



Q3/2023

Oma Savings Bank Group
Interim Report 30 September 2023



Interim Report 30 September 2023 is a translation of the original Finnish version "Osavuositarkastus 30.9.2023". If discrepancies occur, the Finnish version is dominant.

Oma Savings Bank Group's Interim Report Jan–Sep 2023

- In January–September, net interest income grew strongly by 88.6% compared to the previous year. Net interest income totalled EUR 140.1 (74.3) million. Net interest income was increased especially by the rise of market interest rates, and in addition, the volumes that have increased since March with the acquisition of Liedon Savings Bank's business.
- In the third quarter, net interest income increased by 102.7% compared to the comparative period and totalled EUR 54.7 (27.0) million.
- Home mortgage portfolio increased by 24.4% during the previous 12 months. Corporate loan portfolio increased by 17.3% during the previous 12 months.
- Deposit base grew by 29.0% over the previous 12 months.
- In January–September, fee and commission income and expenses (net) item increased due to volume growth by 13.1%. In the third quarter, fee and commission income and expenses (net) item grew by 20.2% compared to the previous year.
- In January–September, total operating income grew by 71.8% and in the third quarter 81.9% compared to the previous year. The acquisition of Liedon Savings Bank's business has had a positive impact on the development of net interest income and fee and commission income due to increased volumes.
- Total operating expenses grew in total by 23.4% during the beginning of the year and by 17.1% in the third quarter. The increase in expenses during the beginning of the year can be explained by the expanded branch network due to the corporate restructuring, increased authority fees and IT development costs.
- In the third quarter, the impairment losses on financial assets grew as the general economic situation weakened and were in total EUR -5.5 (-1.6) million. The Company has continued to prepare for the uncertainty of the economic environment and EUR 2.2 million of the impairment losses can be explained by additional allowance based on the management's judgement and a one-off item.
- In January–September, profit before taxes grew and was in total EUR 102.5 (49.9) million. The growth was 105.2% compared to the previous year.
- For the third quarter, profit before taxes grew 127.9% and was in total EUR 40.5 (17.8) million.
- In January–September, comparable profit before taxes grew 90.3% compared to the previous year and was in total EUR 104.8 (55.1) million.
- In the third quarter, comparable profit before taxes grew 121.1% and was EUR 41.8 (18.9) million.
- In January–September, cost/income ratio improved and was 37.4 (51.9)%. Also comparable cost/income improved and was 36.0 (49.5)%.
- In the third quarter, cost/income ratio improved and was 30.1 (46.7)%. Also comparable cost/income ratio improved and was 29.2 (45.3)%.
- Comparable return on equity (ROE) improved and was 25.7 (15.7)% for January–September and 27.4 (17.1)% in the third quarter.

Outlook for the financial year 2023 (unchanged)

The Company estimates that profitable growth will continue to be strong. The Group's 2023 comparable profit before taxes will increase significantly compared to the previous financial year and will exceed EUR 100 million.

More about the outlook in the Interim Report on page 23.

The Group's key figures (1,000 euros)	1-9/2023	1-9/2022	Δ %	1-12/2022	2023 Q3	2022 Q3	Δ %
Net interest income	140,138	74,296	89%	104,930	54,679	26,981	103%
Fee and commission income and expenses, net	35,234	31,154	13%	39,396	12,226	10,173	20%
Total operating income	179,877	104,673	72%	144,392	65,999	36,287	82%
Total operating expenses	-67,066	-54,353	23%	-73,062	-19,824	-16,930	17%
Impairment losses on financial assets, net	-9,857	-431	2,184%	-1,747	-5,548	-1,557	256%
Profit before taxes	102,501	49,941	105%	69,226	40,506	17,772	128%
Cost/income ratio, %	37.4%	51.9%	-28%	50.7 %	30.1%	46.7%	-36%
Balance sheet total	7,071,703	5,849,001	21%	5,941,766	7,071,703	5,849,001	21%
Equity	505,290	350,730	44%	364,961	505,290	350,730	44%
Return on assets (ROA) %	1.7%	1.0%	68%	1.0%	1.8%	1.0%	84%
Return on equity (ROE) %	25.1%	14.2%	77%	14.5%	26.5%	16.1%	65%
Earnings per share (EPS), EUR	2.59	1.34	94%	1.85	0.97	0.47	106%
Total capital (TC) ratio %	16.6%	13.8%	20%	14.9%	16.6%	13.8%	20%
Common Equity Tier 1 (CET1) capital ratio %	14.8%	13.0%	14%	13.3%	14.8%	13.0%	14%
Comparable profit before taxes	104,819	55,092	90%	75,850	41,840	18,921	121%
Comparable cost/income ratio, %	36.0%	49.5%	-27%	48.0%	29.2%	45.3%	-35%
Comparable return on equity (ROE) %	25.7%	15.7%	64%	15.8%	27.4%	17.1%	60%



**Q3/2023
Comparable
cost/income ratio
29.2%**

CEO's review

Third quarter comparable profit before taxes increased by 121% and comparable ROE increased to 27.4%

OmaSp's business development has continued to be very strong throughout the year. The third quarter was the best in the Company's history in terms of results, and the profit for nine months exceeds EUR 100 million for the first time. Profit development has been boosted by the acquisition carried out in the beginning of the year, the increase in volumes, and the rise in market interest rates. The stream of customers has continued to be strong despite the challenging cyclical situation and over a thousand new customer relationships have been established each month during the third quarter.

**Q3/2023
Comparable profit
before taxes EUR
41.8 million**

During the third quarter, net interest income increased by 103% compared to the previous year. In addition to volume growth, the normalisation of the interest rate environment contributes to strong growth. The rise in fee and commission income and expenses has also continued in the third quarter and fee and commission income and expenses increased by 20% compared to the previous year.

OmaSp's business development at the beginning of the year can be seen as significant increase in equity. The equity exceeded 500 million for the first time, being approximately EUR 505 million at the end of September. For the third quarter, the comparable return on equity (ROE%) rose to 27.4%, and

for the beginning of the year the comparable return on equity (ROE%) to 25.7%. The comparable cost/income ratio also improved significantly and, for the first time in the third quarter, reached below 30% and was 29.2%. For the beginning of the year, the comparable cost/income ratio was 36.0% including authority fees.

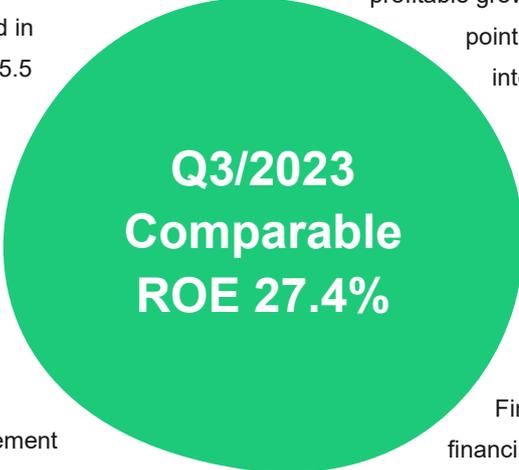
OmaSp continues to prepare for the weakening cyclical situation, and in the third quarter, a total of EUR 5.5 million were recorded in credit losses, of which additional allowances for changes in the economic environment and a one-off item amounted to EUR 2.2 million. The development of credit losses is at the expected level, and our focus is on the effective management of credit risks and securing our customers' finances. The liquidity situation is also strong, and the refinancing market has worked well for banks with high credit ratings.

For the third quarter, the comparable profit before taxes grew by 121% compared to the comparison period and

was EUR 41.8 million. For the beginning of the year, the comparable profit before taxes grew by 90% and was nearly EUR 105 million.

Profitable growth at the core of the business – now and in the future

We will continue to implement our strategy and focus on profitable growth and operational efficiency. From the point of view of the owners, there are again interesting things ahead. The project on the application of the IRB approach in capital adequacy is progressing, and in addition, the acquisition of Handelsbanken's Finnish SME business is on the horizon in the autumn of 2024. OmaSp has recently been the most profitable bank in Finland, and we continue the current financial year from excellent starting points. Our eyes are already focused strongly on the future and on the measures, we can take to ensure the bank's success in the future as well.



**Q3/2023
Comparable
ROE 27.4%**

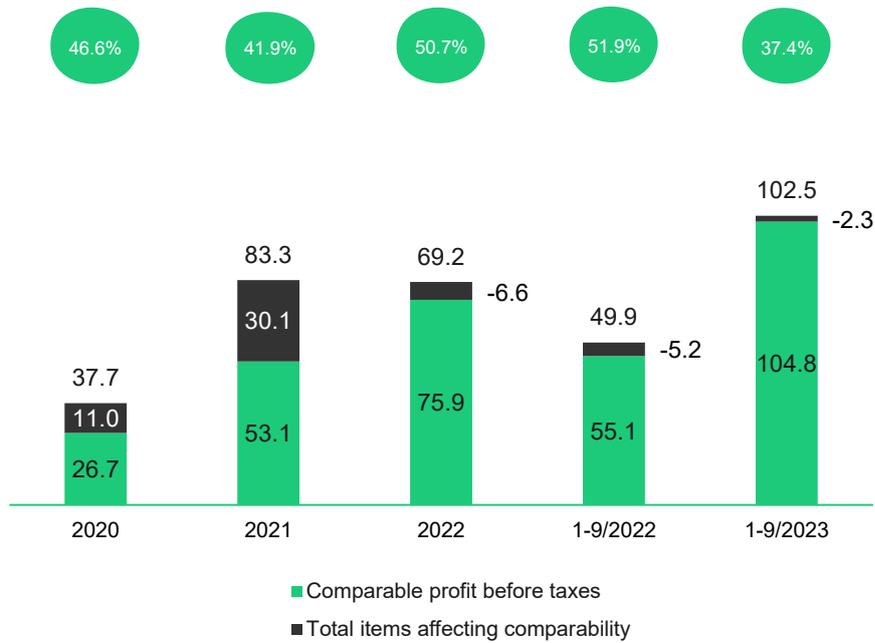


Pasi Sydänlammi
CEO

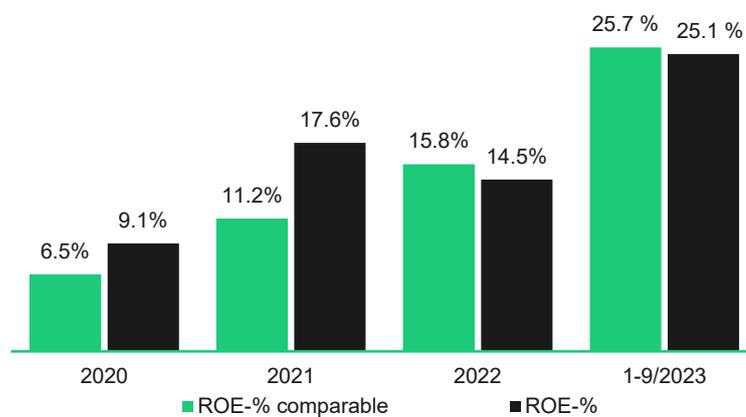
A profitably growing Finnish bank

Profit before taxes, EUR mill.

Cost/income
ratio



Return on equity (ROE) %



Balance sheet total, EUR mill.

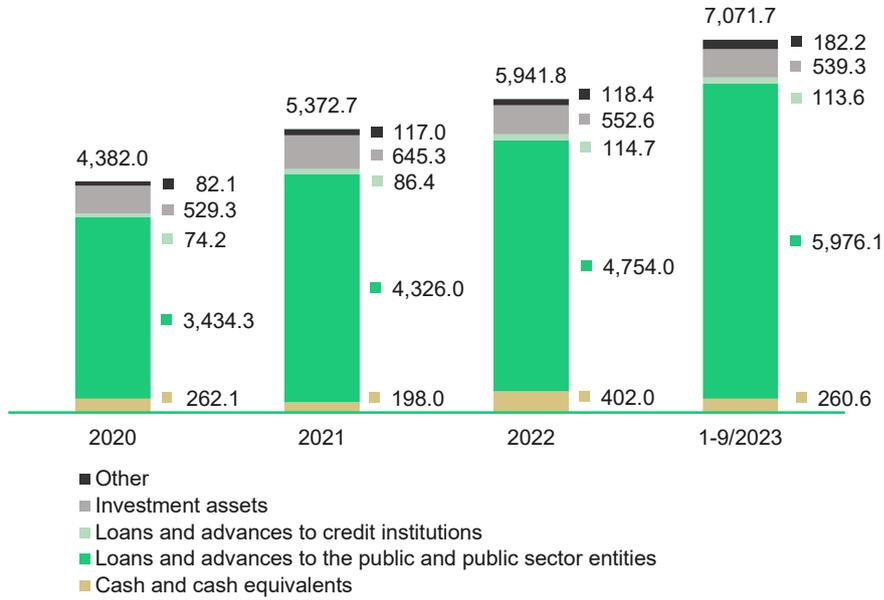
Growth

28.3%

22.6%

10.6%

19.0%



Total operating income, EUR mill.

