amounted to EUR 9.1 (1.4) million. The increase in the volume of credit losses is mostly the result of the insolvency of a single major customer.

In the January-September period, the provision for expected credit losses increased by EUR 4.9 (4.5) million. Loan repayments and maturities and final credit losses recorded during the period reduced the total amount of expected credit losses, but at the same time the impact of changes in credit risk increased expected credit losses compared to the comparative period.

## Balance sheet

The Group's balance sheet total grew during January-September 2020 by 15.7% to EUR 3,952.8 (3,416.5) million.

### Loans and other receivables

In total, loans and other receivables grew 10.7% to EUR 3,344.0 (3,020.4) million in January-September. Due to the corona pandemic's impacts, the lending slowed at the start of the second quarter but since the third quarter recovered and strengthened.

The average size of loans issued over the past 12 months has been approximately EUR 100 thousand.

#### Loan portfolio by customer group, before the impairment allowances

Credit balance (1,000 euros)	30 Sep 2020	31 Dec 2019	30 Sep 2019
Private customers	1,969,839	1,780,900	1,716,409
Business customers	672,092	641,470	604,241
Housing associations	330,303	264,829	264,167
Agriculture, forestry, fishing industry	271,840	255,906	257,138
Other	57,212	35,457	40,977
<b>Total</b>	<b>3,301,285</b>	<b>2,978,562</b>	<b>2,882,931</b>

### Derivatives

Hedging interest rate derivatives were offloaded in September and the amount of derivatives on the balance sheet decreased to EUR 0.7 million from EUR 5.6 million in the accounts.

### Investment assets

The Group's investment assets grew 41.4% during the period, totalling EUR 466.5 (330.0) million. The growth was made up of investments made in the liquidity portfolio. The primary purpose of managing investment assets is securing the company's liquidity position.

## 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 17.2% to EUR 2,453.4 (2,093.6) million.

The item consists mostly of deposits received from the public, which came to EUR 2,232.8 (1,999.4) million at the end of September. Liabilities to the credit institutions grew during the period, from EUR 88.0 million to EUR 220.4 million. The company took part in the European Central Bank's TLTRO operation in June. The size of the loan taken is EUR 150 million.

### Debt securities issued to the public

Total debt securities issued to the public grew during the period by 14.7% to EUR 1,076.3 (938.3) million. The company has issued two bonds during 2020. In April, the company issued a EUR 250 million bond and in June a EUR 55 million unsecured senior bond. The issue of both bonds took place under EUR 1.5 billion bond programme. 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 1,250.1 (875.0) million.

### Equity

Group equity grew in January-September by 7.3% to EUR 343.2 (319.9) million. The growth results from the profit for the accounting period.

The fair value reserve increased by EUR 1.2 million.

## Own shares

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On 30 September 2020 the number of own shares held by Oma Savings Bank was 11,700. All of the purchase took place during 2018 and concerned shares subscribed in connection with the 2017 personnel offering. The redemptions took place in connection with the ending of employment contracts.

Share capital	30.9.2020	31.12.2019
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

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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 21.2 (22.0) million, were mostly made up of bank guarantees and other guarantees. Irrevocable commitments given to a customer, which totalled EUR 243.5 (190.5) million at the end of September, 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 modernization project involving the core banking platform. The new core banking platform is based on Temenos technology and is supplied by Oy Samlink Ab. The 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 September, the capitalized investment cost for the project came to altogether EUR 3.6 million. The company expects the project schedule to be specified during the rest of the year.

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

## Significant events after the period

On 6 November 2020, the company completed the transaction agreed with the Savings Bank Group earlier this year under which the company will sell all its shares of Nooa Savings Bank Ltd, Sb Life Insurance Ltd, Sb-Fund Management Company Ltd, Säästöpankkien Holding Oy and Central Bank of Savings Banks Finland Plc. The deal included 73,414pc of Nooa Savings Bank Ltd shares, of which 4,840 shares are still subject to ECB approval. The transaction will have a positive profit impact of around EUR 1.9 million on the company's result for the financial year 2020.

In October, the company acquired 42.1% of City Kauppapaikat Oy's common stock. City Kauppapaikat Oy is a real estate investment company that in the group is treated as an associated company.

## Financial goals

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

**Growth:** 10–15% annual growth in total operating income under the current market conditions

**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 (CET1) capital ratio at least 14%.

## Timeline of the Financial Report

The Company will announce its 2020 results through a financial statement release on Monday, 8 February 2021.

The financial statement includes the Board's presentation on profit sharing for 2020, as well as the Company's outlook for 2021.

The company will announce the 2021 financial reporting schedule in November.

## Outlook for the 2020 accounting period (unchanged)

The Company's business volumes will continue strong growth in FY2020 despite the exceptionally uncertain economic environment. The Company's profitable growth is supported by efforts in recent years to improve the customer experience and the availability of customer service through new digital service channels and opening of new units.

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

The company estimates that profitable growth will continue to be strong despite overall economic uncertainty and the Group's 2020 profit before taxes will exceed the previous financial year's level (EUR 32.7 million).

# Capital adequacy

The total capital ratio (TC) ratio of the Oma Savings Bank Group remained strong and was 16.8 (17.3)% at the end of the period. The Common Equity Tier 1 capital (CET1) ratio was 16.5 (16.8)% exceeding the minimum level for the financial goals approved by the Board of Directors (14%). Risk-weighted assets grew 8.2% to EUR 1,929.9 (1,783.6) million. Risk-weighted assets grew most significantly due to the growth in the loan portfolio for private and corporate customers, as well as investments in non-covered bonds of credit institutions. The sale of reserve investments during first quarter diminished risk-weighted assets. The capital requirement for credit risk is calculated using standardized approach and for operational risk using the basic indicator approach. The basic method is applied when calculating the capital requirement for market risk for the foreign exchange position.

At the end of the review period, the capital structure of Oma Savings Bank Group was strong, consisting mostly of Common Equity Tier 1 capital (CET1). The Group's own funds (TC) increased by EUR 16.3 to 324.9 (308.6) million when the capital requirement for the bank's own funds was EUR 231.6 (205.3) million. The increase in own funds was most significantly the result of the profit for the accounting period. Tier 1 capital (T1) was EUR 317.9 (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 (FIN-FSA). Tier 2 capital (T2) was EUR 7.0 (9.3) million, consisting of debenture loans. The leverage ratio was 7.9 (8.6)% at the end of the period.

The main items in the capital adequacy calculation (1,000 euros)	30 Sep 2020	31 Dec 2019	30 Sep 2019
Common Equity Tier 1 capital before regulatory adjustments	328,753	309,553	308,835
Regulatory adjustments on Common Equity Tier 1	-10,830	-10,184	-8,381
<b>Common Equity Tier 1 (CET1) capital, total</b>	<b>317,924</b>	<b>299,369</b>	<b>300,454</b>
Additional Tier 1 capital before regulatory adjustments	-	-	-
Regulatory adjustments on additional Tier 1 capital	-	-	-
<b>Additional Tier 1 (AT1) capital, total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 1 capital (T1 = CET1 + AT1), total</b>	<b>317,924</b>	<b>299,369</b>	<b>300,454</b>
Tier 2 capital before regulatory adjustments	7,015	9,266	10,022
Regulatory adjustments on Tier 2 capital	-	-	-
<b>Tier 2 (T2) capital, total</b>	<b>7,015</b>	<b>9,266</b>	<b>10,022</b>
<b>Total capital (TC = T1 + T2) / Total own funds</b>	<b>324,939</b>	<b>308,635</b>	<b>310,476</b>
<b>Risk-weighted assets</b>			
Credit and counterparty risk, standardised approach	1,772,476	1,620,817	1,583,954
Credit valuation adjustment risk (CVA)	2,712	8,913	15,737
Market risk (foreign exchange risk)	7,352	6,598	-
Operational risk, basic indicator approach	147,320	147,320	126,170
<b>Risk-weighted assets, total</b>	<b>1,929,859</b>	<b>1,783,648</b>	<b>1,725,861</b>
Common Equity Tier 1 (CET1) capital ratio, %	16.47%	16.78%	17.41%
Tier 1 (T1) capital ratio, %	16.47%	16.78%	17.41%
Total capital (TC) ratio, %	16.84%	17.30%	17.99%
<b>Leverage ratio (1,000 euros)</b>	<b>30 Sep 2020</b>	<b>31 Dec 2019</b>	<b>30 Sep 2019</b>
Tier 1 capital	317,924	299,369	300,454
Total amount of exposures	4,027,522	3,482,083	3,438,888
<b>Leverage ratio</b>	<b>7.89%</b>	<b>8.60%</b>	<b>8.74%</b>

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, inter alia, the capital conservation buffer set by the Credit Institution Act (2.5%), the discretionary SREP requirement according to Pillar II, the countercyclical buffer requirement, and the systematic risk buffer.

