S&P Global
Ratings

RatingsDirect®

Oma Savings Bank PLC

Primary Credit Analyst:
Niklas Dahlstrom, Stockholm +46 84405358; niklas.dahlstrom@spglobal.com

Secondary Contact:
Salla von Steinaecker, Frankfurt +49 69 33999 164; salla.vonsteinaecker@spglobal.com

Table Of Contents

Table Of Contents (cont.)

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	Constrained	-2
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.	Identified risk management and governance shortcomings resulting in elevated nonperforming assets.
Solid core profitability and operating efficiency.	Business and regional risk concentration.
Well-established regional retail franchise.	Dependence on external partners for product and service offering.

Oma Savings Bank (OmaSp) is set to continue remedying shortcomings to its risk management, governance and control over 2025-2026. The case of noncompliance with internal risk guidelines--involving loans to real estate companies of approximately €240 million and representing 3.8% of OmaSp's €6.4 billion loan book--resulted in significant asset quality deterioration and extraordinary loan loss provisions in 2024 (see "Oma Savings Bank PLC Ratings Downgraded To 'BBB/A-2' On Deteriorated Asset Quality; Outlook Revised To Stable", Nov. 14, 2024). We believe OmaSp is taking necessary steps to strengthen its risk management and governance. The bank has reportedly completed several actions since launching its remediation plan in June 2024-- including strengthened resources within risk management and centralization of control functions-- and we understand the bank will continue remedying remaining gaps over 2025. Further, there have been several changes to the composition of OmaSp's board of directors in the aftermath of the noncompliance case, and the new board has taken measures to enhance its supervisory capacity. New CEO Karri Alameri was appointed in late 2024 and assumed his position on March 31, 2025. The outcome of the regulatory investigation related to securities market offences at OmaSp is ongoing and remains uncertain.

Solid underlying core profitability should enable higher investment spending while supporting earnings retention and capitalization. Despite absorbing loan loss provisions of €83 million (134 basis points) and increased spending to address identified shortcomings, OmaSp reported net income of €60 million in 2024, compared to an extraordinary net profit of €110 million in 2023. This translated into a return on average equity of 10.7% and cost-to-income of 41%--still well aligned with domestic mid-size peers. For 2025-2027, we expect net income in the range of €73 million-€85 million with return on average equity and cost-to-income of 11%-13% and 47%-50% respectively. This reflects our anticipation of falling revenues from a narrowing interest margin, cost inflation from investments into compliance and controls, and elevated albeit declining cost of risk at around 50 bps for 2025 and 25 bps-35 bps in 2026-2027. Assuming dividends of 20%-25% of annual net income, we forecast OmaSp's risk-adjusted capital (RAC) ratio will be 16.5%-18.0% through 2027, compared to 15.5% as of year-end 2024.

We project nonperforming assets will remain elevated over 2025-2027 but gradually decline as macroeconomic conditions improve and OmaSp takes measures to workout real estate exposures connected to the noncompliance case. Nonperforming assets rose to 6.6% as of Dec. 31, 2024, from 2.0% a year earlier, driven by the noncompliance case and persistently challenging macroeconomic conditions in Finland. Although uncertainty remains, our base case sees OmaSp's nonperforming assets ratio improving to around 6.0% in 2025 and to 4%-5% over 2026-2027. This incorporates a gradual decline of nonperforming loans connected to the noncompliance case as well as our expectation of a recovering Finnish economy where falling interest rates should underpin household consumption and ease the pressure on the troubled real estate and construction sector. Consequently, we anticipate credit demand in the market will pick up and project OmaSp's loan book will grow by 1%-2% in 2025 and 3%-5% in 2026-2027. This compares with a loan book expansion of 6.1% in 2024, driven by the acquisition of Handelsbanken's Finnish small and midsize enterprise (SME) portfolio while organic loan growth remained broadly flat.

Granular retail deposits and lower asset growth should support funding stability over the next two years. 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 57% of the funding base as of year-end 2024. This is somewhat lower than midsize domestic peers, reflecting OmaSp's rapid loan book expansion over the past decade. The structural funding gap is bridged by wholesale funding consisting mainly of covered and senior bond issuance. We consider OmaSp has a reasonably well-spread maturity profile, with 7% of covered and senior bonds maturing in 2025 and 25% per annum in 2026-2027. The funding profile is further supported by OmaSp's liquidity buffers which as of Dec. 31, 2024, stood at €732 million, after haircuts, representing 18.3% of deposits.

