

Oma Säästöpankki Oyj
Group

Interim Report,
September 30, 2018

omasäästöpankki
Lähellä ja läsnä

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This Interim Report includes corrections in core capital and solvency calculations on issued shares to employees. The corrected Interim Report has been made public on November 15, 2018.

Interim Report, January 1-September 30, 2018, is a translation of the original Finnish version "Osavuositiedustus 1.1.-30.9.2018". If discrepancies occur, the Finnish version is dominant.

CEO'S REVIEW

“This is the first time we are publishing the bank’s Q3 results. The bank’s strong performance continues as expected. We have experienced very rapid growth compared to the market. In the beginning of the year, profit before taxes showed an increase compared to the same time the previous year, amounting to 20.5 million euros. Our main sources of income, net interest income, fee and commission income, continued to show strong growth. Our net interest income grew by 25% to reach 35.9 million euros. Fee and commission income grew by 20.9% to 19.4 million euros. Demand for credit remained steady, and payment card and payment transaction fees showed an increase. Operating expenses increased by 15.7%, to 33.8 million euros. As expected, the bank’s investments were reflected in the increase in personnel, marketing, and IT development expenses. The balance sheet total was 2.84 billion euros, showing an increase of 550 million euros (24%) compared to the end of September 2017.”

Pasi Sydänlammi

CEO

KEY EVENTS IN JULY–SEPTEMBER

- At its meeting on August 9, 2018, Oma Säästöpankki’s Board of Directors decided to review and evaluate the potential listing of the company’s shares on the Helsinki Stock Exchange.
- In August, the bank announced the opening of a new branch office in Oulu by the end of 2018.
- On August 31, 2018, the bank acquired a 25% share of PP-Laskenta Oy from Samlink Ab. PP-Laskenta Oy provides the bank with accounting, payroll and supervisory reporting services.
- Oma Säästöpankki rebranded the bank’s payment cards. The new payment cards were introduced in August.
- In July, the bank announced plans to expand the operations of its branch office in Jyväskylä together with a move to new premises in the city centre. These plans are expected to take place in summer 2019.
- In September, the bank signed an agreement on the acquisition of new premises to be completed in Seinäjoki 2019. The contract price was in total 2.3 million euros.

MAIN EVENTS IN THE ACCOUNTING YEAR 2018

- In early 2018, the bank implemented an organisational reform to ensure the bank's development and growth in the future. In connection with the organisational reform, the bank established a new customer operations group, Yrityspankki, aimed at the bank's business customers.
- In the last few years, employee training has been one of the main priorities in the development of the bank's operations. In February 2018, 13 banking experts and managers graduated from the first OmaSp Master Programme organised in collaboration with the University of Tampere.
- The bank expanded its digital banking services by launching the new OmaKonttori and OmaVahvistus mobile applications in the first half of 2018. The customer can use the OmaKonttori application to send a message and make a voice or video call to their preferred banking agent. With this application, customers can carry out their banking activities personally with the same banking agent as in the branch office.
- On June 1, 2018, the bank signed a new loan agreement with the European Investment Bank for Finnish SMEs.
- In June 2018, the bank issued a covered bond worth 100 million euros as part of the bank's bond programme. The bond was added to the previous bond issued in December 2017 under Oma Säästöpankki's bond programme worth 1,500,000,000 euros.
- In June, the bank increased its share in SAV-Rahoitus; and since June 30, 2018 its shareholding is now 50.7%.

OPERATING ENVIRONMENT

Oma Säästöpankki operates in a stable, business-friendly environment in Finland, under the common rules and regulations of the European Banking Union. The gross domestic product (GDP) of Finland has shown strong growth since 2015, increasing by 2.1% in 2016 and by 3.0% in 2017. GDP is expected to continue to grow. According to the estimates, GDP will grow by 1.8% per year on average between 2018–2020¹. In the bank's view, the business environment in Finland is also stable in terms of household indebtedness and house prices. In Finland, house prices have been rising steadily, showing an annual growth of 1.8% between 2008–2017². During the same period, house prices relative to household disposable income have decreased by 0.5%³.

The rapid change in customer behaviour and increased utilisation of digital banking services have created their own challenges to the financial sector's ability to meet customer expectations. According to a survey carried out by Finance Finland (FFI), almost half of customers expect a personal advisory service. An increasing number of customers expect services to be available on weekday evenings, and more than a quarter expect services to also be available on Saturdays. These findings are presented in Finance Finland's report "Saving, borrowing and paying in Finland, 2017". Oma Säästöpankki has responded to these challenges by developing new digital solutions, such as the personal identification number application OmaVahvistus, and the OmaKonttori application. Customers can use the Omakonttori mobile application to interact face-to-face with their banking agent and to carry out their banking activities without visiting a branch office. Oma Säästöpankki has met the challenges set by the changing operational environment with a high level of success. Oma Säästöpankki has extended its opening hours in order to meet customer expectations, and almost all of the city branches are open on weekday evenings as well. In addition, appointments are increasingly often arranged according to the customer's wishes, at the customer's preferred location and time.

¹ Source: IMF

² Source: Eurostat

³ Source: Eurostat (house prices) and the OECD (household disposable income defined as annual gross household disposable income, including the net change in household pension funds)

FINANCIAL HIGHLIGHTS

The comparable period for income statement items is January 1–September 30, 2017. The comparable period for the balance sheet and solvency period is December 31, 2017.

Results

Oma Säästöpankki Group's profit before taxes amounted to 20.5 million euros (19.9).

Net interest income grew by 25.0% to 35.9 million euros (28.7). The increase in interest income resulting from the increase in the loan portfolio contributed to the increase in net interest income.

Commission income (net) increased by 20.9 % to 19.4 million euros (16.0) compared to the same time the previous year. In addition to increased lending, the increase in commission income was also partly due to the increase in card payments and payment transaction fees.

Operating income totalled 57.8 million euros (50.0), showing a growth of 15.7%. The overall increase in operating income is due to the positive developments in our business and operations. The increase is partly due to the increase in customer and business volumes resulting from the transfer of S-Pankki's small and medium-sized company operations as well as agricultural and forestry operations to Oma Säästöpankki which took place in December 2017.

Operating expenses totalled 33.8 million euros (29.2). Expenses grew by 15.7% from the comparable period last year. A significant amount of the increase consisted of the 1.8 million euro increase in personnel expenses and the 2.1 million euro increase in other operating expenses. The increase in other operating income results from increased marketing and IT development costs. The Group's cost-to-income ratio was 58.5% (58.5%), remaining on the same level as in 2017. This is due to the increase in both operating income and expenses in 2018.

The recruitment of employees for the new office branches as well as the employee transfers from S-Pankki to Oma Säästöpankki were the primary reasons for the increased personnel expenses. Oma Säästöpankki opened a new branch office in Jyväskylä in November 2017, and the bank has announced the opening of new offices in Helsinki, Turku and Oulu by the end of 2018 and in early 2019. The increase in personnel expenses was mainly due to the recruitment of employees for the new branches. In 2018, the average number of employees was 287 (266) at the end of the reporting period.

Impairment losses on financial assets include the expected credit losses, final credit losses and reversals of credit losses on customer loans calculated according to the IFRS 9 Financial Instruments standard. Impairment losses on financial assets amounted to 3.5 million euros (0.8) during the accounting period. Net credit losses resulting from the impairment losses on financial assets amounted to 1.4 million euros (1.7).

Balance sheet

The Group's balance sheet total was 2,841.9 million euros (2,726.6). The increase in the balance sheet was 4.2% and the key items on the balance sheet have developed in comparison to December 31, 2017, as follows:

Lending

The Group's total lending at the end of the review period was 2 415.6 million euros (2 137.9), which shows an increase of 277.8 million euros (13.0%). The increase consisted mostly of loans to small business, home loans, and consumer credit.

Deposits

The largest share of the Group's borrowing consisted of deposits from the public. The deposits at the end of the review period were 1 728.9 million euros (1 639.3). Deposits grew by 89.6 million euros, or 5.5%, during the review period.

Other borrowing

Other borrowings consisted of issued bonds, deposit certificates, debenture loans and loans from the Nordic Investment Bank and the European Investment Bank. At the end of the period they amounted to 819.3 million euros (801.0). The amount of other borrowings increased by 18.4 million euros, or 2.3%.

THE GROUP'S KEY FIGURES

The Group's key figures (1 000 euros)	1-9/2018*	1-9/2017	1-12/2017
Operating income/loss	65 804	57 972	84 921
Net interest income	35 925	28 744	39 317
% of operating income/loss	54,6 %	49,6 %	46,3 %
Total operating income	57 806	49 959	74 091
Total operating expenses	- 33 797	- 29 215	- 41 112
Cost/income ratio	58,5 %	58,5 %	55,5 %
Impairment losses on financial assets, net	- 3 549	- 835	- 2 600
Profit before taxes	20 460	19 910	30 379
% of operating income/loss	31,1 %	34,3 %	35,8 %
Profit/loss for the accounting period	16 603	16 041	24 087
Balance sheet total	2 841 945	2 291 432	2 726 567
Equity	254 633	237 693	241 484
Return on assets (ROA) %	0,8 %	1,0 %	1,0 %
Return on equity (ROE) %	8,9 %	9,3 %	10,4 %
Earnings per share (EPS), euro	32,92	32,74	49,22
Average number of shares (excluding own shares)	501 816	490 960	491 859
Number of shares at the end of the year (excluding own shares)	501 825	490 960	501 744
Equity ratio	9,0 %	10,4 %	8,9 %
Total of own funds (TC) relative to risk-weighted items (%)**	17,5% ¹⁾	18,8 %	18,9% ¹⁾
Core capital (CET1) relative to risk-weighted items (%)**	16,6% ¹⁾	18,5 %	17,6% ¹⁾
Tier 1 capital (T1) relative to risk-weighted items (%)**	16,6% ¹⁾	18,5 %	17,6% ¹⁾
Liquidity coverage ratio (LCR) %***	138,6 %	107,9 %	280,3 %
Average number of employees	287	266	256

The calculation principles of the key figures are described on page 53-54 of the interim report.

** Implementation of the Financial Instruments standard on January 1, 2018. The figures from the comparable year have not been recalculated.*

*** Solvency key ratio for the period of 1-9/2018–6/2018, calculated at group level. The data from previous years have been calculated at the parent company level.*

**** Liquidity coverage ratio, calculated at the parent company level.*

1) The figure is according to corrected Interim Report. The bank has corrected its core capital and solvency calculations on issued shares to employees.