In December 2019, the Finnish Financial Supervisory Authority (FIN-FSA) imposed on Oma Savings Bank Plc the first supervisory review and evaluation process (SREP) requirement of 1.5% based on the supervisory authority's assessment. The requirement entered into

force starting on 30 June 2020 and is valid until further notice, however not later than 30 June 2023. The requirement shall be covered by the Common Equity tier 1 capital. FIN-FSA decides on the countercyclical buffer requirement quarterly, and a countercyclical buffer requirement has thus far not been imposed on Finnish credit institutions. As the corona pandemic significantly weakens the global economic cyclical outlook and the operating conditions of the financial sector, FIN-FSA decided on 6 April 2020 on the removal of the systematic risk buffer requirement for all credit institutions. The decision became effective immediately.

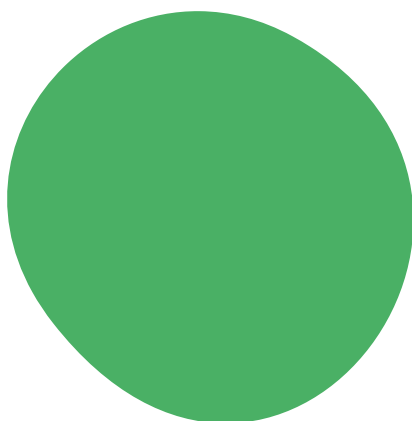
**Group's total capital requirement  
30 Sep 2020  
(1,000 euros)**

**Buffer requirements**

Capital	Pillar I minimum capital requirement*	Pillar II (SREP) capital requirement	Capital conservation buffer	Countercyclical buffer**	O-SII	Systemic risk buffer	Total capital requirement	
CET1	4.50%	1.50%	2.50%	0.00%	0.00%	0.00%	8.50%	164,095
AT1	1.50%						1.50%	28,948
T2	2.00%						2.00%	38,597
<b>Total</b>	<b>8.00%</b>	<b>1.50%</b>	<b>2.50%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>12.00%</b>	<b>231,640</b>

\* 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. The substantial information in accordance with Pillar II will be published as a separate report alongside the Half-Year Financial Report.

# Interim report tables

## Consolidated condensed income statement

Note (1,000 euros)	1-9/2020	1-9/2019	1-12/2019	2020 Q3	2019 Q3
Interest income	52,704	46,950	63,351	18,729	16,281
Interest expenses	-3,775	-4,447	-5,828	-1,190	-1,413
<b>9 Net interest income</b>	<b>48,929</b>	<b>42,503</b>	<b>57,522</b>	<b>17,539</b>	<b>14,868</b>
Fee and commission income	24,564	22,391	29,981	8,314	7,477
Fee and commission expenses	-3,638	-3,305	-4,567	-1,431	-982
<b>10 Fee and commission income and expenses, net</b>	<b>20,925</b>	<b>19,087</b>	<b>25,414</b>	<b>6,883</b>	<b>6,495</b>
<b>11</b> Net income on financial assets and financial liabilities	7,235	6,080	7,518	1,723	-272
Other operating income	2,899	1,966	2,118	241	90
<b>Total operating income</b>	<b>79,989</b>	<b>69,636</b>	<b>92,573</b>	<b>26,386</b>	<b>21,181</b>
Personnel expenses	-12,693	-12,019	-17,070	-4,140	-3,822
Other operating expenses	-22,290	-21,354	-28,191	-5,903	-5,536
Depreciation, amortisations and impairment losses on tangible and intangible assets	-3,935	-3,295	-5,047	-1,351	-1,108
<b>Total operating expenses</b>	<b>-38,918</b>	<b>-36,668</b>	<b>-50,309</b>	<b>-11,394</b>	<b>-10,466</b>
<b>12</b> Impairment losses on financial assets, net	-13,984	-5,923	-9,567	-1,531	-2,371
Share of profit of equity accounted entities	79	-7	-13	27	-2
<b>Profit before taxes</b>	<b>27,166</b>	<b>27,038</b>	<b>32,684</b>	<b>13,488</b>	<b>8,342</b>
Income taxes	-5,540	-4,111	-5,231	-2,965	-1,665
<b>Profit for the accounting period</b>	<b>21,627</b>	<b>22,927</b>	<b>27,453</b>	<b>10,523</b>	<b>6,677</b>
<b>Of which:</b>					
Shareholders of Oma Savings Bank Plc	21,699	22,963	27,579	10,530	6,713
Non-controlling interest	-72	-36	-126	-7	-36
<b>Total</b>	<b>21,627</b>	<b>22,927</b>	<b>27,453</b>	<b>10,523</b>	<b>6,677</b>
<b>Earnings per share (EPS), EUR</b>	<b>0.73</b>	<b>0.78</b>	<b>0.93</b>	<b>0.36</b>	<b>0.23</b>
<b>Earnings per share (EPS) after dilution, EUR *</b>	<b>0.73</b>	<b>-</b>	<b>-</b>	<b>0.36</b>	<b>-</b>

\* Calculated as of 1 January 2020



## Profit before taxes excluding items affecting comparability

(1 000 euros)	1-9/2020	1-9/2019	1-12/2019	2020 Q3	2019 Q3
<b>Profit before taxes</b>	<b>27,166</b>	<b>27,038</b>	<b>32,684</b>	<b>13,488</b>	<b>8,342</b>
<b>Operating income:</b>					
Net income on financial assets and liabilities	-7,235	-6,080	-7,518	-1,723	272
One-time income related to closing of derivatives	-912	-	-	-912	-
<b>Operating expenses</b>					
Sales loss of commercial premises in own use	800	-	-	-	-
Expenses from the co-operation negotiations	-	-	1,062	-	-
<b>Comparable profit before taxes</b>	<b>19,819</b>	<b>20,958</b>	<b>26,228</b>	<b>10,853</b>	<b>8,614</b>
Income taxes in income statement	-5,540	-4,111	-5,231	-2,965	-1,665
Change of deferred taxes	1,470	-84	-9	527	-54
<b>Comparable profit/loss for the accounting period</b>	<b>15,749</b>	<b>16,762</b>	<b>20,988</b>	<b>8,415</b>	<b>6,895</b>

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

## Consolidated condensed statement of comprehensive income

(1,000 euros)	1-9/2020	1-9/2019	1-12/2019	2020 Q3	2019 Q3
<b>Profit for the accounting period</b>	<b>21,627</b>	<b>22,927</b>	<b>27,453</b>	<b>10,523</b>	<b>6,677</b>
<b>Other comprehensive income before taxes</b>					
<b>Items that will not be reclassified through profit or loss</b>					
Gains and losses on remeasurements from defined benefit pension plans	-	-68	-53	-	-26
<b>Items that may later be reclassified through profit or loss</b>					
Measured at fair value	9,470	11,236	7,778	3,286	2,544
Transferred to Income Statement as a reclassification change	-8,005	120	120	1	-
<b>Other comprehensive income before taxes</b>	<b>1,465</b>	<b>11,288</b>	<b>7,844</b>	<b>3,287</b>	<b>2,518</b>
<b>Income taxes</b>					
<b>For items that will not be reclassified to profit or loss</b>					
Gains and losses on remeasurements from defined benefit pension plans	-	14	11	-	6
<b>Items that may later be reclassified to profit or loss</b>					
Measured at fair value	-293	-2,271	-1,580	-657	-509
<b>Income taxes</b>	<b>-293</b>	<b>-2,258</b>	<b>-1,569</b>	<b>-657</b>	<b>-504</b>
<b>Other comprehensive income for the accounting period after</b>	<b>1,172</b>	<b>9,030</b>	<b>6,276</b>	<b>2,630</b>	<b>2,014</b>
<b>Comprehensive income for the accounting period</b>	<b>22,799</b>	<b>31,957</b>	<b>33,729</b>	<b>13,152</b>	<b>8,692</b>
<b>Attributable to:</b>					
Shareholders of Oma Savings Bank Plc	22,871	31,993	33,855	13,159	8,727
Non-controlling interest	-72	-36	-126	-7	-35
<b>Total</b>	<b>22,799</b>	<b>31,957</b>	<b>33,729</b>	<b>13,152</b>	<b>8,692</b>

