Capital and Risk Management Report 2019

Contents

Capital and Risk Management Report 2019 is a translation of the orginal Finnish version "Capital and Risk Management Report 2019". If discrepancies occur, the Finnish version is dominant.

1. Introduction

EU Capital Requirements Regulation (575/2013), Part 8, sets requirements for the disclosure obligation of institutions and the disclosure of information concerning banks' risks, their management and capital adequacy. Additionally, for example, the European Banking Authority (EBA) has provided more detailed guidance on the disclosure obligations.

The Oma Savings Bank Group complies with its disclosure obligation by annually publishing comprehensive information on its capital adequacy and risk management (so-called Pillar III information) alongside its annual report. In its half-year report, the Group presents the key figures for capital adequacy and risk management. The information in Pillar III is unaudited.

Chapter 9 presents a summary table of where the information required by Capital Requirements Regulation, Articles 435-455, is disclosed. Information can be omitted to the extent that it is not regarded as material and its potential impact on Oma Savings Bank Group's profitability, ability to make profits, balance sheet or capital adequacy is low. If required, general information on the omitted information is disclosed.

1.1 Disclosure on the sufficiency of risk management approved by the management body

Risk management systems are based on the risk appetite approved by the Board of Directors and the strategies for different risks. Regular reports are made to the Board of Directors on different risks and their development. With this disclosure, the Board of Directors confirms that the risk management systems in place at Oma Savings Bank are sufficient in terms of the institution's profile and strategy.

1.2 Risk statement approved by the management body

Oma Savings Bank practices retail banking and mortgage banking. The bank's key customer groups are retail customers, agricultural entrepreneurs, small and medium-sized companies and housing corporations. The company's key risk types are credit risk, operational risk, market risk and liquidity risk.

Credit risk in financial activities is the bank's key risk, which is managed in accordance with the credit risk strategy approved by the Board of Directors by setting targets and risk limits for the loan portfolio's quality and concentrations. Loans secured by immovable property and retail exposures form the majority of the bank's credit risk. The bank's customer base is well-diversified in terms of geography.

Operational risk is another key risk. Operational risk is managed both centrally and by business line. The company has identified the renewal project of the core banking platform as the main source of operational risk. If the risks were realised, the cost of the project could increase and other development projects could be delayed. The most likely other form of execution is reputational risk.

Market risk results from fluctuations in the market prices of investment portfolio securities and the interest rate risk in the banking book. The interest rate risk in the banking book is regularly modelled and the market risk of the investment portfolio is managed through a prudent investment strategy. As a general rule, the bank does not practice trading on its own account but bonds are purchased for managing liquidity and derivatives are used for hedging purposes.

Liquidity risk is measured in the short and long term by monitoring the structure of the liquidity reserve and long-term liabilities. The group's LCR key figure was 140.1% at year-end and Standard and Poor's credit rating for short-term borrowing was A-2.

For long-term borrowing, Standard & Poor's credit rating was BBB+ at year-end and the Common Equity Tier 1 (CET1) ratio for the end of 2019 was 16.8%. Total capital ratio was 17.3% and the leverage ratio was 8.6%. At the end of the year, the bank's total capital ratio was 5.8 percentage points over the minimum regulatory requirement.

2. Summary

(1,000 euros)	31 Dec 2019	31 Dec 2018
Own funds		
Common Equity Tier 1 (CET1) capital	299,369	275,758
Total capital (TC)	308,635	288,789
Pillar I minimum capital requirement (8.0%)	142,692	119,896
Pillar I total capital requirement	205,260	157,424
Risk-weighted assets		
Credit and counterparty risk	1,620,817	1,367,127
Credit valuation adjustment (CVA)	8,913	5,401
Market risk (foreign exchange risk)	6,598	-
Operational risk	147,320	126,170
Risk-weighted assets, total	**1,783,648**	**1,498,699**
Ratios		
Common Equity Tier 1 (CET1), %	16.78%	18.40%
Total capital (TC), %	17.30%	19.27%
Leverage ratio, %	8.60%	9.28%
Liquidity coverage ratio (LCR), %	140.12%	134.80%

Oma Savings Bank aims to continue strong and profitable growth in the coming years. Oma Savings Bank Market position will be strengthened throughout the business area through profitable business growth. The company is actively seeking growth, but only in business areas where it can be implemented with sufficient profitability and with an acceptable return on risk. Risk management is included in all company operations; careful decisions, systematic follow-up, rigorous measures, avoidance of risk concentrations, compliance with the company's own and official regulations. One of the primary functions of risk management is to secure sound growth which is not taking place at the expense of increasing risk levels or disrupting daily operations. The company has defined risk management processes, risk-taking limits and guidelines for staying within defined and set limits.

The business profile is stable as the company focuses on retail banking. New offices have been opened in Helsinki, Turku and Oulu during the past year. In addition, the operations of five small branches were merged with a nearby full-service branch. Oma Savings Bank has started the renewal project of the core banking platform, which will achieve cost benefits in the maintenance and development of the system. The company has identified the renewal project as the most significant source of operational risk, but in the future the renewal will help to improve the efficiency of risk management processes.

The legislative package on credit institutions' capital requirements (CRD 5 and CRR 2) and resolution procedure (BRRD 2 and SRMR 2), adopted by the European Parliament, entered into force in June 2019. As a rule, the rules will apply later and the transitional provisions will extend until 2024. These changes concern, inter alia, the credit solvency and liquidity requirements of the credit institution. The company also monitors the progress of CRD6/CRR 3 and the impact of changes in EU legislation on Basel III as whole.

Despite the strong growth in the loan portfolio of private and corporate customers, the common equity tier 1 capital ratio of the Oma Savings Bank Group (CET1) remained strong and was 16.8 (18.4)% at the end of the period. The company's Board of Directors has set a financial target for the common equity tier 1 capital ratio (CET1) of at least 16 percent.

EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

	a	b	f
		Method of regulatory consolidation	Description of the entity
Name of the entity	Method of accounting consolidation	Full consolidation	
Oma Savings Bank Plc	Full consolidation	X	Credit institution
SAV-Rahoitus Oyj	Full consolidation	X	Financial institution
Koy Lappeenrannan Säästökeskus	Full consolidation	X	Ancillary services undertaking

The group structure and corporate governance are described in more detail in the report of Board of Directors in the company's financial statements.

3. Oma Savings Bank Plc's risk management and internal control

Pillar I sets minimum capital requirements for the three largest risk types: credit, market and operational risk. In addition, it sets more precise requirements for these risk classes, for example, the quality and level of capital. The capital requirement includes the minimum capital requirement (8%) in addition various additional capital buffer requirement.

Pillar II specifies the frame of reference for the internal capital adequacy processes (ICAAP and ILAAP) and supplements Pillar I by processing any other risks to the bank such as risks linked to systems and concentrations and strategic, legal and reputational risks. Pillar II's purpose is to combine the risk profile, risk management, risk management systems and capital planning. Pillar II sets qualitative requirements for risk management and internal control. In addition, Pillar II defines the annual supervisory review and evaluation process (SREP) whose purpose it is to ensure sufficient practices, strategies and processes for risk management, including capital and liquidity buffers. SREP also includes a stress test related to risk assessment.

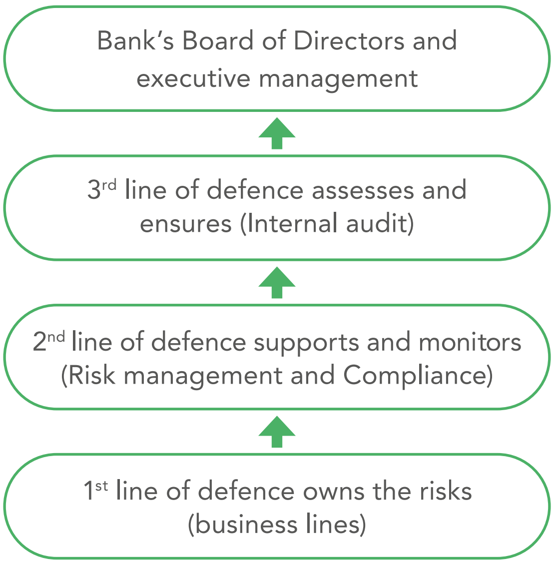
Pillar III supplements the first two pillars by defining the disclosure principles. Its key goal is to improve transparency in relation to own funds, risk positions, risk assessment processes and capital adequacy.

Oma Savings Bank follows the three lines of defence principle. The business lines are responsible for risks, and the independent risk management function and the compliance function support business operations. The third line of defence is the bank's internal audit.

The bank's Board of Directors has set limits for different risk classes and these are reassessed annually. The relevant business lines and independent functions' representatives participate in the assessment process. In the first line of defence, the relevant business line is responsible for ensuring that the operations remain within the boundaries set by the limits. In the second line of defence, the bank's risk management monitors this and informs the bank's Board of Directors and management team of the limit situation.

In terms of credit risk, limits have been set for different customer groups, sectors and maturities and the amount of bank guarantees. Additionally, limits have been set for different credit ratings and models, different arrears classes and for forbearances. The bank also monitors the development of the amount of non-performing loans. With regard to liquidity, limits have been set for, among other things, the balances of the bank's payment account and the LCR buffer. In terms of the market risk, limits have been set for different interest rate shocks and for the total market risk, measured as the Value-at-Risk (VaR) value, for example. Limits have also been set for the different asset classes in the company's investment portfolio.

Three lines of defence principle



Internal control functions

Oma Savings Bank has arranged functions that are independent of business operations to ensure efficient and comprehensive internal control as follows:

- Risk control function
- Compliance function
- Internal audit function

The Board of Directors of the company has approved the risk-based job descriptions of the above-mentioned operations and the persons responsible for the operations.

Risk management ensures that risks arising from the bank's business are identified, assessed and quantified, and that the risks are monitored as part of day-to-day business management. The Chief Risk Officer is responsible for carrying out tasks in accordance with the risk management and strategy established by the Board of Directors. The Risk Officer assists in the performance of these tasks.

The Compliance function is charged with ensuring that legislation, official regulations and guidelines and the bank's Code of Conduct are complied with and that risks related to non-compliance with regulations are managed. The function is responsible for ensuring compliance with regulations by supporting the Board of Directors and executive management and the rest of the organisation in identifying, managing and reporting risks related to inadequate compliance with regulations. The Compliance function promotes compliance with regulations through pre-emptive legal advice and ensures that the bank applies appropriate procedures to ensure reliable compliance with regulations in all business operations. The Compliance Officer is in charge of the Compliance function, reporting to the bank's Board of Directors on the function's operations, observations linked to the compliance risk position and recommendations given to the business operations.

Internal Audit is an independent assessment function that assesses compliance with regulations and the adequacy, effectiveness and efficiency of internal control.

4. Own funds and capital adequacy

4.1 Own funds

At the end of the review period, the capital structure of the Oma Savings Bank Group was strong. Total own funds (TC) came to EUR 308.6 (288.8) million, of which Tier 1 capital (T1) accounted for EUR 299.4 (275.8) million. Tier 1 capital consisted in its entirety of Common Equity Tier 1 capital (CET1). Tier 2 capital (T2) was EUR 9.3 (13.0) million. Tier 2 capital contains Oma Savings Bank's debenture loans. The increase in own funds was most significantly the result of the profit for the accounting period and growth in the fair value reserve.

The retained earnings for the 2019 accounting period are included in the common equity Tier 1 capital on the basis of permission granted by the Finnish Financial Supervisory Authority. The amount of foreseeable dividends for 2019 has been deducted from the retained earnings based on the company's dividend policy, in accordance with the European Commission Delegated Regulation (EU) No 241/2014. The assets from the personnel offerings in 2017–2018 are not included in Tier 1 capital. Common Equity Tier 1 capital has been subject to the reductions required by the EU Capital Requirement regulation, including prudent valuation reductions.

Own funds (1,000 euros)	31 Dec 2019	31 Dec 2018
Group`s equity	**319,865**	**290,330**
Minus		
Non-controlling interest	598	750
Other items	9,713	8,023
Common Equity Tier 1 capital before regulatory adjustements	**309,553**	**281,557**
Share capital	24,000	24,000
Reserve for invested unrestricted equity*	133,304	133,515
Retained earnings	143,711	121,822
Fair value reserve	8,538	2,220
Regulatory adjustments on Common Equity Tier 1 capital	**-10,184**	**-5,799**
Intangible assets	-9,259	-5,039
Deferred tax assets	-594	-491
Value adjustments due to the requirements for prudent valuation	-331	-269
Common Equity Tier 1 (CET1) capital	**299,369**	**275,758**
Additional Tier 1 capital before regulatory adjustements	-	-
Regulatory adjustments on Additional Tier 1 capital	-	-
Additional Tier 1 (AT1) capital	-	-
Tier 2 capital before regulatory adjustements	**9,266**	**13,031**
Debentures	9,266	13,031
Regulatory adjustments on Tier 2 capital	-	-
Tier 2 (T2) capital	**9,266**	**13,031**
Total capital (TC)	**308,635**	**288,789**

* The assets raised in the 2017–2018 personnel offerings, EUR 3.9 million, are not included in Common Equity Tier 1 capital.

