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Oma Savings Bank PLC

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Oma Savings Bank PLC

Ratings Score Snapshot

Issuer Credit Rating
BBB+/Stable/A-2

SACP: bbb+ → **Support: 0** → **Additional factors: 0**

Anchor	a-	
Business position	Constrained	-2
Capital and earnings	Very strong	+2
Risk position	Moderate	-1
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		0

ALAC support	0
GRE support	0
Group support	0
Sovereign support	0

Issuer credit rating
BBB+/Stable/A-2

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview	
Key strengths	**Key risks**
Robust risk-adjusted capitalization.	Business and regional risk concentration.
Solid profitability and operating efficiency.	Rapid balance sheet growth might indicate higher risk appetite.
Well-established regional retail franchise.	Dependence on external partners for product and service offering.

Oma Savings Bank (OmaSp) is set to continue expanding despite a muted macroeconomic outlook. OmaSp has been growing rapidly both organically and through acquisitions, and its balance sheet more than doubled over the past five years (€7.6 billion as of Dec. 31, 2023). After acquiring Liedon Savings Bank's (LiedonSp)'s business operations in early 2023, which increased its assets by around 20%, OmaSp announced it will buy the Finnish small and midsize enterprises (SME) portfolio of Svenska Handelsbanken, including €1.2 billion of deposits and €460 in loan volumes. The transaction is expected to finalize in second-half 2024 and will support OmaSp's funding profile and increase the bank's exposure to business customers by approximately 36%. If integrated successfully, we expect this will boost OmaSp's earnings generation capacity and add a degree of business diversification.

Solid earnings generation and high profit retention will support robust capitalization despite high growth in risk-weighted assets (RWAs). Supported by acquired business volumes and organic loan growth of 4%-6%, we project OmaSp will continue to increase revenues sufficiently to offset rising operating expenses, including cost of risk over the next two years. We forecast net income of €109-€115 million, compared to €110 million in 2023, resulting in a strong return on average equity of 17%-20% and cost to income of about 40%. Assuming annual dividends of 20%-30%, we expect this will be sufficient to maintain a risk-adjusted capital (RAC) ratio of 15.0%-16.0% in 2023-2024, and improving toward 15.5%-16.5% in 2025.

We expect moderate downside pressures on OmaSp's asset quality. In tandem with muted economic growth prospects and tight financial conditions for borrowers, we expect continued downside pressure on the nonperforming loans ratio, which we project will rise to 2.2%-2.4% over the next two years (from 2.0% as of Dec. 31, 2023). We anticipate loan loss provisioning will remain elevated at 20-30 basis points (bps), compared with 32 bps in 2023 to allow OmaSp to maintain an adequate loan loss coverage of around 30%-40% of nonperforming loans in line with its historic trend.

OmaSp's granular retail deposit base will continue to ensure funding stability. Underpinned by its sound regional retail franchise and proximity to customers, we expect core deposits will remain OmaSp's main source of funding--accounting for 54% of the funding base as of year-end 2023-- and funding metrics to remain broadly stable over the next two years. That said, with loan growth having outpaced deposit growth over recent years, OmaSp's reliance on wholesale funding has been on the rise and higher than most small and midsize domestic peers, which makes the bank more sensitive to market funding conditions and shifts in investor sentiment.

Outlook

The stable outlook on OmaSp reflects our view that the bank will maintain its sound financial profile, and that its high efficiency and resilient earnings will continue to support its loss-absorbing capacity and a RAC ratio above 15% over the next two years. We expect loan loss provisioning will remain contained and OmaSp's sound asset quality will remain broadly in line with domestic peers'.

Downside scenario

We could lower the rating if the bank's RAC ratio sustainably declined below 15%, or if unexpected undue execution risk emerged. We could also lower the rating if asset quality and earnings came under greater pressure than we currently expect. This could materialize if underwriting standards and credit losses deteriorated, which would weigh on earnings generation and retention.

Upside scenario

A positive rating action is remote at this stage, given OmaSp's concentrated business model and already high rating level compared with peers.