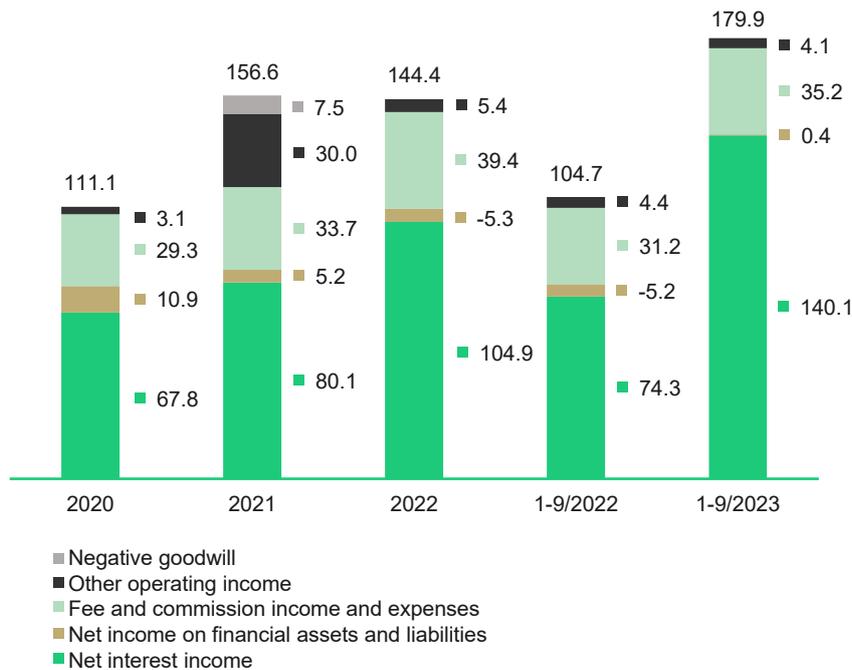
Growth

20.0%

41.0%

-7.8%

71.8%



Significant events during the period

- In May, the Company and Handelsbanken AB agreed on an arrangement whereby the Company acquires Handelsbanken's SME enterprise operations in Finland. The transaction is expected to be finalised during the second half of the year 2024. The exact date will be specified later. The size of the deposit base transferring to the Company is approximately EUR 1.2 billion and the lending volume is approximately EUR 460 million in the situation on 31 March 2023. The target of the business transaction is in total approximately 14,000 SME customers. In addition, personal banking services of entrepreneurs will be transferred, which are not included in the above figures. At the same time, around 40 people from Handelsbanken will be transferred to the Company as old employees. Authority approval for the transaction was received on 24 July 2023.
- The Company announced the commencement of the acquisition of its own shares on 27 September 2023. A maximum of 100,000 own shares will be acquired in one or more tranches, corresponding to approximately 0.3% of the Company's shares and votes.
- In June, the Company's Board of Directors updated its medium-term (3–5 years) financial goals for Return on equity and for Capital adequacy as part of its strategy process. The updated target level of the Company's Comparable Return on equity (ROE) is at least 16% instead of the previous 10%. The updated target level for the Common Equity Tier 1 (CET1) capital ratio is at least 2 percentage points above the regulatory requirement instead of the previous target of at least 14%. The updated target levels are effective from 1 July 2023.
- In June, the representatives of the five largest shareholders have been appointed to the Nomination Committee of the Company: Raimo Härmä, appointed by Etelä-Karjalan Säästöpankkisäätiö, Ari Lamminmäki, appointed by Parkanon Säästöpankkisäätiö, Jouni Niuro, appointed by Liedon Säästöpankkisäätiö, Aino Lamminmäki, appointed by Töysän Säästöpankkisäätiö and Simo Haarajärvi, appointed by Kuortaneen Säästöpankkisäätiö.
- In February, the Company issued a covered bond of EUR 350 million and a covered bond increase (tap issue) of EUR 250 million in April. The loans were issued under Company's EUR 3 billion bond program.
- As planned, the Company carried out the acquisition of Liedon Savings Bank's banking business at the turn of February and March. The acquisition increased the Company's balance sheet by a total of EUR 1,448.0 million and the number of customers grew to more than 200,000 customers. The acquisition of the business is estimated to have a significant positive impact on the Company's annual profitability and is expected to increase the Company's profit before taxes by approximately EUR 15–20 million annually over the next few years. In the longer term, business in the Turku economic area is expected to significantly increase the Company's earnings. The Company's branch network strengthened with nine new units located in the city of Turku and in Southwest Finland.
- In its decision on 27 February 2023, the Finnish Financial Supervisory Authority (FIN-FSA) maintained the SREP requirement for Oma Savings Bank Plc based on the supervisory authority's estimate at 1,5% unchanged. The decision is valid until further notice from 30 June 2023, but no later than 30 June 2026.
- On 30 March 2023, The Finnish Financial Supervisory Authority (FIN-FSA) imposed on the Company an additional capital requirement of 1.0% to be covered by Consolidated common equity (systematic risk buffer requirement), in accordance with Chapter 10 Section 4a and

Section b set by the Credit Institution Act. The requirements for Finnish banks will take effect on 1 April 2024. The Company meets the new requirements of the authorities already today.

- During the first quarter, the Company issued a EUR 20 million debenture loan, which was fully subscribed before the end of the sale period.
- At the end of the year 2022, the Company announced that it would begin to apply the Mortgage Credit Bank and Covered Bonds Act (151/2022), effective 8 July 2022, on its already issued bonds. At the same time the Company initiated a consent solicitation procedure for its investors. According to the Company's announcement, the necessary consents were received in January and the Company began applying the new law for Mortgage Banking on 20 January 2023.

Oma Savings Bank Group's key figures

(1,000 euros)	1-9/2023	1-9/2022	Δ %	1-12/2022	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3
Net interest income	140,138	74,296	89%	104,930	54,679	49,236	36,224	30,634	26,981
Fee and commission income and expenses, net	35,234	31,154	13%	39,396	12,226	12,555	10,453	8,242	10,173
Total operating income	179,877	104,673	72%	144,392	65,999	63,181	50,697	39,719	36,287
Total operating expenses	-67,066	-54,353	23%	-73,062	-19,824	-21,674	-25,568	-18,709	-16,930
¹⁾ Cost/income ratio, %	37.4%	51.9%	-28%	50.7 %	30.1%	34.4%	50.7%	47.6%	46.7%
Impairment losses on financial assets, net	-9,857	-431	2,184%	-1,747	-5,548	-2,714	-1,595	-1,315	-1,557
Profit before taxes	102,501	49,941	105%	69,226	40,506	38,699	23,296	19,285	17,772
Profit/loss for the accounting period	81,866	40,118	104%	55,379	32,325	30,870	18,671	15,262	14,186
Balance sheet total	7,071,703	5,849,001	21%	5,941,766	7,071,703	7,014,730	7,298,953	5,941,766	5,849,001
Equity	505,290	350,730	44%	364,961	505,290	470,229	437,357	364,961	350,730
¹⁾ Return on assets (ROA) %	1.7%	1.0%	68%	1.0 %	1.8 %	1.7%	1.1%	1.0%	1.0%
¹⁾ Return on equity (ROE) %	25.1%	14.2%	77%	14.5 %	26.5 %	27.2%	18.6%	17.1%	16.1%
¹⁾ Earnings per share (EPS), EUR	2.59	1.34	94%	1.85	0.97	0.93	0.59	0.51	0.47
¹⁾ Equity ratio %	7.1%	6.0%	19%	6.1 %	7.1 %	6.7%	6.0%	6.1%	6.0%
¹⁾ Total capital (TC) ratio %	16.6%	13.8%	20%	14.9 %	16.6 %	16.0%	15.5%	14.9%	13.8%
¹⁾ Common Equity Tier 1 (CET1) capital ratio %	14.8%	13.0%	14%	13.3 %	14.8 %	14.1%	13.6%	13.3%	13.0%
¹⁾ Tier 1 (T1) capital ratio %	14.8%	13.0%	14%	13.3 %	14.8 %	14.1%	13.6%	13.3%	13.0%
^{1) 2)} Liquidity coverage ratio (LCR) %	153.6%	153.3%	0%	159.9 %	153.6 %	149.9%	126.2%	159.9 %	153.3%
¹⁾ Net Stable Funding Ratio (NSFR) %	116.4%	110.6%	5%	115.3 %	116.4%	121.0%	118.0%	115.3%	110.6%
Average number of employees	438	351	25%	352	476	464	375	359	359
Employees at the end of the period	463	351	32%	357	463	482	428	351	351
Alternative performance measures excluding items affecting comparability:									
¹⁾ Comparable profit before taxes	104,819	55,092	90%	75,850	41,840	38,822	24,157	20,758	18,921
¹⁾ Comparable cost/income ratio, %	36.0%	49.5%	-27%	48.0%	29.2%	33.7%	47.9%	44.1%	45.3%
¹⁾ Comparable earnings per share (EPS), EUR	2.65	1.48	80%	2.02	1.01	0.93	0.61	0.55	0.50
¹⁾ Comparable return on equity (ROE) %	25.7%	15.7%	64%	15.8 %	27.4%	27.3%	19.3%	18.4%	17.1%

1) Calculation principles of alternative performance measures and key figures are presented in Note 18 of the Interim Report. Comparable profit calculation is presented in the Income Statement.

2) LCR calculation adjusted retrospectively as of 31 December 2022.

Operating environment

According to the Bank of Finland's forecast, Finland is in recession in 2023. Rising prices and interest rates and weakened export demand weigh on growth. According to the forecast, the long-term good development in employment will stop. The rise in interest rates will dampen the growth of both investments and private consumption in the next few years as well. ⁽¹⁾ The year-on-year change in consumer prices calculated by Statistics Finland was 5.5% in September. The rise in inflation was influenced, among other things, by the rise in the average interest rate on mortgages, by the rise in the interest rates on consumer loans and by the rise of prices on district heating. ⁽³⁾

Slowing inflation and growth in earnings support the purchasing power of households. ⁽¹⁾ Inflation slows down further but, according to estimates, not yet to the extent desired. Therefore, the European Central Bank raised each of the three key interest rates by 0.25 percentage points as expected in September. The ECB aims to ensure that inflation remains at an average level of 2% in the medium term. ⁽²⁾ Financial conditions in Finland have tightened further during 2023 and the interest rates have continued to rise. During January–September, the quotation of the 12-month Euribor rate has risen approximately by 0.9 percentage points. ⁽¹⁰⁾

The rise of prices, the tightened monetary policy and weak export demand have influenced the economic growth of Finland. According to the preliminary calculations of the Bank of Finland, the GDP is predicted to decrease 0.2% in 2023 and in 2024, the economic growth is expected to be only 0.2%. In 2025, the economic growth is predicted to pick up to 1.4%. ⁽¹⁾

The seasonally adjusted savings rate of households remained approximately at the same level as in the previous quarter and was 0.9% in April–June. In the second quarter, the households' disposable income and consumption expenditure grew slightly compared to the previous quarter. The increase in consumption expenditure was particularly affected by high inflation.

Households' disposable income grew by 10.2% and, adjusted for price changes, by 4.9% year-on-year. The investment rate decreased by 12.8% from the previous quarter. Majority of the investments of households is directed in housing investments. The corporate investment rate remained at the level of the previous quarter. ⁽⁴⁾

According to Statistics Finland, there were 15,000 employed persons aged 15 to 74 in September and 9,000 more unemployed than a year ago. In September 2023, the employment rate was 74.1% and the unemployment rate was 7.0%. ⁽⁵⁾

According to Statistics Finland's preliminary data, prices of old share dwellings in the whole country decreased by 6.2% compared to previous year. Prices dropped the most in the capital region, where they fell by 8.3% year-on-year. In the six largest cities, prices of old share dwellings decreased by 7.0% in August and in the rest of Finland by 4.7% compared to last year. At the same time, 27% fewer deals of block and flats and terraced houses were made through real estate agents compared to the previous year. ⁽⁶⁾

In August, mortgage withdrawals were made in total of EUR 1.1 billion which is EUR 340 million less than in the previous year. The medium interest rate of new mortgages was 4.55%. The annual growth of all loans granted to households reduced by 1.3% in August as well as the number of corporate loans decreased by 0.1%. The amount of household deposits reduced by 3.4% compared to the previous year. At the end of August, a total of 4.1% of the stock loans granted to Finnish companies in the construction sector was classified as non-performing. The share of non-performing corporate loans rose slightly compared to the previous year and was 1.9%. ⁽⁷⁾

In January–September 2023, the number of bankruptcies filed increased by 19% compared to the previous year. ⁽⁸⁾ During June–August, the number of new building permits granted decreased by 42% compared to the previous year and was 6.0 million cubic meters. ⁽⁹⁾

¹⁾Bank of Finland, *Economic recovery will be delayed. Published on 15 September 2023.*

²⁾Bank of Finland, *ECB Monetary policy decisions. Published on 14 September 2023.*

³⁾Statistics Finland, *Inflation 5.5% in September 2023. Published on 13 October 2023.*

⁴⁾Statistics Finland, *Households' saving rate was close to zero in the second quarter 2023. Published on 18 September 2023.*

⁵⁾Statistics Finland, *Slightly more employed and unemployed in September 2023 than a year earlier. Published on 24 October 2023.*

⁶⁾Statistics Finland, *Prices of old dwellings in housing companies still fell most in Greater Helsinki in August 2023. Published on 28 September 2023.*

⁷⁾Bank of Finland, *MFI balance sheet (loans and deposits) and interest rates, Amount of non-performing loans in the construction sector grew in August. Published on 28 September 2023.*

⁸⁾Statistics Finland, *In September 2023, 310 bankruptcies were filed. Published on 16 October 2023.*

⁹⁾Statistics Finland, *In June-August 2023, the cubic volume of issued building permits decreased by 42% from a year ago. Published on 24 October 2023.*

¹⁰⁾Bank of Finland, *Euribor interest rates tables. Published on 2 October 2023.*

Credit rating and liquidity

S&P Global Ratings confirmed a credit rating of BBB+ for Oma Savings Bank Plc's long-term borrowing in June 2023, as well as a rating of A-2 for short-term borrowing. The outlook for a long-term credit rating has been confirmed as stable.

	30 Sep 2023	31 Dec 2022
LCR*	153.6%	159.9%
NSFR	116.4%	115.3%

* LCR calculation retrospectively adjusted as of 31 December 2022

The Group's Liquidity Coverage Ratio (LCR) remained at a good level, standing at 153.6% at the end of third quarter. The Net Stable Funding Ratio (NSFR) was 116.4%.

The prolonged inflation and high interest rates reflect as an increase in uncertainty particularly in refinancing markets. The increased interest rate level, on the other hand, can be seen in increased costs of market-based financing. Despite the increase in costs, the availability of financing has remained at a good level so far.

Related party disclosures

Related party is defined as key persons in a leading position at Oma Savings Bank Plc and their family members, subsidiaries, associated companies and joint ventures, joint operations and companies in which a key person in a leading position has control or significant influence, and organizations that have significant influence in Oma Savings Bank Plc. Key persons are members of the Board of Directors, the CEO and deputy to the CEO and the rest of the management team. Loans and guarantees have been granted with conditions that are applied to similar loans and guarantees granted to customers.

Inflation has reduced the purchasing power of households and increased the total costs of companies, whereby an even greater share of available income is used to cover current expenses. Costs are expected to remain at a high level in 2024 as well.

Despite the uncertainty, the Company's liquidity has remained stable also in the third quarter. As part of the testing of funding channels, the Company participated in the ECB's LTRO operation in September 2023. The Company has no bonds maturing during the end of the year 2023.

During the second quarter, the Company expanded its refinancing channels by starting cooperation with the German Raisin Bank. The cooperation is part of the Company's strategy by which the Company maintains a broad funding base. Raisin Bank acts as a channel supporting the Company's funding base, and the main part of the Company's refinancing takes place using current channels.

More detailed information on related parties is given in Note G31 of the 2022 Financial Statements.

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

Financial statements

The corresponding period last year has been used as the year under comparison in income statement items, and the date 31 December 2022 as the comparative period for the balance sheet and capital adequacy.

Result 7–9 / 2023

For the third quarter, the Group's profit before taxes was EUR 40.5 (17.8) million and the profit for the period was EUR 32.3 (14.2) million. The cost/income ratio was 30.1 (46.7)%.

Comparable profit before taxes amounted to EUR 41.8 (18.9) million in the third quarter and the comparable cost/income ratio was 29.2 (45.3)%. The comparable profit has been adjusted for the net income on financial assets and liabilities as well as the one-off expenses related to the acquisitions.

Income

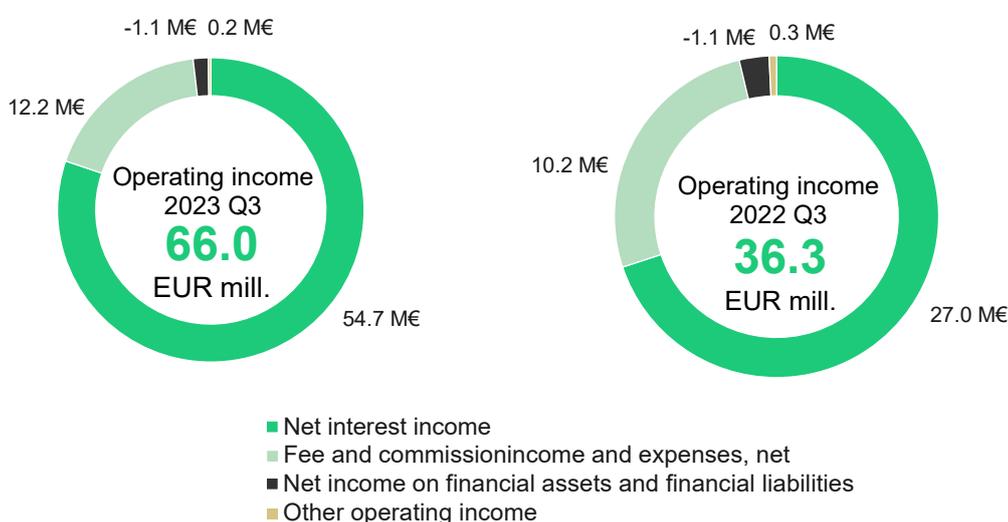
Total operating income was EUR 66.0 (36.3) million. Total operating income increased 81.9% compared to the comparable period. Comparable operating income was EUR 67.1 (37.4) million, an increase of 79.2% compared to the previous year. Net income on financial assets and liabilities of EUR -1.1 (-1.1) million has been eliminated from the operating income as an item affecting comparability. The acquisition of Liedon Savings Bank's business has had a positive impact on the development of

net interest income and fee and commission income during the reporting period.