## Consolidated condensed balance sheet

Note	Assets (1,000 euros)	30 Sep 2020	31 Dec 2019	30 Sep 2019
	Cash and cash equivalents	77,041	6,626	45,723
4	Loans and advances to credit institutions	65,419	60,005	60,402
4	Loans and advances to the public and public sector entities	3,278,552	2,960,356	2,866,951
5	Financial derivatives	670	5,634	11,762
6	Investment assets	466,538	329,977	334,178
	Equity accounted entities	7,660	5,666	5,672
	Intangible assets	9,923	9,259	7,479
	Tangible assets	29,205	25,325	24,369
	Other assets	13,914	11,827	12,404
	Deferred tax assets	3,844	1,814	1,517
	Current income tax assets	-	41	-
	<b>Total assets</b>	<b>3,952,766</b>	<b>3,416,530</b>	<b>3,370,459</b>

Note	Liabilities (1,000 euros)	30 Sep 2020	31 Dec 2019	30 Sep 2019
7	Liabilities to credit institutions	220,388	88,045	83,728
7	Liabilities to the public and public sector entities	2,232,986	2,005,573	2,000,512
8	Debt securities issued to the public	1,076,283	938,348	901,716
	Subordinated liabilities	15,500	15,500	15,200
	Provisions and other liabilities	33,927	24,622	26,448
	Deferred tax liabilities	27,037	24,578	24,705
	Current income tax liabilities	3,437	-	4
	<b>Total liabilities</b>	<b>3,609,558</b>	<b>3,096,665</b>	<b>3,052,314</b>

	Equity	30 Sep 2020	31 Dec 2019	30 Sep 2019
	Share capital	24,000	24,000	24,000
	Reserves	147,235	145,934	148,701
	Retained earnings	171,447	149,332	144,730
	<b>Shareholders of Oma Savings Bank Plc</b>	<b>342,682</b>	<b>319,266</b>	<b>317,431</b>
	Shareholders of Oma Savings Bank Plc	342,682	319,266	317,431
	Non-controlling interest	526	598	714
	<b>Equity, total</b>	<b>343,208</b>	<b>319,865</b>	<b>318,145</b>

<b>Total liabilities and equity</b>	<b>3,952,766</b>	<b>3,416,530</b>	<b>3,370,459</b>
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Group's off-balance sheet commitments (1,000 euros)	30 Sep 2020	31 Dec 2019	30 Sep 2019
<b>Off-balance sheet commitments</b>			
Guarantees and pledges	20,954	21,781	21,098
Other commitments given to a third party	217	266	266
<b>Commitments given to a third party on behalf of a customer</b>	<b>21,171</b>	<b>22,047</b>	<b>21,364</b>
Undrawn credit facilities	243,479	190,478	194,179
<b>Irrevocable commitments given in favour of a customer</b>	<b>243,479</b>	<b>190,478</b>	<b>194,179</b>
<b>Group's off-balance sheet commitments, total</b>	<b>264,650</b>	<b>212,525</b>	<b>215,543</b>

## Consolidated statement of changes in equity

(1,000 euros)

30 Sep 2020	Share capital	Fair value reserve	Other reserves	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
Equity, January 1	24,000	8,538	137,396	145,934	149,332	319,266	598	319,865
<b>Comprehensive income</b>								
Profit for the accounting	-	-	-	-	21,699	21,699	-72	21,627
Other comprehensive income	-	1,172	-	1,172	-	1,172	-	1,172
<b>Total comprehensive income</b>	-	1,172	-	1,172	21,699	22,871	-72	22,799
<b>Transactions with owners</b>								
Distribution of dividends	-	-	-	-	-	-	-	-
Share-based incentive scheme	-	-	-	-	416	416	-	416
Other changes	-	-	128	128	-	128	-	128
<b>Transactions with owners, total</b>	-	-	-	128	416	545	-	545
<b>Equity total</b>	24,000	9,710	137,524	147,235	171,447	342,682	526	343,208

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

30 Sep 2019	Share capital	Fair value reserve	Other reserves	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
Equity, 1 January	24,000	2,220	137,396	139,616	125,964	289,580	750	290,330
<b>Comprehensive income</b>								
Profit for the accounting	-	-	-	-	22,963	22,963	-36	22,927
Other comprehensive income	-	9,085	-	9,085	-54	9,030	-	9,030
<b>Total comprehensive income</b>	-	9,085	-	9,085	22,908	31,993	-36	31,957
<b>Transactions with owners</b>								
Distribution of dividends	-	-	-	-	-4,142	-4,142	-	-4,142
<b>Transactions with owners, total</b>	-	-	-	-	-4,142	-4,142	-	-4,142
<b>Equity total</b>	24,000	11,305	137,396	148,701	144,730	317,431	714	318,145

## Consolidated condensed cash flow statement

(1,000 euros)	1-9/2020	1-9/2019	1-12/2019
<b>Cash flow from operating activities</b>			
Profit/loss for the accounting period	21,627	22,927	27,453
Changes in fair value	-119	272	59
Share of profit of equity accounted entities	-79	7	13
Depreciation and impairment losses on investment properties	751	197	560
Depreciation, amortisation and impairment losses on tangible and intangible assets	3,935	3,295	5,047
Gains and losses on sales of tangible and intangible assets	1,826	80	80
Impairment and expected credit losses	13,984	5,923	9,567
Income taxes	5,540	4,111	5,231
Other adjustments	2,951	2,719	-4,011
Adjustments to the profit/loss of the accounting period	28,788	16,605	16,548
<b>Cash flow from operations before changes in receivables and</b>	<b>50,415</b>	<b>39,532</b>	<b>44,001</b>
<b>Increase (-) or decrease (+) in operating assets</b>			
Debt securities	-157,026	-30,902	-32,089
Loans and advances to credit institutions	-7,631	-1,348	3,205
Loans and advances to customers	-338,994	-346,960	-444,559
Derivatives and hedge accounting	-13	100	100
Investment assets	17,848	-20,946	-17,883
Other assets	-2,071	-118	449
<b>Total</b>	<b>-487,887</b>	<b>-400,174</b>	<b>-490,777</b>
<b>Increase (+) or decrease (-) in operating liabilities</b>			
Liabilities to credit institutions	132,343	-6,066	-1,749
Deposits	233,247	231,255	243,143
Provisions and other liabilities	7,340	5,274	4,004
<b>Total</b>	<b>372,931</b>	<b>230,463</b>	<b>245,399</b>
<b>Paid income taxes</b>	<b>-1,927</b>	<b>-1,644</b>	<b>-2,543</b>
<b>Total cash flow from operating activities</b>	<b>-66,468</b>	<b>-131,823</b>	<b>-203,921</b>
<b>Cash flow from investments</b>			
Investments in tangible and intangible assets	-7,634	-8,324	-12,769
Proceeds from sales of tangible and intangible assets	5,460	536	470
Acquisition of associated companies and joint ventures	-2,000	-	-
Changes in other investments	-	-4,295	1,217
<b>Total cash flow from investments</b>	<b>-4,174</b>	<b>-12,082</b>	<b>-11,082</b>
<b>Cash flows from financing activities</b>			
Other cash increases in equity items	128	-	-
Subordinated liabilities, changes	-	-10,000	-9,700
Debt securities issued to the public	137,141	186,236	222,600
Payments of lease liabilities	1,570	-765	-1,220
Dividends paid	-	-4,142	-4,194
<b>Total cash flows from financing activities</b>	<b>138,839</b>	<b>171,329</b>	<b>207,486</b>
<b>Net change in cash and cash equivalents</b>	<b>68,198</b>	<b>27,424</b>	<b>-7,517</b>
<b>Cash and cash equivalents at the beginning of the accounting</b>	<b>51,888</b>	<b>59,405</b>	<b>59,405</b>
<b>Cash and cash equivalents at the end of the accounting period</b>	<b>120,085</b>	<b>86,829</b>	<b>51,888</b>
<b>Cash and cash equivalents are formed by the following items</b>			
Cash and cash equivalents	77,041	45,723	6,626
Receivables from credit institutions repayable on demand	43,044	41,106	45,262
<b>Total</b>	<b>120,085</b>	<b>86,829</b>	<b>51,888</b>
<b>Received interest</b>	<b>60,908</b>	<b>46,374</b>	<b>64,550</b>
<b>Paid interest</b>	<b>-3,609</b>	<b>-3,076</b>	<b>-5,724</b>
<b>Dividends received</b>	<b>182</b>	<b>1,361</b>	<b>1,393</b>