Outlook

The stable outlook reflects our expectation that OmaSp will maintain its solid earnings generation capacity and very strong capitalization in the next two years. This will enable the bank to continue investing in and improve its internal risk management and control capabilities while gradually working out elevated non-performing assets (NPA).

Downside scenario

We could downgrade OmaSp if the bank fails to take sufficient and timely measures to remedy governance and risk management gaps or if the regulatory investigation identified further shortcomings. We could also lower the rating if we saw further material asset quality deterioration, or if the RAC ratio sustainably declined below 15%.

Upside scenario

We could raise the rating if we saw sufficient evidence of a strengthened risk management framework at OmaSp that supports controlled growth, and residual downside risks fall away. This should also be consistent with OmaSp demonstrating a sound financial position with asset quality indicators comparable to domestic peers.

Key Metrics

Oma Savings Bank PLC--Key ratios and forecasts

	--Fiscal year ended Dec. 31 --				
(%)	**2023a**	**2024a**	**2025f**	**2026f**	**2027f**
Growth in operating revenue	70.6	9.5	(9.0)-(10.9)	0.0-0.0	4.4-5.3
Growth in customer loans	26.2	6.1	0.9-1.1	3.6-4.4	5.4-6.6
Growth in total assets	28.6	0.9	1.3-1.6	4.2-5.1	4.9-6.0
Net interest income/average earning assets (NIM)	3.2	3.0	2.4-2.6	2.3-2.5	2.3-2.5
Cost-to-income ratio	36.9	41.3	46.5-48.9	48.8-51.3	48.9-51.4
Return on average common equity	24.3	10.7	11.7-12.9	11.5-12.7	11.4-12.6
Return on assets	1.6	0.8	0.9-1.0	0.9-1.1	0.9-1.1
New loan loss provisions/average customer loans	0.3	1.3	0.5-0.6	0.3-0.4	0.3-0.3
Gross nonperforming assets/customer loans	2.0	6.6	5.7-6.3	4.9-5.5	4.1-4.6
Net charge-offs/average customer loans	0.0	0.0	0.2-0.2	0.3-0.3	0.3-0.3
Risk-adjusted capital ratio	16.3	15.5	16.0-17.0	16.5-17.5	17.0-18.0

All figures include S&P Global Ratings' adjustments. 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. Following a contraction in the Finnish economy in 2023-2024, we expect GDP growth to pick up and average 1.3% over 2025-2026. Moderating inflation and decreasing financing costs coupled with favorable wage agreements are expected to improve households' real disposable income and purchasing power. Consequently, we expect a gradual acceleration in real GDP growth as consumption and investments increase. The prevailing geopolitical situation casts uncertainty on the Finnish export sector growth prospects. Still, we expect credit losses will remain manageable at about 20 bps-25 bps over 2025-2026.

Housing prices remained subdued in 2024 due to the still high mortgage financing costs and soft consumer confidence. Even so, transaction activity appears to have bottomed and we anticipate that property prices will start recovering in nominal terms in 2025. We expect skill mismatches in the labor market will persist and unemployment will remain above 7%, despite reforms targeting the labor market. This, combined with weaker consumer and business confidence, could eventually lead to higher credit losses for banks.

