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Q3/2019

**Oma Savings Bank Group**

Interim Report 30 September 2019



Interim Report 30 September 2019 is a translation of the original Finnish version "Osavuositarkastus 30.9.2019". If discrepancies occur, the Finnish version is dominant.

# Continued solid growth in business volumes – record-high profit

- Net interest income grew in in July–September by 16.0% and January–September by 18.3% and compared to the same period last year.
- Our home mortgage portfolio grew strongly: by 4.6% during July–September and 15.2% in January–September. At the same time, the corporate loan portfolio increased 3.5% and 14.3% respectively.
- Deposit stocks grew rapidly, 6.8% during Q3. Growth for the whole year amounted to 13.2%.
- The fee and commission income item increased in July–September by 2.8% compared to the same period last year, but fell in January–September by 1.5%. Comparability is impacted by the clarification of the fee and commission income over-time recognition principles during 2019.
- Impairment losses on financial assets were EUR 2.4 (1.7) million in July–September. The corresponding item in January–September was EUR 5.9 (3.5) million.
- The Q3 profit before taxes grew 12.9% compared to the comparable period, totalling EUR 8.3 (7.4) million. The January–September profit before taxes was EUR 27.0 (20.5) million.
- Comparable profit before taxes for July–September grew 33.2% compared to the comparable period, totalling EUR 9.1 (6.9) million. The comparable profit before taxes for the entire year grew 13.2%, to EUR 22.2 (19.6) million.

## Outlook for 2019 (unchanged)

Provided that profitable growth continues, the company estimates that the Group's comparable profit before taxes for 2019 will grow compared to the previous accounting period. At the same time, the profit before taxes for 2019 is estimated to grow compared to the previous accounting period.

The Group's key figures (1,000 euros)	1-9/2019	1-9/2018	Δ %	2019 Q3	2018 Q3	Δ %
Net interest income	42,503	35,925	18%	14,868	12,820	16%
Fee and commission income and expenses, net	19,087	19,374	-1%	6,495	6,317	3%
Impairment losses on financial assets, net	-5,923	-3,549	67%	-2,371	-1,737	36%
Profit before taxes	27,038	20,460	32%	8,342	7,391	13%
Cost/income ratio, %	52.7%	58.5%	-10%	49.4%	53.9%	-8%
Balance sheet total	3,370,459	2,841,945	19%	3,370,459	2,841,945	19%
Equity	318,145	254,633	25%	318,145	254,633	25%
Return on assets (ROA) %	1.0%	0.8%	22%	0.8%	0.8%	-5%
Return on equity (ROE) %	10.0%	8.9%	13%	8.5%	9.5%	-10%
Earnings per share (EPS), euro	0.78	0.66	18%	0.23	0.24	-4%
Common Equity Tier 1 (CET1) capital ratio %	17.4%	16.6%	5%	17.4%	16.6%	5%
Comparable profit before taxes	22,209	19,627	13%	9,123	6,850	33%
Comparable cost-to-income ratio, %	56.6%	59.3%	-5%	47.7%	55.4%	-14%
Comparable return on equity (ROE) %	7.8%	8.6%	-9%	9.3%	8.8%	6%



## CEO's review

The growth of our main sources of income, net interest income and fee and commission income, has continued to be strong. In the third quarter, the comparable cost-to-income ratio improved to an excellent 47.7% level. Comparable profit before taxes grew 33% to EUR 9.1 million and profit before taxes grew 13% to EUR 8.3 million. The home mortgage, corporate loan and deposit portfolios continued to grow rapidly and the average loan margin remained practically unchanged. Our home mortgage portfolio grew nearly 5% and our corporate loan portfolio grew 3.5% during the third quarter. The deposit portfolio increased by almost 7%.

Our profit before taxes for January–September was EUR 27.0 (20.5) million. Our comparable profit grew by 13.2% and was EUR 22.2 (19.6) million. Our balance sheet rose to a record-high level and was close to EUR 3.4 billion.

I am delighted with how our investments in the customer experience and digital services have resulted in increasing customer flows and a brisk growth in our basic business profits. A good example is Jyväskylä where we launched new bank operations two years ago. The

business became profitable within the first year and now was the perfect time to increase the personnel and invest in larger and more visible premises on the ground floor. Additionally, we launched the OmaBotti chatbot, which serves our customers on our bank's website around the clock. We also made available to our customers a modern mobile payment service, Google Pay.

We are constantly developing and streamlining our operations. It is important to make bold decisions when times are good, to ensure that we do well in the future. I am also confident that our business concept will work in a changing operating environment and that our focus on high-quality personal service and digital services will further boost our market share. Our growth will continue to be brisk together with our customers and our competent and enterprising personnel – also in the future.

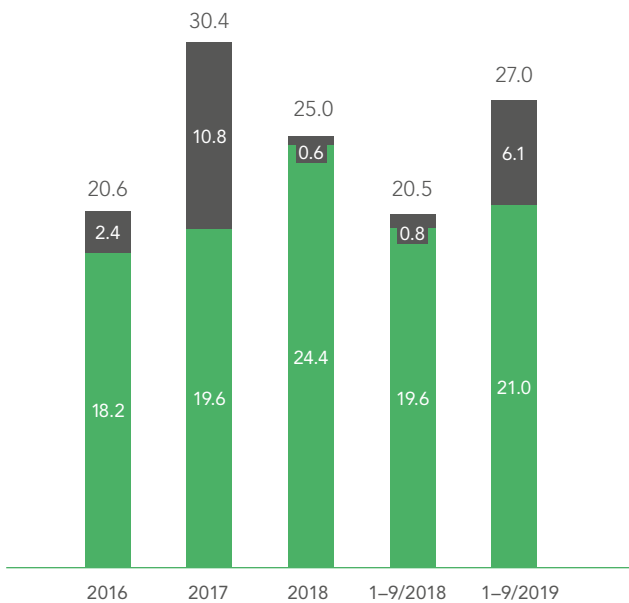
In the third quarter, the comparable cost-to-income ratio improved to an excellent 47.7% level and comparable profit before taxes grew 33%.

Pasi Sydänlammi  
CEO

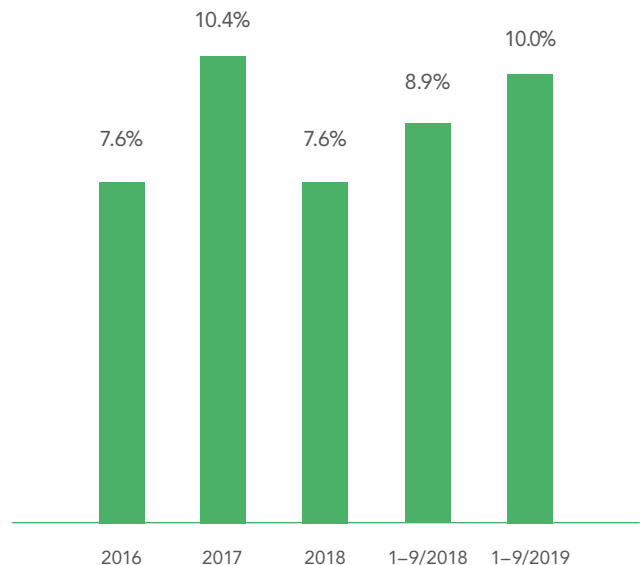
# A profitably growing Finnish bank

Profit before taxes, EUR mill.

Cost-income ratio 58.9% 55.5% 62.2% 58.5% 52.7%



Return on equity (ROE) %

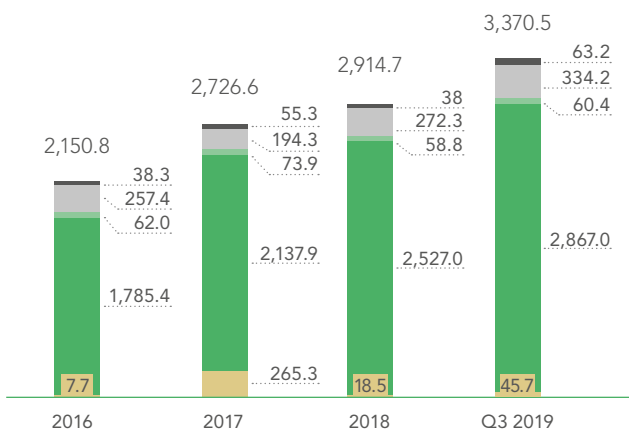


■ Net income from financial assets and liabilities. Net income from financial assets and liabilities is in line with 2016–2017 In the financial statements, 'Net trading income' and 'Net investment income' add up.

■ ROE-%

Balance sheet total, EUR mill.

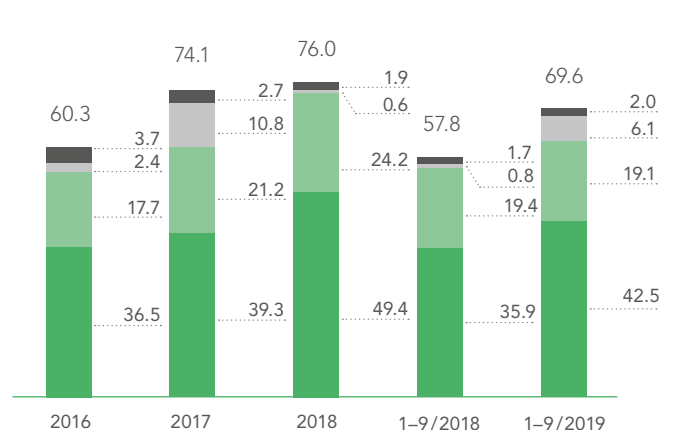
Growth 11.3% 26.8% 6.9% 15.6%



■ Cash and cash equivalents ■ Investment assets  
 ■ Loans and advances to the public and public sector entities ■ Other assets  
 ■ Loans and advances to credit institutions

Total operating income, EUR mill.

Growth 11.0% 22.8% 2.5%



■ Net interest income ■ Net income on financial assets and liabilities  
 ■ Fee and commission income and expenses ■ Other operating income

# Significant events during the period

- The launch of Oma Savings Bank's Jyväskylä branch was celebrated on 9 September. OmaSp started up as a new bank operator in Jyväskylä in November 2017 and the operations there became profitable already in their first year. The company has grown in Jyväskylä together with its customers and the number of personnel has doubled in just under two years. New premises will give OmaSp more visibility in the growth centre.
- The company made further investments in improving its customer service by launching OmaBotti for its customers in September. OmaBotti is a chatbot on the bank's website, serving customers when the other services are not open.
- The following persons were appointed to Oma Savings Bank Plc's Nomination Committee according to the shareholder register on 1 June 2019: Raimo Härmä, appointed by Etelä-Karjalan Säästöpankkisäätiö; Ari Lamminmäki, appointed by Parkanon Säästöpankkisäätiö; Aino Lamminmäki, appointed by Töysän Säästöpankkisäätiö; Jukka Sysilampi, appointed by Kuortaneen Säästöpankkisäätiö; Jukka Kuivaniemi, appointed by Hauhon Säästöpankkisäätiö and Jarmo Salmi, Chairman of the Board, as an expert member. The Nomination Committee's task is to prepare proposals pertaining to the appointment and remuneration of the members of the Board of Directors for the next Annual General Meeting and, when necessary, an Extraordinary General Meeting.
- At the start of September, Ville Rissanen took on the position of Director IT & Digital Services and became a member of the group's management team.
- In April, Oma Savings Bank sold its 15.45% holding of Oy Samlink Ab to Cognizant Technology Solutions Finland Oy. At the same time, OmaSp signed an agreement with Oy Samlink Ab to develop a new banking platform based on the Temenos T24 and Temenos Payment Hub software, and a 10-year service agreement for the production and maintenance of basic banking services. The delivery of the banking platform will cost OmaSp about EUR 20 million. The aim is to roll out the platform in 2021.