## Consolidated condensed income statement, quarterly trend

Note (1 000 euros)	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3
Interest income	18,729	17,127	16,848	16,401	16,281
Interest expenses	-1,190	-1,242	-1,343	-1,381	-1,413
<b>9 Net interest income</b>	<b>17,539</b>	<b>15,886</b>	<b>15,505</b>	<b>15,020</b>	<b>14,868</b>
Fee and commission income	8,314	8,687	7,562	7,590	7,477
Fee and commission expenses	-1,431	-1,360	-848	-1,262	-982
<b>10 Fee and commission income and expenses, net</b>	<b>6,883</b>	<b>7,328</b>	<b>6,714</b>	<b>6,327</b>	<b>6,495</b>
Net income on financial assets and financial liabilities	1,723	-20	5,532	1,438	-272
Other operating income	241	431	2,227	152	90
<b>Total operating income</b>	<b>26,386</b>	<b>23,625</b>	<b>29,978</b>	<b>22,937</b>	<b>21,181</b>
Personnel expenses	-4,140	-4,677	-3,876	-5,051	-3,822
Other operating expenses	-5,903	-7,129	-9,258	-6,838	-5,536
Depreciation, amortisations and impairment losses on tangible and intangible assets	-1,351	-1,485	-1,099	-1,752	-1,108
<b>Total operating expenses</b>	<b>-11,394</b>	<b>-13,291</b>	<b>-14,233</b>	<b>-13,641</b>	<b>-10,466</b>
<b>12 Impairment losses on financial assets, net</b>	<b>-1,531</b>	<b>-3,922</b>	<b>-8,531</b>	<b>-3,644</b>	<b>-2,371</b>
Share of profit from joint ventures and associated companies	27	45	7	-6	-2
<b>Profit before taxes</b>	<b>13,488</b>	<b>6,457</b>	<b>7,222</b>	<b>5,646</b>	<b>8,342</b>
Income taxes	-2,965	-1,213	-1,362	-1,119	-1,665
<b>Profit for the accounting period</b>	<b>10,523</b>	<b>5,244</b>	<b>5,860</b>	<b>4,527</b>	<b>6,677</b>
<b>Of which:</b>					
Shareholders of Oma Savings Bank Plc	10,530	5,272	5,897	4,616	6,713
Non-controlling interest	-7	-28	-37	-90	-36
<b>Total</b>	<b>10,523</b>	<b>5,244</b>	<b>5,860</b>	<b>4,527</b>	<b>6,677</b>
<b>Earnings per share (EPS), EUR</b>	<b>0.36</b>	<b>0.18</b>	<b>0.20</b>	<b>0.16</b>	<b>0.23</b>

Earnings per share (EPS) after dilution, EUR \*

\* Calculated as of 1 January 2020.

**Profit before taxes excluding items affecting comparability:**

	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3
<b>Profit before taxes</b>	<b>13,488</b>	<b>6,457</b>	<b>7,222</b>	<b>5,646</b>	<b>8,342</b>
<b>Operating income:</b>					
Net income on financial assets and liabilities	-1,723	20	-5,532	-1,438	272
One-time income related to closing of derivatives	-912	-	-	-	-
<b>Operating expenses</b>					
Sales loss of commercial premises in own use	-	800	-	-	-
Expenses from the co-operation negotiations	-	-	-	1,062	-
<b>Comparable profit before taxes</b>	<b>10,853</b>	<b>7,276</b>	<b>1,690</b>	<b>5,270</b>	<b>8,614</b>
Income taxes in income statement	-2,965	-1,213	-1,362	-1,119	-1,665
Change of deferred taxes	527	-164	1,106	75	-54
<b>Comparable profit/loss for the accounting period</b>	<b>8,415</b>	<b>5,899</b>	<b>1,435</b>	<b>4,226</b>	<b>6,895</b>

# Note 1 Impacts of the corona pandemic on the risk position

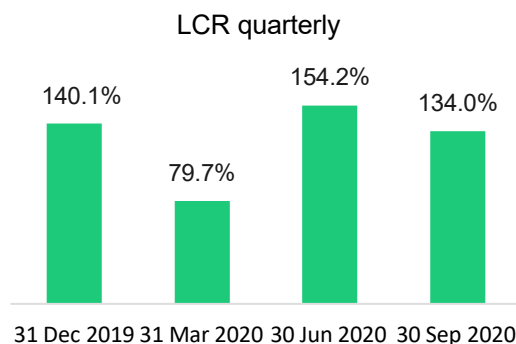
## 1. Liquidity risk

During the coronavirus pandemic, the company has closely monitored the changes occurring in liquidity risk. The management of Oma Savings Bank's liquidity risk is based on the company's ability to procure sufficient cash that is competitive in price in both the short and long term. A key component of liquidity risk management is the planning of the liquidity position in both the short and long term. Additionally, by planning the liquidity reserve, the bank can prepare for weakening economic trends on the markets and for any changes to legislation. The goal of the company's liquidity reserve is to cover one month's outflows. Liquidity risk management is supported by active risk management, monitoring of the balance sheet and cash flows and internal calculation models. The 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 134.0% on 30 September 2020. The liquidity ratio (LCR) was below 100% at 31 March 2020 due to market uncertainty caused by the corona pandemic. The liquidity ratio (LCR) recovers above the limit as soon as early April and has been stable ever since. The company issued a covered bond in early April. The company's liquidity also strengthened once the company participated in the European Central Bank's TLTRO operation in June. The deposit portfolio has grown steadily over 2020, keeping the credit-deposit ratio stable. The lending rate for new loans slowed at the start of the second quarter, but has gone on from there strong. No bonds are maturing in 2020–2021.

The market for certificates of deposit has partially recovered from the initial uncertainty of the corona

pandemic, but continues to perform weakly due to the current situation.



## 2. Credit risk

Credit risk refers to the possibility that a counterparty fails to meet its obligations in accordance with agreed terms and conditions. Oma Savings Bank's credit risk 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 G1 of the 2019 financial statements.

### 2.1 Loan relief granted by the bank

Due to the corona pandemic, requests by customers for grace periods grew significantly between March and April, when 400-1,200 pcs/week grace periods were granted by the bank. By mid-June the demand for grace periods had returned to the pre-pandemic level. The number of grace periods granted during the third quarter was normal level. From March to the end of the second quarter, grace periods were granted for loans whose capital was altogether EUR 627 million and the number of loans was 6,200. The duration of the agreed-on grace period has been an average of 6 to 12 months.

### 2.2 Allowances based on the management's judgement

The company's loan portfolio has grown strongly during the third quarter and, despite the corona pandemic, the

quality of its loan portfolio has improved. However, the pandemic is in a re-acceleration phase that could weaken the quality of the loan portfolio in the future.

The company recognised a EUR 1.4 million credit loss allowance based on the management's judgement during Q1, which predicted growth in credit risk in specific sectors. The sectors were selected based on both their significance and the estimated size of the pandemic's impact. The situation of customers in those selected sectors has not weakened during the quarter. The company has intensified its monitoring of the credit risk situation and its development based on credit risk management methods during the coronavirus pandemic. Customers, especially the problematic accounts, have been monitored intensively during the pandemic. The economic outlook is still uncertain and uncertainty may increase on the financial markets if the corona pandemic drags on in Finland and elsewhere in the world. Due to the uncertainty related to the pandemic, the company decided to maintain its loss allowance based on management

judgement at its previous level and to continue monitoring the situation monthly.