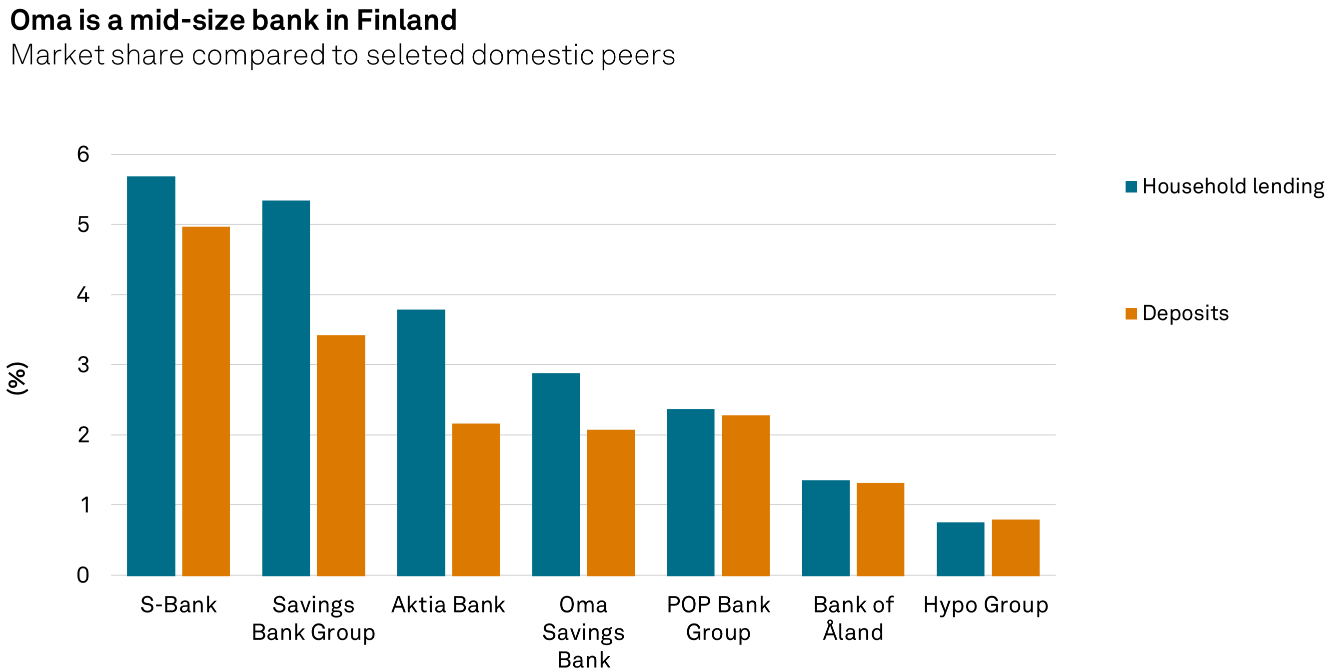
We view regulatory standards and bank supervision in Finland as being in line with those of European peers. The banking sector is dominated by two major banking groups, OP Financial Group and Nordea, and characterized by intense competition and low lending margins. That said, we think that overall profitability and capitalization will remain resilient. We also expect banks to maintain their restrained risk appetites. In our view, the risk of technology disruption remains moderate, given that the banks are at the forefront of digitalization and continue 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, the banks 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 has continued to expand its regional retail franchise focused on residential real estate, SME, and agricultural lending in selected regions in Finland. Following the absorption of Liedon Savings Bank in 2023, OmaSp completed the acquisition of Handelsbanken's Finnish SME portfolio in third-quarter 2024 including loans and deposit volumes of €500 million and €440 million respectively. While this lifted total assets to €7.7 billion-- an increase by 126% over the past five years-- and provided a degree of business diversification, OmaSp remains a small player with a domestic market share of 2.8% in household lending and 1.9% of customer deposits as of June 30, 2024. We continue to view business and revenue diversification as limited compared to larger peers.

Chart 1



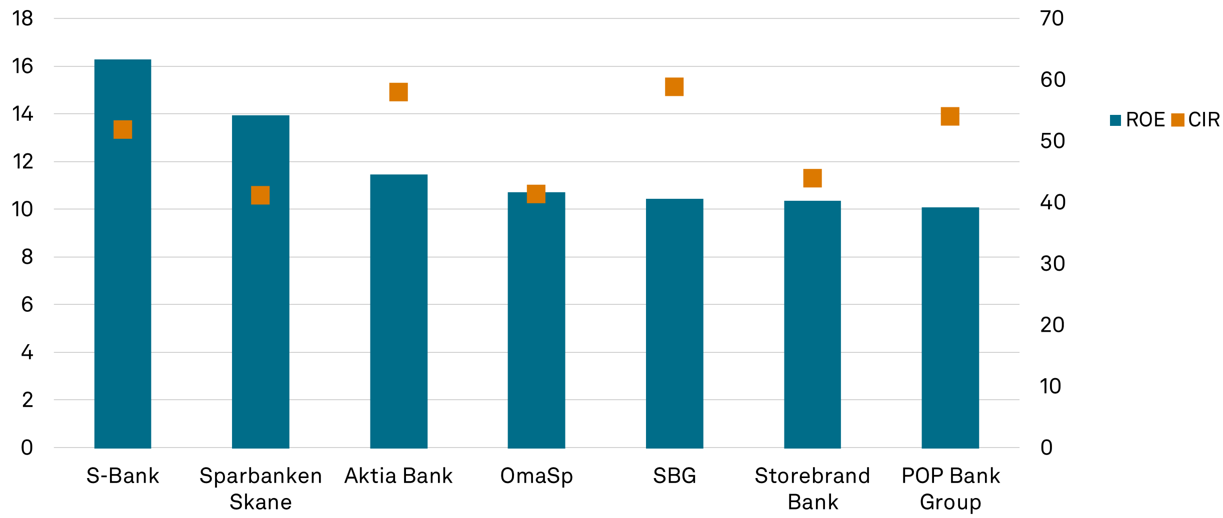
As of Dec. 31, 2024. Source: S&P Global Ratings.