Own funds by item (EU 1423/2013)

31.12.2019 (1,000 euros)

		Amount on disclosure date	Regulation (EU) N:o 575/2013 Article Reference
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and related share premium accounts	24,000	26(1), 27, 28, 29
	of which: capital stock	24,000	EBA's list 26(3)
2	Retained earnings	121,753	26(1)(c)
3	Accumulated other comprehensive income (and other reserves)	141,842	26(1)
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	21,958	26(2)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**309,553**	
Common Equity Tier (CET1) capital: regulatory adjustments			
7	Other value adjustments (negative amount)	-331	34, 105
8	Immaterial goods (with related tax liabilities deducted) (negative amount)	-9,260	36(1)(b), 37
10	Deferred tax assets dependent on future taxable profits, excluding those resulting from temporary differences (with the related tax liabilities deducted if the conditions of Article 38(3) are met) (negative amount)	-594	36(1)(c), 38
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**-10,184**	
29	**Common Equity Tier 1 (CET1) capital**	**299,369**	
45	**Tier 1 capital (T1=CET1+AT1)**	**299,369**	
Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and related share premium accounts	9,266	62, 63
58	**Tier 2 (T2) capital**	**9,266**	
59	**Total capital (TC=T1+T2)**	**308,635**	
60	**Total risk-weighted assets**	**1,783,648**	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	16.78%	92(2)(a)
62	Tier 1 (as a percentage of total risk exposure amount)	16.78%	92(2)(b)
63	Total capital (as a percentage of total risk exposure amount)	17.30%	92(2)(c)
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)	8.01%	CRD 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	0.01%	
67	of which: systemic risk buffer requirement	1.00%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	16.78%	CRD 128
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	6,550	36(1)(h), 45, 46, 56(c), 59, 60, 66(c), 69, 70
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amouny below 10 % threshold and net of eligible short positions)	13,881	36(1)(i), 45, 48

Capital instruments' main features (EU 1423/2013)

		OMAD012523	Share capital
1	Issuer	Oma Savings Bank Plc	
2	Unique identifier	FI4000282983	N/A
3	Governing law(s) of the instrument	Finnish legislation	Finnish legislation
4	Transitional CRR rules	T2	CET1
5	Post-transitional CRR rules	N/A	CET1
6	Eligible at solo/ (sub-)consolidated/ solo &(sub-)consolidated	individual company and on a consolidated basis / on a sub-consolidation group level	individual company
7	Instrument type (types to be specified by each jurisdiction)	Article 486(4)	Limited Liability Companies Act, chapter 3, section 1, paragraph 1 and Regulation (EU) No. 575/2013 Article 28
8	Amount recognised in regulatory capital (1,000 euros)	9,266	24,000
9	Nominal amount of instrument (1,000 euros)	15,000	N/A
9a	Issue price	100	N/A
9b	Redemption price	100%	N/A
10	Accounting classification	Liability amortised cost, cost	shareholders' shares
11	Original date of issuance	01/11/2017	Continuous
12	Perpetual or dated	dated	perpetual
13	Original maturity date	01/02/2023	no maturity
14	Issuer call subject to prior supervisory approval	yes	no
15	Optional call date, contingent call dates and redemption amount	no redemption option	no redemption option
16	Subsequent call dates, if applicable	no redemption option	no redemption option
17	Fixed or floating dividend/coupon	fixed	
18	Coupon rate and any related index	1.25%	no
19	Existence of a 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 amount)	mandatory	fully discretionary
21	Existence of step up or other incentive to redeem	no	no
22	Noncumulative or cumulative	Noncumulative	Noncumulative
23	Convertible or Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down features	no	no
31	If write-down, write-down trigger(s)	N/A	N/A
32	If write-down, full or partial	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Immediately senior to instrument: Other liabilities	Immediately senior to instrument: Debenture
36	Non-compliant transitioned features	no	no
37	If Yes, specify non-compliant features	N/A	N/A

4.2 Capital requirements

The total capital requirement for banks' own funds consists of the Pillar I minimum capital requirement (8.0%) and various additional own funds requirements. Capital buffer requirements include, but are not limited to, the capital conservation buffer set by the Credit Institution Act (2.5%), the discretionary SREP requirement according to Pillar II, the countercyclical buffer requirement, and the systemic risk buffer. In December 2019, the Finnish Financial Supervisory Authority (FIN-FSA) imposed on Oma Savings Bank Plc the first supervisory review and evaluation process (SREP) requirement of 1.5% based on the supervisory authority's assessment. The requirement will enter into force starting 30 June 2020 and is valid until further notice, but not later than 30 June 2023. The requirement should be covered by the common equity tier 1 capital. FIN-FSA decides on the countercyclical buffer requirement quarterly and a countercyclical buffer requirement has thus far not been imposed on Finnish credit institutions. A buffer requirement in case of structural systemic risk entered into force on 1 July 2019. A systemic risk buffer of 1% to be covered by the consolidated common equity tier 1 capital was set for Oma Savings Bank Plc. The risk buffer requirement is reviewed annually, and on 28 June 2019, the Board of FIN-FSA decided to keep the buffer level unchanged.

Group`s total capital requirement

31.12.2019 (1,000 euros)		**Buffer requirements**						
Capital	**Pillar I minimum capital requirement***	**Pillar II (SREP) capital requirement**	**Capital conservation buffer**	**Countercyclical buffer****	**O-SII**	**Systemic risk buffer**	**Total capital requirement**	
CET1	4.50%	0.00%	2.50%	0.01%	0.00%	1.00%	8.01%	142,832
AT1	1.50%						1.50%	26,755
T2	2.00%						2.00%	35,673
Total	**8.00%**	**0.00%**	**2.50%**	**0.01%**	**0.00%**	**1.00%**	**11.51%**	**205,260**

* It is possible to meet the AT1 and T2 capital requirements with CET1 capital

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

Development of own funds

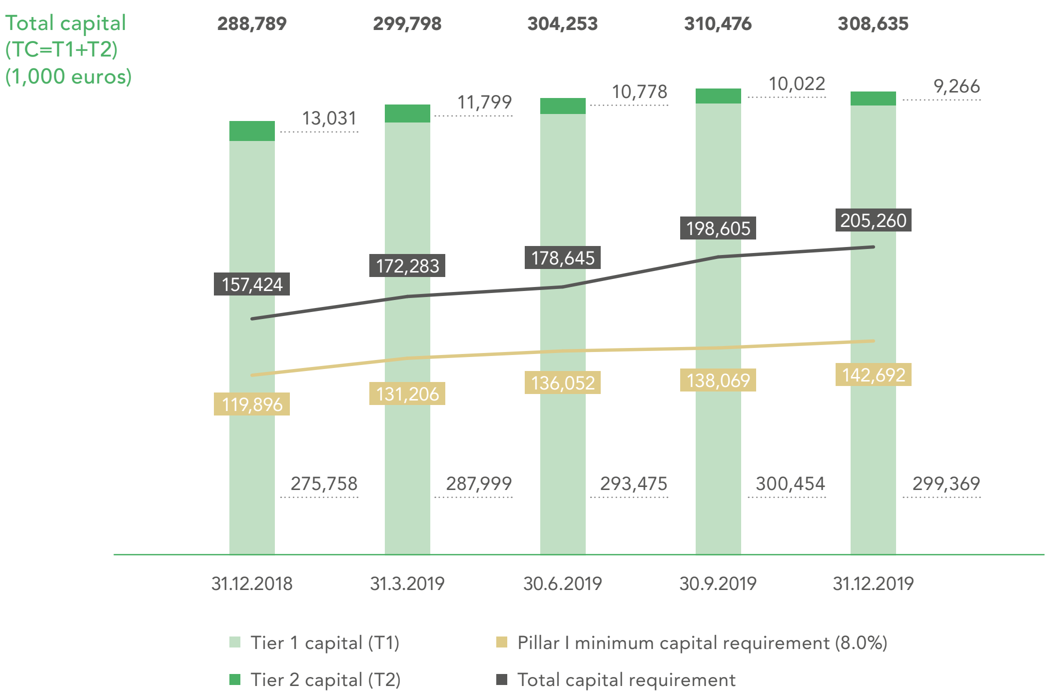


Table 1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer (EU 1555/2015)

31 December 2019 (1,000 euros)		General credit exposures	Own funds requirements		Own funds requirement weights	Countercyclical capital buffer rate
		Exposure value for SA	Of which: General credit exposures	Total		
		010	070	100	110	120
010	**Breakdown by country**					
	Finland*	2,994,470	124,608	124,608	96.86%	0.00%
	Sweden	11,091	95	95	0.0742 %	2.50%
	Norway	17,932	145	145	0.1127 %	2.50%
	Denmark	5,102	41	41	0.0317 %	1.00%
	France	22,283	483	483	0.3753 %	0.25%
	Slovakia	1,619	13	13	0.01007 %	1.50%
	Ireland	20,744	192	192	0.14922 %	1.00%
	Great Britain	4,361	41	41	0.03157 %	1.00%
	Other countries	381,660	3,026	3,026	2.35%	0.00%
020	**Total**	**3,459,261**	**128,643**	**128,643**	**100.0 %**	**0.0079 %**

* Foreign credit exposures <2% of the institution's total risk-weighted exposure amounts may be assigned to an institution's location.

Table 2 – Amount of institution-specific countercyclical capital buffer

31 December 2019 (1,000 euros)		010
010	**Total risk exposure amount**	1,783,648
020	Institution specific countercyclical buffer rate	0.0079 %
030	Institution specific countercyclical buffer requirement	141

4.3 Capital adequacy position

The total capital (TC) ratio of the Oma Savings Bank Group remained strong and was 17.3 (19.3)% at the end of the period. The common equity Tier 1 capital's (CET1) ratio to risk-weighted assets was 16.8 (18.4)%, clearly exceeding the minimum level for the financial goals approved by the Board of Directors, 16%. Risk-weighted assets, EUR 1,783,6 (1,498,7) million, rose by 19.0% on the comparative period, contributing to the weakening of the Group's capital adequacy position. The risk-weighted assets were increased mainly due to the strong growth in the private and corporate customers credit portfolio.

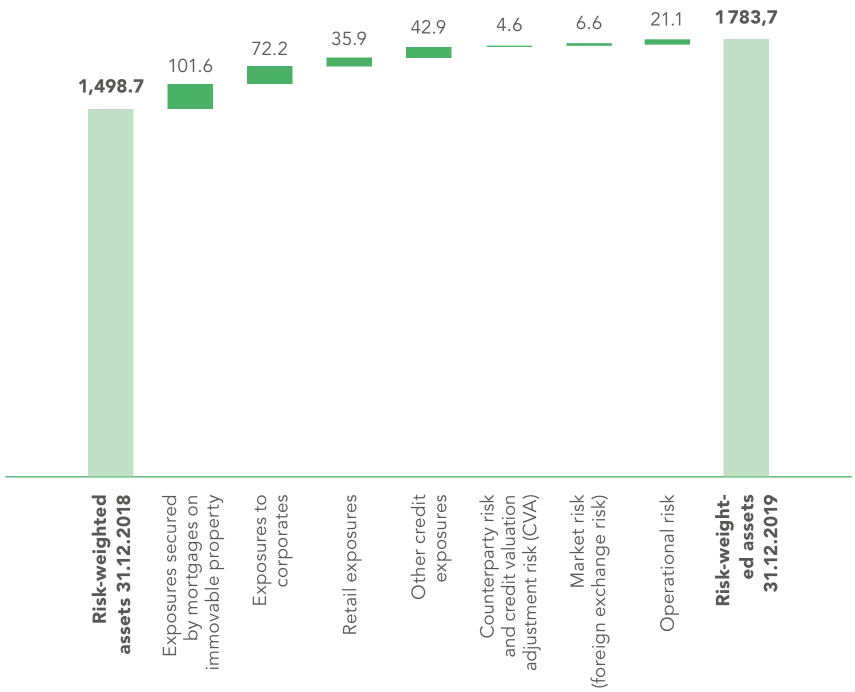
In its capital adequacy calculations, Oma Savings Bank Group applies the standardised approach for credit risks and the basic indicator approach for operative risk. The basic indicator approach is applied when calculating the capital requirement for market risk for the foreign exchange position.