### 2.3 Distribution by risk class

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

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

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



## Distribution of financial assets by risk class and credit risk concentrations

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

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

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

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

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

Loans and receivables and off-balance sheet commitments	Stage 1	Stage 2	Stage 3	30 Sep 2020	31 Dec 2019
Risk rating 1	1,974,445	142,047	8,627	2,125,118	1,879,946
Risk rating 2	850,826	115,597	6,147	972,570	821,713
Risk rating 3	161,391	76,764	4,888	243,043	242,586
Risk rating 4	13,407	57,808	38,221	109,436	100,569
No rating	35,305	4,693	12,445	52,443	49,862
<b>Capital items by risk category, total</b>	<b>3,035,373</b>	<b>396,909</b>	<b>70,328</b>	<b>3,502,611</b>	<b>3,094,677</b>
Loss allowance	1,819	4,974	16,851	23,643	18,820
<b>Total</b>	<b>3,033,463</b>	<b>391,936</b>	<b>53,478</b>	<b>3,478,876</b>	<b>3,075,857</b>

Debt securities	Stage 1	Stage 2	Stage 3	30 Sep 2020	31 Dec 2019
Risk rating 1	324,288	-	-	324,288	246,244
Risk rating 2	5,568	-	-	5,568	-
No rating	77,181	20,524	-	97,705	22,687
<b>Capital items by risk category, total</b>	<b>407,038</b>	<b>20,524</b>	<b>-</b>	<b>427,561</b>	<b>268,931</b>
Loss allowance	433	321	-	754	660
<b>Total</b>	<b>406,517</b>	<b>20,290</b>	<b>-</b>	<b>426,807</b>	<b>268,271</b>

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 Sep 2020	31 Dec 2019
Enterprises	807,122	135,328	49,299	53,392	9,673	1,054,814	918,719
Agriculture	26,387	1,951	903	755	66	30,062	25,670
Real estate	475,904	64,535	16,460	24,817	3,317	585,033	478,106
Construction	50,736	12,187	3,526	8,668	1,335	76,452	73,237
Wholesale and retail	56,453	10,296	8,157	3,553	565	79,022	88,010
Industry	33,561	7,750	3,361	7,285	524	52,481	49,572
Transportation and storage	23,466	3,143	1,024	1,378	956	29,968	21,004
Other	140,615	35,465	15,867	6,936	2,912	201,796	183,120
General government	3,144	-	250	-	150	3,544	3,180
Non-profit communities	12,321	2,849	72	944	508	16,694	13,919
Financial and insurance institutions	20,344	7,184	-	-	15,020	42,548	23,282
Households	1,266,687	827,208	193,422	55,101	42,592	2,385,011	2,135,577
<b>Total</b>	<b>2,109,618</b>	<b>972,570</b>	<b>243,043</b>	<b>109,436</b>	<b>67,943</b>	<b>3,502,611</b>	<b>3,094,677</b>

### 3. Measures to mitigate the risks caused by the coronavirus pandemic

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The company has been able to secure the customers basic banking services uninterrupted during the pandemic. The company has continuously monitored the development of the coronavirus situation and our personnel has been notified concerning health-related matters, in accordance with the policies and guidelines of the Finnish government. Internal operating models have

been adapted to the situation. Personnel have been advised to avoid unnecessary travelling.

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

## Note 2 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](http://www.omasp.fi).

Oma Savings Bank Group is formed as follows:

#### Subsidiaries

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

#### Associated companies

- GT Invest Oy holding 48.7%

#### Joint ventures and joint operations

- Paikallispankkien PP-Laskenta Oy holding 25%
- Deleway Projects Oy holding 49%
- Housing company Seinäjoen Oma Savings Bank house holding 25.5%

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–30 September 2020 in its meeting on 9 November 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.

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

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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 especially in the early stages of corona pandemic. Uncertainty caused by the corona pandemic and the weak outlook for the economy is further undermining the credit risk outlook. Further details of the impact of the corona pandemic on the company's risk position are provided in note 1.

## Note 3 Classification of financial assets and liabilities

### Assets (1,000 euros)

30 Sep 2020	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	Carrying value, total	Fair value
Cash and cash equivalents	77,041	-	-	-	77,041	77,041
Loans and advances to credit institutions	65,419	-	-	-	65,419	65,419
Loans and advances to customers	3,278,552	-	-	-	3,278,552	3,278,552
Derivatives, hedge accounting	-	-	-	670	670	670
Debt instruments	-	426,807	124	-	426,931	426,931
Equity instruments	-	-	37,175	-	37,175	37,175
<b>Financial assets total</b>	<b>3,421,012</b>	<b>426,807</b>	<b>37,299</b>	<b>670</b>	<b>3,885,789</b>	<b>3,885,789</b>
Investments in associated companies					7,660	7,660
Investment properties					2,431	2,567
Non-financial assets					56,886	56,886
<b>Assets total</b>	<b>3,421,012</b>	<b>426,807</b>	<b>37,299</b>	<b>670</b>	<b>3,952,766</b>	<b>3,952,902</b>

### Liabilities (1,000 euros)

30 Sep 2020	Other liabilities	Hedging derivatives	Carrying value, total	Fair value
Liabilities to credit institutions	220,388	-	220,388	220,388
Liabilities to customers	2,232,986	-	2,232,986	2,232,986
Debt securities issued to the public	1,076,283	-	1,076,283	1,076,283
Subordinated liabilities	15,500	-	15,500	15,500
<b>Total financial liabilities</b>	<b>3,545,158</b>	<b>-</b>	<b>3,545,158</b>	<b>3,545,158</b>
Non-financial liabilities			64,400	64,400
<b>Liabilities total</b>	<b>3,545,158</b>	<b>-</b>	<b>3,609,558</b>	<b>3,609,558</b>

### Assets (1,000 euros)

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

### Liabilities (1,000 euros)

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

Assets (1,000 euros)						
30 Sep 2019	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	Carrying value, total	Fair value
Cash and cash equivalents	45,723	-	-	-	45,723	45,723
Loans and advances to credit institutions	60,402	-	-	-	60,402	60,402
Loans and advances to customers	2,866,951	-	-	-	2,866,951	2,866,951
Derivatives, hedge accounting	-	-	-	11,762	11,762	11,762
Debt instruments	-	270,616	267	-	270,883	270,883
Equity instruments	-	-	56,104	-	56,104	56,104
<b>Total financial assets</b>	<b>2,973,077</b>	<b>270,616</b>	<b>56,371</b>	<b>11,762</b>	<b>3,311,825</b>	<b>3,311,825</b>
Investments in associated companies					5,672	5,672
Investment properties					7,191	8,990
Non-financial assets					45,770	45,770
<b>Assets total</b>	<b>2,973,077</b>	<b>270,616</b>	<b>56,371</b>	<b>11,762</b>	<b>3,370,459</b>	<b>3,372,258</b>

Liabilities (1,000 euros)				
30 Sep 2019	Other liabilities	Hedging derivatives	Carrying value, total	Fair value
Liabilities to credit institutions	83,728	-	83,728	83,728
Liabilities to customers	2,000,512	-	2,000,512	2,000,512
Debt securities issued to the public	901,716	-	901,716	901,716
Subordinated liabilities	15,200	-	15,200	15,200
<b>Total financial liabilities</b>	<b>3,001,156</b>	<b>-</b>	<b>3,001,156</b>	<b>3,001,156</b>
Non-financial liabilities			51,158	51,158
<b>Liabilities March 31, 2019</b>	<b>3,001,156</b>	<b>-</b>	<b>3,052,314</b>	<b>3,052,314</b>

## Note 4 Loans and other receivables

(1 000 euros)	30 Sep 2020	31 Dec 2019	30 Sep 2019
<b>Loans and advances to credit institutions</b>			
Deposits	43,044	45,262	41,106
Other	22,375	14,743	19,297
<b>Loans and advances to credit institutions, total</b>	<b>65,419</b>	<b>60,005</b>	<b>60,402</b>
<b>Loans and advances to the public and public sector entities</b>			
Loans	3,179,445	2,860,451	2,771,760
Utilised overdraft facilities	71,982	72,429	68,900
Loans intermediated through the State's assets	98	100	208
Credit cards	26,731	27,349	26,022
Bank guarantee receivables	297	27	61
<b>Loans and advances to the public and public sector entities, total</b>	<b>3,278,552</b>	<b>2,960,356</b>	<b>2,866,951</b>
<b>Loans and advances, total</b>	<b>3,343,971</b>	<b>3,020,361</b>	<b>2,927,354</b>

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 Sep 2020	31 Dec	30 Sep
<b>Fair value hedge</b>			
Interest rate derivatives	67	5,337	11,523
<b>Other hedging derivatives</b>			
Share and share index derivatives	603	297	239
<b>Total derivative assets</b>	<b>670</b>	<b>5,634</b>	<b>11,762</b>
<b>Liabilities (1,000 euros)</b>	<b>30 Sep 2020</b>	<b>31 Dec</b>	<b>30 Sep</b>
<b>Fair value hedge</b>			
Interest rate derivatives	-	-	-
Share and share index derivatives	-	-	-
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in the value of hedged object / Fair value hedge</b>	<b>-69</b>	<b>-6,131</b>	<b>-12,995</b>
<b>Change in the value of hedged object / Other hedging derivatives</b>	<b>-63</b>	<b>164</b>	<b>201</b>