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, OmaSp experienced significant revenue growth of an aggregated 87% over 2023-2024. A difficult macroeconomic environment with muted growth, high borrowing costs and lingering inflation has, at the same time, constrained organic business growth which remained largely flat in 2024. This coupled with acquisition-related costs, the opening of three new branches, and investments into strengthening governance and control in the aftermath of the noncompliance case have also burdened the cost base in 2024. Still, with a cost-to-income ratio of 41% in 2024, OmaSp remains a positive outlier in terms of operating efficiency in the Finnish market.

Chart 2

OmaSp's profitability is comparable to peers despite elevated losses
Return on equity and cost-to-income as of 2024



SBG--Savings Banks Group Finland. Source: S&P Global Ratings.

We expect ongoing measures to remedy identified risk management shortcomings, which will require continuous investment spending over 2025-2026 and for it to remain a strategic priority for the bank. We note several changes to both the executive management team and the board of directors. Following the departure of then CEO Pasi Sydänlammi in mid-2024, new CEO Karri Alameri assumed his position on March 31, 2025. We expect more clarity on OmaSp's strategic direction further into 2025 when the new management team has settled in. The bank's current financial targets 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 ratio at least two percentage points above the regulatory requirement.

Capital And Earnings: Solid Core Profitability And High Earnings Retention Support Capitalization

We expect capitalization will remain the key rating strength for OmaSp and project the RAC ratio to be in the range of 16.5%-18.0% over the next two years, assuming annual dividends of 20%-25% of net income. This compares with a RAC ratio of 15.5% in 2024 (from 16.4% in 2023) driven by high inorganic growth and elevated cost of risk that has weighed on profits and earnings retention. Similarly, as of Dec. 31, 2024, the regulatory common equity tier 1 ratio stood at 14.4%, a decline from 14.9% a year earlier. Still, this is comfortably above the regulatory requirement of 8.9%. Moreover, 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 future growth, if needed.

We project loan growth in the Finnish market will gradually rebound with falling interest rates and pick up speed over latter 2025 and into 2026. Even so, with ongoing measures to workout exposures related to the noncompliance case and still challenging macroeconomic conditions for small business, we expect OmaSp will be selective in its expansion over the medium-term. We project annual loan growth of 1%-2% in 2025 and 3%-5% in 2026-2027. We expect this alongside healthy growth in fee and commission income--mainly consisting of lending and payments fees and commission from brokered products--will support revenues of €242 million-€255 million over 2025-2027, compared with €269 million in 2024. At the same time, we project elevated investment spending, staff increases, and expansion of branch network in second-half 2024 will result in operating expense growth of 4%-5% annually over the next two years. This translates into a return on equity of 11%-13% over 2025-2027, compared to 10.7% in 2024, and cost-to-income of 47%-50% (41% in 2023).

Risk Position: OmaSp Is Taking Measures To Remedy Risk-Management Gaps

Our view of OmaSp's risk position is constrained by the identified shortcomings with regards to the bank's governance and risk control following the case of noncompliance with internal risk guidelines reported in early 2024. This contributed to a significant asset quality deterioration, with nonperforming assets rising to 6.6% as of Dec. 31, 2024 (from 2.0% as of year-end 2023). Consequently, this led the bank to book credit loss provisions of €83.4 million, equivalent to 134 bps in 2024.

