Oma Säästöpankki Oyj

ANNUAL REPORT 2016

CONTENTS

DETERMINED ACTIONS

Regeneration creates faith in the future

Our operations continue to grow at a fast pace. Our effective operations and satisfied customers provide an excellent basis for a profitable and developing business.

Oma Säästöpankki's operating profit amounted to 20.6 million euros, which means an increase of almost 10.5 per cent compared to the previous year. The result of the accounting period is unrivalled in the bank's entire history. The final amount on the balance sheet exceeded the threshold of two billion euros in 2016. The bank's operations have grown fast: the threshold of one billion euros was exceeded in 2014. The positive development of operations is due to successful reorganisation and active new business development.

The growth of volumes in different product areas was still faster than the average growth in the banking world, which means that Oma Säästöpankki is strengthening its market position in the entire vast operating area. Demand for credit is also high, which relates to the general trust in the improvement of Finland's economic situation. The housing market is waking up and companies are more eager to invest.

The ranking as the best savings bank in Finland was wonderful recognition for the productive work carried out at the bank.

The savings realised from the reorganisation of operations and internal business arrangements completed during the accounting period enable significant investments in the development of online and mobile services. In the future, banking services will be delivered to customers more extensively via chat and video services. The importance of staff training will increase even more due to the digitalisation of the business environment and changes in customer behaviour.

The ranking as the best savings bank in Finland as per Kauppalehti's extensive comparison of banks was wonderful recognition of the productive work carried out at the bank. I want to present my warmest thanks to Oma Säästöpankki's customers, employees, owners and partners. We want to continue to offer the best local banking services in the future as well.

Pasi Sydänlammi
CEO

A YEAR OF CHANGES

Strengthening service skills and competitiveness

Fostering positive customer experiences and the customer-focused development of banking services have guided our operations throughout our history.

Oma Säästöpankki is local and very close to the customers, both physically and digitally. In 2016, we extended the opening hours of our branches in the largest growth centres in our operating area. Plenty of customers have visited our branches after traditional office hours, up until 6 o'clock in the evening.

The 2016 financial statements have been prepared in accordance with the international IFRS principles and, as such, they are the first of their kind. As Oma Säästöpankki has adopted these standards, its means of liquidity management will improve during the current period of operations. Additionally, we are now a credible operator in the international equity markets.

In the beginning of the year, the bank merged nine small branches with nearby larger units. The solution is based on the need to improve the service network so that the bank's operating capability and competitiveness remain strong.

As a result of the restructuring of operations, we created around twenty jobs within digital banking services.

The extensive restructuring, which was commenced in September and implemented in the entire organisation, was completed without redundancies. The necessary reduction of personnel was effected through the expiry of fixed-term employment, retirement, internal transfers and support packages offered by the bank. Investments in the development of novel services created around twenty new jobs.

Our expert services are easily accessible. We can react quickly to our customers' needs, as we are close to our customers. This is evident particularly in the continuously growing number of business customers.

The most important events in 2016

JANUARY: The management of special loans was transferred from the Central Bank of Savings Banks Finland Plc to our bank. The bank independently handles all credit related services with the relevant authorities.

MARCH: Online operations were launched, enabling us to serve our customers via e-channels covering more extensive service hours. The online team serves the bank's customers on the phone and via chat.

APRIL: Oma Säästöpankki used a bond to collect 110 million euros from the international capital markets.

MAY: In a national comparison of banks published by Kauppalehti, Oma Säästöpankki was found to be the best savings bank in Finland. The TalletusOtto service was launched for the customers of Oma Säästöpankki. TalletusOtto expands card services and enables deposit services for the bank's customers, including outside of branch opening hours or when no branch is located nearby.

JULY: The transfers of *KLP* loans from Aktia Hypoteekkipankki to the bank's own balance were commenced as planned. The transfer of the loans will continue over the course of 2017.

SEPTEMBER: Oma Säästöpankki commenced restructuring-related employee cooperation negotiations that apply to the entire organisation. We were able to implement the intensification programme without redundancies. The restructuring or operations created approximately 20 new jobs, mainly within digital banking services.

OCTOBER: E-signatures were tested in the spring and summer. This service has been available to all customers of the bank since October.

NOVEMBER: the mobile certificate system was deployed within Oma Säästöpankki's Tupas and online payment services.

DECEMBER: Oma Säästöpankki purchased SAV-Rahoitus Oyj together with Elite Varainhoito. This trade responds to the increasing demand for products offered by financing companies. Implemented together with the University of Tampere, the 1.5-year training of supervisors and experts was launched. The free Osta&Nosta service offered by the K-brand grocery stores also became available to Oma Säästöpankki's customers. New, even more user-friendly online services and an intranet were deployed.

Local and close – online, on the go and in the office

We are here to help you with your daily money management. And also when your money matters do not seem manageable.

We serve our 125,000 customers with the help of 36 branches and 229 people. Both our private and business customers frequent our bank when it suits their schedules – either 24/7 online and on mobile devices or traditionally face-to-face at their local branch. As the largest savings bank in Finland, it is important to us to offer the best service in town.

Our customers are satisfied.

PRIVATE CUSTOMERS

ACCOUNTS

- Current account
- Savings deposit account
- Investment deposit
- OmaTuotto deposit
- ASP account

CARDS

- Visa Credit/Debit
- Visa Debit
- Visa Credit
- Visa Electron

LOANS

- Mortgage
- Consumer credit
- Flexible credit
- Student loan
- Loan insurance

ONLINE SERVICES

- Online banking
- OmaMobiili mobile service
- E-invoices
- E-salary
- Chat
- Video service

SAVINGS

- Saving into funds
- Savings insurance
- Investing in stocks
- Retirement savings
- Asset management insurance

BUSINESS CUSTOMERS

ACCOUNTS AND CARDS

- Payment transaction account
- Savings deposit
- Investment deposit
- OmaTuotto deposit
- Visa Business Debit

FINANCING

- Business account
- Bond loan
- Bank guarantee
- Business loan insurance

INVESTING

- Reserves
- Shares
- Capitalisation insurance

ONLINE SERVICES

- Online banking for businesses
- Payment transaction programme
- E-invoicing service
- Online payment
- Verification service
- OmaMobiili mobile service

COLLABORATION PARTNERS

- Our collaboration partners Finnvera Oyj, Nordic Investment Bank (NIB), the Finnish Funding Agency for Innovation, SITRA ja Teollisuussijoitus support our business customers.

ACCESSIBILITY IS IMPROVING

The bank will be where the customers are

Oma Säästöpankki focuses on personal service. Digital channels complement our traditional branch services with flexible service hours. When needed, the bank physically moves to the customers.

Customer-focused banking services, local and close to you, is the primary theme in Oma Säästöpankki's business operations. The goal is to guarantee a highly pleasant service experience for every customer, which is assisted by good customer knowledge and fast reactions to customers' changing needs.

Oma Säästöpankki wants to be even more accessible to its customers. In 2015, Oma Säästöpankki launched new digital service channels, whose development is ongoing. An increasing number of branches, particularly the ones located in growth centres, have extended their hours until 6pm to serve their customers.

The customer service representatives of the future are multi-skilled people, whose activities extend well beyond their branches.

Appointments for banking services are also available on Saturdays.

Video conferencing is becoming commonplace

Our goal is to move video conferences from the trial stage into the service portfolio of every branch over the course of 2017. As such, conversing with a representative does not require visiting a branch. Dealing with the bank via video will also be available during the extended opening hours. Taking care of banking matters can be done from home as well.

In the last few years, Oma Säästöpankki has taken important steps to develop its online customer service. New service models are constantly being introduced. For example, the electronic signature service for signing contracts has already been available over a year. The bank's own chat function on its website is considered to be a low-threshold channel, through which advice and answers are available fast and with little effort.

In the future, mobile banking services will also be expanded and personalised to a greater extent. The chat and video services will be integrated into OmaMobiili in the spring of 2017.

Customer service representatives on the road

Thanks to digitalisation and customers' changed behaviour, new roles and jobs are emerging in the field of banking. Current account services, such as bill payments, are easy to handle on the online or mobile service, but customers still prefer traditional face-to-face interaction for services such as investment and loan consulting.

The customer service representatives of the future are multi-skilled people, whose activities extend well beyond their branches. They travel to meetings with customers and deliver banking services to homes and workplaces. This facilitates the handling of banking matters particularly for business customers and elderly people. This operating model will be introduced in the winter of 2017.

Oma Säästöpankki
Local and close to you

MANAGEMENT

THE BANK IS LOCALLY OWNED.

Oma Säästöpankki's management principles

General meeting

Shareholders exercise their voting power at the general meeting, which is the bank's highest decision-making body. The bank's shares are owned by local savings bank foundations and cooperatives: the Hauho, Renko, Töysä, Kuortane, Parkano, Etelä-Karjala and Suodenniemi savings bank foundations, Joroisten Oma Osuuskunta and Pyhäselän Oma Osuuskunta.

Oma Säästöpankki's general meetings are held on a date determined by the Board of Directors each year. In accordance with the Companies Act, the general meeting decides on matters such as financial statements, actions based on the profit reported in the balance sheet and granting freedom from liability to the Board of Directors and the CEO. The general meeting elects the Board members and auditors, and decides on their remuneration.

Audit

According to the Articles of Association, the bank must have one or two main auditors, who must be authorised auditors or audit firms approved by the Central Chamber of Commerce, as well as a deputy auditor if only one main auditor has been selected

The bank seeks to conduct its operations with reasonable and carefully considered risks.

and this one main auditor is not an auditing firm approved by the Central Chamber of Commerce. The auditors are elected annually at the general meeting until further notice. At the General Meeting on April 9, 2016, Authorised Public Accountant Juha-Pekka Mylén was selected as the bank's main auditor and APA organisation KPMG Oy Ab was selected as the deputy auditor.

Internal control and risk management

Internal control and risk management are a part of our employees' daily tasks. The purpose of internal control is to ensure compliance with laws, official regulations and internal instructions. The aim is to ensure that the financial and operational reporting is reliable and sufficient, while maintaining effective operations and supporting the achievement of strategic objectives.

The bank seeks to conduct its operations with reasonable and carefully considered risks. The bank's profitability is dependent on the organisation's ability to identify, manage and price risks. The purpose of risk management is to reduce the probability of unforeseen losses and threats to the reputation of the bank as well as to contribute to increased profitability. A risk control evaluation function, which is independent of the business operations, ensures that risk-taking is carried out in accordance with the rules and principles defined by boards.

Compliance with regulations and monitoring

Independent monitoring of the bank's compliance with regulations is performed by the bank's compliance function, risk management assessment function and credit risk evaluation function. The compliance function monitors the bank and ensures that the policies and instructions are in compliance with relevant legislation and that laws, official regulations and internal instructions are always complied with. The compliance function's findings are regularly reported to both the top level management and the effective management. Risk management assessments maintain the risk management policies and framework and promote a healthy risk culture by supporting the company in its risk management procedures. The credit risk evaluation function promotes the proactive and systematic management of credit risk.

OMA SÄÄSTÖPANKKI OYJ'S

Board of Directors

The Board of Directors shall represent the Bank and direct its activities in accordance with the law and the Articles of Association.

The Board of Directors is responsible for the Bank's management and for ensuring that the activities are properly organised. The Board of Directors is also responsible for far-reaching operational and strategic policies and for ensuring the adequacy of risk control and the functionality of management systems. The Board is also responsible for appointing the CEO. The Board of Directors shall constitute a quorum when more than half of its members are present.

The assessment of the board members' independence is carried out according to the Financial Supervisory Authority's regulations.

Board members as of November 30, 2014

Chairman of the Board Jarmo Partanen
Vice Chairman of the Board Jyrki Mäkynen

Member Aki Jaskari
Member Timo Kokkala
Member Heli Korpinen
Member Jarmo Salmi
Member Ari Yli-Kaatiala

Board members as of November 30, 2014

JARMO PARTANEN, BORN 1956
Chairman of the Board
Master of Arts, MBA
Chairman of the Board, Oma Säästöpankki Oyj

JYRKI MÄKYNEN, BORN 1964
Vice Chairman of the Board
Master of Science (Economics)
Chairman of the Federation of Finnish Enterprises, entrepreneur, Oy HM Profiili Ab

AKI JASKARI, BORN 1961
Member of the Board
Master of Economic Sciences
CEO, Nerkoon Höyläämö Oy

TIMO KOKKALA, BORN 1960
Member of the Board
Master of Agriculture and Forestry Sciences
farmer

HELI KORPINEN, BORN 1965
Member of the Board
Master of Social Sciences
Training Manager, Saimaan ammattikorkeakoulu

JARMO SALMI, BORN 1963
Member of the Board
Master of Laws
CEO, Asianajotoimisto Jarmo Salmi Oy

ARI YLI-KAATIALA, BORN 1955
Member of the Board
Machine technician
Forest machine entrepreneur

OMA SÄÄSTÖPANKKI OYJ'S

CEO and the management team

The Oma Säästöpankki Oy management team consists of eight people, including the CEO.

The CEO is responsible for the bank's day to day administration and that it is managed in accordance with the law, the Articles of Association, official regulations and the Board of Directors' instructions and specifications. In addition, the CEO is responsible for implementing the decisions of the Board of Directors. The CEO reports to the Board on a regular basis.

An assessment of the CEO's and the board members' independence is carried out according to the Financial Supervisory Authority's regulations.

The management team assists the CEO in his duties and acts in an advisory role. Each member of the Oma Säästöpankki Oyj management team has been given their own areas of responsibility.

PASI SYDÄNLAMMI, BORN 1974

CEO, Master of Administrative Sciences, MBA

Sydänlammi has been the CEO of Oma Säästöpankki since 2007. Previously, he was the CEO of Lappajärven Osuuspankki.

SARIANNA LIIRI, BORN 1981

Administrative Manager, Master of Economic Sciences

Liiri has been Oma Säästöpankki's administrative manager since 2015. She has also worked in various expert and supervisory positions in Oma Säästöpankki and Etelä-Karjalan Säästöpankki.

KARI-MIKAEL MARKKANEN, BORN 1973

Chief Information Officer, eMBA, graduate engineer

Markkanen has been Oma Säästöpankki's chief information officer since 2014. He has worked in managerial positions at Kuntien Tiera Oy and at the Finnish Innovation Fund, and as a department manager in Oy Samlink Ab.

JUSSI POHTO, BORN 1982

Regional Manager, GeMBA

Pohto has worked as a regional manager in Oma Säästöpankki since 2014. Earlier in his career, he was the bank director and the deputy general manager in Lammin Osuuspankki.

PEKKA RUOKONEN, BORN 1956

Bank Director, Master of Laws trained on the bench

Ruokonen has worked at the Etelä-Karjalan Säästöpankki, which merged with Oma Säästöpankki, since 1986: first as a bank lawyer and then as a regional manager. Earlier in his career, he worked as a bank lawyer for Vuoksen Säästöpankki.

ERKKI RÄMÄ, BORN 1956

Regional Manager, Master of Economic Sciences

Rämä has worked as a regional manager in Oma Säästöpankki since 2016. Earlier in his career, he was a regional manager and held other similar managerial positions at Danske Bank.

PASI TURTIO, BORN 1974

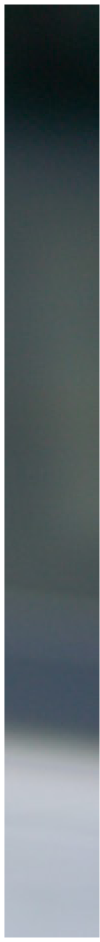
Deputy CEO, Regional Manager, Agrologist

Turtio has been the bank manager of Oma Säästöpankki since 2009. Previously, he was the bank manager at Kuortaneen Säästöpankki and Lammin Osuuspankki.

TEEMU TUUKKANEN, BORN 1979

Regional Manager, Master of Economic Sciences

Tuukkanen has worked as a manager at Etelä-Karjalan Säästöpankki's Hamina branch since 2014. Before that, he held expert and supervisory roles in the OP Group.



Oma Säästöpankki
Local and close to you

FINANCIAL STATEMENTS

Report of Board of Directors for accounting period January 1 – December 31, 2016

Strategy and financial goals

Oma Säästöpankki Oyj focuses its operations on retail banking. The bank's key customer groups are private customers, small and medium businesses as well as agricultural entrepreneurs. The bank's goal is to improve its market position in its entire operational area and in all of the above-mentioned customer groups. However, growth is sought only in those areas of operations in which it is possible at any particular time while achieving the goals related to operational profitability and risk management.

The core of the bank's competitive strategy is differentiation by customer experience. Additionally, particular attention is paid to cost efficiency and comprehensive risk management. For several years already, Oma Säästöpankki has

been one of the most profitable and most efficient banks in Finland and the bank's goal is to retain this status in the future. The development of business volume is based on organic growth but company reorganisation is also possible in the future.

The bank's operations

Oma Säästöpankki engages in retail banking and, in addition to offering its customers various bank services by way of its own balance, it also brokers products offered by its collaboration partners. The brokered products from collaboration partners include credit, investment and insurance products.

Brokered credit products comprise mortgages granted by Aktia Hypoteekkipankki Oyj, totalling approximately 22.9 million euros at the end of 2016. Aktia Hypoteekkipankki has not granted new home loans during the review period.

The management of support services for special loans was transferred to Oma Säästöpankki in January 2016. Special loan operations involve loans granted from state funds or loans with a state guarantee or interest subsidy.

Collaboration with the Nordic Investment Bank (NIB) continued. The bank's financing services are complemented by collaboration partners' products, such as loan insurance and various deficiency guarantees. The bank's collaboration partners include Sp-Henkivakuutus, AXA and Vakuutusosakeyhtiö Garantia.

Oma Säästöpankki operates as an independent issuer of Visa cards. The bank adopted the new card business model in the autumn of 2015. The bank uses its own balance to finance Visa card credit. In its card business, Oma Säästöpankki has brokered card services provided by Visa Europe and the bank has also been a stakeholder of Visa Europe. Visa Europe's Board entered into an agreement in the spring of 2016 to sell Visa Europe to Visa Inc. The sale went through in June 2016, giving Oma Säästöpankki a sales profit of approximately 2.1 million euros. As a part of the sale price, the bank received Visa Inc.'s Class C shares.

The bank firmly developed its digital service channels over the course of the year. At the end of the year, the bank introduced a completely redesigned website. During the year, the bank provided its customers the opportunity to sign documents electronically. The development of digital service channels is one of the developmental focus points also in the course of 2017 and the bank intends to deliver new kinds of service models to its customers.

In terms of investment products, the bank's product portfolio includes investments funds of its partners, for example, Sp-Rahastoyhtiö Oy, Aktia Rahastoyhtiö Oy and SEB Varainhoito Suomi Oy. For securities services, the bank's partner is FIM, with the Central Bank of Savings Banks Finland Plc acting as the account operator. The pension and life insurance products brokered by the bank are offered by Sp-Henkivakuutus Oy, which is partially owned by the bank. At the end of the year, the bank's customers owned investment and insurance savings worth 258.6 million euros, the products having been brokered by the bank.

Oma Säästöpankki purchased SAV-Rahoitusyhtiö together with Elite Varainhoito Oyj in December 2016. Established in 2000, SAV-Rahoitus Oyj is a financing company, which grants auto financing to private customers.

SAV-Rahoitus Oyj will be added into Oma Säästöpankki Oyj Group's structure as a subsidiary. The share of ownership held by Oma Säästöpankki is 48.97%.

Operating environment

Economic development in Finland has been slow for several years and the effects of the financial crisis are still visible. The state of the national economy directly impacts the business of banks operating in Finland. Despite the challenging economic situation, the Finnish banking sector has had a fair amount of success.

In addition to the intensive competition, banks' operating environment is impacted by the strain created by increased banking regulations. The exceptionally low market interest rates burden banks' profitability by decreasing the net interest income. The rapid change in customer behaviour, particularly in the form of increased utilisation of digital banking services, has created its own challenges to the development of the industry.

Oma Säästöpankki has successfully responded to the challenges created by its operating environment. The successfully implemented restructuring as well as the reorganisation of the bank's operations have made profitable operations possible in the midst of changes.

Result

Oma Säästöpankki Oyj's profit before taxes for the accounting period totalled 20.6 million euros (18.4 million euros in 2015). Profit before taxes grew by 2.2 million euros over the previous year and accounted for 29 (28) per cent of turnover. Efficient operations and strong customer relationships make profitable business operations possible even during financially challenging times. The bank's cost/income ratio was 58.9 (59.5) per cent.

The bank's net interest income was 36.5 (31.7) million euros. The net interest income grew by 15.2 per cent compared to the previous accounting period. The net interest income was increased by the hedging effects of derivatives, whose share of the net interest income was 2.4 million euros (3.0).

The amount of interest income was 43.9 million euros (39.9), with a growth of 4.0 million euros over the previous year (10%). Interest expenses totalled 7.3 million euros (8.2). Interest expenses decreased by 0.9 million euros over the previous accounting period.

Net fee and commission income was 17.7 million euros (15.3). The share of fee and commission income of this amount was 21.2 million euros (17.5) and the share of fee and commission expenses was 3.5 million euros (2.2). Fee and commission income includes fees and commissions derived from brokered products worth 3.2 million euros (2.9). Of the other fee and commission income, the most significant ones were fees and commissions from lending, which totalled 6.6 million euros (4.7), fees and commissions from card and payment transactions for 8.9 million euros (6.6),

Net income from investments equalled 2.3 million euros (4.3).

Other operating income totalled 3.7 million euros (3.0). Other operating income includes the non-recurring item of sales profit derived from the sale of Visa shares, approximately 2.1 million euros. Dividends received were 1.0 million euros (0.6), with an increase of 0.4 million euros over the previous year. Net income from investment properties ended up being -1.0 million euros (0.1), which was due to the recorded impairment and sales losses for properties.

Personnel expenses consist of salary expenses as well as pensions and other long-term benefits. The total amount of these expenses was 14.1 million euros (11.7), which was 20 per cent more than the previous year. These expenses include a non-incurring item of approximately 1.4 million euros, which is based on contracts related to the intensification program.

Other operating expenses totalled 19.3 million euros (18.9). These expenses mainly include other administrative expenses of 13.4 million euros (13.2), of which the largest items are IT management expenses worth approx. 8.3 million

Income Statement and Balance Sheet

Group's key figures (in thousands of euros)	December 31, 2016	December 31, 2015
Operating income/loss	71,239	64,707
Net interest income	36,547	31,733
% of operating income/loss	51.3 %	49.0 %
Earnings before taxes	20,611	18,420
% of operating income/loss	28.9 %	28.5 %
Operating income, total	60,339	54,352
Operating expenses, total	-35,531	-32,338
Cost/income ratio	58.9 %	59.5 %
Balance sheet total	2,150,768	1,932,328
Equity	220,158	202,126
Return on assets (ROA) %	0.8%	0.8%
Return on equity (ROE) %	7.6%	7.8%
Equity ratio	10.2%	10.5%
Solvency ratio (TC) %	19.1%	20.2%
Core capital ratio (CET1) %	18.6%	19.4%
Tier 1 equity ratio, (T1) %	18.6%	19.4%
Impairment losses on loans and other receivables	-4,197	-3,594
Personnel at the end of the year	229	252

euros and expenses related to properties used for banking operations, 2.8 million euros (2.0). Depreciation, amortisation and impairment losses on tangible and intangible assets worth 2.0 (1.7) million euros were recognised.

The net impairment loss on loans and guarantees recognised in the result of the accounting period was 4.2 million euros (3.6), with an increase of 0.6 million euros over the previous year. The gross impairment loss was 6.2 million euros (4.5). Additionally, approximately 1.0 million euros were recognised in impairment on loan and receivable categories.

Balance sheet

The Group's balance increased by 11.3 per cent in 2016 and it was 2,150.7 (1,932.3) million euros by the end of the year. Loans on the balance sheet totalled 1,785.4 million euros. The amount of deposits was 1,482.8 million euros. The speedy balance growth was based on organic growth and restructuring.

The key items on Oma Säästöpankki Oyj Group's balance sheet have developed as follows over the two previous years:

Lending

The total amount of lending provided by the Group was 1,785.4 million euros (1,530.2) at the end of the period. Lending includes loans on the bank's balance sheet totalling 1,728.6 million euros (1,490.0), account overdrafts and credit card receivables worth 55.9 million (39.0), as well as loans brokered from state funds, altogether 0.7 million euros (1.1). The net increase of lending was 255.1 million euros, or 16.7 per cent. Approximately 83.7 million euros of the lending increase consist of mortgages moved from Aktia Hypoteekkipankki's balance sheet to the bank's balance sheet.

Off-balance sheet commitments

Off-balance sheet commitments include commitments given in favour of a third party on behalf of a customer and irrevocable commitments given in favour of a customer.

Commitments given in favour of a third party on behalf of a customer, 13.6 million euros (16.8), are mainly bank guarantees and other guarantees. Other guarantees include absolute guarantees given by the bank to Aktia Hypoteekkipankki Oyj, relating to the reimbursement of any losses resulting from brokered mortgages.

Irrevocable commitments given in favour of customers, totalling 116.8 million euros (112.8) at the end of the period, mainly consist of granted but undrawn loans.

Investments

The Group's investments mainly consist of deposits in other credit institutions, debt securities, shares and other equity, as well as properties that are included in the balance sheet item Tangible assets. Tangible assets are itemised in note K18.

The Group had deposits in other credit institutions worth 61.9 million euros (139.4). The amount was 77.5 million euros less than the previous year. Investments in debt securities consisted of money market securities and bonds. They totalled 148.5 million euros (98.6) at the end of the period, which was 50.6 percent more compared to the previous year.

Investments in shares and other equity totalled 97.5 million euros (103.9) at the end of the period. The Group does not possess publicly quoted shares that it would use for active trading.

The value of the Group's property assets is listed as 24.0 million euros (26.3) on the balance sheet. Of this amount, the value of properties in the Group's own use is 14.7 million euros (15.0) and the value of investment properties is 9.3 million euros (11.3). The fair values of investment properties are listed in note K16.

Derivative contracts

The Group utilises derivative contracts to hedge its interest risks. At the end of the period, the positive fair value of derivatives in the item Derivate Contracts on the Assets side of the balance sheet totalled 2.6 million euros (5.4), all of which consisted of derivatives hedging the fair value. The bank utilised fair value hedging to protect the deposit portfolio with interest rate swaps and stock derivatives. The derivative contracts that hedged cash flow expired in the course of 2016.

Derivative contracts are itemised in note K15. In solvency calculations, derivatives are included in the solvency requirement of the credit and counterparty risk.

Deposits

The largest share of the Group's borrowing consisted of deposits from the public.

The amount of deposits equalled 1,482.8 million euros (1,472.7) at the end of the year. Deposits grew by 10.0 million euros, or 0.7 per cent, during the year.

Other liabilities

Other liabilities mainly comprise debts to credit institutions and issued promissory notes, consisting of bonds and subordinated debentures.

Debts to credit institutions totalled 34.2 million euros (36.9). This item includes deposits made in the bank by other credit institutions.

During the year, the bank issued bonds worth 110.0 million euros. At the end of the accounting period, the amount of issued promissory notes on the bank's balance sheet was altogether 353.0 (161.5) million euros. The issued promissory notes are itemised in note K22.

Other liability items were mostly short-term payment transfer items and adjusting items relating to the amortisation of income and expenses on the financial statements.

Equity and appropriations

Oma Säästöpankki Group's equity at the end of the year totalled 221.1 million euros (202.1), of which non-controlling owners' share was 0.9 million euros (-). During the period, the parent company's owners' share of equity grew by 18.0 million euros (24.7)

Voluntary and statutory funds

Deposit guarantee

Private people's, associations' and companies' deposits at deposit banks are covered by the deposit guarantee. The Finnish Deposit Guarantee Fund reimburses customers' deposits up to 100,000 euros.

All Finnish deposit banks belong to the deposit guarantee system. The Financial Stability Authority oversees the operations of the deposit guarantee system and manages the deposit guarantee fund, which is funded by deposit guarantee fees collected from deposit banks.

Investors' Compensation Fund

Oma Säästöpankki Oy also belongs to the Investors' Compensation Fund that covers all non-professional investors.

The Group's solvency management and risk management

Solvency management

Oma Säästöpankki Oy has introduced a solvency management process, whose objective is to secure the bank's risk-bearing capacity relative to all substantial operational risks. To reach this objective, the bank comprehensively identifies and evaluates operational risks and matches its risk-bearing capacity to the combined extent of risks posed to the bank. To secure its solvency, the bank sets risk-based equity objectives and creates an equity plan to reach the objectives. An objective of the solvency management process is also to maintain and develop high-quality risk management operations.

The internal equity needs, which are determined through the solvency management process, are based on the equity requirements of solvency regulations, Pillar I, and its external risks, such as the interest risk of the financial account, the market risk of the investment portfolio and business risk. In its internal evaluation process, the bank estimates the amount of equity that is enough to cover any unexpected losses emerging from risks that are external to Pillar I.

The bank's Board of Directors confirms the general requirements for the solvency measurement and evaluation processes as well as general principles for the structuring of the solvency management process. The Board confirms risk strategies and defines target levels for equity, which covers all essential risks emerging from business operations and changes in the external operating environment.

In retail bank operations, the bank operates according to its strategy. By restricting its operations to this sector alone, the bank is able to keep its risks on a manageable level, not to mention low in terms of operational quality. The savings bank's Board of Directors is responsible for managing the bank's solvency. The Board also defines the operational levels of risks. Once a year, the Board of Directors reviews the bank's solvency management risks, the capital plan as well as levels of risks.