SOLVENCY AND RISK STATUS

In its solvency calculations, Oma Säästöpankki Group applies the standard method for credit risks and the basic method for operative risks. In the standard method, exposures are divided into exposure classes and the minimum limits for credit spreading are determined in the retail receivables class. Oma Säästöpankki Group publishes the essential information of its solvency calculations once a year as a part of its report and notes to the financial statements. Key solvency information is included in the interim report. Solvency and risk management as well as risks are covered in more detail in Oma Säästöpankki's financial statement as of 31 December 2017.

On the basis of the structural risks of Finland's financial system, the Finnish Supervisory Authority imposed a capital buffer requirement on all Finnish credit institutions on June 29, 2018. An additional capital requirement (systemic risk buffer) of 1% to be covered by consolidated core capital has been imposed on Oma Säästöpankki Oyj. This decision enters into force on July 1, 2019.

The reporting level regarding solvency calculations changed in the first quarter of 2018. In the interim report of 30 September 2018, solvency will be reported at group level (Oma Säästöpankki Group), whereas in previous years, the figures have been reported at the parent company level (Oma Säästöpankki Oyj). Oma Säästöpankki Oyj forms an integral part of the Group. The figures of the Group and the parent company are therefore broadly comparable. Solvency calculations as of 30 September 2018 and as of 31 December 2017 do not in every part reply to calculations given in the interim report and audited financial statement since the bank has corrected its core capital and solvency calculations on issued shares to employees. Shares subscribed for in the personnel issue are not included in core capital according to the EU solvency regulations.

Oma Säästöpankki Group's own funds (TC) totalled 258.3 million euros (247.7), when the minimum requirement for the bank's own funds was set at 154.8 million euros (137.6). In addition to the minimum capital requirement (8%), the capital requirement includes a fixed capital buffer (2.5%) and a countercyclical capital buffer. Tier 1 capital (T1) was 244.0 million euros (229.9), consisting entirely of core capital (CET1). Tier 2 capital (T2) was 14.3 million euros (17.8), consisting of debenture loans. The increase in the Group's own funds was primarily due to the improved profit performance of the Group.

Oma Säästöpankki Group's solvency ratio (TC) remained at a good level, equaling 17.5% (18.9) at the end of the period. The ratio of Tier 1 capital (T1) and core capital (CET1) to risk-weighted items was 16.6 (17.6). The most significant factor impacting the ratios was the increase in risk-weighted items resulting from the increase in the loan portfolio. The

leverage ratio was 8.4% (8.3) at the end of the period. A summary of Oma Säästöpankki Group's solvency is presented in note K14.

POTENTIAL REFORM TO THE IT SYSTEMS

Together with other shareholders of Samlink, Oma Säästöpankki has explored possible ways to reform Samlink's banking system. Oma Säästöpankki has analysed the need for reform and different options for implementing the reform in order to improve competitiveness and reduce IT costs. The potential reform is currently in the planning and negotiation stage and thus far no decisions have been made regarding the implementation or schedule of the project. However, the bank has identified the best ways to implement the reform. Given the time spent on planning and negotiating and the progress of the negotiations during recent weeks, it is possible that the decision will be made promptly, assuming that all parties agree on the details, schedule, and costs of the reform.

The reform would be a major project, and according to the estimates, the reform would cost the bank approximately 20–30 million euros in total. On the other hand, the bank predicts that the investment will generate savings both directly and indirectly as a result of which the bank's total expenses would not change significantly. According to current information, the costs of the reform will be shared between the banks involved in the project, and Oma Säästöpankki will capitalise the costs of the investment on the bank's balance sheet and depreciations will be performed over at least 10 years. The details of the potential reform are still being finalised and the bank does not have detailed information about the implementation schedule, final costs of the reform, the distribution of costs or the amount of potential savings, and the current estimates may still change. However, the bank's objective is to cover all, or at least most of the costs of the potential reform with savings and other profits that may arise from the reform.

SIGNIFICANT EVENTS SINCE THE INTERIM REPORT DATE

On October 18, 2018, Oma Säästöpankki and the Nordic Investment Bank (NIB) signed an agreement on a seven-year loan programme worth 35 million euros, targeted at small and medium-sized companies and small midcaps in Finland. The programme will also provide financing for small-scale environmental investments. This is the second loan programme established by Oma Säästöpankki and NIB. A press release on the loan programme was issued on October 18, 2018.

Oma Säästöpankki has announced the opening of new branch offices in Helsinki and Oulu by the end of 2018, and an expanded office in Turku in early 2019.

At the end of October, due to externally imposed requirements, the bank had to modify existing account numbers in order to unify the customers' account numbers. This was an extensive project, and a considerable change for the customers. However, with the unified account numbers, the bank will be able to develop its services more effectively in the future.

OUTLOOK FOR THE ACCOUNTING PERIOD OF 2018

According to the bank's estimates, the profit before taxes excluding net income on financial assets and liabilities will increase in the accounting period of 2018 compared to the previous year. In 2017, net income on financial assets and liabilities were highlighted in Oma Säästöpankki's profit, affecting the result by approximately 10.8 million euros. In 2017, profit before taxes excluding net income on financial assets and liabilities was 19.6 million euros.

FINANCIAL GOALS

Oma Säästöpankki's Board of Directors has confirmed the following financial goals in September 2018:

- **Growth:** 10–15% annual growth in total operating income under the current market conditions
- **Profitability:** Cost-to-income ratio under 55%
- **Return on equity (ROE):** Long-term return on equity (ROE) over 10%
- **Solvency:** Core capital ratio (CET1) at least 16%

OMA SÄÄSTÖPANKKI GROUP'S INTERIM REPORT

Condensed consolidated income statement

The Group's income statement (1 000 euros)	1-9/2018	1-9/2017	2018 Q3	2017 Q3	1-12/2017	Note
Interest income	40 961	34 157	14 313	11 604	46 579	
Interest expenses	- 5 036	- 5 414	- 1 493	- 1 543	- 7 262	
Net interest income	35 925	28 744	12 820	10 063	39 317	K8
Fee and commission income	22 336	18 622	7 390	6 338	24 814	
Fee and commission expenses	- 2 963	- 2 598	- 1 073	- 986	- 3 569	
Fee and commission income and expenses, net	19 374	16 023	6 317	5 352	21 245	K9
Net income on financial assets and liabilities	832	2 905	540	335	10 780	K10
Other operating income	1 675	2 288	129	406	2 748	
Total operating income	57 806	49 959	19 806	16 154	74 091	
Personnel expenses	- 11 322	- 9 545	- 3 728	- 3 096	- 13 137	
Other operating expenses	- 20 414	- 18 302	- 6 228	- 5 721	- 25 470	
Depreciation and impairment losses on tangible and intangible assets	- 2 061	- 1 368	- 722	- 450	- 2 504	
Total operating expenses	- 33 797	- 29 215	- 10 678	- 9 266	- 41 112	
Impairment losses on financial assets, net	- 3 549	- 835	- 1 737	- 583	- 2 600	K11
Profit before taxes	20 460	19 910	7 391	6 305	30 379	
			-			
Income taxes	- 3 856	- 3 869	- 1 402	- 1 254	- 6 292	
Profit/loss for the accounting period	16 603	16 041	5 988	5 052	24 087	
Of which:						
Oma Säästöpankki Plc's shareholders'	16 520	16 076	5 954	5 077	24 208	
Non-controlling interests	83	- 36	35	- 27	- 120	
Total	16 603	16 041	5 988	5 052	24 087	
Earnings per share (EPS), euros	32,92	32,74	11,86	10,34	49,22	

The implementation of the Financial Instruments standard on January 1, 2018, affects the figures for the period 1-9/2018. The figures from the comparable year have not been recalculated.

Condensed comprehensive consolidated income statement

The Group's comprehensive income statement (1 000 euros)	1-9/2018	1-9/2017	2018 Q3	2017 Q3	1-12/2017
Profit/loss for the accounting period	16 603	16 041	5 988	5 052	24 087
Other items of comprehensive income before taxes	- 630	2 732	- 1 149	1 649	- 4 808
Items that will not be reclassified through profit or loss	9	-	5	18	149
Gains and losses on redefining benefit pension plans	9	-	5	18	149
Interest in associated companies' items of comprehensive income	-	-	-	-	-
Items that may later be reclassified through profit or loss	- 639	2 732	- 1 155	1 667	- 4 659
Measured at fair value	- 639	2 735	- 1 155	1 670	- 4 655
Cash flow hedge	-	3	-	3	4
			-	-	
Income taxes	126	- 546	230	- 329	962
For items that will not be reclassified as profit or loss	- 2	-	- 1	4	30
Gains and losses on redefining benefit pension plans	- 2	-	- 1	4	30
For items that may later be reclassified as profit or loss	128	- 546	231	- 443	932
Measured at fair value	128	- 547	231	- 444	931
Cash flow hedge	-	1	-	1	1
Other items of comprehensive income for the accounting period after taxes	- 504	2 187	- 919	1 321	- 3 846
			-	-	
Comprehensive income for the accounting period	16 100	18 227	5 070	6 372	20 241
			-	-	
Interests of the owners of the parent company	16 017	18 263	5 035	6 398	20 361
Non-controlling interests	83	36	35	27	120
Total	16 100	18 227	6 070	6 372	20 241