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

### Nominal values of underlying items and fair values of derivatives (1,000 euros)

30 Sep 2020	Remaining maturity			Total	Fair values	
	Less than 1 year	1-5 years	Over 5		Assets	Liabilities
<b>Fair value hedge</b>	<b>15,000</b>	-	-	<b>15,000</b>	<b>67</b>	-
Interest rate swaps	15,000	-	-	15,000	69	-
Cva and Dva adjustments					-1	-
<b>Other hedging derivatives</b>	<b>14,342</b>	<b>66,880</b>	-	<b>81,222</b>	<b>603</b>	-
Share and share index derivatives	14,342	66,880	-	81,222	663	-
Cva and Dva adjustments					-60	-
<b>Derivatives total</b>	<b>29,342</b>	<b>66,880</b>	-	<b>96,222</b>	<b>670</b>	-

### Nominal values of underlying items and fair values of derivatives (1,000 euros)

31 Dec 2019	Remaining maturity			Total	Fair values	
	Less than 1 year	1-5 years	Over 5		Assets	Liabilities
<b>Fair value hedge</b>	<b>15,000</b>	<b>650,000</b>	-	<b>665,000</b>	<b>5,337</b>	-
Interest rate swaps	15,000	650,000	-	665,000	5,897	-
Cva and Dva adjustments					-561	-
<b>Other hedging derivatives</b>	<b>25,791</b>	<b>49,644</b>	-	<b>75,436</b>	<b>297</b>	-
Share and share index derivatives	25,791	49,644	-	75,436	423	-
Cva and Dva adjustments					-125	-
<b>Derivatives total</b>	<b>40,791</b>	<b>699,644</b>	-	<b>740,436</b>	<b>5,634</b>	-

### Nominal values of underlying items and fair values of derivatives (1,000 euros)

30 Sep 2019	Remaining maturity			Total	Fair values	
	Less than 1 year	1-5 years	Over 5		Assets	Liabilities
<b>Fair value hedge</b>	-	<b>665,000</b>	-	<b>665,000</b>	<b>11,523</b>	-
Interest rate swaps	-	665,000	-	665,000	12,585	-
Cva and Dva adjustments					-1,063	-
<b>Other hedging derivatives</b>	<b>25,791</b>	<b>49,644</b>	-	<b>75,436</b>	<b>239</b>	-
Share and share index derivatives	25,791	49,644	-	75,436	386	-
Cva and Dva adjustments					-147	-
<b>Derivatives total</b>	<b>25,791</b>	<b>714,644</b>	-	<b>740,436</b>	<b>11,762</b>	-



## Note 6 Investment assets

Investment assets (1,000 euros)	30 Sep 2020	31 Dec 2019	30 Sep 2019
<b>Measured at fair value through profit or loss</b>			
Debt securities	124	263	267
Shares and other equity instruments	37,175	54,615	56,104
<b>Assets measured at fair value through profit or loss, total</b>	<b>37,299</b>	<b>54,878</b>	<b>56,370</b>
<b>Measured at fair value through other comprehensive income</b>			
Debt securities	426,807	268,271	270,616
Shares and other equity instruments	-	-	-
<b>Measured at fair value through other comprehensive income, total</b>	<b>426,807</b>	<b>268,271</b>	<b>270,616</b>
<b>Investment properties</b>	<b>2,431</b>	<b>6,828</b>	<b>7,191</b>
<b>Total investment assets</b>	<b>466,538</b>	<b>329,977</b>	<b>334,178</b>

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 Sep 2020	31 Dec 2019	30 Sep 2019
<b>Cost January 1</b>	<b>12,634</b>	<b>12,635</b>	<b>12,635</b>
+ Increases	306	274	360
- Decreases	-6,799	-274	-370
<b>Cost at the end of the period</b>	<b>6,141</b>	<b>12,634</b>	<b>12,625</b>
<b>Accumulated depreciation and impairment losses</b>	<b>-5,806</b>	<b>-5,458</b>	<b>-5,458</b>
+/- Accumulated depreciation of decreases and transfers	1,475	143	152
- Depreciation	-178	-317	-221
+/- Impairment loss and their return	800	-174	93
<b>Accumulated depreciation and impairment at the end of the period</b>	<b>-3,709</b>	<b>-5,806</b>	<b>-5,433</b>
<b>Opening balance</b>	<b>6,828</b>	<b>7,176</b>	<b>7,176</b>
<b>Closing balance</b>	<b>2,431</b>	<b>6,828</b>	<b>7,191</b>

In line with its strategy, the company eased its real estate investment portfolio in June. The company is liquidating its real estate holdings to ease the ongoing expense burden associated with real estate, as well as the administrative process arising from property ownership. As a result of the sales of investment properties, the company recorded a sales loss of EUR 1.5 million.

30 Sep 2020 Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	Equity instruments				Debt-based				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	-	-	-	-	126,743	-	-	126,743	126,743
From others	-	11,882	-	11,882	298,358	-	-	298,358	310,240
Non-quoted									
From others	-	25,293	-	25,293	1,706	124	-	1,830	27,124
<b>Total</b>	-	<b>37,175</b>	-	<b>37,175</b>	<b>426,807</b>	<b>124</b>	-	<b>426,931</b>	<b>464,106</b>

31 Dec 2019 Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	Equity instruments				Debt-based				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
<b>Total</b>	-	<b>54,615</b>	-	<b>54,615</b>	<b>268,271</b>	<b>263</b>	-	<b>268,534</b>	<b>323,149</b>

30 Sep 2019 Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	Equity instruments				Debt-based				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	-	-	-	-	116,758	-	-	116,758	116,758
From others	-	35,699	-	35,699	152,315	-	-	152,315	188,014
Non-quoted									
From others	-	20,405	-	20,405	1,543	267	-	1,810	22,215
<b>Total</b>	-	<b>56,104</b>	-	<b>56,104</b>	<b>270,616</b>	<b>267</b>	-	<b>270,883</b>	<b>326,987</b>

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

(1,000 euros)	30 Sep 2020	31 Dec 2019	30 Sep 2019
<b>Liabilities to credit institutions</b>			
Liabilities to Central Banks	150,000	-	-
Repayable on demand	5,428	16,052	9,517
Other than repayable on demand	64,961	71,992	74,210
<b>Total liabilities to credit institutions</b>	<b>220,388</b>	<b>88,045</b>	<b>83,728</b>
<b>Liabilities to the public and public sector entities</b>			
Deposits	2,232,837	1,999,362	1,987,330
Repayable on demand	2,010,810	1,691,021	1,664,589
Other	222,027	308,341	322,742
Other financial liabilities	81	81	187
Other than repayable on demand	81	81	187
Changes in fair value in terms of borrowing	69	6,131	12,995
<b>Liabilities to the public and public sector entities, total</b>	<b>2,232,986</b>	<b>2,005,573</b>	<b>2,000,512</b>
<b>Liabilities to the public and public sector entities and liabilities to credit institutions, total</b>	<b>2,453,374</b>	<b>2,093,618</b>	<b>2,084,240</b>

The liabilities to Central Banks item is a TLTRO secured credit withdrawn on 24 June 2020. The loan matures 30 June, 2023, but repayment of it is possible as of 29 September, 2021. The determination of the interest rate is influenced by the average of the European Central Bank's deposit rate over the course of the loan, as well as the increase in the OmaSp's credit portfolio approved for monitoring. The interest rate on the loan will be reviewed after the loan matures.