Moreover, on April 4, 2025, OmaSp received the final inspection report from the Financial Supervisory Authority (Fin-FSA) on the bank's prevention of money laundering and terrorist financing. The report identified several shortcomings in the bank's anti money laundering (AML) processes including deficiencies in the assessment of AML risks, the know your customer, and due diligence of high-risk customers, as well as deficiencies in obtaining and retaining information in accordance with the Money Laundering Act. These shortcomings were reflected in our rating action in November 2024 (see "Oma Savings Bank PLC Ratings Downgraded To 'BBB/A-2' On Deteriorated Asset Quality; Outlook Revised To Stable", Nov. 14, 2024).

In preparation for a potential sanction, OmaSp has reportedly made a provision of €3 million in first-quarter 2025.

We understand OmaSp has devoted material resources, both internal and external, and has reportedly completed several actions since launching its remediation plan in June 2024. Among other items these include:

- an updated risk taxonomy and decision-making procedures;
- strengthened resources and mandate for the risk management function;
- centralization of business support functions and collateral assessments; and
- enhanced system support and guidelines for handling conflicts of interest.

OmaSp will continue to implement measures related to policies and practices of independent functions, data protection, as well as know-your-customer and AML processes. In our view, securing sufficient resources and capabilities within all these areas will be crucial for running a bigger bank and balance sheet. The outcome of the regulatory investigation related to securities market offences at OmaSp is ongoing and remains uncertain.

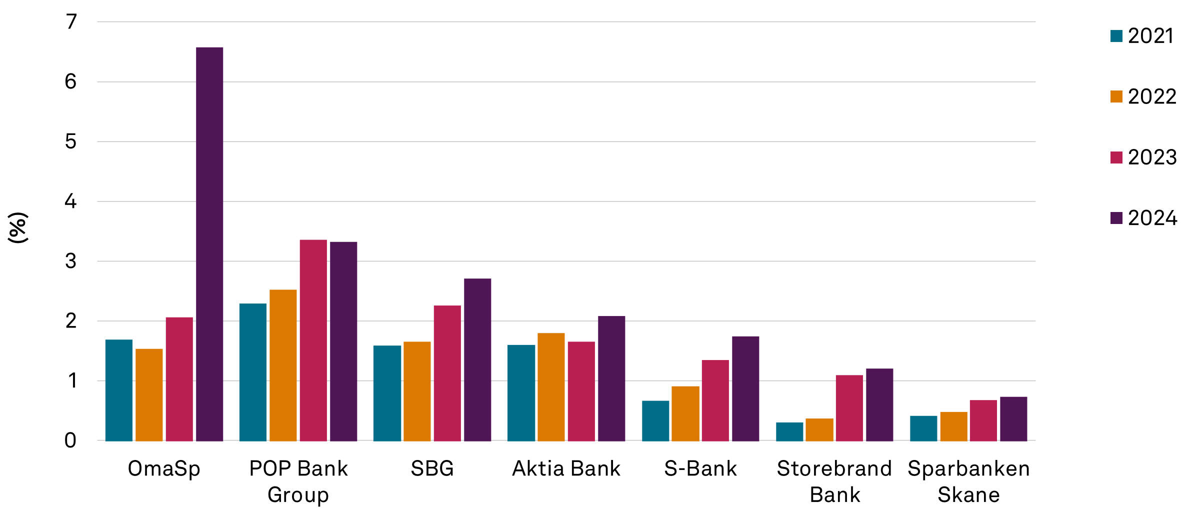
OmaSp remains focused on collateralized retail lending to private customers (59%), housing companies (11%) and SMEs (21%). While collateralized lending accounts for a high share of the total portfolio, OmaSp's weighted average loan-to-value (LTV) of 71% in its mortgage portfolio and share of high LTVs (more than 80%) of 26% of the total mortgage loan book is higher than most Nordic peers-- making the bank more vulnerable to falling real estate prices. We also acknowledge OmaSp's rapid growth over the past decade, which, 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.

We anticipate OmaSp's nonperforming loans ratio will remain elevated over the next two years, but gradually decline to around 6% in 2025 and to 4%-5% by end-2027. Similarly, we project loan loss provisioning needs will normalize and average around 15 bps-25 bps over our forecast horizon. More broadly, we expect lower borrowing cost, and a recovering Finish economy will ease the strain on Finnish households and corporates and support a downward trend in nonperforming assets.