Key Metrics

Oma Savings Bank PLC--Key ratios and forecasts

	--Fiscal year ended Dec. 31--				
(%)	2022a	2023a	2024f	2025f	2026f
Growth in operating revenue	(7.6)	70.6	5.7-6.9	(0.2)-(0.3)	(1.1)-(1.3)
Growth in customer loans	9.7	26.2	12.6-15.4	5.4-6.6	5.4-6.6
Growth in total assets	10.6	28.6	11.4-13.9	5.6-6.8	5.7-6.9
Net interest income/average earning assets (NIM)	2.0	3.2	2.7-2.9	2.5-2.7	2.3-2.5
Cost to income ratio	50.7	36.9	37.9-39.8	39.9-41.9	42.4-44.5
Return on average common equity	14.5	24.3	19.0-21.0	16.6-18.4	14.4-15.9
Return on assets	1.0	1.6	1.3-1.5	1.1-1.4	1.0-1.3
New loan loss provisions/average customer loans	0.0	0.3	0.3-0.3	0.2-0.2	0.1-0.1
Gross nonperforming assets/customer loans	1.5	2.0	2.2-2.4	2.3-2.5	2.1-2.3
Net charge-offs/average customer loans	(0.0)	(0.0)	0.0-0.0	0.1-0.1	0.1-0.1
Risk-adjusted capital (RAC) ratio	15.5	15.6*	14.8-15.6	15.5-16.5	16.0-17.0

Note: All figures are S&P Global Ratings-adjusted. *Estimate, as 2023 RAC figures are not yet available. a--Actual. f--Forecast. NIM--Net interest margin.

Anchor: 'a-' For Banks Operating Solely In Finland

Under our bank criteria, we use our Banking Industry Country Risk Assessment (BICRA) economic risk and industry risk scores to determine the anchor, the starting point for our bank rating. The anchor for OmaSp is 'a-', in line with that for commercial banks based in Finland. We classify Finland's banking sector in group '2' under our BICRA, alongside Sweden, Norway, Belgium, and Switzerland. The economic and industry risk trends for Finland's BICRA are stable.

We view Finland as an innovative, wealthy, small, and open economy that has mature political and institutional structures. After GDP growth of 2.1% in 2022, we now project the Finnish economy will stagnate in 2023 then expand 1.25%-1.50% in 2024-2025. Even though inflation has likely peaked, interest rates remain high. The resulting decrease in real disposable incomes of households erodes their purchasing power. More muted consumer and business confidence could weaken the banking sector's growth prospects.

We do not see material economic imbalances in the Finnish economy, but house prices are expected to be 5%-7% lower across Finland this year, with an expected rebound in 2024 and thereafter. That said, increasing household debt and a weaker labor market combined with weaker consumer and business confidence could eventually lead to higher credit losses for banks.

In our view, regulatory standards and bank supervision in Finland are in line with those of European peers. The banking sector is dominated by two major banking groups, OP Financial Group and Nordea, and characterized by high competition and improved lending margins in a higher interest rate environment. We expect banking sector profitability and capitalization will remain resilient and banks' risk appetite restrained. In our view, the risk of technology disruption remains moderate given that the banks are at the forefront of digitalization and are continuing to invest in innovation and digital capabilities.

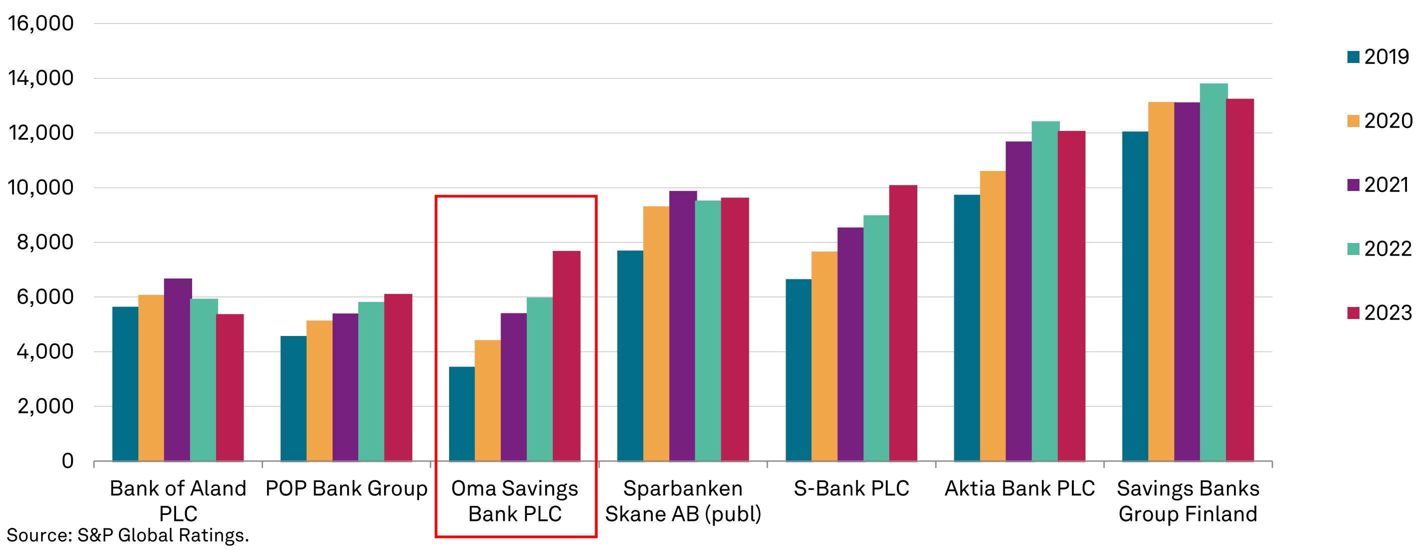
Finnish banks will remain dependent on external funding, which makes them vulnerable to changes in confidence sensitivity and higher interest rates. That said, they continue to demonstrate good access to capital markets. In addition, the Nordic banking system remains highly interconnected, which results in potential spillover risks from external events.