## Note 8 Debt securities issued to the public

(1,000 euros)	30 Sep 2020	31 Dec 2019	30 Sep 2019
Bonds	951,598	772,074	771,847
Certificates of deposit	124,685	166,274	129,869
<b>Total debt securities issued to the public</b>	<b>1,076,283</b>	<b>938,348</b>	<b>901,716</b>

					Closing balance		
Maturity of bonds	Nominal value	Interest	Year of issue	Due date	30 Sep 2020	31 Dec 2019	30 Sep 2019
OmaSp Plc 3.4.2020	125,000	margin 0,880 %/variable	2017	4/3/2020	-	124,984	124,967
OmaSp Plc 12.12.2022, covered bond	350,000	0,125%/fixed	2017-2018	12/12/2022	348,888	348,512	348,385
OmaSp Plc 3.4.2024, covered bond	300,000	0,125%/fixed	2019	4/3/2024	298,828	298,578	298,495
OmaSp Plc 6.4.2023, covered bond	250,000	0,125%/fixed	2020	4/6/2023	248,887	-	-
OmaSp Plc 17.1.2024	55,000	margin 1% / variable	2020	17.1.2024	54,995	-	-
					<b>951,598</b>	<b>772,074</b>	<b>771,847</b>

Maturity of deposit certificates	less than 3 months	3-6 months	6-9 months	9-12 months	Closing balance, total
<b>30 Sep 2020</b>	27,994	55,979	40,712	-	<b>124,685</b>
<b>31 Dec 2019</b>	47,489	45,979	46,433	26,373	<b>166,274</b>
<b>30 Sep 2019</b>	44,995	27,476	15,980	41,418	<b>129,869</b>

## Note 9 Net interest income

(1,000 euros)	1-9/2020	1-9/2019	1-12/2019	2020 Q3	2019 Q3
<b>Interest income</b>					
Loans and advances to the public and public sector entities	47,650	43,031	58,312	16,445	14,938
Debt securities	1,423	1,608	2,148	551	546
Derivatives	2,959	1,858	2,359	1,405	628
Other interest income	673	453	531	327	170
<b>Total interest income</b>	<b>52,704</b>	<b>46,950</b>	<b>63,351</b>	<b>18,729</b>	<b>16,281</b>
<b>Interest expenses</b>					
Liabilities to credit institutions	-214	-317	-402	-63	-88
Liabilities to the public and public sector entities	-709	-1,409	-1,798	-97	-405
Debt securities issued to the public	-2,059	-2,116	-2,761	-766	-682
Subordinated liabilities	-140	-242	-289	-47	-47
Other interest expenses	-653	-363	-577	-218	-190
<b>Total interest expenses</b>	<b>-3,775</b>	<b>-4,447</b>	<b>-5,828</b>	<b>-1,190</b>	<b>-1,413</b>
<b>Net interest income</b>	<b>48,929</b>	<b>42,503</b>	<b>57,522</b>	<b>17,539</b>	<b>14,868</b>

## Note 10 Fee and commission income and

(1,000 euros)	1-9/2020	1-9/2019	1-12/2019	2020 Q3	2019 Q3
<b>Fee and commission income</b>					
Lending	7,603	7,785	10,355	2,465	2,486
Deposits	46	61	73	15	16
Card and payment transactions	12,058	9,996	13,386	4,242	3,395
Intermediated securities	111	72	98	30	20
Funds	2,070	1,801	2,460	693	636
Legal services	359	520	681	122	167
Brokered products	1,126	981	1,328	348	334
Granting of guarantees	673	647	884	222	239
Other fee and commission income	517	528	715	176	184
<b>Total fee and commission income</b>	<b>24,564</b>	<b>22,391</b>	<b>29,981</b>	<b>8,314</b>	<b>7,477</b>
<b>Fee and commission expenses</b>					
Card and payment transactions	-2,941	-2,434	-3,442	-1,198	-869
Securities	-32	-150	-157	-8	-21
Other fee and commission expenses	-665	-721	-967	-225	-92
<b>Total fee and commission expenses</b>	<b>-3,638</b>	<b>-3,305</b>	<b>-4,567</b>	<b>-1,431</b>	<b>-982</b>
<b>Fee and commission income and expenses, net</b>	<b>20,925</b>	<b>19,087</b>	<b>25,414</b>	<b>6,883</b>	<b>6,495</b>

## Note 11 Net income on financial assets and financial liabilities

(1,000 euros)	1-9/2020	1-9/2019	1-12/2019	2020 Q3	2019 Q3
<b>Net income on financial assets measured at fair value through profit or loss</b>					
Debt securities					
Capital gains and losses	-	-	-	-	-
Valuation gains and losses	-139	4	-	-1	4
<b>Total debt securities</b>	<b>-139</b>	<b>4</b>	<b>-</b>	<b>-1</b>	<b>4</b>
Shares and other equity instruments					
Dividend income	182	1,366	1,393	32	46
Capital gains and losses	-118	103	489	-	13
Valuation gains and losses	622	5,992	6,765	1,176	64
<b>Total shares and other equity instruments</b>	<b>685</b>	<b>7,461</b>	<b>8,647</b>	<b>1,207</b>	<b>123</b>
<b>Net income on financial assets measured at fair value through profit or loss, total</b>	<b>546</b>	<b>7,465</b>	<b>8,647</b>	<b>1,207</b>	<b>127</b>
<b>Net income on financial assets measured at fair value through other comprehensive income</b>					
Debt securities					
Capital gains and losses	39	131	131	1	-
Difference in valuation reclassified from the fair value reserve to the income statement	8,005	-120	-120	-1	-
<b>Total debt securities</b>	<b>8,044</b>	<b>11</b>	<b>11</b>	<b>-</b>	<b>-</b>
<b>Net income on financial assets measured at fair value through other comprehensive income, total</b>	<b>8,044</b>	<b>11</b>	<b>11</b>	<b>-</b>	<b>-</b>
<b>Net income from investment properties (1,000 euros)</b>					
Rent and dividend income	304	539	709	63	182
Capital gains and losses	-1,238	-60	-60	68	-20
Other gains from investment properties	6	8	10	1	1
Maintenance expenses	-513	-679	-865	-98	-205
Depreciation and impairment on investment properties	-751	-197	-560	-93	-27
Rent expenses on investment properties	-	-1	-13	-	-
<b>Net income from investment properties, total</b>	<b>-2,193</b>	<b>-390</b>	<b>-780</b>	<b>-59</b>	<b>-70</b>
<b>Net gains on trading in foreign currencies</b>	<b>-90</b>	<b>77</b>	<b>23</b>	<b>-99</b>	<b>72</b>
<b>Net gains from hedge accounting</b>	<b>119</b>	<b>-297</b>	<b>-121</b>	<b>-218</b>	<b>-345</b>
<b>Net income from trading</b>	<b>809</b>	<b>-786</b>	<b>-262</b>	<b>893</b>	<b>-57</b>
<b>Net income on financial assets and financial liabilities, total</b>	<b>7,235</b>	<b>6,080</b>	<b>7,518</b>	<b>1,723</b>	<b>-272</b>

In line with its strategy, the company eased its real estate investment portfolio in June. The company is liquidating its real estate holdings to ease the ongoing expense burden associated with real estate, as well as the administrative process arising from property ownership. As a result of the sales of investment properties, the company recorded a sales loss of EUR 1.5 million.

## Note 12 Impairment losses on financial assets

(1 000 euros)	1-9/2020	1-9/2019	1-12/2019	2020 Q3	2019 Q3
ECL from advances to customers and off-balance sheet items	-4,823	-4,501	-6,649	83	-2,157
ECL from debt instruments	-94	-27	-112	-126	6
<b>Expected credit losses, total</b>	<b>-4,917</b>	<b>-4,528</b>	<b>-6,761</b>	<b>-42</b>	<b>-2,152</b>
<b>Final credit losses</b>					
Final credit losses	-9,225	-1,460	-2,888	-1,583	-244
Refunds on realised credit losses	158	65	82	95	25
<b>Recognised credit losses, net</b>	<b>-9,067</b>	<b>-1,395</b>	<b>-2,806</b>	<b>-1,489</b>	<b>-219</b>
<b>Impairment on receivables, total</b>	<b>-13,984</b>	<b>-5,923</b>	<b>-9,567</b>	<b>-1,531</b>	<b>-2,371</b>

Reconciliations from the opening and closing balances of the expected credit losses have been formed from 1 January 2020 and 30 September 2020 on the basis of changes in euro denominated loan exposures and expected credit losses.

### Expected credit losses, loans and advances

				30 Sep 2020	30 Sep 2019	31 Dec 2019
Loans and advances to credit institutions and to public and general government, at amortised cost (1 000 euros)	Stage 1	Stage 2	Stage 3	Total	Total	Total
<b>Expected credit losses 1 January</b>	<b>2,407</b>	<b>3,186</b>	<b>12,612</b>	<b>18,205</b>	<b>11,577</b>	<b>11,577</b>
Transfer to stage 1	84	-117	120	87	-78	339
Transfer to stage 2	-158	1,132	-793	181	337	118
Transfer to stage 3	-61	-196	3,853	3,596	4,254	5,594
New debt securities	895	420	489	1,803	1,223	2,422
Matured debt securities	-261	-777	-3,737	-4,776	-3,247	-4,467
Realised credit losses	-750	-485	-1,672	-2,907	-574	-1,172
Recoveries on previous realised credit losses	-3	21	-36	-19	-	6
Changes in credit risk	-378	258	6,096	5,975	2,453	1,948
Changes in the ECL model parameters	-57	-262	-32	-351	-	1,319
Changes based on management estimates	-289	1,398	-173	937	33	520
<b>Expected credit losses</b>	<b>1,429</b>	<b>4,577</b>	<b>16,727</b>	<b>22,733</b>	<b>15,980</b>	<b>18,205</b>

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.