Net interest income grew by 102.7%, totalling EUR 54.7 (27.0) million. During the review period, interest income grew by 197.1%, totalling EUR 90.1 (30.3) million. The significant growth in interest income can be explained by the increase in market interest rates and by the increased volume due to the acquisition of Liedon Savings Bank's business as of March. Hedges related to interest rate risk management have also increased interest income, their impact on the interest income was EUR 11.2 million. During the reporting period, the average margin of the loan portfolio has remained almost unchanged.

Interest expenses were EUR 35.4 (3.3) million in the third quarter. The growth of interest expenses has been significantly influenced by the interest rates on new bonds issued during 2022 and the beginning of 2023. Interest expenses have also been increased by hedges related to the management of interest rate risk, their impact on interest expenses was EUR 12.8 million. The average interest on deposits paid to the Company's customers was 0.70 (0.04)% at the end of the period.

Fee and commission income and expenses (net) increased by 20.2% to EUR 12.2 (10.2) million. The total amount of fee and commission income was EUR 14.9 (11.8) million.



Net fee and commission income from cards and payment transactions was EUR 8.9 (6.2) million. The item increased by 43.5%. The increase is mainly explained by the increase in customer volume. The amount of commission income from lending decreased due to the quietened credit demand and was EUR 2.6 (3.0) million.

The net income on financial assets and liabilities were EUR -1.1 (-1.1) million during the period. Other operating income was EUR 0.2 (0.3) million.

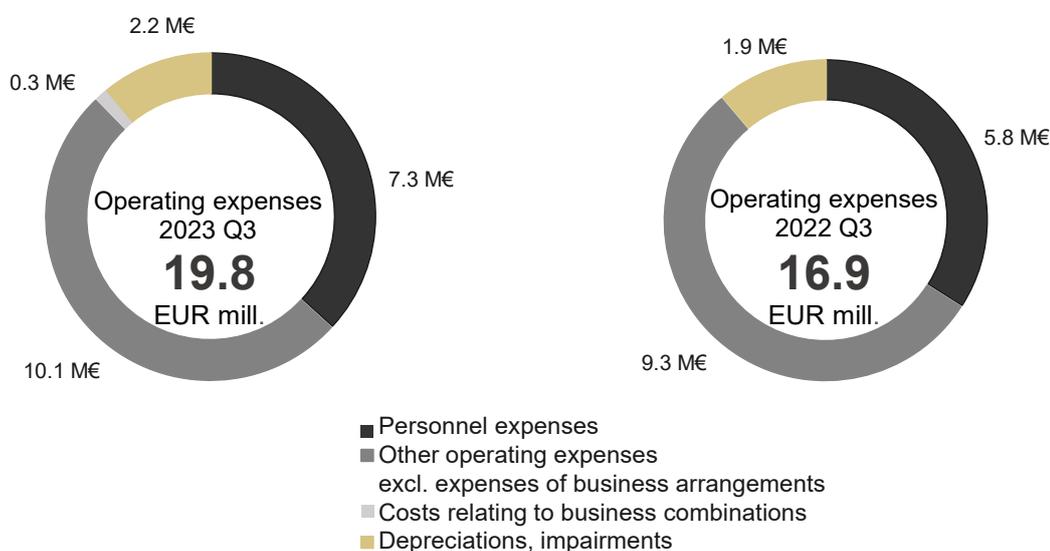
Expenses

Operating expenses came to a total of EUR 19.8 (16.9) million and they increased 17.1% compared to the previous year's corresponding period. The increase in comparable operating expenses was 15.6%. For the reporting period, expenses affecting comparability were recorded from the acquisition of Handelsbanken EUR 0.3 million.

Personnel expenses increased by 26.6% and were EUR 7.3 (5.8) million. At the end of the period, the number of employees was 463 (351), of which 70 (58) were fixed-term. The increase in expenses compared to the comparative period was influenced by the increase in the number of personnel due to the acquisition of Liedon Savings Bank's business.

Other operating expenses increased 11.5% to EUR 10.4 (9.3) million. The item includes authority fees, office, IT, PR and marketing costs and those stemming from the business premises in own use. The increase in expenses compared to the comparison period was mainly driven by an enlarged branch office network due to the acquisition of Liedon Savings Bank's business.

Depreciation, amortisation and impairments on tangible and intangible assets were EUR 2.2 (1.9) million.



Impairment losses on financial assets

Impairment losses on financial assets (net) increased compared to the comparative period and were EUR -5.5 million, while the impairment losses on financial assets recorded in the comparative period amounted to EUR -1.6 million. EUR 2.2 million of the increase can be explained by an additional allowance based on the management's judgement made on an individual customer and by one-off item resulting from the sale of card receivables.

The net amount of realised credit losses decreased compared to the comparison period and was EUR 2.3 (0.5) million during July-September.

During the third quarter, the amount of expected credit losses (ECL) increased by EUR 3.3 million, while the expected credit losses increased by EUR 1.1 million in the comparison period. EUR 3.3 million of the change in expected credit losses was allocated to receivables from customers and off-balance sheet items.

In the third quarter, EUR 0.2 million of the additional LGD allowance for private customers was offloaded as the LGD share has already been taken into account as part of the ECL model.

At the end of the third quarter, additional loss allowances based on management's judgement and fair value adjustments in total of EUR 7.5 million remain for use by the Company. The left over of additional LGD allowance of EUR 0.2 million is targeted to stage 3 and other additional allowances of EUR 7.3 million are targeted to stage 2.

Result 1–9 / 2023

The Group's profit before taxes was EUR 102.5 (49.9) million in January-September and the profit for the period was EUR 81.9 (40.1) million. The cost/income ratio was 37.4 (51.9)%.

Comparable profit before taxes amounted to EUR 104.8 (55.1) million for January-September and the comparable cost/income ratio was 36.0 (49.5)%. The comparable profit before taxes has been adjusted for the net income on financial assets and liabilities as well as one-off items related to the acquisitions of Liedon Savings Bank's and Handelsbanken's business.

Income

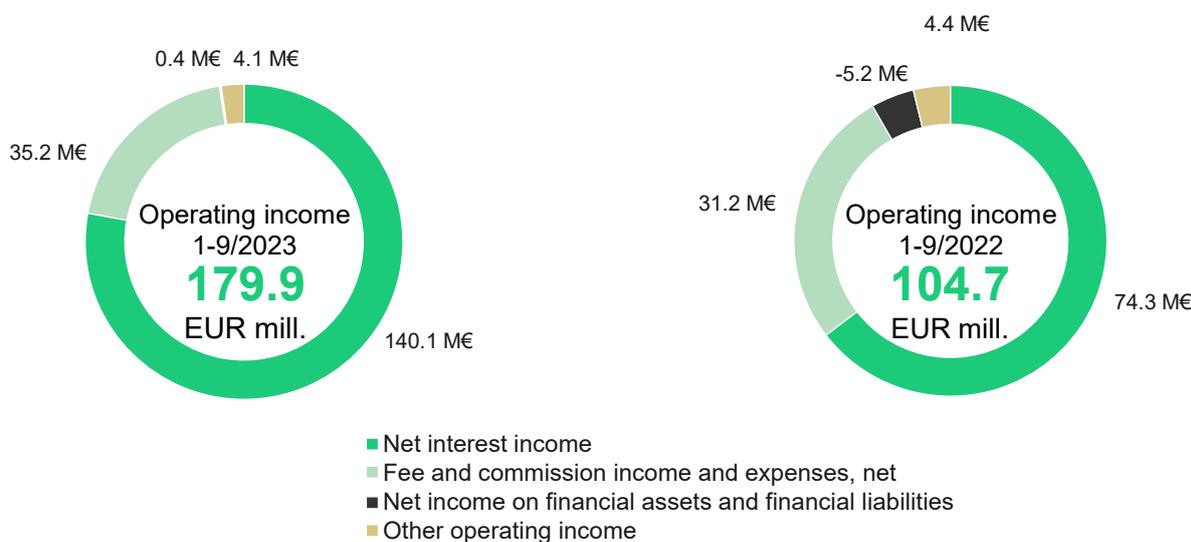
Total operating income was EUR 179.9 (104.7) million. Total operating income increased 71.8% year-on-year. During the comparison period, the one-time item caused by the change of the Group structure and the revaluation of the joint debt recorded in connection with the acquisition carried out last year, were recorded in operating income. The impact of these on total operating income was EUR 1.1 million.

Comparable total operating income was EUR 179.5 (109.8) million and the increase of comparable total operating income was 63.5%. During the reporting period, net income on financial assets and liabilities of EUR 0.4 (-5.2) million has been eliminated from operating income as an item affecting comparability.

Net interest income grew 88.6%, totalling EUR 140.1 (74.3) million. During the reporting period, interest income grew 177.6% and was EUR 223.9 (80.7) million. The significant increase in interest income can be explained by the impact of rising market interest rates and by increased volumes due to the acquisition of Liedon Savings Bank starting in March. The increase in the loan portfolio has been influenced by the acquisition of Liedon Savings Bank's business. Hedges to manage interest rate risk have also boosted interest income, the impact of these on interest income was EUR 25.3 million. During the period, the average margin of the loan portfolio has remained almost unchanged.

Interest expenses increased significantly year-on-year to EUR 83.8 (6.4) million. A large part of the increase in interest expenses can be explained by the interest rate on the new bonds issued in 2022 and in the beginning of 2023. Hedges related to interest rate risk management have also affected interest expenses. The impact of these on interest expenses was EUR 26.1 million. The average interest on deposits paid to the Company's customers was 0.70% (0.04%) at the end of the period.

Fee and commission income and expenses (net) increased by 13.1% and was EUR 35.2 (31.2) million. The total amount of fee and commission income was EUR 41.6 (35.8) million.



Commissions from cards and payment transactions net grew 39.3% compared on the comparative period and were EUR 25.1 (18.0) million. The increase is mainly explained by volume growth and an improvement in pricing power. The amount of commission income on lending was EUR 7.2 (10.1) million. Commissions on lending decreased in the reporting period as new lending slowed down. Uncertainty of the economic environment weakened credit demand in the market overall.

The net income on financial assets and liabilities was EUR 0.4 (-5.2) million during the period.

Other operating income was EUR 4.1 (4.4) million. Other operating income includes a deposit guarantee fee recorded during the reporting period of EUR 2.6 million and EUR 0.7 million from the revaluation of joint debt recorded in connection with the Eurajoen Savings Bank's business transaction. In the comparison period, EUR 0.7 million from the revaluation of the joint debt recognised in connection with the Eurajoen Savings Bank's business transaction was recorded in other operating income as well as a positive impact EUR 0.4 million caused by the change in the Group structure.

Expenses

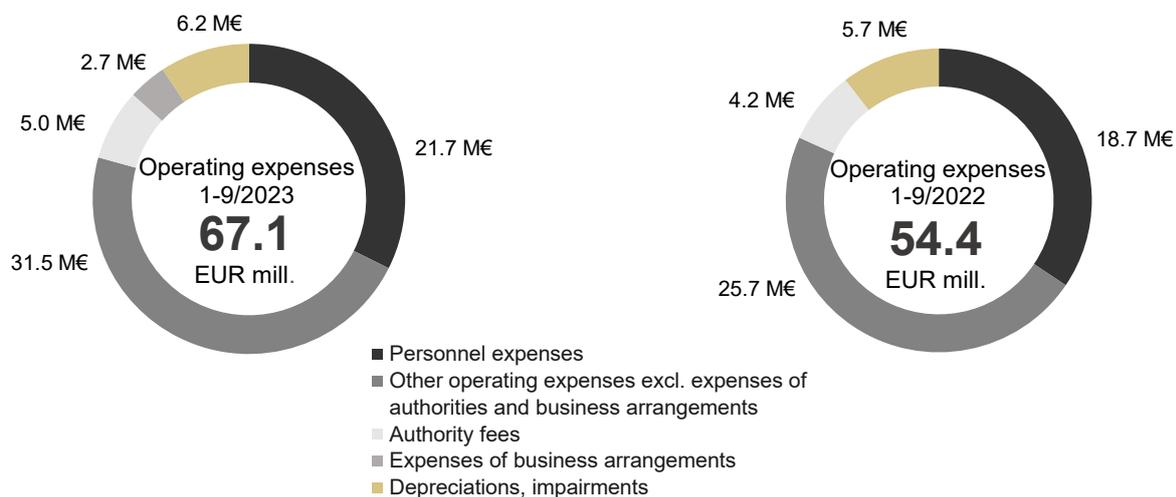
Operating expenses increased 23.4% compared to the previous year's corresponding period. Operating expenses came to a total of EUR 67.1 (54.4) million. For the reporting period, expenses affecting comparability have been recorded in relation to the acquisition of the Liedon Savings Bank's and Handelsbanken's business of EUR 2.7 million. Comparable operating expenses were EUR 64.4 (54.4) million. The increase of comparable operating expenses was 18.5%.

Personnel expenses increased 16.0%, totalling EUR 21.7 (18.7) million. The increase in personnel expenses was affected by the business transaction made in the beginning of March 2023, in which the personnel of Liedon Savings Bank transferred to Oma Savings Bank. The increase in personnel expenses is also affected by expenses recorded for the share-based incentive scheme. The number of employees at the end of the period was 463 (351), of which 70 (58) were fixed-term.

Other operating expenses increased 30.6% to EUR 39.1 (30.0) million. Part of the increase in expenses is explained by the increase in authority fees due to the Company's growth. The item includes authority fees, office, IT, PR and marketing costs and those stemming from the business premises in own use. The increase in expenses compared to the comparison period was mainly influenced by the increase in the number of personnel following the acquisition of Liedon Savings Bank's business at the beginning of the year of 2023 as well as the project costs related to the acquisition of Liedon Savings Bank.

During the reporting period, a total of EUR 2.2 million has been recorded as a stabilization fee and a total of EUR 2.7 million as a deposit guarantee fee. The deposit guarantee fee will be covered by refunds from the old deposit guarantee fund. A total of EUR 5.0 (4.2) million was recorded as authority fees. One-off expenses related to the acquisition of Liedon Savings Bank's and Handelsbanken's business were recorded in total of EUR 2.7 million for the reporting period.

Depreciation, amortisation and impairment on tangible and intangible assets were EUR 6.2 (5.7) million.