Business Position: Rapidly Growing Retail Franchise In Finland

OmaSp continues to expand its regional retail franchise focused on residential real estate, SME, and agricultural lending in selected regions in Finland. Total assets increased by 29% in 2023, including transferred volumes from the acquisition of LiedonSp's business in the first quarter, and have grown by an accumulated 160% over the past five years. Still, its market share remains modest--estimated at 2.7% of household lending and 1.9% of customer deposits--and business and revenue diversification is limited compared with larger peers.

Chart 1

Total assets of selected Nordic peers



Source: S&P Global Ratings.

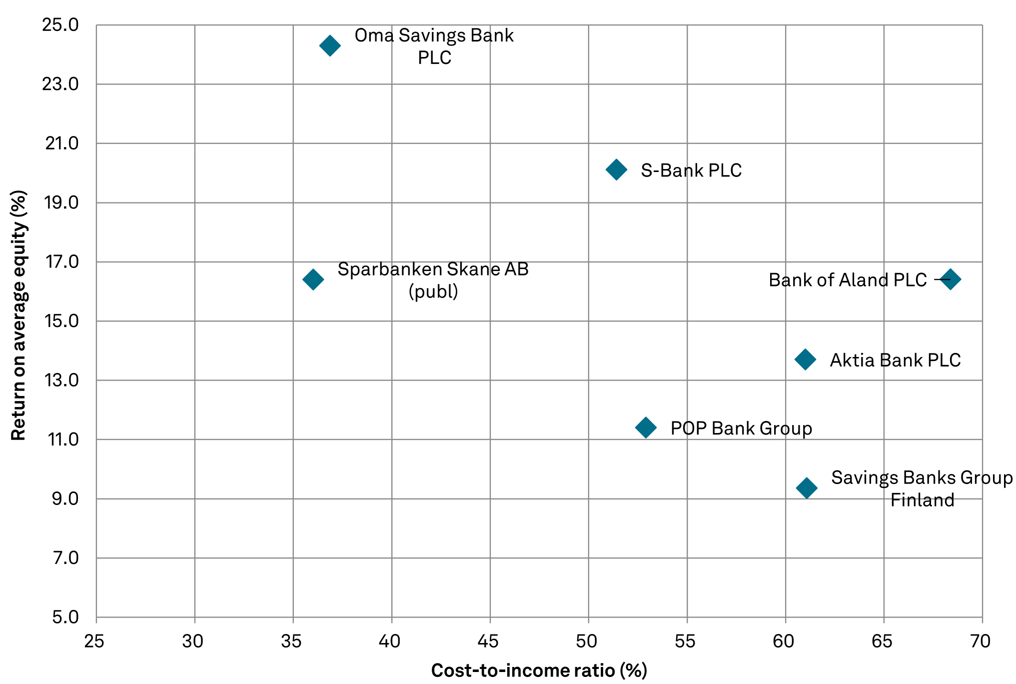
The ongoing acquisition of Handelsbanken's Finnish SME portfolio (including €1.2 billion in deposits and loans of €460 million as of March 31, 2023)--expected to finalize in second-half 2024--will add approximately 36% of business volumes to its existing corporate loan book and strengthen the bank's presence within business customers. The transaction, which includes the transfer of 40 employees from Handelsbanken will, in our view, raise OmaSp's capabilities in servicing a broader range of customers and add a degree of business diversification. At the same time, the significant increase in business customers and volumes could prove a bigger challenge than previous acquisitions. With the purchase price equal to the net of balance sheet items to be transferred plus €15 million, we expect limited financing needs and minor impact on the bank's capitalization.

While expanding its customer base, OmaSp has successfully priced its product offerings, which--coupled with its partnership with Savings Banks Group in the area of wealth management and insurance--has allowed it to operate cost-efficiently while enabling private customers a full-service offering. However, this also makes the bank dependent on cooperation partners for some of its core service offerings.

With the majority of the loan book tied to 12-month Euribor, soaring interest rates in 2023 significantly boosted OmaSp's revenue by 71% to €245.8 million. Consequently, the bank's return on average equity rose to an extraordinary 24.3% (from 14.5% as of 2022) with cost-to-income at 37% (51%). While we expect earnings will remain structurally high in 2024-2025, we project that momentum will slow amid gradually compressing net interest margins and rising operating expenses including cost of risk.