# Oma Savings Bank Group's key figures

The Group's key figures (1,000 euros)	1-9/2019	1-9/2018	Δ %	1-12/ 2018	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3
Net interest income	42,503	35,925	18%	49,351	14,868	14,440	13,195	13,426	12,820
Total operating income	69,636	57,806	20%	75,958	21,181	21,063	27,392	18,152	19,806
Total operating expenses	36,668	33,797	8%	47,237	10,466	11,910	14,292	13,439	10,678
<sup>1)</sup> Cost/income ratio, %	52.7%	58.5%	-10%	62.2%	49.4%	56.5%	52.2%	74.0%	53.9%
Impairment losses on financial assets, net	-5,923	-3,549	67%	-3,746	-2,371	-2,348	-1,205	-196	-1,737
Profit before taxes	27,038	20,460	32%	24,976	8,342	6,804	11,892	4,516	7,391
Profit/loss for the accounting period	22,927	16,603	38%	20,322	6,677	5,461	10,789	3,719	5,988
Balance sheet total	3,370,459	2,841,945	19%	2,914,661	3,370,459	3,243,770	3,351,058	2,914,661	2,841,945
Equity	318,145	254,633	25%	290,330	318,145	309,383	304,486	290,330	254,633
<sup>1)</sup> Return on assets (ROA) %	1.0%	0.8%	22%	0.7%	0.8%	0.7%	1.4%	0.5%	0.8%
<sup>1)</sup> Return on equity (ROE) %	10.0%	8.9%	13%	7.6%	8.5%	7.1%	14.5%	5.5%	9.5%
<sup>1)</sup> Earnings per share (EPS), euro	0.78	0.66	18%	0.78	0.23	0.18	0.36	0.13	0.24
Equity ratio %	9.4%	9.0%	5%	10.0%	9.4%	9.5%	9.1%	10.0%	9.0%
Total capital (TC) ratio %	18.0%	17.5%	3%	19.3%	18.0%	17.9%	18.3%	19.3%	17.5%
Common Equity Tier 1 (CET1) capital ratio %	17.4%	16.6%	5%	18.4%	17.4%	17.3%	17.6%	18.4%	16.6%
Tier 1 (T1) capital ratio %	17.4%	16.6%	5%	18.4%	17.4%	17.3%	17.6%	18.4%	16.6%
<sup>1)</sup> Liquidity coverage ratio (LCR) %	145.6%	138.6%	5%	134.8%	145.6%	154.2%	458.8%	134.8%	138.9%
Average number of employees	303	287	6%	288	302	310	299	292	300
Employees at the end of the period	294	290	1%	293	294	311	301	293	290

## Alternative performance measures excluding items affecting comparability:

<sup>1)</sup> Comparable profit before taxes	22,209	19,627	13%	26,210	9,123	7,894	5,193	6,583	6,850
<sup>1)</sup> Comparable cost-to-income ratio, %	56.6%	59.3%	-5%	61.1%	47.7%	53.8%	69.1%	66.1%	55.4%
<sup>1)</sup> Comparable earnings per share (EPS), euro	0.60	0.64	-6%	0.82	0.25	0.21	0.14	0.19	0.23
<sup>1)</sup> Comparable return on equity (ROE) %	7.8%	8.6%	-9%	8.0%	9.3%	8.3%	5.6%	7.9%	8.8%

<sup>1)</sup> The calculation principles of the key figures are presented in note G15 of the financial statements.

Items linked to the comparability of the key figures and the actual calculation are presented in the income statement.

# Operating environment

Oma Savings Bank Plc operates in a stable, business-friendly environment in Finland. Finland's gross domestic product (GDP) has shown solid growth since 2015, increasing by 2.6% in 2016, 3.1% in 2017 and by 1.7% in 2018<sup>1</sup>. Finland's GDP is expected to continue to grow, at an estimated average annual rate of 1.6% in the period 2019–2022<sup>2</sup>.

According to Statistics Finland's labour survey, there were 32,000 more employed persons and 17,000 fewer unemployed in August of 2019 than in the previous year's comparable period. In August 2019, the employment rate was 73.5% (72.6%) and the unemployment rate was on average 6.1% (6.8%).<sup>3</sup>

In the company's view, the Finnish business environment continues to be stable in terms of household indebtedness and housing prices. According to Statistics Finland's preliminary data, the prices of old dwellings in housing

companies rose by 2.2% in Greater Helsinki and declined by 1.7% in the rest of Finland compared to August 2018. According to Statistics Finland, 37,693 transactions involving old dwellings in housing companies were made during Q1–Q3, which is on a par with the previous year.<sup>4</sup>

In August of 2019, total loans to households had increased by 2.7% over the previous 12 months, with the home mortgage portfolio accounting for 2.3% of that growth. The number of corporate loans grew 7.0% in the same period. The volume of households' deposits grew a total of 8.6% over a 12-month period.<sup>5</sup>

The rate of growth of the loan stock for housing companies has slowed, although growth remains brisk. In August 2019, the annual growth rate for the loan stock for housing companies was 9.8%. A lower rate of loan withdrawals by housing companies and the slowing down of housing construction impacted the loan stock's growth rate.<sup>5</sup>

1) Statistics Finland, Gross Domestic Product grew by 1.7 per cent in 2018. Published on 20 September 2019

2) IMF, DataMapper 15 October 2019.

3) Statistics Finland, Employment grew in August from the year before. Published on 24 September 2019

4) Statistics Finland, Prices of old dwellings in housing companies rose slightly in August in Greater Helsinki. Published on 27 September 2019

5) Bank of Finland, MFI balance sheet (loans and deposits) and interest rates. Published on 30 September 2019

## Credit rating

In September 2019, Standard & Poor's confirmed a credit rating of BBB+ for Oma Savings Bank's long-term borrowing and A-2 for short-term borrowing.

## Related party disclosures

Related party is defined as key persons in a leading position at Oma Savings Bank Plc and their family members, subsidiaries, associates and joint ventures, joint operations and companies in which a key person in a leading position has control or significant influence and organisations that have significant influence in Oma Savings Bank Plc. Key persons are members of the Board of Directors, the CEO and deputy to the CEO and the rest of the management team. Loans and guarantees have been granted with conditions that are applied to similar loans and guarantees granted to customers.

More detailed information on related parties is given in note G34 of the 2018 financial statements. No significant changes have occurred in related party transactions after 31 December 2018.

# Financial statements

The corresponding period last year has been used as the comparable period in income statement items, and the date 31 December 2018 as the comparable period for the balance sheet and capital adequacy.

## Result 7–9/2019

The Group's profit before taxes for July–September 2019 was EUR 8.3 (7.4) million and the profit for the accounting period was EUR 6.7 (6.0) million. The cost/income ratio was 49.4% (53.9%). The clarification that was made to the recognition principles during the second quarter reduced the amount of fee and commission income received from lending by a total of EUR 0.5 million during the third quarter. The accrued amount is spread out over the coming years and recognized in interest income based on the average maturity of the loans.

Comparable profit before taxes in the third quarter amounted to EUR 9.1 (6.9) million and the comparable cost/income ratio was 47.7% (55.4%).

### Income

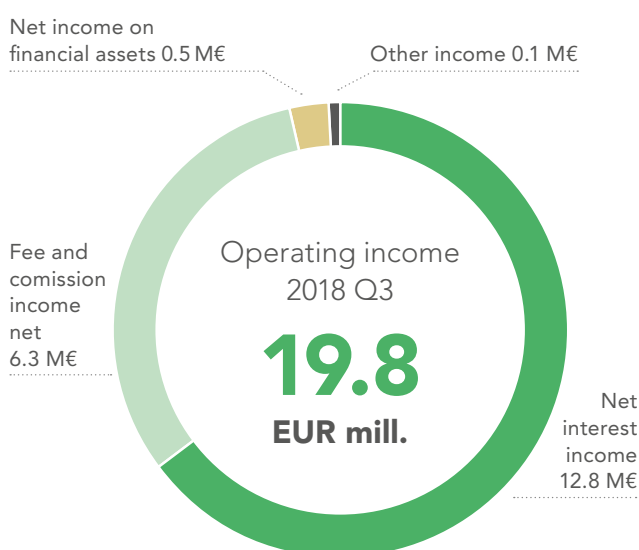
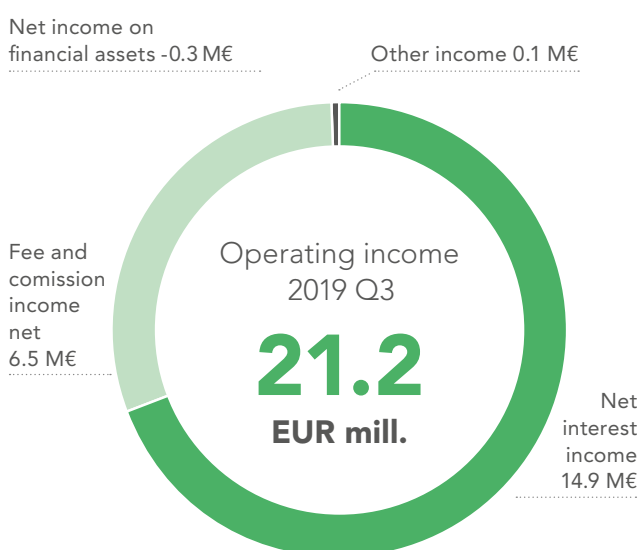
Operating income totalled EUR 21.2 (19.8) million. Total operating income grew by 6.9% year-on-year. Net interest income grew 16.0%, totalling EUR 14.9 (12.8)

million. During the review period, interest income grew 13.8%, totalling EUR 16.3 (14.3) million. The growth in interest income can be largely attributed to a growth in the loan stock of EUR 451.3 million as of 30 September 2018. During the same period, the average margin of the company's loan stock has remained almost unchanged, falling just 0.08 percentage points.

Interest expenses decreased by 5.3% year-on-year, and were EUR 1.4 (1.5) million in the third quarter.

Fee and commission expenses (net) grew by 2.8% to EUR 6.5 (6.3) million. The total amount of fee and commission income was EUR 7.5 (7.4) million. The key changes to fee and commission income applied to the following items. Fee and commission income from lending fell 8.8% due to a clarification of the recognition principles for lending fees and commissions. The 6.5% increase in commissions from cards and payment transactions is the result of higher customer volumes. The costs related to the item increased 16.5% due in part to an increase in customer volumes and increased service provider expenses.