During the solvency management process, the bank creates forecasts on profit, growth and solvency, among others. Based on these forecasts, the bank determines the necessary procedures to maintain a solvency level required by the business strategy. As a component of the solvency management process, the bank assesses its own risk position and the sufficiency of equity through stress tests. Stress tests are used to evaluate how various exceptionally serious but potential situations could impact the bank's ability to make profits, solvency and sufficiency of equity.

In its solvency calculations, the bank 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 Oy 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, published semi-annually.

Oma Säästöpankki Oy's own funds (TC) totalled 219.8 million euros (208.8), when the minimum requirement for own funds was set at 92.3 million euros (82.9). Tier 1 capital (T1) was 215.0 million euros, of which the share of core capital (CET1) was 215.0 million euros. Tier 2 capital (T2) equalled 4.8 million euros (8.2).

Oma Säästöpankki Oyj's solvency ratio continued to remain good even though it decreased by 1.09 per cent and was 19.06 per cent at the end of the year. The ratio of Tier 1 capital and the risk-weighted items was 18.64 % (19.36 %).

The European Union's regulation and directive on solvency was decreed on June 27, 2013. The new regulation became effective on January 1, 2014, and it is based on recommendations given by the Basel Committee on Banking Supervision in 2010, or the so-called Basel III framework. The member states are directly bound by the new solvency regulation, due to which a large portion of Financial Supervisory Authority's standards on solvency calculations were repealed. The European Banking Authority (EBA) provides standards that elaborate on the regulation and that are just as binding as the regulation.

Basel III solvency reporting based on the new regulation began on June 30, 2014. As such, banks' equity requirements were tightened via the conditions set on equity instruments as well as additional capital buffers. New requirements are set for liquidity and a new key ratio, the minimum equity ratio, will be implemented to monitor indebtedness.

The solvency of banks is expected to meet the required minimum level of 8% also in the future. In addition to the minimum solvency requirement, a fixed additional capital requirement of 2.5% went into effect on January 1, 2015, together with a variable additional capital requirement that authorities can set at 0–2.5%, if needed. The Board of the Financial Supervisory Authority did not give Oma Säästöpankki Oyj a variable additional capital requirement in 2016. The binding application of the liquidity coverage ratio, LCR, will begin at the level of 60% on October 1, 2015, after which it will be gradually increased to 100% by January 1, 2018. After the monitoring period, the EU will decide on the content and the extent to which the permanent borrowing requirement (NSFR) and the minimum equity ratio will be binding. Based on the current information, these will not become binding requirements until 2018 at the earliest.

Oma Säästöpankki reports its solvency per each bank. In solvency reporting, the consolidation limit of subsidiaries and associated companies is not exceeded for companies owned by Oma Säästöpankki. A subsidiary or an associated company must be consolidated as a part of the solvency reporting if the total amount of the company's balance sheet exceeds 10 million euros or the total amount on the balance sheet exceeds 10 per cent of the parent company's equity.

Solvency calculation

(in thousands of euros)	2016	2015
Own funds		
Additional Tier 1 capital before deductions	221,401	205,045
Deductions from core capital	-6,400	-4,435
Core capital (CET1), total	**215,001**	**200,610**
Additional Tier 1 capital before deductions	0	0
Deductions from additional Tier 1 capital	0	0
Total additional Tier 1 capital (AT1)	**0**	**0**
Tier 1 capital (T1 = CET1 + AT1)	**215,001**	**200,610**
Additional Tier 1 capital before deductions	4,765	8,230
Deductions from Tier 2 capital	0	0
Tier 2 capital (T2), total	**4,765**	**8,230**
Total own funds (TC = T1 + T2)	**219,766**	**208,840**
Risk-weighted items		
Credit and counterparty risk	1,039,867	930,278
Adjustment risk of liability (CVA)	3,756	5,823
Market risk	19,883	20,892
Currency risk	19,883	20,892
Operational risk	89,632	79,227
Risk-weighted items, total	**1,153,138**	**1,036,219**
Fixed additional capital buffer as per the Act on Credit Institutions (2.5%)	28,828	25,905
Core capital (CET1) relative to risk-weighted items (%)	18.64%	19.36%
Tier 1 capital (T1) relative to risk-weighted items (%)	18.64%	19.36%
Own funds, total (TC) relative to risk-weighted items (%)	19.06%	20.15%

Leverage ratio (in thousands of euros)	2016	2015
Tier 1 capital (T1)	215,001	200,610
Liabilities, total	2,183,637	2,062,329
Leverage ratio, %	9.85%	9.73%

Risk Management

The objective of risk management is to ensure that the risks stemming from the bank's operations have been identified, evaluated and scaled to an acceptable level, the risks are monitored, and that they are commensurate to the bank's ability to bear risks. The essential areas of risk management are credit risks, market risks including interest rate and price risks, financing risks, property risks as well as strategic and operational risks. The bank monitors the interdependence of various risks on a risk map.

Principles and organisation

Risk management means the identification, assessment, measurement, restriction and monitoring of risks resulting from and closely related to business operations. Through risk management, the bank attempts to minimise the likelihood of unexpected losses and threats to the bank's reputation. Oma Säästöpankki Oyj's risk management strategy is based on the objective and business strategy, risk management instructions, authorisation system, and a risk and deviation report of the most essential business sectors, all of which are confirmed by the Board to the bank.

In accordance with its strategy, the bank operates in the low-risk area of retail banking activities. In terms of its financial bearing capacity, the bank does not have too extensive customer or investment risk concentrations and, as per its strategy, the bank will not take such risks either.

The bank's board sets the level of willingness to take risks by approving risk area-specific risk strategies and the necessary risk limits and monitoring limits. The realisation of the risk strategy is monitored through the control of risk limits and monitoring limits and reporting, which are performed independently of business operations. The bank maintains its solvency at a safe level. The bank's solvency and risk-bearing ability are fortified with profitable operations. In its financial statements, the bank takes into consideration the threat of loss created by credit risk and other risks by means of sufficiently recognising impairment and other losses.

The Board is regularly provided information about the various risks to the bank as well as their levels. The Board also accepts authorisation and frameworks for risk-taking by determining the approved levels of credit and market risks. Within the limits of authorisation, the responsibility for the daily risk monitoring and surveillance belongs to management. Management utilises system-produced reports on the various areas of risks. Systems and policies intended for risk reporting and monitoring meet the requirements set for risk management, taking into consideration the character and extent of the bank's operations.

The bank has established the following independent operations to ensure efficient and comprehensive internal control:

- Risk management assessment function
- Compliance function
- Internal audit function.

Risk management and compliance arrangements

Independent risk control and compliance monitoring is performed by the risk management assessment function, the bank's compliance function and the credit risk evaluation function. Risk management assessments maintain the risk management policies and framework and promote a healthy risk culture by supporting the company in its risk management procedures. The purpose of the independent risk control is to ensure and monitor that the bank's risk management is conducted on a sufficient level in terms of the quality, extent, diversity and risks of the bank's business operations. The credit risk evaluation function promotes the proactive and systematic management of credit risk.

The compliance function is responsible for ensuring compliance with regulations. The compliance function monitors the bank and ensures that the policies and instructions are in compliance with relevant legislation, and ensures perpetual compliance with laws, official regulations and internal instructions. The risk control and the compliance function report directly to the CEO.

Through its independent operations, the internal audit ensures that the bank's Board of Directors and Executive Management have access to a correct and comprehensive picture of the bank's profitability and efficiency, the status of internal audit and the various operative risks. The internal audit presents its reports to the bank's Board of Directors.

The diversity approach, which is utilised in the selection of the members of top management, as well as its objectives and goals

The bank's instructions emphasise the diversity of the Board of Directors. A credit institution's Board of Directors must have sufficient and versatile expertise and experience regarding the credit institution's business and the relevant operational risks.

Credit risks

The objective of credit risk management is to restrict the profit and solvency effects of risks stemming from customer responsibilities so that these risks remain at acceptable levels. The business strategy and loan issuance instructions approved by the Board of Directors determine the maximum amounts for risk concentrations and guide the direction of loan issuance by customer sector, industry and credit ratings.

The bank's key customer groups are private customers, agricultural entrepreneurs and small businesses. The majority of the bank's borrowing is granted as loans to the bank's customers. Of the loans on the bank’s balance sheet, the combined share of households and entrepreneurs is approximately 66.7% (67.5%). The share of agricultural entrepreneurs of the loans on the balance sheet is 6.8% (7.7%) and the share of companies and other customers is 26.5% (24.8%). The majority, 72.5% (72.2%), of the bank's loans were granted as home collateral loans.

At the end of the year, non-performing receivables, including impairment losses, totalled 21.7 million euros (19.2). At the end of the year, forbearances totalled 122.7 million euros (173.0). Receivables, whose terms have been renegotiated due to the customers’ reduced ability to pay, are recognised as forbearances.

The management of credit risks in the enterprise and agricultural sectors is based on customer monitoring and internal credit ratings performed by key account managers. The evaluation of private customers' credit standing utilises the bank's good knowledge of its customers, based on which an evaluation is made on the customer's financial standing, which is based on the ratio of the customers’ disposable income and debt.

The bank's Board of Directors make the most significant loan decisions. The Board has delegated loan authorisations to the bank's two loan groups and other designated staff members. Loan decisions are made in accordance with the loan issuance instructions approved by the Board of Directors. The main rule is the principle of a minimum of two decision-makers. Loan decisions are based on the customer's creditworthiness and financial standing as well as the meeting of other criteria, such as the collateral requirement. Loans are mainly granted with security collaterals. Collaterals are carefully valued to a fair value and their fair values are regularly monitored by utilising statistics and thorough knowledge of the industry. The bank's Board of Directors has approved instructions on the valuation of different types of collateral and their collateral values, against which loans can be granted.

Credit risks are continuously monitored by keeping an eye on repayment delays and non-performing loans. Key account managers continuously monitor payment behaviour and customers' actions to keep track of the amounts of customer-specific liabilities and collaterals. The Board receives an annual report on the 15 largest customer entities and a monthly report on the total amount of non-performing loans. The reports contain for example the amount and development of risks by customer entity, industry and credit rating.

The bank aims to prevent from excessive indebtedness amongst its private customers by calculating a customer's credit rating every time they are granted a new loan. The credit rating is affected by arrears, past payment behaviour with the bank and repayment capacity. To ensure that the credit rating is correct, the customer's liabilities with other financial institutions are also included in the calculations. If the credit rating is poor, particular consideration will be given to whether the loan can be granted, or the loan may not be granted at all.

The bank does not have any customer entities whose liabilities exceed the limit set by the Credit Institution Act, namely 10 per cent of the bank's own funds (so-called high customer risks). Based on completed reports, the risks associated with the bank's loans are low in terms of the annual income level and risk-bearing ability.

In terms of loans granted to business customers, the basis of customer evaluation is formed by an analysis of the financial statements, the customer’s financial standing, solvency, competitive standing, the credit rating of the application as well as the offered collateral. These form a foundation for loan decisions and the risk-based pricing of the loan. Additionally, the bank assesses the impact of the item for which financing is required on the customer’s financial standing.

Credit rating distribution of business loans	2016	Share	2015	Share
AAA	19,792	3.41%	13,202	2.73%
AA+	123,831	21.35%	67,122	13.87%
AA	44,883	7.74%	51,573	10.65%
A+	106,898	18.43%	71,381	14.75%
A	169,564	29.24%	156,155	32.26%
B	64,936	11.20%	70,446	14.55%
C or Blank	41,668	7.18%	45,542	9.41%
D	8,411	1.45%	8,663	1.79%
Total	**579,983**	**100.00%**	**484,084**	**100.00%**

In lending, risk concentrations are formed or can form, for example, when the loan portfolio contains a large amount of loans and other liabilities:

- to a single party
- to groups that consist of single parties or affiliated organisations
- to certain industries
- against certain collaterals
- whose maturity date is the same or
- whose product/instrument is the same.

Credit risks are continuously monitored by keeping an eye on repayment delays and non-performing loans. The Board receives an annual report on the

Business loans by sector	2016	Share	2015	Share
Primary trade, mining and quarrying	123,816	21.35%	118,801	24.54%
Manufacturing	27,172	4.68%	22,252	4.60%
Construction	60,587	10.45%	55,659	11.50%
Trade and motor vehicle repairs	48,902	8.43%	43,906	9.07%
Transportation and storage	24,297	4.19%	22,851	4.72%
Accommodation and food service activities	22,673	3.91%	15,471	3.20%
Financial and insurance activities	8,766	1.51%	5,743	1.19%
Real estate activities	200,149	34.51%	160,994	33.26%
Professional, scientific and technical activities	11,629	2.01%	7,346	1.52%
Administrative and support service activities	11,748	2.03%	8,930	1.84%
Arts, entertainment and recreation	17,871	3.08%	7,202	1.49%
Other service activities	9,070	1.56%	4,643	0.96%
Other sectors	13,303	2.29%	10,287	2.12%
Total	**579,983**	**100.00%**	**484,084**	**100.00%**

15 largest customer entities and a monthly report on the total amount of non-performing loans. The reports contain, for example, the amount and development of risks by customer entity, industry and credit rating.

The impairment of loans and other receivables is recognised by receivable and by receivable category. Impairment on loans and other receivables is recognised when there is objective evidence that there will be no payments on the principal or the interest of the loan or the other receivable and the collateral on the receivable is not sufficient to cover for the amount of loan or the other receivable. The evaluation of objective evidence is based on the evaluation of the sufficiency of the customer's solvency and collateral. The collateral is valuated to the amount that could be expected to be recovered at the time of realisation. When impairment losses are evaluated by receivable category, loans and other receivables are classified into categories. After this, the need for impairment losses is evaluated by group. Loans and receivables, which have been found to be impossible to collect, are recognised as bad debt.

Financial risk

Financial risks are risks related to the availability and price of refinancing. This risk emerges when the maturities of receivables and debts differ. Financial risks also arise when receivables and debts are too greatly concentrated on individual counterparts. Financial risks are evaluated by maturity bands based on the difference of the receivables and debts in each band. Financial risks are managed for example by keeping at hand a sufficient amount of liquid funds to guarantee liquidity. Financial risks are monitored by providing the Board with reports on the bank's financial position and liquidity.

Oma Säästöpankki Oyj acquires the refinancing it needs through deposits from its operating area and through other practical means such as bond issues and certificates of deposit. As per the terms and conditions on deposit accounts, a significant portion of refinancing is spot-based. The bank's goal is to extend the maturity of its refinancing and maintain a large financial basis. 10.2% (11.8%) of the loans on the bank's balance sheet have durations exceeding 20 years. The bank's financial standing remained stable in 2016.

The bank maintains a good level of liquidity by investing its liquid funds mainly in marketable financial instruments. At the end of the year, the bank’s liquidity coverage ratio (LCR) totalled 111.3 per cent (87.0).

Interest rate risk

Oma Säästöpankki’s operations consist of retail banking, in which interest risk plays an integral role. Interest risks arise out of the financial account, which consists of lending and borrowing, market-based refinancing as well as the investment and liquidity portfolio.

Interest rate risks mean the effects of any interest rate changes on the bank's profit and solvency. Interest rate risks arise from the differing bases of interest on receivables and debts as well as the different interest adjustment dates or maturity dates. The bank's Board of Directors has granted the management the authority to use hedging derivatives. In order to minimise its interest rate risk, the bank utilises hedging derivative contracts, with more details provided under the section called Derivative contracts.

The bank's interest rate risk is regularly communicated to the Board of Directors, which has provided the maximum amounts for interest rate risks in its approved instructions.

The bank uses balance sheet analysis to measure the interest rate risk. It measures how a change of one and two percentage points in the forward interest affects the forecast of the net interest income during the next 1–60 months. The forecast is calculated at the time of reporting for the next five years using the forward rate available in the

	December 31, 2016		December 31, 2015	
Interest rate sensitivity analysis, change of 1 %-point in the yield curve	**-1%**	**+1%**	**-1%**	**+1%**
Change over the next 12 months	33,645	42,799	33,108	38,660
Change over the next 13–24 months	31,707	46,692	32,498	41,620

market. The amount of the open interest rate risk is measured by interest rate sensitivity, which takes into account the previously mentioned effect of interest rate shocks on net interest income in the coming years. In addition to this, the bank monitors the development of interest risk through several different scenarios that are used to simulate changes in the bank's deposits or loan base.

Derivative contracts

The bank protects its interest-bearing loans against interest rate fluctuations with derivatives and applies hedge accounting regulations in addition to regularly following the effectiveness of such hedging. On a monthly basis, the bank monitors risks related to derivatives, such as changes in fair values of derivatives compared to changes in the interest curve as well as changes in the bank's balance position and the sensitivity of net interest income to changes in interest rates.

Market risk

Market risks means the effects of changes in interest rates and market prices on the bank's profit and own funds. In trading, interest rate changes create a market risk that presents itself as a change in the market value of securities. Equity risk means, for example, the effect on profits caused by exchange rate changes of publicly quoted shares and fund units. The bank's objective in securities investments is to obtain a competitive profit on the invested capital in terms of the profit/risk ratio.

The bank only invests in securities if the effect of changes in exchange rates will not jeopardise the bank's solvency or profitability. At the end of the year, the bank's comprehensive income included changes in fair value in terms of financial assets available for sale, which totalled 4.4 million euros (-1.4). The impact of unrealised changes in the value of securities and derivatives on the bank's own funds was 4.4 million euros (-1.4), or 2.0% (1.0%) of the bank's own funds at the end of the accounting period. The bank does not have a securities-related minimum solvency requirement created by the settlement risk of all operations.

The diversification of investments decreases the concentration risk caused by individual investments. The bank monitors the market values of securities acquired for investment purposes and the cash flows related to their transactions. The Board receives regular reports on the contents and balance of the securities portfolio. The market risk associated with the securities portfolio is evaluated relative to the bank's profit and own funds. Limits and other arrangements have been deployed for the measurement and monitoring of market risks.

Property risk

Property risk means risks related to impairment, revenue or damage to the property assets. Property investments are not a part of the bank's core business. Properties owned by the bank are mainly insured for their full values.

The bank's investment properties have been evaluated with the purchase price allocation method, with which they have also been valued in the financial statements. The value of investment properties is low compared to the bank's balance and the bank's equities and there is no such impairment pressure toward the property asset values that would have a strong impact on the bank's profit and solvency in the next few years. The bookkeeping values and fair values of the investment properties are listed in note K16: Investment assets.

The equity tied to properties in the bank's own use and to property companies' shares was 14.7 million euros (15.0) at the end of the year. Equity tied to investment property assets decreased compared to the previous accounting period and its amount was 9.3 million euros (11.3), or 0.4 per cent (0.6) of the bank's ending balance.

Strategic and operational risks

Strategic risk means losses caused by any incorrectly chosen business strategies in terms of the development of the bank's operational environment. Efforts are made to minimise strategic risks by regularly updating the strategic and annual plans.

Operational risks mean losses that can be caused by internal deficiencies in systems, processes and the staff's actions, or external factors that impact operations.

Efforts are made to minimise the occurrence of operational risks through the continuous training of staff and an extensive code of conduct as well as procedures of internal controls, for example by separating preparation, decision-making, implementation and controls whenever possible.

The bank has acquired specific insurance in preparation for potential operational risks in its banking operations and any potential losses caused by such risks. The widely used standard contract terms work to decrease the occurrence of legal risks. Continuity planning is in place to prepare for any risks related to malfunctions in information systems.

Operational risks are monitored by gathering information about financial losses and any abuse suffered by the bank. Management utilises reports on compliance generated by internal controls as well as information on any changes in the operational environment.

Internal audit

The Board of Directors has implemented an internal audit process at the bank and approved a review plan and reporting principles for the internal audit.

The purpose of the internal audit is to evaluate the extent and sufficiency of the internal control within the bank's operational organisation as well as the monitoring and evaluation of the functionality of the risk management systems. The internal audit reports its observations to the CEO and the board. The Board of Directors discusses the review summaries created by the internal audit.

Internal control

The purpose of the bank's internal control is to ensure that the bank has set goals for the various levels and that the objectives are achieved by following the agreed and set internal control instructions. Internal control means the self-observation of the management bodies and the organisation, conducted within the bank itself and it is mainly used to observe the status, quality and results of operations. Internal control is performed by the Board of Directors, CEO, managers and staff members. Additionally, all staff members are obligated to notify the upper organisational level of any discrepancies and illegal activities.

Pillar III disclosure requirements

In accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council, Oma Säästöpankki Oyj will publish information listed in Part 8, Title II, and it will do so annually at the time of preparing its financial statements.

The extent of the bank's operations does not require the information to be published more often. The bank's independent functions evaluate and authenticate the relevance of the published information at the time of publication. At the time of approving the financial statements, the bank's Board will assess the presentation of independent operations to determine whether the published details give the market parties a comprehensive picture of the bank's risk profile.

Management and personnel

Oma Säästöpankki Oyj's Annual General Meeting took place on April 9, 2016. The 2015 financial statements were approved at the Annual General Meeting and the members of the Board of Directors as well as the CEO were granted exemption from liability. In terms of the bank's funds eligible for profit distribution, which total 125,944,754 euros, a decision was made to allocate 1,478,400 euros to profit distribution. The APA organisation KPMG Oy Ab was selected as the bank's auditor and APA Juha-Pekka Mylén was selected as the main auditor.

Oma Säästöpankki Oyj's Board of Directors consists of seven members. Jarmo Partanen served as the chairman, Jyrki Mäkynen served as the vice chairman and Pasi Sydänlammi served as the CEO. Hannu Valkeapää served as the deputy CEO until October 26, 2016, on which date Pasi Turtio stepped in as the deputy CEO. The board convened 11 times during the year.

Board members as of November 30, 2014:
Chairman of the Board Jarmo Partanen
Vice Chairman of the Board Jyrki Mäkynen
Member Aki Jaskari
Member Timo Kokkala
Member Heli Korpinen
Member Jarmo Salmi
Member Ari Yli-Kaatiala
The bank employed 229 people at the end of the year.

Audit Partners Oy served as the internal reviewer for the bank.

The bank's administration and control system

At the limited savings bank's Annual General Meeting, the previous year's financial statements, dividends and the exemption from liability are discussed and members of the Board of Directors are elected. The bank's Board of Directors makes decisions on the bank's business operations and strategic matters. Additionally, it is the Board of Director's responsibility to make decisions on the most significant matters related to the bank's operations and to select the bank's CEO. The Board's activities are based on approved instructions. The bank's CEO is in charge of the day-to-day management in accordance with the instructions received from the Board of Directors.

The regulations issued by the Financial Supervisory Authority and its predecessor, Financial Supervision (Rahoitustarkastus), are complied with when determining the independence of the members of the Board of Directors and the CEO. When elected, and later on annually, the Board members and the CEO must provide a report of the communities in which they operate. In addition, the Board members must provide a suitability and reliability report in accordance with the Financial Supervisory Authority's regulations when accepting their positions.

Reward schemes

The decision process used to determine the reward scheme

The bank's Board of Directors is responsible for the general reward system principles applied to both the effective management and all of the personnel.

The bank has not established a rewards committee nominated by or consisting of the members of the Board of Directors for the purpose of managing the reward scheme. This was not deemed necessary considering the limited scope of the bank's operations.

The Board of Directors supervise compliance with the reward scheme and regularly evaluate its functionality.

Relationship between rewards and results

The reward system works in accordance with the bank's business strategy, objectives and values, and it corresponds with the bank's long-term interest. The reward system is in harmony with the bank's good and efficient risk management and risk-bearing capability and it promotes these policies.

The ratio of fixed and variable components of rewards

According to the bank's reward system, the variable rewards may not exceed 100% of the fixed annual salary.

The applicable key parameters and grounds for determining the variable rewards and other employee benefits

The following principles are applied to the bank's variable rewards: The reward is based on a total evaluation on the recipient's and the particular business unit's performance as well as the bank's total result and its development. When evaluating performance, the financial and other factors as well as how the performance or result has materialised in the long term are taken into account.

In terms of the reward amount, the known risks at the time of evaluation, equity expenses and the necessary liquidity, among other factors, are taken into account.

Key outsourced functions

The bank's essential information systems are outsourced to Oy Samlink Ab, of which Oma Säästöpankki owns approximately 15%. The bank's bookkeeping is handled at Paikallispankkien PP-Laskenta Oy, wholly owned by Samlink. For payment transfers, the bank uses SP Keskuspankki Suomi Oy's payment transfer and clearing services, and for the maintenance of currency supply, the supply system provided by Automatia Pankkiautomaatit Oy. As for ATMs, the bank utilises Automatia's ATM network called Otto. Oma Säästöpankki's payment card issuance, management and processing services are provided by Nets Oy and Oy Samlink Ab.

Social responsibility

Oma Säästöpankki Oy's social responsibility means that the bank is responsible for the impact of its business operations on the society in which it operates as well as on the company's stakeholders. Responsible operations are evident in the way the bank acts in terms of its customers, personnel, collaboration partners, authorities, the bank's operating area and other stakeholders. As a local bank, it is important to Oma Säästöpankki Oy to manage its share of the responsibility for the surrounding society. Oma Säästöpankki Oyj complies with its employer obligations. In 2016 the bank paid business income tax on its profits, amounting to 2.1 million euros. Oma Säästöpankki is owned by local savings bank foundations and cooperatives. The owners are important players in their respective areas and they give annual donations to non-profit purposes that promote the savings bank ideology and benefit their own operating areas.

Events after the financial statements

In January 2017, Oma Säästöpankki released its plan to open a full-service branch in the centre of Lahti by the end of the spring. Also in January, the bank signed a collaboration agreement with the European Investment Fund, thanks to which Oma Säästöpankki will see improved prerequisites for business financing. Collaboration with the EIF will have a positive impact on the bank's solvency and credit risk management within business financing operations.

The bank's Board of Directors is not aware of any matters that would significantly impact the bank's financial standing after the financial statements were completed.

Business development in 2017

The benefits related to the restructuring and the reorganisation of the bank's operations performed over recent years will strengthen the bank's competitiveness and viability considerably in the course of the 2017 financial year. The reorganisation of operations will decrease costs and deliver new opportunities to develop profitable operations. Despite the challenging operating environment, the bank's business operations are expected to develop in a positive manner during the course of 2017.

The bank's performance is expected to remain on the same level as the previous accounting period. Conservative increases in interest rates will have a positive effect on the bank's result. An extensive increase in the interest rates could, however, lead to an increased amount of impairment losses. If the competitive environment remains strained, credit margins may decrease, which may have a slightly negative effect on the bank's result.

Proposals for the 2017 Annual General Meeting

The Board's proposal for profit distribution

The Board proposes to the Annual General Meeting that a dividend of 3.21 euros per share, which amounts to a total of 1.58 million euros, will be issued to shareholders.

There have not been significant changes in the bank's financial standing since the accounting period ended. The bank's solvency is at a good level and it is the Board of Directors' view that the proposed distribution of profits will not jeopardise the bank's solvency.