OmaSp's profitability outperforms peers'

Cost-to-income ratio and return on average equity compared with selected peers



Source: S&P Global Ratings.

In June 2023, the bank updated its financial targets, which include annual growth in operating income of 10%-15% under current market conditions, return on equity of at least 16%, cost to income below 46%, and a common equity tier 1 (CET1) ratio at least two percentage points above the regulatory requirement. Moreover, in December 2023, the bank concluded change negotiations with the purpose of streamlining the organizational structure and strengthening the corporate banking expertise across its 45 branches.

Capital And Earnings: Solid Earnings Generation And High Retention Support Capitalization

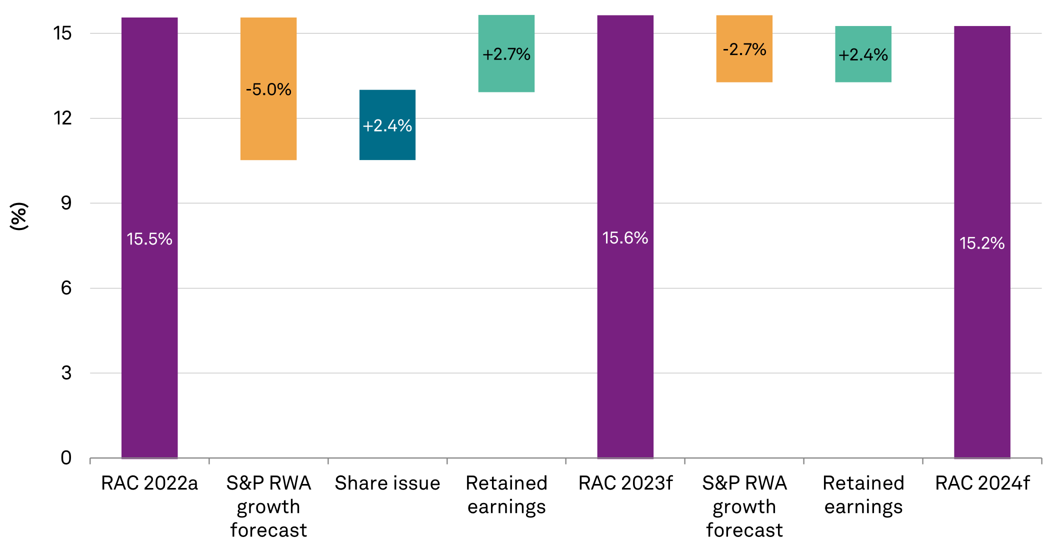
We expect OmaSp's capital position will remain a key rating strength. We project the RAC ratio will remain above 15% in 2024, compared with an estimated 15.6% for full-year 2023, balancing high earnings retention and build-up of capital with elevated growth in risk-weighted assets (RWAs) from its expanding loan book. We forecast normalizing RWA growth in 2025, improving the RAC ratio to 15.5%-16.5%.

Underpinned by higher interest rates and transferred volumes from LiedonSp, OmaSp reported net income of €110 million in 2023, up from €55 million in 2022. Assuming dividends of €33 million (30% of net income) in line with the board proposal, we expect retained earnings will be sufficient to support a RAC ratio above 15% at year-end 2023 despite a significant increase in S&P Global Ratings-RWA estimated at around 30% in line with regulatory RWA growth. Moreover, OmaSp strengthened its capital base with a €65 million targeted share issue to LiedonSp as part of the acquisition in early 2023.

Over 2024-2025, we anticipate OmaSp will continue to target organic loan growth above the market rate and expand the loan book by 4%-6%. We expect this, coupled with an earnings boost from the SME portfolio to be transferred from Handelsbanken, will offset rising operating expenses including cost of risk, and result in stable or moderately growing net income of €109-€115 million and return on average equity around 17%-20% over the next two years. Assuming dividends of 20%-30% over the forecast period, we project that OmaSp will build organic capital sufficient to offset RWA growth of 5%-15% over the next two years.

Chart 3

RAC expected to be maintained above 15%
OmaSp's RAC development 2022a-2024f



f--Forecast. RWA--Risk-weighted assets. RAC--Risk-adjusted capital. Source: S&P Global Ratings.

We consider the quality of capital to be high as it solely comprises common equity, and we believe OmaSp could issue hybrid debt instruments to support further growth, if needed.

Regulatory capital ratios remain comfortably above the requirement. As of Dec. 31. 2023, the CET 1 ratio stood at 14.9% against a requirement of 7.9%. In 2023, the Finnish Financial Supervisory Authority (FIN-FSA) imposed a systemic risk buffer requirement of 1% on the bank effective from March 31, 2024. Additionally, the FIN-FSA has announced its intention to raise OmaSp's CET1 requirement by one percentage point.