The net income on financial assets and liabilities was EUR –0.3 (0.5) million during the period. The item was impacted by the net income from hedge accounting, EUR –0.3 million. The change compared to the comparable period is mostly the result of the dividends paid by Oy Samlink Ab during Q3 2018 and the decline in the changes in value of shares and participations.



■ Net interest income
 ■ Fee and commission income and expenses, net
 ■ Net income on financial assets and financial liabilities
 ■ Other operating income



## Expenses

Total operating expenses fell 2.0% to EUR 10.5 (10.7) million.

Personnel expenses grew 2.5%, totalling EUR 3.8 (3.7) million. In the review period, the average number of employees was 302 (300).

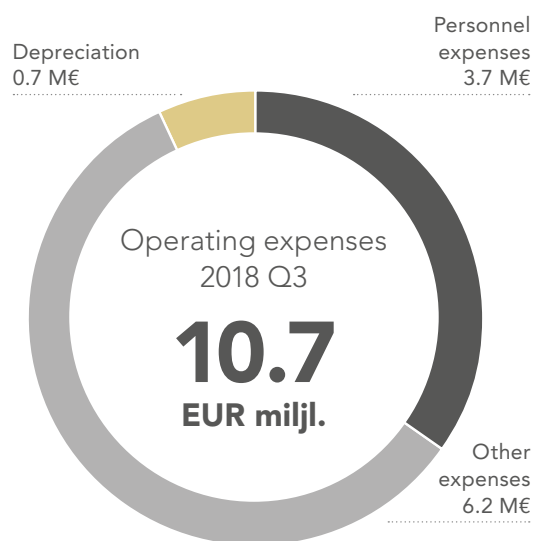
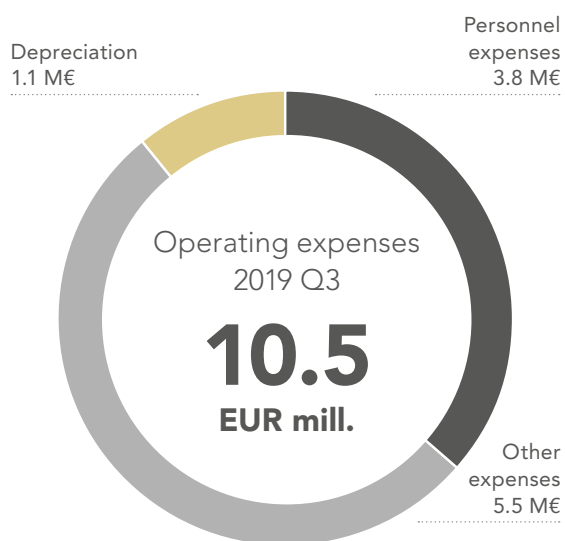
Other operating expenses decreased 11.1%, to EUR 5.5 (6.2) million.

Depreciation, amortisation and impairments on tangible and intangible assets grew by 53.3% to EUR 1.1 (0.7) million. This growth is largely the result of changes in accounting practices for leases in connection with the adoption of the IFRS 16 Leases standard. Leases are recognised in fixed assets and depreciation is recognised on the item. In the previous accounting period, lease expenses were recognised in the item 'Other operating expenses'.

## Impairment losses on financial assets

Impairment losses on financial assets were EUR 2.4 (1.7) million. The item includes the change in expected credit losses, final credit losses and credit loss refunds on customer loans. During the third quarter, the net impact of expected credit losses was EUR -2.2 (-1.1) million.

The growth in expected credit losses is largely due to the corporate loan portfolio's growing credit risks and transfer to stage 3. Final credit losses over the period amounted to EUR 0.2 (0.7) million.



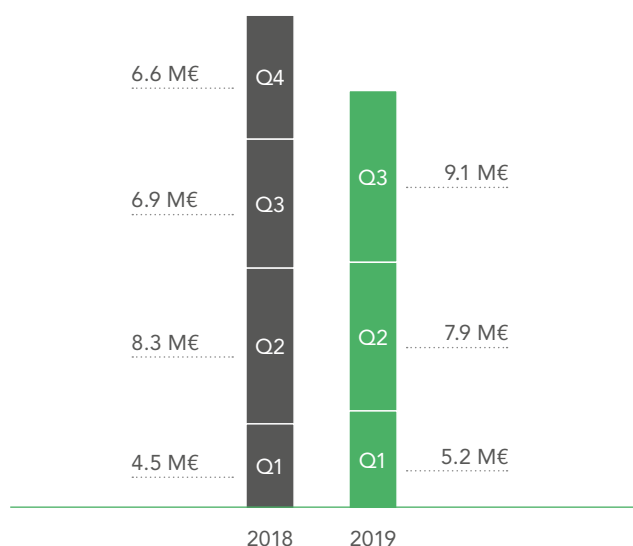
■ Personnel expenses ■ Other operating expenses ■ Depreciation, amortisations and impairment losses on tangible and intangible assets

## Result 1–9/2019

The Group's profit before taxes for January–September 2019 was EUR 27.0 (20.5) million and the profit for the accounting period was EUR 22.9 (16.6) million. The cost/income ratio was 52.7% (58.5%).

The Q1–Q3 comparable profit for before taxes grew 13.2%, totalling EUR 22.2 (19.6) million. The comparable profit has been adjusted for EUR 6.1 (0.8) million in net income on financial assets and liabilities and a clarification of fee and commission income over-time recognition of EUR 1.3 million. The comparable cost/income ratio was 56.6% (59.3%).

### Comparable profit before taxes



### Income

Operating income totalled EUR 69.6 (57.8) million. Total operating income grew by 20.5% year-on-year.

Net interest income grew 18.3% compared to the comparable period, totalling EUR 42.5 (35.9) million. The improvement in net interest income resulted especially from an increase in interest income.

During the review period, interest income grew 14.6%, totalling EUR 47.0 (41.0) million. The growth in the item can be largely attributed to growth in the loan stock of EUR 451.3 million as of 30 September 2018. During the same period, the average margin of the company's loan stock has remained almost unchanged, falling just 0.08 percentage points.

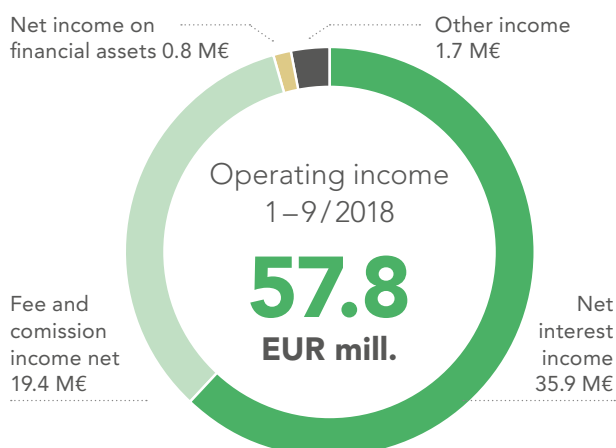
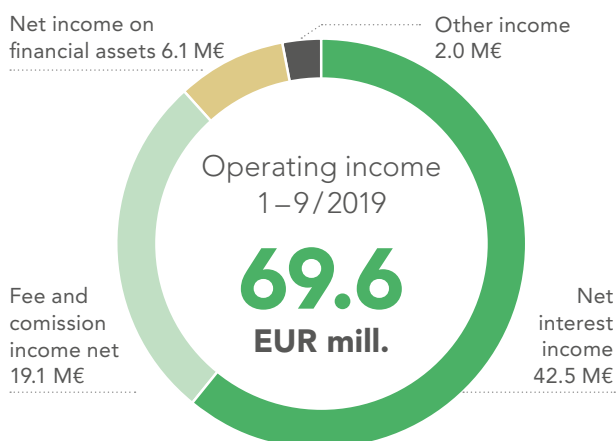
Interest expenses decreased 11.7%, totalling EUR 4.4 (5.0) million.

Fee and commission income and expenses (net) decreased by 1.5% to EUR 19.1 (19.4) million. The total amount

of fee and commission income was EUR 22.4 (22.3) million. The most significant changes took place in the fee and commission income from lending and payment transfers. The decrease in the fee and commission income from lending is explained by the clarification of the recognition principles for commissions. The impact of the clarification on fee and commission income was EUR –1.3 million. The figure includes the accrued amount for material service fees for the entire Q1–Q3 period of 2019. The accrued amount is spread out over the coming years and recognized in interest income based on the average maturity of the loans.

Total card and payment transaction fees grew 9.7%, totalling EUR 10.0 (9.1) million. Expenses due on the item grew 14.0%, totalling EUR 2.4 (2.1) million. The increase in card and payment transaction income and costs can be attributed to a growth in customer volumes. In addition, fee and commission expenses increased due to increased service provider expenses.

The net income on financial assets and liabilities was EUR 6.1 (0.8) million during the period. Of the growth, EUR 5.3 million can be attributed to the disposal of Oy Samlink Ab's shares and EUR 1.2 million to dividend income. Net income on financial assets and liabilities are presented in more detail in note G10.



■ Net interest income
 ■ Fee and commission income and expenses, net
 ■ Net income on financial assets and financial liabilities
 ■ Other operating income

## Expenses

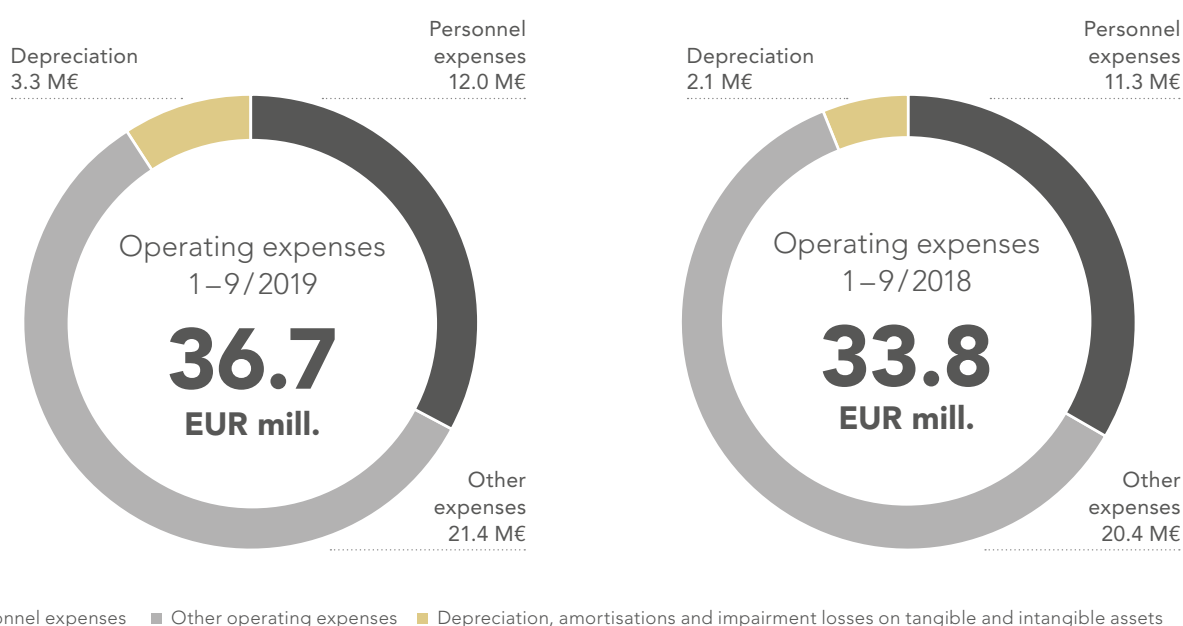
Total operating expenses grew 8.5% to EUR 36.7 (33.8) million.