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Consolidated profit and loss accounts

(in thousands of euros)	2016	2015	Notes
Interest income	43,938	39,889	
Interest expenses	-7,391	-8,157	
Net interest income	**36,547**	**31,733**	K2
Fee and commission income	21,218	17,480	
Fee and commission expenses	-3,509	-2,198	
Fee and commission income and expenses, net	**17,709**	**15,282**	K3
Net gains from trading	134	53	K4
Net gains on investments	2,267	4,318	K5
Other operating income	3,682	2,967	K6
Other operating income, total	**60,339**	**54,352**	
Personnel expenses	-14,085	-11,711	K7
Other operating expenses	-19,381	-18,912	K8
Depreciation, amortisation and impairment on tangible and intangible assets	-2,065	-1,715	K9
Total operating expenses	**-35,531**	**-32,338**	
Impairment losses on loans and other receivables, net	-4,197	-3,594	K10
Earnings before taxes/operating income	**20,611**	**18,420**	
Income taxes	-4,567	-3,642	K11
Profit/loss for the period	**16,044**	**14,778**	
Interests of parent company owners	16,044	14,778	
Total	**16,044**	**14,778**	

Comprehensive consolidated income statement

(in thousands of euros)	2016	2015
Profit/loss for accounting period	16,044	14,778
Other items of comprehensive income before taxes	3,911	-2,061
Items that will not be reclassified to profit or loss	-456	36
Gains and losses on redefined benefit pension plans	-321	36
Share of items in associated companies' comprehensive result	-135	0
Items that may later be reclassified to profit or loss	4,368	-2,097
Change in fair value of financial assets available for sale	4,425	-1,373
Changes in valuation of cash flow hedging	-58	-725
Income taxes	-809	418
For items that will not be reclassified to profit or loss	64	-7
Gains and losses on redefined benefit pension plans	64	-7
Items that may later be reclassified to profit or loss	-874	425
Change in fair value of financial assets available for sale	-885	280
Changes in valuation of cash flow hedging	12	145
Other items of comprehensive income for accounting period after taxes	**3,102**	**13,135**
Comprehensive income for accounting period	**19,146**	**13,135**
Interests of parent company owners	19,288	13,135
Amount of non-controlling interest	-142	
Total	**19,146**	**13,135**

Consolidated balance sheet

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015	Notes
Assets				
Cash and cash equivalents	7,728	7,985	6,608	K12
Financial assets evaluated at fair value through profit or loss	576	1,858	2,063	
Loans and advances to credit institutions	61,958	139,482	116,532	K14
Loans and advances to the public and general government	1,785,417	1,530,264	1,307,169	K14
Derivative contracts and hedge accounting	2,630	5,369	6,846	K15
Investment assets	257,369	215,927	153,089	K16
Intangible assets	4,315	3,433	189	K17
Tangible assets	17,396	17,479	14,492	K18
Other assets	12,144	9,239	7,083	K19
Tax assets	1,347	1,416	915	K20
Income tax assets	-112	-125	267	K20
Total assets	**2,150,768**	**1,932,328**	**1,615,253**	

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015	Notes
Liabilities				
Liabilities to credit institutions	34,257	36,916	11,923	K21
Liabilities to the public and general government	1,482,828	1,472,793	1,294,349	K21
Debt securities issued to the public	353,050	161,503	68,620	K22
Subordinated liabilities	17,600	24,488	32,875	K23
Provisions and other liabilities	24,623	19,282	16,757	K24
Tax liabilities	17,339	14,514	12,136	K20
Income tax liabilities	0	706	1,154	K20
Total liabilities	**1,929,697**	**1,730,202**	**1,437,814**	

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015	Notes
Equity				K25
Share capital	24,000	24,000	22,000	
Reserves	111,417	108,481	101,615	
Retained earnings	84,741	69,645	53,825	
Equity, total	**220,158**	**202,126**	**177,440**	
Of which internal/interests of parent company owners	220,158	202,126	177,440	
Amount of non-controlling interest	913	0	0	
Equity, total	**221,071**	**202,126**	**177,440**	
Total liabilities and equity	**2,150,768**	**1,932,328**	**1,615,253**	

Group's off-balance sheet commitments

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015	Notes
Off-balance sheet commitments				**K27**
Guarantees and pledges	13,059	15,996	30,915	
Other commitments given to a third party	624	875	937	
Commitments given to a third party on behalf of a customer	**13,683**	**16,871**	**31,852**	
Undrawn credit facilities	116,822	112,832	57,648	
Irrevocable commitments given in favour of a customer	**116,822**	**112,832**	**57,648**	
Group's off-balance sheet commitments, total	**130,505**	**129,703**	**89,500**	

Statement of changes in the Group's equity

Change in equity (in thousands of euros)	Share equity,	Reserve for invested non-restricted equity	Fair value reserve	Hedging instrument reserve	Other reserves	Reserves total	Retained earnings	Interests of parent company owners, total	Amount of non-controlling interests	Equity, total
January 1, 2016	24,000	103,510	4,365	49	557	108,481	69,645	202,126	0	202,126
Comprehensive income										
Profit/loss for accounting period						0	15,785	15,785	0	15,785
Other items of comprehensive income			3,540	-46		3,494	-393	3,101	0	3,101
Total comprehensive income	**0**	**0**	**3,540**	**-46**	**0**	**3,494**	**15,392**	**18,886**	**0**	**18,886**
Transactions with owners										
Acquisition of own shares								0	0	0
Sale of own shares								0	0	0
Distribution of dividends/profit								0	0	0
Share capital increase								0	0	0
Profit distribution							-1,478	-1,478	0	0
Cash flow hedging								0	0	0
Other changes					-557	-557	1,181	624	0	0
Acquisition of subsidiary, in which amount of non-controlling interests	0	0	0	0	0	0	0	0	913	913
Transactions with owners, total					**-557**	**-557**	**-297**	**-854**	**0**	**0**
Equity, total, December 31, 2016	**24,000**	**103,510**	**7,905**	**3**	**0**	**111,418**	**84,740**	**220,158**	**913**	**221,071**
January 1, 2015	22,000	94,971	5,702	384	557	101,615	53,825	177,440	0	177,440
Comprehensive income										
Profit/loss for accounting period							14,778	14,778	0	14,778
Other items of comprehensive income			-1,337	-335			29	-1,643	0	-1,643
Total comprehensive income	**0**	**0**	**-1,337**	**-335**	**0**	**-1,672**	**14,808**	**13,135**	**0**	**13,135**
Transactions with owners										
Acquisition of own shares								0	0	0
Sale of own shares								0	0	0
Distribution of dividends/profit	0				0		0	0	0	0
Share capital increase	2,000								0	0
Profit distribution	0	8,538	0	0	0	0	-693	-693	0	-693
Cash flow hedging	0	0	0	0	0	0	0	0	0	0
Other changes							1,706	0	0	0
Transactions with owners, total	**2,000**	**8,538**	**0**	**0**	**0**	**8,538**	**1,013**	**11,551**	**0**	**11,551**
Equity, total, December 31, 2015	**24,000**	**103,510**	**4,365**	**49**	**557**	**108,481**	**69,645**	**202,126**	**0**	**202,126**

Consolidated cash flow statement

(in thousands of euros)	2016	2015
Cash flow from operating activities		
Profit/loss for accounting period	16,044	14,778
Changes in fair value	880	-50
Depreciation and impairment losses on investment properties	472	794
Depreciation, amortisation and impairment losses on tangible and intangible assets	2,065	1,715
Gains and losses on fixed assets	754.0	-2
Impairment losses	3,610	4,465
Income taxes	4,567	3,642
Adjustments to impairment losses	559	-872
Other adjustments	-124	-158
Adjustments to profit/loss of accounting period	12,783	9,535
Cash flow from operations before changes in receivables and liabilities	**28,827**	**24,314**
Increase (-) or decrease (+) in business funds		
Debt securities	-47,695	-55,527
Loans and advances to credit institutions	3,288	61,826
Loans and advances to customers	-252,653	-102,753
Derivative contracts and hedge accounting	162	-365
Investment assets	2,255	-12,209
Other assets	-2,667	-1,636
Total	**-297,310**	**-110,664**
Increase (+) or decrease (-) in business debts		
Liabilities to credit institutions	-7,964	24,646
Liabilities to customers	11,904	28,016
Debt securities issued to the public	191,547	92,883
Subordinated liabilities	0	
Provisions and other liabilities	4,532	1,183
Total	**200,019**	**146,728**
Paid income taxes	-2,848	-1,739
Cash flow, total	**-71,312**	**58,638**

Consolidated cash flow statement (in thousands of euros)	2016	2015
Cash flow from investments		
Investments in tangible and intangible assets	-4,651	-3,422
Gains on transfers of tangible and intangible assets	3,855	503
Held-to-maturity cash and cash equivalents, increases	0	0
Held-to-maturity cash and cash equivalents, decreases	0	0
Held-to-maturity financial assets, decreases (+)	0	0
Increases in other investments	5,985	0
Decreases in other investments	0	0
Investments in tangible and intangible assets	0	0
Sales of tangible and intangible assets	0	0
Cash flow from investments, total	**5,189**	**-2,919**
Cash flow from financing activities		
Subordinated liabilities, decreases	-6,888	-8,388
Other monetary increases in equity items	-105	0
Paid dividends	-1,478	-693
Cash flow from financing activities, total	**-8,471**	**-9,081**
Net change in cash and cash equivalents	-74,594	46,639
Cash and cash equivalents at beginning of reporting period	129,902	49,951
Cash and cash equivalents at end of reporting period	55,409	129,902
- Cash and cash equivalents transferred with business transfers	0	-33,313
Cash and cash equivalents at end of reporting period excluding cash and cash equivalents transferred with business transfers	55,409	96,590
Cash and cash equivalents, other arrangements	-99	0
Cash and cash equivalents consist of the following items:		
Cash and cash equivalents	7,728	7,985
Receivables from credit institutions repayable on demand	47,681	121,918
Total	**55,409**	**129,902**
Received interest	43,118	33,960
Paid interest	-8,045	-5,994
Received dividends	960	592

Group's notes

K1 Accounting principles for the financial statements

The Group's parent company is Oma Säästöpankki Oyj, which is based in Seinäjoki. The head office is located in Lappeenranta, at Valtakatu 32, 53100 Lappeenranta. Financial statements are available on the Bank's website at www.omasp.fi.

The Oma Säästöpankki Group comprises a parent company (Oma Säästöpankki Oyj) and two subsidiaries (Koy Lappeenrannan Säästökeskus and SAV-Rahoitus Oyj).

At its meeting on February 23, 2017, the Board approved the publication of the financial statements for the accounting period of January 1 – December 31, 2016. The Annual General Meeting will confirm the financial statements on April 22, 2017.

About the accounting policies

Oma Säästöpankki Oyj's (hereafter, the Bank) consolidated financial statements have been prepared in compliance with the EU-approved International Financial Reporting Standards (IFRS), and the SIC and IFRS interpretations. The preparation of the notes to the financial statements also took into account the Finnish accounting and entity legislation and the supplementary requirements of competent authorities' orders.

These consolidated financial statements are the Bank's first annual financial statements in compliance with the IFRS standards, and were prepared as per the IAS and IFRS standards and SIC and IFRIC interpretations that were in effect in 2016 and approved for application in the EU.

The Bank's consolidated financial statements (hereafter, the Group) are presented in thousands of euros unless otherwise specified. As the figures in the notes are rounded, the combined amount of single figures may deviate from the figures presented in a table or calculation. The accounting and presentation currency of the Group and its companies is the euro.

The consolidated financial statements have been prepared on the basis of the original acquisition expenses, except for financial assets recognised at fair value through profit or loss, financial assets available for sale, hedged items in a fair value hedge (in terms of hedged risk), and the hedging derivatives used in fair value or cash flow hedging that have been valuated to the fair value.

Consolidation principles

The Group's financial statements include the financial statements of its parent company and its subsidiaries. Companies over which the Bank has controlling authority are considered subsidiaries. The Bank has controlling authority when, by having an interest in the company, it is exposed to the variable profit of the investment, or when it is entitled to its variable profit and can influence this profit by exercising the authority it holds over the investment.

Mutual ownership in the Group has been eliminated through the acquisition method. The consideration transferred, the identifiable assets of the acquired entity and debt accepted as liability are valuated at the fair value at the time of acquisition. Any goodwill is recognised in the amount by which the acquisition cost exceeds the Group's share of the fair value of acquired assets and liabilities at the time of acquisition. Acquisition-related costs are recognised as expenditure. The amount of non-controlling interests has been valuated to the amount that is equivalent to the proportional interest of the amount of non-controlling interest in terms of the identifiable net assets of the acquisition. The acquired subsidiaries are included in the consolidated financial statements from the moment when the Group takes control over them and the sold subsidiaries are included, until control ceases. Internal transactions, receivables and liabilities, unrealised profits and internal profit distribution in the Group have been eliminated in the consolidated financial statements. Unrealised losses are not eliminated if the loss is due to impairment.

The distribution of profit or loss for the period to the controlling and non-controlling interests of the parent company is presented on the income statement. The distribution of comprehensive income for the period between the controlling and non-controlling interests of the parent company is presented on the income statement. Profit or loss for the period and comprehensive income are allocated to the controlling and non-controlling interests of the parent company, even if this results in negative non-controlling interest. The share of equity belonging to non-controlling interest is presented as an item of its own on the balance sheet, as a part of equity.

Oma Säästöpankki owns 48.97% of SAV-Rahoitus Oyj's shares. However, the Bank has decided that the Bank will exercise control in the company, by means of the shareholders' agreement, thus SAV-Rahoitus has been included as a subsidiary in the consolidated financial statements.

The Group has utilised the option provided by the *IFRS 1 First-time Adoption of International Financial Reporting Standards* that allows first-time users to waive the *IFRS 3 Business Combinations Standard* retrospectively for combinations of business operations that occurred prior to January 1, 2015.

Associated companies are such companies over which the Bank is considered to hold considerable influence. The criteria for associated companies are usually met when the Group owns 20%–50% of the company's voting rights, or the Group holds some other kind of influence in the company.

Based on voting rights, the Bank owns 21.9% of Nooa Säästöpankki Oyj, but because the Bank has no representation on the company's Board and has no other substantial influence in the company, the investment is classified as financial assets available for sale. The Bank owns no associated companies that can be consolidated via the equity method.

A joint venture is an arrangement in which, on the basis of an agreement or Articles of Association, two or more parties have joint authority, rights related to assets and obligations related to liabilities within the arrangement. The Group's consolidated financial statements combine as joint operations the essential mutual joint-stock property companies of which the Bank owns less than 100%. The consolidated financial statements include a portion of the profits, expenses and other comprehensive income items of joint ventures from the date when mutual controlling authority was created until the date it ends.

Goodwill

Goodwill arising from the combination of business operations is recognised in the amount by which the combined amount of transferred compensation, non-controlling interest in the acquired item and the previously owned share exceed the fair value of the acquired net assets.

No depreciation is recognised in goodwill, but it is tested for impairment at least every reporting day and whenever there is any indication that the value may have decreased. Goodwill is valuated in the initial acquisition value less impairment.

Financial instruments

Items denominated in foreign currencies

Assets and liabilities tied to items denominated in foreign currencies outside of the Euro zone have been converted to euros as per the European Central Bank's average rate on the reporting day. Differences in exchange rates that emerged during valuation have been recognised on the income statement in net gains on investments.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, as well as short-term deposits of less than three months.

Classifcation and recognition on the balance sheet

At the time of the initial recognition, financial assets and liabilities are classified in compliance with the *IAS 39 Financial Instruments: Recognition and Measurement* standard in the following categories:

Financial assets

- Financial assets valuated at fair value through profit or loss
- Investments held to maturity
- Loans and other receivables
- Financial assets available for sale

Financial liabilities

- Financial liabilities valuated at fair value through profit or loss
- Other financial liabilities

Financial assets and liabilities valuated at fair value through profit or loss

- Financial assets valuated at fair value through profit or loss comprise structured bonds and investments that contain embedded derivatives. Changes in value are recognised on the income statement under the item Net income from trading.
- Financial liabilities valuated at fair value through profit or loss are formed by derivative liabilities related to hedge accounting. At the time of reporting, Oma Säästöpankki has no derivative liabilities.

Investments held to maturity

The category of held-to-maturity investments includes debt securities with payments that are fixed or determinable, that mature on a certain date, and that the Group strictly intends to hold and is capable of holding until maturity date.

Investments held to maturity have been valuated to amortisation or acquisition cost less impairment losses if there is objective evidence of impairment. The difference between the acquisition cost and the denomination is amortised as interests yield or their deduction.

Loans and other receivables

The category of loans and other receivables includes receivables with payments that are fixed or determinable, and that are not quoted in active markets. Advances to credit institutions as well as advances to the public and general government are recognised in loans and other receivables. Loans and other receivables are valuated at amortised cost less impairment losses.

Financial assets available for sale

The category of financial assets available for sale includes financial assets that have not been included in the above-mentioned categories of financial assets. These assets mainly consist of debt securities and equity investments.

Financial assets available for sale have been valuated at their fair value. Equity instruments that have no quoted price in the active markets and whose fair value cannot be reliably determined have still been valuated to their acquisition cost or acquisition cost less impairment.

The changes in the fair values of financial assets available for sale adjusted by deferred taxes are recognised in other items of comprehensive income and presented in the fair value reserve, which belongs to equity. Exchange rate profits and losses derived from items in foreign currency denominations are not recognised in the fair value reserve, but through profit or loss. Changes in value accrued in the fair value reserve are transferred from equity as adjustments resulting from changes in classification, as an item to be valuated through profit or loss to net gains on investments on the balance sheet, when the investment is sold or when its value has decreased to the extent that the investment must be recognised as an impairment loss.

Other financial liabilities

Liabilities to credit institutions, liabilities to the public and general government as well as debt securities issued to the public are recognised in other financial liabilities. Excluding any derivative contracts, other financial liabilities are recognised on the balance sheet under acquisition costs using amortisation based on the effective interest method.

Netting of financial assets and liabilities

Financial assets have not been netted in the consolidated financial statements and the Bank has not entered into netting agreements.

Determining the fair value

Fair value is the price that could be received for the sale of an asset or that could be paid for assuming a debt between market parties in a common transaction occurring on the valuation date.

The fair value of a financial instrument is determined either by utilising price quotes obtained from active markets or, if active markets do not exist, utilising an established valuation method. Markets are considered active if price quotes are easily and regularly available, and if they reflect real and regularly reoccurring market transactions between parties that are independent of each other. The current bid price is used as the quoted market price of financial assets.

If the markets have an established valuation method for financial instruments whose market price cannot be directly acquired, the fair value is based on the generally used calculation model of market price and on the input quotes used by the model.

If the valuation method is not well established in the markets, a specific generally used valuation model for the product in question is used to determine the market value. Valuation models are based on generally utilised calculation methods, and cover all factors that parties in the markets would take into consideration when calculating prices. The aspects utilised for determining fair value are the prices of market transactions, discounted cash flows and the fair value at the time of financial statements of another, essentially similar instrument. The valuation methods take into account credit risk assessments, used discount rates, the possibility of prepayments, and other factors that impact the valuation of the financial instrument's fair value.

The fair values of financial instruments are divided into three hierarchical levels according to how the fair value is determined:

Level 1: Fair values quoted in active markets for identical assets or liabilities.

Level 2: Fair values that have been determined by the use of input information other than the quoted prices of Level 1, and that are verifiable for assets or liabilities either directly (e.g. as prices) or indirectly (e.g. derived from prices).

Level 3: Fair values that have been determined for assets or liabilities using inputs that are not essentially based on verifiable market prices.

The hierarchy levels of fair values are determined according to the lowest level of input information that is significant for the investment item. The significance of an input is assessed against the item valuated at fair value in its entirety.

Derivative contracts and hedge accounting

Derivative contracts are valuated at fair value in the financial statements and changes in value are recognised through profit or loss or in other items of comprehensive income.

The Group has used both fair value hedging and cash flow hedging in its accounting. The subject of fair value hedging is fixed-rate borrowing and the subject of cash flow hedging is the future interest payments of variable-rate lending. The Group applies the "carve out" model of *IAS 39 Hedge Accounting*, which enables the combination of derivatives or their components and their use as hedge instruments.

Derivatives are not created for the purpose of trading. The connection between hedging derivatives and instruments to be hedged (hedge relationship), and the effectiveness of hedging has been documented.

Fair value hedge

The change in the fair value of derivatives that hedge the fair value has been recognised in the financial statements under Net income on trading. When hedging the fair value, the subject of hedging is also valuated at the fair value during the hedging, although it would otherwise be valuated at amortisation. The change in the fair value of the hedged subject has been recognised on the balance sheet as an adjustment of that particular balance sheet item and on the income statement under the item Net income on trading. The interests on hedge derivatives are listed as interest expense adjustments.

Cash flow hedge

The effective portion of the change in the fair value of derivatives that hedge the cash flow is recognised in the fair value reserve in equity through other items on comprehensive income. The ineffective portion of the change in fair value is recognised through profit or loss under the item Net income from trading. The change in the time value of money of interest options, used as hedge instruments, is also recognised under Net income from trading, because time value is not a part of hedging instruments. Interest on hedging derivatives is included in interest income or expenses.

The change of value due to the valuation of hedging derivatives accrued in the fair value reserve is recognised through profit or loss in the result as an adjustment in hedged cash flow as and when the hedged cash flow is entered as income. In cash flow hedging, the hedged subject is not valuated at fair value.

At the end of the year, Oma Säästöpankki does not use cash flow hedging.

Stock derivatives

Stock derivatives are used to hedge deposits, the yield of which is tied to changes in stock value. The premium paid on stock derivatives, as well as changes in its fair value, are recognised on the balance sheet under Derivative contracts.

Impairment of financial assets

The impairment of other financial assets than those valuated at fair value through profit or loss is recognised on the income statement if there is objective evidence of the impairment of financial assets. Objective evidence is evaluated at the end of each reporting period.

Loans and other receivables

The impairment of loans and other receivables is evaluated primarily by receivable and secondarily by receivable category. The need for impairment is observed by receivable based on objective evidence. In addition, significant receivables (large customer obligations) are assessed individually, regardless of whether they meet the criteria for objective evidence. In addition to an individual review, the Bank evaluates indications of impairment by receivable category. Evaluation by category also takes into account those items on which impairment is not recognised on the basis of individual review.

Receivable-specific impairment loss has been recognised on loans and other receivables when objective evidence has shown that there will be no payments on the principal or the interest of the loan or the other receivable, and that the collateral on the receivable is not sufficient to cover the loan or the other receivable. Examples of objective evidence for the impairment of a receivable are a debtor's financial difficulties, violation of contractual stipulations (such as delaying or not paying an installment), a debtor's bankruptcy or another similar arrangement or concession that the Bank would otherwise not consider but extends to the debtor in such circumstances.

The amount of impairment loss is determined as the difference between the bookkeeping value of the receivable and the estimated current value of future cash flows accrued from the receivable, taking the collateral's fair value into account. When recognising impairment, the collateral is valuated to the amount that could be expected to be recovered at the time of realisation. The original effective interest rate of the receivable is used as the discount rate of interest.

Impairment losses on loans and other receivables are recognised on the balance sheet using a deduction account that adjusts the bookkeeping value of the receivable.

Loans and other receivables are classified in categories for which the need for impairment losses has been evaluated by category. The categories for receivables are classified on the basis of similar credit risk characteristics in order to evaluate the category-specific need for impairment of the receivables for which receivable-specific reasons for impairment have not been identified.

Loans and other receivables are removed from the balance sheet when it is expected that payment on the loans will cease and the final loss can be calculated. The previously recognised impairment is reversed at the same time as when the item is removed from the balance sheet and the final credit loss is recognised.

Investments held to maturity

If there is objective evidence on the day of reporting that the value of debt securities classified as investments held to maturity may have decreased, an impairment review is performed on debt security. The amount of impairment losses is determined as the difference between the acquisition cost and the estimated current value of future cash flows accrued from the receivable. The original effective interest rate of the receivable is used as the discount rate of interest. The realised impairment is recognised through profit or loss under "Net income from investment activities".

Financial assets available for sale

If there is objective evidence on the day of reporting that the value of a security classified as a financial asset available for sale may have decreased, an impairment test is performed on the security. If the review reveals that the value has decreased, the impairment loss accumulated in the fair value reserve is recognised through profit or loss under "Net income from investment activities".

Examples of objective evidence for impairment of a receivable are an issuer's or debtor's financial difficulties, violation of contractual stipulations, a debtor's bankruptcy or another similar arrangement, or unfavourable changes in the issuer's or debtor's operating environment.

As impairment loss on equity investment, the difference between acquisition cost and fair value is recognised on the date of reporting, less impairment losses on the financial asset in question, recognised previously through profit or loss. Impairment losses that are recognised through profit or loss and that relate to an investment made in an equity instrument classified as available for sale are not reversed through profit or loss, but a later change in value is recognised through other items in the comprehensive income statement in the fair value reserve.

A decrease in the fair value of equity investment is significant when it is over 25 per cent lower than the instrument's acquisition cost and is long term when the impairment has continued over 12 consecutive months and is at least 25 per cent of the acquisition cost.

In terms of financial instrument liabilities and debt securities available for sale, the amount of impairment loss is determined as the difference between the bookkeeping value of the receivable and the estimated current value of future cash flows accrued on the receivable. The reversal of impairment loss on debt securities is recognised through profit or loss. A decrease in fair value, resulting solely from the increase of a risk-free market interest rate, does not create a need to recognise impairment losses.

Intangible assets

The most significant intangible assets in the consolidated financial statements are the information systems used in the banking operations and customer relationships related to deposits that were transferred to the Group when the banking operations of Joroisten Osuuspankki and Pyhäselän Paikallisosuuspankki were combined on Oma Säästöpankki Oyj's balance sheet from October 1, 2015. The information systems are mainly produced by Oy Samlink Ab, which is a collaboration partner of the Bank.

Intangible assets are recognised on the balance sheet if it is likely that the expected financial benefit derived from the asset benefits the Group and the acquisition cost of the asset can be reliably determined.

The initial valuation is made at the acquisition cost, which comprises the purchase price including all expenses that are direct results of preparing the asset item for its intended purpose. Expenses related to the use of the asset and the training of personnel are not included in the acquisition cost, nor are administrative expenses or other mutual general expenses. After initial recognition, the intangible asset is recognised in the acquisition cost less depreciation and impairment.

Intangible assets are recognised on the balance sheet under "Intangible assets", and any depreciation is recognised on the income statement under "Depreciation and impairment losses on tangible and intangible assets".

The acquisition cost of intangible assets is recognised as depreciation in accordance with the financial retention period of the assets. Depreciations of intangible assets begin at the moment when the asset is ready for use. The financial useful life of intangible assets is reviewed annually.

The estimated financial useful lives are as follows:
Information systems: 3–5 years
Customer relationships related to deposits: 6 years
Other intangible assets: 3–5 years

Goodwill arising from the combination of business operations is recognised in the amount by which the combined amount of transferred compensation, non-controlling interest in the acquired item and any previously owned share exceed the fair value of the acquired net assets.

No depreciation is recognised in goodwill, but it is tested for impairment annually and whenever there is any indication that the value may have decreased. For this purpose, goodwill is allocated to units that produce cash flow. Goodwill is valuated in the initial acquisition value less impairment.

Tangible assets and investment properties

The Group's properties are divided into properties in own use and investment properties, based on the purpose of use. The purpose of investment properties is to produce rental income or increases in capital value. If a property is both in own and investment use, the assets are presented separately only if they can be sold separately. In these cases, the division is based on the ratio of square feet in different uses.

If the parts cannot be sold separately, the property is treated as an investment property only if merely a small portion of the property is in own or personnel's use. The review is based on the ratio of the square feet of the premises that are used for different purposes.

Property, plant and equipment are recognised on the balance sheet under "Tangible assets" and investment properties are recognised under "Investment assets". On the income statement, income related to properties in own use is recognised under "Other operating income" and the related expenses are recognised under "Other operating expenses". Depreciation and impairment losses from all property, plant and equipment are recognised under "Depreciation and impairment losses from tangible and intangible assets". Net income from investment properties, including all entered depreciations and impairment, are included in "Net income from investment activities". Gains or losses arising from disposal or retirement are recognised as the difference between received income and balance sheet value.

Property, plant and equipment, as well as investment properties, are valuated as acquisition cost less depreciation and impairment. Depreciations are based on estimates on the assets' financial useful lives. Depreciations are not performed for land. Asset-related expenses that arise after the initial acquisition are capitalised as the asset's bookkeeping value only if the asset is likely to help accumulate greater financial benefit than initially estimated or if its financial useful life is extended.

The estimated financial useful lives are primarily as follows:
Buildings: 10–40 years
Machines and equipment 5–8 years
Other tangible assets: 3–10 years

Rental agreements

The Group acts as a lessor using a different rental agreement in compliance with the *IAS 17 Leases* standard for the apartment and business units it owns. Rental income is recognised as equal installments on the income statement under "Net income from investment activities" or "Other operating income".

The Group acts as a lessee using a different rental agreement in compliance with the *IAS 17 Leases* standard for the premises and IT equipment used in business operations. For the duration of the rental agreement, rental expenses are recognised in equal instalments on the income statement under "Other operating expenses".

Provisions

Provisions are recognised when the Group has a legal or an actual obligation resulting from a previous event, the fulfilment of the obligation is likely and the management team can reliably evaluate the amount of the obligation. If it is certain that partial compensation for the obligation will be received from a third party, the compensation is recognised as a separate item. Provisions are reviewed annually on the date of reporting and adjusted if necessary. Provisions are valuated at the current value of the amount that is expected in order to fulfil the obligation.

Employee benefits

The Group's employee benefits as per the *IAS 19 Employee Benefits* standard comprise short-term employee benefits, benefits related to the termination of employment and benefits after employment has been terminated.

Short-term employee benefits are, for example, salaries and benefits in kind, annual holidays, performance bonuses and additional insurance that are expected to be paid in full within 12 months from the end of the accounting period during which the employees perform the work in question.

Benefits based on the termination of employment comprise severance payments.

Pension plans related to benefits after the termination of employment are classified as defined benefit plans and defined contribution plans. Defined benefits plans are, for the most part, agreements that include additional pension schemes.

In terms of defined contribution plans, the Group makes fixed pension insurance payments to pension insurance companies is not legally or actually obliged to make additional payments if the pension insurance company is unable to make payments on such benefits. Expenses are recognised as expenses during the relevant accounting period.

In terms of defined benefit plans, the Group has obligations after making payments during the accounting period. For defined benefit plans, liability is presented as the current value of obligations resulting from the plans on the date of reporting, less the fair value of funds in the plans. The Group uses an external actuary to define the obligations resulting from benefits after the termination of employment.

Entry principles

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

Fee and commission income and expenses

Fee and commission income and expenses are primarily recognised when the service is performed. For fees and commissions spanning several years, the portion related to the accounting period is entered. Fees and commissions that are considered a fixed part of the financial instrument's effective rate are treated as adjustments of the effective rate. However, financial asset-related fees and commissions recognised at fair value through profit or loss are entered at the same time as the initial recognition of the instrument.

Net gains on investments

The following are recognised in net gains from investments: gains and losses from sales, valuation gains and losses, dividend income from financial instruments recognised at fair value through profit and loss, net income from financial assets available for sale, and net income from investment properties. Dividend income has been recognised when an entitlement to dividend has arisen.

In addition, net income from currency exchanges and net income from fair value hedge accounting are recognised under the same item.

Income taxes

Result-based taxes of the accounting period for companies in the Group, adjustments to taxes for previous accounting periods and changes in deferred taxes are recognised in the Group's income statement. Taxes are recognised on the income statement, except for items that are directly related to equity or other items recognised in the comprehensive income statement. In these cases, tax is also recognised under these items. Income taxes are recognised on the basis of the estimated taxable income for the year.

Deferred taxes are calculated on the taxable temporary and deductible differences between bookkeeping and taxation. Deferred tax assets are recognised up to the amount for which future taxable income is likely, against which the temporary difference can be applied. Deferred tax assets based on unused losses verified in taxation are recognised if the accumulation of taxable income is likely and the asset can be utilised.