Condensed consolidated balance sheet

Assets (1 000 euros)	30.9.2018	31.12.2017	30.9.2017	Note
Cash and cash equivalents	40 025	280 718	6 471	
Financial assets valued at fair value through profit or loss	-	332	332	
Loans and advances to credit institutions	59 155	58 394	53 582	K3
Loans and advances to the public and public sector entities	2 415 624	2 137 868	1 917 531	K3
Financial derivatives	1 812	1 676	2 132	K4
Investment assets	267 236	194 253	271 049	K5
Shares of companies consolidated by the equity method	175	-	-	
Intangible assets	5 288	6 515	4 858	
Tangible assets	16 915	17 348	16 607	
Other assets	34 403	28 337	17 804	
Deferred tax assets	1 313	1 128	1 067	
Total assets	2 841 945	2 726 567	2 291 432	
Liabilities (1 000 euros)	30.9.2018	31.12.2017	30.9.2017	Note
Liabilities to credit institutions	59 629	35 993	34 062	K6
Liabilities to the public and public sector entities	1 728 865	1 639 304	1 512 107	K6
Financial derivatives	2 038	2 222	-	K4
Debt securities issued to the public	734 698	736 961	455 072	K7
Subordinated liabilities	25 000	28 000	12 800	
Provisions and other liabilities	16 772	22 042	19 630	
Deferred tax liabilities	19 977	19 119	19 465	
Income tax liabilities	333	1 441	602	
Total liabilities	2 587 312	2 485 083	2 053 738	
Equity (1 000 euros)	30.9.2018	31.12.2017	30.9.2017	
Share capital	24 000	24 000	24 000	
Reserves	107 688	110 268	113 603	
Retained earnings	122 230	106 439	99 228	
Controlling interests in parent company, total (equity)	253 919	240 706	236 831	
Oma Säästöpankki Plc's shareholders'	253 919	240 706	236 831	
Non-controlling interests	715	778	862	
Equity, total	254 633	241 484	237 693	
Total liabilities and equity	2 841 945	2 726 567	2 291 432	

Group's off-balance sheet commitments

Off-balance sheet commitments (1 000 euros)	30.9.2018	31.12.2017	30.9.2017
Guarantees and pledges	19 659	14 972	12 640
Other commitments given to a third party	415	471	521
Commitments given to a third party on behalf of a customer	20 073	15 443	13 161
Undrawn credit facilities	201 188	188 634	156 974
Irrevocable commitments given to a customer	201 188	188 634	156 974
The Group's off-balance sheet commitments, total	221 261	204 077	170 135

Condensed consolidated cash flow statement

Cash flow statement (1,000 euros)	1-9/2018	1-9/2017	1-12/2017
Cash flow from operating activities			
Profit/loss for the accounting period	16 603	16 041	24 087
Adjustments to the profit/loss of the accounting period	9 497	5 896	10 938
Changes in fair value	- 213	- 223	69
Depreciation and impairment losses on investment properties	9	325	317
Depreciation and impairment losses on tangible and intangible assets	2 061	1 368	2 504
Gains and losses on fixed assets	402	- 57	- 57
Impairment losses	3 549	1 088	2 596
Income taxes	3 856	3 869	6 292
Adjustments to impairment losses	-	- 254	4
Other adjustments	- 168	- 221	- 787
Cash flow from operations before changes in receivables and liabilities	26 101	21 936	35 025
Increase (-) or decrease (+) in business funds			
Debt securities	- 69 611	- 22 483	- 2 882
Loans and advances to credit institutions		- 785	- 1 176
Loans and advances to customers	- 282 456	- 127 549	- 349 626
Derivatives and hedge accounting	16	- 48	- 48
Investment assets	- 4 134	11 264	60 508
Other assets	- 5 992	- 5 674	- 16 208
Total	- 362 177	- 145 275	- 309 432
Increase (+) or decrease (-) in business debts			
Liabilities to credit institutions	23 636	- 5 581	1 736
Liabilities to customers	89 779	30 240	154 509
Debt securities issued to the public	- 2 263	102 022	383 911
Subordinated liabilities	-	-	15 200
Provisions and other liabilities	- 5 990	- 4 993	- 2 227
Total	105 162	121 689	553 129
Paid income taxes	- 3 960	- 1 521	- 2 470
Total cash flow from operating activities	- 234 875	- 3 171	276 252
Cash flow from investments	1-9/2018	1-9/2017	1-12/2017
Investments in tangible and intangible assets	- 552	- 1 561	- 5 317
Proceeds from sales of tangible and intangible assets	603	767	1 187
Acquisition of associated companies	- 175	-	-
Total cash flow from investments	- 124	- 794	- 4 130

Cash flows from financing activities			
Subordinated liabilities, increases	200	-	-
Subordinated liabilities, decreases	- 3 000	- 4 800	- 4 800
Acquisition of non-controlling interests ¹	- 45	- 76	- 76
Other monetary increases in equity items	24	-	2 577
Dividends paid	- 2 112	- 1 576	- 1 576
Total cash flows from financing activities	- 4 933	- 6 452	- 3 875
Net change in cash and cash equivalents			
	- 239 932	- 10 418	268 247
Cash and cash equivalents at the beginning of the reporting period	339 111	55 409	55 409
Cash and cash equivalents at the end of the reporting period	99 180	44 991	323 658
Cash and cash equivalents are formed by the following items:			
Cash and cash equivalents	40 025	6 471	280 718
Cash and cash equivalents, other arrangements ²	-	-	15 453
Receivables from credit institutions repayable on demand	59 155	38 521	58 393
Total	99 180	44 991	339 111
Received interests	32 217	27 261	39 645
Paid interests	- 1 882	- 2 330	- 5 941
Dividends received	985	929	966

⁽¹⁾ In the cash flow statement published in the financial statements of 2017, an item of -76,000 euros was included as "Increases in other investments" under "Cash flow from investments". In this cash flow statement, the said item has been transferred to "Acquisitions of non-controlling interests" under "Cash flows from financing".

⁽²⁾ Oma Säästöpankki opened a TARGET2 account at the Bank of Finland in September 2017. The bank's minimum reserve deposit was transferred to the Bank of Finland in October 2017. In the financial statements of 2017, the minimum reserve deposit was recognised under "Loans and advances to credit institutions". The figure provided on 31 December 2017 has been adjusted retrospectively in the interim report of 30 September 2018 and transferred to the balance sheet item "Cash and cash equivalents". In the cash flow statement, this item is recognised under "Cash and cash equivalents, other arrangements".

Condensed Statement of changes in equity of the group

Change in equity (1 000 euros)	Share capital	Reserve for invested non-restricted equity	Fair value reserve	Hedging instrument reserve	Other reserves	Reserves, total	Retained earnings	Controlling interests in parent company, total	Number of non-controlling interests	Equity, total
Equity, December 31, 2017	24 000	106 087	4 181	-	0	110 268	106 439	240 706	778	241 484
Impact of IFRS9, January 1, 2018			2 181			2 181	1 432	749	131	880
Equity, January 1, 2018	24 000	106 087	1 999	-	0	108 086	107 871	239 957	647	240 604
Comprehensive income										
Profit/loss for the accounting period	-	-	-	-	-	-	16 520	16 520	83	16 603
Other items of comprehensive income	-	-	511	-	-	511	7	504	-	504
Total comprehensive income	-	-	511	-	-	511	16 527	16 017	83	16 100
Transactions with owners										
Acquisition of own shares	-	-	-	-	-	-	26	26	-	26
Share capital increase	-	50	-	-	-	50	-	50	-	50
Distribution of dividends/profit	-	-	-	-	-	-	2 112	2 112	-	2 112
Acquisition of non-controlling interests	-	-	62	-	-	62	30	33	15	17
Transactions with owners, total	-	50	62	-	-	112	2 168	2 056	15	2 071
Equity, total, September 30, 2018	24 000	106 137	1 551	-	0	107 688	122 230	253 919	715	254 633

Change in equity (1 000 euros)	Share capital	Reserve for invested non-restricted equity	Fair value reserve	Hedging instrument reserve	Other reserves	Reserves, total	Retained earnings	Controlling interests in parent company, total	Number of non-controlling interests	Equity, total
Equity, January 1, 2017	24 000	103 510	7 905	3	0	111 418	84 740	220 158	913	221 071
Comprehensive income										
Profit/loss for the accounting period	-	-	-	-	-	-	16 076	16 076	36	16 041
Other items of comprehensive income	-	-	2 188	3	-	2 185	-	2 185	-	2 185
Total comprehensive income	-	-	2 188	3	-	2 185	16 076	18 262	36	18 227
Transactions with owners										
Profit distribution	-	-	-	-	-	-	1 576	1 576	-	1 576
Other changes	-	-	-	-	-	-	13	13	-	13
Acquisition of subsidiary, where the amount of non-controlling interests	-	-	-	-	-	-	-	-	14	14
Transactions with owners, total	-	-	-	-	-	-	1 589	1 589	-	-
Equity, total, September 30, 2017	24 000	103 510	10 093	-	0	113 603	99 228	236 831	862	237 693

NOTES TO THE CONDENSED INTERIM REPORT

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K1 Accounting principles for the financial statements

The Group's parent company is Oma Säästöpankki Oyj, which has its domicile in Seinäjoki and head office in Lappeenranta, at Valtakatu 32, 53100 Lappeenranta. Copies of the financial statements and the interim report are available on the bank's website at www.omasp.fi.

Oma Säästöpankki Group comprises a parent company (Oma Säästöpankki Oyj) and its two subsidiaries (Real Estate company Lappeenrannan Säästökeskus and SAV-Rahoitus Oyj) and a joint venture (PP-Laskenta Oy).

This interim report is Oma Säästöpankki Group's first third quarter interim report prepared in accordance with IAS 34 standard. The Group has also published a half-yearly report during the current accounting period. Figures from the first quarter are therefore not included in the tables or presented as comparative information.

At its meeting on November 4, 2018, the Board approved the interim report for the period of January 1–September 30, 2018.

1.1. About the accounting principles

The interim report has been prepared in accordance with the IAS 34 *Interim Financial Reporting* standard. The accounting principles used for the interim report are the ones used for the 2017 financial statements, with the exception of changes resulting from the implementation of the IFRS 9 *Financial Instruments* standard.

The IFRS 9 standard replaces the IAS 39 *Financial Instruments: Recognition and Measurement* standard. Any changes to the accounting principles resulting from the implementation of IFRS 9 are stated in the interim report.

On August 31, 2018, Oma Säästöpankki acquired a 25% share of PP-Laskenta Ltd from Samlink Ab. The investment will be consolidated as a joint venture by using the equity method.

In addition to the IFRS 9 standard, the Group also implemented the IFRS 15 *Revenue from Contracts with Customers* standard, which replaced the rules on revenue recognition set out in, for example, IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*. The implementation of the standard does not have an impact on the amount of Oma Säästöpankki Group's recognised revenue or the timing of recognition.

All figures in the interim report are expressed in thousands of euros, unless noted otherwise. The figures in the notes are rounded so the combined amount of single figures may deviate from the figures presented in the table or the calculation. The accounting and functional currency of the Group and its companies is the euro.