Risk Position: Rapid Growth And Loan Book Concentrations Partly Mitigated By Collateralized Low-Risk Lending Focus

In our view, OmaSp's risk profile is less diversified than a typical universal bank in Finland due to concentration in households and SMEs in selected regions.

Mitigating this is OmaSp's focus on low-risk lending to private customers (59% of loans) and housing companies (12%) and high share of collateralization--above 90% of the portfolio--which in our opinion, limits asset quality risks. That said, OmaSp's weighted average loan-to-value (LTV) of 71% in its mortgage portfolio and share of high LTVs (more than 80%) of 34% of the total mortgage loan book is higher than most Nordic peers--making the bank more vulnerable to falling real estate prices.

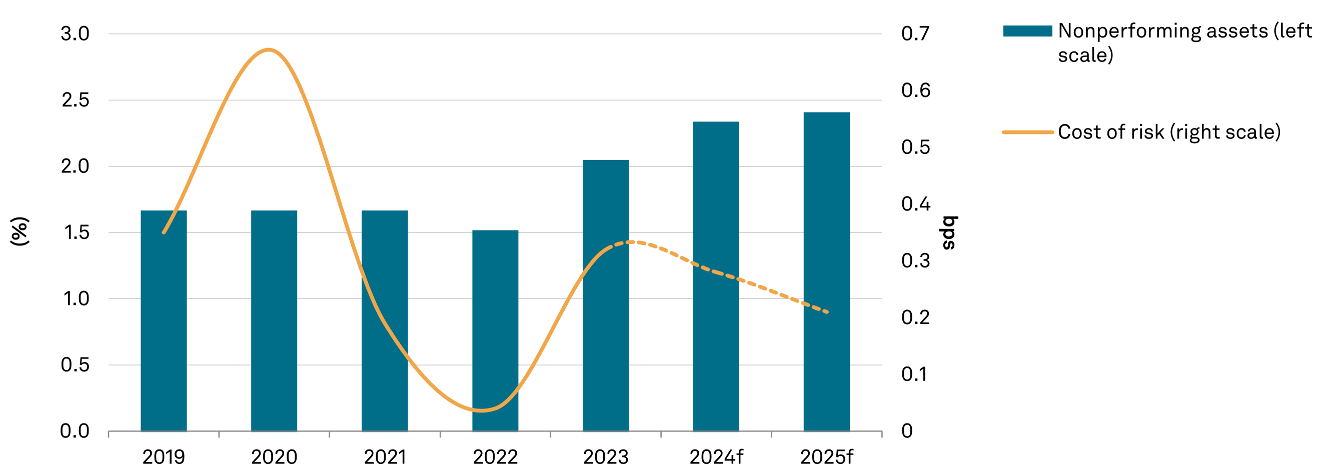
Moreover, OmaSp's rapid loan growth--averaging 19% per year since 2019--in our opinion, indicates a somewhat higher risk appetite, although the bank has largely maintained a similar business focus and exposure structure over the years. Generally, we see limited execution risk from integrating the Finnish SME portfolio from Handelsbanken, given OmaSp's track record of successfully expanding its loan portfolio through acquisitions. While the portfolio to be transferred comprises similar or stronger asset quality than OmaSp's existing SME book, the significant expansion of this segment could pose structural challenges for the bank.

Asset quality deteriorated over 2023, with the nonperforming assets (defined as stage 3 loans) ratio rising to 2.0% at year-end, from 1.5% in 2022. In anticipation of a weakening credit cycle and further downside pressures on the loan book, the bank increased the level of loan loss provisioning over second-half 2023 totaling €17 million. This includes a judgement-based extra buffer of €8 million--equivalent to 32bps for the full year, well above Finnish peers. We project nonperforming assets to rise to 2.2%-2-5% and loan loss provisioning to remain elevated at 20-30bps over 2024-2025.

Chart 4

Nonperforming assets are trending upwards

Gross nonperforming asset ratio and new loan loss provisions to total loans



f--Forecast. Source: S&P Global Ratings.

Funding And Liquidity: Stable Retail Deposit Franchise Complemented With Covered Bond Issuance

We consider OmaSp's funding profile to be adequate, reflecting its granular deposit base, accounting for 54% of the funding base, rooted in a sound retail franchise and proximity to customers. Around 60% of customer deposits stems from households, with the bulk of the remainder from SMEs. About 65% of total deposits are covered under the state guarantee scheme.

The funding profile is complemented with wholesale funding sources consisting predominantly of covered and senior bonds.