Operating segments

Oma Säästöpankki's retail banking operations form on of the segments defined in the *IFRS 8 Operating Segments* standard. Based on the ank's business model and the nature of operations, the entire Group is treated as a reportable segment. The Board of Directors is the Bank's highest decision-maker.

The most significant items of income in banking operations are net interest income, fee and commission income and income from investment activities. The most significant expenses are administrative expenses and other operating expenses. The Bank's customer base consists of many customerships, and the amount of particular customer entity does not exceed 10 per cent of the Group's total return. The Bank performs operations in the area of Finland only.

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

Preparing financial statements in compliance with the IFRS standards requires the Group's management to make certain estimates and assumptions that impact the amounts of items presented in the financial statements and the information included in the accompanying notes. The management team's essential estimates relate to the future and the integral factors of uncertainty on 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 management's best current perception, it is possible that the results may deviate from the estimates used in the financial statements.

During the accounting period, the Bank's management team has used its own discretion when including SAV-Rahoitus Oyj as a subsidiary on the consolidated financial statements, as per the shareholder agreement. Oma Säästöpankki owns 48.97% of SAV-Rahoitus Oyj's shares. The assumptions about the future and the integral factors of uncertainty related to the estimates on the date of the financial statements, which create a significant risk in terms of essential changes in the bookkeeping values of the Group's assets and liabilities over the next accounting period, have been presented herewith.

Impairment of financial assets

The management team regularly evaluates the objective evidence related to the impairment of financial assets and, when necessary, recognizes the impairment of financial assets. In addition, by the end of each reporting period, the management team also evaluates the impairment of assets other than the financial assets.

The management team regularly evaluates whether objective evidence exists for the impairment of loans and receivables. Based on these evaluations, the Group impairs loans and receivables and reverses impairment based on certain criteria. The principles are described in the Impairment of financial assets section.

The Group evaluates the impairment of financial assets at other than fair value through profit or loss by the end of each reporting period. For equity based instruments, the management team evaluates when the impairment is considered significant or long term. The principles are described in the Impairment of financial assets section.

Evaluation of fair value

The management team's discretion is also used in cases in which the fair value of a financial instrument is determined through valuation methods. If no verifiable market inputs exist on which the used valuation methods can be based, the management team has to assess which other inputs to use to determine fair value. The principles used to determine fair value are described in more detail in the Determining the fair value section.

The management team decides when it considers the markets of financial instruments to be inactive. In addition, it must be evaluated whether a single financial instrument is the object of active trading and whether the price information received from the market is a reliable indicator of the fair value of the financial instrument.

Impairment of tangible and intangible assets

At the close of all financial statements, management makes an assessment on the impairment of intangible and tangible assets. The impairment testing of intangible and tangible assets requires management discretion and an assessment of the monetary amount that an asset will accrue in the future, the asset's financial useful life and the discount rate to be used.

Combining business operations

When business operations are combined, the management team's discretion and assessments are used to determine the fair values of the received assets and liabilities.

Assessment of significant influence on investment items

The management team's discretion and assessments are needed in the definition of significant controlling authority in terms of companies that do not belong to the Group and in which the Group owns over 20% of the voting rights or shares. In these cases, the issues under consideration are the actual controlling authority and whether factors exist that decrease or increase the Group's actual influence.

Preparation principles of the IFRS transition

The Group prepared its first consolidated financial statements in accordance with the international IFRS principles for the accounting period of January 1 – December 31, 2016. In its first IFRS-based consolidated financial statement, the Group presents, in addition to the times of the report and comparison, the balance sheet information for January 1, 2015.

Oma Säästöpankki has not prepared consolidated financial statements for the previous accounting periods because the Bank's subsidiaries have been small subsidiaries with negligible influence on the Group's result and equity, as defined in Section 12, Article 10 of the Credit Institution Act. As a result of adopting the IFRS standards for financial statements, the Bank prepares its consolidated financial statements in compliance with the IFRS principles.

The IFRS-based financial statements have been prepared by combining the separate financial statements, prepared in accordance with the Finnish Accounting Standards (FAS), of entities that belong to the Group, so that the mutual items of these companies have been eliminated. Items on the balance sheet and on the income statement have been adjusted to comply with IFRS standards. In its separate financial statements, Oma Säästöpankki has already previously complied with the IAS 39 Financial instruments: Recognition and measurement standard as per the Financial Supervisory Authority's Regulations and Instructions 2/2016: Financial Sector's Accounting, Financial Statements and Annual Report.

The impact of the IFRS standards on financial standing

Compared to the financial statements prepared in compliance with FAS standards, the most significant changes resulting from adopting the IFRS standards relate to the following items, for example: Valuation of investment properties, reversing credit loss provision, intangible assets, calculation of defined benefit retirement plans, CVA calculation, and changes in the combination methods of property companies. The bridge calculation of the opening balance is presented in Note K36.

Note K36 describes how Oma Säästöpankki's transition from FAS standards to the IFRS standards has impacted the Group's figures. The note presents the following reconciliations:

- Reconciliation between the equity in accordance with the earlier standard of financial statements (FAS) and the equity in accordance with IFRS standards
- Reconciliation of the comprehensive income statement between the result according to the FAS regulation and the comprehensive result according to IFRS standards.

The Group has utilised the option provided by the *IFRS 1 – First-time Adoption of International Financial Reporting Standards* for first-time users to waive the *IFRS 3 Business Combinations* standard retrospectively for the combinations of business operations that occurred prior to January 1, 2015.

New IFRS standards and interpretations not yet in effect

Oma Säästöpankki has not yet applied the following new or updated standards and interpretations that have already been published by IASB. The Group will adopt them as of the effective date of each standard and interpretation or, if the effective date is not the first day of the accounting period, from the beginning of the accounting period following the effective date.

The new *IFRS 9 Financial instruments* standard (must be complied with as of January 1, 2018 or for accounting periods beginning thereafter)

The standard replaces the current *IAS 39 Financial Instruments: Recognition and Measurement* standard. IFRS 9 includes updated guidelines on the recognition and valuation of financial instruments. This also covers the new bookkeeping model on expected credit losses that is used to determine impairment recognised on financial assets. The regulations related to the standard's general hedge accounting have also been updated.

The classification and valuation of financial assets will change so that the financial asset categories complying with IAS 39 will be eliminated. According to IFRS 9, the classification of debt instruments under financial assets is based on the company's business model and the nature of agreement-based cash flows. If the cash flows in accordance with the debt instrument agreement only include capital repayments and interest payments, and if the company intends to hold the financial asset until the maturity date, the financial assets can be recognised as an amortised acquisition cost based on the effective interest method. If the company's business model for such a financial asset is to hold it but also possibly sell it before the maturity date, the financial asset will be recognised at fair value through other items in comprehensive income. In other cases, the financial asset is mainly recognised in fair value through profit or loss. Other equity-based financial assets are mainly recognised in fair value through profit or loss. For financial liabilities, the recognition principles will barely change from the IAS 39 regulations. Oma Säästöpankki is currently analysing the contents of financial assets and evaluating potential business models and will use this information to assess the impact on the classification and valuation of financial assets.

As per the IAS 39 standard, impairment is recognised if there has been objective evidence on the impairment of the financial asset. As per the IFRS 9 regulations, impairment is recognised on the basis of expected credit loss. The expected credit loss is calculated for the entire effective period of the financial asset when, on the date of reporting, the credit risk related to financial assets has significantly increased since its initial recognition. In other cases, the expected loss is calculated on the basis of the estimate that insolvency will occur within 12 months of the date of reporting. Due to the change in the entry principles, the amount of impairment loss entries is expected to increase as the IFRS 9 standard is adopted.

The analysis of the final impact of the IFRS 9 standard and the implementation of the required changes in information systems are still ongoing. Estimates of the impact of the standard will be specified in 2017.

The new *IFRS 15 Revenue from Contracts with Customers* (must be complied with as of January 1, 2018 or for accounting periods beginning thereafter)

IFRS 15 creates a comprehensive framework to determine whether, how much and when sales income can be entered. IFRS 15 replaces the current guidelines on entries, for example, IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. As per IFRS 15, an entity must recognise sales income as a monetary amount that reflects the compensation that the entity expects to be entitled to in terms of the goods and services in question. The standard is not expected to have a material impact on the Group's income statement or financial standing. Oma Säästöpankki will adopt the new standard over the accounting period beginning on January 1, 2018.

The new *IFRS 16 Leases* (must be complied with as of January 1, 2019 or for accounting periods beginning thereafter)

The standard replaces the IAS 17 standard. In accordance with IFRS 16, the current classification in terms of lessees under operational leasing or financial leasing will be replaced with a model in which all assets and liabilities included in leasing contracts exceeding 12 months are recognised on the balance sheet as a right to use the asset and as a related lease liability. The Group is still evaluating the impact of the standard.

Change to IAS 7 *Statement of Cash Flows* Disclosure Initiative* (must be complied with as of January 1, 2017 or for accounting periods beginning thereafter).

The changes aim to help the users of the financial statements evaluate changes in cash flow-based and non-cash flow-based debts created by financing activities. The change in the standard has not yet been ratified in the EU. The change in the standard affects the notes accompanying the Bank's consolidated statements.

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

K2 NET INTEREST INCOME

(in thousands of euros)	2016	2015
Interest income		
On receivables from credit institutions	2	755
On receivables from the public and general government	38,790	34,098
On debt securities	2,211	1,607
On derivatives	2,432	3,012
Other interest income	503	417
Total interest income	**43,938**	**39,889**
Interest expenses		
On liabilities to credit institutions	-457	-274
On liabilities to the public and general government	-4,033	-5,500
On debt securities issued to the public	-2,292	-1,612
On subordinated liabilities	-526	-738
On derivatives	-7	-40
Other interest expenses	-76	7
Total interest expenses	**-7,391**	**-8,157**
Net interest income	**36,547**	**31,733**

K3 FEE AND COMMISSION INCOME AND EXPENSES

(in thousands of euros)	2016	2015
Fee and commission income		
On lending	6,602	4,771
On deposits	773	271
On card and payment transactions	8,932	6,682
On brokered securities	108	110
On reserves	1,946	1,784
On legal services	678	600
On brokered products	1,264	1,107
On granting of guarantees	336	305
Other fee and commission income	579	1,851
Total fee and commission income	**21,218**	**17,480**
Fee and commission expenses		
On card and payment transactions	-3,054	-1,811
On securities	-55	-122
Other fee and commission expenses	-400	-266
Total fee and commission expenses	**-3,509**	**-2,198**
Fee and commission income and expenses, net	**17,709**	**15,282**

K4 NET GAINS FROM TRADING

(in thousands of euros)	2016	2015
Net gains from trading		
On trading assets and liabilities	131	22
Net gains on trading in foreign currencies	18	32
Net gains from hedge accounting	-15	-1
Net gains on trading, total	**134**	**53**

K5 NET GAINS ON INVESTMENTS

(in thousands of euros)	2016	2015
Net income from financial assets available for sale		
On debt securities		
Capital gains and losses	3	2
Impairment	0	0
Difference in valuation reclassified from the fair value reserve to the income statement	0	173
On debt securities, total	3	175
On shares and other equity	3	175
Capital gains and losses	-103	-191
Impairment	-52	0
Difference in valuation reclassified from the fair value reserve to the income statement	2,163	4,503
Valuation loss reclassified from the fair value reserve	-73	-135
Valuation gain reclassified from the fair value reserve	2,236	4,638
Dividend yields	956	592
On shares and other equity, total	2,964	4,904
Net income from financial assets available for sale, total	**2,967**	**5,079**
Net income from investment properties		
Rent and dividend income	960	1,281
Capital gains and losses	-439	-12
Other gains from investment properties	352	9
Maintenance expenses	-1,097	-1,240
Depreciation and impairment on investment properties	-472	-794
Rent expenses on investment properties	-4	-5
Net income from investment properties, total	**-700**	**-761**
Net gains on investments	**2,267**	**4,318**

K6 OTHER OPERATING INCOME

(in thousands of euros)	2016	2015
Rent and dividend income from properties in own use	61	91
Other revenue from banking operations	3,615	2,735
Others	6	141
Other operating income, total	**3,682**	**2,967**

Other operating income includes the non-recurring item of sales profit derived from the sale of Visa shares, approximately 2.0 million euros.

K7 PERSONNEL EXPENSES

(in thousands of euros)	2016	2015
Salaries and rewards	-11,192	-9,641
Other long-term benefits	-638	-462
Pensions	-2,255	-1,608
Defined contribution plans	-2,073	-1,655
Defined benefit plans	51	111
Other fixed post-employment benefits	-233	-65
Personnel expenses, total	**-14,085**	**-11,711**

Details on the employment benefits and loans of the related parties are presented in note K33 Related parties.

Number of employees	2016	2015
Full-time	198	207
Part-time	1	10
Temporary	30	35
Total	**229**	**252**

K8 OTHER OPERATING EXPENSES

(in thousands of euros)	2016	2015
Other administrative expenses		
Other personnel expenses	-1,035	-942
Office expenses	-1,335	-1,532
Data administration and ICT expenses	-8,302	-8,153
Postage and phone, communication expenses	-916	-1,097
Marketing expenses	-1,690	-1,449
Representation expenses	-143	-58
Other administrative expenses, total	**-13,421**	**-13,231**
Other operating expenses		
Rent expenses	-1,388	-1,271
Expenses from properties in own use	-1,251	-1,094
Sales losses on properties in own use	-320	-9
Others	-3,001	-3,308
Other operating expenses, total	**-5,960**	**-5,681**
Other operating expenses, total	**-19,381**	**-18 912**

	2016	2015
Auditor's fees		
Ernst & Young Ltd.		
Statutory audit	32	24
Assignments as provided for in Section 1, Sub-section 1, Clause 2 of the Auditing Act	1	11
Tax advice		1
Other services	1	6
Total	**34**	**42**
KPMG Oy Ab		
Statutory audit	46	12
Assignments as provided for in Section 1, Sub-section 1, Clause 2 of the Auditing Act		
Tax advice		
Other services	41	25
Total	**87**	**37**

K9 DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES ON TANGIBLE AND INTANGIBLE ASSETS

(in thousands of euros)	2016	2015
Depreciation, amortisation and impairment losses on tangible and intangible assets		
On buildings	-410	-632
On machinery and equipment	-510	-433
On intangible assets	-660	-142
Depreciation on shares and other equity	0	-334
Depreciations on capitalised expenses of condominiums	-160	-183
Impairment on properties in own use	-325	0
Impairment reversals, properties in own use	0	9
Total depreciation and impairment losses	**-2,065**	**-1,715**

K10 IMPAIRMENT LOSSES ON LOANS AND OTHER ASSETS

(in thousands of euros)	2016	2015
Impairment losses on loans and other assets	-1,950	1,585
Credit losses	-2,247	-5,178
Impairment losses, total	**-4,197**	**-3,594**

K11 INCOME TAXES

(in thousands of euros)		2016	2015
Income taxes for the accounting period		-2,129	-1,713
	Income tax on primary operations	-2,115	-1,710
	Other direct taxes	-14	-3
Income tax for previous periods		0	30
Change in deferred tax assets		-396	220
Change in deferred tax liabilities		-2,042	-2,179
Income taxes, total		**-4,567**	**-3,642**
Domestic income tax rate		**20%**	**20%**
Accounting profit before taxes		20,611	18,420
Proportion of result in accordance with tax rate		-4,122	-3,684
+	Tax free income on income statement	127	61
-	Non-deductible expenses on income statement	-413	-12
-	Taxable income not included on income statement	-122	-23
+	Deductible expenses not included on income statement	0	10
+	Use of confirmed losses from previous years	0	0
-	Unrecognised under losses: deferred tax assets	-38	-24
+/-	Taxes for previous accounting periods	0	30
Taxes on income statement		**-4,567**	**-3,642**

K12 CASH AND CASH EQUIVALENTS

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015
Cash in hand	7,728	7,985	6,608
Cash, total	**7,728**	**7,985**	**6,608**

K13 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

(in thousands of euros)	Loans and receivables	Held to maturity	At fair value through profit or loss	Hedging derivatives	Available for sale	Other than financial assets	Book-keeping value, total
Assets December 31, 2016							
Cash and cash equivalents	7,728						7,728
Assets recognised at fair value through profit and loss			576				576
Loans and advances to credit institutions	61,958						61,958
Loans and advances to customers	1,785,417						1,785,417
Derivatives				2,630			2,630
Investment assets		1,987			246,054	9,327	257,368
Debt securities		1,987			148,549		
Shares and other equity					97,505		
Investment property						9,327	
Intangible assets						**4,268**	**4,268**
Income tax assets						**-112**	**-112**
Deferred tax assets						**1,348**	**1,348**
Other assets						**29,587**	**29,587**
Financial assets, total	**1,855,103**	**1,987**	**576**	**5,369**	**246,054**	**44,418**	**2,150,768**

	Other financial liabilities	Other than financial liabilities	Book-keeping value, total
Liabilities December 31, 2016			
Liabilities to credit institutions	34,257		34,257
Liabilities to the public and general government	1,480,006	2,822	1,482,828
Derivatives			
Debt securities issued to the public	353,050		353,050
Subordinated liabilities	17,600		17,600
Provisions		667	667
Income tax liabilities			
Deferred tax liabilities		17,339	17,339
Other liabilities		23,956	23,956
Financial liabilities, total	**1,884,913**	**44,784**	**1,929,697**

(in thousands of euros)	Loans and receivables	Held to maturity	Recognised at fair value through profit or loss	Hedging derivatives	Available for sale	Other than financial assets	Book-keeping value, total
Assets December 31, 2015							
Cash and cash equivalents	7,985						7,985
Assets recognised at fair value through profit or loss			1,858				1,858
Loans and advances to credit institutions	139,482						139,482
Loans and advances to customers	1,530,264						1,530,264
Derivatives				5,369			5,369
Investment assets		1,987			202,644	11,296	215,927
Debt securities		1,987			98,653		100,640
Shares and other equity					103,991		103,991
Investment property						11,296	11,296
Intangible assets						3,433	3,433
Income tax assets						-125	-125
Deferred tax assets						1,416	1,416
Other assets						26,719	26,719
Financial assets, total	**1,677,731**	**1,987**	**1,858**	**5,369**	**202,644**	**11,296**	**1,932,328**

	Other financial liabilities	Other than financial liabilities	Book-keeping value, total
Liabilities December 31, 2015			
Liabilities to credit institutions	36,916		36,916
Liabilities to the public and general government	1,468,103	4,690	1,472,793
Derivatives			
Debt securities issued to the public	161,503		161,503
Subordinated liabilities	24,488		24,488
Provisions		190	190
Income tax liabilities		706	706
Deferred tax liabilities		14,514	14,514
Other liabilities		19,092	19,092
Financial liabilities, total	**1,691,009**	**39,193**	**1,730,202**

K14 LOANS AND OTHER RECEIVABLES

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015
Loans and advances to credit institutions			
Deposits	61,958	139,482	116,532
Loans and advances to credit institutions, total	**61,958**	**139,482**	**116,532**
Loans and advances to customers			
Loans	1,728,683	1,490,008	1,285,373
Used overdraft facilities	37,885	21,976	20,596
Loans intermediated through the state's assets	770	1,101	1,164
Credit cards	18,041	17,089	0
Bank guarantee receivables	38	89	36
Loans and advances to customers	**1,785,417**	**1,530,264**	**1,307,169**
Loans and other receivables, total	**1,847,375**	**1,669,746**	**1,423,701**

Impairment losses on loans and other receivables		**2016**	**2015**
Impairment losses January 1		6,411	7,996
+	Increases to impairment losses	3,657	4,465
-	Reversals of impairment losses	-2,764	-6,050
+/-	Change in impairment losses by receivable category	1,030	0
Impairment December 31		**8,334**	**6,411**
-	Final credit losses	2,247	5,178
Credit losses December 31		**2,247**	**5,178**

K15 DERIVATIVES AND HEDGE ACCOUNTING

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015
Assets			
Derivatives, bookkeeping value			
Hedging derivatives	2,630	5,369	6,846
Hedging fair value	2,630	4,935	5,636
Interest rate derivatives	2,503	4,361	5,531
Stock derivatives	127	574	171
Hedging cash flow	0	435	1,210
Interest rate derivatives	0	435	1,210
Derivative assets, total	**2,630**	**5,369**	**6,846**

	Residual maturity			Fair values
Denominations of underlying assets and fair values of derivatives December 31, 2016	**Less than 1 year**	**1–5 yrs**	**Total**	**Assets**
Fair value hedge	30,658	77,260	107,918	2,630
Interest rate derivatives	15,000	35,000	50,000	2,620
Interest rate swaps	15,000	35,000	50,000	2,620
Stock derivatives	15,658	42,260	57,918	10
Cash flow hedge	0	0	0	0
Interest rate derivatives	0	0	0	0
Purchased option contracts	0	0	0	0
Interest rate swaps	0	0	0	0
Derivatives total	**30,658**	**77,260**	**107,918**	**2,630**

	Residual maturity			Fair values
Denominations of underlying assets and fair values of derivatives December 31, 2015	**Less than 1 year**	**1–5 yrs**	**Total**	**Assets**
Fair value hedge	49,635	89,081	138,716	4,935
Interest rate derivatives	30,000	50,000	80,000	4,361
Interest rate swaps	30,000	50,000	80,000	4,361
Stock derivatives	19,635	39,081	58,716	574
Cash flow hedge	20,000	0	20,000	435
Interest rate derivatives	20,000	0	20,000	435
Purchased option contracts	20,000	0	20,000	435
Interest rate swaps	0	0	0	0
Derivatives total	**69,635**	**89,081**	**158,716**	**5,369**

K16 INVESTMENT ASSETS

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015
Financial assets available for sale (comprising items below)			
Debt securities	148,549	98,653	42,909
Shares and other equity	97,505	103,991	93,167
Financial assets available for sale, total	**246,054**	**202,644**	**136,076**
Investments held to maturity (comprising items below)			
Debt securities	1,988	1 987	1 985
Investments held to maturity, total	**1,988**	**1,987**	**1,985**
Investment property	9,327	11,296	15,028
Investment properties, total	**9,327**	**11,296**	**15,028**
Total investment assets	**257,369**	**215,927**	**153,089**

The shares of companies that are essential to Oma Säästöpankki's operations are included in Shares and other equity under Financial assets available for sale. These ownerships include shares in Oy Samlink Ab and Säästöpankkien Keskuspankki Suomi Oyj, valuated to the acquisition cost in the financial statements (Level 3).

Apartments and business properties owned by Oma Säästöpankki and intended for investment use are located throughout the operating area of the Bank. Investment properties are either in conjunction with business or office premises used by the Bank, premises that the Bank itself used previously or premises that were acquired for investment use. The evaluation of investment properties' fair value is affected by leases in effect (income) and the market situation at the time of evaluation.

The fair value of investment properties is evaluated at 10.9 million euros.

Financial assets available for sale and investments held to maturity December 31, 2016 (thousands of euros)

	Available for sale: debt securities	Available for sale: shares and equity			Held to maturity: Investments	
December 31, 2016	At fair value	At fair value	At acquisition cost	Total	At amortisation	**Total**
Quoted						
From the general government	0	0	0	0	1,988	1,988
From others	143,871	78,427	0	78,427	0	222,298
Other than quoted						
From the general government	0	0	0	0	0	0
From others	4,778	0	18,978	18,978	0	23,756
Total	148,649	78,427	18,978	97,405	1,988	248,042

Financial assets available for sale and investments held to maturity December 31, 2015 (thousands of euros)

	Available for sale: debt securities	Available for sale: shares and equity			Held to maturity: Investments	
December 31, 2015	At fair value	At fair value	At acquisition cost	Total	At amortisation	**Total**
Quoted						
From the general government	46,432	0	0	0	1,987	48,418
From others	47,285	78,441	0	78,441	0	125,726
Other than quoted						
From the general government	0	0	0	0	0	0
From others	4,936	0	25,550	25,550	0	30,487
Total	98,653	78,441	25,550	103,991	1,987	204,631

Changes in investment properties		2016	2015
Acquisition cost January 1		16,099	19,036
+	Increases	1,338	612
-	Decreases	-303	-67
+/-	Transfers	-3,271	-3,482
Acquisition cost December 31		**13,863**	**16,099**
Accrued depreciation, amortisation and impairment January 1		-4,408	-4,008
+/-	Accrued depreciation of decreases and transfers	0	0
-	Depreciation	-233	-794
-	Impairment		0
+/-	Other changes	105	0
Accrued depreciation, amortisation and impairment December 31		-4,536	-4,803
Bookkeeping value January 1		**11,296**	**15,028**
Bookkeeping value December 31		**9,327**	**11,296**

K17 INTANGIBLE ASSETS

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015
Other intangible rights	2,184	2,662	189
Information systems	808	1,012	189
Customer relationships related to deposits	1,376	1,651	0
Incomplete intangible assets	1,177	316	0
Goodwill	954	454	0
Intangible assets, total	**4,315**	**3,433**	**189**

Changes in intangible assets 12/2016		Incomplete intangible assets	Other intangible rights	Goodwill
Acquisition cost January 1		316	3,073	454
+	Increases	861	899	500
-	Decreases	0	0	0
+/-	Transfers	0	2	0
Acquisition cost December 31		**1,177**	**3,974**	**954**
Accrued depreciation and impairment losses January 1		0	-352	0
+/-	Accrued depreciation of decreases and transfers	0	0	0
-	Depreciation	0	-276	0
-	Impairment	0	0	0
+/-	Other changes	0	-58	0
Accrued depreciation and impairment losses December 31		0	-686	0
Bookkeeping value January 1		**316**	**2,662**	**454**
Bookkeeping value December 31		**1,177**	**3,288**	**954**

Changes in intangible assets 12/2015		Incomplete intangible assets	Other intangible rights	Goodwill
Acquisition cost January 1		0	541	0
+	Increases	316	2,532	385
-	Decreases	0	0	0
+/-	Transfers	0	0	69
Acquisition cost December 31		**316**	**3,073**	**454**
Accrued depreciation and impairment losses January 1		0	-352	0
+/-	Accrued depreciation of decreases and transfers	0	0	0
-	Depreciation	0	-59	0
-	Impairment	0	0	0
+/-	Other changes	0	0	0
Accrued depreciation and impairment losses December 31		0	-410	0
Bookkeeping value January 1		**0**	**189**	**0**
Bookkeeping value December 31		**316**	**2,662**	**454**

Impairment test

At the close of all financial statements, the management team assesses the impairment of intangible and tangible assets. The impairment testing of intangible and tangible assets requires management discretion and an assessment of the monetary amount that an asset will accrue in the future, the asset's financial useful life and the discount rate to be used.