1.2. Changes related to the IFRS 9 implementation to the paragraph Financial instruments of the accounting principles for the financial statements

1.2.1. Classification and valuation of financial assets

In initial recognition, an item belonging to the financial assets is valued at fair value. If the item is other than an item valued at fair value through profit or loss, transaction costs directly attributable to the acquisition of the item will be added to or deducted from the item.

A loss allowance for expected credit loss on financial assets must be recognised after initial recognition, if a financial asset is valued at an amortised cost or at fair value through other comprehensive income.

Financial assets are classified in one of the following categories when they are initially recognised:

- amortised cost,
- fair value through other comprehensive income or
- fair value through profit or loss.

The classification and valuation of debt instruments is based on Oma Säästöpankki's business model and the nature of contractual cash flows.

1.2.2. Financial assets valued at amortised cost

Financial assets are valued at an amortised cost when the contractual cash flows only include capital repayments and interest payments; Oma Säästöpankki regards them as part of a business model whose objective is to collect contractual cash flows over the life of the investments.

1.2.3. Financial assets valued at fair value through other comprehensive income

Financial assets are valued at fair value through other items of comprehensive income when the contractual cash flows only include capital repayments and interest payments and Oma Säästöpankki regards them as part of a business model whose objective is both collecting contractual cash flows and possibly selling investments before the maturity date.

1.2.4. Financial assets valued at fair value through profit or loss

Financial assets are primarily valued at a fair value through profit or loss, but the bank may, under IFRS 9, choose to measure an individual asset at an amortised cost or fair value through other items of comprehensive income. Financial assets, which are acquired or incurred principally for the purpose of selling, or are part of a portfolio with evidence of short-term profit-taking, are valued at fair value through profit or loss.

1.3. Equity-based instruments

Equity investments are primarily valued at fair value through profit or loss, but the bank may irrevocably choose to measure an individual asset at fair value through other items of comprehensive income.

Oma Säästöpankki has no equity-based investments recognised in items of other comprehensive income at fair value.

1.4. Assessment of business models

Oma Säästöpankki specifies the business model objective for each portfolio based on how business operations are managed and reported to the management. The objectives are specified on the basis of the investment and lending policy approved by the bank.

A business model describes a portfolio-specific revenue model whose objective is solely to collect the contractual cash flows from the assets, to collect both the contractual cash flows and cash flows arising from the sale of assets, or collect cash flows generated from trading the assets.

1.5. Cash flow testing

In a case where the business model is something other than trade, Oma Säästöpankki will assess whether contractual cash flows are solely payments of principal and interest (so called SPPI test). If the cash flow criterion is not met, the financial asset is recognised at fair value through profit or loss.

In assessing whether contractual cash flows are solely payments of principal and interest, Oma Säästöpankki will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows so that it does not meet the test requirements of the SPPI (solely payments of principal and interest) contractual cash flow characteristics.

All retail and company loans granted by Oma Säästöpankki contain a prepayment feature. This prepayment feature meets the SPPI criteria because in the case of a prepaid loan, the bank is entitled to recover reasonable compensation from the early termination of the contract.

1.6. Impairment of financial assets

Allowance for expected credit loss (ECL) will be measured from all the balance sheet items valued at an amortised cost and at fair value through other comprehensive incomes as well as off-balance-sheet credit commitments and guarantees.

Allowance for financial assets valued at the amortised cost is recognised in a separate account as a deduction to the bookkeeping value. Expected credit loss of financial assets valued at fair value through other comprehensive income is recognised in the fair value reserve in other items of comprehensive income. Expected credit loss of off-balance-sheet items is recognised as a provision.

The expected credit loss is calculated for the entire effective period of the financial asset when, on the date of reporting, the default risk related to financial assets has significantly increased since its initial recognition. In other cases, the expected loss is calculated based on the assessment that default of payment will occur within 12 months of the date of reporting.

Expected credit losses are recognised for each reporting date and they reflect:

- an unbiased and probability-weighted value determined by evaluating the range of potential outcomes,
- the time value of money, and
- reasonable and supportable information that is available on the reporting date without unreasonable costs or efforts and regards realised transactions, prevailing circumstances, and forecasts of future economic conditions.

All financial assets included in the calculation are categorised in three stages, reflecting their credit quality compared to initial recognition.

Stage 1: Financial assets which are not considered to have experienced a significant increase in credit risk since initial recognition and for which 12-month expected credit losses are recognised.

Stage 2: Financial assets which are considered to have experienced a significant increase in credit risk since initial recognition and for which lifetime expected credit losses are recognised.

Stage 3: Credit-impaired assets for which lifetime expected credit losses are recognised.

1.6.1. Significant increase in credit risk

In assessing whether the credit risk related to a financial instrument has increased significantly, the entity must use the change in the risk of a default occurring over the expected life of the financial instrument. In the assessment, the entity should compare the risk of default occurring over the expected life of the instrument at the reporting date with the risk of default at the date of initial recognition. A significant increase in credit risk transfers the loan from stage 1 to stage 2. The bank uses both quantitative and qualitative indicators in credit risk assessment.

Indicators for assessing significant increase in credit risk vary slightly between different portfolios, but for the largest loan receivables (private and business customer loans), the bank considers changes in behavioural scoring and credit rating, as well as certain qualitative indicators such as forbearance, placement on a watchlist and a 30-day delay in payments.

Oma Säästöpankki has automated a credit scoring system which is based on the type of loan; the behavioural credit scores of private customers and credit ratings of business customers, as well as the values of qualitative indicators. Loan-specific stage allocation is monitored regularly.

1.6.2. Definition of default

Under IFRS 9, Oma Säästöpankki considers a default to have occurred when:

- Contractual payments are more than 90 days over due,
- a loan is non-performing or assigned to a collection agency,
- the customer is bankrupt or subject to debt restructuring.
- If 20% or more of the customer's loans meet the above default conditions, the result is that all of the customer's loans are considered to be in default.

This definition is consistent with the definition used by the bank in regulatory reporting. In assessing when a debtor is in default, the bank takes into account qualitative indicators (such as breaches of loan terms) and quantitative indicators (such as the number of days over due date) and uses internal and external sources to collect information on the debtor's financial position.

1.6.3. Expected credit loss calculation parameters and inputs

Private loans and business loans are the most significant loans for Oma Säästöpankki's business, and the bank determines the allowance for credit loss using the formula $EAD \cdot PD \cdot LGD$ (exposure at default * probability of default * loss given default). The bank uses the recorded customers' repayment behaviour data as the basis for determining the parameters.

For determining the ECL parameters for business loans, the bank has used a statistical model based on a transition matrix describing the credit rating changes specified by the company. A credit rating is a grade assigned by an external party.

Oma Säästöpankki uses a simple credit loss ratio model for determining the ECL parameters for smaller loan segments.

For debt security investments, the bank determines the allowance for credit loss using the formula $EAD \cdot PD \cdot LGD$. Loan-specific data from the market database is used as the source for calculating PDs. In addition, the bank applies a low credit risk exception for debt security investments with a credit rating of at least *investment grade* in the reporting date. In these cases, the allowance for credit loss will be measured at an amount equal to the 12-month expected credit losses.

The EAD parameter represents the amount of loan funds in the reporting date (exposure at default). When assessing the value of the EAD parameter, Oma Säästöpankki takes into account, in addition to the book value of the loan, the payments to the loan as stated in the payment plan. However, certain financial instruments include both the loan principal and the undrawn portion of a loan commitment. The undrawn portion of a loan is taken into account in the EAD for the total limit granted. The management of Oma Säästöpankki monitors the allowance for credit loss in each segment to ensure that the model properly reflects the amount of credit loss. The management also, if necessary, refines the calculation parameters at its discretion.

1.6.4. Changing of contractual cash flows

Whenever a change is made to a financial asset or liability valued at amortised cost without removing the asset or liability from the balance sheet, any profit or loss must be recognised. The profit or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original contractual interest rate.

This may occur when loans are renegotiated (e.g. in case of an amended repayment plan or deferred amortisation). Changes in loan terms due to the customer's inability to pay are treated as an increase in credit risk.

If the terms of a loan are modified significantly, the loan is removed from the balance sheet and replaced with a new loan. If the removed loan has experienced a significant increase in credit risk since initial recognition, the new loan will be recognised as an impaired loan in the balance sheet.

1.7. Recognition of the final credit loss

Financial assets are removed from the balance sheet when it is expected that payment on the loans will no longer be received and the final loss can be calculated. The previously recognised impairment is reversed at the same time the item is removed from the balance sheet and the final credit loss is recognised. If the final credit loss has not been recognised, loans are removed from the balance sheet after they have been collected, or if the terms of the loan are substantially modified (e.g. in case of refinancing).

1.8. Classification and valuation of financial liabilities

Accounting for financial liabilities remains unchanged after the implementation of IFRS9. The new requirements only affect the accounting of financial liabilities that are recognised at fair value through profit or loss, and the Group does not have such liabilities. Derecognition requirements correspond to those of the previously applicable IAS 39 Financial Instruments standard.

1.9. Derivatives and hedge accounting

The bank complies with the IFRS 9 standard in hedge accounting, allowing for the continuation of portfolio hedge accounting in accordance with IAS 39.

1.10. Adjustments to revenue recognition principles

1.10.1 Interest income and expenses

Interest income and expenses are amortised using the effective rate method for the duration of the contract. Interest income and expenses are recognised on the income statement under “Net interest income”.

When the impairment losses have been recognised in the agreement included in the financial assets, the original effective rate will be used to calculate the interest income, and the interest will be calculated on the loan balance less the impairment.

1.10.2 Fee and commission income and expenses

Fee and commission income and expenses are primarily recognised in accordance with the accrual basis when the service or procedure is performed. For fees and commissions spanning several years, the portion related to the accounting period is entered.

1.11 Accounting principles for the financial statements requiring the management's discretion and factors of uncertainty related to the estimates

The preparation of this interim report in compliance with the IFRS standards has required the group's management to make certain estimates and assumptions that impact on the number of items presented in the interim report and the information included in the accompanying notes. The essential estimates by the management team relate to the future and the material factors of uncertainty in terms of the date of reporting. They are closely related to, for example, the determination of fair value and the impairment of financial assets, loans and other receivables as well as tangible and intangible assets. Even though the estimates are based on the best current perceptions of the management, it is possible that the actual figures may deviate from the estimates used in the interim report.