Impairment losses on financial assets

Impairment losses of financial assets increased compared to the comparison year and were EUR -9.9 million, while the impairment losses of financial assets recorded in the comparison period were EUR -0.4 million. In the comparison period, the amount of expected credit losses (ECL) decreased as a result of model development by EUR 2.6 million, which contributes to the change from the previous year. In addition, the change is essentially affected by additional allowance based on the management's judgement recorded for January-September, as well as by one-off item caused by the sale of card receivables.

The net impact of final credit losses decreased compared to the comparison year and was in January-September EUR 2.6 (3.0) million.

During January–September, the amount of expected credit losses increased by EUR 7.2 million, while expected credit losses decreased by EUR 2.6 million in the comparison period. EUR 4.6 million of the increase can be explained by the additional allowance based on the management's judgement and by one-off item caused by the sale of card receivables. Of the change in expected credit losses, EUR 7.1 million was allocated to receivables from customers and off-balance sheet items. The change in the investment portfolio was EUR 0.1 million.

Based on the Company's assessment, the effects of the Russian invasion war on the Company's credit base remained limited, which is why the Company released EUR 0.9 million of the additional loss allowances related to the corona pandemic and the Russian invasion war during the first quarter. In the first quarter, a group-specific allowance of EUR 0.7 million was recorded during the period as an additional loss share (LGD) allowance, which was offloaded in the second and in the third quarter by

EUR 0.4 million. At the time of reporting, allowances of EUR 0.2 million remain for use by the Company.

In the first quarter, the receivables transferred in connection with the acquisition of Liedon Savings Bank's business were valued at fair value at the time of acquisition. EUR 8.0 million was recorded as a fair value adjustment based on the management's judgement. In the second quarter, the Company allocated a fair value adjustment of EUR 0.7 million to the receivables of the loans transferred in the business transaction. At the time of reporting, the Company has available EUR 7.3 million of fair value adjustment made to the receivable base.

At the end of the reporting period, additional loss allowances based on management's judgement and fair value adjustments of EUR 7.5 million remain for use by the Company. The additional LGD allowance is targeted to stage 3 and other additional allowances made are targeted to stage 2.

Balance sheet

The Group's balance sheet total grew to EUR 7,071.7 (5,941.8) million during January-September 2023. The growth was 19.0%. Of the growth, EUR 1,448.0 million came from the acquisition of Liedon Savings Bank's business.

Loans and advances

In total, loans and advances grew 25.1% to EUR 6,089.6 (4,868.7) million in January-September. The acquisition of Liedon Savings Bank's banking business increased loans and advances by EUR 1,399.8 million.

The average size of loans issued over the past 12 months has been approximately EUR 117 thousand.

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

Credit balance (1,000 euros)	30 Sep 2023	31 Dec 2022	30 Sep 2022
Private customers	3,577,680	2,858,099	2,882,137
Corporate customers	1,286,474	1,093,700	1,096,994
Housing associations	719,947	461,339	456,705
Agricultural customers	304,585	271,112	280,457
Other	131,763	94,618	99,927
Total	6,020,449	4,778,869	4,816,220

Investment assets

The Group's investment assets decreased 2.4% during the period, totaling EUR 539.3 (552.6) million. The primary purpose of managing investment assets is securing the Company's liquidity position.

Intangible assets and goodwill

At the end of the period, intangible assets recorded in the balance sheet totaled EUR 9.1 (8.2) million and a goodwill of EUR 4.8 (0.5) million. Goodwill was recognised from the acquisition of Liedon Savings Bank's banking business of EUR 4.4 million.

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

During the period, liabilities to credit institutions and to the public and public sector entities grew by 16.3% to EUR 3,901.6 (3,355.0) million.

The item consists mostly of deposits received from the public, which came to EUR 3,789.1 (3,113.9) million at the end of September. The impact of the acquisition of Liedon Savings Bank's banking business on the growth of the deposit portfolio was EUR 907.7 million. Liabilities to the credit institutions were EUR 129.9 (242.5) million at the end of the period.

Debt securities issued to the public

Total debt securities issued to the public grew during the period by 16.5% to EUR 2,430.6 (2,087.0) million. The Company issued a covered bond of EUR 350 million in February and a covered bond increase (tap issue) EUR 250 million in April. Debt securities issued to the public are shown in more detail in Note 8.

At the end of the period, covered bonds were secured by loans to the value of EUR 2,470.2 (2,100.1) million.

Equity

The Group's equity EUR 505.3 (365.0) million increased by 38.5% during the period. The change in equity is mainly explained by the strong result of the period, the payment of dividends and the directed share issue.

In the first quarter, the Company carried out a paid directed share issue to Liedon Savings Bank. In the targeted issue, 3,125,049 shares were subscribed. A weighty reason for the directed issue was the development and expansion of the Company's banking operations into a new area through a business transaction. Share issue EUR 65.0 million was recorded in the Reserve for invested non-restricted equity.

Own shares

On 30 September 2023, the number of own shares held by Oma Savings Bank was 105,686. In March, the Company transferred 29,461 shares held by the Company to persons entitled to the remuneration of the 2023 reward installment of the share incentive scheme 2020–2021. In September, the Company started repurchasing of own shares related to the repurchasing program that was authorised by the annual general meeting on 30 March 2023. Shares are purchased for the implementation of share-based incentive schemes for key persons.

<u>Share capital</u>	<u>30 Sep 2023</u>	<u>31 Dec 2022</u>
Average number of shares (excluding own shares)	31,594,446	29,990,687
Number of shares at the end of the year (excluding own shares)	33,169,551	30,019,341
Number of own shares	105,686	130,847
Share capital (1,000 euros)	24,000	24,000

Off-balance-sheet commitments

Off-balance-sheet commitments included commitments given to a third party on behalf of a customer and irrevocable commitments given to a customer. Commitments given to a third party on behalf of a customer, EUR 39.9 (34.8) million, were mostly made up of bank guarantees and other guarantees. Irrevocable commitments given to a customer, which totaled EUR 324.4 (291.2) million at the end of September, consisted mainly of undrawn credit facilities.

Progress of key development projects

The Company's project of transitioning to the application of the IRB approach is progressing as planned. In the first stage, the Company is applying for permission to apply an internal risk classification under the IRB approach to calculate capital requirements for retail credit risk liabilities. Later, the Company will apply for a similar permission for corporate liabilities as well as for renewable retail liabilities. In February 2022, the Company has applied to the Finnish Financial Supervisory Authority (FIN-FSA) for the application of the IRB approach in capital adequacy, after which the application process has progressed based on dialogue with the supervisor.

In addition, the Company has reform projects ongoing regarding regulatory reporting.

Acquisition of Handelsbanken's SME enterprise operations in Finland

In May, the Company and Handelsbanken AB agreed on an arrangement whereby the Company will acquire Handelsbanken's SME enterprise operations in Finland. The transaction is expected to be finalized during the second half of 2024. The exact date will be specified later. As part of the purchase of the SME enterprise operations, entrepreneurs' private banking services will also be transferred to the Company, excluding asset management and investment services. The SME enterprise operations to be purchased are geographically located all over Finland.

The size of the deposit base transferring to the Company is approximately EUR 1.2 billion and the lending volume is approximately EUR 460 million in the situation on 31 March 2023. The target of the business transaction is in total approximately 14,000 SME customers. In addition, personal banking services of entrepreneurs will be transferred, which are not included in the above figures.

At the same time, around 40 people from Handelsbanken will be transferred to the Company as old employees.

With the arrangement the banks' market position will strengthen among SMEs in Finland. The growing business volumes will further improve the Company's cost efficiency and business profitability, and substantially strengthen the annual profit-making ability. The transferring deposit base will strengthen the Company's liquidity position, and there is no separate financing need for the business arrangement. The business deal has no material effect on the Company's capital adequacy. The purchase price is the net value of the balance sheet items to be transferred at closing plus EUR 15 million. The purchase price will be paid in cash, so the transaction has no impact on the number of Company's shares outstanding. Authority approval for the transaction was received on 24 July 2023.

Significant events after the period

In October, the Finnish Financial Supervisory Authority (FIN-FSA) announced that it would set Oma Savings Bank Plc an indicative additional capital recommendation of 1.0% for own funds based on the Finnish Act on Credit Institutions. The indicative additional capital recommendation is valid until further notice as of 31 March 2024. In addition, the Finnish Financial Supervisory Authority FIN-FSA announced that it will impose Oma Savings Bank Plc a discretionary additional capital requirement of 0.25% for the leverage ratio (Pillar II), which is valid until further notice as of 31 March 2024, but no later than 31 March 2026. The Company already meets the set recommendation and requirement.

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

Dividend policy and dividend payment

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

Financial goals

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

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

Profitability: Cost/income ratio less than 45 percent.

Return on equity (ROE): Long-term return on equity (ROE) over 16 percent.

Capital adequacy: Common Equity Tier 1 (CET1) capital ratio at least 2 percentage points above regulatory requirement.

Financial reporting in 2024

The Company will publish financial information in 2024 as follows:

5 Feb 2024 Financial Statements Release Jan-Dec 2023

29 Apr 2024 Interim Report Jan-Mar 2024

29 Jul 2024 Interim Report Jan-Jun 2024

28 Oct 2024 Interim Report Jan-Sep 2024

The Company's Financial Statement, Annual Report and Auditor's Report for 2023 will be published on week 10.

Outlook for the 2023 accounting period (unchanged)

The Company's business volumes will continue strong growth in FY2023. 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 acquisition of Liedon Savings Bank's business will improve the Company's performance from the first half of 2023. In addition, the increase in market interest rates continues to strengthen the growth of net interest income.

Oma Savings Bank Plc provides earnings guidance on comparable profit before taxes for 2023. A verbal description is used to make a comparison with the comparative period. Earnings guidance is based on the forecast for the entire year, which takes into account the current market and business situation. Forecasts are based on the management's insight into the Group's business development.

The Company estimates that profitable growth will continue to be strong. The Group's 2023 comparable profit before taxes will increase significantly compared to the previous financial year and will exceed EUR 100 million.

Capital adequacy

The total capital (TC) ratio of Oma Savings Bank Group increased and was 16.6 (14.9)% at the end of the period. The Common Equity Tier 1 capital (CET1) ratio was 14.8 (13.3)%, being above the minimum level of the medium-term financial goal set by the Company's Board. As of 1 July 2023, the updated target level for the Common Equity Tier 1 (CET1) capital ratio is at least 2 percentage points above the regulatory requirement, whereby the target level reflects the buffer to the regulatory requirement in accordance with market practice.

Risk-weighted assets grew 25.0% to EUR 3,182.2 (2,546.5) million. Risk-weighted assets grew most significantly due to the acquisition of Liedon Savings Bank's business. Oma Savings Bank Group applies in the capital requirement calculation for credit risk calculation the standardised approach and for operational risk the basic indicator approach. The basic method is applied when calculating the capital requirement for market risk for the foreign exchange position. The Company's transition

project to the application of the IRB approach is proceeding as planned.

At the end of the review period, the capital structure of the Group was strong and consisted mostly of Common Equity Tier 1 capital (CET1). The Group's own funds (TC) of EUR 527.1 (379.0) million exceeded by EUR 144.8 million the total capital requirement for own funds EUR 382.3 (305.8) million. Own funds were increased most significantly by the EUR 65 million share issue to Liedon Savings Bank and retained earnings for the financial year 2023, which have been included in the Common Equity Tier 1 capital with the permission granted by the Finnish Financial Supervisory Authority (FIN-FSA). In addition, own funds were increased by a EUR 20 million debenture loan issued in February. The Group's leverage ratio was 6.5 (5.6)% at the end of the period, while the binding total capital ratio requirement of Solvency regulation was 3%.

The main items in the capital adequacy calculation (1,000 euros)	30 Sep 2023	31 Dec 2022	30 Sep 2022
Common Equity Tier 1 capital before regulatory adjustments	485,993	348,692	339,004
Regulatory adjustments on Common Equity Tier 1	-14,756	-9,204	-9,185
Common Equity Tier 1 (CET1) capital, total	471,237	339,488	329,819
Additional Tier 1 capital before regulatory adjustments	-	-	-
Regulatory adjustments on additional Tier 1 capital	-	-	-
Additional Tier 1 (AT1) capital, total	-	-	-
Tier 1 capital (T1 = CET1 + AT1), total	471,237	339,488	329,819
Tier 2 capital before regulatory adjustments	56,331	40,000	21,019
Regulatory adjustments on Tier 2 capital	-500	-500	-500
Tier 2 (T2) capital, total	55,831	39,500	20,519
Total capital (TC = T1 + T2), total	527,068	378,988	350,338
Risk-weighted assets			
Credit and counterparty risk, standardised approach	2,904,714	2,281,829	2,334,606
Credit valuation adjustment risk (CVA)	44,413	31,658	4,846
Operational risk, basic indicator approach	233,043	233,043	201,272
Risk-weighted assets, total	3,182,170	2,546,530	2,540,723
Common Equity Tier 1 (CET1) capital ratio, %	14.81%	13.33%	12.98%
Tier 1 (T1) capital ratio, %	14.81%	13.33%	12.98%
Total capital (TC) ratio, %	16.56%	14.88%	13.79%
Leverage ratio (1,000 euros)	30 Sep 2023	31 Dec 2022	30 Sep 2022
Tier 1 capital	471,237	339,488	329,819
Total amount of exposures	7,208,526	6,093,644	5,996,393
Leverage ratio	6.54%	5.57%	5.50%

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

In its decision of 27 February 2023, the Finnish Financial Supervisory Authority (FIN-FSA) maintained the SREP requirement for Oma Savings Bank Plc based on the supervisory authority's estimate at 1.5% unchanged. The decision is valid until further notice from 30 June 2023, but no later than 30 June 2026. SREP requirement is possible to be partially covered by Tier 1 capital and Tier 2 capital in addition to Common Equity Tier 1. The countercyclical buffer requirement does not indicate the overheating of the financial cyclical period in Finland, and thus the Finnish Financial Authority (FIN-FSA) maintained the requirement

of countercyclical buffer at its basic level of 0%. On 30 March 2023, the Finnish Financial Supervisory Authority (FIN-FSA) imposed a systemic risk buffer requirement of 1.0% for Finnish credit institutions in order to strengthen the risk-bearing capacity of the banking sector. The decision enters into force after a transitional period on 1 April 2024 and shall be covered by Consolidated Common Equity.

The minimum requirement for own funds and eligible liabilities (MREL) imposed by the Financial Stability Authority for Oma Savings Bank Plc in the Resolution Act consists of an overall risk-based requirement (9.5%) and a requirement based on the total amount of liabilities used to calculate the leverage ratio (3%). On 30 September 2023, Oma Savings Bank Plc meets the set requirement with own funds.