K18 TANGIBLE ASSETS

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015
Properties in own use	15,058	15,404	13,002
Land and water	391	402	392
Buildings	14 667	15,003	12,610
Machines and equipment	1,367	1,347	1,224
Other tangible assets	288	273	266
Incomplete acquisitions	683	456	0
Tangible assets, total	**17,396**	**17,479**	**14,492**

Changes in tangible assets 12/2016		Properties in own use: Land and water areas	Properties in own use: Buildings	Machinery and equipment	Other tangible assets
Acquisition cost January 1		419	23,052	8,864	273
+	Increases	0	0	526	15
-	Decreases	-11	-692	-2	0
+/-	Transfers	0	0	31	0
Acquisition cost December 31		408	22,360	9,419	288
Accrued depreciation and impairment losses January 1		-18	-8,050	-7,517	0
+/-	Accrued depreciation of decreases and transfers	0	483	0	0
-	Depreciation	0	-416	-535	0
-	Impairment	0	0	0	0
+/-	Other changes	1	290	0	0
Accrued depreciation and impairment losses December 31		-17	-7,693	-8,052	0
Bookkeeping value January 1		**402**	**15,003**	**1,347**	**273**
Bookkeeping value December 31		**391**	**14,667**	**1,367**	**288**

Changes in tangible assets 12/2015		Properties in own use: Land and water areas	Properties in own use: Buildings	Machinery and equipment	Other tangible assets
Acquisition cost January 1		409	19,436	7,588	266
+	Increases	11	653	555	7
-	Decreases	0	-519	-46	-46
+/-	Transfers	0	3,482	766	0
Acquisition cost December 31		419	23,052	8,864	273
Accrued depreciation and impairment losses January 1		-17	0	-6,364	0
+/-	Accrued depreciation of decreases and transfers	0	0	-721	0
-	Depreciation	0	-1,232	-433	0
-	Impairment	-1	9	0	0
+/-	Other changes	0	0	0	0
Accrued depreciation and impairment losses December 31		-18	-8,050	-7,517	0
Bookkeeping value January 1		**392**	**12,610**	**1,224**	**266**
Bookkeeping value December 31		**402**	**15,003**	**1,347**	**273**

K19 OTHER ASSETS

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015
Receivables on payment transfers	34	155	75
Pension funds	0	0	0
Accrued income	11,642	7,876	6,798
Interest	6,824	5,930	4,921
Other advance payments	72	4	5
Other accrued income	4,746	1,942	1,872
Others	468	1,209	209
Own funds, total	**12,144**	**9,239**	**7,083**

K20 DEFERRED TAX ASSETS AND LIABILITIES

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015
Tax assets			
Income tax assets	-112	-125	267
Deferred tax assets	1,347	1,416	34,915
Accrued income, total	**1,235**	**1,291**	**1,182**
Tax liabilities			
Income tax liabilities	0	706	1,154
Deferred tax liabilities	17,339	14,514	12,136
Tax liabilities, total	**17,339**	**15,221**	**13,289**

Deferred tax assets January 1 – December 31, 2016	**January 1, 2016**	**Recognised through profit or loss**	**Recognised in other items of comprehensive income**	**December 31, 2016**
on financial assets available for sale	410	-42	0	368
on cash flow hedge	49	-46	0	3
on tangible assets	540	-350	0	190
on defined benefit pension plans	24	10	0	34
of impairment	300	-88	0	212
on confirmed losses	0	480	0	480
on derivatives	93	-33	0	60
on other items	0	0	0	0
Deferred tax assets, total	**1,416**	**-69**	**0**	**1,347**

Deferred tax liabilities January 1 – December 31, 2016	**January 1, 2016**	**Recognised through profit or loss**	**Recognised in other items of comprehensive income**	**December 31, 2016**
on taxable reserves	12,622	1,987	0	14,609
on financial assets available for sale	1,562	783	0	2,345
on cash flow hedge	0	0	0	0
on intangible assets	0	0	0	0
on defined benefit pension plans	0	0	0	0
on derivatives	0	0	0	0
on acquisition of businesses	330	55	0	385
on other items	0	0	0	0
Deferred tax liabilities, total	**14,514**	**2,825**	**0**	**17,339**

Deferred tax assets January 1 – December 31, 2015	January 1, 2015	Recognised through profit or loss	Recognised in other items of comprehensive income	December 31, 2015
on financial assets available for sale	171	0	239	410
on cash flow hedge			49	49
on tangible assets	272	269	0	540
on defined benefit pension plans	54	-22	-7	24
on impairment	3,301	-2	0	300
on confirmed losses	0	0	0	0
on derivatives	118	-25	0	93
on other items	0	0	0	0
Deferred tax assets, total	**915**	**220**	**281**	**1,416**

Deferred tax liabilities January 1 – December 31, 2015	January 1, 2015	Recognised through profit or loss	Recognised in other items of comprehensive income	December 31, 2015
on taxable reserves	10,443	2,179		12,622
on financial assets available for sale	1,598		-35	1,562
on cash flow hedge	96	0	-96	0
on intangible assets	0	0	0	0
on defined benefit pension plans	0	0	0	0
on derivatives	-2		1	-0,4
on acquisition of businesses		0		0
on other items	0	0	0	0
Deferred tax liabilities, total	**12,136**	**2,509**	**-130**	**14,514**

K21 LIABILITIES TO THE PUBLIC AND GENERAL GOVERNMENT AND LIABILITIES TO CREDIT INSTITUTIONS

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015
Liabilities to credit institutions			
Repayable on demand	12,317	14,918	7,419
Other than repayable on demand	21,940	21,997	4,504
Liabilities to credit institutions, total	**34,257**	**36,916**	**11,923**
Liabilities to the public and general government			
Deposits	1,479,278	1,467,041	1,287,349
Repayable on demand	1,212,975	1,123,769	998,989
Others	266,303	343,272	288,360
Other financial liabilities	728	1,062	1,005
Repayable on demand	0	0	0
Other than repayable on demand	728	1,062	1,005
Changes in fair value in terms of borrowing	2,822	4,690	5,995
Liabilities to the public and general government, total	**1,482,828**	**1,472,793**	**1,294,349**
Liabilities to the public and general government and liabilities to credit institutions, total	**1,517,085**	**1,509,709**	**1,306,272**

K22 DEBT SECURITIES ISSUED TO THE PUBLIC

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015
Bonds	259,749	161,503	68,620
Debt securities	93,301	0	0
Debt securities issued to the public, total	**353,050**	**161,503**	**68,620**

K23 SUBORDINATED LIABILITIES

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015
Debentures	17,600	24,488	32,875
Subordinated liabilities, total	**17,600**	**24,488**	**32,875**

Identifying details of liabilities	Bookkeeping value December 31, 2016	Bookkeeping value December 31, 2015	Interest %	Due date
Savings Banks' debenture loan I/2012	2,000	4,000	2.85%	May 7, 2017
Savings Banks' debenture loan I/2013	5,600	8,400	2.35%	May 15, 2018
Oma Sp debenture loan I/2014	10,000	10,000	2.65%	May 20, 2019
Total	**17,600**	**22,400**		
Other debenture loans		2,088		
Total	**17,600**	**24,488**		

Amount included in own funds	December 31, 2016	December 31, 2015
Savings Banks' debenture loan I/2011		1,461
Oma Sp debenture loan I/2014		6,769
Total		**8,230**

Terms and conditions of prepayment:
The Group retains on all loans the right to claim the loan either partially or in full before the due date. However, prepayment is only possible if permitted by the Financial Supervisory Authority, excluding minor claims that the Bank will resell shortly after claiming.

Regulations on loan priorities and potential exchanging of loans for shares:
Loans have been issued as a debenture loan in accordance with Article 34 of the Promissory Notes Act (622/47). These loans are subordinated to the issuer's other loans.

K24 PROVISIONS AND OTHER LIABILITIES

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015
Provisions			
Pension provisions	427	190	268
Other liabilities			
Liabilities on payment transfers	14,539	12,452	10,400
Accruals	6,087	6,502	6,089
Interest payable	1,498	2,162	2,343
Advance interest payments received	134	109	81
Other accruals	4,387	4,076	3,659
Advance payments received	68	155	6
Others	3,570	138	0
Provisions and other liabilities, total	**24,623**	**19,282**	**16,757**

Changes in provisions	**2016**	**2015**
Provisions January 1	190	268
Increase in defined benefit pension plans	237	
Decrease in defined benefit pension plans		-78
Provisions December 31	**427**	**190**

Provisions are formed by benefit pension plans, which are described in more detail in note K28 Pension liability.

K25 EQUITY

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015
Share capital	24,000	24,000	22,000
Non-restricted reserves	111,417	108,481	101,615
Fair value reserve	7,907	4,414	6,086
on measuring at fair value	7,904	4,365	5,702
on cash flow hedge	3	49	384
Reserve for invested non-restricted equity	103,510	103,510	94,971
Other non-restricted reserves	0	557	557
Retained earnings	84,741	69,645	53,825
Retained earnings (loss)	68,956	54,866	54,297
Profit (loss) for the period	15,785	14,778	-472
Equity, total	**220,158**	**202,126**	**177,440**
Controlling interests in parent company, total	**220,158**	**202,126**	**177,440**
Non-controlling interests, total	**913**		

Itemisation of the fair value reserve	12/2016	12/2015
Fair value reserve January 1	4,365	5,702
Change in fair value, shares and other equity	3,445	-2,110
Change in fair value, other financial instruments	3	12
Deferred taxes	-825	280
Transfers between items	919	480
Fair value reserve December 31	**7,907**	**4,365**

Itemisation of changes in cash flow hedge	12/2016	12/2015
Cash flow hedge January 1	**49**	**384**
Deferred taxes	-46	145
Transfers between items	0	-480
Cash flow hedge December 31	**3**	**49**

Share capital
The number of Oma Säästöpankki Oyj's shares is 490,960. Ownership is as follows:
Töysän Säästöpankkisäätiö 60,000
Kuortaneen Säästöpankkisäätiö 40,000
Parkanon Säästöpankkisäätiö 68,000
Hauhon Säästöpankkisäätiö 33,600
Rengon Säästöpankkisäätiö 22,400
Suodenniemen Säästöpankkisäätiö 16,000
Etelä-Karjalan Säästöpankkisäätiö 222,000
Pyhäselän Oma Osuuskunta 15,177 and
Joroisten Oma Osuuskunta 13,783.

The shares have no nominal value. The share capital has been paid off in its entirety.

Non-restricted reserves
The fair value reserve includes the change in fair value of financial assets available for sale minus deferred taxes. The change can be either positive or negative. The items recognised in the reserve are transferred to the income statement, when a security available for sale is sold or when impairment is recognised. The net change of the value of interest derivatives hedged by cash flow can also be recognised in the reserve when this net change of value is found to be effective and adjusted by deferred taxes. Changes in value are realised in the income statement for the accounting period during which cash flows being hedged occur.

In previous years, the reserve for invested non-restricted equity has been recognised with the share of the profit for the period that has not been issued as dividends to owners.

Retained earnings
Retained earnings are earnings accrued over the Group's companies' previous accounting periods that have not been transferred to equity reserves or issued as dividends to owners. Retained earnings also include voluntary reserves comprised in the Group's companies' separate financial statements and the depreciation difference, minus deferrex tax liabilities.

In 2016, shares eligible for dividends were issued a dividend of 3.20 euros/share, or a total of 1,478,000 euros. The shares owned by Pyhäselän Oma Osuuskunta and Joroisten Oma Osuuskunta were not eligible for dividends in 2016.

K26 GUARANTEES

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015
Guarantees granted			
Given for own liabilities and provisions	0	0	2,645
Pledges	0	0	2,645
Other guarantees granted	0	0	0
Guarantees granted, total	**0**	**0**	**2,645**
Guarantees			
Property collaterals	1,678,186	1,434,675	1,239,296
Cash collateral	3,145	2,367	2,513
Debt securities	0	40,822	35,642
Guarantees received	29,288	25,104	19,955
Others	13,644	13,420	12,623
Guarantees received, total	**1,724,263**	**1,516,388**	**1,310,028**

K27 OFF-BALANCE SHEET COMMITMENTS

(in thousands of euros)	December 31, 2016	December 31, 2015	January 1, 2015
Guarantees	12,434	15,121	30,915
Loan commitments	116,822	112,832	57,648
Others	624	875	937
Off-balance sheet commitments, total	**129,880**	**128,828**	**89,500**

K28 PENSION LIABILITY

	December 31, 2016	December 31, 2015	January 1, 2015
Current service cost	49	50	22
Net interest	10	7	3
Expenses on income statement	59	56	25
Items resulting from reclassification	321	-36	-31
Comprehensive income for accounting period	380	20	-7

	2016	2015
Current value of obligation January 1	2,778	1,622
Current service cost	49	50
Interest expenses	65	41
Actuarial gains (-) and losses (+) on experienced changes	54	-2
Actuarial gains (-) and losses (+) on changes in financial assumptions	298	-145
Actuarial gains (-) and losses (+) on changes in demographic assumptions	0	0
Benefits paid	-157	-51
Acquisitions/sale	0	1,263
Current value of obligation December 31	**3,087**	**2,778**

	2016	2015
Fair value of funds under plan January 1	2,588	1,353
Interest income	55	34
Profit on assets in plan excl. item belonging to interest expense/income	31	-111
Benefits paid	-157	-51
Acquisitions/sale	0	1,194
Payments made into plan	143	167
Fair value of funds under plan December 31	**2,660**	**2,588**

	2016	2015
Current value of obligation	3,087	2,778
Fair value of funds under plan	2,660	2,588
Liability on balance sheet December 31	**427**	**190**

	2016	2015
Liability on balance sheet January 1	190	268
Expenses on income statement	59	56
Payments made into plan	-143	-167
Redefinitions in other comprehensive income items	321	-36
Acquisitions/sale	0	69
Liability on balance sheet December 31	**427**	**190**

Actuarial assumptions	2016	2015
Discount rate, %	1.70%	2.40%
Salary growth, %	2.00%	2.00%
Increases in pensions, %	1.75%	1.75%
Inflation, %	1.50%	1.50%

Duration based on weighted average of obligations is 15.8 years.

In 2017, the Group expects to pay approximately 300,000 euros into its defined benefit pension plans.

In addition to the statutory pension scheme, Oma Säästöpankki provides defined benefit pension plans to the management team, key personnel in certain leading roles, and employees who were members of Säästöpankkien Eläkekassat (Savings Banks' Pension Fund) when its operations ceased on December 31, 1992. For these plans, the retirement age is 60–65 years and the amount of pension is 60% of the salary eligible for pension.

K29 LEASING AND OTHER RENT LIABILITIES

The Group as lessee, receivable minimum rent (in thousands of euros)	2016	2015
Less than 1 year	616	643
1–5 years	1,305	1,394
Over 5 years	651	866
Total	**2,572**	**2,903**

The Group has rented premises to use mainly for business operations.

The Group as lessor, receivable minimum rent (in thousands of euros)	2016	2015
Less than 1 year	306	288
1–5 years	277	48
Over 5 years		
Total	**583**	**337.**

The Group has rented out apartments and business premises that it owns.

K30 NETTING OF FINANCIAL ASSETS AND LIABILITIES

Financial assets December 31, 2016

	Monetary amounts not offset on balance sheet			
	Financial instruments	Received securities collateral	Received cash collateral	Net amount
Derivative assets	2,630	0	2,000	630
Financial assets, total	**2,630**	**0**	**2,000**	**630**

Financial liabilities December 31, 2016

	Monetary amounts not offset on balance sheet			
	Financial instruments	Received securities collateral	Received cash collateral	Net amount
Derivative liabilities	0	0	0	0
Financial assets, total	**0**	**0**	**0**	**0**

Financial assets December 31, 2015

	Monetary amounts not offset on balance sheet			
	Financial instruments	Delivered securities collateral	Delivered cash collateral	Net amount
Derivative assets	4,796	1,078	3,000	718
Financial assets, total	**4,796**	**1,078**	**3,000**	**718**

Financial liabilities December 31, 2015

	Monetary amounts not offset on balance sheet			
	Financial instruments	Delivered securities collateral	Delivered cash collateral	Net amount
Derivative liabilities	0	0	0	0
Financial assets, total	**0**	**0**	**0**	**0**

K31 FAIR VALUES IN ACCORDANCE WITH THE VALUATION METHOD

In the financial statements, financial instruments are valuated at the fair value or amortisation cost. The accounting principles used for the financial statements describe the categorisation of financial assets and liabilities based on the valuation method, the justification for the valuation methods, and the determination of fair value.

The fair values of financial instruments are divided into three hierarchies according to how the fair value is determined:

Level 1: Fair values quoted in active markets for identical assets or liabilities.
Level 2: Fair values that have been determined by the use of input information other than quoted Level-1 prices and that are verifiable for assets or liabilities either directly (e.g., as prices) or indirectly (e.g., derived from prices).
Level 3: Fair values that have been determined for assets or liabilities using inputs that are not essentially based on verifiable market prices.

The hierarchy levels of fair values are determined on the basis of the lowest level of input that is significant for the investment item. The significance of an input is assessed against the item valuated at fair value in its entirety. Transfers between fair value hierarchy levels are determined as having occurred on the date when the event or change in circumstances occurred.

The financial assets available for sale item, shares and other equity, includes 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, valuated to the acquisition cost in the financial statements, less impairment (level 3).

Items repeatedly valuated at fair value

Financial assets December 31, 2016	**Bookkeeping value**	**Level 1**	**Level 2**	**Level 3**
Evaluated at fair value through profit or loss	576	0	0	576
Derivatives	2,630	0	2,620	10
Financial assets available for sale	246,054	224,292	0	21,762
Financial assets, total	**249,260**	**224,292**	**2,620**	**22,348**

Financial liabilities December 31, 2016				
Derivatives	0	0	0	0
Financial liabilities, total	**0**	**0**	**0**	**0**

Valuated at amortised cost June 30, 2016

Financial assets December 31, 2016	**Bookkeeping value**	**Level 1**	**Level 2**	**Level 3**
Investments held to maturity	1,988	1,988	0	0
Loans and other receivables	281	0	0	281
Financial assets, total	**2,269**	**1,988**	**0**	**281**

Financial liabilities December 31, 2016				
Other financial liabilities	390,614	0	93,301	297 313
Financial liabilities, total	**390,614**	**0**	**93,301**	**297,313**

Items repeatedly valuated at fair value

Financial assets December 31, 2015	Bookkeeping value	Level 1	Level 2	Level 3
Evaluated at fair value through profit or loss	1,858	0	0	1,858
Derivatives	5,369	0	4,796	574
Financial assets available for sale	202,644	171,142	0	31,502
Financial assets, total	**209,872**	**171,142**	**4,796**	**33,934**

Financial liabilities December 31, 2015				
Derivatives	0	0	0	0
Financial liabilities, total	**0**	**0**	**0**	**0**

Valuated at amortised cost

Financial assets December 31, 2015	Bookkeeping value	Level 1	Level 2	Level 3
Investments held to maturity	1,987	2,579	0	0
Loans and other receivables	0	0	0	0
Financial assets, total	**1,987**	**2,579**	**0**	**0**

Financial liabilities December 31, 2015				
Other financial liabilities	205,951	0	0	205,951
Financial liabilities, total	**205,951**	**0**	**0**	**205,951**

Investment transactions in 2016, categorised as Level 3

Valuated at fair value through profit or loss		Total
Bookkeeping value January 1, 2016		1,858
+	Acquisitions	0
-	Sales	0
-	Matured during the year	-1,249
+/-	Realised changes in value recognised on income statement	13
+/-	Unrealised changes in value recognised on income statement	-46
+	Transfers to Level 3	0
-	Transfers to Level 1 and 2	0
Bookkeeping value December 31, 2016		**576**

Derivatives		Total
Bookkeeping value January 1, 2016		**574**
+	Acquisitions	214
-	Sales	0
-	Matured during the year	-290
+/-	Realised changes in value recognised on income statement	0
+/-	Unrealised changes in value recognised on income statement	-510
+/-	Changes in value recognised in comprehensive income statement items	0
+	Transfers to Level 3	0
-	Transfers to Level 1 and 2	0
+/-	CVA adjustment	22
Bookkeeping value December 31, 2016		**10**

Financial assets available for sale		Total
Bookkeeping value January 1, 2016		**31,562**
+	Acquisitions	1,899
-	Sales	-9,153
-	Matured during the year	-191
+/-	Realised changes in value recognised on income statement	-375
+/-	Unrealised changes in value recognised on income statement	-2
+/-	Changes in value recognised in comprehensive income statement items	3
+	Transfers to Level 3	0
-	Transfers to Level 1 and 2	-1,981
Bookkeeping value December 31, 2016		**21,762**

Investment transactions in 2015, categorised as Level 3

Valuated at fair value through profit or loss		Total
Bookkeeping value January 1, 2015		2,054
+	Acquisitions	0
-	Sales	-100
-	Matured during the year	0
+/-	Realised changes in value recognised on income statement	-92
+/-	Unrealised changes in value recognised on income statement	-4
+	Transfers to Level 3	0
-	Transfers to Level 1 and 2	0
Bookkeeping value December 31, 2015		**1,858**

Derivatives		Total
Bookkeeping value January 1, 2015		**171**
+	Acquisitions	517
-	Sales	0
-	Matured during the year	-60
+/-	Realised changes in value recognised on income statement	0
+/-	Unrealised changes in value recognised on income statement	23
+/-	Changes in value recognised in comprehensive income statement items	0
+	Transfers to Level 3	0
-	Transfers to Level 1 and 2	0
+/-	CVA adjustment	-77
Bookkeeping value December 31, 2015		**574**

Financial assets available for sale		Total
Bookkeeping value January 1, 2015		**35,212**
+	Acquisitions	214
-	Sales	-1,224
-	Matured during the year	-1,073
+/-	Realised changes in value recognised on income statement	3
+/-	Unrealised changes in value recognised on income statement	0
+/-	Changes in value recognised in comprehensive income statement items	14
+	Transfers to Level 3	0
-	Transfers to Level 1 and 2	0
Bookkeeping value December 31, 2015		**33,146**

Sensitivity analysis for financial assets on Level 3 December 31, 2016

			Potential impact on result with assumptions	
Shares and other equity	**Hypothetical change**	**Bookkeeping value**	**Positive**	**Negative**
Financial assets available for sale	+/- 15%	20,324,239	3,048,636	-3,048,636
Total		**20,324,239**	**3,048,636**	**-3,048,636**

			Potential impact on result with assumptions	
Interest instruments	**Hypothetical change**	**Market value**	**Positive**	**Negative**
Financial assets available for sale	+/- 15%	100,080	15,012	-15,012
Total		**100,080**	**15,012**	**-15,012**

Sensitivity analysis for financial assets on Level 3 December 31, 2015

			Potential impact on result with assumptions	
Shares and other equity	**Hypothetical change**	**Bookkeeping value**	**Positive**	**Negative**
Financial assets available for sale	+/- 15%	103,653	15,548	-15,548
Total		**103,653**	**15,548**	**-15,548**

			Potential impact on result with assumptions	
Interest instruments	**Hypothetical change**	**Market value**	**Positive**	**Negative**
Financial assets available for sale	+/- 15%	98,653	3,069	-3,069
Total		**98,653**	**3,069**	**-3,069**

K32 SUBSIDIARIES INCLUDED IN CONSOLIDATED FINANCIAL STATEMENTS

Current accounting period for SAV-Rahoitus is July 1, 2016 – December 31, 2017. As of 2018, the accounting period will be consistent with Oma Säästöpankki's accounting period. SAV-Rahoitus' assets and liabilities that have been combined with the Group are presented in note K36.

	2016		2015	
	Interest in shares	**Interest in votes**	**Interest in shares**	**Interest in votes**
Koy Lappeenrannan säästökeskus, Lappeenranta	100%	100%	100%	100%
SAV-Rahoitus Oyj, Helsinki*	47.85%	47.85%		

*SAV-Rahoitus Oyj was acquired on December 16, 2016. Restrictions on sale of shares apply to non-controlling interests in subsidiaries.

K33 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 in which key personnel in leading positions have controlling authority or considerable influence, and entities that have considerable influence on Oma Säästöpankki Oyj. Key personnel include Board members, the CEO, the Deputy CEO and the rest of the management team.

Loans to related parties are granted in compliance with normal credit terms. Loans are tied to standard reference rates.

Compensation received by key management team personnel

Compensation received by key personnel, remuneration 2016	CEO and Deputy CEO	Board of Directors	Rest of management team
Salaries and rewards	539	390	635
Defined contribution pension plans	53	14	13
Defined benefit pension plans	0	0	9

Received by key personnel, remuneration 2015	CEO and Deputy CEO	Board of Directors	Other management team
Salaries and rewards	488	307	664
Defined contribution pension plans	48		13
Defined benefit pension plans	0	0	5

Business transactions with related parties

	2016		2015	
	Key personnel and their family members	Associated Companies	Key personnel and their family members	Associated Companies
Loans	2,157	1,850	2,308	1,509
Deposits	1,449	6,174	1,938	10,013
Guarantees	115	100	75	150
Received interest	15	10	19	8
Paid interest	1			11
Service fees	2	5	4	5

Loans and guarantees have been granted with conditions that are applied to similar loans and guarantees granted to customers.

K34 EVENTS AFTER FINANCIAL STATEMENTS

In January 2017, Oma Säästöpankki announced its plan to open a full-service branch in the centre of Lahti by the end of the spring. Also in January, the Bank signed a collaboration agreement with the European Investment Fund (EIF), thanks to which Oma Sp will see improved prerequisites for business financing. Collaboration with the EIF will have a positive impact on the Bank's solvency and credit risk management within corporate financing operations.

The Bank's Board of Directors is not aware of any matters that would significantly impact the Bank's financial standing after the financial statements were completed.

K35 COMBINING BUSINESS OPERATIONS

Acquisitions during 2016 accounting period
Oma Säästöpankki and Elite Varainhoito Oyj acquired 97.7% of SAV-Rahoitus Oyj on December 16, 2016. Oma Säästöpankki's share was 48.97%. The purchase price was 1.4 million euros and was paid in cash.

SAV-Rahoitus was included as a subsidiary on the consolidated financial statements, as per the shareholder agreement. As a result of the combination, the Group gained 0.5 million euros in goodwill. The acquisition complements Oma Säästöpankki's product range and enables the utilisation of a joint sales and marketing network. Recognised goodwill is non-deductible.

(in thousands of euros)	Recognised value
Total assets	7,044
Deferred tax assets on confirmed losses	480
Total liabilities	5,630
Net assets	**1,893**
Amount of non-controlling interest	-966
Acquired net assets	**927**
Consideration transferred	**1,426**
Goodwill	**500**

Acquisitions during 2015 accounting period

The business operations of Joroisten Osuuspankki and Pyhäselän Paikallisosuuspankki were combined with Oma Säästöpankki Oyj on October 1, 2015. The objective of combining business operations was to promote the local banking activities in the banking sector by enabling the banks to cater better for the populations and areas that they serve and to create synergic benefits, thus improving profitability and cost-efficiency.

Local savings banks transferred their banking operations together with the related assets, liabilities and obligations to Oma Säästöpankki Oyj. All assets and liabilities that did not relate to banking operations remained with the cooperatives. The banking operations were transferred using the net apportionment method and the savings banks received as compensation 28,960 new shares issued by Oma Säästöpankki Oyj, which is equivalent to the amount of the net apportionment. These shares entitle their holders to a total ownership of 5.9% in Oma Säästöpankki Oyj.

The identifiable customer relationships acquired during the process of combining business operations are valuated at fair value at the time of acquisition, and the intangible asset formed by deposit-related customer relationships is recognised as a straight-line depreciation expense during the expected financially useful life. The financially useful life of customer relationships is estimated to be 6 years.

The values of assets acquired and liabilities assumed at the time of acquisition were as follows:

Values of assets acquired and liabilities assumed (in thousands of euros)	Note	
Financial assets	K12, K14	39,208
Customer relationships related to deposits	K17	125,256
Property, plant and equipment	K18	69
Accrued income and other prepayments	K19	502
Other assets	K19	521
Total assets		**165,557**
Deposit liabilities	K21	152,583
Liabilities on payment transfers	K24	608
Interest payable	K24	468
Other accruals	K24	345
Total liabilities		**154,003**
Net assets		**11,554**

Goodwill through acquisition (in thousands of euros)	
Consideration transferred	12,006
Identifiable net assets of acquired item	11,554
Goodwill	**453**

The acquisition created goodwill worth 453,000 euros, which is based on the expected synergy benefits related to the above mentioned acquisition of business operations. The recognised goodwill is non-deductible.

K36 ADOPTING THE IFRS STANDARDS

These are the Oma Säästöpankki Group's first IFRS-based financial statements, prepared in compliance with the accounting principles presented in Note K1. The have been complied with when The financial statements for accounting periods 2016 and 2015, and the opening balance (January 1, 2015) were prepared in accordance with the IFRS preparation principles. Because Oma Säästöpankki has never before prepared consolidated financial statements, the enclosed income statement and balance sheets are only presented in IFRS figures. In addition, the impact of IFRS adjustments on profits presented is that at the time of transition and during the comparison period.

The balance sheet in compliance with IFRS at the time of transition, January 1, 2015, and during the comparison period, December 31, 2015

(in thousands of euros)	Reference	IFRS January 1, 2015	IFRS December 31, 2015	IFRS December 31, 2016
Assets				
Cash and cash equivalents		6,608	7,985	7,728
Financial assets valuated at fair value through profit or loss	g)	2,063	1,858	576
Loans and advances to credit institutions	c)	116,532	139,482	61,958
Loans and advances to the public and general government	g)	1,307,169	1,530,264	1,785,417
Derivatives and hedge accounting	f)	6,846	5,369	2,630
Investment assets	e) g)	153,089	215,927	257,369
Intangible assets	b)	189	202,644	4,315
Tangible assets	a)	14,492	17,479	17,396
Other assets		7,083	9,239	12,144
Tax assets	c)	1,182	1,291	1,235
Total assets		**1,615,253**	**1,932,328**	**2,150,768**
Liabilities and equity				
Liabilities to credit institutions		11,923	36,916	34,257
Liabilities to the public and general government		1,294,349	1,472,793	1,482,828
Debt securities issued to the public		68,620	161,503	353,050
Subordinated liabilities		32,875	24,488	17,600
Provisions and other liabilities	d)	16,757	19,282	24,623
Tax liabilities	c)	13,289	15,221	17,339
Total liabilities		**1,437,814**	**1,730,202**	**1,929,697**
Share capital		22,000	24,000	24,000
Reserves		101,615	108,481	111,417
Retained earnings		53,825	69,645	84,741
Equity, total		**177,440**	**202,126**	**220,158**
Equity, total		**1,615,253**	**1,932,328**	**2,149,855**
Amount of non-controlling interests				913

Result of accounting period January 1 – December 31, 2015

(in thousands of euros)	Reference	IFRS January 1 – December 31, 2015	IFRS January 1 – December 31, 2015
Interest income		39,889	43,938
Interest expenses		-8,157	-7,391
Net interest income		31,733	36,547
Fee and commission income	g)	17,480	21,218
Fee and commission expenses		-2,198	-3,509
Fee and commission income and expenses, net		15,282	17,709
Net gains from trading		53	134
Net gains on investments	g)	4,318	2,267
Other operating income	g)	2,967	3,682
Other operating income, total		**54,352**	**60,339**
Personnel expenses	d)	-11,711	-14,085
Other operating expenses	b) g)	-18,912	-19,381
Depreciation, amortisation and impairment losses on tangible and intangible assets	b) g)	-1,715	-2,065
Total operating expenses		**-32,338**	**-35,531**
Impairment losses on loans and other receivables		-3,594	-4,197
Earnings before taxes		**18,420**	**20,611**
Income taxes	c)	-3,642	-4,567
Profit/loss for accounting period		**14,778**	**16,044**

Comprehensive income statement		
Profit/loss for accounting period	14,778	16,044
Items that will not be reclassified to profit or loss	36	-321
Gains and losses on redefining benefit pension plans	36	-321
Items that may later be reclassified to profit or loss	-2,097	-4 368
Change in the fair value of financial assets available for sale	-1,373	4,425
Changes in the valuation of cash flow hedging	-725	-58
Income taxes	418	-809
Total comprehensive income for accounting period	**13,135**	**19,146**

The impact of adopting IFRS standards on the Group's profits and equity

(in thousands of euros)		January 1, 2015	December 31, 2015
Retained earnings in accordance with FAS		15,510	21,878
IFRS adjustments			
IAS 16, IAS 40	Property, plant and equipment, investment properties	-1,086	-2,162
IAS 19	Employee benefits	-215	-97
IAS 37	Withdrawal from voluntary provisions	41,774	50,489
IAS 36	Impairment of asset items	-1,206	-1,199
IAS 39	Financial instruments	-472	-371
IFRS 10	Consolidated financial statements/combination of properties as joint operations on financial statements	-480	-600
IFRS 3	Combining business operations		1,706
Retained earnings in accordance with IFRS		**53,825**	**69,645**

Notes for the January 1, 2015 balance sheet regarding additional financial information, the December 31, 2015 balance sheet regarding the comparison year and the January 1 – December 31, 2015 income statement.