Compared to the financial statements in 2017, there are no significant changes in the accounting principles requiring the management's discretion and factors of uncertainty related to the estimates; with the exception of estimates made when recognising expected credit losses under IFRS 9. The model was adopted on January 1, 2018.

1.12 New standards and interpretations not yet in effect

The new IFRS 16 *Leases* (must be complied with as of January 1, 2019, or for accounting periods beginning thereafter). The standard will replace IAS 17 and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*. IFRS 16 requires the lessees to recognise the lease agreements as lease liabilities and right-of-use assets in the balance sheet.

Recognition is very similar to the accounting policies and disclosures applicable to leases set out in IAS 17. IFRS 16 includes two accounting exemptions that relate to short-term lease agreements (12 months or less in duration) and low-value assets (new assets with a value of 5,000 USD or less). Accounting policies remain substantially the same for the lessors. The group is still evaluating the impacts of the standard.

Other published changes in the standards and interpretations have no significant impact on the bank's consolidated financial statements.

K2 Categorisation of financial assets and liabilities

Assets 30.9.2018 (1 000 euros)	Amortised cost	Recognised in items of comprehensive income at fair value	Recognised at fair value through profit or loss	Hedging derivatives	Book-keeping value, total	Fair value
Cash and cash equivalents	40 025	-	-	-	40 025	40 025
Loans and advances to credit institutions	59 155	-	-	-	59 155	59 155
Advances to customers	2 415 540	-	84	-	2 415 624	2 415 624
Derivatives, hedge accounting	-	-	-	1 812	1 812	1 812
Debt instruments	-	222 337	184	-	222 521	222 521
Equity-based instruments	-	-	37 520	-	37 520	37 520
Total assets	2 514 720	222 337	37 788	1 812	2 776 656	2 776 656
Investment properties	-	-	-	-	7 371	9 006
Non-financial assets	-	-	-	-	57 918	57 918
Assets 30.9.2018	2 514 720	222 337	37 788	1 812	2 841 945	2 843 581

Liabilities 30.9.2018 (1 000 euros)	Other liabilities	Hedging derivatives	Bookkeeping value, total	Fair value
Liabilities to credit institutions	59 629	-	59 629	59 629
Liabilities to customers	1 728 865	-	1 728 865	1 728 865
Derivatives, hedge accounting	-	2 038	2 038	2 038
Debt securities issued to the public	734 698	-	734 698	734 698
Subordinated liabilities	25 000	-	25 000	25 000
Total liabilities	2 548 192	2 038	2 550 230	2 550 230
Non-financial liabilities	-	-	37 082	37 082
Liabilities 30.9.2018	2 548 192	2 038	2 587 312	2 587 312

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Assets 30.9.2017 (1 000 euros)	Loans and receivables	Held to maturity	Recognised at fair value through profit or loss	Hedging derivatives	Available for sale	Bookkeeping value, total	Fair value
Cash and cash equivalents	6 471	-	-	-	-	6 471	6 471
Assets recognised at fair value through profit and loss	-	-	332	-	-	332	332
Loans and advances to credit institutions	53 582	-	-	-	-	53 582	53 582
Loans and advances to customers	1 917 531	-	-	-	-	1 917 531	1 917 531
Financial derivatives	-	-	-	2 132	-	2 132	2 132
Investment assets	-	1 989	-	-	269 060	271 049	273 206
Debt securities	-	1 989	-	-	171 632	173 621	173 621
Shares and other equity instruments	-	-	-	-	88 655	88 655	88 655
Investment properties	-	-	-	-	8 772	8 772	10 930
Total financial assets	1 977 584	1 989	332	2 132	269 060	2 251 096	2 253 254
Non-financial liabilities						40 336	40 336
Assets 30.9.2017	1 977 584	1 989	332	2 132	269 060	2 291 432	2 293 589

Liabilities 30.9.2017 (1 000 euros)	Hedging derivatives	Other financial liabilities	Bookkeeping value, total	Fair value
Liabilities to credit institutions	-	34 062	34 062	34 062
Liabilities to the public and general government	-	1 512 107	1 512 107	1 512 107
Debt securities issued to the public	-	455 072	455 072	455 072
Subordinated liabilities	-	12 800	12 800	12 800
Total financial liabilities	-	2 014 041	2 014 041	2 014 041
Non financial liabilities	-		39 697	39 697
Liabilities 30.9.2017	-	2 014 041	2 053 738	2 053 738

K3 Loans and other receivables

Loans and other receivables (1 000 euros)	30.9.2018	31.12.2017	30.9.2017
Loans and advances to credit institutions			
Repayable on demand	59 155	58 394	38 521
Minimum reserve deposit	-		15 062
Loans and advances to credit institutions	59 155	58 394	53 582
Loans and advances to the public and general government			
Loans	2 337 918	2 078 443	1 855 249
Used overdraft facilities	53 667	37 425	40 504
Loans intermediated through the state's assets	388	507	595
Credit cards	23 623	21 457	21 129
Bank guarantee receivables	27	36	54
Loans and advances to the public and general government, total	2 415 624	2 137 868	1 917 531
Total loans and other receivables	2 474 779	2 196 262	1 971 113
IAS 39 Impairment losses on loans and other receivables	1-9/2018	1-12/2017	1-9/2017
Impairment losses at the beginning of the period	n/a	8 334	8 334
+ Impairment losses on loans and other receivables	n/a	1 231	949
- Reversals of Impairment losses	n/a	- 768	- 1 567
+/- Change in impairment losses recorded on collective basis	n/a	- 76	230
Impairment at the end of the period	n/a	8 720	7 945

Oma Säästöpankki opened a TARGET2 account at the Bank of Finland in September 2017. Oma Säästöpankki's minimum reserve deposit was transferred to the Bank of Finland in October 2017. In the financial statements of 2017, the minimum reserve deposit was recognised under "Loans and advances to credit institutions". The figure provided on 31 December 2017 has been adjusted retrospectively in the interim report of 30 September 2018 and transferred to the balance sheet item "Cash and cash equivalents".

IFRS 9 Expected credit losses – changes in credit loss provision

Loans and advances to credit institutions, at amortised (1 000 euros)

	Stage 1	Stage 2	Stage 3	Total
Expected credit losses 1.1.2018	1	12	-	13
Transfer to stage 1	1 -	12	-	11
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
New debt securities	153	-	-	153
Matured debt securities	- 0	-	-	0
Realised credit losses	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-
Changes in credit risk	5	-	-	5
Changes in the ECL model parameters	-	-	-	-
Manual corrections, at credit level	-	-	-	-
Expected credit losses 30.9.2018	160	-	-	160

Loans and advances to the public and general government, at amortised (1 000 euros)

	Stage 1	Stage 2	Stage 3	Total
Expected credit losses 1.1.2018	1 001	1 658	7 090	9 749
Transfer to stage 1	43 -	236	102	294
Transfer to stage 2	- 104	249 -	317	172
Transfer to stage 3	- 15 -	68	2 732	2 650
New debt securities	800	436	216	1 452
Matured debt securities	- 216 -	186 -	1 743	2 145
Realised credit losses	- 0 -	0 -	718	718
Recoveries on previous realised credit losses	-	-	-	-
Changes in credit risk	- 55 -	14	1 174	1 106
Changes in the ECL model parameters	-	-	-	-
Manual corrections, at credit level	-	-	-	-
Expected credit losses 30.9.2018	1 455	1 840	8 333	11 628

Off-balance sheet commitments (1 000 euros)

	Stage 1	Stage 2	Stage 3	Total
Expected credit losses 1.1.2018	295	331	84	710
Transfer to stage 1	30 -	42	1	13
Transfer to stage 2	- 3	5 -	3	-
Transfer to stage 3	- 1 -	0	1	-
New debt securities	257	95	51	403
Matured debt securities	- 143 -	144 -	44	331
Realised credit losses	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-
Changes in credit risk	0 -	44	1	42
Changes in the ECL model parameters	-	-	-	-
Manual corrections, at credit level	-	-	-	-
Expected credit losses 30.9.2018	436	201	89	726

K4 Financial derivatives

Assets (1 000 euros)	30.9.2018	31.12.2017	30.9.2017
Hedging fair value			
Interest rate derivatives	996	1 470	1 727
Other hedging derivatives			
Share and stock index derivatives	816	206	405
Total derivative assets	1 812	1 676	2 132
Liabilities (1 000 euros)	30.9.2018	31.12.2017	30.9.2017
Hedging fair value			
Interest rate derivatives	2 038	2 222	-
Total derivative liabilities	2 038	2 222	-
Change in the value of hedged object / Fair value hedge	816	598	1 860
Change in the value of hedged object / Other hedging derivatives	- 190	437	- 206

Nominal values of underlying assets and fair values of derivatives 30.9.2018 (1,000 euros)	Nominal values / Residual maturity				Fair values	
	Less than 1 year	1-5 year	Over 5 year	Total	Assets	Liabilities
Fair value hedge	5 000	365 000	-	370 000	996	2 038
Interest rate derivatives	5 000	365 000	-	370 000	1 056	2 210
CVA and DVA adjustments	-	-	-	-	60	171
Other hedging derivatives	31 677	40 566	-	72 242	816	-
Share and stock index derivatives	31 677	40 566	-	72 242	953	-
CVA and DVA adjustments	-	-	-	-	137	-
Derivatives total	36 677	405 566	-	442 242	1 812	2 038

30.9.2017 (1000 euros)						
Nominal values of underlying assets and fair values of derivatives 30.9.2017 (1,000 euros)	Nominal values / Residual maturity				Fair values	
	Less than 1 year	1-5 years	Over 5 years	Total	Assets	Liabilities
Fair value hedge	15 000	20 000	-	35 000	1 727	-
Interest rate derivatives	15 000	20 000	-	35 000	1 851	-
CVA and DVA adjustments	-	-	-	-	124	-
Other hedging derivatives	10 289	57 900	-	68 189	405	-
Share and stock index derivatives	10 289	57 900	-	68 189	574	-
CVA and DVA adjustments	-	-	-	-	169	-
Derivatives total	25 289	77 900	-	103 189	2 132	-