EU OV1 – Overview of RWAs

(1,000 euros)			RWAs		Mimimum capital requirements
			31.12.2019	31.12.2018	31.12.2019
	1	Credit risk (excluding CCR)	1,617,688	1,365,069	129,415
Article 438(c)(d)	2	Of which the standardised approach	1,617,688	1,365,069	129,415
Article 107, Article 438(c)(d)	6	CCR	12,042	7,459	963
Article 438(c)(d)	7	Of which mark to market	3,130	2,058	250
Article 438(c)(d)	12	Of which CVA	8,913	5,401	713
Article 438(e)	19	Market risk	6,598	-	528
	20	Of which the standardised approach	6,598	-	528
Article 438(e)	22	Large exposures	308,635	288,789	24,691
Article 438(f)	23	Operational risk	147,320	126,170	11,786
	24	Of which basic indicator approach	147,320	126,170	11,786
Article 437 (2), Article 48 and Article 60	27	Amounts below the thresholds for deduction (subject to 250% risk weight)	13,881	13,881	1,110
Article 500	28	Floor adjustment	-	-	-
	29	**Total**	**1,783,648**	**1,498,699**	**142,692**

Development of risk-weighted assets

EUR mill.



Development of capital ratios

	31.12.2018	31.3.2019	30.6.2019	30.9.2019	31.12.2019
Common Equity Tier 1 (CET1), %	18.40%	17.56%	17.26%	17.41%	16.78%
Tier 1 Capital ratio, %	18.40%	17.56%	17.26%	17.41%	16.78%
Total capital (TC), %	19.27%	18.28%	17.89%	17.99%	17.30%

4.4 Leverage ratio

Oma Savings Bank's leverage ratio is presented in accordance with the European Commission Delegated Regulation and the figure describes the ratio of the bank's Tier 1 capital to the total exposures. The Oma Savings Bank Group's leverage ratio on 31 December 2019 was strong at 8.6%. At the end of the previous accounting period, it was 9.3%.

The total leverage ratio exposures grew by EUR 510.1 million, resulting mostly from an increase in the loan portfolio for corporate and private customers. Profit for the period and the increase in the fair value reserve contributed to a significant increase in Tier 1 capital. However, exposures increased proportionally more, resulting in a decrease in the leverage ratio.

Oma Savings Bank monitors excessive leverage as part of its capital adequacy management process. An internal minimum target level has been set for the group's leverage ratio as part of risk budgeting included in the overall risk strategy. The CRR2 regulation obligates the maintenance of Tier 1 capital at a minimum of 3%.

Leverage ratio (EU 2016/200)

Table LR SUM: Summary reconciliation of accounting assets and leverage ratio exposures

31 December 2019 (1,000 euros)		Applicable Amount
1	Total assets as per published financial statements	3,416,530
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-
4	Adjustments for derivative financial instruments	8,769
5	Adjustment for securities financing transactions (SFTs)	-
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	65,540
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(7) of Regulation (EU) No 575/2013)	-
EU-6b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(14) of Regulation (EU) No 575/2013)	-
7	Other adjustments	-8,756
8	**Leverage ratio total exposure measure**	**3,482,083**

Table LR COM: Leverage ratio common disclosure

31 December 2019 (1,000 euros)		CRR leverage ratio exposures
On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	3,409,694
2	(Asset amounts deducted in determining Tier 1 capital)	-8,799
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	**3,400,895**
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	6,879
5	Add-on amounts for PFE associated with all derivatives transactions (mark- to-market method)	8,769
EU-5a	Exposure determined under Original Exposure Method	-
11	**Total derivatives exposures (sum of lines 4 to 10)**	**15,648**
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	211,347
18	(Adjustments for conversion to credit equivalent amounts)	-145,807
19	**Other off-balance sheet exposures (sum of lines 17 and 18)**	**65,540**
Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)		
EU-19a	(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
Capital and total exposure measure		
20	Tier 1 capital	299,369
21	**Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)**	**3,482,083**
Leverage ratio		
22	**Leverage ratio**	**8.60%**
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	-
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No 575/2013	-

Table LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

31 December 2019 (1,000 euros)		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	3,409,694
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	3,409,694
EU-4	Covered bonds	97,408
EU-5	Exposures treated as sovereigns	270,931
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	703
EU-7	Institutions	47,492
EU-8	Secured by mortgages of immovable properties	1,939,393
EU-9	Retail exposures	471,551
EU-10	Corporate	444,094
EU-11	Exposures in default	27,282
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	110,841

Table LRQua: Free format text boxes for disclosure on qualitative items

1 Description of processes used to manage risk of excessive leverage

Oma Savings Bank monitors excessive leverage as part of its continuous reporting and an internal minimum target level has been set for the group's leverage ratio as part of risk budgeting which is included in the overall risk strategy.

2 A description of factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers

Oma Savings Bank Group's leverage ratio was 8.60% at the end of the accounting period, compared to 9.28% at the end of the previous accounting period. The leverage ratio has been calculated in accordance with the CRR and the European Commission Delegated Regulation 2015/62. The leverage ratio exposure increased relative higher than tier 1 capital, which resulted in a reduction in the leverage ratio.

5. Credit risk

Credit risk refers to the possibility that a counterparty fails to meet its obligations in accordance with agreed terms and conditions. Oma Savings Bank's credit risk largely originates in loans granted to private customers, SMEs and agriculture and forestry operators. Credit risk and counterparty risk also result from other receivables, such as bonds in the bank's investment portfolio, debt securities and derivative contracts and off-balance sheet commitments, such as undrawn credit facilities and limits, guarantees and letters of credit.

The credit risk included in the investments in the bank's investment portfolio are handled in the bank's market risk strategy.

Oma Savings Bank calculates the credit and counterparty risk capital requirement using the standardised approach. Credit and counterparty risk accounted for some 91% (EUR 1.6 billion) of the bank's risk-weighted assets.

5.1 Structure of credit risk

Oma Savings Bank's credit risk primarily consists of exposures secured by immovable property, retail exposures and exposures to corporates. The share of exposures secured by immovable property of the total exposures is 41.9%, the share of retail exposures is 20.7% and exposures to corporates 27.1%. The share of private customers in the loan portfolio has increased during the financial year since the decline in previous years. Private customers account for 59.8% of the total loan portfolio. The total loan portfolio increased by 17.3% during 2019. The credit portfolio is well diversified geographically and by industry, which reduces the company's concentration risk. The company does not have any customer entity whose liabilities exceed the limit of 10% of bank's own funds (large customer risks) set by the Credit Institutions Act. The company has no material liabilities outside Finland. The risks included in the company's loan portfolio are low in relation to the company's annual income and risk-bearing capacity.

Group's loan portfolio by customer group

Credit balance (1,000 euros)	31.12.2019	30.9.2019	30.6.2019	31.3.2019	31.12.2018
Private customers	1,780,900	1,716,409	1,645,896	1,564,091	1,502,435
-Expected credit losses	-7,866	-7,109	-6,618	-6,051	-6,256
Business customers	641,470	604,241	584,016	563,389	528,739
-Expected credit losses	-9,276	-8,055	-6,495	-5,305	-4,737
Housing association	264,829	264,167	257,392	242,205	243,113
-Expected credit losses	-361	-164	-151	-156	-53
Agriculture, forestry, fishing industry	255,906	257,138	243,675	237,055	231,397
-Expected credit losses	-524	-478	-472	-198	-272
Other	35,457	40,977	40,670	34,013	32,908
-Expected credit losses	-178	-174	-167	-348	-259
Credit balance total	**2,978,562**	**2,882,931**	**2,771,648**	**2,640,753**	**2,538,593**
Expected credit losses total	**-18,206**	**-15,980**	**-13,904**	**-12,058**	**-11,577**

The most significant part of expected credit losses comes from loans to private and corporate customers. The share of housing communities, agricultural and forestry customers and other customers is limited. The increase in expected credit losses was due to the status transition to phase 3 and the increase in credit risk. Expected credit losses were further increased by refinements to the bank's calculation models and individual loan-specific changes based on management judgement. The refinements of the calculation models focused on corporate credit portfolio and changes in status transfers. A monitoring period was introduced in the definition of state transfers, which delays the improvement of the loan phase. As a result of the change, the volatility of expected credit losses is expected to decrease.

Exposures shall be considered non-performing when they have been 90 days past due or are otherwise likely to remain unsettled. NPLs increased by €13.4 million compared to the previous year, representing 1.7% (1.5%) of the loan portfolio. Assets due (30-90 days) at the end of the year totalled EUR 16.6 million (17.4). In certain circumstances, in the event of financial difficulties, the client is granted concessions to the terms of the loan in the form of repayment or credit restructuring, with the aim of safeguarding the client's solvency and avoiding potential credit losses. A prerequisite for granting forbearance measures is that the client's financial difficulties are short-term and temporary. The Group had forbearance exposures totalled EUR 84.1 million (73.4).

Matured and non-performing receivables

(1,000 euros)	31.12.2019	% of credit portfolio	31.12.2018	% of credit portfolio
Matured receivables, 30–90 days	16,610	0.6%	17.419	0.7%
Non-matured or matured less than 90 days, non-repayment likely	14,392	0.5%	9.242	0.5%
Non-performing receivables, 90–180 days	10,725	0.4%	7.327	0.3%
Non-performing receivables, 181 days – 1 year	9,075	0.3%	7.834	0.3%
Non-performing receivables, > 1 year	17,431	0.6%	11.587	0.5%
Matured and non-performing receivables total	**68,233**	**2.3%**	**53.409**	**2.2%**
Performing receivables and matured receivables with forbearances	72,030	2.4%	66.517	2.6%
Defaulted receivables with forbearances	12,118	0.4%	6.843	0.3%
Forbearances total	**84,148**	**2.8%**	**73.359**	**2.9%**

Figures include interest due on items.

Mortgage bank's LTV distribution

LTV	31.12.2019	31.12.2018
0–50%	25.7%	26.7%
50–60%	14.9%	15.2%
60–70%	19.9%	19.5%
70–80%	15.9%	14.3%
80–90%	14.0%	14.7%
90–100%	9.7%	9.7%
>100%	0.0%	0.0%
Total	**100%**	**100%**

The table shows the LTV ratio of the loans used as collateral for bonds covered at the reporting date, based on mortgage bank regulations. In the categories of the table, the total loan amount is shown in that LTV category to which the highest LTV value belongs. For example, a EUR 55,000 loan with a collateral of a EUR 100,000 property, is counted entirely in the LTV category 50–60%.

5.2 Credit risk management

5.2.1 Credit risk management systems

The key principles and goals of credit risk management and the credit risk management procedures are set forth in the credit risk strategy, which is approved by the bank's Board of Directors. Effective credit risk management requires that there are methods for identifying, quantifying, limiting, monitoring and controlling credit risks.

Credit risk management is assessed by the Board of Directors, executive management and risk control function. Compliance with the targets and limits set for lending are monitored by the executive management and the risk control function. The development of credit risks is monitored regularly using different methods. Credit risk monitoring takes into account, for example, the quality, structure, credit shortfall development and non-performing loans of the loan portfolios. Non-performing loans are considered ECL stage 3 loans and stage 2 loans in which the collateral risk is significant. In addition, the development of credit risks is monitored in relation to the set control limits.

The credit risk position is reported regularly to the Board of Directors. The quantitative and qualitative development of the loan portfolio is reported monthly to the Board of Directors. The quantitative and qualitative development of the largest sectors is reported on a quarterly basis. In addition, the Board of Directors receives an annual report on the 15 largest customer entities. The reporting includes, for example, the amount of non-performing receivables, collateral risk, development of the loan portfolio by customer entity, by sector and by credit rating.

The structure of the loan portfolio is monitored per customer group and based on the sector allocation of corporate customers. Risk concentrations are created, for example, if a loan portfolio contains a large amount of loans for a single counterparty or for groups consisting of individual counterparties, specific sectors or geographical areas. Also the maturities of loans and the sufficient diversification of products/instruments is monitored regularly. Of the corporate customer base sectors, the four largest are real estate, agriculture and forestry, wholesale and retail and construction. The development of the sectors in question is regularly monitored and reported on to the bank's management and Board of Directors. Reporting includes, inter alia, the amount of non-performing exposures, collateral risk, credit portfolio development by group of clients, industry and credit rating categories. The development of the volume and quality of the loan portfolio are monthly reported to the Board of Directors. Quarterly reports on the evolution of the number and quality of the largest industries. In addition, the 15 largest groups of clients are reported once a year to the Board of Directors.