				30 Sep 2020	30 Sep 2019	31 Dec 2019
Off-balance sheet commitments (1 000 euros)	Stage 1	Stage 2	Stage 3	Total	Total	Total
<b>Expected credit losses 1 January</b>	<b>377</b>	<b>122</b>	<b>115</b>	<b>614</b>	<b>594</b>	<b>594</b>
Transfer to stage 1	33	-19	-3	11	-	7
Transfer to stage 2	-10	14	-4	-	-	-
Transfer to stage 3	-	-	-	-	-	-
New debt securities	196	312	62	569	351	297
Matured debt securities	-204	-55	-49	-308	-253	-292
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	-1	23	2	24	-	8
Changes in the ECL model parameters	-	-	-	-	-	-
Changes based on management estimates	-	-	-	-	-	-
<b>Expected credit losses</b>	<b>390</b>	<b>397</b>	<b>124</b>	<b>910</b>	<b>692</b>	<b>614</b>

## Expected credit losses, investment assets

				30 Sep 2020	30 Sep 2019	31 Dec 2019
Debt securities, at amortised cost (1 000 euros)	Stage 1	Stage 2	Stage 3	Total	Total	Total
<b>Expected credit losses 1 January</b>	<b>569</b>	<b>91</b>	-	<b>660</b>	<b>548</b>	<b>548</b>
Transfer to stage 1	-	-	-	-	-12	-14
Transfer to stage 2	-72	55	-	-17	-	-
Transfer to stage 3	-	-	-	-	-	-
New debt securities	358	205	-	563	54	73
Matured debt securities	-415	-45	-	-460	-12	-11
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	1,541	16	-	1,557	-3	24
Changes in the ECL model parameters	-415	-	-	-415	-	39
Changes based on management estimates	-1,133	-	-	-1,133	-	-
<b>Expected credit losses</b>	<b>433</b>	<b>321</b>	-	<b>754</b>	<b>575</b>	<b>660</b>

## Note 13 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)	30 Sep 2020							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>At fair value through profit or loss</b>								
Equity securities	11,882	1,778	23,516	37,175				
Debt securities	40	-	84	124				
Derivatives	-	670	-	670				
<b>At fair value through other comprehensive income</b>								
Debt securities	426,807	-	-	426,807				
<b>Financial assets total</b>	<b>438,729</b>	<b>2,448</b>	<b>23,600</b>	<b>464,776</b>				

Financial assets (1 000 euros)	31 Dec 2019				30 Sep 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Measured at fair value through profit or loss</b>								
Equity securities	29,305	1,763	23,547	54,615	35,699	1,665	18,741	56,104
Debt securities	179	-	84	263	183	-	84	267
Derivatives	-	5,634	-	5,634	-	11,762	-	11,762
<b>Measured at fair value through other comprehensive income</b>								
Debt securities	268,271	-	-	268,271	265,333	-	5,284	270,616
<b>Financial assets total</b>	<b>297,755</b>	<b>7,397</b>	<b>23,631</b>	<b>328,783</b>	<b>301,214</b>	<b>13,426</b>	<b>24,108</b>	<b>338,749</b>



## Investment transactions, categorised to Level 3

Financial assets at fair value through profit or loss (1,000 euros)	30 Sep 2020			31 Dec 2019			30 Sep 2019		
	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total
<b>Opening balance</b>	<b>23,547</b>	<b>84</b>	<b>23,631</b>	<b>20,003</b>	<b>84</b>	<b>20,087</b>	<b>20,003</b>	<b>84</b>	<b>20,087</b>
+ Acquisitions	-	-	-	7,450	-	7,450	-	-	-
- Sales	-2	-	-2	-9,199	-	-9,199	-6,556	-	-6,556
- Matured during the year	-	-	-	-	-	-	-	-	-
Realised changes in value									
+/- recognised on the income statement	2	-	2	5,427	-	5,427	-2	-	-2
Unrealised changes in value									
+/- recognised on the income statement	-31	-	-31	-135	-	-135	5,295	-	5,295
+ Transfers to Level 3	-	-	-	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>23,516</b>	<b>84</b>	<b>23,600</b>	<b>23,547</b>	<b>84</b>	<b>23,631</b>	<b>18,741</b>	<b>84</b>	<b>18,824</b>

At fair value through other comprehensive income (1,000 euros)	30 Sep 2020			31 Dec 2019			30 Sep 2019		
	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total
<b>Opening balance</b>	-	-	-	-	<b>289</b>	<b>289</b>	-	<b>289</b>	<b>289</b>
+ Acquisitions	-	-	-	-	4,965	4,965	-	4,965	4,965
- Sales	-	-	-	-	3	3	-	-	-
- Matured during the year	-	-	-	-	-	-	-	-	-
Realised changes in value									
recognised on the income statement	-	-	-	-	-	-	-	-	-
Unrealised changes in value									
recognised on the income statement	-	-	-	-	315	315	-	319	319
Changes in value recognised in									
+/- other comprehensive income	-	-	-	-	-	-	-	-	-
+ Transfers to Level 3	-	-	-	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-5,573	-5,573	-	-289	-289
<b>Closing balance</b>	-	-	-	-	-	-	-	<b>5,284</b>	<b>5,284</b>

## Sensitivity analysis for financial assets on Level 3

(1,000 euros)

(1,000 euros)		30 Sep 2020			31 Dec 2019			30 Sep 2019		
		Potential impact on equity			Potential impact on equity			Potential impact on equity		
		Market value	Positive	Negative	Market value	Positive	Negative	Market value	Positive	Negative
Equity securities	Hypo- thetical change									
At fair value through profit or loss	+/- 15%	23,516	3,527	-3,527	23,547	3,532	-3,532	18,741	2,811	-2,811
At fair value through other comprehensive income	+/- 15 %	-	-	-	-	-	-	-	-	-
Total		23,516	3,527	-3,527	23,547	3,532	-3,532	18,741	2,811	-2,811

	Hypo- thetical change	30 Sep 2020			31 Dec 2019			30 Sep 2019		
		Potential impact on equity			Potential impact on equity			Potential impact on equity		
		Market value	Positive	Negative	Market value	Positive	Negative	Market value	Positive	Negative
Debt securities										
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 %	-	-	-	-	-	-	5,284	793	-793
Total		84	13	-13	84	13	-13	5,368	805	-805

## Note 14 Investments in associates and joint ventures

### Acquisition during the 2020 accounting period

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

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

The total value of the capital investment and share ownership is EUR 2 million.

### 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.

## Note 15 Significant events after the period

On 6 November 2020, the company completed the transaction agreed with the Savings Bank Group earlier this year under which the company will sell all its shares of Nooa Savings Bank Ltd, Sb Life Insurance Ltd, Sb-Fund Management Company Ltd, Säästöpankkien Holding Oy and Central Bank of Savings Banks Finland Plc. The deal included 73,414pc of Nooa Savings Bank Ltd shares, of which 4,840 shares are still subject to ECB approval. The transaction will have a positive profit impact of around EUR 1.9 million on the company's result for the financial year 2020.

In October, the company acquired 42.1% of City Kauppapaikat Oy's common stock. City Kauppapaikat Oy is a real estate investment company that in the group is treated as an associated company.

## 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, %

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

### Comparable cost/income ratio, %

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

### Comparable profit before taxes

Profit/loss before taxes without items effecting comparability

### Return on equity, ROE %

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

### Comparable return on equity, ROE %

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

### Total return on assets, ROA %

$$\frac{\text{Profit/loss of the accounting period}}{\text{Average balance sheet total (average of the beginning and the end of the year)}} \times 100$$

### 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

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

# 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 30 September 2020, condensed consolidated income statement, statement of comprehensive income, changes in equity, and cash flows for the nine months ended 30 September 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 30 September 2020 and for the nine month period ended 30 September 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.

Helsinki, 9 November 2020

KPMG OY AB

Fredrik Westerholm  
Authorized Public Accountant, KHT



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