Group's total capital requirement

30 Sep 2023
(1,000 euros)

Buffer requirements

Capital	Pillar I minimum capital requirement*	Pillar II (SREP) capital requirement*	Capital conservation buffer	Countercyclical buffer**	O-SII	Systemic risk buffer	Total capital requirement	
CET1	4.50%	0.84%	2.50%	0.01%	0.00%	0.00%	7.86%	250,009
AT1	1.50%	0.28%					1.78%	56,682
T2	2.00%	0.38%					2.38%	75,577
Total	8.00%	1.50%	2.50%	0.01%	0.00%	0.00%	12.01%	382,267

* AT1 and T2 capital requirements are possible to fill with CET1 capital

**Taking into account the geographical distribution of the Group's exposures

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

Tables and notes to the Interim Report

Consolidated condensed income statement

Note	(1,000 euros)	1-9/2023	1-9/2022	1-12/2022	2023 Q3	2022 Q3
	Interest income	223,925	80,661	121,876	90,051	30,309
	Interest expenses	-83,787	-6,364	-16,946	-35,372	-3,329
9	Net interest income	140,138	74,296	104,930	54,679	26,981
	Fee and commission income	41,621	35,840	46,270	14,858	11,757
	Fee and commission expenses	-6,387	-4,686	-6,873	-2,632	-1,584
10	Fee and commission income and expenses, net	35,234	31,154	39,396	12,226	10,173
11	Net income on financial assets and financial liabilities	359	-5,152	-5,306	-1,084	-1,149
	Other operating income	4,146	4,374	5,371	178	282
	Total operating income	179,877	104,673	144,392	65,999	36,287
	Personnel expenses	-21,712	-18,715	-24,316	-7,295	-5,760
	Other operating expenses	-39,124	-29,968	-41,203	-10,352	-9,285
	Depreciation, amortisation and impairment losses on tangible and intangible assets	-6,230	-5,671	-7,543	-2,178	-1,884
	Total operating expenses	-67,066	-54,353	-73,062	-19,824	-16,930
12	Impairment losses on financial assets, net	-9,857	-431	-1,747	-5,548	-1,557
	Share of profit of equity accounted entities	-452	53	-357	-120	-28
	Profit before taxes	102,501	49,941	69,226	40,506	17,772
	Income taxes	-20,635	-9,823	-13,847	-8,181	-3,587
	Profit for the accounting period	81,866	40,118	55,379	32,325	14,186
	Of which:					
	Shareholders of Oma Savings Bank Plc	81,866	40,120	55,382	32,325	14,186
	Non-controlling interest	-	-2	-2	-	-
	Total	81,866	40,118	55,379	32,325	14,186
	Earnings per share (EPS), EUR	2.59	1.34	1.85	0.97	0.47
	Earnings per share (EPS) after dilution, EUR	2.58	1.33	1.83	0.97	0.47

Profit before taxes excluding items affecting comparability

(1,000 euros)	1-9/2023	1-9/2022	1-12/2022	2023 Q3	2022 Q3
Profit before taxes	102,501	49,941	69,226	40,506	17,772
Operating income:					
Net income on financial assets and liabilities	-359	5,152	5,306	1,084	1,149
Costs relating to business combinations	2,677	-	1,318	250	-
Comparable profit before taxes	104,819	55,092	75,850	41,840	18,921
Income taxes in income statement	-20,635	-9,823	-13,847	-8,181	-3,587
Change of deferred taxes	-464	-1,030	-1,325	-267	-230
Comparable profit/loss for the accounting period	83,720	44,239	60,679	33,392	15,105

Consolidated statement of comprehensive income

(1,000 euros)	1-9/2023	1-9/2022	1-12/2022	2023 Q3	2022 Q3
Profit for the accounting period	81,866	40,118	55,379	32,325	14,186
Other comprehensive income before taxes					
Items that will not be reclassified through profit or loss					
Gains and losses on remeasurements from defined benefit pension plans	-	-	364	-	-
Items that may later be reclassified through profit or loss					
Measured at fair value, net	7,106	-93,045	-94,917	2,771	-24,383
Transferred to Income Statement as a reclassification change	383	-97	-97	24	-
Other comprehensive income before taxes	7,489	-93,143	-94,650	2,795	-24,383
Income taxes					
For items that will not be reclassified to profit or loss					
Gains and losses on remeasurements from defined benefit pension plans	-	-	-73	-	-
Items that may later be reclassified to profit or loss					
Measured at fair value	-1,498	18,629	19,003	-559	4,877
Income taxes	-1,498	18,629	18,930	-559	4,877
Other comprehensive income for the accounting period after taxes	5,992	-74,514	-75,720	2,236	-19,506
Comprehensive income for the accounting period	87,857	-34,397	-20,340	34,561	-5,321
Attributable to:					
Shareholders of Oma Savings Bank Plc	87,857	-34,394	-20,338	34,561	-5,321
Non-controlling interest	-	-2	-2	-	-
Total	87,857	-34,397	-20,340	34,561	-5,321

Consolidated condensed balance sheet

Note	Assets (1,000 euros)	30 Sep 2023	31 Dec 2022	30 Sep 2022
	Cash and cash equivalents	260,572	402,030	312,189
4	Loans and advances to credit institutions	113,561	114,655	83,231
4	Loans and advances to the public and public sector entities	5,976,087	4,754,036	4,791,979
5	Financial derivatives	3,644	1,931	197
6	Investment assets	539,319	552,633	555,889
	Equity accounted entities	26,304	25,351	24,262
	Intangible assets	9,089	8,174	8,622
	Goodwill	4,837	454	-
	Tangible assets	32,847	28,799	29,531
	Other assets	84,116	31,778	20,401
	Deferred tax assets	20,597	21,924	22,371
	Current income tax assets	731	-	329
	Assets, total	7,071,703	5,941,766	5,849,001

Note	Liabilities (1,000 euros)	30 Sep 2023	31 Dec 2022	30 Sep 2022
7	Liabilities to credit institutions	129,937	242,543	252,938
7	Liabilities to the public and public sector entities	3,771,663	3,112,464	2,936,171
5	Financial derivatives	17,052	4,184	1,595
8	Debt securities issued to the public	2,430,611	2,086,950	2,191,064
	Subordinated liabilities	60,000	40,000	35,000
	Provisions and other liabilities	110,876	54,111	46,800
	Deferred tax liabilities	39,882	36,072	34,705
	Current income tax liabilities	6,393	482	-
	Liabilities, total	6,566,413	5,576,806	5,498,271

	Equity	30 Sep 2023	31 Dec 2022	30 Sep 2022
	Share capital	24,000	24,000	24,000
	Reserves	139,814	68,822	70,319
	Retained earnings	341,475	272,139	256,411
	Shareholders of Oma Savings Bank Plc	505,290	364,961	350,730
	Shareholders of Oma Savings Bank Plc	505,290	364,961	350,730
	Equity, total	505,290	364,961	350,730
	Liabilities and equity, total	7,071,703	5,941,766	5,849,001

	Group's off-balance sheet commitments (1,000 euros)	30 Sep 2023	31 Dec 2022	30 Sep 2022
	Off-balance sheet commitments			
	Guarantees and pledges	39,950	34,774	34,021
	Commitments given to a third party on behalf of a customer	39,950	34,774	34,021
	Undrawn credit facilities	324,379	291,184	299,362
	Irrevocable commitments given in favour of a customer	324,379	291,184	299,362
	Group's off-balance sheet commitments, total	364,329	325,958	333,382

Consolidated statement of changes in equity

(1,000 euros)

	Share capital	Fair value reserve	Other reserves	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
30 Sep 2023								
Equity, 1 January 2023	24,000	-76,503	145,324	68,822	272,139	364,961	-	364,961
Comprehensive income								
Profit for the accounting period	-	-	-	-	81,866	81,866	-	81,866
Other comprehensive income	-	5,992	-	5,992	-	5,992	-	5,992
Comprehensive income, total	-	5,992	-	5,992	81,866	87,857	-	87,857
Transactions with owners								
Emission of new shares	-	-	65,001	65,001	-	65,001	-	65,001
Repurchase/sale of own shares	-	-	-	-	410	410	-	410
Distribution of dividends	-	-	-	-	-13,270	-13,270	-	-13,270
Share-based incentive scheme	-	-	-	-	168	168	-	168
Other changes	-	-	-	-	162	162	-	162
Transactions with owners, total	-	-	65,001	65,001	-12,529	52,472	-	52,472
Equity total, 30 Sep 2023	24,000	-70,511	210,326	139,814	341,475	505,290	-	505,290

	Share capital	Fair value reserve	Other reserves	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
31 Dec 2022								
Equity, 1 January 2022	24,000	-492	145,324	144,833	231,939	400,772	522	401,294
Comprehensive income								
Profit for the accounting period	-	-	-	-	55,382	55,382	-2	55,379
Other comprehensive income	-	-76,011	-	-76,011	291	-75,720	-	-75,720
Comprehensive income, total	-	-76,011	-	-76,011	55,673	-20,338	-2	-20,340
Transactions with owners								
Emission of new shares	-	-	-	-	-	-	-	-
Repurchase/sale of own shares	-	-	-	-	880	880	-	880
Distribution of dividends	-	-	-	-	-15,010	-15,010	-	-15,010
Share-based incentive scheme	-	-	-	-	-1,381	-1,381	-	-1,381
Other changes	-	-	-	-	37	37	-520	-482
Transactions with owners, total	-	-	-	-	-15,473	-15,473	-520	-15,993
Equity total, 31 December 2022	24,000	-76,503	145,324	68,822	272,139	364,961	-	364,961

	Share capital	Fair value reserve	Other reserves	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
30 Sep 2022								
Equity, 1 January 2022	24,000	-492	145,324	144,833	231,939	400,772	522	401,294
Comprehensive income								
Profit for the accounting period	-	-	-	-	40,120	40,120	-2	40,118
Other comprehensive income	-	-74,514	-	-74,514	-	-74,514	-	-74,514
Comprehensive income, total	-	-74,514	-	-74,514	40,120	-34,394	-2	-34,397
Transactions with owners								
Emission of new shares	-	-	-	-	-	-	-	-
Repurchase/sale of own shares	-	-	-	-	880	880	-	880
Distribution of dividends	-	-	-	-	-15,010	-15,010	-	-15,010
Share-based incentive scheme	-	-	-	-	-1,556	-1,556	-	-1,556
Other changes	-	-	-	-	37	37	-520	-482
Transactions with owners, total	-	-	-	-	-15,648	-15,648	-520	-16,167
Equity total, 30 Sep 2022	24,000	-75,006	145,324	70,319	256,411	350,730	-	350,730

Consolidated condensed cash flow statement

Note	(1,000 euros)	1-9/2023	1-9/2022	1-12/2022
Cash flow from operating activities				
	Profit/loss for the accounting period	81,866	40,118	55,379
	Changes in fair value	393	5,302	414
	Share of profit of equity accounted entities	452	-53	357
11	Depreciation and impairment losses on investment properties	46	31	41
	Depreciation, amortisation and impairment losses on tangible and intangible assets	6,230	5,671	7,543
	Gains and losses on sales of tangible and intangible assets	-	-266	-273
12	Impairment and expected credit losses	9,857	431	1,747
	Income taxes	20,635	9,823	13,847
	Other adjustments	5,683	2,554	-21,329
	Adjustments to the profit/loss of the accounting period	43,298	23,493	2,346
Cash flow from operations before changes in receivables and liabilities		125,164	63,611	57,725
Increase (-) or decrease (+) in operating assets				
	Debt securities	57,367	-19,423	-17,330
	Loans and advances to credit institutions	32,882	-3,560	-1,391
	Loans and advances to customers	-225,396	-498,048	-460,913
	Derivatives in hedge accounting	246	114	114
	Investment assets	-759	10,463	10,463
	Other assets	-33,488	25,927	14,502
Total		-169,148	-484,528	-454,556
Increase (+) or decrease (-) in operating liabilities				
	Liabilities to credit institutions	-326,990	68,348	57,953
	Deposits	-233,459	42,072	218,242
	Provisions and other liabilities	26,746	2,757	11,131
Total		-533,702	113,177	287,326
Paid income taxes		-11,129	-14,095	-15,679
Total cash flow from operating activities		-588,815	-321,835	-125,184
Cash flow from investments				
	Investments in tangible and intangible assets	-5,107	-2,493	-3,554
	Proceeds from sales of tangible and intangible assets	-	660	742
	Acquisition of associated companies and joint ventures	-764	-	-1,500
	Changes in other investments	-	205	246
Total cash flow from investments		-5,871	-1,627	-4,066
Cash flows from financing activities				
	Repurchase of own shares	-	-367	-367
	Subordinated liabilities, changes	20,000	20,000	25,000
	Debt securities issued to the public	326,208	428,159	353,049
	Acquisition or sale of business	143,071	-28	-28
	Payments of lease liabilities	-2,561	-1,850	-2,517
	Dividends paid	-13,270	-15,010	-15,010
Total cash flows from financing activities		473,448	430,905	360,128
Net change in cash and cash equivalents		-121,238	107,443	230,878
Cash and cash equivalents at the beginning of the accounting period		484,660	253,782	253,782
Cash and cash equivalents at the end of the accounting period		363,422	361,225	484,660
Cash and cash equivalents are formed by the following items				
3	Cash and cash equivalents	260,572	312,189	402,030
4	Receivables from credit institutions repayable on demand	102,851	49,036	82,630
Total		363,422	361,225	484,660
Received interest		191,021	77,609	110,342
Paid interest		-50,710	-4,042	-10,848
Dividends received		179	439	449

Consolidated condensed income statement, quarterly trend

Note	(1 000 euros)	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3
	Interest income	90,051	78,281	55,593	41,216	30,309
	Interest expenses	-35,372	-29,046	-19,369	-10,582	-3,329
9	Interest income, net	54,679	49,236	36,224	30,634	26,981
	Fee and commission income	14,858	14,640	12,123	10,429	11,757
	Fee and commission expenses	-2,632	-2,085	-1,670	-2,187	-1,584
10	Fee and commission income and expenses, net	12,226	12,555	10,453	8,242	10,173
11	Net income on financial assets and financial liabilities	-1,084	424	1,019	-154	-1,149
	Other operating income	178	967	3,002	997	282
	Operating income, total	65,999	63,181	50,697	39,719	36,287
	Personnel expenses	-7,295	-8,456	-5,962	-5,601	-5,760
	Other operating expenses	-10,352	-11,121	-17,652	-11,236	-9,285
	Depreciation, amortisation and impairment losses on tangible and intangible assets	-2,178	-2,097	-1,954	-1,872	-1,884
	Operating expenses, total	-19,824	-21,674	-25,568	-18,709	-16,930
12	Impairment losses on financial assets, net	-5,548	-2,714	-1,595	-1,315	-1,557
	Share of profit from joint ventures and associated companies	-120	-94	-238	-410	-28
	Profit before taxes	40,506	38,699	23,296	19,285	17,772
	Income taxes	-8,181	-7,829	-4,625	-4,024	-3,587
	Profit for the accounting period	32,325	30,870	18,671	15,262	14,186
	Of which:					
	Shareholders of Oma Savings Bank Plc	32,325	30,870	18,671	15,262	14,186
	Total	32,325	30,870	18,671	15,262	14,186
	Earnings per share (EPS), EUR	0.97	0.93	0.59	0.51	0.47
	Earnings per share (EPS) after dilution, EUR	0.97	0.93	0.59	0.51	0.47
	Profit before taxes excluding items affecting comparability:					
	Profit before taxes	40,506	38,699	23,296	19,285	17,772
	Operating income:					
	Net income on financial assets and liabilities	1,084	-424	-1,019	154	1,149
	Operating expenses					
	Costs relating to business combinations	250	547	1,879	1,318	-
	Comparable profit before taxes	41,840	38,822	24,157	20,758	18,921
	Income taxes in income statement	-8,181	-7,829	-4,625	-4,024	-3,587
	Change of deferred taxes	-267	-25	-172	-294	-230
	Comparable profit/loss for the accounting period	33,392	30,968	19,360	16,440	15,105

Note 1 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, Financial Statements Release, Interim and Half-Year Financial Reports are available on the bank's website www.omasp.fi.