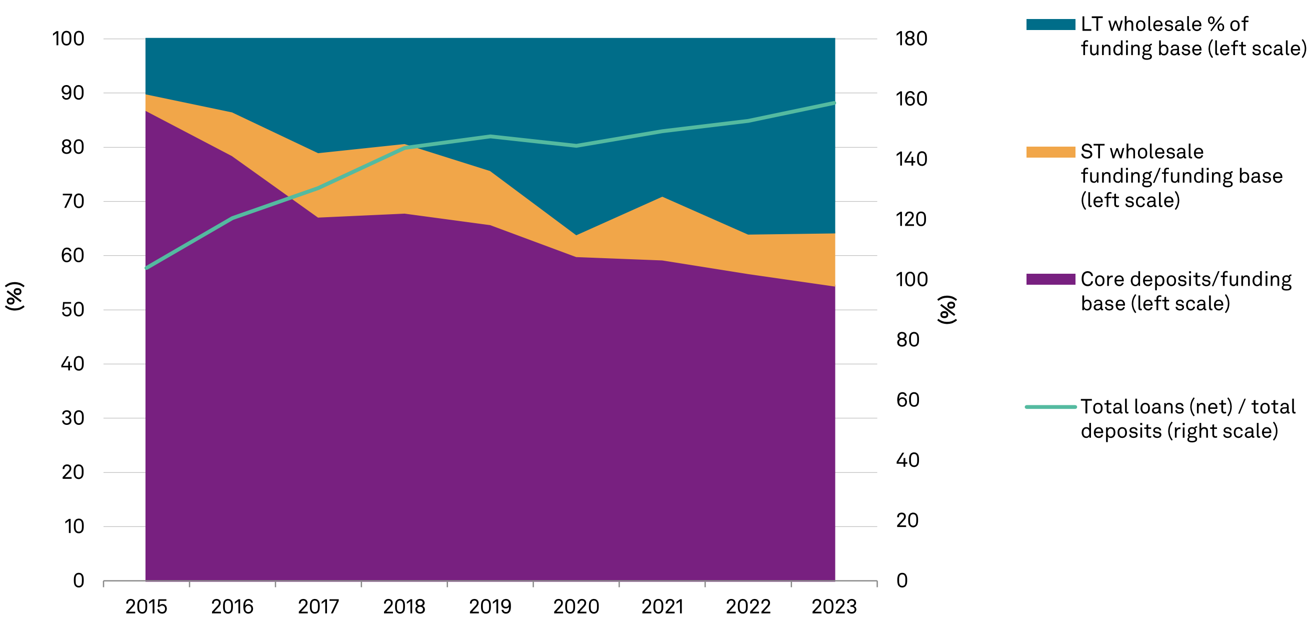
OmaSp's rapidly expanding loan book has shrunk the share of deposit funding over the past decade, to slightly above half of the funding base as of year-end 2023 compared with more than 90% in 2014. This has resulted in a larger structural funding gap compared with midsize domestic peers (see chart 5). Tighter financial conditions have squeezed OmaSp's deposit volumes which, excluding transferred volumes from LiedonSp, decreased by approximately 12% in 2023, above the sector-wide deposit stock that lowered by around 4% year-on-year.

While we expect to see continued pressure on deposits in 2024, the planned acquisition of Handelsbanken's SME portfolio is anticipated to add a deposit volume of approximately €1.2 billion (estimation as of March 2023). We expect this--coupled with a well-balanced maturity profile, with about 16% of outstanding covered and senior funding maturing in 2024 and about 7% maturing in 2025--will support a stable funding ratio above 100% in 2024-2025, compared to 102% in 2023.

Chart 5

Rapid loan growth has increased OmaSp's Reliance on market funding

Funding base composition (left scale) and loan-to-deposit ratio (right scale)



Source: S&P Global Ratings.

Our assessment of OmaSp's liquidity considers our one-year liquidity ratio: broad liquid assets to short-term wholesale funding (BLAST) which on Dec. 31, 2023 stood at 1.4x (from 2.1x as of year-end 2022). As of that date, OmaSp had a liquidity position of €961 million, consisting primarily of cash and highly rated bonds, which after haircuts represents 25% of core deposits and 13% of assets. Therefore, we think the bank could survive for more than six months under stressful conditions--for example involving the closure of access to capital market funding and a significant deposit outflow. However, we believe that dependence on the central bank through repurchase agremeent activity could become significant thereafter.

As of Dec. 31, 2023, the bank reported a regulatory net stable funding ratio of 118% and a liquidity coverage ratio of 249%, well above the regulatory minimum of 100%.