Personnel expenses grew 6.2%, totalling EUR 12.0 (11.3) million. This increase resulted mainly from the recruitment of personnel for the new branch offices that opened up in Greater Helsinki, Oulu and Turku. In the review period, the average number of employees was 303 (287). Other operating expenses grew 4.6%, to EUR 21.4 (20.4) million. IT costs grew year-on-year to some EUR 1.4 million. This increase resulted also from an increase in other personnel expenses and office expenses due to the opening of new branch offices. Compared to the comparable period, marketing expenses fell by EUR 0.4 million and due to the adoption of the IFRS 16 Leases standard, some of the rent expenses will be recognised as depreciation and impairment losses as of 1 January 2019.

Depreciation, amortisation and impairments on tangible and intangible assets amounted to EUR 3.3 (2.1) million. This growth is largely the result of changes in accounting practices for leases in connection with the adoption of the IFRS 16 Leases standard. Leases are recognised in fixed assets and depreciation is recognised on the item. In the previous accounting period, lease expenses were recognised in the item 'Other operating expenses'.

## Impairment losses on financial assets

Impairment losses on financial assets, net were EUR 5.9 (3.5) million in January-September. The item includes the change in expected credit losses, final credit losses and credit loss refunds on customer loans. During the Q1-Q3 period, the net impact of expected credit losses was EUR -4.5 (-2.1) million. The growth in expected credit losses is largely due to the corporate loan portfolio's growing credit risks and especially due transfers to stage 3. Impairment losses on financial assets are presented in note G11. Final credit losses amounted to EUR 1.4 (1.4) million in January-September.



# Balance sheet

The Group's balance sheet total grew during January–September 2019 by 15.6% to EUR 3,370.5 (2,914.7) million.

## Loans and other receivables

In total, loans and other receivables grew 13.2% to EUR 2,927.4 (2,585.8) million.

The average size of loans issued over the past 12 months has been approximately EUR 92 thousand.

### Loan portfolio by customer group, before the impairment provision

Credit balance (1,000 euros)	30.9.2019	31.12.2018	30.9.2018
Private customers	1,716,409	1,502,435	1,439,207
Business customers	604,241	528,739	502,790
Housing association	264,167	243,113	231,262
Agriculture, forestry, fishing industry	257,138	231,397	230,046
Other	40,977	32,908	24,107
<b>Total</b>	<b>2,882,931</b>	<b>2,538,593</b>	<b>2,427,412</b>

## Investment assets

The Group's investment assets grew 22.7% during the period, totalling EUR 334.2 (272.3) million. The increase was mainly due to the growth in debt securities. The primary purpose of managing investment assets is securing the bank's liquidity position.

### Liabilities to credit institutions and to the public and public sector entities

Liabilities to credit institutions and to the public and public sector entities grew in January–September by 12.8% to EUR 2,084.2 (1,847.7) million. The item consists mostly of deposits received from the public, which came to EUR 1,987.3 (1,755.8) million at the end of September.

### Debt securities issued to the public

Total debt securities issued to the public grew during the period by 26.1% to EUR 901.7 (714.9) million. Oma Savings Bank issued a EUR 300 million covered bond on 27 March 2019. A EUR 110 million bond matured in May. Total debt securities issued to the public are shown in more detail in note G7.

Covered bonds are secured by loans to the value of EUR 875 (526) million.

## Equity

Group equity grew in January–September by 9.6% to EUR 318.1 (290.3) million. The profit for the accounting period accounted for EUR 22.9 million of the increase in equity capital. The fair value reserve grew by EUR 9.1 million. A dividend distribution of EUR 4.1 million decreased the retained earnings in Q2.

### Own shares

On 30 September 2019, the number of own shares held by Oma Savings Bank was 11,700. All of the purchases took place during 2018 and concerned shares subscribed for in connection with the 2017 personnel offering. The redemptions took place in connection with the ending of employment contracts.

Share capital	30.9.2019	31.12.2018
Average number of shares	29,585,000	25,822,093
Number of shares at the end of the period	29,585,000	29,585,000
Number of treasury shares	11,700	11,700
Share capital (1,000 euros)	24,000	24,000

The number of shares in the comparable periods take into account the 50:1 stock split carried out on 9 November 2018.

### Off-balance-sheet commitments

Off-balance-sheet commitments included commitments given to a third party on behalf of a customer and irrevocable commitments given to a customer. Commitments given to a third party on behalf of a customer, EUR 21.4 (22.0) million, were mostly made up of bank guarantees and other guarantees. Irrevocable commitments given to a customer, which totalled EUR 194.2 (187.2) million at the end of September, consisted mainly of undrawn credit facilities.

## Progress of the basic banking platform project

In January 2019, Oma Savings Bank announced that it would start up a modernisation project involving the basic banking platform. The Group signed an agreement with Oy Samlink Ab to develop a new banking platform based on the Temenos T24 and Temenos Payment Hub software, and a 10-year service agreement for the production and maintenance of basic banking services. The delivery of the basic banking platform will cost OmaSp about EUR 20 million. At the end of September, the activated investment cost for the basic banking project came to altogether EUR 1.4 million. The aim is to roll out the basic banking platform in 2021.

Alongside the renewal of the basic banking platform, the company is launching other development projects, including the development of functions to prevent money laundering and terrorist financing and the modernisation of the data warehouse, which will enable more efficient and smooth processes in the future.

## Significant events after the period

No events that would require the presentation of additional information or would have a material impact on the financial position are known to have occurred after the end of the reporting period.

## Financial goals

Oma Savings Bank's Board of Directors approved the following financial goals in September 2018:

- **Growth:** 10–15% annual growth in total operating income under the current market conditions
- **Profitability:** Cost/income ratio less than 55%
- **Return on equity (ROE):** Long-term return on equity (ROE) over 10%
- **Capital adequacy:** Common equity tier 1 capital ratio (CET1) at least 16%

## Outlook for the 2019 accounting period

The company's business volumes have grown strongly throughout the first three quarters and are predicted to maintain their solid growth during the final quarter. The company's profitable growth is supported by efforts in recent years to improve the customer experience and the availability of customer service through new digital service channels and the opening of new units.

Oma Savings Bank Plc provides earnings guidance and the comparable profit before taxes and the profit before taxes. A verbal description is used to make a comparison with the comparable period. Earnings guidance is based on the forecast for the entire year, which takes into account the current market and business situation. Forecasts are based on the management's insight into the Group's business development.

Provided that profitable growth continues, the company estimates that the Group's comparable profit before taxes for 2019 will grow compared to the previous accounting period. At the same time, the profit before taxes for 2019 is estimated to grow compared to the previous accounting period.

# Capital adequacy

The total capital (TC) ratio of the Oma Savings Bank Group remained strong and was 18.0% (19.3%) at the end of the period. The common equity Tier 1 capital's (CET1) ratio to risk-weighted assets was 17.4% (18.4%), clearly exceeding the minimum level for the financial goals approved by the Board of Directors, 16%. Risk-weighted assets, EUR 1,725.9 (1,498.7) million, rose by 15.2% on the comparable period, contributing to the weakening of the Group's capital adequacy position. The growth of risk-weighted assets strengthened due to the strong growth in the private customer and corporate customer loan portfolio and due to investments in funds. In its capital adequacy calculations, Oma Savings Bank Group applies the standardised approach for credit risks and the basic indicator approach for operative risks. In the standardised approach, exposures are divided into exposure classes and the minimum limits for credit spreading are determined in the retail receivables class. The basic method

is applied when calculating the capital requirement for market risk for the foreign exchange position.

At the end of the review period, the capital structure of Oma Savings Bank Group was strong, consisting mostly of common equity Tier 1 capital (CET1). The Group's total own funds (TC) were EUR 310.5 (288.8) million when the capital requirement for the bank's own funds was EUR 198.6 (157.4) million. Tier 1 capital (T1) was EUR 300.5 (275.8) million, consisting entirely of common equity Tier 1 capital (CET1). Tier 2 capital (T2) was EUR 10.0 (13.0) million, consisting of 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 based on the permission granted by the Finnish Financial Supervisory Authority.

The leverage ratio was 8.7% (9.3%) at the end of the period.

The main items in the capital adequacy calculation (1,000 euros)	30.9.2019	31.12.2018	30.9.2018
Common Equity Tier 1 capital before regulatory adjustments	308,835	281,557	249,733
Regulatory adjustments on Common Equity Tier 1	-8,381	-5,799	-5,752
<b>Common Equity Tier 1 (CET1) capital, total</b>	<b>300,454</b>	<b>275,758</b>	<b>243,981</b>
Additional Tier 1 capital before regulatory adjustments	-	-	-
Regulatory adjustments on additional Tier 1 capital	-	-	-
<b>Additional Tier 1 (AT1) capital, total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 1 capital (T1 = CET1 + AT1), total</b>	<b>300,454</b>	<b>275,758</b>	<b>243,981</b>
Tier 2 capital before regulatory adjustments	10,022	13,031	14,291
Regulatory adjustments on Tier 2 capital	-	-	-
<b>Tier 2 capital (T2), total</b>	<b>10,022</b>	<b>13,031</b>	<b>14,291</b>
<b>Total capital (TC = T1 + T2) / Total own funds</b>	<b>310,476</b>	<b>288,789</b>	<b>258,272</b>
<b>Risk-weighted assets</b>			
Credit and counterparty risk, standardised approach	1,583,954	1,367,127	1,358,198
Credit valuation adjustment risk (CVA)	15,737	5,401	4,115
Market risk (currency risk)	-	-	-
Operational risk, basic indicator approach	126,170	126,170	110,887
<b>Risk-weighted assets, total</b>	<b>1,725,861</b>	<b>1,498,699</b>	<b>1,473,199</b>
Common Equity Tier 1 (CET1) capital ratio, %	17.41%	18.40%	16.56%
Tier 1 (T1) capital ratio, %	17.41%	18.40%	16.56%
Total capital (TC) ratio, %	17.99%	19.27%	17.53%
<b>Leverage ratio (1,000 euros)</b>			
Tier 1 capital	300,454	275,758	243,981
Total amount of exposures	3,438,888	2,972,018	2,903,332
<b>Leverage ratio</b>	<b>8.74%</b>	<b>9.28%</b>	<b>8.40%</b>

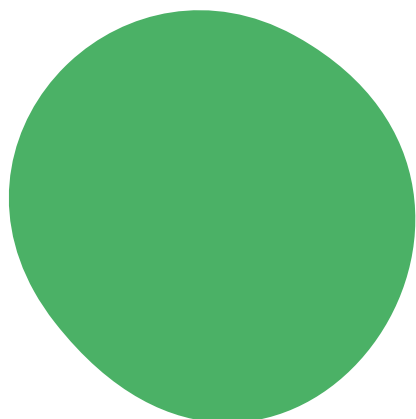
The total capital requirement for banks' own funds consists of the Pillar I minimum capital requirement (8.0%) and various capital buffer requirements. Capital buffer requirements include, but are not limited to, the fixed capital buffer set by the Credit Institution Act (2.5%), the discretionary SREP requirement according to Pillar II, the countercyclical buffer requirement, and the systemic risk buffer. The Finnish Financial Supervisory Authority (FIN-FSA) has not imposed on Oma Savings Bank Plc a supervisory review and evaluation process (SREP) requirement based on the supervisory authority's assessment. FIN-FSA makes a decision on the countercyclical buffer requirement quarterly, and a countercyclical buffer requirement has thus far not been imposed on Finnish credit institutions. A capital 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 has been 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 its decision unchanged.