Chart 3

Credit losses at OmaSp spiked in 2024

Nonperforming assets compared to selected Nordic peers



SBG--Savings Banks Group Finland. 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 core deposits, accounting for 57% of the funding base. Despite some outflow over 2024, customer deposits grew by €226 million, or 7%, supported by the €443 million of transferred volumes from Handelsbanken. As of Dec. 31, 2024, 56% of customer deposits stemmed from households, with the bulk of the remainder from SMEs. About 65% of total deposits are covered under the deposit guarantee scheme.

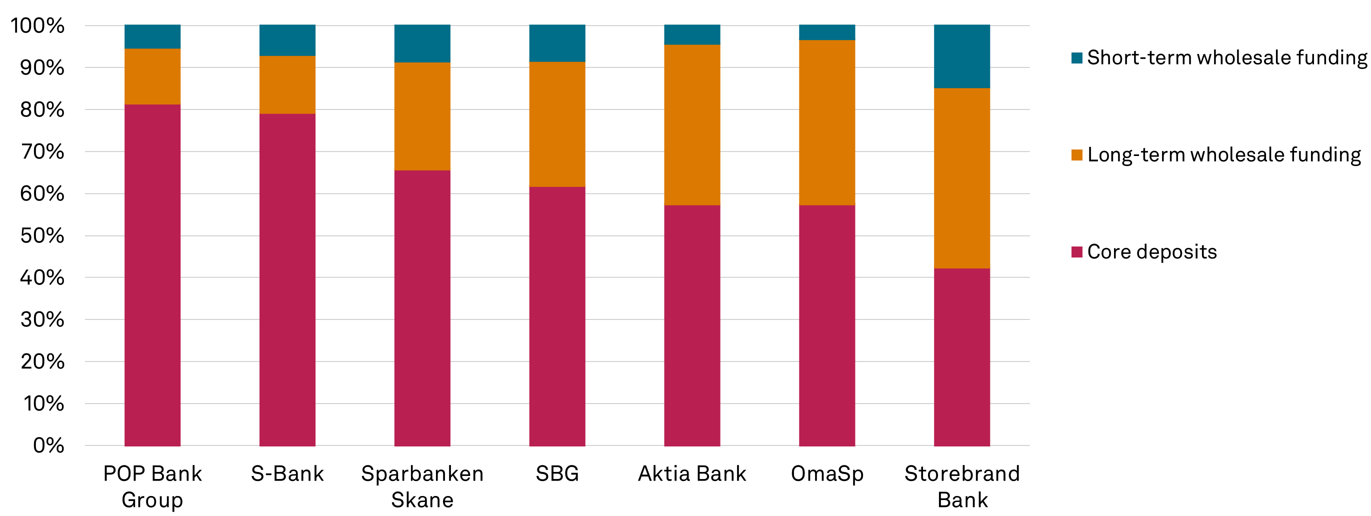
OmaSp's rapid loan book expansion over the past decade has reduced the share of deposit funding and the loan-to-deposit ratio stood at 160% as of year-end 2024, up from 104% in 2015. This has resulted in a larger structural funding gap compared with small and midsize domestic peers (see chart 4) that is bridged by wholesale funding sources consisting predominantly of covered and senior bonds.

Although continued deposit outflow could put downside pressure on OmaSp's funding profile, we consider the bank has a well-balanced maturity profile with about 7% of outstanding covered and senior funding maturing in 2025 and about 25% per year in 2026-2027. We also consider the bank has sufficient unencumbered assets to scale up covered bond funding or use for central bank funding in a stressed scenario. As such, we expect the stable funding ratio will remain sufficiently above 100% over the next two years, from 105% as of Dec. 31, 2024.

Chart 4

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

Funding structure compared to selected Nordic peers



SBG--Savings Banks Group Finland. Source: S&P Global Ratings.

Refinancing risk is further mitigated by OmaSp's ample liquidity buffers which as of Dec. 31, 2024, stood at €732 million. These consist primarily of cash and highly rated bonds, which after haircuts represented 19% of core deposits and 10% of assets. At the same date, our one-year liquidity ratio: broad liquid assets to short-term wholesale funding (BLAST) stood at 2.6x (from 1.4x as of year-end 2023). 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 agreement activity could become significant thereafter.