Distribution of corporate loans (excluding private customers)

Industry	2019	2018
Real estate	37.8%	38.0%
Agriculture, forestry, fishing industry	21.1%	22.0%
Trade	8.7%	7.8%
Construction	6.6%	6.1%
Industry	4.5%	4.6%
Finance and insurance	4.0%	3.1%
Accommodation and food service activities	3.2%	4.6%
Transportation and storage	2.2%	2.6%
Professional, scientific and technical activities	3.9%	3.2%
Art, entertainment and recreation	1.8%	1.9%
Other lines of business, total	6.2%	6.1%
Total	**100%**	**100%**

The bank monitors past-due exposures, non-performing loans and the development of credit rating distribution and the credit ratings of individual customers. Key account managers continuously monitor payment behaviour, customers' actions and changes in credit ratings to keep track of the amounts of customer-specific liabilities and forms of collateral. Non-performing loans and payment delays are continuously monitored.

5.2.2 Credit granting process

Credits are granted based on and in accordance with the credit granting policy approved by the bank's Board of Directors, following the credit risk strategy approved by the bank's Board of Directors and good lending practices. Credit granting authority requires completion of a credit authorisation test. Customer due diligence is a key part of the credit granting process. Credit decisions are based on the customer's creditworthiness and financial standing as well as the fulfilment of other criteria, such as the collateral requirement. A credit analysis is carried out when making credit decisions, which must provide a sufficient picture of the customer applying for the loan and of the asset to be financed. Creditworthiness is also ensured by testing the ability to pay rising interest rates. The decision levels are determined based on exposures to the customer entities, collateral risk and credit rating. The main rule is the principle of a minimum of two decision makers. Major credit decisions are made by the company's Board of Directors or credit groups, whose meetings are also attended by a risk control representative who is not a quorum member.

The bank's loan portfolio contains only a small amount of wrong-way risk. As a rule, customers with a poor credit rating are not financed. An exception can be a situation in which the financing is critical in terms of the asset used as collateral.

Customers are classified into groups according to their ability to pay. In this grouping, the bank uses its internal assessment, and for corporates, the Rating Alfa credit rating offered by Suomen Asiakastieto, changes in which are regularly updated in the customer's data.

Credit ratings for private customers

Credit ratings (1,000 euros)	2019	%	2018	%
AAA–A	989,810	55.6%	894,445	59.5%
B	546,014	30.7%	427,310	28.4%
C	169,501	9.5%	112,303	7.5%
D	45,036	2.5%	48,615	3.2%
No rating	30,539	1.7%	19,762	1.3%
Private customers	**1,780,900**	**100%**	**1,502,435**	**100%**

Credit ratings of companies and housing companies

Credit ratings (1,000 euros)	2019	%	2018	%
AAA	41,917	4.6%	26,722	3.5%
AA+	329,958	36.4%	284,974	36.9%
AA	95,385	10.5%	105,612	13.7%
A+	164,177	18.1%	140,965	18.3%
A	158,874	17.5%	124,911	16.2%
B	46,688	5.2%	44,092	5.7%
C	51,667	5.7%	40,709	5.3%
D or no rating	17,632	1.9%	3,866	0.5%
Companies and housing corporations	**906,299**	**100%**	**771,852**	**100%**

For private customers, the combined share of the best credit ratings AAA-A and B was 86.3% and decreased slightly compared to the previous year (87.9%). For corporates and housing limited liability companies, the AAA-AA share of the best credit ratings was 51.5% and decreased slightly compared to the previous year (54.1%).

5.2.3 Collateral management

Credit decisions are primarily based on the debtor's debt servicing capability, but credit risk collateral is also relevant. The collateral secures the repayment of the debt. Assessment of collateral and the use of covenants is instructed by the company in the credit risk management quidelines. For the types of collateral, there are valuation percentages established by the Board according to the categories of collateral, and collateral is measured conservatively at fair value. The collateral shall be assessed independently in the context of the credit decision. Housing collateral price developments are monitored quarterly and commercial property prices annually. The collateral assessment is carried out by an entity that is independent of the credit decision and, for the most part, persons with an appropriate degree.

5.2.4 Credit risk adjustments

The company has only specific credit risk adjustments calculated using the expected credit loss model in accordance with IFRS 9 Financial Instruments (ECL, expected credit loss). The ECL model estimates the final credit loss resulting for the bank after the collateral used for the loan has been realised. The calculation of the expected credit losses is based on portfolio-specific calculation rules. The Group's credit portfolio is divided into the following accounting portfolios based on product-specific risk characteristics:

- Loans to housing corporations
- Private customers' home mortgages and consumer credits
- Accounts with overdraft facilities
- Credit cards
- Loans to farmers
- Student loans
- Corporate customer loans

Private customers' home mortgages and consumer credits and corporate customers' loans form the Group's two most significant portfolios. With regard to these two portfolios, the calculation of the expected credit losses is based on the Exposure at Default (EAD), Probability of Default (PD) and the Loss Given Default (LGD). The bank uses the recorded customers' repayment behaviour data, customer-specific ratings and loan-specific collateral values as the basis for determining the parameters. In determining the values of the PD parameters, macro-economic forecasts concerning the future development of the national economy are used.

When calculating home mortgages and consumer credits, the PD parameter used is based on vintage analysis, in which loans are monitored based on their maturity. In terms of corporate loans, the PD parameter is based on a transition matrix describing changes in the customer-specific ratings. The credit rating is a grade assigned by an external party. In less significant portfolios, the PD parameter applied by the bank is a simple loss-rate model.

The Exposure at Default (EAD) is the amount of exposure at the reporting date. Calculation of the EAD takes into account the payments to the loan as stated in the payment plan. However, certain financial instruments include both a loan principal and an undrawn portion of a loan commitment. The undrawn portion of a loan is taken into account in the exposures for the total limit granted. With credit card receivables, EAD calculation applies the so-called CCF coefficient (credit conversion factor) when taking into account undrawn limits.

Loss Given Default (LGD) describes the credit losses' share of the loan capital after loan-specific collateral has been factored in, when the receivable is classified in Stage 3.

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

5.3 Counterparty risk

Counterparty risk results in connection with the investment of liquid assets and asset management, from large individual customer entities and sector concentrations.

Derivatives are used very moderately and only for hedging purposes. Derivatives do not have daily collateral settlements.

5.4 Credit risk tables

EU CRB-B – Total and average net amount of exposures

		a	b
31.12.2019 (1,000 euros)		**Net value of exposures at the end of the period**	**Average net exposures over the period**
16	Central governments or central banks	137,868	150,421
17	Regional governments or local authorities	5,207	3,715
18	Public sector entities	3,142	3,164
21	Instituitions	60,908	135,968
22	Corporates	497,187	467,707
23	*Of which: SMEs*	369,645	359,229
24	Retail	703,951	696,238
25	*Of which: SMEs*	178,256	180,163
26	Secured by mortgages on immovable property	1,991,130	1,874,031
27	*Of which: SMEs*	436,780	404,786
28	Exposures in default	29,047	27,717
29	Items associated with particularly high risk	5,963	2,241
30	Covered bonds	97,408	95,567
32	Collective investments undertaking	26,671	33,551
33	Equity exposures	27,647	27,740
34	Other exposures	41,760	41,274
35	**Total standardised approach**	**3,627,890**	**3,559,332**
36	**Total**	**3,627,890**	**3,559,332**

EU CRB-D – Concentration of exposures by industry or counterparty types

	31.12.2019 (1,000 euros)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	o	q	r	s	t
		Agriculture, forestry and fishing	Mining and quarrying	Manufacturing	Electricity, gas, steam and air conditioning supply	Water supply	Construction	Wholesale and retail trade	Transport and storage	Accommondation and food service activities	Information and communication	Financial and insurance activities	Real estate activities	Professional, scientific and technical activities	Administrative and support services	Public administration, defence, compulsory social security	Education	Human health services and sicial work activities	Arts, entertainment and recreation	Other services	Total
7	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	12,575	-	-	-	109,249	-	-	-	16,045	137,868
8	Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,173	3,035	-	-	-	5,207
9	Public sector entities	-	-	-	-	-	-	-	-	-	-	3,142	-	-	-	-	-	-	-	-	3,142
10	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Instituitions	-	-	-	-	-	-	-	-	-	-	15,648	-	-	-	-	-	-	-	45,260	60,908
13	Corporates	64,436	2,509	35,827	2,921	290	25,662	38,174	6,763	24,973	2,093	37,466	169,563	29,201	3,983	1,106	3,949	4,942	14,548	28,780	497,187
14	Retail	107,387	2,401	16,779	186	2,447	29,380	27,197	10,522	8,494	2,906	3,363	51,368	12,372	7,054	-	1,340	4,360	5,134	411,261	703,951
15	Secured by mortgages on immovable property	96,273	898	24,516	223	1,192	40,009	50,466	12,728	18,054	2,295	16,375	266,913	15,339	10,346	14	1,244	7,885	3,176	1,423,186	1,991,130
16	Exposures in default	3,421	116	463	-	-	2,210	1,394	958	611	-	81	5,378	277	67	-	3	62	61	13,944	29,047
17	Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	5,963	-	-	-	-	-	-	-	-	5,963
18	Covered bonds	-	-	-	-	-	-	-	-	-	-	97,408	-	-	-	-	-	-	-	-	97,408
20	Collective investments undertaking	-	-	-	-	-	-	-	-	-	-	26,671	-	-	-	-	-	-	-	-	26,671
21	Equity exposures	-	-	-	-	-	-	1,090	250	-	-	25,926	143	178	-	-	-	-	60	-	27,647
22	Other exposures	-	-	-	-	-	-	-	-	-	-	247	-	-	-	-	-	-	-	41,513	41,760
23	**Total standardised approach**	**271,516**	**5,924**	**77,585**	**3,331**	**3,929**	**97,261**	**118,320**	**31,221**	**52,131**	**7,294**	**244,867**	**493,364**	**57,367**	**21,450**	**112,542**	**9,571**	**17,249**	**22,979**	**1,979,988**	**3,627,890**
24	**Total**	**271,516**	**5,924**	**77,585**	**3,331**	**3,929**	**97,261**	**118,320**	**31,221**	**52,131**	**7,294**	**244,867**	**493,364**	**57,367**	**21,450**	**112,542**	**9,571**	**17,249**	**22,979**	**1,979,988**	**3,627,890**

EU CRB-E – Maturity of exposures

		a	b	c	d	f
		Net exposure value				
31.12.2019 (1,000 euros)		**On demand**	**≤1 year**	**>1 year ≤ 5 years**	**>5 years**	**Total**
7	Central governments or central banks	-	16,045	17,416	104,408	137,868
8	Regional governments or local authorities	-	-	2,023	2,760	4,782
9	Public sector entities	-	-	-	3,142	3,142
12	Instituitions	44,921	339	15,148	500	60,908
13	Corporates	-	39,047	82,908	325,442	447,397
14	Retail	-	32,091	59,830	502,730	594,650
15	Secured by mortgages on immovable property	-	41,814	90,457	1,807,122	1,939,393
16	Exposures in default	-	2,038	1,782	25,132	28,952
17	Items associated with particularly high risk	-	-	-	5,963	5,963
18	Covered bonds	-	-	23,723	73,686	97,408
20	Collective investments undertaking	-	-	-	26,671	26,671
21	Equity exposures	-	-	-	27,647	27,647
22	Other exposures	-	14,136	61	27,563	41,760
23	**Total standardised approach**	**44,921**	**145,510**	**293,346**	**2,932,766**	**3,416,543**
24	**Total**	**44,921**	**145,510**	**293,346**	**2,932,766**	**3,416,543**