**Group's total capital requirement, 30 September 2019 (1,000 euros)**

Capital	Pillar I minimum capital requirement*	Buffer requirements					Total capital requirement	
		Pillar II (SREP) capital requirement	Capital conservation buffer	Counter-cyclical buffer**	O-SII	Systemic risk buffer		
CET1	4.50%	0.00%	2.50%	0.01%	0.00%	1.00%	8.01%	138,199
AT1	1.50%						1.50%	25,888
T2	2.00%						2.00%	34,517
<b>Total</b>	<b>8.00%</b>	<b>0.00%</b>	<b>2.50%</b>	<b>0.01%</b>	<b>0.00%</b>	<b>1.00%</b>	<b>11.51%</b>	<b>198,605</b>

\* AT1 and T2 capital requirements are possible to fill with CET1 capital.

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



The Group has published information on capital adequacy and risk management in compliance with Pillar III in connection with its 2018 financial statements and its half-year report on 30 June 2019. Oma Savings Bank Group's capital adequacy and risk position are described in greater detail in the documents.

# Interim Report tables

## Consolidated condensed income statement

Note (1,000 euros)	1-9/2019	1-9/2018	1-12/2018	2019 Q3	2018 Q3
Interest income	46,950	40,961	55,949	16,281	14,313
Interest expenses	-4,447	-5,036	-6,599	-1,413	-1,493
<b>G8 Net interest income</b>	<b>42,503</b>	<b>35,925</b>	<b>49,351</b>	<b>14,868</b>	<b>12,820</b>
Fee and commission income	22,391	22,336	29,694	7,477	7,390
Fee and commission expenses	-3,305	-2,963	-5,535	-982	-1,073
<b>G9 Fee and commission income and expenses, net</b>	<b>19,087</b>	<b>19,374</b>	<b>24,158</b>	<b>6,495</b>	<b>6,317</b>
<b>G10</b> Net income on financial assets and financial liabilities	6,080	832	556	-272	540
Other operating income	1,966	1,675	1,893	90	129
<b>Total operating income</b>	<b>69,636</b>	<b>57,806</b>	<b>75,958</b>	<b>21,181</b>	<b>19,806</b>
Personnel expenses	-12,019	-11,322	-16,321	-3,822	-3,728
Other operating expenses	-21,354	-20,414	-28,128	-5,536	-6,228
Depreciation, amortisations and impairment losses on tangible and intangible assets	-3,295	-2,061	-2,788	-1,108	-722
<b>Total operating expenses</b>	<b>-36,668</b>	<b>-33,797</b>	<b>-47,237</b>	<b>-10,466</b>	<b>-10,678</b>
<b>G11</b> Impairment losses on financial assets, net	-5,923	-3,549	-3,746	-2,371	-1,737
Share of profit from joint ventures and associated companies	-7	-	-	-2	-
<b>Profit before taxes</b>	<b>27,038</b>	<b>20,460</b>	<b>24,976</b>	<b>8,342</b>	<b>7,391</b>
Income taxes	-4,111	-3,856	-4,653	-1,665	-1,402
<b>Profit for the accounting period</b>	<b>22,927</b>	<b>16,603</b>	<b>20,322</b>	<b>6,677</b>	<b>5,988</b>
<b>Of which:</b>					
Shareholders of Oma Säästöpankki Oyj	22,963	16,520	20,203	6,713	5,954
Non-controlling interest	-36	83	119	-36	35
<b>Total</b>	<b>22,927</b>	<b>16,603</b>	<b>20,322</b>	<b>6,677</b>	<b>5,988</b>
<b>Earnings per share (EPS), euro</b>	<b>0.78</b>	<b>0.66</b>	<b>0.78</b>	<b>0.23</b>	<b>0.24</b>



<b>Profit before taxes excluding items affecting comparability (1,000 euros):</b>	<b>1-9/2019</b>	<b>1-9/2018</b>	<b>1-12/2018</b>	<b>2019 Q3</b>	<b>2018 Q3</b>
<b>Profit before taxes</b>	<b>27,038</b>	<b>20,460</b>	<b>24,976</b>	<b>8,342</b>	<b>7,391</b>
<b>Operating income:</b>					
IPO	-	-	1,549	-	-
Fee and comission income amortised impact	1,252	-	-	509	-
Net income on financial assets and liabilities	-6,080	-832	-556	272	-540
<b>Operating expenses</b>					
IPO	-	-	241	-	-
<b>Comparable profit before taxes</b>	<b>22,209</b>	<b>19,627</b>	<b>26,210</b>	<b>9,123</b>	<b>6,850</b>
Income taxes in income statement	-4,111	-3,856	-4,653	-1,665	-1,402
Change of deferred taxes	-334	166	-247	-156	108
<b>Comparable profit/loss for the accounting period</b>	<b>17,764</b>	<b>15,938</b>	<b>21,310</b>	<b>7,302</b>	<b>5,556</b>

# Consolidated condensed statement of comprehensive income

(1,000 euros)	1-9/2019	1-9/2018	1-12/2018	2019 Q3	2018 Q3
<b>Profit for the accounting period</b>	<b>22,927</b>	<b>16,603</b>	<b>20,322</b>	<b>6,677</b>	<b>5,988</b>
<b>Other comprehensive income before taxes</b>					
<b>Items that will not be reclassified through profit or loss</b>					
Gains and losses on remeasurements from defined benefit pension plans	-68	9	110	-26	5
<b>Items that may later be reclassified through profit or loss</b>					
Measured at fair value	11,356	-639	276	2,544	-1,155
<b>Other comprehensive income before taxes</b>	<b>11,288</b>	<b>-630</b>	<b>386</b>	<b>2,518</b>	<b>-1,149</b>
<b>Income taxes</b>					
<b>For items that will not be reclassified to profit or loss</b>					
Gains and losses on remeasurements from defined benefit pension plans	14	-2	-22	6	-1
<b>Items that may later be reclassified to profit or loss</b>					
Measured at fair value	-2,271	128	-55	-509	231
<b>Income taxes</b>	<b>-2,258</b>	<b>126</b>	<b>-77</b>	<b>-504</b>	<b>230</b>
<b>Other comprehensive income for the accounting period after taxes</b>	<b>9,030</b>	<b>-504</b>	<b>309</b>	<b>2,014</b>	<b>-919</b>
<b>Comprehensive income for the accounting period</b>	<b>31,957</b>	<b>16,100</b>	<b>20,631</b>	<b>8,692</b>	<b>5,070</b>
<b>Attributable to:</b>					
Shareholders of Oma Säästöpankki Oyj	31,993	16,017	20,512	8,727	5,035
Non-controlling interest	-36	83	119	-35	35
<b>Total</b>	<b>31,957</b>	<b>16,100</b>	<b>20,631</b>	<b>8,692</b>	<b>5,070</b>

# Consolidated condensed balance sheet

Note	Assets (1,000 euros)	30.9.2019	31.12.2018	30.9.2018
	Cash and cash equivalents	45,723	18,521	22,498
<b>G3</b>	Loans and advances to credit institutions	60,402	58,832	76,682
<b>G3</b>	Loans and advances to the public and public sector entities	2,866,951	2,527,016	2,415,624
<b>G4</b>	Financial derivatives	11,762	1,593	1,812
<b>G5</b>	Investment assets	334,178	272,253	267,236
	Shares of companies consolidated by the equity method	5,672	175	175
	Intangible assets	7,479	5,039	5,288
	Tangible assets	24,369	16,547	16,915
	Other assets	12,404	12,286	34,403
	Deferred tax assets	1,517	1,342	1,313
	Current income tax assets	-	1,057	-
	<b>Total assets</b>	<b>3,370,459</b>	<b>2,914,661</b>	<b>2,841,945</b>
Note	Liabilities (1,000 euros)	30.9.2019	31.12.2018	30.9.2018
<b>G6</b>	Liabilities to credit institutions	83,728	89,793	59,629
<b>G6</b>	Liabilities to the public and public sector entities	2,000,512	1,757,911	1,728,865
<b>G4</b>	Financial derivatives	-	0	2,038
<b>G7</b>	Debt securities issued to the public	901,716	714,863	734,698
	Subordinated liabilities	15,200	25,200	25,000
	Provisions and other liabilities	26,448	15,698	16,772
	Deferred tax liabilities	24,705	20,866	19,977
	Current income tax liabilities	4	-	333
	<b>Total liabilities</b>	<b>3,052,314</b>	<b>2,624,331</b>	<b>2,587,312</b>
Equity		30.9.2019	31.12.2018	30.9.2018
	Share capital	24,000	24,000	24,000
	Reserves	148,701	139,616	107,688
	Retained earnings	144,730	125,964	122,230
	<b>Shareholders of Oma Säästöpankki Oyj</b>	<b>317,431</b>	<b>289,580</b>	<b>253,919</b>
	Shareholders of Oma Säästöpankki Oyj	317,431	289,580	253,919
	Non-controlling interest	714	750	715
	<b>Equity, total</b>	<b>318,145</b>	<b>290,330</b>	<b>254,633</b>
	<b>Total liabilities and equity</b>	<b>3,370,459</b>	<b>2,914,661</b>	<b>2,841,945</b>
Group's off-balance sheet commitments (1,000 euros)		30.9.2019	31.12.2018	30.9.2018
	Guarantees and pledges	21,098	21,735	19,659
	Other commitments given to a third party	266	297	415
	<b>Commitments given to a third party on behalf of a customer</b>	<b>21,364</b>	<b>22,032</b>	<b>20,073</b>
	Undrawn credit facilities	194,179	187,244	201,188
	<b>Irrevocable commitments given in favour of a customer</b>	<b>194,179</b>	<b>187,244</b>	<b>201,188</b>
	<b>Group's off-balance sheet commitments, total</b>	<b>215,543</b>	<b>209,276</b>	<b>221,261</b>