Oma Savings Bank Group is formed as follows:

Subsidiaries

- Real estate company Lappeenrannan Säästökeskus holding 100%

Associated companies

- GT Invest Oy holding 48.7%
- City Kauppapaikat Oy holding 43.3%

Joint ventures

- Figure Taloushallinto Oy holding 25%
- Deleway Projects Oy holding 49%
- SAV-Rahoitus Oyj holding 48.2%

Joint operations

- Housing company Seinäjoen Oma Savings Bank house holding 30.5%

The Interim Report is drawn up in accordance with the IAS 34 *Interim Financial Reporting* standard. The accounting principles for the Interim Report are the same as for the 2022 Financial Statements.

The figures of Interim Report are presented in thousands of euros unless otherwise specified. The figures in the notes are rounded off, so the combined sum of single figures may deviate from the grand total presented in a table or a calculation. The accounting and functional currency of the Group and its companies is the euro.

The Board of Directors has approved the Interim Report 1 January – 30 September 2023 in its meeting on 30 October 2023.

2. Changes to the accounting principles

Future new standards, changes to standards or interpretations effective or published on 1 January 2023 have not a material impact on the consolidated financial statements. Furthermore, future new standards or changes to standards published by the IASB are not expected to have a material impact on the consolidated financial statements.

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

The preparation of Interim Report in accordance with IFRS has required certain estimates and assumptions from the Group's management that affects 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.

The uncertainties contained in the accounting principles that require management's judgement and those contained in the estimates are described in the 2022 Financial Statements. Uncertainty in the economic environment due to the effects of inflation and the continuing increase in interest rates may bring changes to the estimates presented in the Financial Statements that require management judgement.

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.

Determining fair values in a business combination requires judgement on the part of the Company's management regarding the recording of the transferred consideration and identifiable assets, liabilities and contingent liabilities and valuing them at fair value. The receivables transferred in connection with the acquisition of Liedon Savings Bank's business were valued at fair value in connection with the acquisition. At the time of reporting, the fair value adjustment based on management's judgement is EUR 7.3 million. In addition, in connection with the acquisition, the Company recognised a liability of EUR 15.0 million at fair value through profit or loss for the five-year periodic concerning the liability of Liedon Savings Bank as a credit institution member leaving the consortium of Savings Banks. The amount of the liability at fair value through profit and loss is unchanged in the review period. During the reporting period, the amount of liability at fair value through profit and loss in connection with Eurajoen Savings Bank's business transaction has been reassessed and the amount of debt has been reduced by EUR 0.7 million.

Note 2 Risk management

1. Liquidity risk

The sharp rise in interest rates has continued in the third quarter. The new interest rate environment is reflected in the competition of demand deposits when banks offer a higher deposit rate. At the same time, the general development of deposits in Finland is in a downward direction, as the vast majority of available funds go to consumption instead of saving. Despite the uncertainty in the economy, the Company's liquidity has remained on a stable basis due to a broad funding base. The Company strengthened its liquidity furthermore by issuing covered bonds in spring 2023. During the second quarter, the Company expanded its refinancing channels by starting cooperation with the German Raisin Bank. The cooperation is part of the Company's broad funding base. Raisin Bank acts as a channel supporting the Company's funding base, and the main part of the Company's refinancing takes place using current channels.

The management of Oma Savings Bank's liquidity risk is based on the Company's ability to procure sufficient cash that is competitive in price in both the short and long term. A key component of liquidity risk management is the planning of the liquidity position in both the short and long term. Additionally, the planning of the liquidity reserve prepares for deteriorating economic conditions in the market and possible changes in legislation. The goal of the Company's liquidity reserve is to cover one month's outflows. Liquidity risk management is supported by active risk management, monitoring of the balance sheet and cash flows and internal calculation models. The Company's liquidity is monitored daily by the Company's Treasury unit. The main objective of the Treasury unit is to ensure that the liquidity position always remains above the regulated and internally set threshold values. The unit monitors and measures the amount of incoming and outgoing cash flows and assesses the possible occurrence of liquidity shortfalls over the course of the day.

The Group's liquidity ratio (LCR), which describes short-term liquidity, was 153.6% on 30 September 2023.

The Company's liquidity has remained strong despite uncertain market situation. The Company has increased buffers in response to a weakening economic cycle and continues to maintain and strengthen liquidity and capital buffers. During the first quarter of the year, the Company issued a debenture loan, with which it increased capital buffers. The bonds issued in spring have in turn strengthened the liquidity position. In addition, the Company has implemented hedging operations against interest rate risk during the third quarter.



2. Credit risk

Credit risk refers to the risk that a contracting party to a financial instrument will not be able to meet its obligations, thereby causing the other party a financial loss. Oma Savings Bank's credit risk primarily consists of exposures secured by immovable property, retail exposures and corporate loans. The goal of credit risk management is to limit the profit and loss and capital adequacy effects of risks resulting from customer exposures to an acceptable level. Credit risk management and procedures have been described in Note G2 of the 2022 Financial Statements. The rise in interest rates and costs, as well as the waning of economic growth, have increased customers' payment difficulties, and this is reflected in the increase in insolvent loans and expected credit losses. The share of short arrears, on the other hand, has remained at a low level.

Share of insolvent responsibilities of total loan portfolio was 2.2 (1.6)% in the end of the review period. At the same time overdue and non-performing receivables from

the loan portfolio rose and were 2.8 (2.2.)%.

The Company monitors the development of possible payment delays and repayment exemption applications as well as the development of values of collaterals.

2.1 Allowances based on the management's judgement

In the review period, the Company allocated a fair value adjustment of EUR 0.7 million to the receivables related to the acquisition of Liedon Savings Bank based on management's judgement as well as an additional LGD allowance for private customers related to the correction of ECL model of EUR 0.4 million. Based on the management's judgement, additional allowance of EUR 3.7 million has been made on an individual customer.

2.2 Distribution by risk class

The Company classifies its customers into risk classes based on information available on the counterparty. The classification uses its own internal assessment and external credit rating data. Monitoring is continuous and can lead to a transfer from one risk class to another.

In lending, risk concentration may occur, for example, when the loan portfolio includes large amounts of loans and other liabilities:

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

Matured and non-performing exposures and forbearances

(1,000 euros)	30 Sep 2023	% of credit portfolio	31 Dec 2022	% of credit portfolio
Matured exposures, 30-90 days	20,949	0.3%	18,509	0.4%
Non-matured or matured less than 90 days, non-repayment likely	82,611	1.4%	47,497	1.0%
Non-performing exposures, 90-180 days	12,784	0.2%	5,635	0.1%
Non-performing exposures, 181 days - 1 year	12,555	0.2%	6,186	0.1%
Non-performing exposures, > 1 year	40,889	0.7%	28,252	0.6%
Matured and non-performing exposures total	169,788	2.8%	106,080	2.2%
Performing exposures and matured exposures with forbearances	76,125	1.3%	62,011	1.3%
Non-performing exposures with forbearances	57,129	0.9%	33,376	0.7%
Forbearances total	133,254	2.2%	95,387	2.0%

Figures include interest due on items.

Geographic breakdown of collaterals

30 Sep 2023 (1 000 euros)

Region	Collateral value	Share (%)
Southwest Finland	2,071,475	27.4%
South Ostrobothnia	1,086,792	14.4%
Uusimaa	889,695	11.8%
Pirkanmaa	757,943	10.0%
Satakunta	501,584	6.6%
South Karelia	485,339	6.4%
Kymenlaakso	272,742	3.6%
Kanta-Häme	264,487	3.5%
Central Finland	238,795	3.2%
South Savo	202,083	2.7%
North Ostrobothnia	175,505	2.3%
Päijät-Häme	173,183	2.3%
North Karelia	158,317	2.1%
Other regions	291,942	3.9%
Total	7,569,881	100.0%

Loans and receivables and off-balance sheet commitments by risk rating and credit risk concentrations

Risk rating 1: Low-risk items are considered to include the Company's internal credit rating of AAA level private, corporate, housing association and AAA-AA+ level agricultural customers.

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

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

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

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

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

During the third quarter of the year the Company updated its internal credit risk models and due to this the comparison is not fully comparable. The update has increased the number of risk grades for private and corporate customers which is why the risk ratings shown in the below tables have been redefined. Risk grades have not been calculated retroactively for the customers and due to this the comparison figures are not updated. Comparison figures per risk rating are the same as has been previously reported.

Private customers

Loans and receivables and off-balance sheet commitments	30 Sep 2023	31 Dec 2022
Risk rating 1	1,517,527	1,562,267
Risk rating 2	2,028,786	1,206,970
Risk rating 3	119,678	117,572
Risk rating 4	82,792	101,218
No rating	4,443	4,130
Capital items by risk category, total	3,753,225	2,992,157
Loss allowance	19,683	10,102
Total	3,733,542	2,982,055

Corporates

Loans and receivables and off-balance sheet commitments	30 Sep 2023	31 Dec 2022
Risk rating 1	465,952	432,174
Risk rating 2	629,369	535,879
Risk rating 3	189,624	124,924
Risk rating 4	66,585	104,505
Capital items by risk category, total	1,351,530	1,197,482
Loss allowance	22,346	13,882
Total	1,329,184	1,183,601

Housing associations

Loans and receivables and off-balance sheet commitments	30 Sep 2023	31 Dec 2022
Risk rating 1	640,231	328,309
Risk rating 2	80,199	125,284
Risk rating 3	24,439	20,208
Risk rating 4	3,226	6,934
Capital items by risk category, total	748,096	480,734
Loss allowance	727	255
Total	747,369	480,480

Agriculture

Loans and receivables and off-balance sheet commitments	30 Sep 2023	31 Dec 2022
Risk rating 1	111,349	55,670
Risk rating 2	156,235	162,555
Risk rating 3	23,898	50,930
Risk rating 4	15,643	10,024
No rating	5,662	157
Capital items by risk category, total	312,787	279,336
Loss allowance	1,911	824
Total	310,876	278,512

Others

Loans and receivables and off-balance sheet commitments	30 Sep 2023	31 Dec 2022
Risk rating 1	96,991	73,979
Risk rating 2	54,841	29,146
Risk rating 3	259	1,157
Risk rating 4	43	22
Capital items by risk category, total	152,134	104,304
Loss allowance	92	68
Total	152,042	104,236

Debt securities	30 Sep 2023	31 Dec 2022
Risk rating 1	451,584	471,772
Risk rating 2	1,324	371
Risk rating 3	264	-
Risk rating 4	-	83
No rating	70,268	68,055
Capital items by risk category, total	523,440	540,281
Loss allowance	540	438
Total	522,900	539,843

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 2023	31 Dec 2022
Enterprises	1,118,682	741,692	211,052	70,366	5,112	2,146,904	1,708,929
Real estate	763,520	330,409	116,621	27,369	-	1,237,919	888,856
Agriculture	2,049	43,555	1,341	1,311	5,112	53,368	48,015
Construction	62,816	48,506	13,686	4,417	-	129,426	120,465
Accommodation and food service activities	26,100	40,266	15,239	3,152	-	84,756	74,663
Wholesale and retail	50,904	106,943	19,006	4,049	-	180,901	188,307
Finance and insurance	38,453	15,905	4,678	414	-	59,449	55,607
Others	174,840	156,109	40,480	29,655	-	401,084	333,016
Public entities	1,287	15,293	-	-	-	16,580	3,617
Non-profit communities	16,076	18,011	45	-	-	34,132	29,383
Financial and insurance institutions	67,258	21,362	214	43	-	88,877	70,918
Households	1,628,746	2,153,072	146,588	97,880	4,993	4,031,278	3,241,167
Total	2,832,049	2,949,430	357,898	168,289	10,105	6,317,771	5,054,014

3. Operational risk

Oma Savings Bank's most significant sources of operational risk are cyber risks, data communication and system failures. In addition, sources of operational risk have been identified as frauds and scams, as well as knowing the customer, which is related to the quality of the collected customer information. The risk of cyber threats is still on a high level: A denial-of-service attack or other acts can disrupt or paralyze data systems among others. Cyber threats and other risks, such as interruptions of electricity supply, have been identified in cooperation with service providers to ensure that the Company is well prepared in the event of a possible disruption. The Company has updated its own preparedness measures and operating guidelines by assessing various threat scenarios and their probabilities and impacts. The authorities have also developed their own precautionary measures.

Note 3 Classification of financial assets and liabilities

Assets (1,000 euros)		Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	Carrying value, total	Fair value
30 Sep 2023	Amortised cost					
Cash and cash equivalents	260,572	-	-	-	260,572	260,572
Loans and advances to credit institutions	113,561	-	-	-	113,561	113,561
Loans and advances to customers	5,976,087	-	-	-	5,976,087	5,976,087
Derivatives, hedge accounting	-	-	-	3,644	3,644	3,644
Debt instruments	-	522,900	957	-	523,857	523,857
Equity instruments	-	-	13,314	-	13,314	13,314
Financial assets, total	6,350,219	522,900	14,271	3,644	6,891,035	6,891,035
Investments in associated companies					26,304	26,304
Investment properties					2,147	2,147
Other assets					152,217	152,217
Assets, total	6,350,219	522,900	14,271	3,644	7,071,703	7,071,703

Liabilities (1,000 euros)		Hedging derivatives	Carrying value, total	Fair value
30 Sep 2023	Other liabilities			
Liabilities to credit institutions	129,937	-	129,937	129,937
Liabilities to customers	3,771,663	-	3,771,663	3,771,663
Derivatives, hedge accounting	-	17,052	17,052	17,052
Debt securities issued to the public	2,430,611	-	2,430,611	2,430,611
Subordinated liabilities	60,000	-	60,000	60,000
Financial liabilities, total	6,392,211	17,052	6,409,262	6,409,262
Non-financial liabilities			157,150	157,150
Liabilities, total	6,392,211	17,052	6,566,413	6,566,413

Assets (1,000 euros)		Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	Carrying value, total	Fair value
31 Dec 2022	Amortised cost					
Cash and cash equivalents	402,030	-	-	-	402,030	402,030
Loans and advances to credit institutions	114,655	-	-	-	114,655	114,655
Loans and advances to customers	4,754,036	-	-	-	4,754,036	4,754,036
Derivatives, hedge accounting	-	-	-	1,931	1,931	1,931
Debt instruments	-	539,843	859	-	540,702	540,702
Equity instruments	-	-	10,604	-	10,604	10,604
Financial assets, total	5,270,721	539,843	11,463	1,931	5,823,958	5,823,958
Investments in associated companies					25,351	25,351
Investment properties					1,328	1,431
Other assets					91,130	91,130
Assets, total	5,270,721	539,843	11,463	1,931	5,941,766	5,941,870

Liabilities (1,000 euros)		Hedging derivatives	Carrying value, total	Fair value
31 Dec 2022	Other liabilities			
Liabilities to credit institutions	242,543	-	242,543	242,543
Liabilities to customers	3,112,464	-	3,112,464	3,112,464
Derivatives, hedge accounting	-	4,184	4,184	4,184
Debt securities issued to the public	2,086,950	-	2,086,950	2,086,950
Subordinated liabilities	40,000	-	40,000	40,000
Financial liabilities, total	5,481,957	4,184	5,486,141	5,486,141
Non-financial liabilities			90,665	90,665
Liabilities, total	5,481,957	-	5,576,806	5,576,806