EU CR1-A – Credit quality of exposures by exposure class and instrument

		a	b	c	d	e	f	g
		Gross carrying values of					Credit risk adjustment charges of the period	Net value
31.12.2019 (1,000 euros)		Defaulted exposures	Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs		(a+b-c-d)
16	Central governments or central banks	-	137,868	-		-	-	137,868
17	Regional governments or local authorities	-	5,207	-		-		5,207
18	Public sector entities	-	3,142	-		-	-	3,142
21	Instituitions	-	60,908	-		-	-	60,908
22	Corporates	-	500,019	2,833		5	1,376	497,187
23	*Of which: SMEs*	-	372,403	2,758		5	1,335	369,645
24	Retail	-	710,695	6,534	210	749	2,381	703,951
25	*Of which: SMEs*	-	180,716	2,460		228	998	178,256
26	Secured by mortgages on immovable property	-	1,991,130	-		-	-	1,991,130
27	*Of which: SMEs*	-	436,780	-		-	-	436,780
28	Exposures in default	38,437	-	9,391		4,272	3,748	29,047
29	Items associated with particularly high risk	-	5,963	-		-	-	5,963
30	Covered bonds	-	97,408	-		-	-	97,408
32	Collective investments undertaking	-	26,671	-		-	-	26,671
33	Equity exposures	-	27,647	-		-	-	27,647
34	Other exposures	-	41,760	-		-	-	41,760
35	**Total standardised approach**	**38,437**	**3,608,421**	**18,968**	**210**	**5,025**	**7,505**	**3,627,890**
36	**Total**	**38,437**	**3,608,421**	**18,968**	**210**	**5,025**	**7,505**	**3,627,890**
37	Of which: Loans	38,325	2,960,245	18,144	210	5,025	7,485	2,980,216
38	Of which: Debt securities	-	303,179	-		-	-	303,179
39	Of which: Off-balance-sheet exposures	113	211,860	614			20	211,358

EU CR1-B – Credit quality of exposures by industry or counterparty types

		a	b	c	d	e	f	g
		Gross carrying values of					Credit risk adjustment charges of the period	Net value
31.12.2019 (1,000 euros)		Defaulted exposures	Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs		(a+b-c-d)
1	Agriculture, forestry and fishing	3,873	268,207	564	-	420	273	271,516
2	Mining and quarrying	131	5,809	16	-		15	5,924
3	Manufacturing	702	77,856	973	-	58	414	77,585
4	Electricity, gas, steam and air conditioning supply		3,370	40	-		20	3,331
5	Water supply		3,938	9	-		4	3,929
6	Construction	3,096	96,720	2,556	-	443	1,539	97,261
7	Wholesale and retail trade	2,478	117,932	2,090	-	153	864	118,320
8	Transport and storage	1,504	30,475	757	-	321	188	31,221
9	Accommodation and food service activities	782	51,738	389	-	206	134	52,131
10	Information and communication		7,332	38	-		23	7,294
11	Financial and insurance activities	87	248,203	1,896	-		1,588	246,395
12	Real estate activities	6,901	488,538	2,075	-	440	1,566	493,364
13	Professional, scientific and technical activities	316	57,413	362	-		211	57,367
14	Administrative and support services	83	21,517	150	-		63	21,450
15	Public administration, defence, compulsory social security		112,542		-			112,542
16	Education	3	9,609	41	-	246	-106	9,571
17	Human health services and social work activities	173	17,223	147	-	163	-8	17,249
18	Arts, entertainment and recreation	193	23,049	263	-		-25	22,979
19	Other services	18,113	1,966,950	6,392	210	2,576	741	1,978,461
20	**Total**	**38,437**	**3,608,421**	**18,758**	**210**	**5,025**	**7,505**	**3,627,890**

Template 3: Credit quality of performing and non-performing exposures by past due days

	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount / nominal amount											
	Performing exposures			**Non-performing exposures**								
31.12.2019 (1,000 euros)		**Not past due or past due ≤ 30 days**	**Past due > 30 days ≤ 30 days**		**Unlikely to pay that are not past due or are past due ≤ 90 days**	**Past due > 90 days ≤ 180 days**	**Past due > 180 days ≤ 1 year**	**Past due > 1 year ≤ 2 years**	**Past due > 2 years ≤ 5 years**	**Past due > 5 years ≤ 7 years**	**Past due > 7 years**	**Of which defaulted**
1 Loans and advances	**2,992,061**	**2,975,451**	**16,610**	**51,622**	**14,392**	**10,725**	**9,075**	**10,495**	**5,619**	**583**	**733**	**38,325**
2 *Central banks*	14,743	14,743	-	-	-	-	-	-	-	-	-	-
3 *General government*	2,760	2,760	-	-	-	-	-	-	-	-	-	-
4 *Credit institutions*	45,262	45,262	-	-	-	-	-	-	-	-	-	-
5 *Other financial corporations*	22,415	22,415	-	6	-	-	6	-	-	-	-	6
6 *Non-financial corporations*	849,900	841,444	8,457	15,676	1,456	5,336	2,817	3,321	2,361	350	35	14,653
7 *Of which SMEs*	585,567	577,110	8,457	12,603	1,456	3,761	2,637	2,507	1,861	350	31	11,580
8 *Households*	2,056,981	2,048,827	8,154	35,940	12,936	5,389	6,252	7,173	3,258	234	698	23,665
9 Debt securities	**303,839**	**303,839**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10 *Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
11 *General government*	116,962	116,962	-	-	-	-	-	-	-	-	-	-
12 *Credit institutions*	100,618	100,618	-	-	-	-	-	-	-	-	-	-
13 *Other financial corporations*	44,185	44,185	-	-	-	-	-	-	-	-	-	-
14 *Non-financial corporations*	42,075	42,075	-	-	-	-	-	-	-	-	-	-
15 Off-balance-sheet exposures	**211,400**			**572**								**113**
16 *Central banks*	-			-								-
17 *General government*	425			-								-
18 *Credit institutions*	-			-								-
19 *Other financial corporations*	1,382			-								-
20 *Non-financial corporations*	87,113			357								26
21 *Households*	122,480			215								87
22 Total	**3,507,300**	**3,279,290**	**16,610**	**52,195**	**14,392**	**10,725**	**9,075**	**10,495**	**5,619**	**583**	**733**	**38,437**

Template 4: Performing and non-performing exposures and related provisions

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures
31.12.2019 (1,000 euros)			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
1	**Loans and advances**	**2,992,061**	**2,656,453**	**335,608**	**51,622**	**178**	**51,310**	**-5,594**	**-2,989**	**-2,604**	**-12,612**	**0**	**-12,612**	**-12,558**	**2,803,306**	**34,372**
2	*Central banks*	14,743	14,743	-	-	-	-	-	-	-	-	-	-	-	-	-
3	*General government*	2,760	2,760	-	-	-	-	-	-	-	-	-	-	-	-	-
4	*Credit institutions*	45,262	45,262	-	-	-	-	-	-	-	-	-	-	-	-	-
5	*Other financial corporations*	22,415	22,415	-	6	-	6	-59	-59	-	-6	-	-6	-	19,797	-
6	*Non-financial corporations*	849,900	766,497	83,403	15,676	-	15,584	-4,322	-2,200	-2,123	-4,836	-	-4,836	-6,055	808,757	10,336
7	*Of which SMEs*	585,567	505,860	79,707	12,603	-	12,511	-4,014	-2,006	-2,007	-4,295	-	-4,295	-5,179	549,155	7,857
8	*Households*	2,056,981	1,804,776	252,205	35,940	178	35,719	-1,213	-731	-482	-7,770	-	-7,770	-6,503	1,974,751	24,036
9	**Debt securities**	**303,839**	**259,768**	**11,160**	**-**	**-**	**-**	**-660**	**-569**	**-91**	**-**	**-**	**-**	**-**	**-**	**-**
10	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	*General government*	116,962	116,962	-	-	-	-	-458	-458	-	-	-	-	-	-	-
12	*Credit institutions*	100,618	91,711	8,907	-	-	-	-67	-35	-32	-	-	-	-	-	-
13	*Other financial corporations*	44,185	11,550	-	-	-	-	-1	-1	-	-	-	-	-	-	-
14	*Non-financial corporations*	42,075	39,544	2,253	-	-	-	-134	-76	-59	-	-	-	-	-	-
15	**Off-balance-sheet exposures**	**211,400**	**207,351**	**4,049**	**572**	**-**	**236**	**499**	**377**	**122**	**115**	**-**	**115**		**90,980**	**126**
16	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
17	*General government*	425	425	-	-	-	-	-	-	-	-	-	-		-	-
18	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
19	*Other financial corporations*	1,382	1,382	-	-	-	-	7	7	-	-	-	-		10	-
20	*Non-financial corporations*	87,113	85,637	1,476	357	-	46	261	188	73	7	-	7		37,965	53
21	*Households*	122,480	119,907	2,573	215	-	190	230	181	49	108	-	108		53,005	73
22	**Total**	**3,507,300**	**3,123,572**	**350,817**	**52,195**	**178**	**51,546**	**-5,755**	**-3,182**	**-2,573**	**-12,497**	**0**	**-12,497**	**-12,558**	**2,894,285**	**34,498**

Template 1: Credit quality of forborne exposures

31.12.2019 (1,000 euros)		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing forborne						
		Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
1	**Loans and advances**	**72,030**	**12,118**	**11,425**	**11,953**	**-973**	**-2,956**	**76,898**	**8,717**
2	*Central banks*	-	-	-	-	-	-	-	-
3	*General government*	-	-	-	-	-	-	-	-
4	*Credit institutions*	-	-	-	-	-	-	-	-
5	*Other financial corporations*	-	-	-	-	-	-	-	-
6	*Non-financial corporations*	12,403	4,231	4,231	4,231	-839	-1,312	13,092	2,687
7	*Households*	59,627	7,886	7,193	7,721	-133	-1,645	63,805	6,030
8	Debt securities	-	-	-	-	-	-	-	-
9	Loan commitments given	107	9	8	9	1	2	76	7
10	**Total**	**72,137**	**12,127**	**11,433**	**11,962**	**-972**	**-2,954**	**76,974**	**8,724**

Template 9: Collateral obtained by taking possession and execution processes

31.12.2019 (1,000 euros)		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
1	Property, plant and equipment (PP&E)	-	-
2	Other than PP&E	327	-
3	*Residential immovable property*	281	-
4	*Commercial immovable property*	46	-
5	*Movable property (auto, shipping, etc.)*	-	-
6	*Equity and debt instruments*	-	-
7	*Other*	-	-
8	**Total**	**327**	**-**

EU CR2-A – Changes in the stock of general and specific risk adjustments

31.12.2019 (1,000 euros)		a Accumulated specific credit risk adjustment	b Accumulated general credit risk adjustment
1	**Opening balance**	**11,463**	**-**
2	Increases due to amounts set aside for estimated loan losses during the period	3,030	-
3	Decreases due to amounts reversed for estimated loan losses during the period	-1,448	-
4	Decreases due to amounts taken against accumulated credit risk adjustments	-1,123	-
5	Transfers between credit risk adjustments	4,366	-
8	Other adjustments	2,680	210
9	**Closing Balance**	**18,968**	**210**
10	Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	-82	-
11	Specific credit risk adjustments directly recorded to the statement of profit or loss	2,880	-

EU CR2-B – Changes in the stock of defaulted and impaired loans and debt securities

31.12.2019 (1,000 euros)		a Gross carrying value defaulted exposures
1	**Opening balance**	**27,924**
2	Loans and debt securities that have defaulted or impaired since last reporting period	23,853
3	Returned to non-defaulted status	-4,985
4	Amounts written off	-2,252
5	Other changes	-6,102
6	**Closing balance**	**38,437**

EU CR3 – CRM techniques – Overview

31.12.2019 (1,000 euros)		a Exposures unsecured - Carrying amount	b Exposures secured - Carrying amount	c Exposures secured by collateral	d Exposures secured by financial guarantees
1	Total loans	324,336	2,867,238	2,793,667	73,571
2	Total debt securities	171,432	131,747	94,003	37,745
3	**Total exposures**	**495,768**	**2,998,985**	**2,887,670**	**111,315**
4	Of which defaulted	1,128	27,919	27,386	532

EU CR4 – Standardised approach – Credit risk exposure and CRM effects

		a	b	c	d	e	f
31.12.2019 (1,000 euros)		**Exposures before CCF and CRM**		**Exposures post CCF and CRM**		**RWAs and RWA density**	
	Exposure classes	**On-balance-sheet amount**	**Off-balance-sheet amount**	**On-balance-sheet amount**	**Off-balance-sheet amount**	**RWAs**	**RWA density**
1	Central governments or central banks	137,868	-	236,672	2,157	-	0%
2	Regional governments or local authorities	4,782	425	7,233	404	26	0%
3	Public sector entities	3,142	-	3,715	-	115	3%
4	Multilateral development banks	-	-	24,014	87	-	0%
6	Instituitions	45,260	-	47,492	71	9,513	20%
7	Corporates	447,397	49,790	438,524	18,092	438,456	96%
8	Retail	594,650	109,301	461,061	16,899	334,446	70%
9	Secured by mortgages on immovable property	1,939,393	51,737	1,939,393	21,195	677,903	35%
10	Exposures in default	28,952	95	27,127	27	28,910	106%
11	Exposures associated with particularly high risk	5,963	-	5,963	-	8,945	150%
12	Covered bonds	97,408	-	97,408	-	9,741	10%
14	Collective investments undertaking	26,671	-	26,671	-	26,031	98%
15	Equity	27,647	-	27,647	-	48,468	175%
16	Other items	41,760	-	41,760	-	35,135	84%
17	**Total**	**3,400,895**	**211,347**	**3,384,680**	**58,933**	**1,617,688**	**47%**