# Consolidated condensed cash flow statement

(1,000 euros)	1-9/2019	1-9/2018	1-12/2018
<b>Cash flow from operating activities</b>			
Profit/loss for the accounting period	22,927	16,603	20,322
Changes in fair value	272	-213	-583
Share of profit from associated companies	7	-	-
Depreciation and impairment losses on investment properties	197	9	200
Depreciation, amortisation and impairment losses on tangible and intangible assets	3,295	2,061	2,788
Gains and losses on sales of tangible and intangible assets	80	402	387
Impairment and expected credit losses	5,923	3,549	3,746
Income taxes	4,111	3,856	4,653
Other adjustments	2,719	-168	865
Adjustments to the profit/loss of the accounting period	16,605	9,497	12,056
<b>Cash flow from operations before changes in receivables and liabilities</b>	<b>39,532</b>	<b>26,101</b>	<b>32,378</b>
<b>Increase (-) or decrease (+) in operating assets</b>			
Debt securities	-30,902	-69,611	-74,917
Loans and advances to credit institutions	-1,348	-2,074	-2,495
Loans and advances to customers	-346,960	-282,456	-393,972
Derivatives and hedge accounting	100	16	93
Investment assets	-20,946	-4,134	-3,229
Other assets	-118	-5,992	15,734
<b>Total</b>	<b>-400,174</b>	<b>-364,251</b>	<b>-458,787</b>
<b>Increase (+) or decrease (-) in operating liabilities</b>			
Liabilities to credit institutions	-6,066	23,636	53,800
Deposits	231,255	89,779	116,125
Provisions and other liabilities	5,274	-5,990	-6,801
<b>Total</b>	<b>230,463</b>	<b>107,425</b>	<b>163,125</b>
<b>Paid income taxes</b>	<b>-1,644</b>	<b>-3,960</b>	<b>-5,061</b>
<b>Total cash flow from operating activities</b>	<b>-131,823</b>	<b>-234,685</b>	<b>-268,346</b>

	1-9/2019	1-9/2018	1-12/2018
<b>Cash flow from investments</b>			
Investments in tangible and intangible assets	-8,324	-552	-1,170
Proceeds from sales of tangible and intangible assets	536	603	1,129
Acquisition of associated companies and joint ventures	-	-175	-175
Changes in other investments	-4,295	-	19
<b>Total cash flow from investments</b>	<b>-12,082</b>	<b>-124</b>	<b>-196</b>
<b>Cash flows from financing activities</b>			
Subordinated liabilities, changes	-10,000	-2,800	-2,800
Debt securities issued to the public	186,236	-2,263	-22,098
Acquisition of non-controlling interests	-	-45	-45
Other monetary changes in equity items	-	24	31,344
Payments of lease liabilities	-765	-	-
Dividends paid	-4,142	-2,112	-2,112
<b>Total cash flows from financing activities</b>	<b>171,329</b>	<b>-7,196</b>	<b>4,289</b>
<b>Net change in cash and cash equivalents</b>	<b>27,424</b>	<b>-242,005</b>	<b>-264,253</b>
<b>Cash and cash equivalents at the beginning of the accounting period</b>	<b>59,405</b>	<b>323,658</b>	<b>323,658</b>
<b>Cash and cash equivalents at the end of the accounting period</b>	<b>86,829</b>	<b>81,653</b>	<b>59,405</b>
<b>Cash and cash equivalents are formed by the following items</b>			
Cash and cash equivalents	45,723	22,498	18,521
Receivables from credit institutions repayable on demand	41,106	59,155	40,884
<b>Total</b>	<b>86,829</b>	<b>81,653</b>	<b>59,405</b>
<b>Received interest</b>	46,374	39,421	49,290
<b>Paid interest</b>	-3,076	-3,318	-5,246
<b>Dividends received</b>	1,361	985	987

# Consolidated statement of changes in equity

	Share capital	Reserve for invested non-restricted equity	Fair value reserve	Reserves, total	Retained earnings	Shareholders of Oma Säästöpankki Oyj	Non-controlling interest	Equity, total
<b>30 September 2019 (1,000 euros)</b>								
<b>Equity, January 1, 2019</b>	<b>24,000</b>	<b>137,396</b>	<b>2,220</b>	<b>139,616</b>	<b>125,964</b>	<b>289,580</b>	<b>750</b>	<b>290,330</b>
<b>Comprehensive income</b>								
Profit/loss for the accounting period	-	-	-	-	22,963	22,963	-36	22,927
Other comprehensive income	-	-	9,085	9,085	-54	9,030	-	9,030
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>9,085</b>	<b>9,085</b>	<b>22,908</b>	<b>31,993</b>	<b>-36</b>	<b>31,957</b>
<b>Transactions with owners</b>								
Distribution of dividends	-	-	-	-	-4,142	-4,142	-	-4,142
Other changes	-	-	-	-	-	-	-	-
<b>Transactions with owners, total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-4,142</b>	<b>-4,142</b>	<b>-</b>	<b>-4,142</b>
<b>Equity total, 30 September 2019</b>	<b>24,000</b>	<b>137,396</b>	<b>11,305</b>	<b>148,701</b>	<b>144,730</b>	<b>317,431</b>	<b>714</b>	<b>318,145</b>

<b>31 December 2018 (1,000 euros)</b>	<i>Share capital</i>	<i>Reserve for invested non-restricted equity</i>	<i>Fair value reserve</i>	<i>Reserves, total</i>	<i>Retained earnings</i>	<i>Shareholders of Oma Säästöpankki Oyj</i>	<i>Non-controlling interest</i>	<i>Equity, total</i>
<b>Equity, 1 January, 2018</b>	<b>24,000</b>	<b>106,087</b>	<b>1,999</b>	<b>108,086</b>	<b>107,871</b>	<b>239,957</b>	<b>647</b>	<b>240,604</b>
<b>Comprehensive income</b>								
Profit/loss for the accounting period	-	-	-	-	20,203	20,203	119	20,322
Other comprehensive income	-	-	221	221	88	309	-	309
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>221</b>	<b>221</b>	<b>20,291</b>	<b>20,512</b>	<b>119</b>	<b>20,631</b>
<b>Transactions with owners</b>								
Acquisition of treasury shares	-	-	-	-	-57	-57	-	-57
Distribution of dividends	-	-	-	-	-2,112	-2,112	-	-2,112
Share capital increase	-	31,550	-	31,550	-	31,550	-	31,550
Transaction costs (IPO costs)	-	-241	-	-241	-	-241	-	-241
Other changes	-	-	-	-	-29	-29	-16	-45
<b>Transactions with owners, total</b>	<b>-</b>	<b>31,309</b>	<b>-</b>	<b>31,309</b>	<b>-2,198</b>	<b>29,111</b>	<b>-16</b>	<b>29,095</b>
<b>Equity total, 31 December 2018</b>	<b>24,000</b>	<b>137,396</b>	<b>2,220</b>	<b>139,616</b>	<b>125,964</b>	<b>289,580</b>	<b>750</b>	<b>290,330</b>

<b>30 September 2018 (1,000 euros)</b>	<i>Share capital</i>	<i>Reserve for invested non-restricted equity</i>	<i>Fair value reserve</i>	<i>Reserves, total</i>	<i>Retained earnings</i>	<i>Shareholders of Oma Säästöpankki Oyj</i>	<i>Non-controlling interest</i>	<i>Equity, total</i>
<b>Equity, 1 January, 2018</b>	<b>24,000</b>	<b>106,087</b>	<b>1,999</b>	<b>108,086</b>	<b>107,871</b>	<b>239,957</b>	<b>647</b>	<b>240,604</b>
<b>Comprehensive income</b>								
Profit/loss for the accounting period	-	-	-	-	16,520	16,520	83	16,603
Other comprehensive income	-	-	-511	-511	7	-504	-	-504
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-511</b>	<b>-511</b>	<b>16,527</b>	<b>16,017</b>	<b>83</b>	<b>16,100</b>
<b>Transactions with owners</b>								
Acquisition of treasury shares	-	-	-	-	-26	-26	-	-26
Share capital increase	-	50	-	50	-	50	-	50
Distribution of dividends	-	-	-	-	-2,112	-2,112	-	-2,112
Acquisition of non-controlling interests	-	-	62	62	-30	33	-15	17
<b>Transactions with owners, total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112</b>	<b>-2,168</b>	<b>-2,056</b>	<b>-15</b>	<b>-2,071</b>
<b>Equity total, 30 September 2018</b>	<b>24,000</b>	<b>106,137</b>	<b>1,551</b>	<b>107,687</b>	<b>122,230</b>	<b>253,919</b>	<b>715</b>	<b>254,633</b>



# Consolidated condensed income statement, quarterly trend

Note	(1,000 euros)	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3
	Interest income	16,281	15,969	14,699	14,989	14,313
	Interest expenses	-1,413	-1,529	-1,505	-1,563	-1,493
<b>G8</b>	<b>Net interest income</b>	<b>14,868</b>	<b>14,440</b>	<b>13,195</b>	<b>13,426</b>	<b>12,820</b>
	Fee and commission income	7,477	7,546	7,368	7,357	7,390
	Fee and commission expenses	-982	-1,159	-1,164	-2,572	-1,073
<b>G9</b>	<b>Fee and commission income and expenses, net</b>	<b>6,495</b>	<b>6,387</b>	<b>6,204</b>	<b>4,785</b>	<b>6,317</b>
<b>G10</b>	Net income on financial assets and financial liabilities	-272	-347	6,699	-277	540
	Other operating income	90	583	1,294	218	129
	<b>Total operating income</b>	<b>21,181</b>	<b>21,063</b>	<b>27,392</b>	<b>18,152</b>	<b>19,806</b>
	Personnel expenses	-3,822	-3,892	-4,306	-4,999	-3,728
	Other operating expenses	-5,536	-6,885	-8,932	-7,714	-6,228
	Depreciation, amortisations and impairment losses on tangible and intangible assets	-1,108	-1,133	-1,055	-726	-722
	<b>Total operating expenses</b>	<b>-10,466</b>	<b>-11,910</b>	<b>-14,292</b>	<b>-13,439</b>	<b>-10,678</b>
<b>G11</b>	Impairment losses on financial assets, net	-2,371	-2,348	-1,205	-196	-1,737
	Share of profit from joint ventures and associated companies	-2	-2	-3	-	-
	<b>Profit before taxes</b>	<b>8,342</b>	<b>6,804</b>	<b>11,892</b>	<b>4,516</b>	<b>7,391</b>
	Income taxes	-1,665	-1,343	-1,103	-797	-1,402
	<b>Profit for the accounting period</b>	<b>6,677</b>	<b>5,461</b>	<b>10,789</b>	<b>3,719</b>	<b>5,988</b>
	<b>Of which:</b>					
	Shareholders of Oma Säästöpankki Oyj	6,713	5,458	10,791	3,683	5,954
	Non-controlling interest	-36	2	-3	36	35
	<b>Total</b>	<b>6,677</b>	<b>5,461</b>	<b>10,789</b>	<b>3,719</b>	<b>5,988</b>
	<b>Earnings per share (EPS), euro</b>	<b>0.23</b>	<b>0.18</b>	<b>0.36</b>	<b>0.13</b>	<b>0.24</b>
	<b>Profit before taxes excluding items affecting comparability:</b>	<b>2019 Q3</b>	<b>2019 Q2</b>	<b>2019 Q1</b>	<b>2018 Q4</b>	<b>2018 Q3</b>
	<b>Profit before taxes</b>	<b>8,342</b>	<b>6,804</b>	<b>11,892</b>	<b>4,516</b>	<b>7,391</b>
	<b>Operating income:</b>					
	IPO	-	-	-	1,549	-
	Fee and commission income amortised impact	509	743	-	-	-
	Net income on financial assets and liabilities	272	347	-6,699	277	-540
	<b>Operating expenses</b>					
	IPO	-	-	-	241	-
	<b>Comparable profit before taxes</b>	<b>9,123</b>	<b>7,894</b>	<b>5,193</b>	<b>6,583</b>	<b>6,850</b>
	Income taxes in income statement	-1,665	-1,343	-1,103	-797	-1,402
	Change of deferred taxes	-156	-218	40	-413	108
	<b>Comparable profit/loss for the accounting period</b>	<b>7,302</b>	<b>6,332</b>	<b>4,129</b>	<b>5,372</b>	<b>5,556</b>