The financial statements were prepared in accordance with the accounting principles of the official IFRS financial statements, Consolidated Financial Statements, presented in Note K1. As an exception, the Group has utilised the option for first-time users provided by the *IFRS 1 First-time Adoption of International Financial Reporting Standards* to waive the *IFRS 3 Business Combinations* standard retrospectively for the combinations of business operations that occurred prior to January 1, 2015.

The following describes the most significant adjustments related to the application of IFRS standards:

a) Property, plant and equipment

The values of buildings and other constructions were adjusted by -1,086,000 euros when IFRS reporting standards were adopted, because Oma Säästöpankki has never before recognised depreciations for property companies (IAS 16 and IAS 40). The cost model is applied to investment properties. Capital repair expenses that were previously included in intangible assets have been classified according to the purpose of the buildings, as properties in the Group's own use or as investment properties.

As a result of adjustments, the balance sheet value of tangible assets decreased in the Group's opening balance of January 2, 2015 by a total of 633,000 euros.

The combined impact of the above mentioned adjustments on the balance sheet of December 31, 2015 was -2,440,000 euros.

b) Intangible assets

Samlink's development work performed for the Group is considered a separately acquired intangible asset. In the FAS-based financial statements, the development expenses of information systems were recognised on the income statement, but on the IFRS-based financial statements they must be capitalised as per the IAS 38 standard.

The capitalisation of information systems' development expenses in compliance with the IAS 38 standard, and the transfer of capital repair expenses reduced the balance sheet value of intangible assets by 1,385,000 euros after depreciations on January 1, 2015. The equivalent impact of these was 1,665,000 euros in 2015.

c) Deferred tax liabilities

The adoption of the IFRS standards impacted the Group's deferred tax liabilities as follows

Deferred tax assets (in thousands of euros)	January 1, 2015	December 31, 2015	December 31, 2016
Tangible assets	272	540	374
Employee benefits	54	24	47
Impairment of asset items	301	300	211
Intangible assets	0	0	0
on confirmed loss	0	0	480
Financial instruments	118	93	123
Total increase of tax assets	**745**	**957**	**1,235**

Deferred tax liabilities (in thousands of euros)	January 1, 2015	December 31, 2015	December 31, 2016
Withdrawal from voluntary provisions	10,443	12 622	14 609
Financial instruments	-2	0	0
Acquisition of businesses operations		330	385
Total increase of tax liabilities	**10,442**	**12,952**	**14,994**

d) Employee benefits
The Group has benefit pension plans that are processed in compliance with the*IAS 19 Employee Benefits* standard. The IFRS-based financial statements present the current value of obligations resulting from the plans on the date of the financial statements less the fair value of funds in the plan as a liability. Due to this adjustment, the Group's other liabilities increased by 268,000 euros in the opening balance of January 1, 2015. During 2015, obligations decreased by 71,000 euros, so the combined impact of the above mentioned adjustments on the balance sheet value of other liabilities on the balance sheet of December 31, 2015 was 190,000 euros. The expenses resulting from employee benefits recognised in the 2015 accounting period totalled 56,000 euros after adjustments.

e) Investment assets
As per the IAS 16 Property, Plant and Equipment standard, the Group recognised depreciation adjustments in the opening balance of January 1, 2015, due to which the balance sheet value of investment assets decreased by 847,000 euros. The impact on the balance sheet of December 31, 2015 was -861,000 euros.

f) Derivatives
In the valuation of derivatives, the counterparty default risk (CVA) was taken into account in compliance with the *IFRS 13 Fair Value Measurement* standard. The impact of the adjustment on equity on January 1, 2015 totalled -600,000 euros. During 2015, the value of derivatives decreased further - to 465,000 euros.

g) Entities to be combined in the financial statements
The Group's IFRS-based consolidated financial statements combined the essential property companies of which the Bank owns 100%. On January 1, 2015, the impact on the Group's own equity of January 1, 2015 was 4,177,000. The impact on equity on December 31, 2015 totalled 4,057,000 euros.

Oma Säästöpankki Oyj financial statements

Oma Säästöpankki Oyj income statement

(in thousands of euros)		2016	2015
Interest income	E2	43,907	39,893
Interest expenses	E2	-7,382	-8,179
Net interest income		**36,526**	**31,714**
Income from equity investments	E3	960	592
Fee and commission income	E4	21,220	17,481
Fee and commission expenses	E4	-3,538	-2,200
Net income from securities trading and foreign currency trading	E5	-14	-73
Net income from financial assets available for sale	E6	2,010	4,487
Net income from hedge accounting	E7	-15	-1
Net income from investment properties	E8	-989	77
Other operating income	E9	3,682	2,967
Administrative expenses		-27,876	-25,637
Personnel expenses	E10	-14,136	-11,822
Other administrative expenses	E11	-13,740	-13,815
Depreciation, amortisation and impairment losses on tangible and intangible assets	E12	-2,808	-882
Other operating expenses	E9	-5,744	-5,295
Impairment losses on loans and other receivables	E13	-4,170	-3,594
Impairment losses on other financial assets	E13	-28	0
Operating profit		**19,217**	**19,638**
Appropriations		-9,935	-10,894
Income taxes		-2,130	-1,683
Profit (loss) from ordinary activities after taxes		**7,153**	**7061**
Profit (loss) for accounting period		**7,153**	**7061**

Oma Säästöpankki Oyj Balance Sheet

ASSETS

(in thousands of euros)		December 31, 2016	December 31, 2015
Cash and cash equivalents		7,728	7,985
Debt securities eligible for refinancing with central banks		92,817	63,378
Loans and advances to credit institutions	E15	61,701	139,482
Loans and advances to the public and general government	E16	1,785,106	1,530,749
Debt securities	E17	58,296	39,120
From the general government		4,681	0
From others		53,615	39,120
Shares and other equity	E18	98,952	103,991
Derivative contracts	E19	2,930	5,835
Intangible assets	E20	4,820	2,957
Tangible assets		25,691	31,605
Investment property, shares and interests in investment property	E21	10,081	12,920
Other property, shares and interests in property companies	E21	13,992	17,099
Other tangible assets		1,618	1,586
Other assets	E23	406	1,362
Accrued income and prepayments	E24	11,211	7,475
Deferred tax assets	E32	635	725
Assets, total		**2,150,294**	**1,934,664**

LIABILITIES

(in thousands of euros)		December 31, 2016	December 31, 2015
Liabilities			
Liabilities to credit institutions	E25	34,257	36,916
Liabilities to the public and general government	E26	1,483,044	1,472,940
Deposits		1,482,316	1,471,878
Other liabilities		728	1,062
Debt securities issued to the public	E27	353,050	161,503
Other liabilities	E28	17,934	12,576
Accrued expenses and deferred income	E30	6,053	7,208
Subordinated liabilities	E31	17,600	24,488
Deferred tax liabilities	E32	2,345	1,562
Liabilities, total		**1,914,283**	**1,717,193**
Appropriations			
Voluntary provisions	E29	73,046	63,111
Appropriations, total		**73,046**	**63,111**
Equity	E36		
Share capital	E37	24,000	24,000
Other restricted reserves		7,907	4,416
Fair value reserve		7,907	4,416
Non-restricted reserves		103,510	104,067
Reserve for invested non-restricted equity		103,510	103,510
Other reserves		0	557
Retained earnings (loss)		20,395	14,817
Profit (loss) for accounting period		7,153	7,061
Equity, total		**162,964**	**154,360**
Liabilities, total		**2,150,294**	**1,934,664**

OFF-BALANCE SHEET COMMITMENTS

(in thousands of euros)	December 31, 2016	December 31, 2015
Commitments given to a third party on behalf of a customer	13,059	15,996
Guarantees and pledges	12,434	15,121
Others	624	875
Irrevocable commitments given in favour of a customer	117,436	112,832
Others	117,436	112,832

Oma Säästöpankki Oyj Cash Flow Statement

(in thousands of euros)	December 31, 2016	December 31, 2015
Cash flow from operating activities		
Operating income after taxes	7,153	7061
End-of-period adjustments	17,487	-5,794
Increase (-) or decrease (+) in business funds	**-299,115**	**-107,555**
Debt securities	-47,695	-55,527
Loans and advances to credit institutions	3,288	61,826
Loans and advances to the public and general government	-254,358	-99,644
Shares and other equity	2,255	-12,209
Other assets	-2,605	-2,001
Increase (+) or decrease (-) in business debts	**205,530**	**146,831**
Liabilities to credit institutions	-2,659	24,646
Liabilities to the public and general government	11,973	28,024
Debt securities issued to the public	191,547	92,883
Other liabilities	4,669	1,277
Paid income taxes	-2,848	-1,739
Cash flow, total	**-71,794**	**38,804**
Cash flow from investments		
Ffinancial assets held to maturity, decreases	0	2,000
Investments in shares and other equity, decreases	5,985	0
Investments in tangible and intangible assets	-4,431	-3,050
Disposals of tangible and intangible assets	3,855	503
Cash flow from investments, total	**5,410**	**-547**

(in thousands of euros)	December 31, 2016	December 31, 2015
Cash flow from financing activities		
Subordinated liabilities, increases	0	18,663
Subordinated liabilities, decreases	-6,888	-9 588
Paid dividends and other profit distribution	-1,478	-693
Cash flow from financing activities, total	**-8,366**	**8,382**
Net change in cash and cash equivalents	**-74,750**	**46,639**
Cash and cash equivalents at beginning of accounting period	129,902	49,951
Cash and cash equivalents at end of accounting period	55,152	129,902
- Cash and cash equivalents transferred with sales of business		-33,313
Cash and cash equivalents at end of accounting period excluding cash and cash equivalents transferred with sales of business		96,590
Cash and cash equivalents include the following balance sheet items:		
Cash and cash equivalents	7,728	7,985
Receivables from credit institutions repayable on demand	47,424	121,918
Total	**55,152**	**129,902**
Additional cash flow statement information:		
Received interest	43,085	38,888
Paid interest	8,022	8,331
Received dividends	960	592
End-of-period adjustments:		
Appropriations	9,935	10,894
Taxes on income statement	2,130	1,683
Changes in fair value	880	-50
Depreciation, amortisation and impairment losses on intangible and tangible assets	3,697	1,065
Other adjustments	845	-19,385
Total	**17,487**	**-5,794**

Parent company's notes

E1 Accounting principles

The parent company, Oma Säästöpankki Oyj, prepares separate financial statements in accordance with the regulations in the Bookkeeping and Credit Institutions Act, the Decree of the Ministry of Finance on Credit Institutions' Financial Statements and Consolidated Statements (698/2014), and the Financial Supervisory Authority's Regulations and Instructions 2/2016: Accounting, Financial Statements and Annual Reports in the Financial Sector.

Items denominated in foreign currencies

Assets and liabilities tied to items denominated in foreign currencies outside the Euro zone have been converted to euros as per the European Central Bank's closing rate on the last day of the accounting period. On the income statement, foreign exchange differences that emerged during valuation are recognised in net gains or net losses on trading in foreign currencies.

Financial instruments

Classification

In the financial statements, financial assets are classified into four categories as per the Financial Supervisory Authority's Regulations and Instructions 2/2016: Accounting, Financial Statements and Annual Reports in the Financial Sector:

- Financial assets recognised at fair value through profit or loss
- Financial assets available for sale
- Investments held to maturity
- Loans and other receivables

The category of financial assets at fair value through profit or loss includes combination instruments that comprise the embedded derivative that has not been separated from the main contract, as well as other financial assets at fair value through profit or loss. Derivatives created for the purpose of hedging are also recognised in this category.

The category investments held to maturity includes debt securities with payments that are fixed or determinable, that mature on a certain date, and that the Bank strictly intends to hold and is capable of holding until maturity date.

The category of loans and other receivables includes receivables with payments that are fixed or determinable, and that are not quoted in active markets.

The category of financial assets available for sale includes financial assets that have not been included in the above-mentioned valuation categories.

Sales and purchases of financial assets are recognised in the statements as per the transaction date and are included in the balance sheet under "Debt securities" and "Shares and other equity".

Financial liabilities are classified into two categories:

- Financial liabilities held for trading
- Other financial liabilities

The Bank has no financial liabilities held for trading. As such, all financial liabilities are classified under "Other financial liabilities".

Valuation

Financial assets are measured on the balance sheet at either fair value or amortisation. Excluding derivative contracts, financial liabilities are measured on the balance sheet at amortisation.

Changes in the fair value of items classified as financial assets recognized at fair value through profit or loss are recognized directly in the income statement, under "Net income from securities trading".

Financial assets available for sale have been valuated at their fair value. The changes of their fair values adjusted by deferred taxes are recognised in the fair value reserve, created in equity. Exchange rate profits and losses derived from items in foreign currency denominations are not recognised in the fair value reserve but directly in the result. The change of value accrued in the fair value reserve is recognised in the result, when the asset belonging to financial assets available for sale is sold or otherwise removed from the balance.

The fair value of publicly quoted shares is considered to be the last bid price of the year. The fair value of other than publicly quoted shares is considered to be their acquisition cost when reliable determination of fair value is not possible. The fair value of debt securities is considered to be the last bid price of the year if the debt securities have been publicly quoted or, if not, the current value discounted by the market interest rate of the receivable capital and interest payments, or a value that has been calculated using another generally accepted valuation model or method.

Investments held to maturity, as well as loans and other receivables, have been valuated to amortisation or acquisition cost less impairment losses, if objective evidence shows impairment.

Shares and other equity in subsidiaries and associated companies are recognised at acquisition cost, or acquisition cost less impairment loss if impairment has been determined to be significant or long running.

Derivative contracts and hedge accounting

Derivative contracts have been valuated at fair value in the financial statements, and changes in value are recognised on the balance sheet and the income statement.

The Bank hedges its interest risk against changes in fair value and in the cash flow, and applies hedge accounting to them. The subject of fair value hedging is fixed-rate borrowing and the subject of cash-flow hedging is the future interest payments of variable-rate lending.

The change in the fair value of derivatives that hedge the fair value is recognised in the financial statements under "Net result of hedge accounting". When hedging fair value, the subject of hedging is also valuated at fair value during hedging, even though it would otherwise be valuated at amortisation. The change in fair value of the hedged subject is recognised on the balance sheet as an adjustment of that particular balance sheet item and in the income statement under "Net result of hedge accounting". The interest expenses of hedge derivatives are presented under interest expenses, and the income under interest income.

The effective portion of the change in the value of derivatives that hedge cash flow is recognised in the fair value reserve in equity, adjusted for deferred taxes. The ineffective portion of the change in fair value is recognised directly under "Income from securities trading" on the income statement. The change in the time value of the money of interest options, used as hedge instruments, is also recognised under "Income from securities trading", because time value is not part of the hedging instrument. The interest expenses of hedge derivatives are presented under interest expenses and the income under interest income.

The Bank hedges its interest risk against changes in fair value and applies hedge accounting to this risk. Fixed rate borrowing is hedged. The change in the fair value of derivatives that hedge the fair value is recognised in the financial statements under "Net result of hedge accounting". When hedging fair value, the subject of hedging is also valuated at the fair value during hedging, even though it would otherwise be valuated at amortisation. The change in the fair value of the hedged subject is recognised on the balance sheet as an adjustment of that particular balance sheet item, and in the income statement under "Net result of hedge accounting". The interest expenses of hedge derivatives are presented under interest expenses, and the income under interest income.

The Bank hedges its interest risk against changes in future interest payments, and applies cash-flow hedging to the risk. Future interest payments on variable rate lending are hedged. The effective portion of the change in the value of derivatives that hedge cash flow is recognised in the fair value reserve in equity, adjusted by deferred taxes. The ineffective portion of the change in fair value is recognised directly under "Income from securities trading" on the income statement. The interest expenses of hedge derivatives are presented under interest expenses, and the income under interest income.

The change of value due to the valuation of hedging derivatives accrued in the fair value reserve is recognised in the result as adjustment in hedged cash flow, as and when hedged cash flow is entered as income. In cash-flow hedging, the hedged subject is not valuated at fair value.

The Bank uses share options to hedge the risk associated with share deposits against changes in fair value, and applies fair value hedging to these.

Tangible and intangible assets

Properties and shares in property companies have been divided into properties in own use and investment properties, based on purpose of use. The basic premise for the division has been square metres used.

Properties are recognised on the balance sheet as acquisition cost less planned depreciation. Shares and other equity in investment properties are recognised on the balance sheet under acquisition costs. The Bank does not apply the option provided in Chapter 12, Section 8 of the Act on Credit Institutions that allows the valuation of investment properties at fair value.

The balance sheet values of properties in own use and shares and other equity in property companies are based on the value of the assets relative to the expected income of core business operations.

The difference between the bookkeeping value of investment properties and shares and other equity in property companies, and the permanently lower likely sale price, if it is significant, is an impairment loss recognised as an expense under "Net income from investment properties". Any reversals of impairment are recognised as adjustments in the same item.

The Bank's key investment properties are evaluated by property using the purchase price allocation method or the yield value method. The estimates of the yield value method are based on the amounts of net rent income from the property and the yield requirement of property markets.

Appropriations

Depreciation difference and taxation-based provisions

The difference between actual and planned depreciations is recognised in the depreciation difference.

Taxation-based provisions, such as credit loss provisions, are used in the planning of the Bank's financial statements and taxes. The amount of taxation-based provisions and their changes do not as such depict the risks faced by the Bank.

In the Bank's financial statements, appropriations are listed without deducting the associated deferred tax liability.

Off-balance sheet commitments

Off-balance commitments are commitments given to a third party on behalf of a customer, and irrevocable commitments are given in favour of a customer.

Commitments given to a third party on behalf of a customer are, for example, guarantees and guarantee commitments equated to these. Commitments are listed as the maximum amounts of guarantees or guarantee commitments at the end of the year.

Irrevocable commitments given in favour of a customer are, for example, binding loan commitments, granted undrawn loans, and unused credit limits. Commitments are listed as the maximum amounts that might be payable at the end of the accounting period.

Interest income and expenses

All interest income and expenses derived from interest-bearing assets and liabilities are recognised under "Interest income and expenses". Interest is recognised on the accrual basis, excluding interest for late payments, which are recognised when payments are received. Interest amounts are amortised on the basis of the effective interest method.

Also recognised as interest income or expense is the difference between the acquisition cost and nominal value of receivables and liabilities, which is amortised on the maturity period of the receivable or the liability using the effective interest method. The counterpart is recognised as a change in receivable or liability.

Interest income has also been accrued in the bookkeeping of impaired receivables on the remaining balance at the original effective interest rate in the contract.

Impairment losses of financial assets

Loans and other receivables

Impairment on loans and other receivables is recognised in impairment losses when objective evidence has shown that there will be no payments on the principal or the interest of the loan or other receivable, and the collateral on the receivable is not sufficient to cover the loan or other receivable. The evaluation of objective evidence is based on the evaluation of the sufficiency of the customer's insolvency and collateral. When recognising impairment, the collateral is valuated to the amount expected to be recovered at the time of realisation. The amount of impairment loss is determined as the difference between the bookkeeping value of the receivable and the estimated current value of future cash flows accrued from the receivable, taking the collateral's fair value into account. The original effective interest rate of the receivable is used as the discount rate of interest.

Loans and other receivables are classified in categories, whose need for impairment losses is evaluated by category. The categories for receivables are classified based on similar credit risk characteristics in order to evaluate the category-specific need for impairment of the receivables, for which receivable-specific reasons for impairment have not been identified.

Investments held to maturity

If, at the end of the accounting period, objective evidence has shown that the value of debt securities classified as investments held to maturity may have decreased, an impairment review is performed on the debt security.

If the review determines that the value has decreased due to, for example, the issuer's increased credit risk, the impairment of value is recognised through profit or loss under "Impairment losses on other financial assets". The amount of impairment losses is determined as the difference between the bookkeeping value of the receivable and the estimated current value of future cash flows accrued from the receivable. The original effective interest rate of the receivable is used as the discount rate of interest.

Financial assets available for sale

If, at the end of the accounting period, objective evidence has shown that the value of a security classified as a financial asset available for sale may have decreased, an impairment review is performed on the security. If the review determines that the value has decreased, for example the issuer's credit risk has increased or the value of the share has decreased significantly or in the long term below the acquisition cost, and the Bank does not expect to recover the invested funds, the loss accrued in the fair value reserve is recognised through profit or loss under "Net income of financial assets available for sale".

For debt securities, the amount of impairment loss is determined as the difference between the bookkeeping value of the receivable and the estimated current value of future cash flows accrued on the receivable. The original effective interest rate of the receivable is used as the discount rate of interest. The reversal of impairment loss on debt securities is recognised through profit or loss. The amount of impairment loss on shares and other equity is estimated as the difference between their bookkeeping value and the value that the Bank expects not to recover. The impairment loss on shares and other equity cannot be reversed through profit or loss, but the change in value is recognised in the fair value reserve.

Depreciation principles

The acquisition costs of buildings and other wearable tangible and intangible assets are depreciated on the basis of the financial holding time in equal installments and in accordance with a previously created depreciation plan. The depreciation time is 10–40 years for buildings and 5–8 years for machinery and equipment. Depreciations are not performed for land.

Development expenses and licences of computer software are added to Intangible rights and depreciated within 3–5 years. Long-term expenses are depreciated during their useful life of 3–5 years.

Income and expenses from other than ordinary activities and statutory provisions

The Bank does not recognise income or expenses from other than ordinary activities. If the exact sum of a future loss or cost is not known, it must be entered as a statutory provision in the Bank's balance sheet.

Taxes

Income taxes are recognised in the Bank's financial statements on the basis of the calculations of taxable income. Of the positive change in value included in the fair value reserve, deferred tax liabilities are recognised on the balance sheet, and of the negative change in value, deferred tax assets are recognised on the balance sheet. In addition, of the negative change in value transferred from the fair value reserve to the result, deferred tax assets are recognised. Other deferred taxes are not recognised on the company level.

Financial assets

Financial assets on the cash flow statement comprise cash and cash equivalents as well as receivables from credit institutions, repayable on demand. The cash flow statement has been prepared using the indirect method.

E2 INTEREST INCOME AND EXPENSES

(in thousands of euros)	2016	2015
Interest income		
Debt securities eligible for refinancing with central banks	651	439
Receivables from credit institutions	1	316
Receivables from the public and general government	38,759	34,102
Debt securities	1,561	1,607
Derivative contracts	2,432	3,012
Other interest income	503	417
Total	**43,907**	**39,893**
Interest income accrued on impaired loans and other receivables	235	168
Interest expenses		
Liabilities to credit institutions	-457	-274
Liabilities to the public and general government	-4,021	-5,500
Debt securities issued to the public	-2,291	-1,612
Derivative contracts and liabilities held for trading	-7	-40
Subordinated liabilities	-526	-738
Other interest expenses	-78	-16
Total	**-7,382**	**-8,179**

E3 INCOME FROM EQUITY INVESTMENTS

(in thousands of euros)	2016	2015
Dividend income from financial assets available for sale	956	592
Dividend income from Group companies and associated companies	4	
Total	**960**	**592**

E4 FEE AND COMMISSION INCOME AND EXPENSES

(in thousands of euros)	2016	2015
Fee and commission income		
Lending	7,507	4,702
Borrowing	773	272
Payment transactions	8,052	8,004
Asset management	1,006	956
Brokered products	3,238	2,960
Granting of guarantees	336	305
Other fee and commission income	308	283
Total	**21,220**	**17,481**
Fee and commission expenses		
Paid delivery fees	-1,136	-987
Others	-2,402	-1,212
Total	**-3,538**	**-2,200**

E5 NET INCOME FROM SECURITIES TRADING AND TRADING IN FOREIGN CURRENCIES

(in thousands of euros)	2016		
	Capital gains and losses	Changes in fair value	Total
Net income from securities transactions on debt securities		-32	-32
Trading in foreign currencies	18		18
Profit and loss item, total	**18**	**-32**	**-14**

(in thousands of euros)	2015		
	Capital gains and losses	Changes in fair value	Total
Net income from securities transactions on debt securities		-105	-105
Trading in foreign currencies	32		32
Profit and loss item, total	**32**	**-105**	**-73**

E6 NET INCOME FROM FINANCIAL ASSETS AVAILABLE FOR SALE

(in thousands of euros)	2016			
	Capital gains and losses	Impairment	Transfers from fair value reserve	Total
Debt securities	3		901	903
Shares and other equity	-104	-52	1,263	1,107
Total	**-101**	**-52**	**2,163**	**2,010**

(in thousands of euros)	2015			
	Capital gains and losses	Impairment	Transfers from fair value reserve	Total
Debt securities	2	0	173	175
Shares and other equity	-191	0	4,503	4,312
Total	**-188**	**0**	**4,675**	**4,487**

E7 NET INCOME FROM HEDGE ACCOUNTING

(in thousands of euros)	2016	2015
Changes in fair value of hedging derivatives	-2,164	-1,757
Change in fair value of hedged objects	2,149	1,756
Total	**-15**	**-1**

E8 NET INCOME FROM INVESTMENT PROPERTIES

(in thousands of euros)	2016	2015
Rent income	968	1,331
Rent expenses	-4	-5
Planned depreciations	-214	-183
Capital gain and loss (net)	-439	-12
Impairment losses	-676	
Other income	349	9
Other expenses	-974	-1,064
Total	**-989**	**77**

E9 OTHER OPERATING INCOME AND EXPENSES

(in thousands of euros)	2016	2015
Other operating income		
Rent income from properties in own use	61	62
Gains on properties in own use	6	22
Other income	3,615	2,883
Total	**3,682**	**2,967**
Other operating expenses		
Rent expenses	-1,070	-687
Expenses from properties in own use	-1,386	-1,315
Capital losses from properties used by the Bank	-320	-9
Insurance fund payments	-969	
Other expenses	-1,999	-3,284
Total	**-5,744**	**-5,295**

E10 PERSONNEL EXPENSES

(in thousands of euros)	2016	2015
Salaries and rewards	-11,192	-9,641
Long-term benefits	-2,944	-2,181
Pensions	-2,306	-1,719
Other long-term benefits	-638	-462
Total	**-14,136**	**-11,822**

E11 OTHER ADMINISTRATIVE EXPENSES

(in thousands of euros)	2016	2015
Other personnel expenses	-1,035	-942
Office expenses	-1,335	-1,532
ICT expenses	-8,621	-8,737
Communication expenses	-916	-1,097
Representation and marketing expenses	-1,833	-1,507
Other administrative expenses	0	0
Total	**-13,740**	**-13,815**

E12 DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES ON TANGIBLE AND INTANGIBLE ASSETS

(in thousands of euros)	2016	2015
Planned depreciations	-1,176	-882
Tangible assets	-631	-556
Intangible assets	-544	-325
Impairment and its reversals	-1,632	0
Tangible assets	-1,632	0
Total	**-2,808**	**-882**

E13 IMPAIRMENT LOSSES ON LOANS AND OTHER RECEIVABLES AS WELL AS OTHER FINANCIAL ASSETS

Impairment losses on loans and other receivables

(in thousands of euros)	2016	2015
Receivables from the public and general government	**-3,898**	**-3,593**
Contract-specific impairment losses	-3,610	-4,465
Category-specific impairment losses	-1,050	0
Impairment reversals and refunds (-)	762	873
Guarantees and other off-balance sheet items	**-272**	**-1**
Contract-specific impairment losses	-272	-1
Impairment losses on loans and other receivables, total	**-4,170**	**-3,594**
Impairment on other financial assets		
Associated companies' shares and other equity	-28	
Impairment	-28	
Impairment losses on other financial assets, total	**-28**	
Impairment losses on financial assets, total	**-4,197**	**-3,594**
Interest income accrued on impaired loans and other receivables	235	168

E14 INCOME BY AREA OF OPERATIONS AND MARKETS

(in thousands of euros)	2016	2015
Revenue from banking operations	**63,380**	**57,245**

Distribution of revenue, operating profit, assets and liabilities by area of business are not listed because the distribution is not particularly significant. The Bank performs operations in Finland only. Profit is presented as noneliminated.

E15 LOANS AND ADVANCES TO CREDIT INSTITUTIONS

(in thousands of euros)	2016	2015
Repayable on demand		
From domestic credit institutions	47,424	121,918
Others		
From domestic credit institutions	14,277	17,565
Total	**61,701**	**139,482**

The "Others in accounting period 2015" item includes a long-term and non-collateral senior loan granted to Aktia Hypoteekkipankki Oy by the Bank. This relates to the refinancing of brokered mortgages.