K5 Investment assets

Investment assets (1 000 euros)	30.9.2018	31.12.2017	30.9.2017
IFRS 9, As of 1.1.2018			
Recognised at fair value through profit or loss			
Debt securities	184	n/a	n/a
Shares and other equity instruments	37 345	n/a	n/a
Assets recognised at fair value through profit and loss, total	37 529	n/a	n/a
Recognised in items of other comprehensive income at fair value			
Debt securities	222 337	n/a	n/a
Shares and other equity instruments	-	n/a	n/a
Recognised in items of other comprehensive income at fair value, total	222 337	n/a	n/a
IAS 39, until 31.12.2017			
Financial assets available for sale			
Debt securities	n/a	150 647	171 632
Shares and other equity instruments	n/a	33 380	88 655
Financial assets available for sale, total		184 027	260 287
Investments held to maturity			
Debt securities	n/a	1 989	1 989
Investments held to maturity, total	n/a	1 989	1 989
Investment properties	7 371	8 236	8 772
Total investment properties	7 371	8 236	8 772
Total investment assets	267 236	194 253	271 049
Changes in investment properties			
	1-9/2018	1-12/2017	1-9/2017
Cost 1.1	13 671	13 863	13 863
+ Increases	36	350	312
- Decreases	-942	-542	-742
+/- Transfers	49	0	0
Cost at the end of the period	12 814	13 671	13 433
Accrued depreciation and impairment losses	-5 435	-4 536	-4 536
+/- Accrued depreciation of decreases and transfers	101	-42	201
- Depreciation	-312	-521	-325
+/- Other changes	201	-336	0
Accumulated depreciation and impairment losses at the end of the period	-5 444	-5 435	-4 660
Bookkeeping value 1.1.	8 236	9 327	9 327
Bookkeeping value at the end of the period	7 371	8 236	8 772

IFRS 9 Expected credit losses – changes in credit loss provision

Debt securities, at amortised (1 000 euros)

	Stage 1	Stage 2	Stage 3	Total
Expected credit losses 1.1.2018	84	11	-	95
Transfer to stage 1	1	7	-	6
Transfer to stage 2	- 1	9	-	9
Transfer to stage 3	-	-	-	-
New debt securities	17	4	-	21
Matured debt securities	- 35	1	-	36
Realised credit losses	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-
Changes in credit risk	- 1	1	-	2
Changes in the ECL model parameters	-	-	-	-
Manual corrections, at credit level	-	-	-	-
Expected credit losses 30.9.2018	66	15	-	81

Debt securities eligible for refinancing with central banks, at amortised (1 000 euros)

	Stage 1	Stage 2	Stage 3	Total
Expected credit losses 1.1.2018	389	-	-	389
Transfer to stage 1	-	-	-	-
Transfer to stage 2	- 1	9	-	8
Transfer to stage 3	-	-	-	-
New debt securities	136	9	-	146
Matured debt securities	-	-	-	-
Realised credit losses	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-
Changes in credit risk	- 80	-	-	80
Changes in the ECL model parameters	-	-	-	-
Manual corrections, at credit level	-	-	-	-
Expected credit losses 30.9.2018	444	18	-	462

Recognised at fair value through profit or loss and recognised through fair value reserve (1 000 euros)

30.9.2018	Equity-based				Debt-based				All total
	Valuated through fair value reserve	Valuated through profit or loss	Valuated at amortised cost	Total	Valuated through fair value reserve	Valuated through profit or loss	Valuated at amortised cost	Total	
Quoted									
General government	-	-	-	-	99 387	-	-	99 387	99 387
From others	-	15 955	-	15 955	120 868	-	-	120 868	136 821
Other than quoted									
General government									
From others	-	21 390	-	21 390	2 082	184	-	2 266	23 658
Total	-	37 345	-	37 345	222 337	184	-	222 521	259 865

Financial assets available for sale and investments held to maturity (1 000 euros)

30.9.2017	Debt securities available for sale	Shares and other equity instruments available for sale			Investments held to maturity	All total
	At fair value	At fair value	At cost	Total	At amortised cost	
Quoted						
General government	62 227	-	-	-	-	62 227
From others	106 325	68 528	-	68 528	1 989	176 842
Other than quoted						
From others	3 080	11 761	8 366	20 127	-	23 207
Total	171 632	80 289	8 366	88 655	1 989	262 276

K6 Liabilities to the public and public sector entities and liabilities to credit institutions

Liabilities to the public and general government and liabilities to credit institutions (1 000 euros)	30.9.2018	31.12.2017	30.9.2017
Liabilities to credit institutions			
Repayable on demand	14 454	14 644	12 149
Other than repayable on demand	45 175	21 349	21 913
Total liabilities to credit institutions	59 629	35 993	34 062
Liabilities to the public and general government			
Deposits	1 729 353	1 639 422	1 509 558
Repayable on demand	1 539 975	1 420 786	1 275 737
Others	189 377	218 636	233 821
Other financial liabilities	328	479	689
Other than repayable on demand	328	479	689
Changes in fair value in terms of borrowing	- 816	- 598	1 860
Liabilities to the public and general government, total	1 728 865	1 639 304	1 512 107
Liabilities to the public and general government and liabilities to credit institutions, total	1 788 494	1 675 298	1 546 169

K7 Debt securities issued to the public

Debt securities issued to the public (1 000 euros)	30.9.2018	31.12.2017	30.9.2017
Bonds	582 749	583 045	334 703
Certificates of deposit	151 949	153 916	120 370
Total debt securities issued to the public	734 698	736 961	455 072

Maturity of bonds	Nominal Value	Interest	Year of issuance	Due date	Bookkeeping value		
					30.9.2018	31.12.2017	30.9.2017
Oma Säästöpankki Oyj 16.4.2018	100 000	0,930 % / variable	2015	16.4.2018	-	99 980	99 963
Oma Sp Oyj 6.5.2019	110 000	1,000 % / variable	2016	6.5.2019	109 963	109 916	109 900
Oma Sp Oyj 3.4.2020	125 000	0,880 % / variable	2017	3.4.2020	124 903	124 855	124 839
Oma Sp Oyj 12.12.2022 *	350 000	0,125 % / variable	2017	12.12.2022	347 883	248 294	-
					582 749	583 045	334 703

*The second item of the bond (100 million euros) was issued in June 2018

Maturity of deposit certificates	Less than 3 months	3 - 6 months	6-9 months	9-12 months	Bookkeeping value
30.9.2018	91 984	59 965	-	-	151 949
31.12.2017	90 978	56 949	5 988	-	153 916
30.9.2017	52 463	45 953	21 953	-	120 370

K8 Net interest income

Net interest income (1 000 euros)	1-9/2018	1-9/2017	1-12/2017
Interest income			
Advances to the public and general government	37 260	30 989	42 272
On debt securities	1 633	1 753	2 361
On derivatives	1 496	977	1 344
Other interest income	572	438	602
Total interest income	40 961	34 157	46 579
Interest expenses			
Liabilities to credit institutions	- 557	- 357	- 486
Liabilities to the public and general government	- 1 735	- 1 974	- 2 531
Debt securities issued to the public	- 2 373	- 2 357	- 3 084
On subordinated liabilities	- 363	- 292	- 394
Other interest expenses	- 7	- 435	- 767
Total interest expenses	- 5 036	- 5 414	- 7 262
Net interest income	35 925	28 744	39 317

K9 Fee and commission income and expenses

Fee and commission income and expenses (1 000 euros)	1-9/2018	1-9/2017	1-12/2017
Fee and commission income			
Lending	8 637	5 775	7 754
On deposits	100	201	238
On card and payment transactions	9 112	8 468	11 233
Intermediated securities	80	87	117
On reserves	1 865	1 800	2 374
On legal services	534	502	728
Brokered products	962	969	1 303
Granting of guarantees	450	332	463
Other fee and commission income	597	488	602
Total fee and commission income	22 336	18 622	24 814
Fee and commission expenses			
On card and payment transactions	- 2 135	- 2 258	- 3 056
On securities	- 47	- 46	- 74
Other fee and commission expenses	- 781	- 295	- 439
Total fee and commission expenses	- 2 963	- 2 598	- 3 569
Fee and commission income and expenses, net	19 374	16 023	21 245

K10 Net income on financial assets and liabilities

IFRS 9, as of January 1, 2018	1-9/2018	1-9/2017	1-12/2017
Net income on financial assets recognised at fair value			
On debt securities			
Capital gains and losses	-116	n/a	n/a
Valuation gains and losses	-99	n/a	n/a
Total on debt securities	-215	n/a	n/a
Shares and other equity instruments			
Dividend yields	1 275	n/a	n/a
Capital gains and losses	-77	n/a	n/a
Valuation gains and losses	209	n/a	n/a
Total on shares and other equity instruments	1 407	n/a	n/a
Net income on financial assets recognised at fair value, total	1 192	n/a	n/a
Net income on financial assets recognised in items of other comprehensive income at fair value			
On debt securities			
Capital gains and losses	2	n/a	n/a
Difference in valuation reclassified from the fair value reserve to the income statement	161	n/a	n/a
Total on debt securities	163	n/a	n/a
Net income on financial assets recognised in items of other comprehensive income at fair value, total	163	n/a	n/a

IAS 39, until December 31, 2017 (1 000 euros)	1-9/2018	1-9/2017	1-12/2017
Net income from financial assets available for sale			
On debt securities			
Capital gains and losses	n/a -	58	- 161
Difference in valuation reclassified from the fair value reserve to the income statement	n/a	454	2 166
Total on debt securities	n/a	396	2 005
Shares and other equity instruments			
Capital gains and losses	n/a	72	- 68
Impairment	n/a	-	-
Difference in valuation reclassified from the fair value reserve to the income statement	n/a	1 876	8 249
Valuation loss reclassified from the fair value reserve	n/a -	623	- 888
Valuation gain reclassified from the fair value reserve	n/a	2 499	9 138
Dividend yields	n/a	936	972
Total on shares and other equity instruments	n/a	2 883	9 154
Total net income from financial assets available for sale	n/a	3 279	11 159
Net income from investment properties (1000 euros)	1-9/2018	1-9/2017	1-12/2017
Rent and dividend income	621	705	930
Capital gains and losses	- 402	53	53
Other gains from investment properties	6	8	10
Maintenance expenses	- 692	- 598	- 831
Depreciation and impairment on investment properties	- 9	- 325	- 317
Rent expenses on investment properties	- 1	- 1	- 12
Total net income from investment properties	- 478	- 159	- 168
Net gains on trading in foreign currencies	29	- 187	- 194
Net gains from hedge accounting	- 270	9	- 51
Net income from trading	197	- 37	34
Net income on financial assets and liabilities, total	832	2 905	10 780

K11 Impairment losses on financial assets

(1 000 euros)	1-9/2018	1-9/2017	1-12/2017
IFRS 9, as of January 1, 2018			
ECL advances to customer and off-balance sheet items	- 1 878	n/a	n/a
ECL from equity investments	- 224	n/a	n/a
Expected credit losses (IFRS 9), total	- 2 102	n/a	n/a
IAS 39, until January 1, 2018			
Increases in receivable-specific impairments	n/a	- 949	- 1 231
Reversal of receivable-specific impairments	n/a	1 567	768
Changes in category-specific impairments	n/a	230	76
Impairments (IAS 39), total	n/a	848	- 386
Final credit losses			
Final credit losses	- 1 522	- 1 782	- 2 329
Reversals on realised credit losses	74	100	115
Recognised credit losses, total	- 1 447	- 1 683	- 2 213
Impairment on receivables, total	- 3 549	- 835	- 2 600

K12 Fair values in accordance with the valuation method

The determination of the fair value of financial instruments is set out in note K2 Accounting principles under “Determining the fair value” of the financial statements for the year 2017.