## Interim Report notes

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# G1 Accounting principles for the interim report

## 1 About the accounting principles

The Group's parent company is Oma Savings Bank Plc, whose domicile is in Seinäjoki and head office is in Lappeenranta, Valtakatu 32, 53100 Lappeenranta. A copy of the financial statements and interim reports is available on the Bank's website at [www.omasp.fi](http://www.omasp.fi).

Oma Savings Bank Group comprises the parent company Oma Savings Bank Plc, its two subsidiaries (real estate company Lappeenrannan Säästökeskus, 100% holding, and SAV-Rahoitus Oyj, 50.7% holding). The Group has an associate company GT Invest Oy (holding 48.7%) and a joint venture Paikallispankkien PP-Laskenta Oy (holding 25%).

The interim report is drawn up in accordance with the IAS 34 Interim Financial Reporting standard. The accounting principles for the interim report are the same as for the 2018 financial statements, apart from the changes resulting from the implementation of the IFRS 16 Leases standard.

The interim report figures are presented in thousands of euros unless otherwise specified. The figures in the notes are rounded off, so the combined sum of single figures may deviate from the grand total presented in a table or a calculation. The accounting and functional currency of the Group and its companies is the euro.

The Board of Directors has approved the Q3 2019 report for 1 January–30 September 2019 in its meeting on 7 November 2019.

## 2 Changes to the accounting principles

### 2.1 Lease agreements

The Group began to apply the IFRS 16 Leases standard in the accounting period beginning on 1 January 2019. The standard replaced the IAS 17 standard and the IFRIC 4 Determining Whether an Arrangement Contains a Lease. In connection with the implementation, earlier accounting periods have not been adjusted to correspond with the new standard. The impacts of the standard's implementation on the Group's income statement and balance sheet are detailed in note G14.

Leases in which the Group functions as the lessee are entered in the balance sheet as lease liability and as a right-of-use asset. The right-of-use assets recognised in the Group's balance sheet are related to the leases on properties, flats and machines and equipment. On the starting date of the lease, the right-of-use asset is valued at acquisition cost, which includes the amount of lease liability in accordance with the initial value and any initial direct costs and the asset item's estimated restoration costs and any rents paid by the starting date of the lease, minus received incentives. A right-of-use asset is amortised and interest on the lease liability is expensed. The amortisation is carried out during the period between the starting date of the lease and the earlier of the end of the right-of-use asset's financially useful life or the end of the lease term. The company's management has decided that the duration of offices' permanent leases is five years.

At the start of the lease, the lease liability is the current value of the rents to be paid during the lease term. When a variable lease is based on the index or price, these are taken into account in determining the lease liability. The Group recognises the lease liability in later periods based on the effective interest method. Rents consist of fixed payments and variable lease payments, which depend on the index. The Group applies IFRS 16's exemptions and recognises leases of no more than 12 months and low-value assets as expenditure in equal instalments during the lease term.

Oma Savings Bank Group, when functioning as the lessor, does not have agreements that are classified as finance leasing. Leases handled as operating leases are recognised in equal instalments over the lease term in the income statement items 'Net income from investment assets' or 'Other operating income'.

### 2.2 Clarification of the recognition principles for fee and commission income

Significant lending transaction and processing fee income is recognised over time using the effective interest method in accordance with the average expected maturity of the loan rather than recognising the income as a one-off gain. The impact of the clarification on the fee and commission income of January–September of 2019 is EUR –1,361 thousand and the impact on interest income is EUR +110 thousand. The clarification of the over-time recognition principles concerns new credit issued to companies and housing companies.

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

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

Accounting principles requiring management's discretion and factors of uncertainty related to estimates did not change significantly compared to the 2018 financial statements.

## G2 Categorisation of financial assets and liabilities

<b>Assets 30 September, 2019 (1,000 euros)</b>	<b>Amortised cost</b>	<b>Fair value through other comprehensive income</b>	<b>Fair value through profit or loss</b>	<b>Hedging derivatives</b>	<b>Book value, total</b>	<b>Fair value</b>
Cash and cash equivalents	45,723	-	-	-	45,723	45,723
Loans and advances to credit institutions	60,402	-	-	-	60,402	60,402
Advances to customers	2,866,951	-	-	-	2,866,951	2,866,951
Derivatives, hedge accounting	-	-	-	11,762	11,762	11,762
Debt instruments	-	270,616	267	-	270,883	270,883
Equity instruments	-	-	56,104	-	56,104	56,104
<b>Total financial assets</b>	<b>2,973,077</b>	<b>270,616</b>	<b>56,371</b>	<b>11,762</b>	<b>3,311,825</b>	<b>3,311,825</b>
Investments in associated companies					5,672	5,672
Investment properties					7,191	8,990
Non-financial assets					45,770	45,770
<b>Assets 30 September, 2019</b>	<b>2,973,077</b>	<b>270,616</b>	<b>56,371</b>	<b>11,762</b>	<b>3,370,459</b>	<b>3,372,258</b>

<b>Liabilities 30 September, 2019 (1,000 euros)</b>	<b>Other liabilities</b>	<b>Hedging derivatives</b>	<b>Book value, total</b>	<b>Fair value</b>
Liabilities to credit institutions	83,728	-	83,728	83,728
Liabilities to customers	2,000,512	-	2,000,512	2,000,512
Debt securities issued to the public	901,716	-	901,716	901,716
Subordinated liabilities	15,200	-	15,200	15,200
<b>Total financial liabilities</b>	<b>3,001,156</b>	<b>-</b>	<b>3,001,156</b>	<b>3,001,156</b>
Non-financial liabilities			51,158	51,158
<b>Liabilities 30 September, 2019</b>	<b>3,001,156</b>	<b>-</b>	<b>3,052,314</b>	<b>3,052,314</b>

<b>Assets 31 December 2018 (1,000 euros)</b>	<b>Amortised cost</b>	<b>Fair value through other comprehensive income</b>	<b>Fair value through profit or loss</b>	<b>Hedging derivatives</b>	<b>Book value, total</b>	<b>Fair value</b>
Cash and cash equivalents	18,521	-	-	-	18,521	18,521
Loans and advances to credit institutions	58,832	-	-	-	58,832	58,832
Advances to customers	2,526,932	-	84	-	2,527,016	2,527,016
Derivatives, hedge accounting	-	-	-	1,593	1,593	1,593
Debt instruments	-	228,480	179	-	228,659	228,659
Equity instruments	-	-	36,592	-	36,592	36,417
<b>Total financial assets</b>	<b>2,604,285</b>	<b>228,480</b>	<b>36,855</b>	<b>1,593</b>	<b>2,871,214</b>	<b>2,871,039</b>
Investments in associated companies					175	175
Investment properties					7,176	9,006
Non-financial assets					36,271	36,271
<b>Assets 31 December 2018</b>	<b>2,604,285</b>	<b>228,480</b>	<b>36,680</b>	<b>1,593</b>	<b>2,914,661</b>	<b>2,916,491</b>

<b>Liabilities 31 December 2018 (1,000 euros)</b>	<b>Other liabilities</b>	<b>Hedging derivatives</b>	<b>Book value, total</b>	<b>Fair value</b>
Liabilities to credit institutions	89,793	-	89,793	89,793
Liabilities to customers	1,757,911	-	1,757,911	1,757,911
Debt securities issued to the public	714,863	-	714,863	714,863
Subordinated liabilities	25,200	-	25,200	25,200
<b>Total financial liabilities</b>	<b>2,587,767</b>	<b>-</b>	<b>2,587,767</b>	<b>2,587,767</b>
Non-financial liabilities			36,564	36,564
<b>Liabilities 31 December 2018</b>	<b>2,587,767</b>	<b>-</b>	<b>2,624,331</b>	<b>2,624,331</b>

<b>Assets 30 September 2018 (1,000 euros)</b>	<b>Amortised cost</b>	<b>Fair value through other comprehensive income</b>	<b>Fair value through profit or loss</b>	<b>Hedging derivatives</b>	<b>Book value, total</b>	<b>Fair value</b>
Cash and cash equivalents	22,498	-	-	-	22,498	22,498
Loans and advances to credit institutions	76,682	-	-	-	76,682	76,682
Advances to customers	2,415,540	-	84	-	2,415,624	2,415,624
Derivatives, hedge accounting	-	-	-	1,812	1,812	1,812
Debt instruments	-	222,337	184	-	222,521	222,521
Equity instruments	-	-	37,345	-	37,345	37,345
<b>Total financial assets</b>	<b>2,514,720</b>	<b>222,337</b>	<b>37,613</b>	<b>1,812</b>	<b>2,776,481</b>	<b>2,776,481</b>
Investments in associated companies					175	175
Investment properties					7,371	9,006
Non-financial assets					57,918	57,918
<b>Assets 30 September 2018</b>	<b>2,514,720</b>	<b>222,337</b>	<b>37,613</b>	<b>1,812</b>	<b>2,841,945</b>	<b>2,843,581</b>

<b>Liabilities 30 September 2018 (1,000 euros)</b>	<b>Other liabilities</b>	<b>Hedging derivatives</b>	<b>Book value, total</b>	<b>Fair value</b>
Liabilities to credit institutions	59,629	-	59,629	59,629
Liabilities to customers	1,728,865	-	1,728,865	1,728,865
Derivatives	-	2,038	2,038	2,038
Debt securities issued to the public	734,698	-	734,698	734,698
Subordinated liabilities	25,000	-	25,000	25,000
<b>Total financial liabilities</b>	<b>2,548,192</b>	<b>2,038</b>	<b>2,550,230</b>	<b>2,550,230</b>
Non-financial liabilities			37,082	37,082
<b>Liabilities 30 September 2018</b>	<b>2,548,192</b>	<b>2,038</b>	<b>2,587,312</b>	<b>2,587,312</b>

## G3 Loans and other receivables

(1,000 euros)	30.9.2019	31.12.2018	30.9.2018
<b>Loans and advances to credit institutions</b>			
Deposits	41,106	40,884	59,155
Other	19,297	17,948	17,527
<b>Loans and advances to credit institutions, total</b>	<b>60,402</b>	<b>58,832</b>	<b>76,682</b>
<b>Loans and advances to the public and public sector entities</b>			
Loans	2,771,760	2,450,631	2,337,918
Used overdraft facilities	68,900	52,114	53,667
Loans intermediated through the State's assets	208	312	388
Credit cards	26,022	23,761	23,623
Bank guarantee receivables	61	198	27
<b>Loans and advances to the public and public sector entities, total</b>	<b>2,866,951</b>	<b>2,527,016</b>	<b>2,415,624</b>
<b>Loans and advances, total</b>	<b>2,927,354</b>	<b>2,585,848</b>	<b>2,492,306</b>

The cash flow calculations of the expected credit losses are presented in note G11 Impairment losses on financial assets.