E16 LOANS AND ADVANCES TO THE PUBLIC AND GENERAL GOVERNMENT

(in thousands of euros)	2016	2015
Companies and housing associations	425,720	329,873
Financial and insurance institutions	1,063	1,340
Public bodies	206	79
Households	1,350,277	1,193,639
Non-profit organisations serving households	7,841	5,817
Total	**1,785,106**	**1,530,749**
- of which subordinated receivables	381	281

Impairment losses recognised during accounting period

(in thousands of euros)		2016	2015
Impairment losses at beginning of accounting period		6,481	7,996
+	loan-specific impairment losses recognised during accounting period	3,700	4,465
+	category-specific impairment losses recognised during accounting period	1,030	0
-	loan-specific impairment losses reversed during accounting period	-491	-828
-	credit losses that occurred during accounting period for which loan-specific impairment losses have been previously recognised	-2,273	-5,152
Impairment losses at end of accounting period		**8,447**	**6,481**

Amount of non-performing loans

(in thousands of euros)	2016	2015
Non-performing loans	14,454	12,987

E17 DEBT SECURITIES

(in thousands of euros)	2016		2015	
	Total	**of which debt securities entitled to refinancing by central banks**	**Total**	**of which debt securities entitled to refinancing by central banks**
Debt securities held for trading	**576**		**1,858**	
Publicly quoted			244	
Others	576		1,615	
Debt securities available for sale	**148,549**	**90,830**	**98,653**	**61,391**
Publicly quoted	143,871	90,830	93,717	61,391
Others	4,678		4,936	
Debt securities held to maturity	**1,988**	**1,988**	**1,987**	**1,987**
Publicly quoted	1,988	1,988	1,987	1,987
Total	**151,113**	**92,817**	**102,498**	**63,378**
- of which subordinated receivables	3,027		2,587	

E18 SHARES AND OTHER EQUITY

(in thousands of euros)	2016	2015
Shares and other equity available for sale	**98,951**	**103,991**
Publicly quoted	78,427	77,527
Others	20,523	26 463
Shares and other equity, total	**98,951**	**103,991**
- of which in credit institutions	16,259	20,739
- of which in other companies	82,692	83,251
Financial assets IAS 39		
Investments held to maturity	1,988	1,987
Loans and other receivables	1,846,807	1,670,231
Financial assets available for sale	247,501	202,644
Recognised at fair value through profit or loss	3,506	7,694
- of which held for trading	3,506	7,694
Total	**2,099,802**	**1,882,556**

E19 DERIVATIVE CONTRACTS

Nominal values of derivative contracts (in thousands of euros)	2016			
Residual maturity	**less than 1 year**	**1–5 years**	**over 5 years**	**Total**
Hedging derivative contracts	**30,658**	**77,260**	**0**	**107,918**
Fair value hedge	30,658	77,260	0	107,918
Interest rate derivatives	15,000	35,000	0	50,000
Interest rate swaps	15,000	35,000	0	50,000
Stock derivatives	15,658	42,260	0	57,918

Nominal values of derivative contracts (in thousands of euros)	2015			
Residual maturity	**less than 1 year**	**1–5 years**	**over 5 years**	**Total**
Hedging derivative contracts	**69,635**	**89,081**	**0**	**158,716**
Fair value hedge	49,635	89,081	0	138,716
Interest rate derivatives	30,000	50,000	0	80,000
Interest rate swaps	30,000	50,000	0	80,000
Stock derivatives	19,635	39,081	0	58,716
Cash-flow hedge	20,000	0	0	20,000
Interest rate derivatives	20,000	0	0	20,000
Option contracts	20,000	0	0	20,000
Purchased	20,000	0	0	20,000

Fair values of derivative contracts (in thousands of euros)	2016		2015	
	Receivables	**Liabilities**	**Receivables**	**Liabilities**
Hedging derivative contracts	**2,930**	**0**	**5,835**	**0**
Fair value hedge	2,930	0	5,398	0
Interest rate derivatives	2,803	0	4,686	0
Interest rate swaps	2,803	0	4,686	0
Stock derivatives	127	0	712	0
Cash flow hedge	0	0	437	0
Interest rate derivatives	0	0	437	0
Option contracts	0	0	437	0
Purchased	0	0	437	0

E20 RELATED PARTIES

Related parties refer to key personnel in leading positions at Oma Säästöpankki and their family members; subsidiaries, joint ventures and companies, in which 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, the CEO, the Deputy CEO and the rest of the management team. Loans to the related parties are granted in compliance with normal credit terms. Loans are tied to the standard reference rates.

Compensation received by key personnel in management team

Received by key personnel: remuneration 2016	CEO and Deputy CEO	Board of Directors	Other management team members
Salaries and rewards	539	390	635
Defined pension contribution plans	53	14	13
Defined benefit pension plans			9

Received by key personnel: remuneration 2015	CEO and Deputy CEO	Board of Directors	Other management team members
Salaries and rewards	488	307	664
Defined pension contribution plans	48		13
Defined benefit pension plans			5

Business transactions with related parties

	2016		2015	
	Key personnel and their family members	Associated companies	Key personnel and their family members	Associated companies
Loans	2,157	1,850	2,308	1,509
Deposits	1,449	6,174	1,938	10,013
Guarantees	115	100	75	150
Received interest	15	10	19	8
Paid interest	1			11
Service fees	2	5	4	5

Loans and guarantees have been granted with conditions that are applied to corresponding loans and guarantees granted to customers.

E21 INTANGIBLE ASSETS

(in thousands of euros)	2016	2015
Other intangible assets	4,820	2,957
Total	**4,820**	**2,957**
Acquisition cost January 1	9,050	7,402
+ increases during accounting period	2,794	1,908
- decreases during accounting period	-793	-260
+/- transfers between items	0	0
Acquisition cost December 31	11,050	9,050
Accrued depreciation, amortisation and impairment January 1	-6,093	-5,828
+/- accrued depreciation on decreases and transfers	537	0
- depreciation during accounting period	-651	-264
- impairment during accounting period	-23	0
Accrued depreciation, amortisation and impairment December 31	-6,230	-6,093
Bookkeeping value December 31	**4,820**	**2,957**
Bookkeeping value January 1	2,957	1,574

E22 TANGIBLE ASSETS

(in thousands of euros)	2016		2015	
	Bookkeeping value	**Fair value**	**Bookkeeping value**	**Fair value**
Land and water				
In own use	390		401	
Used for investments	553	553	612	785
Total	**943**	**553**	**1,013**	**785**
Buildings				
In own use	713		898	
Used for investments	687	700	846	255
Total	**1,400**	**700**	**1,744**	**255**
Shares and other equity in property companies				
In own use	12,889		15,801	
Used for investments	8,841	10,970	11,462	11,441
Total	**21,730**	**10,970**	**27,262**	**11,441**
Other tangible assets	1,618		1,586	
Tangible assets, total	**25,691**		**31,605**	

Investment properties have been measured at acquisition cost.

E23 CHANGES IN TANGIBLE ASSETS DURING ACCOUNTING PERIOD

(in thousands of euros)	2016			
	Investment properties and investment property shares	**Other properties and property shares**	**Other tangible assets**	**Total**
Acquisition cost January 1	15,298	19,134	9,103	43,535
+ increases during accounting period	16	108	553	677
- decreases during accounting period	-2,112	-1,458	-266	-3,836
+/- transfers between items	0	0	0	0
Acquisition cost December 31	13,202	17,784	9,389	40,375
Accrued depreciation, amortisation and impairment January 1	-2,379	-2,038	-7,517	-11,935
+/- accrued depreciation on decreases and transfers	17	0	256	273
- depreciation during accounting period	-107	-121	-510	-738
- impairment during accounting period	-653	-1,632	0	-2,285
Accrued depreciation, amortisation and impairment December 31	-3,121	-3,792	-7,772	-14,684
Accrued appreciations January 1	0	4	0	4
+/- revaluations and reversals for accounting period	0	-4	0	-4
+/- transfers between items	0	0	0	0
Accrued appreciations December 31	0	0	0	0
Bookkeeping value December 31	**10,081**	**13,992**	**1,618**	**25,691**
Bookkeeping value January 1	12,920	17,099	1,586	31,605

(in thousands of euros)	2015			
	Investment properties and investment property shares	**Other properties and property shares**	**Other tangible assets**	**Total**
Acquisition cost January 1	18,278	15,978	7,820	42,076
+ increases during accounting period	358	291	1,329	1,978
- decreases during accounting period	-67	-407	-46	-519
+/- transfers between items	-3,271	3,271	0	0
Acquisition cost December 31	15,298	19,134	9,103	43,535
Accrued depreciation, amortisation and impairment January 1	-2,283	-1,914	-6,364	-10,562
+/- accrued depreciation on decreases and transfers	0	0	46	46
- depreciation during accounting period	-96	-124	-1,199	-1,418
- impairment during accounting period	0	0	0	0
Accrued depreciation, amortisation and impairment December 31	-2,379	-2,038	-7,517	-11,935
Accrued appreciations January 1	0	4	0	4
+/- revaluations and reversals for accounting period	0	0	0	0
+/- transfers between items	0	0	0	0
Accrued appreciations December 31	0	4	0	4
Bookkeeping value December 31	**12,920**	**17,099**	**1,586**	**31,605**
Bookkeeping value January 1	15,995	14,068	1,456	31,519

E24 OTHER ASSETS

(in thousands of euros)	2016	2015
Receivables on payment transfers	34	1,060
Trade receivables on securities	3	
Others	370	302
Total	**406**	**1,362**

E25 ACCRUED INCOME AND PREPAYMENTS

(in thousands of euros)	2016	2015
Interest	6,690	5,923
Others	4,521	1,552
Total	**11,211**	**7,475**

E26 LIABILITIES TO CREDIT INSTITUTIONS

(in thousands of euros)	2016	2015
to credit institutions	34,257	36,916
Repayable on demand	12,317	14,918
Others	21,940	21,997
Total	**34,257**	**36,916**

E27 LIABILITIES TO THE PUBLIC AND GENERAL GOVERNMENT

(in thousands of euros)	2016	2015
Deposits	1,482,316	1,471,878
Repayable on demand	1,216,013	1,128,606
Others	266,303	343,272
Other liabilities	728	1,062
Others	728	1,062
Total	**1,483,044**	**1,472,940**

E28 DEBT SECURITIES ISSUED TO THE PUBLIC

(in thousands of euros)	2016		2015	
	Bookkeeping value	**Nominal value**	**Bookkeeping value**	**Nominal value**
Debt securities	93,301	93,500	0	0
Total	**353,050**	**447,000**	**161 503**	**167,700**

E29 OTHER LIABILITIES

(in thousands of euros)	2016	2015
Liabilities on payment transfers	14,239	12,407
Statutory provisions	240	
Others	3,454	169
Total	**17,934**	**12,576**

E30 PROVISIONS

(in thousands of euros)	2016	2015
Other provisions	73,046	63,111
Total	**73,286**	**63,111**

Itemisation of items entered into statutory provisions

(in thousands of euros)	Bookkeeping value at beginning of accounting period	Increases	Decreases	Bookkeeping value at end of accounting period
Pension provisions	0	240	0	240
Total	**0**	**240**	**0**	**240**

E31 ACCRUED EXPENSES AND DEFERRED INCOME

(in thousands of euros)	2016	2015
Interest	1,600	2,236
Others	4,453	4,973
Total	**6,053**	**7,208**

E32 SUBORDINATED LIABILITIES

1) Subordinated liabilities whose bookkeeping value exceeds 10% of total amount of these liabilities

Identifying details of liability (in thousands of euros)	Bookkeeping value 2016	Bookkeeping value 2015	Interest %	Due date
Savings Banks' debenture loan I/2012	2,000	4,000	2.85	May 7, 2017
Savings Banks' debenture loan I/2013	5,600	8,400	2.35	May 15, 2018
Oma Sp debenture loan I/2014	10,000	10,000	2.65	May 20, 2019
Total	**17,600**	**22,400**		

Identifying details of liability (in thousands of euros)	Amount included in own funds 2016	Amount included in own funds 2015
Savings Banks' debenture loan I/2011		1,461
Oma Sp debenture loan I/2014	4,765	6,769
Total	**4,765**	**8,230**

All listed loans are denominated in euro. In the solvency calculation, the listed loans are included in the credit institution's lower tier 2 capital.

Terms and conditions of prepayment:
For all loans, the Bank retains the right to claim the loan either partially or in full before the due date. However, prepayment is only possible if permitted by the Financial Supervisory Authority, excluding minor claims that the Bank will resell shortly after claiming.

Regulations on loan priorities and potential exchanging of loans for shares:
Loans have been issued as debenture loans in accordance with Section 34 of the Promissory Notes Act (622/47). These loans are subordinated to the issuer's other loans.

2) Other than the above-mentioned loans that are subordinated to the credit institution's other loans

Total amount of loans (in thousands of euros)	2016	2015
Debenture loans		2,088
Total liabilities		**2,088**

E33 DEFERRED TAX LIABILITIES AND TAX ASSETS

(in thousands of euros)	2016	2015
Deferred tax assets due to valuation	368	458
Deferred tax liabilities due to valuation	2,345	1,562
Deferred tax assets calculated on other temporary differences	267	267
Amount of deferred tax liabilities due to fair value reserve	2,345	1,562

Deferred tax liabilities and tax assets are recognised in the fair value reserve through the changes in the recognised fair value of cash-flow hedging derivatives and financial assets available for sale. In addition, deferred tax assets from negative change in value, which were transferred as an impairment loss from the fair value reserve to the result and from impairment imposed on shares necessary for operations.
Other deferred tax liabilities and tax assets are not recognised on the Bank's balance sheet.

E34 MATURITY DISTRIBUTION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets

(in thousands of euros)	2016					
	less than 3 months	**3–12 months**	**1–5 years**	**5–10 years**	**over 10 years**	**Total**
Debt securities eligible for refinancing with central banks		609	44,075	48,134		92,817
Loans and advances to credit institutions	47,424	14,277				61,701
Loans and advances to the public and general government	54,351	216,061	606,922	468,723	439,048	1,785,106
Debt securities		4,743	31,038	22,514		58,296
Total	**101,775**	**235,690**	**682,036**	**539,371**	**439,048**	**1,997,921**

(in thousands of euros)	2015					
	less than 3 months	**3–12 months**	**1–5 years**	**5–10 years**	**over 10 years**	**Total**
Debt securities eligible for refinancing with central banks		2,073	21,400	39,904		63,378
Loans and advances to credit institutions	121,918	17,565				139,482
Loans and advances to the public and general government	37,187	194,766	518,719	401,619	378458	1,530,749
Debt securities		3,360	30,871	3,125	1,764	39,120
Total	**159,105**	**217,764**	**570,991**	**444,648**	**380,222**	**1,772,729**

Financial liabilities

(in thousands of euros)	2016					
	less than 3 months	**3–12 months**	**1–5 years**	**5–10 years**	**over 10 years**	**Total**
Liabilities to credit institutions and central banks	12,322	617	16,882	4,436		34,257
Liabilities to the public and general government	1,253,410	164,920	63,986	728		1,483,044
Debt securities issued to the public		143,284	209,767			353,050
Subordinated debts		4,800	12,800			17,600
Total	**1,265,732**	**313,621**	**303,435**	**5,164**		**1,887,951**

(in thousands of euros)	2015					
	less than 3 months	**3–12 months**	**1–5 years**	**5–10 years**	**over 10 years**	**Total**
Liabilities to credit institutions and central banks	14,923	88	11,924	9,980		36,916
Liabilities to the public and general government	1,165,272	237,157	69,449	1,062		1,472,940
Debt securities issued to the public		11,701	149,802			161,503
Subordinated debts		6,888	17,600			24,488
Total	**1,180,195**	**255,834**	**248,775**	**11,042**		**1,695,846**

Loans and advances to the public and general government, repayable on demand Deposits other than fixed-term deposits and overdraft accounts are listed under "Less than 3 months".

E35 ITEMISATION OF ASSETS AND LIABILITIES IN DOMESTIC AND FOREIGN DENOMINATIONS, AS WELL AS FROM MEMBERS IN THE SAME GROUP

(in thousands of euros)	2016		2015	
Assets	**Domestic currency**	**Foreign currency**	**Domestic currency**	**Foreign currency**
Debt securities eligible for refinancing with central banks	92,817		63,378	
Loans and advances to credit institutions	61,701		139,482	
Loans and advances to the public and general government	1,785,106		1,530,749	
Debt securities	58,296		39,120	
Derivative contracts	2,930		5,835	
Other assets	148,532	912	155,330	770
Total	**2,149,382**	**912**	**1,933,895**	**770**

(in thousands of euros)	2016		2015	
Liabilities	**Domestic currency**	**Foreign currency**	**Domestic currency**	**Foreign currency**
Liabilities to credit institutions and central banks	34,257		36,916	
Liabilities to the public and general government	1,483,044		1,472,940	
Debt securities issued to the public	353,050		161,503	
Derivative contracts	0		0	
Subordinated liabilities	17,600		24,488	
Other liabilities	20,279		14,138	
Accrued expenses and deferred income	6,053		7,208	
Total	**1,914,283**		**1,717,193**	

E36 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair values of financial assets have been determined primarily on the basis of quoted market prices. If a quoted market price was not available, the current value discounted by the market interest rate or another generally accepted valuation model or method was used in the valuation. Bookkeeping value was used as the fair value for other financial assets. Bookkeeping value was used as the fair value for financial liabilities.

(in thousands of euros)	2016		2015	
Financial assets	**Bookkeeping value**	**Fair value**	**Bookkeeping value**	**Fair value**
Cash and cash equivalents	7,728	7,728	7,985	7,985
Loans and advances to credit institutions	61,701	61,701	139,482	139,482
Loans and advances to the public and general government	1,785,106	1,785,106	1,530,749	1,530,749
Debt securities	151,113	151,780	102,498	103,090
Shares and other equity	97,119	98,485	103,653	105,018
Shares and other equity in associated companies	1,596	1,596		
Shares and other equity in companies in same group	236	236	338	338
Derivative contracts	2,930	2,930	5,835	5,835
Total	**2,107,531**	**2,109,563**	**1,890,540**	**1,892,498**

(in thousands of euros)	2016		2015	
Financial liabilities	**Bookkeeping value**	**Fair value**	**Bookkeeping value**	**Fair value**
Liabilities to credit institutions	34,257	34,257	36,916	36,916
Liabilities to the public and general government	1,483,044	1,483,044	1,472,940	1,472,940
Debt securities issued to the public	353,050	353,050	161,503	161,503
Subordinated liabilities	17,600	17,600	24,488	24,488
Total	**1,887,951**	**1,887,951**	**1,695,846**	**1,695,846**

Financial instruments measured at fair value on balance sheet

(in thousands of euros)	2016			
	Level 1	**Level 2**	**Level 3**	**Total**
	224,292		3,449	227,742
Unrealised gains and losses during accounting period, level 3			-46	

(in thousands of euros)	2015			
	Level 1	**Level 2**	**Level 3**	**Total**
	170,804		7,235	178,039
Unrealised gains and losses during accounting period, level 3			-4	

Fair value and changes in value entered directly into income statement as well as changes entered into fair value reserve from each group of financial instruments recognised at fair value.

(in thousands of euros)		2016 Change in value	
	Fair value	**Income Statement**	**Fair value reserve**
Financial assets available for sale	247,501	-1,384	9,884
Assets held for trading	576	-231	
Total	**248,077**	**-1,615**	**9,884**

(in thousands of euros)		2015 Change in value	
	Fair value	**Income Statement**	**Fair value reserve**
Financial assets available for sale	202,584	-1,352	5,764
Assets held for trading	1,858	-199	0
Total	**204,443**	**-1,551**	**5,764**

Changes in fair value reserve during accounting period

(in thousands of euros)	2016			
	At beginning of accounting period	**Increases**	**Decreases**	**Total**
Cash flow hedge	-244	0	244	0
Measured at fair value	5,764	16,946	-12,826	9,884
Total	**5,520**	**16,946**	**-12,582**	**9,884**

(in thousands of euros)	2015			
	At beginning of accounting period	**Increases**	**Decreases**	**Total**
Cash-flow hedge	480	0	-725	-244
Measured at fair value	7,137	16,091	-17,464	5,764
Total	**7,617**	**16,091**	**-18,189**	**5,520**

Shares and other equity in companies necessary for operations are valuated at acquisition cost. These are detailed in Note 5.2. Shares and other equity necessary for operations are intended to be permanently retained. The fair value of these assets cannot be reliably determined.

During the accounting period, financial assets as described above were sold at a value of 7,111,000 euros. This resulted in a capital loss of 411,000 euros.

E37 CHANGES IN EQUITY DURING ACCOUNTING PERIOD

(in thousands of euros)	At beginning of accounting period	Increases	Decreases	Total
Share capital	20,700			20,700
Credit loss provisions transferred to share capital	3,300			3,300
Other restricted reserves	4,416	18,343	-14,852	7,907
Fair value reserve	4,416	18,343	-14,852	7,907
Cash-flow hedge	-196	244	-49	
Measured at fair value	4,611	18,099	-14,803	7,907
Non-restricted reserves	104,067		-557	103,510
Reserve for invested non-restricted equity	103,510			103,510
Other reserves	557		-557	
Retained earnings	14,817	7061	-1,483	20,395
Profit for accounting period	7,061	7,153	-7,061	7,153
Equity, total	**154,360**	**32,557**	**-23,953**	**162,964**

(in thousands of euros)	At beginning of accounting period	Increases	Decreases	Total
Cash flow hedge	-196	244	-49	
of which deferred taxes	49		-49	
Equity-based instruments	3,285	12,549	-9,989	5,846
of which deferred taxes	-821		-640	-1,461
Debt securities	1,326	5,550	-4,815	2,061
of which deferred taxes	-331		-184	-515
Fair value reserve, total	**4,416**	**18,343**	**-14,852**	**7,907**

E38 SHARE CAPITAL

Oma Säästöpankki Oyj's has 490,960 shares. Ownership interests are as follows:
Töysän Säästöpankkisäätiö 60,000
Kuortaneen Säästöpankkisäätiö 40,000
Parkanon Säästöpankkisäätiö 68,000
Hauhon Säästöpankkisäätiö 33,600
Rengon Säästöpankkisäätiö 22,400
Suodenniemen Säästöpankkisäätiö 16,000
Etelä-Karjalan Säästöpankkisäätiö 222,000
Pyhäselän Oma Osuuskunta 15,177 and
Joroisten Oma Osuuskunta 13,783.

The shares have no nominal value. The share capital has been paid off in its entirety.

E39 PENSION OBLIGATIONS

Personnel's retirement provisions are arranged with pension insurance company Elo and no pension liabilities are uncovered.

E40 LEASING AND OTHER RENT OBLIGATIONS

Minimum rent payable based on irrevocable rent agreements.

(in thousands of euros)	2016	2015
Within 1 year	616	643
Within 1–5 years	1,305	1,394
Within more than 5 years	651	866
Total	**2,572**	**2,903**

E41 OFF-BALANCE SHEET COMMITMENTS

(in thousands of euros)	2016	2015
Done on behalf of others		
Guarantees	12,434	15,212
Undrawn credit facilities	117,436	112,832
Others	624	875
Off-balance sheet commitments, total	**130,494**	**128,919**

The Bank has given an absolute guarantee to Aktia Hypoteekkipankki Oyj for compensating Aktia Hypoteekkipankki Oyj for any losses on brokered mortgages. The amount of the guarantee obligation is limited.

E42 OTHER OFF-BALANCE SHEET ARRANGEMENTS

The Bank belongs to Oy Samlink Ab's value added tax obligation group.

(in thousands of euros)	2016	2015
Amount of joint liability related to group registration of value added tax	699	70

E43 NUMBER OF EMPLOYEES

Number of personnel at end of accounting period	2016	2015
Permanent full-time employees	209	207
Permanent part-time employees	2	10
Temporary employees	30	35
Total	**241**	**252**

E44 MANAGEMENT'S SALARIES AND REWARDS

(in thousands of euros)	2016	2015
Executive Directors and Deputies, CEO and his/her deputy	930	794

E45 LOANS AND GUARANTEES GRANTED TO MANAGEMENT

(in thousands of euros)	2016		2015	
	Loans	**Guarantees**	**Loans**	**Guarantees**
Executive Directors and Deputies, CEO and his/her Deputy, and other management	951	50	310	50
Increases	100		1	
Decreases	35		129	

Loans and guarantees have been granted with conditions that are applied to corresponding loans and guarantees granted to customers.

E46 NOTARY OPERATIONS PERFORMED BY CREDIT INSTITUTION

In accordance with the services set forth in Section 11 of the Act on Investment Firms, the Bank offers brokering and execution of orders, trading on its own account, asset management, investment advisory services, and as is set forth in Section 15, custody and management of financial assets, and safety deposit boxes and related services.

The Bank does not offer so-called full-service asset management.

E47 AUDITOR'S FEES

(in thousands of euros)	Fees paid in 2016	
	Ernst & Young Oy	**KPMG Oy Ab**
1. Audit	32	46
2. Commissions set forth in Section 1, Sub-section 1, Clause 2: actions that elsewhere in the law or statute are decreed to be completed by the auditor or based on which the auditor provides a written statement for the use of authorities or a court. For example, a statement on a merger or division, certain licenses.		
3. Tax advice		
4. Other services	1	41

E48 LONG-TERM SAVING

	2016		2015	
	1,000 eur	**Count**	**1,000 eur**	**Count**
Savings, total	246	17	211	17
Deposits, total	208	17	151	17
PS accounts	173	16	122	16
PS deposits	34	1	30	1
Customers' assets, total	39		59	
Shares	13		31	
Reserves	26		28	

Notes regarding Oma Säästöpankki Oyj's solvency (Pillar III)

E49 OWN FUNDS BY ITEM

	(in thousands of euros)	(A) AMOUNT ON PUBLISHING DATE, BANK	(B) REGULATION (EU) No 575/2013, ARTICLE BEING REFERRED TO	(C) AMOUNTS TO WHICH TREATMENT PRECEDING REGULATION (EU) No 575/2013 IS APPLIED, OR REMAINING AMOUNT DECREED IN REGULATION (EU) No 575/2013
	Core capital (CET1): instruments and funds			
1	Capital instruments and related share premium accounts	24,000	Article 26(1), Articles 27, 28 and 29, European Banking Authority's list, Article 26(3)	
	of which: capital stock	24,000		
2	Retained earnings	20,395	Article 26(1)(c)	
3	Other accumulated comprehensive income (and other funds, including unrealised profits and losses based on applicable accounting standards)	111,417	Article 26(1)	
3a	Fund for general banking risks	58,437	Article 26(1)(f)	
4	As set forth in Article 484(3), the number of items that meet the requirements and related share premium accounts that will be gradually phased out of CET1		Article 483(2)	
	Public sector capital injections that are permitted to continue until January 1, 2018		Article 483(2)	
5	Minority interests (amount that can be included in consolidated core capital (CET1))		Articles 84, 479 and 480	
5a	Interim profits verified by an independent body, with all foreseeable costs of dividends deducted	5,573	Article 26(2)	
6	**Core capital (CET1) before statutory adjustments**	**219,821**		
	Core capital (CET1): statutory adjustments			
7	Other value adjustments (negative amount)		Article 34, Article 105	

8	Immaterial goods (with related tax liabilities deducted) (negative amount)	-4,820	Article 36(1)(b), Artile 37, Article 472(4)	
10	Deferred tax assets dependent on future taxable profits, excluding those resulting from temporary differences (with related tax liabilities deducted if the conditions in Article 38(3) are met) (negative amount)		Article 36(1)(c), Article 38, Article 472(5)	
11	Items included in the fair value reserve and related to profits or losses from cash flow hedging		Article 33(1)(a)	
12	Negative amounts resulting from expected loss calculations		Article 36(1)(d), Article 40, Article 159, Article 472(6)	
13	All increases of equity that result from securitised asset items (negative amount)		Article 32(1)	
14	Profits or losses from loans measured at fair value, resulting from changes in institution's own credit rating		Article 33(b)	
15	Defined funds of benefit retirement fund (negative amount)		Article 36(1)(e), Article 41, Article 472(7)	
16	The institution's direct and indirect interests in its own core capital (CET1) instruments (negative amount)		Article 36(1)(f), Article 42, Article 472(8)	
17	Interests in the core capital (CET1) instruments of entities in the financial sector, when the entities have a mutual cross-shareholding arrangement intended to artificially increase the institution's own funds (negative amount)		Article 36(1)(g), Article 44, Article 472(9)	
18	Direct and indirect interests of the instition in the core capital (CET1) instruments of entities in the financial sector, when the institution has no significant investment in these entities (amount exceeding 10 per cent limit, with acceptable short-term positions deducted) (negative amount)		Article 36(1)(h), Articles 43, 45 and 46, Article 49(2 and 3), Article 79, Article 472(10)	
19	Direct, indirect and synthetic interests of the institution in the core capital (CET1) instruments of entities in the financial sector, when the institution has a significant investment in these entities (amount exceeding 10 per cent limit, with acceptable short-term positions deducted) (negative amount)		Article 36(1)(i), Articles 43, 45 and 47, Article 48(1)(b), Article 49(1–3), Article 79, Article 470, Article 472(11)	

21	Deferred tax assets resulting from temporary differences (amount exceeding 10 per cent limit, with related tax liabilities deducted if the conditions in Article 38(3) are met) (negative amount)		Article 36(1)(c), Article 38, Article 48(1)(a), Article 470, Article 472(5)	
22	Amount exceeding 15 per cent (negative amount)		Article 48(1)	
23	of which: direct and indirect interests of the institution in the core capital (CET1) instruments of entities in the financial sector, when the institution has a significant investment in these entities		Article 36(1)(i), Article 48(1)(b), Articles 470, Article 472(11)	
26	Statutory adjustments to core capital (CET1) relating to the amount subject to same treatment as before Capital Requirements Regulations			
26a	Statutory adjustments related to unrealised profits and losses in compliance with Articles 467 and 468			
	of which: …unrealised loss filter 1		Article 467	
	of which: …unrealised profit filter 1		Article 468	
26b	The amount to be deducted from or added to the core capital (CET1) due to additional filters and reductions that were required before Capital Requirements Regulations		Article 481	
27	Deductions from additional tier 1 capital (AT1) that exceed the institution's additional tier 1 capital (AT1) (negative amount)		Article 36(1)(j)	
28	**Statutory adjustments to core capital (CET1), total**	**-4,820**		
29	**Core capital (CET1)**	**215,001**		
	Additional tier 1 capital (AT1): instruments			
30	Capital instruments and related share premium accounts		Article 51, Article 52	
31	of which: classified as equity according to applicable accounting standards			
32	of which: classified as debt according to applicable financial reporting standards			
33	Number of items and related share premium accounts that meet the requirements of Article 484(4), and will be gradually phased out from AT1		Article 486(3)	
	Public sector capital injections that are permitted to continue until January 1, 2018		Article 486(3)	

34	Tier 1 capital (T1) issued by subsidiaries and held by third parties that meets the requirements and is included in consolidated additional tier 1 capital (AT1) (incl. minority interests not included on line 5)		Articles 85, 86 and 480	
35	of which: subsidiary-issued instruments to be gradually phased out		Article 486(3)	
36	**Additional tier 1 capital (AT1) before statutory adjustments:**			
	Additional tier 1 capital (AT1): statutory adjustments			
37	The institution's direct and indirect interests in its own additional tier 1 capital (AT1) instruments (negative amount)		Article 52(1)(b), Article 56(a), Article 57, Article 475(2)	
38	Interests in additional tier 1 capital (AT1) instruments of entities in the financial sector, when the entities have a mutual cross-shareholding arrangement intended to artificially increase the institution's own funds (negative amount)		Article 56(b), Article 58, Article 475(3)	
39	Direct and indirect interests of the institution in additional tier 1 capital (AT1) instruments of entities in the financial sector, when the institution has no significant investment in these entities (amount exceeding 10 per cent limit, with acceptable short-term positions deducted) (negative amount)		Article 56(c), Articles 59, 60 and 79, Article 475(4)	
40	Direct and indirect interests of the institution in additional tier 1 capital (AT1) instruments of entities in the financial sector, when the institution has a significant investment in these entities (amount exceeding 10 per cent limit, with acceptable short-term positions deducted) (negative amount)		Article 56(d), Articles 59, 60 and 79, Article 475(4)	
41	Statutory adjustments to additional tier 1 capital (AT1) regarding the amounts subject to same treatment as before the Capital Requirements Regulations and to transitional period treatment until they are disposed of according to Regulation (EU) No. 575/2013 (i.e. remaining amounts according to the Capital Requirements Regulations)			
41a	Remaining amounts to be deducted from additional tier 1 capital (AT1), related to deductions to be made from core capital during transition period according to Regulation (EU) No. 575/2013 Article 472		Article 472, Article 472(3)(a), Article 472(4 and 6), Article 472(8)(a), Article 472(9), Article 472(10)(a), Article 472(11)(a)	
	of which items to be specified in rows, e.g. interim net losses, intangible assets, incomplete provisions for expected losses etc.			