EU CR5 – Standardised approach

31.12.2019 (1,000 euros)

	Exposure classes	Risk weight																Total	Of which unrated
		0 %	2 %	4 %	10 %	20 %	35 %	50 %	70 %	75 %	100 %	150 %	250 %	370 %	1250 %	Others	Deducted		
1	Central governments or central banks	238,830	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	238,830	238,830
2	Regional governments or local authorities	7,507	-	-	-	130	-	-	-	-	-	-	-	-	-	-	-	7,637	7,637
3	Public sector entities	3,142	-	-	-	573	-	-	-	-	-	-	-	-	-	-	-	3,715	3,715
4	Multilateral development banks	24,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,100	24,100
6	Institutions	-	-	-	-	47,563	-	-	-	-	-	-	-	-	-	-	-	47,563	47,563
7	Corporates	-	-	-	-	-	-	19,448	-	-	437,168	-	-	-	-	-	-	456,616	456,616
8	Retail	-	-	-	-	-	-	-	-	477,960	-	-	-	-	-	-	-	477,960	477,960
9	Secured by mortgages on immovable property	-	-	-	-	-	1,829,741	130,847	-	-	-	-	-	-	-	-	-	1,960,589	1,960,589
10	Exposures in default	-	-	-	-	-	-	-	-	-	23,643	3,512	-	-	-	-	-	27,154	27,154
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	5,963	-	-	-	-	-	5,963	5,963
12	Covered bonds	-	-	-	97,408	-	-	-	-	-	-	-	-	-	-	-	-	97,408	97,408
14	Collective investments undertaking	1,010	-	-	-	275	-	40	-	-	24,637	686	-	-	23	-	-	26,671	22,569
15	Equity	-	-	-	-	-	-	-	-	-	13,765	-	13,881	-	-	-	-	27,647	27,647
16	Other items	6,626	-	-	-	-	-	-	-	-	35,135	-	-	-	-	-	-	41,760	41,760
17	**Total**	**281,215**	**-**	**-**	**97,408**	**48,541**	**1,829,741**	**150,335**	**-**	**477,960**	**534,348**	**10,160**	**13,881**	**-**	**23**	**-**	**-**	**3,443,614**	**3,439,511**

EU CCR1 – Analysis of CCR exposure by approach

		a	b	c	f	g
31.12.2019 (1,000 euros)		**Notional**	**Replacement cost / current market value**	**Potential future credit exposure**	**EAD post CRM**	**RWAs**
1	Mark to market		6,879	8,769	15,648	3,130
2	Original exposure	-			-	-
3	Standardised approach		-		-	-
4	IMM (for derivatives and SFTs)				-	-
11	**Total**					**3,130**

EU CCR2 – CVA capital charge

		a	b
31.12.2019 (1,000 euros)		**Exposure value**	**RWAs**
1	Total portfolios subject to the advanced method	-	-
2	i) VaR component (including the 3x-multiplier)	-	-
3	ii) SVaR component (including the 3x-multiplier)	-	-
4	All portfolios subject to the standardised method	15,648	8,913
EU4	Based on the original exposure method	-	-
5	Total subject to the CVA capital charge	15,648	8,913

EU CCR3 – Standardised approach – CCR exposures by regulatory portfolio and risk

31.12.2019 (1,000 euros)

		Risk weight		
	Exposure classes	**20%**	**Total**	**Of which unrated**
6	Institutions	15,648	15,648	-
11	**Total**	**15,648**	**15,648**	**-**

5.5 Encumbered and unencumbered assets

Encumbered and unencumbered assets (EU 2017/2295)

Template A – Encumbered and unencumbered assets

31.12.2019 (1,000 euros)		Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
		010	040	060	090
010	**Assets of the reporting institution**	**820,989**		**2,539,769**	
030	Equity instruments	0		13,288	13,356
040	Debt securities	0		305,680	305,680
050	of which: covered bonds	0		97,679	97,679
070	of which: issued by general governments	0		116,812	116,812
080	of which: issued by financial corporations	0		146,970	146,970
090	of which: issued by non-financial corporations	0		41,346	41,346
120	Other assets	820,989		2,233,806	
121	of which: mortgages	820,989		1,793,173	

Template B – Collateral received

31.12.2019 (1,000 euros)		Fair value of encumbered collateral received or own debt securities issued	Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance
		010	040
130	**Collateral received by the reporting institution**		
140	Loans	2,837,677	
141	of which: property collateral	2,711,750	
142	of which: other	125,927	
150	Equity instruments		
160	Debt securities		
230	Other collateral received		
240	**Own debt securities issued other than own covered bonds or asset-backed securities**		

Template C – Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
		010	030
010	**Carrying amount of selected financial liabilities**	**647,196**	**820,989**

Template D – Explanatory information

The encumbered assets consist of loans secured as collateral for covered bonds.
The non-encumbered assets consist mainly of debt securities.

6. Market risk

Oma Savings Bank does not have market risk pursuant to Pillar I, but market risk results from fluctuations in the market prices of investment portfolio securities and the interest rate risk in the banking book. The key asset classes in securities investments is cash (money market instruments) and LCR-qualified bonds, but in addition to these, investments can also be made in other asset classes. The long-term neutral investment model is permanent by nature, i.e. a strategic allocation.

Market risk is managed through the strategy approved by the Board of Directors and conservative risk appetite. Market risk concentration and asset class-specific risk is managed using margin and counterparty limits. Limits are actively monitored and reported.

6.1 Interest rate risk

The interest rate risk to the bank is measured and modelled using net interest income and current value calculation.

The interest rate risk in the banking book forms the majority of the bank's interest rate risk. The interest rate risk results from differences in the interest rate levels and maturities of assets and liabilities. In addition, the market rates impact the market prices of the investment portfolio's securities. The amount of interest rate risk is reported regularly to the Board of Directors, which has set an upper limit for the interest rate risk.

Current value calculations monitor changes in the net present value of interest rate sensitive instruments when the interest rate level changes, during their remaining maturity. Profit-based analysis measures the future expected changes in profitability resulting from interest rate movements in different scenarios.

Interest rate risk is monitored, for example, by measuring changes in the net present value of interest rate sensitive instruments at different interest rate levels. The company uses a balance sheet analysis to measure interest rate risk, which measures the impact of changes in forward rates of one (1) and two (2) percentage points on the forecast of future interest income from 1 to 48 months. Interest rate risk is also measured using several other scenarios, for instance, sudden shocks and linear rate ramps.

Interest rate sensitivity analysis can help to predict the impact of a change in interest rates on the current value of expected future net interest income. Calculations are based on the repayment of loans based on known amortisation plans and the different growth and interest rate forecasts for different balance sheet items. The bank also evaluates several other scenarios, in which, for instance, an exceptional amount of loans is paid early or an exceptional amount of undated deposits are withdrawn. The calculations also take into account the impact of particularly exceptional interest rate changes on the development of net interest income.

For reducing the interest rate risk, the bank uses derivatives and includes loan terms that prevent the reduction of the interest rate especially in loan agreements made with business customers. Changes in exchange rates do not cause significant variation in the net interest income, because the amount of foreign exchange risk is low.

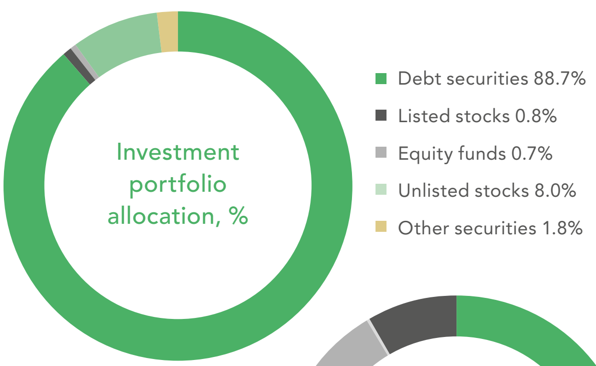
Company interest rate risk sensitivity to 1% change in interest rate

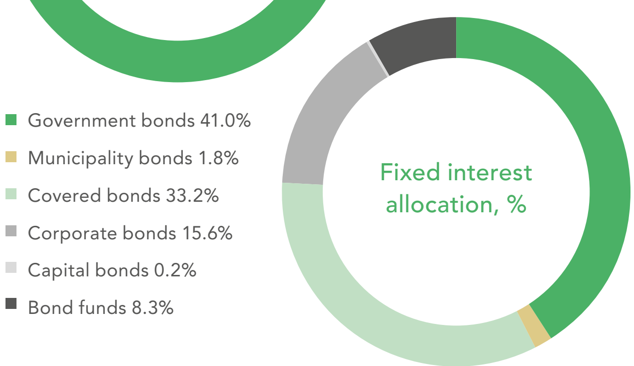
Net interest income (NII) (EUR mill.)	31.12.2019	31.12.2018
+100bps	4.6	6.0
-100bps	1.1	-1.8
Economic value (EV) (EUR mill.)	**31.12.2019**	**31.12.2018**
+100bps	2.6	7.9
-100bps	2.7	12.0

6.2 Spread risk

The bank is subject to spread risk due to the fluctuations in the market prices of the investment portfolio's bonds. The spread risk is related to the credit ratings of the instruments' issuers and the markets' general sentiment towards credit risk-linked instruments.

The bank's investment portfolio consists mainly of low-risk fixed income investments because High Yield bonds form less than two per cent of the portfolio and the other bonds are Investment Grade obligations to EU states. The bank's Board of Directors is provided with regular reports on the content of the investment portfolio and its largest counterparties. The investment portfolio's market value on 31 December 2019 was EUR 330.54 million.





The bank manages the market risk of its investment portfolio by concentrating the structure of the investment portfolio on issuers and instruments that have an Investment Grade credit rating and high liquidity on the markets. Additionally, the bank complies with the counterparty risks approved by the Board of Directors, which are regularly reported to the bank's management.

The bank's spread risk is calculated regularly using an internal calculation model and the amount of spread risk is reported regularly to the Board of Directors. The calculation model is based on the Value at Risk model, which calculates the maximum loss at a 95-per-cent confidence level on a 12-month horizon. In addition, the allocations used in the model are monitored regularly to avoid tail risk.

7. Operational risk

Operational risk means a consequence or risk of loss resulting from inadequate or deficient internal processes, systems or people or external factors. Also reputational, legal, compliance and information security risks and risks related to money laundering and the funding of terrorism are included in operational risks. Outsourced functions also generate operational risk. Realised operational risks can lead to financial losses or a loss of reputation for the bank.

Operational risk forms a significant risk area for Oma Savings Bank. It is typical for operational risk that any losses resulting from the risk are not always easy to measure. Reasons for this may include the delayed realisation of the risk or that the risks, when they are realised, cannot be quantified as concrete financial losses.

Oma Savings Bank's main source of operational risk is the ongoing renewal of the banking platform. If the risks were realised, the cost of the project could increase and other development projects could be delayed. Other key operational risk sources include disturbances in the functioning of IT systems, damage and errors caused by the launching of new products and services and the personnel's actions, damage to property and non-compliance with regulations.

Oma Savings Bank calculates the operational risk in accordance with Pillar I using the basic indicator approach for the capital requirement. This amount in 2019 was EUR 1147.3 (126.2), of which the requirement of own funds was EUR 11.8 million. The growth results from significant growth in gross income and net interest income and fee and commission income.

Operational risk

(1,000 euros)	2019	2018	2017
Gross income	94,055	76,253	65,404
The revenue indicator	14,108	11,438	9,811
Requirement for own funds of operational risk			11,786
Risk-weighted amount of operational risk			**147,320**

In the management of operational risk, the bank's main objective is to manage reputation risk and to ensure the continuity of business activities and compliance with regulations in the short and long term. Operational risk management ensures that the values and strategy of Oma Savings Bank are achieved throughout the business activities. Operational risk management covers all material risks related to business activities.

Operational risk management is applied in all of the bank's business units by identifying, measuring, monitoring and assessing the operational risks linked to the units. The business units also assess the likelihood of the risks and their impacts if the risks materialise. The bank-wide process allows the management to assess the extent of any losses stemming from operational risk if the risk were to materialise. The risk assessment process is updated at least once a year and always when the business's operational environment changes.