As of Dec. 31, 2024, the bank reported a regulatory net stable funding ratio of 118% and a liquidity coverage ratio of 160%, 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 1.9% in customer deposits as of June 30, 2024), 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)

Governance factors have weighed more negatively on OmaSp's risk profile compared to Finnish peers, although we consider the bank is taking measures to address these shortcomings. Social and environmental factors are neutral in our assessment of its creditworthiness.

We think OmaSp is taking steps to improve risk management, governance and control throughout the organization. In addition to completed and planned actions to strengthen its organizational structure and improve risk management and oversight at the bank level, OmaSp's Board of Directors established an audit committee in May 2024, to improve the board's supervisory capacity. In January 2025, the board also decided to establish a risk committee. We believe these measures will support financial integrity and compliance, and provide improved oversight on risk appetite, assessment and control in the bank. Moreover, we consider the Board of directors at OmaSp reflect an adequate composition of independent directors with relevant experience and effective influence on decision-making.

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, 2024.

Key Statistics

Table 1

Oma Savings Bank PLC--Key figures

	--Fiscal year end Dec. 31--				
	2024	2023	2022	2021	2020
Adjusted assets	7,677.3	7,629.3	5,933.1	5,362.6	4,370.8
Customer loans (gross)	6,398.4	6,032.5	4,778.9	4,354.5	3,460.2
Adjusted common equity	585.5	556.1	420.8	376.9	324.4
Operating revenues	269.1	245.8	144.1	155.9	111.0
Noninterest expenses	111.0	90.6	73.1	65.3	51.7
Core earnings	59.6	110.1	55.4	66.3	30.7

Table 2

Oma Savings Bank PLC--Business position

	--Fiscal year end Dec. 31--				
	2024	2023	2022	2021	2020
Loan market share in country of domicile	2.9	2.2	1.8	1.4	1.3
Deposit market share in country of domicile	2.1	1.9	1.5	1.3	1.3
Total revenues from business line (currency in millions)	269.1	245.8	144.1	155.9	111.0
Commercial & retail banking/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Return on average common equity	10.7	24.3	14.5	17.6	9.2

Table 3

Oma Savings Bank PLC--Capital and earnings

	--Fiscal year end Dec. 31--				
	2024	2023	2022	2021	2020
Tier-1 capital ratio	14.4	14.9	13.3	15.5	15.9
S&P Global Ratings' RAC ratio before diversification	15.5	16.3	15.5	15.0	15.0
S&P Global Ratings' RAC ratio after diversification	12.3	12.5	11.6	10.7	11.2
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	79.2	80.2	72.8	51.4	61.1
Fee income/operating revenues	18.9	19.3	27.3	21.6	26.4
Market-sensitive income/operating revenues	(1.7)	(0.8)	(3.8)	3.3	11.9
Cost-to-income ratio	41.3	36.9	50.7	41.9	46.6
Preprovision operating income/average assets	2.1	2.3	1.3	1.9	1.5
Core earnings/average managed assets	0.8	1.6	1.0	1.4	0.8

RAC--Risk-adjusted capital.

Table 4

Oma Savings Bank PLC--Risk-adjusted capital framework data

	Exposure*	Basel III RWA	Average Basel III RW(%)	Standard & Poor's Global Ratings RWA	Average Standard & Poor's Global Ratings RW (%)
Credit risk					
Government & central banks	629,811,844.3	9,390,379.0	1.5	23,381,863.9	3.7
Of which regional governments and local authorities	67,540,629.0	3,569,907.1	5.3	2,431,462.6	3.6
Institutions and CCPs	596,828,348.8	98,017,745.7	16.4	58,933,149.5	9.9
Corporate	1,191,356,196.1	752,584,546.5	63.2	746,312,296.5	62.6
Retail	5,392,442,695.9	1,784,547,642.9	33.1	1,704,511,957.4	31.6
Of which mortgage	4,068,032,280.8	1,304,371,687.5	32.1	918,807,931.0	22.6
Securitization§	0.0	0.0	0.0	0.0	0.0
Other assets†	401,753,702.1	398,829,671.8	98.6	431,259,984.1	109.1
Total credit risk	8,214,907,787.2	3,043,369,985.8	37.0	2,974,580,501.4	36.2
Credit valuation adjustment					
Total credit valuation adjustment	--	57,250,070.6	--	0.0	--
Market risk					
Equity in the banking book	32,409,894.4	147,123,706.2	453.9	314,596,002.1	970.7
Trading book market risk	--	0.0	--	0.0	--
Total market risk	--	147,123,706.2	--	314,596,002.1	--
Operational risk					
Total operational risk	--	414,929,948.6	--	507,128,428.6	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	3,662,673,711.3	--	3,786,123,682.0	100.0
Total diversification/ concentration adjustments	--	--	--	972,976,511.8	25.6
RWA after diversification	--	3,662,673,711.3	--	4,758,219,854.0	125.6
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio before adjustments		528433075.0	14.4	585468795.4	15.5
Capital ratio after adjustments‡		528433075.0	14.4	585468795.4	12.3