Level 3's recognised equity-based investments include the shares of companies that are essential to Oma Säästöpankki's operations. These ownerships include shares in Oy Samlink Ab and Säästöpankkien Keskuspankki Suomi Oyj, evaluated using the acquisition cost in the financial statements (level 3).

30/9/2018

Items repeatedly valued at fair value

Financial assets (1 000 euros)	Bookkeeping value	Level 1	Level 2	Level 3
Valuated at fair value through profit or loss				
Equity-based	37 520	15 952	1 367	20 200
Debt-based	268	184	-	84
Financial derivatives	1 812	816	996	-
Recognised in items of comprehensive income at fair value				
Debt-based	222 337	219 046	-	3 291
Total financial assets	261 936	235 998	2 362	23 575
Financial liabilities (1000 euros)	Bookkeeping value	Level 1	Level 2	Level 3
Financial derivatives	2 038	-	2 038	-
Total financial liabilities	2 038	-	2 038	-

Amortised cost 30.9.2018

Financial liabilities (1 000 euroa)	Bookkeeping value	Level 1	Level 2	Level 3
Other financial liabilities	799 673	472 787	151 949	174 937
Total financial liabilities	799 673	472 787	151 949	174 937

Investment transactions in 2018, categorised to Level 3

Financial assets recognised at fair value through profit or loss (1 000 euros)	Equity-based	Debt-based	Total
Bookkeeping value 31.12.2017	-	332	332
+/- Impact of IFRS9	19 119	386	19 505
Bookkeeping value 1.1.2018	19 119	718	19 837
+ Acquisitions	1 181	-	1 181
- Sales	- 66	-	66
- Matured during the year	-	532	532
+/- Realised changes in value recognised on the income statement	- 54	- 100	154
+/- Unrealised changes in value recognised on the income statement	20	1	19
+ Transfers to Level 3	-	-	-
- Transfers to Level 1 and 2	-	-	-
Bookkeeping value 30.9.2018	20 200	84	20 284

Recognised in items of other comprehensive income at fair value	Equity-based	Debt-based	Total
Bookkeeping value 31.12.2017	19 119	5 712	24 831
+/- Impact of IFRS9	- 19 119	- 4 963	24 082
Bookkeeping value 1.1.2018	-	749	749
+ Acquisitions	-	2 991	2 991
- Sales	-	6	6
- Matured during the year	-	451	451
+/- Realised changes in value recognised on the income statement	-	-	-
+/- Unrealised changes in value recognised on the income statement	-	-	-
+/- Changes in value recognised in comprehensive income statement items	-	8	8
+ Transfers to Level 3	-	-	-
- Transfers to Level 1 and 2	-	-	-
Bookkeeping value	-	3 291	3 291

Sensitivity analysis for financial assets on Level 3, 30.9.2018 (1 000 euros)

	Hypothetical change	Market value	Potential impact on capital	
			Positive	Negative
Equity-based				
Recognised at fair value through profit or loss	+/- 15%	20 200	3 030	3 030
Recognised in items of other comprehensive income at fair value	+/- 15%	-	-	-
Total		20 200	3 030	3 030
Debt-based				
Recognised at fair value through profit or loss	+/- 15%	84	13	13
Recognised in items of other comprehensive income at fair value	+/- 15%	3 291	494	494
Total		3 375	506	506

	Hypothetical change	Market value	Potential impact on capital	
			Positive	Negative
Recognised at fair value through profit or loss	+/- 15%	20 284	3 043	- 3 043
Recognised in items of other comprehensive income at fair value	+/- 15 %	3 291	494	- 494
Total		23 575	3 536	- 3 536

30/9/2017

Items repeatedly valued at fair value 30.9.2017

Financial assets	Bookkeeping value	Level 1	Level 2	Level 3
Valuated at fair value through profit or loss	332	-	-	332
Financial derivatives	2 132	405	1 727	-
Financial assets available for sale	260 287	234 897	841	24 549
Total financial assets	262 751	235 302	2 568	24 881
Financial liabilities	Bookkeeping value	Level 1	Level 2	Level 3
Financial derivatives	-	-	-	-
Financial liabilities	-	-	-	-

At amortised cost 30.9.2017

Financial assets	Bookkeeping value	Level 1	Level 2	Level 3
Investments held to maturity	1 989	1 989	-	-
Loans and other receivables	84	-	-	84
Total Financial assets	2 073	1 989	-	84
Financial liabilities	Bookkeeping value	Level 1	Level 2	Level 3
Other financial liabilities	487 841	124 839	120 370	242 632
Total financial liabilities	487 841	124 839	120 370	242 632

Investment transactions in 2017, categorised to Level 3

Recognised in items of income at fair value	2017
Bookkeeping value 1.1.2017	576
+Acquisitions	-
-Sales	-
-Matured during the year	-200
+/- Realised changes in value recognised on the income statement	-11
+/- Unrealised changes in value recognised on the income statement	-34
+Transfers to Level 3	-
-Transfers to Level 1 and 2	-
Bookkeeping value 30.9.2017	332

Financial assets available for sale	2017
Bookkeeping value 1.1.2017	21 762
+Acquisitions	3 360
-Sales	-99
-Matured during the year	-192
+/- Realised changes in value recognised on the income statement	42
+/- Unrealised changes in value recognised on the income statement	-950
+/- Changes in value recognised in comprehensive income statement items	883
+Transfers to Level 3	-
-Transfers to Level 1 and 2	-256
Bookkeeping value 30.9.2017	24 549

Sensitivity analysis for financial assets on Level 3 30.9.2017

	Hypothetical change	Bookkeeping value	Potential impact on capital	
			Positive	Negative
Shares and other equity instruments				
Financial assets available for sale	+/- 15 %	19 294	2 894	-2 894
Total		19 294	2 894	-2 894

	Hypothetical change	Market value	Potential impact on capital	
			Positive	Negative
Interest-bearing securities				
Financial assets available for sale	+/- 15 %	5 672	851	- 851
Total		5 672	851	- 851

K13 Related parties

Related parties refer to key personnel in leading positions at Oma Säästöpankki and their family members, as well as subsidiaries, joint ventures and companies, where key personnel in leading positions have controlling authority or considerable influence, and entities that have considerable influence in Oma Säästöpankki Oyj. Key personnel include Board members, CEO, Deputy CEO and the members of the bank's management team and the expanded management team. Loans to the related parties are granted in compliance with the normal credit terms. Loans are tied to the standard reference rates. There have been no significant changes in the related parties since December 31, 2017.

Compensation received by key personnel in the management team 01-09/2018

	CEO and Deputy CEO	Board of Directors	Other management team members
Salaries and rewards	457	272	627
Defined contribution pension plans	136	-	-
Defined benefit pension plans	-	-	-

Compensation received by key personnel in the management team 01-09/2017

	CEO and Deputy CEO	Board of Directors	Other management team members
Salaries and rewards	426	318	492
Defined contribution pension plans	53	17	-
Defined benefit pension plans	-	-	-

	30.9.2018		30.9.2017	
	Key personnel and their family members	Other related parties	Key personnel and their family members	Other related parties
Loans	4 859	15 996	2 837	7 644
Deposits	1 157	3 562	1 159	7 016
Guarantees	100	100	100	100
Received interests	26	330	14	180
Paid interests	1	0	2	3
Service fees	3	12	2	12

K14 Summary of solvency

The reporting level regarding solvency calculations changed in the first half of 2018. In the interim report of 30 September 2018, solvency is reported at group level (Oma Säästöpankki Group), whereas in previous years, the figures have been reported at the parent company level (Oma Säästöpankki Oyj). Oma Säästöpankki Group publishes the essential information of its solvency calculations once a year as a part of its report and notes to the financial statements. Key solvency information is included in the interim report of 30 September 2018. Solvency and risk management are covered in more detail in Oma Säästöpankki's financial statement as of 31 December 2017. Solvency calculations as of 30 September 2018 and as of 31 December 2017 do not in every part reply to calculations given in the interim report and audited financial statement since the bank has corrected its core capital and solvency calculations on issued shares to employees.

The main items in the solvency calculation (1 000 euros)	Group 30.9.2018*	Parent 31.12.2017**	Parent 30.9.2017**
Core capital before deductions	251 318 ¹⁾	240296 ¹⁾	238 581
Deductions from core capital	-7 336	-10 383	-9 215
Core capital (CET1), total	243 981¹⁾	229 912¹⁾	229 366
Additional Tier 1 capital before deductions	0	0	0
Deductions from additional Tier 1 capital	0	0	0
Additional Tier 1 capital (AT1), total	0	0	0
Tier 1 capital (T1 = CET1 + AT1), total	243 981¹⁾	229 912¹⁾	229 366
Tier 2 capital before deductions	14 291	17 766	3 269
Deductions from Tier 2 capital	0	0	0
Tier 2 capital (T2), total	14 291	17 766	3 269
Own funds (TC = T1 + T2), total	258 272¹⁾	247 678¹⁾	232 635
Risk-weighted items			
Credit and counterparty risk	1 358 198	1 193 120	1 122 518
Adjustment risk of liability (CVA)	4 115	7 104	3 668
Market risk	0	0	21 182
Operational risk	110 887	109 516	89 632
Risk-weighted items, total	1 473 199	1 309 739	1 237 000
Fixed capital buffer in accordance with the Act on Credit Institutions (2.5%)	36 830	32 743	30 925
Core capital (CET1) relative to risk-weighted items (%)	16,56% ¹⁾	17,55% ¹⁾	18,54 %
Tier 1 capital (T1) relative to risk-weighted items (%)	16,56% ¹⁾	17,55% ¹⁾	18,54 %
Own funds, total (TC) relative to risk-weighted items (%)	17,53% ¹⁾	18,91% ¹⁾	18,81 %
Leverage ratio			
Tier 1 capital	243 981 ¹⁾	229 912 ¹⁾	229 366
Total amount of exposures	2 903 332	2 776 384	2 334 012
Leverage ratio	8,4% ¹⁾	8,28% ¹⁾	9,83 %

* Information calculated at group level.