As part of operational risk management, the bank aims to reduce the likelihood of operational risk through its internal code of conduct and by training personnel. The control points defined for the processes and internal control are also a key component of preventing operational risk. The bank reduces the impact of operational risk also by maintaining insurance for real estate and the fixed assets it owns. Every employee is responsible for operational risk management in his/her work. Materialised operational risks are reported to the management teams of the business lines.

The bank's risk management function monitors, controls and reports on operational risks. The bank's management receives risk assessments and a report on materialised risks at least annually from the business lines, based on which a separate operational risk matrix is compiled, which is reported to the Board of Directors. Based on the created process, the Board of Directors can form an overall picture of the operational risks targeting the business activities and their possible impacts on the bank. The risk identification process helps the Board of Directors to decide on risk management measures and the focal areas with regard to operational risk.

New products, services and suppliers of outsourced services are separately approved through the bank's separate approval process before their adoption.

The approval process ensures that new products and services are planned, appropriate and their documentation is appropriate and sufficient. The approval process ensures that the risks related to new products and services are appropriately identified and assessed. The same approval process is also applied when existing products are developed.

8. Liquidity risk

Liquidity risk can be defined as the difference in the balance between incoming and outgoing cash flows. The risk may materialise if the bank cannot meet its maturing payment obligations or an acceptable balance is not achieved within the limits of tolerable costs. The bank's greatest liquidity risks arise from the maturity difference in borrowing and lending.

The group's liquidity ratio (LCR) remained good, coming to 140.1 (134.8)% at the end of the period. The minimum LCR is 100%.

Liquidity coverage ratio (LCR)

	31.12.2019		31.12.2018	
(EUR mill.)	**Market value**	**Buffer value**	**Market value**	**Buffer value**
Level 1a	**133.6**	**133.6**	**134.7**	**134.7**
Assets from regional governments or local authorities	6.6	6.6	7.6	7.6
Funds from central administrations	-	-	10.9	10.9
Central bank reserves available for withdraw	127.0	127.0	116.2	116.2
Level 1b	**91.6**	**85.2**	**69.9**	**65.0**
High-quality covered bonds level 1	91.6	85.2	69.9	65.0
Level 2A	**37.2**	**31.6**	**23.7**	**20.2**
High-quality covered bonds (third country) level 1	5.8	4.9	5.7	4.9
Corporate bonds level 1	31.4	26.7	18.0	15.3
Level 2B	**5.3**	**2.7**	**2.9**	**1.5**
Listed stocks	1.1	0.5		
Corporate bonds level 2	4.2	2.1	2.9	1.5
Total.	**267.72**	**253.07**	**231.25**	**221.34**
Liquidity out flow		**204.70**		**186.26**
Liquidity in flow		**24.09**		**22.05**
LCR %		**140%**		**135%**

Another significant key figure in terms of liquidity management is the Net Stable Funding Ratio (NSFR), which was 147.6 (135.0)% in 2019. The minimum level for the requirement is 100%.

Net Stable Funding Ratio (NSFR)

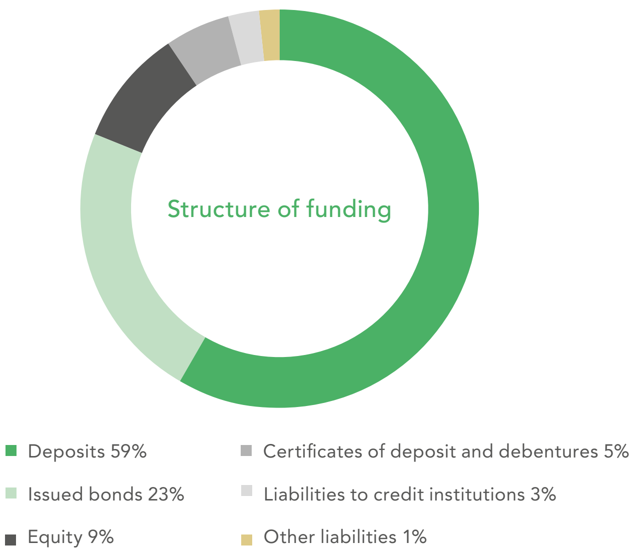
(EUR mill.)	31.12.2019	31.12.2018
Available stable funding	2,671	2,271
Required stable funding	1,809	1,682
Net Stable Funding Ratio (NSFR)	147.6%	135.0%

Conservative risk appetite is used to manage the bank's liquidity risk. The management of Oma Savings Bank's liquidity risk is based on the bank's ability to procure sufficient cash that is competitive in price in both the short and long term. A key component of liquidity risk management is the planning of the liquidity position in both the short and long term. Additionally, by planning the liquidity reserve, the bank can prepare for weakening economic trends on the markets and for any changes to legislation. The goal of the bank's liquidity reserve is to cover one month's outflows.

LCR & NSFR quarterly development

	31.12.2019	30.9.2019	30.6.2019	31.3.2019
LCR (%)	140%	146%	154%	459%
NSFR (%)	148%	159%	160%	142%

Liquidity risk management is supported by active risk management, monitoring of the balance sheet and cash flows and internal calculation models. The bank's liquidity and balance of the balance sheet are monitored daily by the bank's Treasury unit. The main objective of the Treasury unit is to ensure that the liquidity position always remains above the regulated and internally set threshold values. The unit monitors and measures the amount of incoming and outgoing cash flows and assesses the possible occurrence of liquidity shortfalls over the course of the day. The continuous monitoring of the liquidity situation is important so that the bank can manage outgoing cash flows.



Liquidity risk is also managed through the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) key figures. LCR measures the sufficiency of liquid assets in stress conditions over 30 days. NSFR measures the amount of available stable funding in relation to required stable funding. The Board of Directors has set limits for these key figures, and they are monitored to ensure they remain within the limits. In addition to regulatory requirements, the bank's own additional buffers have been set for the ratios. The Board of Directors has also set a limit for the ratio between lending and borrowing.

The bank's liquidity risk is also managed by monitoring and forecasting changes in market factors and market development. If forecasts show that market liquidity is falling, the bank can set tighter internal limits for liquidity risk management. Liquidity risk management also includes liquidity reserve management. This ensures that the bank has sufficient amounts of liquid securities available to cover the collateral requirements of different business activities.

The concentration of liquidity risk is linked to the customer segments and liquidity portfolio. Liquidity concentration risks linked to the customer segments are managed by using segment-specific cash flow factors. The size and quality of the liquidity portfolio is also continuously assessed. Any changes in cash flow factors are taken into consideration and the liquidity portfolio is balanced accordingly. The bank manages liquidity risks by diversifying borrowing to several different sources, by which the bank reduces the concentration risk resulting from individual sources of cash.

In addition, the bank has a recovery plan in case of a weakening in the liquidity position. The plan allows the bank to understand the possible measures to take when a crisis strikes.

The Treasury unit is responsible for the bank's reporting. Liquidity key figures are reported to the management regularly. The management reports to the Board of Directors. Additionally, the internal calculation models for liquidity risk are assessed at least once a year by risk management.

EU LIQ1 – LCR disclosure template and the template on qualitative information on the LCR

31.12.2019 (1,000 euros)

Scope of consolidation: consolidated									
Currency and units (1,000 euros)		Total unweighted value (average)				Total weighted value (average)			
Quarter ending on (DD Month YYYY)		31.12.2019	30.9.2019	30.6.2019	31.3.2019	31.12.2019	30.9.2019	30.6.2019	31.3.2019
Number of data points used in the calculation of averages		12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					270,748	265,707	255,355	226,667
CASH – OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	1,480,985	1,453,687	1,426,234	1,395,161	91,638	91,092	89,757	87,357
3	*Stable deposits*	1,231,974	1,201,236	1,176,595	1,155,863	61,599	60,062	58,830	57,793
4	*Less stable deposits*	249,011	252,452	249,639	239,298	30,040	31,030	30,927	29,564
5	Unsecured wholesale funding	226,880	222,908	215,638	196,898	126,602	124,372	119,109	103,900
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*								
7	*Non-operational deposits (all counterparties)*	185,567	176,561	169,956	162,718	85,289	78,025	73,428	69,720
8	*Unsecured debt*	41,313	46,347	45,681	34,180	41,313	46,347	45,681	34,180
9	Secured wholesale funding								
10	Additional requirements	191,873	193,768	193,330	199,663	11,211	11,239	11,432	11,693
11	*Outflows related to derivative exposures and other collateral requirements*	500	500	500	500	500	500	500	500
12	*Outflows related to loss of funding on debt products*	36	36	36	36	36	36	36	36
13	*Credit and liquidity facilities*	191,337	193,231	192,794	199,127	10,675	10,702	10,896	11,157
14	*Other contractual funding obligations*	1,015	1,165	1,483	1,552	464	713	1,046	1,062
15	*Other contingent funding obligations*	19,763	19,763	19,763	19,763	8	2		
16	**TOTAL CASH OUTFLOWS**					**229,924**	**227,418**	**221,344**	**204,012**
CASH – INFLOWS									
17	Secured lending (e.g. reverse repos)								
18	Inflows from fully performing exposures	46,434	44,536	44,938	43,300	21,042	19,595	19,154	18,344
19	Other cash inflows	58,860	59,375	59,191	67,606	42,046	42,460	41,084	49,584
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
EU-19b	(Excess inflows from a related specialised credit institution)								
20	**TOTAL CASH INFLOWS**	**105,294**	**103,911**	**104,128**	**110,906**	**63,088**	**62,055**	**60,238**	**67,928**
EU-20a	*Fully exempt inflows*								
EU-20b	*Inflows subject to 90% cap*								
EU-20c	*Inflows subject to 75% cap*	105,294	103,911	104,128	110,906	63,088	62,055	60,238	67,928
						Total adjusted value			
21	**LIQUIDITY BUFFER**					**270,748**	**265,707**	**255,355**	**226,667**
22	**TOTAL NET CASH OUTFLOWS**					**181,020**	**179,547**	**175,291**	**150,269**
23	**LIQUIDITY COVERAGE RATIO (%)**					**169.8%**	**168.0%**	**165.7%**	**178.9%**

The high LCR average in the EU LIQ1 table is largely due to a covered bond issued in March 2019, which increases the average LCR by about 20–30%.

9. Summary table

435 Risk management objectives and policies

1		Reference
a)	the strategies and processes to manage those risks;	Report of Board of Directors
b)	the structure and organisation of the relevant Risk Control function including information on its authority and statute, or other appropriate arrangements;	Report of Board of Directors
c)	the scope and nature of risk reporting and measurement systems	Financial statements, Note K1
d)	the policies for hedging and mitigating risk, and the strategies and processes for monitoring the continuing effectiveness of hedges and mitigants	Report of Board of Directors
e)	a declaration approved by the management body on the adequacy of risk management arrangements of the institution providing assurance that the risk management systems put in place are adequate with regard to the institution's profile and strategy	CAR, chapter 1.1
f)	a concise risk statement approved by the management body succinctly describing the institution's overall risk profile associated with the business strategy	CAR, chapter 1.2
2		
a)	the number of directorships held by members of the management body	https://sijoittaminen.omasp.fi/en/board-and-its-committees
b)	the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise	Oma Savings Bank Plc's Remuneration statement
c)	the policy on diversity with regard to selection of members of the management body, its objectives and any relevant targets set out in that policy, and the extent to which these objectives and targets have been achieved;	Oma Savings Bank Plc's Remuneration statement
d)	whether or not the institution has set up a separate risk committee and the number of times the risk committee has met;	https://sijoittaminen.omasp.fi/en/board-and-its-committees
e)	the description of the information flow on risk to the management body.	Report of Board of Directors

436 Scope of application

			Reference
a)		the name of the institution to which the requirements of this Regulation apply	Table EU LI3
b)		an outline of the differences in the basis of consolidation for accounting and prudential purposes, with a brief description of the entities therein, explaining whether they are:	
	i)	fully consolidated;	Table EU LI3
	ii)	proportionally consolidated;	Not applicable.
	iii)	deducted from own funds;	Not applicable.
	iv)	neither consolidated nor deducted;	Not applicable.
c)		any current or foreseen material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities among the parent undertaking and its subsidiaries;	Not applicable.
d)		the aggregate amount by which the actual own funds are less than required in all subsidiaries not included in the consolidation, and the name or names of such subsidiaries	Not applicable.
e)		if applicable, the circumstance of making use of the provisions laid down in Articles 7 and 9.	Not applicable.