Assets (1,000 euros)		Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	Carrying value, total	Fair value
30 Sep 2022	Amortised cost					
Cash and cash equivalents	312,189	-	-	-	312,189	312,189
Loans and advances to credit institutions	83,231	-	-	-	83,231	83,231
Loans and advances to customers	4,791,979	-	-	-	4,791,979	4,791,979
Derivatives, hedge accounting	-	-	-	197	197	197
Debt instruments	-	543,473	872	-	544,344	544,344
Equity instruments	-	-	10,132	-	10,132	10,132
Financial assets, total	5,187,398	543,473	11,004	197	5,742,073	5,742,073
Investments in associated companies					24,262	24,262
Investment properties					1,413	1,509
Other assets					81,254	81,254
Assets, total	5,187,398	543,473	11,004	197	5,849,001	5,849,097

Liabilities (1,000 euros)		Hedging derivatives	Carrying value, total	Fair value
30 Sep 2022	Other liabilities			
Liabilities to credit institutions	252,938	-	252,938	252,938
Liabilities to customers	2,936,171	-	2,936,171	2,936,171
Derivatives, hedge accounting	-	1,595	1,595	1,595
Debt securities issued to the public	2,191,064	-	2,191,064	2,191,064
Subordinated liabilities	35,000	-	35,000	35,000
Financial liabilities, total	5,415,172	1,595	5,416,767	5,416,767
Non-financial liabilities			81,504	81,504
Liabilities, total	5,415,172	1,595	5,498,271	5,498,271

Note 4 Loans and advances

(1,000 euros)	30 Sep 2023	31 Dec 2022	30 Sep 2022
Loans and advances to credit institutions			
Deposits	102,851	82,630	49,036
Other	10,710	32,026	34,195
Loans and advances to credit institutions, total	113,561	114,655	83,231
Loans and advances to the public and public sector entities			
Loans	5,855,584	4,656,941	4,684,660
Utilised overdraft facilities	63,672	53,670	65,606
Loans intermediated through the State's assets	21	29	31
Credit cards	56,224	43,029	41,316
Bank guarantee receivables	586	367	366
Loans and advances to the public and public sector entities, total	5,976,087	4,754,036	4,791,979
Loans and advances, total	6,089,647	4,868,691	4,875,210

Loans and advances to credit institutions, item Other includes the minimum reserve deposit with the Bank of Finland. The recording policy for the minimum reserve deposit has been changed, and from 30 June 2023, the deposit will be presented as the amount of the balance requirement on the last day of the reporting period.

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 2023	31 Dec 2022	30 Sep 2022
Fair value hedge			
Interest rate derivatives	3,643	1,929	118
Other hedging derivatives			
Share and share index derivatives	1	2	80
Derivative assets, total	3,644	1,931	197
Liabilities (1,000 euros)	30 Sep 2023	31 Dec 2022	30 Sep 2022
Fair value hedge			
Interest rate derivatives	17,052	4,184	1,595
Share and share index derivatives	-	-	-
Derivative liabilities, total	17,052	4,184	1,595
Change in the value of hedged object / Fair value hedge	17,486	1,446	1,655
Change in the value of hedged object / Other hedging derivatives	100	343	257

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

30 Sep 2023	Remaining maturity			Total	Fair values	
	Less than 1 year	1-5 years	Over 5 years		Assets	Liabilities
Fair value hedge	-	791,000	727,000	1,518,000	3,643	17,052
Interest rate swaps	-	791,000	727,000	1,518,000	3,643	17,052
Cva and Dva adjustments	-	-	-	-	-	-
Other hedging derivatives	12,553	-	-	12,553	1	-
Share and share index derivatives	12,553	-	-	12,553	1	-
Cva and Dva adjustments	-	-	-	-	-	-
Derivatives, total	12,553	791,000	727,000	1,530,553	3,644	17,052

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

31 Dec 2022	Remaining maturity			Total	Fair values	
	Less than 1 year	1-5 years	Over 5 years		Assets	Liabilities
Fair value hedge	10,000	291,000	327,000	628,000	1,929	4,184
Interest rate swaps	10,000	291,000	327,000	628,000	1,931	4,110
Cva and Dva adjustments	-	-	-	-	-2	73
Other hedging derivatives	31,328	12,553	-	43,880	2	-
Share and share index derivatives	31,328	12,553	-	43,880	5	-
Cva and Dva adjustments	-	-	-	-	-3	-
Derivatives, total	41,328	303,553	327,000	671,880	1,931	4,184

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

30 Sep 2022	Remaining maturity			Total	Fair values	
	Less than 1 year	1-5 years	Over 5 years		Assets	Liabilities
Fair value hedge	10,000	100,000	-	110,000	118	1,595
Interest rate swaps	10,000	100,000	-	110,000	120	1,604
Cva and Dva adjustments	-	-	-	-	-3	-9
Other hedging derivatives	31,328	12,553	-	43,880	80	-
Share and share index derivatives	31,328	12,553	-	43,880	90	-
Cva and Dva adjustments	-	-	-	-	-10	-
Derivatives, total	41,328	112,553	-	153,880	197	1,595

Note 6 Investment assets

Investment assets (1,000 euros)	30 Sep 2023	31 Dec 2022	30 Sep 2022
Measured at fair value through profit or loss			
Debt securities	957	859	872
Shares and other equity instruments	13,314	10,604	10,132
Assets measured at fair value through profit or loss, total	14,271	11,463	11,004
Measured at fair value through other comprehensive income			
Debt securities	522,900	539,843	543,473
Shares and other equity instruments	-	-	-
Measured at fair value through other comprehensive income, total	522,900	539,843	543,473
Investment properties	2,147	1,328	1,413
Investment assets, total	539,319	552,633	555,889

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 2023	31 Dec 2022	30 Sep 2022
Cost January 1	4,199	4,544	4,544
+ Increases	22	-	-270
- Decreases	-	-345	-
+/- Transfers	898	-	-
Cost at the end of the period	5,119	4,199	4,273
Accumulated depreciation and impairment losses January 1	-2,871	-2,830	-2,830
+/- Accumulated depreciation of decreases and transfers	-53	-	-
- Depreciation	-46	-41	-31
+/- Other changes	-1	-	-
Accumulated depreciation and impairment at the end of the period	-2,972	-2,871	-2,861
Opening balance January 1	1,328	1,713	1,713
Closing balance	2,147	1,328	1,413

30 Sep 2023	Equity instruments				Debt-based			Total	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		
Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)									
Quoted									
Public sector entities	-	-	-	-	153,376	-	-	153,376	153,376
From others	-	3,849	-	3,849	369,323	115	-	369,438	373,287
Non-quoted									
From others	-	9,465	-	9,465	201	842	-	1,043	10,508
Total	-	13,314	-	13,314	522,900	957	-	523,857	537,171
31 Dec 2022	Equity instruments				Debt-based				
Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	All total
Quoted									
Public sector entities	-	-	-	-	158,567	-	-	158,567	158,567
From others	-	2,375	-	2,375	381,071	115	-	381,186	383,561
Non-quoted									
From others	-	8,229	-	8,229	205	744	-	949	9,178
Total	-	10,604	-	10,604	539,843	859	-	540,702	551,306
30 Sep 2022	Equity instruments				Debt-based				
Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	All total
Quoted									
Public sector entities	-	-	-	-	160,387	-	-	160,387	160,387
From others	-	1,943	-	1,943	382,882	120	-	383,002	384,945
Non-quoted									
From others	-	8,190	-	8,190	203	752	-	955	9,145
Total	-	10,132	-	10,132	543,473	872	-	544,344	554,477

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

(1,000 euros)	30 Sep 2023	31 Dec 2022	30 Sep 2022
Liabilities to credit institutions			
Liabilities to Central Banks	30,000	150,000	150,000
Repayable on demand	6,749	4,749	9,056
Other than repayable on demand	93,189	87,794	93,882
Liabilities to credit institutions, total	129,937	242,543	252,938
Liabilities to the public and public sector entities			
Deposits	3,789,130	3,113,883	2,937,797
Repayable on demand	3,252,491	2,817,464	2,787,901
Other	536,639	296,420	149,895
Other financial liabilities	19	27	29
Other than repayable on demand	19	27	29
Changes in fair value in terms of borrowing	-17,486	-1,446	-1,655
Liabilities to the public and public sector entities, total	3,771,663	3,112,464	2,936,171
Liabilities to the public and public sector entities and liabilities to credit institutions, total	3,901,600	3,355,007	3,189,109

The Liabilities to Central Banks item concern the secured LTRO loan taken out in September 2023. In the comparison periods, the item consisted of TLTRO credit raised in June 2020, which matured on 30 June 2023. In accordance with the IFRS 9 standard, the TLTRO loan was treated as a liability and the loan interest was revised after the loan matured.

Note 8 Debt securities issued to the public

(1,000 euros)	30 Sep 2023	31 Dec 2022	30 Sep 2022
Bonds	2,258,945	1,941,269	2,056,640
Certificates of deposit	171,666	145,681	134,424
Debt securities issued to the public, total	2,430,611	2,086,950	2,191,064

Maturity of bonds	Nominal value		Year of issue	Due date	Closing balance		
	30 Sep 2023	Interest			30 Sep 2023	31 Dec 2022	30 Sep 2022
OmaSp Plc 12.12.2022, covered bond	350,000	0.125%/fixed	2017-2018	12/12/2022	-	-	349,899
OmaSp Plc 3.4.2024, covered bond	300,000	0.125%/fixed	2019	03/04/2024	299,829	299,579	299,495
OmaSp Plc 6.4.2023, covered bond	250,000	0.125%/fixed	2020	06/04/2023	-	249,883	249,771
OmaSp Plc 17.1.2024	55,000	margin 1%/variable	2020	17/1/2024	55,000	54,999	54,998
OmaSp Plc 25.11.2027, covered bond	650,000	0.01%/fixed	2020-2023	25/11/2027	620,466	403,908	404,110
OmaSp Plc 19.5.2025	200,000	margin 0.2%/variable	2021	19/05/2025	199,743	199,625	199,585
OmaSp Plc 18.12.2026, covered bond	600,000	1.5%/fixed	2022	18/12/2026	586,598	583,684	349,206
OmaSp Plc 26.9.2024	150,000	5%/fixed	2022	26/09/2024	149,782	149,591	149,576
OmaSp Plc 15.6.2028, covered bond	350 000	3.125%/fixed	2023	15/6/2028	347,527	-	-
					2,258,945	1,941,269	2,056,640

Maturity of deposit certificates	Less than 3 months	3-6 months	6-9 months	9-12 months	Closing balance, total
30 Sep 2023	125,242	44,470	1,953	-	171,666
31 Dec 2022	133,777	11,904	-	-	145,681
30 Sep 2022	73,657	60,766	-	-	134,424

Note 9 Net interest income

(1,000 euros)	1-9/2023	1-9/2022	1-12/2022	2023 Q3	2022 Q3
Interest income					
Loans to credit institutions	7,642	41	1,377	2,006	41
Loans and advances to the public and public sector entities	186,062	73,987	108,840	75,095	28,103
Debt securities	3,801	2,299	3,104	1,374	791
Derivatives	25,301	2,683	6,947	11,172	934
Other interest income	1,119	1,651	1,608	405	440
Interest income, total	223,925	80,661	121,876	90,051	30,309
Interest expenses					
Liabilities to credit institutions	-3,407	-868	-1,283	-1,130	-376
Liabilities to the public and public sector entities	-14,698	-446	-1,524	-6,340	-230
Debt securities issued to the public	-37,457	-4,748	-10,907	-14,307	-2,587
Derivative contracts	-26,144	-37	-2,742	-12,779	-37
Subordinated liabilities	-1,275	-165	-354	-479	-72
Other interest expenses	-806	-100	-136	-337	-27
Interest expenses, total	-83,787	-6,364	-16,946	-35,372	-3,329
Net interest income	140,138	74,296	104,930	54,679	26,981

Note 10 Fee and commission income and expenses

(1,000 euros)	1-9/2023	1-9/2022	1-12/2022	2023 Q3	2022 Q3
Fee and commission income					
Lending	7,194	10,142	11,925	2,586	3,040
Deposits	83	61	77	33	17
Card and payment transactions	25,067	17,992	24,440	8,901	6,204
Intermediated securities	-	235	259	-	30
Funds	4,790	3,422	4,485	1,737	1,108
Legal services	308	355	422	127	136
Brokered products	1,825	1,499	2,025	646	448
Granting of guarantees	1,574	1,403	1,865	521	514
Other fee and commission income	781	731	771	307	260
Fee and commission income, total	41,621	35,840	46,270	14,858	11,757
Fee and commission expenses					
Card and payment transactions	-4,679	-3,745	-5,455	-1,746	-1,288
Securities	-896	-65	-246	-622	-21
Other fee and commission expenses	-812	-876	-1,172	-265	-275
Fee and commission expenses, total	-6,387	-4,686	-6,873	-2,632	-1,584
Fee and commission income and expenses, net	35,234	31,154	39,396	12,226	10,173

Note 11 Net income on financial assets and financial liabilities

(1,000 euros)	1-9/2023	1-9/2022	1-12/2022	2023 Q3	2022 Q3
Net income on financial assets measured at fair value through profit or loss					
Debt securities					
Valuation gains and losses	25	-124	-136	-6	-21
Debt securities, total	25	-124	-136	-6	-21
Shares and other equity instruments					
Dividend income	179	439	449	-	14
Capital gains and losses	-	-203	-203	-	-203
Valuation gains and losses	-1,083	-5,469	-4,828	-1,545	-1,279
Shares and other equity instruments, total	-904	-5,233	-4,582	-1,545	-1,467
Net income on financial assets measured at fair value through profit or loss, total	-879	-5,357	-4,718	-1,550	-1,488
Net income on financial assets measured at fair value through other comprehensive income					
Debt securities					
Capital gains and losses	609	-500	-500	31	-
Difference in valuation reclassified from the fair value reserve to the income statement	-383	97	97	-24	-
Debt securities, total	226	-403	-403	6	-
Net income on financial assets measured at fair value through other comprehensive income, total	226	-403	-403	6	-
Net income from investment properties (1,000 euros)					
Rent and dividend income	256	152	202	96	50
Capital gains and losses	-	-10	-3	-	-10
Other gains from investment properties	10	5	7	2	1
Maintenance expenses	-75	-51	-53	-29	-13
Depreciation and impairment on investment properties	-46	-31	-41	-15	-10
Rent expenses on investment properties	-	-1	-10	-	-
Net income from investment properties, total	144	64	103	54	18
Net income on trading in foreign currencies	13	301	130	56	125
Net income from hedge accounting	790	172	-414	355	175
Net income from trading	65	70	-4	-6	20
Net income on financial assets and financial liabilities, total	359	-5,152	-5,306	-1,084	-1,149

Note 12 Impairment losses on financial assets

(1,000 euros)	1-9/2023	1-9/2022	1-12/2022	2023 Q3	2022 Q3
ECL on receivables from customers and off-balance sheet items	-7,106	1,841	1,343	-3,261	-1,182
ECL from debt instruments	-102	715	720	7	128
Expected credit losses, total	-7,208	2,556	2,063	-3,253	-1,054
Final credit losses					
Final credit losses	-3,632	-3,316	-4,348	-2,390	-593
Refunds on realised credit losses	984	328	538	95	89
Recognised credit losses, net	-2,649	-2,988	-3,810	-2,295	-504
Impairment on financial assets, total	-9,857	-431	-1,747	-5,548	-1,557

Reconciliations from the opening and closing balances of the expected credit losses have been formed from 1 January 2023 and 30 September 2023 on the basis of changes in euro denominated loan exposures and expected credit losses.