Support: No Uplift To The Stand-Alone Credit Profile

We do not factor in any external support into our assessment of OmaSp. In our view, Finland has had an effective resolution regime in place since January 2016. However, as we assess OmaSp as having low systemic importance in Finland (market share of 1.54% in customer deposits as of June 30, 2022), we believe the response to OmaSp's nonviability would not primarily be a bail-in resolution. Therefore, we do not consider our additional loss absorbing capital criteria to be applicable to the bank, nor do we think that OmaSp is eligible for our resolution counterparty rating (RCR). RCRs recognize the default risk of certain bank liabilities that rank senior to other liabilities in a resolution.

Additional Rating Factors

No additional factors affect this rating.

Environmental, Social, And Governance (ESG)

ESG factors are neutral in our assessment of OmaSp's creditworthiness. Social and environmental credit factors are broadly in line with those of peers in the banking industry, while the bank's governance standards are comparable with the practice in its home country.

Like other banks involved in corporate and mortgage lending, we consider ESG factors--including climate change, and evolving regulations and norms--to be relevant for our analysis on OmaSp. As a savings bank, OmaSp strives to have a positive effect on the local community and takes part in regional projects supporting increased financial literacy. OmaSp is committed to support the United Nation's 17 Sustainability Developments Goals and is a member of Finance Finland's Committee for ESG.

Overall, we consider that the bank has limited exposure to sectors that are vulnerable to transition risk, due to its modest commercial banking footprint. Potential vulnerabilities include exposure to agriculture accounting for 5% of loans as of Dec. 31, 2023.

Key Statistics

Table 1

Oma Savings Bank PLC--Key figures					
	2023	**2022**	**2021**	**2020**	**2019**
Adjusted assets	7,629.3	5,933.1	5,362.6	4,370.8	3,407.3
Customer loans (gross)	6,032.5	4,778.9	4,354.5	3,460.2	2,978.6
Adjusted common equity	556.1	420.8	376.9	324.4	290.8
Operating revenues	245.8	144.1	155.9	111.0	92.6
Noninterest expenses	90.6	73.1	65.3	51.7	50.3
Core earnings	110.1	55.4	66.3	30.7	27.5

Table 2

Oma Savings Bank PLC--Business position					
	2023	**2022**	**2021**	**2020**	**2019**
Loan market share in country of domicile	2.2	1.8	1.4	1.3	1.2
Deposit market share in country of domicile	1.9	1.5	1.3	1.3	1.2
Total revenues from business line (currency in millions)	245.8	144.1	155.9	111.0	92.6
Commercial and retail banking/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Return on average common equity	24.3	14.5	17.6	9.2	9.1

Table 3

Oma Savings Bank PLC--Capital and earnings					
	2023	**2022**	**2021**	**2020**	**2019**
Tier 1 capital ratio	14.9	13.3	15.5	15.9	16.8
S&P Global Ratings' RAC ratio before diversification	N/A	15.5	15.0	15.0	15.7
S&P Global Ratings' RAC ratio after diversification	N/A	11.6	10.7	11.2	11.6
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	80.2	72.8	51.4	61.1	62.1
Fee income/operating revenues	19.3	27.3	21.6	26.4	27.5
Market-sensitive income/operating revenues	(0.9)	(3.8)	3.3	11.9	9.0
Cost to income ratio	36.9	50.7	41.9	46.6	54.4
Preprovision operating income/average assets	2.3	1.3	1.9	1.5	1.3
Core earnings/average managed assets	1.6	1.0	1.4	0.8	0.9

RAC--Risk-adjusted capital. N/A--Not applicable.

Table 4

Oma Savings Bank PLC--Risk-adjusted capital framework data					
	Exposure*	**Basel III RWA**	**Average Basel III RW(%)**	**S&P Global Ratings' RWA**	**Average S&P Global Ratings' RW (%)**
Credit risk					
Government amd central banks	602,538,974.1	3,447,376.7	0.6	22,253,576.9	3.7

Table 4

Oma Savings Bank PLC--Risk-adjusted capital framework data (cont.)

Of which regional governments and local authorities	9,648,707.1	3,447,376.7	35.7	347,353.5	3.6
Institutions and CCPs	441,419,302.8	66,011,577.7	15.0	36,746,979.5	8.3
Corporate	989,331,124.9	668,678,291.9	67.6	694,023,825.5	70.2
Retail	3,947,605,381.8	1,396,883,361.3	35.4	1,194,276,928.0	30.3
Of which mortgage	3,115,212,790.6	1,001,541,897.4	32.2	701,468,979.6	22.5
Securitization§	0.0	0.0	0.0	0.0	0.0
Other assets†	126,996,545.8	86,457,291.5	68.1	180,198,219.5	141.9
Total credit risk	6,107,891,329.3	2,221,477,899.0	36.4	2,127,499,529.4	34.8
Credit valuation adjustment					
Total credit valuation adjustment	--	31,657,734.4	--	0.0	--
Market risk					
Equity in the banking book	32,051,943.2	39,266,661.6	122.5	306,192,992.9	955.3
Trading book market risk	--	0.0	--	0.0	--
Total market risk	--	39,266,661.6	--	306,192,992.9	--
Operational risk					
Total operational risk	--	229,645,770.9	--	278,086,896.0	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings' RWA**	**% of S&P Global Ratings' RWA**
Diversification adjustments					
RWA before diversification	--	2,546,530,003.4	--	2,711,779,418.2	100.0
Total diversification/ Concentration adjustments	--	--	--	909,299,035.4	33.5
RWA after diversification	--	2,546,530,003.4	--	3,621,078,453.6	133.5
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings' RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		339,488,000.0	13.3	420,838,725.2	15.5
Capital ratio after adjustments‡		339,488,000.0	13.3	420,838,725.2	11.6