437 Own funds

1			Reference
a)		a full reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and filters and deductions applied pursuant to Articles 32 to 35, 36, 56, 66 and 79 to own funds of the institution and the balance sheet in the audited financial statements of the institution;	Table Own funds
b)		a description of the main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the institution;	Table Capital instruments' main features (EU 1423/2013)
c)		the full terms and conditions of all Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Tier 2 (T2) instruments	Table Capital instruments' main features (EU 1423/2013)
d)		separate disclosure of the nature and amounts of the following:	
	i)	each prudential filter applied pursuant to Articles 32 to 35;	Table Own funds by item (EU 1423/2013)
	ii)	each deduction made pursuant to Articles 36, 56 and 66;	Table Own funds by item (EU 1423/2013)
	iii)	items not deducted in accordance with Articles 47, 48, 56, 66 and 79;	Table Own funds by item (EU 1423/2013)
e)		a description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments, prudential filters and deductions to which those restrictions apply;	Not applicable.
f)		where institutions disclose capital ratios calculated using elements of own funds determined on a basis other than that laid down in this Regulation, a comprehensive explanation of the basis on which those capital ratios are calculated.	Not applicable. Oma Savings Bank does not use other elements of own fund calculation than described in CRR 575/2013.

438 Capital requirements

		Reference
a)	A summary of the institution's approach to assessing the adequacy of its internal capital to support current and future activities	CAR, chapter 3
b)	Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process including the composition of the additional own funds requirements	CAR, chapter 3 and 4
c)	for institutions calculating the risk-weighted exposure amounts in accordance with Chapter 2 of Part Three, Title II, 8 % of the risk-weighted exposure amounts for each of the exposure classes specified in Article 112	Table EU OV1
d)	for institutions calculating risk-weighted exposure amounts in accordance with Chapter 3 of Part Three, Title II, 8 % of the risk-weighted exposure amounts for each of the exposure classes specified in Article 147:	Not applicable. Oma Savings Bank does not use IRB approach.
e)	own funds requirements calculated in accordance with points (b) and (c) of Article 92(3,) i.e capital requirements for market risk	Not applicable.
f)	own funds requirements calculated in accordance with Part Three, Title III, Chapters 2, 3 and 4 and disclosed separately	Table EU OV1

439 Exposure to counterparty credit risk

		Reference
a)	a discussion of the methodology used to assign internal capital and credit limits for counterparty credit exposures	Not applicable.
b)	a discussion of policies for securing collateral and establishing credit reserves	CAR, chapter 5
c)	a discussion of policies with respect to wrong-way risk exposures	CAR, chapter 5
d)	a discussion of the impact of the amount of collateral the institution would have to provide given a downgrade in its credit rating	Not applicable.
e)	Gross positive fair value of contracts, netting benefits, netted current credit exposure, collateral held and net derivatives credit exposure. Net derivatives credit exposure is the credit exposure on derivatives transactions after considering both the benefits from legally enforceable netting agreements and collateral arrangements	Table CR1, CCR2, CCR3
f)	measures for exposure value under the methods set out in Part Three, Title II, Chapter 6, Sections 3 to 6 whichever method is applicable	Table CCR1, CCR2
g)	the notional value of credit derivative hedges, and the distribution of current credit exposure by types of credit exposure	Not applicable.
h)	the notional amounts of credit derivative transactions, segregated between use for the institution's own credit portfolio, as well as in its intermediation activities, including the distribution of the credit derivatives products used, broken down further by protection bought and sold within each product group	Not applicable.
i)	estimate of alpha if the institution has received permission from the competent authorities to estimate alpha	Not applicable.

440 Capital buffers

		Reference
a)	the geographical distribution of its credit exposures relevant for the calculation of its countercyclical capital buffer;	Table 1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer (EU 1555/2015)
b)	the amount of its institution specific countercyclical capital buffer.	Table 1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer (EU 1555/2015)

441 Indicators of global systemic importance

Not applicable. Oma Savings Bank is not identified as global systemically important bank.

442 Credit risk adjustments

			Reference
a)		the definitions for accounting purposes of 'past due' and 'impaired'	CAR, chapter 5
b)		a description of the approaches and methods adopted for determining specific and general credit risk adjustments	CAR, chapter 5
c)		the total amount of exposures after accounting offsets and without taking into account the effects of credit risk mitigation, and the average amount of the exposures over the period broken down by different types of exposure classes	Table EU CRB-B
d)		the geographic distribution of the exposures, broken down in significant areas by material exposure classes, and further detailed if appropriate	Not to be published. No significant exposures outside Finland.
e)		the distribution of the exposures by industry or counterparty type, broken down by exposure classes, including specifying exposure to SMEs, and further detailed if appropriate;	Table EU CRB-D
f)		the residual maturity breakdown of all the exposures, broken down by exposure classes, and further detailed if appropriate	Table EU CRB-E
g)		by significant industry or counterparty type, the amount of	
	i)	impaired exposures and past due exposures, provided separately	CAR, chapter 5
	ii)	specific and general credit risk adjustments	CAR, chapter 5
	iii)	charges for specific and general credit risk adjustments during the reporting period	CAR, chapter 5
h)		The amount of the impaired exposures and past due exposures, provided separately, broken down by significant geographical areas including, if practical, the amounts of specific and general credit risk adjustments related to each geographical area	Not to be published. No significant exposures outside Finland.
i)		the reconciliation of changes in the specific and general credit risk adjustments for impaired exposures, shown separately. The information shall comprise:	
	i)	a description of the type of specific and general credit risk adjustments	CAR, chapter 5
	ii)	the opening balances	Table EU CR2-A and EU CR2-B
	iii)	the amounts taken against the credit risk adjustments during the reporting period	Table EU CR2-A and EU CR2-B
	iv)	the amounts set aside or reversed for estimated probable losses on exposures during the reporting period, any other adjustments including those determined by exchange rate differences, business combinations, acquisitions and disposals of subsidiaries, and transfers between credit risk adjustments	Table EU CR2-A and EU CR2-B
	v)	the closing balances	Table EU CR2-A and EU CR2-B

443 Unencumbered assets

Table Encumbered and unencumbered assets (EU 2017/2295)

444 Use of External Credit Assesment Institutions

		Reference
a)	the names of the nominated ECAIs and ECAs and the reasons for any changes	Not applicable.
b)	the exposure classes for which each ECAI or ECA is used	Not applicable.
c)	a description of the process used to transfer the issuer and issue credit assessments onto items not included in the trading book	Not applicable.
d)	the association of the external rating of each nominated ECAI or ECA with the credit quality steps prescribed in Part Three, Title II, Chapter 2, taking into account that this information needs not be disclosed if the institution complies with the standard association published by EBA	Not applicable.
e)	the exposure values and the exposure values after credit risk mitigation associated with each credit quality step prescribed in Part Three, Title II, Chapter 2 as well as those deducted from own funds	Table EU CR4

445 Exposure to market risk

		Reference
	The institutions calculating their own funds requirements in accordance with points (b) and (c) of Article 92(3) shall disclose those requirements separately for each risk referred to in those provisions. In addition, the own funds requirement for specific interest rate risk of securitisation positions shall be disclosed separately	Not applicable. Oma Savings Bank does not have a trading book.

446 Operational risk

		Reference
	institutions shall disclose the approaches for the assessment of own funds requirements for operational risk that the institution qualifies for; a description of the methodology set out in Article 312(2), if used by the institution, including a discussion of relevant internal and external factors considered in the institution's measurement approach, and in the case of partial use, the scope and coverage of the different methodologies used.	CAR, chapter 7

447 Exposures in equities not included in the trading book

		Reference
a)	the differentiation between exposures based on their objectives, including for capital gains relationship and strategic reasons, and an overview of the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation and any significant changes in these practices	Not applicable.
b)	the balance sheet value, the fair value and, for those exchange-traded, a comparison to the market price where it is materially different from the fair value	Not applicable.
c)	the types, nature and amounts of exchange-traded exposures, private equity exposures in sufficiently diversified portfolios, and other exposures	Not applicable.
d)	the cumulative realised gains or losses arising from sales and liquidations in the period	Not applicable.
e)	the total unrealised gains or losses, the total latent revaluation gains or losses, and any of these amounts included in the original or additional own funds	Not applicable.

448 Exposure to interest rate risk on positions not included in the trading book

		Reference
a)	the nature of the interest rate risk and the key assumptions (including assumptions regarding loan prepayments and behaviour of non-maturity deposits), and frequency of measurement of the interest rate risk	CAR, chapter 6
b)	the variation in earnings, economic value or other relevant measure used by the management for upward and downward rate shocks according to management's method for measuring the interest rate risk, broken down by currency	CAR, chapter 6

449 Exposure to securisation positions

Not applicable. Oma Savings Bank does not have securisation positions.

450 Remuneration policy

1			Reference
a)		information concerning the decision-making process used for determining the remuneration policy, as well as the number of meetings held by the main body overseeing remuneration during the financial year, including, if applicable, information about the composition and the mandate of a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders	Remuneration statement
b)		information on link between pay and performance	Not to be published.
c)		the most important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, deferral policy and vesting criteria	Remuneration statement; deferral practices not in use.
d)		the ratios between fixed and variable remuneration set in accordance with Article 94(1)(g) of Directive 2013/36/EU	Remuneration statement
e)		information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based	Not applicable.
f)		the main parameters and rationale for any variable component scheme and any other non-cash benefits	Remuneration statement
g)		aggregate quantitative information on remuneration, broken down by business area	Remuneration statement
h)		aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the institution, indicating the following	
	i)	the amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries	Notes to the financial statements.
	ii)	the amounts and forms of variable remuneration, split into cash, shares, share-linked instruments and other types	All rewards happen in cash money
	iii)	the amounts of outstanding deferred remuneration, split into vested and unvested portions	Not applicable. Fees have not been dereffed.
	iv)	the amounts of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments	Not applicable. Fees have not been dereffed or reduced.
	v)	new sign-on and severance payments made during the financial year, and the number of beneficiaries of such payments	Not applicable. No paid start-up and severancy pay during the financial year.
	vi)	the amounts of severance payments awarded during the financial year, number of beneficiaries and highest such award to a single person	Not applicable. No paid start-up and severancy pay during the financial year.
i)		the number of individuals being remunerated EUR 1 million or more per financial year, for remuneration between EUR 1 million and EUR 5 million broken down into pay bands of EUR 500 000 and for remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million	Not applicable.
j)		upon demand from the Member State or competent authority, the total remuneration for each member of the management body or senior management.	Not applicable.
2		For institutions that are significant in terms of their size, internal organisation and the nature, scope and the complexity of their activities, the quantitative information referred to in this Article shall also be made available to the public at the level of members of the management body of the institution.	The remuneration statement includes the remuneration of the Board of Directors and the financial statements include the remuneration of the CEO and the Deputy CEO, the rest of the Management Team only as a total.

451 Leverage

		Reference
a)	the leverage ratio and how the institution applies Article 499(2) and (3)	CAR, chapter 4.4
b)	a breakdown of the total exposure measure as well as a reconciliation of the total exposure measure with the relevant information disclosed in published financial statements	CAR, chapter 4.4
c)	where applicable, the amount of derecognised fiduciary items in accordance with Article 429(11)	CAR, chapter 4.4
d)	a description of the processes used to manage the risk of excessive leverage	CAR, chapter 4.4
e)	a description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers	CAR, chapter 4.4

452 Use of the IRB approach to credit risk

Not applicable. Oma Savings Bank does not use IRB approach.

453 Use of credit risk mitigation techniques

		Reference
a)	The policies and processes for, and an indication of the extent to which the entity makes use of, on- and off- balance sheet netting	Not applicable.
b)	The policies and processes for collateral valuation and management	CAR, chapter 5
c)	A description of the main types of collateral taken by the institution	CAR, chapter 5
d)	the main types of guarantor and credit derivative counterparty and their creditworthiness	CAR, chapter 5
e)	information about market or credit risk concentrations within the credit mitigation taken;	Not applicable.
f)	for institutions calculating risk-weighted exposure amounts under the Standardised Approach or the IRB Approach, but not providing own estimates of LGs or conversion factors in respect of the exposure class, separately for each exposure class, the total exposure value (after, where applicable, on- or off-balance sheet netting) that is covered — after the application of volatility adjustments — by eligible financial collateral, and other eligible collateral;	Not applicable.
g)	for institutions calculating risk-weighted exposure amounts under the Standardised Approach or the IRB Approach, separately for each exposure class, the total exposure	Not applicable.

454 Use of the advanced measurement approaches to operational risk

Not applicable. Oma Savings Bank uses basic indicator approach for calculation of operational risk.

455 Use of internal market risk models

Not applicable. Oma Savings Bank uses standardised approach for calculation of market risk.