Expected credit losses, loans and receivables

Receivables from credit institutions and public and public entities (1,000 euros)	Stage 1	Stage 2	Stage 3	1-9/2023	1-9/2022	1-12/2022
				Total	Total	Total
Expected credit losses 1 January	1,300	4,974	18,558	24,833	28,599	28,599
Transfer to stage 1	131	-924	-95	-888	-969	-1,221
Transfer to stage 2	-117	1,513	-272	1,124	2,247	2,615
Transfer to stage 3	-21	-539	3,740	3,180	1,307	2,354
New debt securities	615	1,059	4,631	6,305	855	1,115
Instalments and matured debt securities	-150	-449	592	-7	-1,720	-2,327
Realised credit losses	-	-	-3,632	-3,632	-3,082	-4,114
Recoveries on previous realised credit losses	-	-	984	984	252	462
Changes in credit risk	60	278	1,037	1,375	1,019	2,291
Changes in the ECL model parameters	-	-	-	-	-2,338	-2,338
Changes based on management estimates	328	6,594	4,167	11,089	-1,928	-2,603
Expected credit losses period end	2,147	12,506	29,709	44,362	24,241	24,833

The Company's management has assessed the effects of the corona pandemic and the Russian invasion war on an industry-by-industry basis. In the first quarter, an additional ECL reserve based on management's judgement was offloaded by EUR 0.9 million and an additional LGD allowance was offloaded by EUR 0.4 million in total during the second and the third quarter. The fair value adjustment recorded in connection with the acquisition of Liedon Savings Bank based on management's judgement has been allocated in the second quarter of EUR 0.7 million. During the first quarter, the Company has refined the allocation of expected credit losses between levels using the flow calculation, and this has caused changes to the allocation of the initial balances at the time of reporting between levels 1 and 2. The total amount of expected credit losses has not changed with the change.

Off-balance sheet commitments (1,000 euros)	Stage 1	Stage 2	Stage 3	1-9/2023	1-9/2022	1-12/2022
				Total	Total	Total
Expected credit losses 1 January	141	156	-	297	926	926
Transfer to stage 1	6	-107	-	-101	-56	-63
Transfer to stage 2	-4	46	-	42	195	160
Transfer to stage 3	-	-4	-	-4	-3	-3
New debt securities	114	84	-	197	212	304
Matured debt securities	-39	-40	-	-78	-187	-287
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	-24	15	-	-9	-36	-33
Changes in the ECL model parameters	-	-	-	-	-660	-659
Changes based on management estimates	2	50	-	52	1	-49
Expected credit losses period end	197	201	-	397	392	297

Expected credit losses, investment assets

Debt securities, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	1-9/2023	1-9/2022	1-12/2022
				Total	Total	Total
Expected credit losses 1 January	415	23	-	438	1,158	1,158
Transfer to stage 1	-	-	-	-	-13	-13
Transfer to stage 2	-2	24	-	23	1	9
Transfer to stage 3	-	-	-	-	-	-
New debt securities	295	333	-	629	31	33
Matured debt securities	-296	-333	-	-629	-125	-127
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	83	-3	-	80	-610	-622
Changes in the ECL model parameters	-	-	-	-	-	-
Changes based on management estimates	-	-	-	-	-	-
Expected credit losses period end	494	45	-	540	442	438

Note 13 Fair values in accordance with the valuation method

The determination of the fair value of financial instruments is set out in Note G1 Accounting principles under "Determining the fair value" of the Financial Statements for the year 2022.

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

Financial assets and liabilities measured at fair value

	30 Sep 2023			Total
	Level 1	Level 2	Level 3	
Financial assets (1,000 euros)				
At fair value through profit or loss				
Equity securities	3,849	2,248	7,217	13,314
Debt securities	685	-	272	957
Derivatives	-	3,644	-	3,644
At fair value through other comprehensive income				
Debt securities	522,900	-	-	522,900
Financial assets, total	527,435	5,892	7,489	540,816

	30 Sep 2023			Total
	Level 1	Level 2	Level 3	
Financial liabilities (1,000 euros)				
Derivatives	-	17,052	-	17,052
Financial liabilities, total	-	17,052	-	17,052

	30 Sep 2023			Total
	Level 1	Level 2	Level 3	
Other liabilities (1,000 euros)				
At fair value through profit or loss				
Payment liability, consortium of Savings Banks	-	-	19,550	19,550
Total	-	-	19,550	19,550

	31 Dec 2022				30 Sep 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets (1,000 euros)								
Measured at fair value through profit or loss								
Equity securities	2,375	2,018	6,211	10,604	1,943	1,889	6,300	10,132
Debt securities	660	-	199	859	668	-	204	872
Derivatives	-	1,931	-	1,931	-	197	-	197
Measured at fair value through other comprehensive income								
Debt securities	539,843	-	-	539,843	543,473	-	-	543,473
Financial assets, total	542,878	3,948	6,410	553,236	546,083	2,087	6,504	554,674

	31 Dec 2022				30 Sep 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities (1,000 euros)								
Derivatives	-	4,184	-	4,184	-	1,595	-	1,595
Financial liabilities, total	-	4,184	-	4,184	-	1,595	-	1,595

	31 Dec 2022				30 Sep 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Other liabilities (1,000 euros)								
At fair value through profit or loss								
Payment liability, consortium of Savings Banks	-	-	5,200	5,200	-	-	5,850	5,850
Total	-	-	5,200	5,200	-	-	5,850	5,850

Investment transactions, categorised to Level 3

Financial assets at fair value through profit or loss (1,000 euros)	30 Sep 2023			31 Dec 2022			30 Sep 2022		
	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total
Opening balance	6,211	199	6,410	7,277	269	7,546	7,277	269	7,546
+ Acquisitions	743	73	816	-	-	-	-	-	-
- Sales	-	-	-	-1,252	-	-1,252	-1,252	-	-1,252
- Matured during the year	-	-	-	-	-	-	-	-	-
Realised changes in value +/- recognised on the income statement	-	-	-	103	-	103	103	-	103
Unrealised changes in value +/- recognised on the income statement	263	-	263	83	-70	13	172	-65	107
+ Transfers to Level 3	-	-	-	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-	-	-	-
Closing balance	7,217	272	7,489	6,211	199	6,410	6,300	204	6,504

Transactions in other liabilities, categorised to Level 3

Other liabilities at fair value through profit or loss (1,000 euros)	30 Sep 2023			31 Dec 2022			30 Sep 2022		
	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total
Opening balance	-	5,200	5,200	-	6,500	6,500	-	6,500	6,500
+ Acquisitions	-	15,000	15,000	-	-	-	-	-	-
- Sales	-	-	-	-	-	-	-	-	-
- Matured during the year	-	-	-	-	-	-	-	-	-
Realised changes in value +/- recognised on the income statement	-	-	-	-	-	-	-	-	-
Unrealised changes in value +/- recognised on the income statement	-	-650	-650	-	-1,300	-1,300	-	-650	-650
+ Transfers to Level 3	-	-	-	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-	-	-	-
Closing balance	-	19,550	19,550	-	5,200	5,200	-	5,850	5,850

Sensitivity analysis for financial assets on Level 3

(1,000 euros)	30 Sep 2023				31 Dec 2022				30 Sep 2022			
	Potential impact on equity				Potential impact on equity				Potential impact on equity			
	Hypothetical change	Market value	Positive	Negative	Market value	Positive	Negative	Market value	Positive	Negative		
Equity securities												
At fair value through profit or loss	+/- 15%	7,217	1,083	-1,083	6,211	932	-932	6,300	945	-945		
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-	-	-	-		
Total		7,217	1,083	-1,083	6,211	932	-932	6,300	945	-945		

(1,000 euros)	30 Sep 2023				31 Dec 2022				30 Sep 2022			
	Potential impact on equity				Potential impact on equity				Potential impact on equity			
	Hypothetical change	Market value	Positive	Negative	Market value	Positive	Negative	Market value	Positive	Negative		
Debt securities												
At fair value through profit or loss	+/- 15%	272	41	-41	199	30	-30	204	31	-31		
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-	-	-	-		
Total		272	41	-41	199	30	-30	204	31	-31		

Note 14 Share-based incentive schemes

As of 30 September 2023, the Company has the following existing share-based incentive programs:

Program 2020-2021

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

Program 2022-2023

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

Share-based incentive scheme	1-9/2023	1-9/2023	1-12/2022
	Program 2022-2023	Program 2020-2021	Program 2020-2021
Maximum estimated number of gross shares at the start of the scheme	400,000	420,000	420,000
Date of issue	01/01/2022	01/01/2020	01/01/2020
Share price at issue, weighted average fair value	16.90	8.79	8.79
Earning period begins	01/01/2022	01/01/2020	01/01/2020
Earning period ends	31/12/2023	31/12/2021	31/12/2021
Persons at the close of the financial year	30	10	11

Events for the financial year (pcs)	1-9/2023	1-9/2023	1-12/2022
	Program 2022-2023	Program 2020-2021	Program 2020-2021
01/01/2023			
Those who were out at the beginning of the period	-	172,190	-
Changes during the period			
Granted during the period	-	-	331,790
Lost during the period	-	-	-
Implemented during the period	-	-57,396	-159,600
Expired during the period	-	-	-
Out at the end of the period	-	114,794	172,190

Note 15 Changes in Group structure

The 2023 accounting period

In February, Oma Savings Bank Plc increased its shareholding in housing Company Seinäjoen Oma Savings Bank house by acquiring more space for its businesses. The Company's shareholding in the Company is after the arrangement 30.5%.

In September, Oma Savings Bank Plc increased its shareholding in City Kauppapaikat Oy through a directed share issue. The Company's shareholding in the Company after the arrangement is 43.3%. The value of the shareholding after the change is EUR 19.8 million.

The 2022 accounting period

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

In November, Oma Savings Bank Plc increased its shareholding in City Kauppapaikat Oy through a directed share issue. The Company's shareholding in the Company after the arrangement is 42.7%. The value of the shareholding after the change is EUR 17.8 million.

Note 16 Business combinations

Acquisition of Liedon Savings Bank's business

In September 2022, the Company's Board of Directors decided to acquire the business of Liedon Savings Bank in accordance with the acquisition plan. In accordance with a decision made by the governing body of Liedon Savings Bank, Liedon Savings Bank transferred its entire business to the Company except for the minor assets mentioned in the acquisition plan. The registration date for the implementation of the business transfer was 28 February 2023. The purchase price of the business acquisition was paid partly by issuing shares and partly in cash.

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

Acquisition of business	EUR million
Loans and advances to public and credit institutions	1,167.0
Accruals and other assets	45.8
Fixed assets	5.5
Deposits from public and credit institutions	-1,117.8
Accruals and other liabilities	-11.8
Lease liabilities	-5.5
Liability, consortium of saving banks	-15.0
Acquired net assets	68.0
Purchase price, in cash	7.5
Purchase price, equity instruments	65.0
Total cost of combination	72.5
Goodwill	4.4

As a result of the acquisition, EUR 4.4 million was recognised in goodwill. The acquisition of the business is estimated to have a significant positive impact on the Company's annual profitability and is expected to increase the Company's profit before taxes by approximately EUR 15–20 million annually over the next few years. In the longer term, business in the Turku economic area is expected to significantly increase the Company's earnings. Increasing volumes further improve the Company's cost-effectiveness and

business profitability. Goodwill is formed as the difference between the net assets of the acquired business and the purchase price.

In connection with the transitioning of the business, a liability of EUR 15.0 million valued at fair value was recognised in the Company's balance sheet to cover a payment obligation related to the fixed-term liability of Liedon Savings Bank being a credit institution member leaving the consortium of Savings Banks (Act on the Consortium of Deposit Banks 599/2010). The liability is valid for five years.

Assets and liabilities acquired in the business have been measured at fair value. The leases have been valued in accordance with IFRS 16.

The value of receivables received in the acquisition of the business is approx. EUR 1,167.0 million and at the time of the acquisition has been taken into account the gross value of receivables of EUR 8.0 million as a reduction in expected credit losses. The effect is presented in Note 12 under "New debt securities".

Cash flow effect of the business acquisition EUR 143.1 million is in the Cash flows from financing activities.

The business income after the acquisition date of the acquired business is included in the Income Statement of the first quarter. According to the management's estimate, Oma Savings Bank Group's operating income would have been EUR 57 million and profit before taxes EUR 27 million in the first quarter of 2023, if the acquired business had been combined in the consolidated financial statements from the beginning of the 2023 financial year.

As part of the acquisition of Liedon Savings Bank's business, the Company carried out the transfer of loans acquired from Sp Mortgage Bank Plc as planned at the beginning of March. The size of the loan portfolio was EUR 233 million. The Company signed an agreement

with Sp Mortgage Bank Plc on the transfer of mortgage credit bank loan (mortgage loans) brokered by Liedon Savings Bank in November 2022.

The acquisition increased the Company's balance sheet by approximately EUR 1.4 billion. Approximately 50,000 private and corporate customers transferred in the acquisition of the business. 93 people transferred as old employees. The total costs of the arrangement were EUR 3.2 million, of which EUR 1.3 million was allocated to 2022 and EUR 1.9 million for the first quarter of 2023.

Note 17 Significant events after the period

In October, the Finnish Financial Supervisory Authority (FIN-FSA) announced that it would set Oma Savings Bank Plc an indicative additional capital recommendation of 1.0% for own funds based on the Finnish Act on Credit Institutions. The indicative additional capital recommendation is valid until further notice as of 31 March 2024. In addition, the Finnish Financial Supervisory Authority FIN-FSA announced that it will impose Oma Savings Bank Plc a discretionary additional capital requirement of 0.25% for the leverage ratio (Pillar II), which is valid until further notice as of 31 March 2024, but no later than 31 March 2026. The Company already meets the set recommendation and requirement.

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

Note 18 Alternative Performance Measures (APM) and calculation of the key figures

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

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

Oma Savings Bank Plc uses the following Alternative Performance Measures:

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

Calculation of key figures

Operating income, total

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

Total operating expenses

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

Liquidity coverage ratio (LCR), %

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

Net stable funding ratio (NSFR)%

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

Cost/income ratio, %

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

Comparable cost/income ratio, %

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

Comparable profit before taxes

Profit/loss before taxes without net income from financial assets and liabilities and other items effecting comparability

Return on equity, ROE %

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

Comparable return on equity, ROE %

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

Total return on assets, ROA %

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

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

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

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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 2023, condensed consolidated income statement, statement of comprehensive income, changes in equity, and cash flows for the nine months ended 30 September 2023 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 2023 and for the nine month period ended 30 September 2023 has not been prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting standard and other regulations governing the preparation of interim financial statements in Finland.

In Helsinki, 30 October 2023

KPMG OY AB

Tuomas Ilveskoski
Authorised Public Accountant, KHT



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