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to tier 1 ratio are additional regulatory requirements (e.g. transitional floor or pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31, 2022, S&P Global Ratings.

Table 5

Oma Savings Bank PLC--Risk position

	2023	2022	2021	2020	2019
Growth in customer loans	26.2	9.7	25.8	16.2	17.3
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	33.5	41.0	34.3	35.3
Total managed assets/adjusted common equity (x)	13.7	14.1	14.3	13.5	11.7

Table 5

Oma Savings Bank PLC--Risk position (cont.)

	2023	2022	2021	2020	2019
New loan loss provisions/average customer loans	0.3	0.0	0.2	0.7	0.3
Net charge-offs/average customer loans	(0.0)	(0.0)	N.M.	N.M.	N.M.
Gross nonperforming assets/customer loans + other real estate owned	2.0	1.5	1.7	1.7	1.7
Loan loss reserves/gross nonperforming assets	28.8	34.3	39.6	45.1	36.8

N/A--not applicable. N.M.--Not meaningful. RWA--Risk-weighted assets.

Table 6

Oma Savings Bank PLC--Funding and liquidity

	2023	2022	2021	2020	2019
Core deposits/funding base	54.5	56.8	59.3	59.9	65.8
Customer loans (net)/customer deposits	158.7	152.7	149.3	144.5	147.6
Long-term funding ratio	90.9	93.1	89.1	96.2	91.0
Stable funding ratio	102.1	106.3	99.9	111.1	95.9
Short-term wholesale funding/funding base	9.8	7.3	11.8	4.1	10.0
Regulatory net stable funding ratio	117.8	115.3	N/A	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	1.4	2.1	1.2	4.0	0.7
Broad liquid assets/total assets	12.6	14.0	12.6	14.8	6.7
Broad liquid assets/customer deposits	25.4	26.7	23.3	27.4	11.3
Net broad liquid assets/short-term customer deposits	8.9	14.0	3.4	21.0	(4.0)
Regulatory liquidity coverage ratio (LCR) (x)	248.9	166.4	N/A	N/A	N/A
Short-term wholesale funding/total wholesale funding	21.6	16.9	29.0	10.2	29.1
Narrow liquid assets/3-month wholesale funding (x)	6.0	5.8	20.9	33.4	1.4

N/A--Not applicable.

Oma Savings Bank PLC--Rating component scores

Issuer credit rating	**BBB+/Stable/A-2**
SACP	bbb+
Anchor	a-
Economic risk	2
Industry risk	3
Business position	Constrained
Capital and earnings	Very strong
Risk position	Moderate
Funding	Adequate
Liquidity	Adequate
Comparable ratings analysis	0
Support	0
ALAC support	0
GRE support	0
Group support	0
Sovereign support	0

Oma Savings Bank PLC--Rating component scores (cont.)	
Issuer credit rating	**BBB+/Stable/A-2**
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Banking Industry Country Risk Assessment Update: February 2024, Feb. 28, 2024
- Nordic Banks In 2024: Ploughing Through Tough Terrain, Feb. 7, 2024
- Credit Conditions Europe Q1 2024: Adapting To New Realities, Nov. 28, 2023
- Banking Industry Country Risk Assessment: Finland, Nov. 28, 2023
- Leading Nordic Banks Enjoy Record Profits Amid Higher Interest Rates, Nov. 1, 2023
- Nordic Banks: Resilient to Economic Weakening, Oct. 18, 2023

Ratings Detail (As Of March 7, 2024)*	
Oma Savings Bank PLC	
Issuer Credit Rating	BBB+/Stable/A-2
Senior Secured	AAA/Stable
Senior Unsecured	BBB+
Issuer Credit Ratings History	
22-Jan-2021	BBB+/Stable/A-2
19-May-2020	BBB+/Negative/A-2
27-Jul-2017	BBB+/Stable/A-2
Sovereign Rating	
Finland	AA+/Stable/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.