41b	Remaining amounts to be deducted from additional tier 1 capital (AT1), related to deductions to be made from tier 2 capital (T2) during transition period according to Regulation (EU) No. 575/2013 Article 475		Article 477, Article 477(3), Article 477(4)(a)	
	of which items to be specified in rows, e.g. mutual cross-shareholding arrangements regarding tier 2 (T2) instruments, direct interests in other financial entities' capital when the institution has no significant investment in the entities, etc.			
41c	Amount to be deducted from or added to the additional tier 1 capital (AT1) due to additional filters and reductions that were required before Capital Requirements Regulations		Articles 467, 468 and 481	
42	Deductions from tier 2 capital (T2) that exceed the institution's tier 2 capital (T2) (negative amount)		Article 56(e)	
43	**Statutory adjustments to additional tier 1 capital (AT1), total**			
44	**Additional tier 1 capital (AT1)**			
45	**Tier 1 capital (T1 = CET1 + AT1)**	215,001.15		
	Tier 2 capital (T2): Instruments and reserves			
46	Capital instruments and related share premium accounts	4,764.51	Articles 62 and 63	
47	Number of items and related share premium accounts that meet the requirements of Article 484(5), and will be gradually phased out from T2		Article 486(4)	
	Public sector capital injections that are permitted to continue until January 1, 2018		Article 483(4)	
48	Own fund instruments issued by subsidiaries and held by third parties that are included in consolidated tier 2 capital (T2) (incl. minority interests and additional tier 1 capital (AT1) instruments not included on lines 5 or 34)		Articles 87, 88 and 480	
49	of which: subsidiary-issued instruments to be gradually phased out		Article 486(4)	
50	Credit risk adjustments		Article 62(c and d)	
51	**Tier 2 capital (T2) before statutory adjustments**	**4,764.51**		
	Tier 2 capital (T2): statutory adjustments			

52	The institution’s direct and indirect interests in its own tier 2 (T2) instruments and subordinated loans (negative amount)		Article 63(b)(i), Article 66(a), Article 67, Article 477(2)	
53	Interests in tier 2 capital (T2) instruments of entities in the financial sector and subordinated loans when the entities have a mutual cross-shareholding arrangement intended to artificially increase the institution's own funds (negative amount)		Article 66(b), Article 68, Article 477(3)	
54	Direct and indirect interests of the institution in tier 2 capital (T2) instruments of entities in the financial sector and subordinated loans when the institution has no significant investments in these entities (amount exceeding 10 per cent limit, with acceptable short-term positions deducted) (negative amount)		Article 66(c), Articles 69, 70 and 79, Article 477(4)	
54a	Of which new interests, not subject to transitional arrangements			
54b	Of which interests that existed before January 1, 2013 and therefore subject to transitional arrangements.			
55	Direct and indirect interests of the institution in tier 2 capital (T2) instruments of entities in the financial sector and in subordinated loans, when the institution has significant investments in these entities (amount with acceptable short-term positions deducted) (negative amount)		Article 66(d), Articles 69 and 79, Article 477(4)	
56	Statutory adjustments to tier 2 capital (T2) regarding the amounts subject to the same treatment as before the Capital Requirements Regulations and to transitional period’s treatment until they are disposed of in accordance with Regulation (EU) No. 575/2013 (i.e. remaining amounts according to Capital Requirements Regulations)			
56a	Remaining amounts to be deducted from tier 2 capital (T2), related to the deductions to be made from core capital during transition period according to Regulation (EU) No. 575/2013 Article 472		Article 472, Article 472(3)(a), Article 472(4 and 6), Article 472(8)(a), Article 472(9), Article 472(10)(a), Article 472(11)(a)	
	of which items to be specified by line, e.g. interim net losses, intangible assets, incomplete provisions for expected losses etc.			
56b	Remaining amounts to be deducted from tier 2 capital (T2), related to deductions to be made from additional tier 1 capital (AT1) during transition period according to Regulation (EU) No. 575/2013 Article 472		Article 475, Article 475(2)(a), Article 475(3), Article 475(4)(a)	

	Of which items to be specified in rows, e.g. mutual cross-shareholding arrangements regarding additional tier 1 (AT1) instruments, direct interests in other financial entities' capital when the institution has significant investments in the entities, etc.			
56c	Amount to be deducted from or added to tier 2 capital (T2) due to additional filters and reductions that were required before the Capital Requirements Regulations		Articles 467, 468 and 481	
57	**Statutory adjustments to be applied to tier 2 capital (T2), total**			
58	**Tier 2 capital (T2)**	**4,765**		
59	**Total capital (TC=T1+T2)**	**219,766**		
59a	Risk-weighted funds regarding the amounts subject to the same treatment as before Capital Requirements Regulations and to transitional period’s treatment until they are disposed of in accordance with Regulation (EU) No. 575/2013 (i.e. remaining amounts according to Capital Requirements Regulations)			
60	**Risk-weighted funds, total**	**1,153,138**		
	Solvency ratios and buffers			
61	Core capital (CET1) (as percentage of total risk)	18.64	Article 92(2)(s), Article 465	
62	Tier 1 capital (T1) (as percentage of total risk)	18.64	Article 92(2)(b), Article 465	
63	Total capital (as percentage of total risk)	19.06	Article 92(2)(c)	
	Solvency ratios and buffers			
72	Direct and indirect interests of the institution in the capital of entities in the financial sector, when the institution has no significant investments in these entities (amount beneath 10 per cent limit, with acceptable short-term positions deducted)	10 161	Article 36(1)(h), Articles 45 and 46, Article 56(c), Articles 59 and 60, Article 66(c), Article 69 and Article 70	
73	Direct and indirect interests of the institution in the core capital (CET1) instruments of entities in the financial sector, when the institution has significant investments in these entities (amount below 10 per cent limit, with acceptable short-term positions deducted)	15,308	Article 36(1)(i), Articles 45 and 48	
	Upper limits that are applied in order to include provisions in tier 2 capital (T2)			

76	Credit risk adjustments included in tier 2 capital (T2) for risks subject to standard method (before upper limit is applied)		Article 62	
77	Upper limit for including credit risk adjustments in tier 2 capital, when using standard method		Article 62	
	Core capital instruments subject to gradual phasing out arrangements (applies only from January 1, 2013 – January 1, 2022)			
80	Current upper limit for core capital (CET1) instruments subject to gradual phasing out arrangements		Article 484(3), Articles 486(2 and 5)	
81	Amount deducted from core capital (CET1) due to upper limit (amount exceeding upper limit after redemptions and maturities)		Article 484(3), Articles 486(2 and 5)	
82	Current upper limit for additional tier 1 capital (AT1) instruments subject to gradual phasing out arrangements		Article 484(4), Articles 486(3 and 5)	
83	Amount deducted from additional tier 1 capital (AT1) due to upper limit (amount exceeding upper limit after redemptions and maturities)		Article 484(4), Articles 486(3 and 5)	
84	Current upper limit for tier 2 capital (T2) instruments subject to gradual phasing out arrangements		Article 484(5), Articles 486(4 and 5)	
85	Amount deducted from tier 2 capital (T2) due to upper limit (amount exceeding upper limit after redemptions and maturities)		Article 484(5), Articles 486(4 and 5)	

E50 MAIN FEATURES OF INSTRUMENTS COUNTED AS EQUITY

Commission Implementing Regulation (EU) No 1423/2013		OMAD026519	Share capital
1	Issuer	Oma Säästöpankki Oyj	
2	Unique identifier	FI4000096854	N/A
3	Legislation applied to instrument	Finnish legislation	Finnish legislation
4	Capital Requirements Regulations during transition period	T2	CET1
5	Capital Requirements Regulations after transition period	N/A	CET1
6	Available on individual company level or on consolidated basis/subconsolidation group level/individual company level and on a consolidated basis/subconsolidated basis	individual company level and on a consolidated basis/ subconsolidation group level	individual company
7	Instrument type	Article 486(4)	Limited Liability Companies Act, Chapter 3, Section 1, Paragraph 1, and Regulation (EU) No 575/2013, Article 28
8	Amount entered into statutory capital (currency in millions on last date of reporting)	5	24
9	Nominal instrument quantity	10	N/A
9a	Issue price	100	N/A
9b	Redemption price	100%	N/A
10	Accounting classification	Liability carried at amortised cost	shareholders' interests
11	Original issue date	May 20, 2014	Continuous
12	Undated or dated	dated	undated
13	Original maturity	May 20, 2019	no maturity
14	Redemption by issuer requires supervisory authority's advance approval	yes	no
15	Potential redemption date, conditional redemption dates and redemption amount	no redemption option	no redemption option
16	Potential future redemption days	no redemption option	no redemption option
17	Fixed or variable dividend/coupon	fixed	
18	Coupon interest and related indices	2.65%	no
19	Existence of dividend stopper	no	no
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	mandatory	fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of the amount)	mandatory	fully discretionary
21	Existence of step-up condition or other redemption incentive	no	no
22	Non-cumulative or cumulative	non-cumulative	non-cumulative

23	Convertible or encumbered	encumbered	encumbered
24	If the instrument is convertible, what factors affect the condition?	N/A	N/A
25	If the instrument is convertible, should it be fully or partially converted?	N/A	N/A
26	If the instrument is convertible, what is the conversion rate?	N/A	N/A
27	If the instrument is convertible, is the conversion mandatory or optional?	N/A	N/A
28	If the instrument is convertible, specify the kind of instrument to which it can be converted.	N/A	N/A
29	If the instrument is convertible, specify the instrument of the issuer to which it can be converted.	N/A	N/A
30	Write-down features	No	No
31	If write-down is possible, what are the triggers?	N/A	N/A
32	If write-down is possible, is it full or partial?	N/A	N/A
33	If write-down is possible, is it permanent or temporary?	N/A	N/A
34	If the write-down is temporary, describe the write-up mechanism	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type that is immediately senior)	Other liabilities	"Debenture, share capital"
36	Non-compliant features	Yes	No
37	Specify any non-compliant features	Capital not entirely in possession for 5 years	N/A

E51 MINIMUM AMOUNT OF OWN FUNDS

Credit and counterparty risk (in thousands of euros)	**2016**	**2015**
Exposure class	**Minimum amount of own funds**	**Minimum amount of own funds**
Receivables from regional government or local officials	4	
Receivables from institutions	1,018	2,373
Receivables from businesses	15,961	11,580
Retail receivables	18,942	17,559
Mortgage-backed receivables	34,013	29,297
Exposures in default	1,232	1,119
Exposures in the form of covered bonds	151	40
Receivables related to interests or shares in collective investment undertakings (CIU)	5,410	5,668
Equity exposures	4,050	4,022
Other items	2,409	2,764
Credit risk, total	**83,189**	**74,422**
Adjustment risk of liability (CVA)	300	466
Market risk (exchange rate risk)	1,591	1,671
Operational risk	7,171	6,338
Minimum amount of own funds, total	**92,251**	**82,898**
General capital buffer 2.5%	**28,828**	**25,905**
Countercyclical buffer, total	**129**	

E52 TOTAL EXPOSURES BY RISK WEIGHT

Credit and counterparty risk (in thousands of euros)

Risk weight (%)	2016	2015
0	156,788	134,662
10	18,901	4,985
20	58,199	139,489
35	1,244,708	1,060,380
50	25,647	26,192
75	415,530	387,478
100	343,362	295,468
150	2,021	2,556
250	15,308	13,881
Total	**2,280,463**	**2,065,090**

E53 AVERAGE VALUE OF TOTAL EXPOSURES DURING ACCOUNTING PERIOD, BY EXPOSURE CLASS

Credit and counterparty risk (in thousands of euros)

Exposure class	2016	2015
Receivables from the state and central banks	120,015	82,158
Receivables from regional government and local officials	3,918	4,783
Receivables from institutions	93,444	134,283
Receivables from businesses	208,199	154,111
Retail receivables	401,380	322,864
Mortgage-backed receivables	1,185,865	984,661
Exposures in default	15,435	14,749
Exposures in form of covered bonds	14,179	1,994
Receivables related to interests or shares in collective investment undertakings (CIU)	79,933	64,340
Equity exposures	29,134	29,532
Other items	43,122	41,161
Total	**2,194,625**	**1,834,637**

E54 TOTAL LIABILITIES' MATURITY ANALYSIS, BY EXPOSURE CLASS

Credit and counterparty risk (in thousands of euros)

	2016					
Exposure class	**Total**	**less than 3 months**	**3–12 months**	**1–5 years**	**5–10 years**	**over 10 years**
Receivables from the state and central banks	129,501	1,043	1,940	34,479	41,936	50,104
Receivables from regional government and local officials	3,782	100	2	2,777	26	877
Receivables from institutions	72,050	62,196	1,162	7,910	150	631
Receivables from businesses	225,461	20,600	12,032	54,037	54,833	83,958
Retail receivables	415,530	15,571	12,432	58,130	89,112	240,286
Mortgage-backed receivables	1,263,838	17,169	25,203	120,246	242,653	858,567
Exposures in default	14,625	6,050	46	732	1,150	6,647
Exposures in form of covered bonds	18,901			7,192	11,709	
Receivables related to interests or shares in collective investment undertakings (CIU)	71,193					71,193
Equity exposures	27,659					27,659
Other items	37,923	12,963		70		24,890
Total	**2,280,463**	**135,693**	**52,816**	**285,572**	**441,569**	**1,364,812**

	2016					
Exposure class	**Total**	**less than 3 months**	**3–12 months**	**1–5 years**	**5–10 years**	**over 10 years**
Receivables from the state and central banks	104,890	1,156	1,778	18,470	41,406	42,080
Receivables from regional government and local officials	5,173		4	110	840	4,218
Receivables from institutions	154,709	137,351	6,785	9,885		687
Receivables from businesses	166,424	14,008	11,399	47,545	23,743	69,727
Retail receivables	387,478	15,936	10,442	59,644	86,446	215,010
Mortgage-backed receivables	1,081,917	16,480	16,551	112,566	222,220	714,101
Exposures in default	12,986	6,268	74	773	1,379	4,493
Exposures in form of covered bonds	4,985			3,002	1,983	
Receivables related to interests or shares in collective investment undertakings (CIU)	74,475					74,475
Equity exposures	29,456					29,456
Other items	42,598	10,861		53		31,684
Total	**2,065,090**	**202,059**	**47,034**	**252,048**	**378,016**	**1,185,934**

E55 TOTAL EXPOSURES BY EXPOSURE CLASS AND COUNTERPARTY

Credit and counterparty risk (in thousands of euros)

	2016				
Exposure class	**Total**	**Private persons**	**Agriculture**	**Companies**	**Others**
Receivables from the state and central banks	129,501	51,774	1,038	8,515	68,174
Receivables from regional government and local officials	3,782		55	395	3,332
Receivables from institutions	72,050	266		60	71,723
Receivables from businesses	225,461	10,362	15,852	147,091	52,155
Retail receivables	415,530	226,058	55,911	113,575	19,986
Mortgage-backed receivables	1,263,838	967,235	55,607	153,524	87 473
Exposures in default	14,625	8,649	1,307	4,539	131
Exposures in form of covered bonds	18,901				18,901
Receivables related to interests or shares in collective investment undertakings (CIU)	71,193				71,193
Equity exposures	27,659			3,366	24,293
Other items	37,923				37,923
Total	**2,280,463**	**1,264,344**	**129,769**	**431,066**	**455,285**

	2015				
Exposure class	**Total**	**Private persons**	**Agriculture**	**Companies**	**Others**
Receivables from the state and central banks	104,890	44,657	1,349	6,163	52,721
Receivables from regional government and local officials	5,173			542	4,630
Receivables from institutions	154,709	253		21	154,435
Receivables from businesses	166,424	14,403	13,455	95,945	42,621
Retail receivables	387,478	202,820	55,145	110,506	19,006
Mortgage-backed receivables	1,081,917	834,599	54,150	127,982	65,187
Exposures in default	12,986	7,394	720	4,697	175
Exposures in form of covered bonds	4,985				4,985
Receivables related to interests or shares in collective investment undertakings (CIU)	74,475				74,475
Equity exposures	29,456			2,165	27,291
Other items	42,598				42,598
Total	**2,065,090**	**1,104,125**	**124,819**	**348,022**	**488,123**

E56 GEOGRAPHICAL DISTRIBUTION OF SIGNIFICANT CREDIT EXPOSURES

Credit and counterparty risk (in thousands of euros)

	2016		
Exposure class	**Total**	**Finland**	**Other countries**
Receivables from the state and central banks	129,501	75,011	54,490
Receivables from regional government and local officials	3,782	3,727	55
Receivables from institutions	72,050	70,407	1,643
Receivables from businesses	225,461	201,239	24,222
Retail receivables	415,530	414,838	692
Mortgage-backed receivables	1,263,838	1,263,069	770
Exposures in default	14,625	14,625	
Exposures in form of covered bonds	18,901		18,901
Receivables related to interests or shares in collective investment undertakings (CIU)	71,193	36,446	34,747
Equity exposures	27,659	24,707	2,951
Other items	37,923	37,923	
Total	**2,280,463**	**2,141,993**	**138,470**

	2015		
Exposure class	**Total**	**Finland**	**Other countries**
Receivables from the state and central banks	104,890	61,148	43,742
Receivables from regional government and local officials	5,173	5,173	
Receivables from institutions	154,709	152,697	2,011
Receivables from businesses	166,424	161,142	5,282
Retail receivables	387,478	386,896	581
Mortgage-backed receivables	1,081,917	1,081,485	433
Exposures in default	12,986	12,986	
Exposures in form of covered bonds	4,985		4,985
Receivables related to interests or shares in collective investment undertakings (CIU)	74,475	40,864	33,611
Equity exposures	29,456	29,156	300
Other items	42,598	42,598	
Total	**2,065,090**	**1,974,145**	**90,946**

E57 MATURITY ANALYSIS OF TOTAL EXPOSURES, BY EXPOSURE CLASS

Credit and counterparty risk (in thousands of euros)

	2016				
Exposure class	**Total**	**Financial collateral**	**Real collateral**	**Guarantees**	**Others**
Receivables from the state and central banks	129,501				
Receivables from regional government and local officials	3,782				
Receivables from institutions	72,050				
Receivables from businesses	225,461	957		4,097	89
Retail receivables	415,530	10,180		64,073	278
Mortgage-backed receivables	1,263,838		1,263,508		
Exposures in default	14,625	108		380	8
Exposures in form of covered bonds	18,901				
Receivables related to interests or shares in collective investment undertakings (CIU)	71,193				
Equity exposures*	27,659				
Other items	37,923				
Total	**2,280,463**	**11,245**	**1,263,508**	**68,550**	**375**

	2015				
Exposure class	**Total**	**Financial collateral**	**Real collateral**	**Guarantees**	**Others**
Receivables from the state and central banks	104,890				
Receivables from regional government and local officials	5,173				
Receivables from institutions	154,709				
Receivables from businesses	166,424	559		1,958	
Retail receivables	387,478	7,840		56,965	265
Mortgage-backed receivables	1,081,917		1,081,917		
Exposures in default	12,986	25		356	8
Exposures in form of covered bonds	4,985				
Receivables related to interests or shares in collective investment undertakings (CIU)	74,475				
Equity exposures*	29,456				
Other items	42,598				
Total	**2,065,090**	**8,424**	**1,081,917**	**59,279**	**274**

*) Credit derivatives are not used for hedging

E58 LEVEL OF ENCUMBRANCE OF ASSETS

On December 31, 2016, Oma Säästöpankki Oy had no encumbered assets or received encumbered collaterals.

E59 OPERATIONAL RISK CALCULATIONS

(in thousands of euros)	2016	2015	2014	Own funds, Minimum
Gross total	60,216	51,799	31,397	
Profit level indicator	9,032	7,770	4,710	7,171

(in thousands of euros)	2015	2014	2013	Own funds, minimum
Gross total	51,799	31,397	43,567	
Profit level indicator	7,770	4,710	6,535	6,338

The profit level indicator is calculated in accordance with the basic method presented in Solvency regulation, No. 575/2013.

Minimum amount of own funds = sum of annual positive profit level indicators/number of years profit level indicator has been positive.

Operative risks mean the risk of loss that banks may experience as a result of inadequate or deficient internal processes, staff, systems, or external factors.

E60 LEVERAGE RATIO

Summary of reconciliation of total liabilities in leverage ratio on balance sheet published in financial statements

(in thousands of euros)	2016	2015
Balance sheet total as published in financial statements	2,150,294	1,934,664
Adjustments related to financial derivatives	4,495	4,555
Adjustments related to off-balance sheet items	38,488	128,828
Other adjustments	-9,640	-5,718
Leverage ratio total liabilities	**2,183,637**	**2,062,329**
Value of leverage ratio total liabilities		
Off-balance sheet liabilities (excl. derivatives, securities financing transactions)		
Balance sheet liabilities (excl. derivatives, securities financing transactions and fiduciary funds, but incl. collateral)	2,141,495	1,924,294
(Statutory adjustments to tier 1 capital)	-4,820	-2,761
Balance sheet exposures, total (excl. derivatives, securities financing transactions and fiduciary funds)	**2,136,675**	**1,921,532**
Derivatives		
Derivatives: market value	3,979	7,414
Derivatives: increased fair value method	4,495	4,555
Derivatives total	**8,474**	**11,968**
Other off-balance sheet exposures		
Nominal quantity of off-balance sheet exposures	130,494	128,828
(Adaptations related to conversion figures)	-92,006	
Other off-balance sheet exposures	**38,488**	**128,828**
Exceptions based on Article 429(7 and 14) of the Capital Requirements Regulations		
(Exempting the Group's internal liabilities (solo basis) according to Capital Requirements Regulation (EU) No 575/2013, Article 429(7))		
(Exempting liabilities according to Capital Requirements Regulation (EU) No. 575/2013 Article 429(14))		

(in thousands of euros)	2016	2015
Capital and total exposures		
Tier 1 capital	215,001	200,610
Total exposures	2,183,637	2,062,329
Leverage ratio		
Leverage ratio	9.85%	9.73%
Classification of balance sheet exposures (excl. derivatives, securities financing transactions and exempted liabilities)		
Balance sheet exposures, total (excl. derivatives, securities financing transactions and exempted liabilities), of which:	2,141,495	1,924,294
Items belonging to trading book		
Off-trading book exposures, of which:	2,141,495	1,924,294
Covered bonds	18,901	4,985
Exposures treated as sovereigns	127,359	105,014
Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	3,632	
Institutions	63,514	142,690
Mortgage-backed liabilities	1,235,134	1,052,869
Retail liabilities	338,436	312,192
Receivables from businesses	203,184	147,047
Exposures in default	14,560	12,967
Other exposures (such as equity exposures and other exposures that are not related to a credit obligation)	136,775	146,529

In addition to balance sheet total, off-balance sheet derivatives and financial derivatives are also recognized in the Bank's leverage. When calculated this way, Oma Säästöpankki Oyj's exposures total 2,183.6 million euros, which will be proportioned to tier 1 equity.

Signatures on financial statements and in annual report

Helsinki, February 23, 2017

Oma Säästöpankki Oyj's Board of Directors

Jarmo Partanen Chairman	Jyrki Mäkynen Vice Chairman
Aki Jaskari	Timo Kokkala
Heli Korpinen	Jarmo Salmi
Ari Yli-Kaatiala	Pasi Sydänlammi CEO

Auditor's Note

An audit report has been provided today.

Lappeenranta, February 27, 2017

APA Juha-Pekka Mylén

Audit Report

for Oma Säästöpankki Oyj's Annual General Meeting

Report on audit of financial statements

Opinion

I have audited the financial statements of Oma Säästöpankki Oyj (business ID 2231936-2) for the accounting period January 1 – December 31, 2016. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, and the statement of cash flow and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flow and notes.

In my opinion,

- the consolidated financial statements give a true and fair view of the group's financial performance, financial position and cash flows in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU,
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland, and comply with statutory requirements

Basis for opinion

I conducted the audit in accordance with good auditing practices in Finland. My responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the parent company and of the group companies, in accordance with the ethical requirements that are applicable in Finland and relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Board of Directors and CEO

The Board of Directors and the CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland, and that comply with statutory requirements. The Board of Directors and CEO are also responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements due to fraud or error.

In preparing the financial statements, the Board of Directors and the CEO are responsible for assessing the ability of the parent company and the group to continue as a going concern, disclosing, as applicable, matters relating to the going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting, unless liquidation of the parent company or the group or ceasing operations is intended, or there is no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence users' economic decisions taken on the basis of the financial statements.

As part of an audit complying to good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the the financial statements' risks of material misstatement due to fraud or error, design and perform audit procedures responsive to these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal control.
- I obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the parent company or the group.
- I evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- I make conclusions on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the parent ability of the company or the group to continue as a going concern. If I conclude that a material uncertainty exists,
  I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- I obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with the relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Other reporting requirements

Other information

The Board of Directors and CEO are responsible for other information. Other information comprises information included in the report of the Board of Directors and the annual report as well as the financial statements and the relevant audit report.

My opinion on the financial statements does not cover the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, my responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the laws and regulations applicable.

In my opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work I have carried out on the report of the Board of Directors, I conclude that there is a material misstatement of this other information, I am required to report it. I have nothing to report in this regard.

Lappeenranta, February 27, 2017

Juha-Pekka Mylén
Authorized Public Accountant

Calculation of key figures

Operating income/loss

Interest income, fee and commission income, Net income from trading (including net income from hedge accounting), Net income from investments, other operating income

Net operating income, total

Net interest income, Net fee and commission income and expenses, Net income from trading (including net income from hedge accounting), Net income from investments, Other operating income

Total operating expenses

Personnel expenses, Other operating expenses, Depreciation, amortisation and impairment losses on tangible and intangible assets

Cost/income ratio, %

$$\frac{\text{Total operating expenses}}{\text{Other operating income}} \times 100$$

Return on equity (ROE)

$$\frac{\text{Operating profit/loss - income taxes}}{\text{Equity (average from beginning and end of year)}} \times 100$$

Return on assets (ROA)

$$\frac{\text{Operating profit/loss - income taxes}}{\text{Average balance sheet total (average from beginning and end of year)}} \times 100$$

Equity ratio, %

$$\frac{\text{Equity}}{\text{Balance sheet total}} \times 100$$

Solvency ratio (TC) %

$$\frac{\text{Own funds, total (TC)}}{\text{Minimum requirements for own funds, total}} \times 8\%$$

Core capital ratio (CET1) %

$$\frac{\text{Core capital (CET1)}}{\text{Minimum requirements for own funds, total}} \times 8\%$$

Tier 1 equity ratio, (T1) %

$$\frac{\text{Tier 1 capital (T1)}}{\text{Minimum requirements for own funds, total}} \times 8\%$$

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