*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, 2024 and S&P Global Ratings.

Table 5

Oma Savings Bank PLC--Risk position

	--Fiscal year end Dec. 31--				
	2024	**2023**	**2022**	**2021**	**2020**
Growth in customer loans	6.1	26.2	9.7	25.8	16.2
Total diversification adjustment/S&P Global Ratings' RWA before diversification	25.7	30.5	33.5	41.0	34.3
Total managed assets/adjusted common equity (x)	13.2	13.7	14.1	14.3	13.5
New loan loss provisions/average customer loans	1.3	0.3	0.0	0.2	0.7
Net charge-offs/average customer loans	(0.0)	(0.0)	(0.0)	N.M.	N.M.
Gross nonperforming assets/customer loans + other real estate owned	6.6	2.0	1.5	1.7	1.7
Loan loss reserves/gross nonperforming assets	26.8	28.8	34.3	39.6	45.1

N.M.--Not meaningful. RWA--Risk-weighted asset.

Table 6

Oma Savings Bank PLC--Funding and liquidity

	--Fiscal year end Dec. 31--				
	2024	**2023**	**2022**	**2021**	**2020**
Core deposits/funding base	57.5	54.5	56.8	59.3	59.9
Customer loans (net)/customer deposits	157.1	158.7	152.7	149.3	144.5
Long-term funding ratio	96.0	90.3	93.1	89.1	96.2
Stable funding ratio	105.2	102.4	106.3	99.9	111.1
Short-term wholesale funding/funding base	4.3	10.4	7.3	11.8	4.1
Regulatory net stable funding ratio	118.1	117.8	115.3	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	2.6	1.4	2.1	1.2	4.0
Broad liquid assets/total assets	9.9	13.4	14.0	12.6	14.8
Broad liquid assets/customer deposits	19.2	27.0	26.7	23.3	27.4
Net broad liquid assets/short-term customer deposits	11.7	8.0	14.0	3.4	21.0
Regulatory liquidity coverage ratio (LCR) (%)	160.3	248.9	166.4	N/A	N/A
Short-term wholesale funding/total wholesale funding	10.1	23.0	16.9	29.0	10.2
Narrow liquid assets/3-month wholesale funding (x)	9.8	5.0	5.8	20.9	33.4

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	Constrained
Funding	Adequate
Liquidity	Adequate
Comparable ratings analysis	0

Oma Savings Bank PLC--Rating component scores (cont.)	
Issuer credit rating	**BBB/Stable/A-2**
Support	0
ALAC support	0
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

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

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- 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: March 2025, March 28, 2025
- The Top Trends Shaping European Bank Ratings In 2025, Jan. 27, 2025
- Nordic Banking Outlook 2025: Ample Resilience Amid Lingering Uncertainty, Jan. 24, 2025
- Research Update: Oma Savings Bank PLC Ratings Downgraded To 'BBB/A-2' On Deteriorated Asset Quality; Outlook Revised To Stable, Nov. 14, 2024
- Global Banks Outlook 2025, Nov. 14, 2024
- Banking Industry Country Risk Assessment: Finland, Nov. 7, 2024

Ratings Detail (As Of May 5, 2025)*	
Oma Savings Bank PLC	
Issuer Credit Rating	BBB/Stable/A-2
Senior Secured	AAA/Stable
Senior Unsecured	BBB
Issuer Credit Ratings History	
14-Nov-2024	BBB/Stable/A-2

Ratings Detail (As Of May 5, 2025)*(cont.)	
17-Jun-2024	BBB+/Negative/A-2
22-Jan-2021	BBB+/Stable/A-2
19-May-2020	BBB+/Negative/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.