** Information calculated at parent level.

1) The figure is according to corrected Interim Report. The bank has corrected its core capital and solvency calculations on issued shares to employees.

K15 Impacts of IFRS9 on the opening balance

Oma Säästöpankki implemented the Financial Instruments standard on January 1, 2018. The comparative data for previous accounting periods were not adjusted, and therefore the adjustments to the bookkeeping values of the financial assets resulting from the implementation of the standard are recognised in the equity of the opening balance. The accounting principles that comply with the standard are presented in the interim report's note K1 Accounting principles.

Impacts of reclassification and revaluation on items of equity (1 000 euros)

	31.12.2017	Change	1.1.2018
Fair value reserve	4 181		
Revaluation			
Expected credit losses		484	
Debt securities, valuation held to maturity, reclassified		562	
Reclassification			
Fair value reserve seclassification		- 3 773	
Change in deferred tax		545	
Total	4 181	- 2 181	1 999
Retained earnings (loss)	106 439		
Revaluation		-	
Impairment withdrawal December 31, 2017			
IAS 39 Realised impairment		7 587	
IAS 39 Impairment on loan and receivable categories		1 222	
Impairment withdrawal, tota 31.12.2017		8 810	
Expected credit losses			
IFRS 9 Expected credit losses, lending		- 9 762	
IFRS 9 Expected credit losses, categorised at amortisation		-	
IFRS 9 Expected credit losses, recognised in items of other comprehensive income at fair value		- 484	
IFRS 9 Off-balance sheet commitments		- 710	
Expected credit losses, total		- 10 956	
Reclassification			
Fair value reserve reclassification		3 773	
Expected credit losses, total		3 773	
Change in deferred tax		- 325	
Retained earnings (loss)	106 439	1 301	107 740
Equity, total*	240 706	- 747	239 959
Amount of non-controlling interest	778	- 133	645
Group, total	241 484	- 880	240 604

* Equity, January 1, 2018, also including other items of equity. The impact of IFRS9 on fair value reserve and retained earnings (losses) has been presented in the calculation.

* December 31, 2017 solvency has been reported at the parent company level.

Impacts of reclassification and revaluation on financial assets and liabilities items (1 000 euros)

Financial assets	IAS 39 bookkeeping value 31.12.2017	Reclassification	Revaluation	IFRS 9 bookkeeping value 1.1.2018
Amortised cost				
Cash and cash equivalents				
Balance sheet 31.12.2017	265 265			
Revaluation	-	-	-	
Balance sheet 1.1.2018	265 265	-	-	265 265
Loans and advances to credit institutions				
Balance sheet 31.12.2017	73 847			
Revaluation	-	-	-	
Balance sheet 1.1.2018	73 847	-	-	73 847
Loans and advances to the public				
Balance sheet 31.12.2017	2 137 868			
Revaluation	-	-	711	
Balance sheet 1.1.2018	2 137 868	-	711	2 137 158
Investments				
Balance sheet 31.12.2017	1 989			
Classification - to be recognised in items of comprehensive income	-	1 989	-	
Revaluation	-	-	-	
	1 989	-	1 989	-
Other assets *	29 465	-	521	29 985
	29 465	-	521	29 985
Amortised cost, total	2 508 433	-	1 989	-
			190	2 506 255

Financial assets available for sale

Investments

Balance sheet 31.12.2017	184 027				
Classification – Recognised in items of other comprehensive income at fair value (equity-based)	-	-	-		
Classification – Recognised in items of other comprehensive income at fair value (debt-based)	-	-	145 572	-	
Classification – Recognised at fair value through profit or loss	-	-	38 455	-	
Classification – amortised cost			-	-	
Balance sheet 1.1.2018	184 027	-	184 027	-	-
Recognised in items of other comprehensive income at fair value (debt-based)					
Investments					
Balance sheet 31.12.2017	-				
Classification – financial assets available for sale	-		145 572	-	145 572
Classification – financial assets held to maturity	-		1 989	562	2 551
Balance sheet 1.1.2018	-	-	147 561	562	148 123
Recognised in items of other comprehensive income at fair value, total	184 027	-	36 467	562	148 123
Recognised at fair value through profit or loss					
Derivative instruments	1 676				1 676
Investments	332				332
Balance sheet 31.12.2017	2 008				2 008
Classification – financial assets available for sale			38 455		38 455
Balance sheet 1.1.2018	2 008	-	38 455	-	40 463
Recognised at fair value through profit or loss, total	2 008	-	38 455	-	40 463
Total financial assets	2 694 469	-	0	373	2 694 841

Financial liabilities	IAS 39 Bookkeeping value 31.12.2017	Reclassification	Revaluation	IFRS 9 bookkeeping value 1.1.2018
Amortised cost				
Liabilities to credit institutions	35 993	-	-	35 993
Liabilities to the public	1 639 304	-	-	1 639 304
Debt securities issued	764 961	-	-	764 961
Other liabilities	42 602	-	807*	43 408
Balance sheet 1.1.2018	2 482 860	-	807	2 483 667
Amortised cost, total	2 482 860	-	807	2 483 667
<i>* The item presents the recognised expected credit loss of off-balance sheet items.</i>				
Recognised at fair value through profit or loss				
Debt securities issued	-	-	-	-
Financial liabilities held for trading	-	-	-	-
Derivative instruments	2 222	-	-	2 222
Balance sheet 1.1.2018	2 222	-	-	2 222
Recognised at fair value through profit or loss, tota	2 222	-	-	2 222
Total financial liabilities	2 485 083	-	807	2 485 890

Impacts of the IFRS 9 standard implementation on the categorisation of financial assets and liabilities (1 000 euros)

	Classification IAS 39	Classification IFRS 9	Bookkeeping value IAS 39 30.12.2017	Bookkeeping value IFRS 9 1.1.2018
Cash and cash equivalents	Loans and other receivables	Amortised cost	265 265	265 265
Loans and advances to credit institutions	Loans and other receivables	Amortised cost	73 847	73 847
Loans and advances to the public	Loans and other receivables	Amortised cost	2 137 869	2 137 158
Derivative instruments	Recognised at fair value through profit or loss	Recognised at fair value through profit or loss	1 676	1 676
Investments	Loans and other receivables	Amortised cost	38 456	38 456
Investments	Financial assets available for sale	Recognised at fair value through profit or loss	145 572	145 572
Investments	Recognised at fair value through profit or loss	Amortised cost	332	332
Investments	Investments held to maturity	Recognised at fair value through profit or loss	1 989	2 552
Investments	Financial assets available for sale	Amortised cost	-	-
Other assets			29 465	29 986
Total assets*			2 694 469	2 694 841

* Tax assets and other assets presented in the table were included in the Total assets.

	Classification IAS 39	Classification IFRS 9	Bookkeeping value IAS 39 30.12.2017	Bookkeeping value IFRS 9 1.1.2018
Liabilities to credit institutions	Other financial liabilities	Amortised cost	35 994	35 994
Liabilities to the public	Other financial liabilities	Amortised cost	1 639 305	1 639 305
Debt securities issued	Other financial liabilities	Amortised cost	764 961	764 961
Derivative instruments	Recognised at fair value through profit or loss	Recognised at fair value through profit or loss	2 223	2 223
Other liabilities			42 602	43 409
Total liabilities*			2 485 083	2 485 890

* Tax liabilities and other liabilities presented in the table were included in the Total liabilities

K16 Significant events since the interim report date

On October 18, 2018, Oma Säästöpankki and the Nordic Investment Bank (NIB) signed an agreement on a seven-year loan programme worth 35 million euros, targeted at small and medium-sized companies and small midcaps in Finland. The programme will also provide financing for small-scale environmental investments. This is the second loan programme established by Oma Säästöpankki and NIB. A press release on the loan programme was issued on October 18, 2018.

Oma Säästöpankki has announced the opening of new branch offices in Helsinki and Oulu by the end of 2018, and an expanded office in Turku in early 2019.

At the end of October, due to externally imposed requirements, the bank had to modify existing account numbers in order to unify the customers' account numbers. This was an extensive project, and a considerable change for the customers. However, with the unified account numbers, the bank will be able to develop its services more effectively in the future.

CALCULATION OF KEY FIGURES

Operating income/loss	=	Interest income, Fee and commission income, Net income on financial assets and liabilities, Other operating income	
Operating net 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	
Cost/income ratio, %	=	$\frac{\text{Total operating expenses}}{\text{Total operating income}} \times 100$	x100
Return on equity (ROE) %	=	$\frac{\text{Operating profit/loss - Income taxes}}{\text{Equity (average of the beginning and the end of the year)}} \times 100$	x100
Return on assets (ROA) %	=	$\frac{\text{Operating profit/loss - Income taxes}}{\text{Average balance sheet total (averages from the beginning and the end of the year)}} \times 100$	x100
Equity ratio, %	=	$\frac{\text{Equity}}{\text{Balance sheet total}} \times 100$	x100
Solvency ratio (TC) %	=	$\frac{\text{Own funds, total (TC)}}{\text{Risk-weighted items, total}} \times 100$	x100
Core capital ratio, (CET1) %	=	$\frac{\text{Core capital (CET1)}}{\text{Risk-weighted items, total}} \times 100$	x100

$$\text{Tier 1 equity ratio, (T1) \%} = \frac{\text{Tier 1 capital (T1)}}{\text{Risk-weighted items, total}} \times 100$$

$$\text{Earnings per share (EPS), EUR} = \frac{\text{Profit/loss for the parent company owners}}{\text{Average number of shares outstanding}}$$



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