# G4 Financial derivatives

Assets (1,000 euros)	30.9.2019	31.12.2018	30.9.2018
<b>Fair value hedge</b>			
Interest rate derivatives	11,523	1,519	996
<b>Other hedging derivatives</b>			
Share and share index derivatives	239	74	816
<b>Total derivative assets</b>	<b>11,762</b>	<b>1,593</b>	<b>1,812</b>

Liabilities (1,000 euros)	9/30/19	12/31/18	9/30/18
<b>Fair value hedge</b>			
Interest rate derivatives			2,038
Share and share index derivatives	-	-	-
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>2,038</b>

<b>Change in the value of hedged object / Fair value hedge</b>	<b>-12,995</b>	<b>-1,884</b>	<b>816</b>
<b>Change in the value of hedged object / Other hedging derivatives</b>	<b>201</b>	<b>436</b>	<b>-190</b>

## Nominal values of underlying items and fair values of derivatives September 30, 2019

(1,000 euros)	Residual maturity			Total	Fair values	
	Less than 1 year	1–5 years	Over 5 years		Assets	Liabilities
<b>Fair value hedge</b>	-	<b>665,000</b>	-	<b>665,000</b>	<b>11,523</b>	-
Interest rate swaps	-	665,000	-	665,000	12,585	-
Cva and Dva adjustments	-	-	-	-	-1,063	-
<b>Other hedging derivatives</b>	<b>25,791</b>	<b>49,644</b>	-	<b>75,436</b>	<b>239</b>	-
Share and share index derivatives	25,791	49,644	-	75,436	386	-
Cva and Dva adjustments	-	-	-	-	-147	-
<b>Derivatives total</b>	<b>25,791</b>	<b>714,644</b>	-	<b>740,436</b>	<b>11,762</b>	-

**Nominal values of underlying items and fair values of derivatives December 31, 2018**

(1,000 euros)	Residual maturity			Total	Fair values	
	Less than 1 year	1–5 years	Over 5 years		Assets	Liabilities
<b>Fair value hedge</b>	<b>5,000</b>	<b>365,000</b>	-	<b>370,000</b>	<b>1,519</b>	-
Interest rate swaps	5,000	365,000	-	370,000	1,772	-
Cva and Dva adjustments	-	-	-	-	-252	-
<b>Other hedging derivatives</b>	<b>18,543</b>	<b>59,172</b>	-	<b>77,715</b>	<b>74</b>	-
Share and share index derivatives	18,543	59,172	-	77,715	250	-
Cva and Dva adjustments	-	-	-	-	-176	-
<b>Derivatives total</b>	<b>23,543</b>	<b>424,172</b>	-	<b>447,715</b>	<b>1,593</b>	-

**Nominal values of underlying items and fair values of derivatives September 30, 2018**

(1,000 euros)	Residual maturity			Total	Fair values	
	Less than 1 year	1–5 years	Over 5 years		Assets	Liabilities
<b>Fair value hedge</b>	<b>5,000</b>	<b>365,000</b>	-	<b>370,000</b>	<b>996</b>	<b>2,038</b>
Interest rate swaps	5,000	365,000	-	370,000	1,056	2,210
Cva and Dva adjustments	-	-	-	-	-60	-171
<b>Other hedging derivatives</b>	<b>31,677</b>	<b>40,566</b>	-	<b>72,242</b>	<b>816</b>	-
Share and share index derivatives	31,677	40,566	-	72,242	953	-
Cva and Dva adjustments	-	-	-	-	-137	-
<b>Derivatives total</b>	<b>36,677</b>	<b>405,566</b>	-	<b>442,242</b>	<b>1,812</b>	<b>2,038</b>

## G5 Investment assets

Investment assets (1,000 euros)	30.9.2019	31.12.2018	30.9.2018
<b>Measured at fair value through profit or loss</b>			
Debt securities	267	179	184
Shares and other equity instruments	56,104	36,417	37,345
<b>Assets at fair value through profit or loss, total</b>	<b>56,370</b>	<b>36,596</b>	<b>37,529</b>
<b>At fair value through other comprehensive income</b>			
Debt securities	270,616	228,480	222,337
Shares and other equity instruments	-	-	-
<b>At fair value through other comprehensive income, total</b>	<b>270,616</b>	<b>228,480</b>	<b>222,337</b>
<b>Investment properties</b>	<b>7,191</b>	<b>7,176</b>	<b>7,371</b>
<b>Total investment assets</b>	<b>334,178</b>	<b>272,253</b>	<b>267,236</b>

The cash flow calculations of the expected credit losses are presented in note G11 Impairment losses on financial assets.

Changes in investment properties (1,000 euros)	30.9.2019	31.12.2018	30.9.2018
<b>Cost 1 January</b>	<b>12,635</b>	<b>13,671</b>	<b>13,671</b>
+ Increases	360	554	36
- Decreases	-370	-1,639	-942
+/- Transfers	-	49	49
<b>Cost at the end of the period</b>	<b>12,625</b>	<b>12,635</b>	<b>12,814</b>
<b>Accumulated depreciation and impairment</b>	<b>-5,458</b>	<b>-5,435</b>	<b>-5,435</b>
+ Accumulated depreciation of decreases and transfers	152	186	101
- Depreciation	-221	-410	-312
+/- Impairment ja niiden muutokset	93	201	-
+/- Other changes	-	-	201
<b>Accumulated depreciation and impairment at the end of the period</b>	<b>-5,433</b>	<b>-5,458</b>	<b>-5,444</b>
<b>Opening balance 1 January</b>	<b>7,176</b>	<b>8,236</b>	<b>8,236</b>
<b>Closing balance</b>	<b>7,191</b>	<b>7,176</b>	<b>7,371</b>

Measured at fair value through profit or loss and at fair value through other comprehensive income (1,000 euros) 30 September 2019	Equity instruments				Debt-based				All total
	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	
Quoted									
Public sector entities	-	-	-	-	116,758	-	-	116,758	116,758
From others	-	35,699	-	35,699	152,315	-	-	152,315	188,014
Non-quoted									
From others	-	20,405	-	20,405	1,543	267	-	1,810	22,215
<b>Total</b>	<b>-</b>	<b>56,104</b>	<b>-</b>	<b>56,104</b>	<b>270,616</b>	<b>267</b>	<b>-</b>	<b>270,883</b>	<b>326,987</b>

Measured at fair value through profit or loss and at fair value through other comprehensive income (1,000 euros) 31 December 2018	Equity instruments				Debt-based				All total
	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	
Quoted									
Public sector entities	-	-	-	-	104,656	-	-	104,656	104,656
From others	-	15,200	-	15,200	122,242	-	-	122,242	137,442
Non-quoted									
From others	-	21,217	-	21,217	1,583	179	-	1,762	22,979
<b>Total</b>	<b>-</b>	<b>36,417</b>	<b>-</b>	<b>36,417</b>	<b>228,480</b>	<b>179</b>	<b>-</b>	<b>228,659</b>	<b>265,076</b>

Measured at fair value through profit or loss and at fair value through other comprehensive income (1,000 euros) 30 September 2018	Equity instruments				Debt-based				All total
	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	
Quoted									
Public sector entities	-	-	-	-	99,387	-	-	99,387	99,387
From others	-	15,952	-	15,952	120,868	-	-	120,868	136,821
Non-quoted									
From others	-	21,393	-	21,393	2,082	184	-	2,266	23,658
<b>Total</b>	<b>-</b>	<b>37,345</b>	<b>-</b>	<b>37,345</b>	<b>222,337</b>	<b>184</b>	<b>-</b>	<b>222,521</b>	<b>259,865</b>

## G6 Liabilities to the public and public sector entities and liabilities to credit institutions

(1,000 euros)	30.9.2019	31.12.2018	30.9.2018
Liabilities to credit institutions			
Repayable on demand	9,517	11,871	14,454
Other than repayable on demand	74,210	77,923	45,175
<b>Total liabilities to credit institutions</b>	<b>83,728</b>	<b>89,793</b>	<b>59,629</b>
Liabilities to the public and public sector entities			
Deposits	1,987,330	1,755,760	1,729,353
Repayable on demand	1,664,589	1,542,386	1,539,975
Other	322,742	213,375	189,377
Other financial liabilities	187	267	328
Other than repayable on demand	187	267	328
Changes in fair value in terms of borrowing	12,995	1,884	-816
<b>Liabilities to the public and public sector entities, total</b>	<b>2,000,512</b>	<b>1,757,911</b>	<b>1,728,865</b>
<b>Liabilities to the public and public sector entities and liabilities to credit institutions, total</b>	<b>2,084,240</b>	<b>1,847,704</b>	<b>1,788,494</b>

## G7 Debt securities issued to the public

(1,000 euros)	30.9.2019	31.12.2018	30.9.2018
Bonds	771,847	582,908	582,749
Certificates of deposit	129,869	131,955	151,949
<b>Total debt securities issued to the public</b>	<b>901,716</b>	<b>714,863</b>	<b>734,698</b>

Maturity of bonds	Nominal value	Interest	Year of issue	Due date	Book value		
					30.9.2019	31.12.2018	30.9.2018
Oma Sp Oyj 6.5.2019	110,000	margin 1.000% / variable	2016	5/6/19	-	109,978	109,963
Oma Sp Oyj 3.4.2020	125,000	margin 0.880% / variable	2017	4/3/20	124,967	124,919	124,903
Oma Sp Oyj 12.12.2022, covered bond	350,000	0.125% / fixed	2017–2018	12/12/22	348,385	348,010	347,883
Oma Sp Oyj 3.4.2024, covered bond	300,000	0.125% / fixed	2019	4/3/24	298,495	-	-
					<b>771,847</b>	<b>582,908</b>	<b>582,749</b>

Maturity of deposit certificates	less than 3 months	3–6 months	6–9 months	9–12 months	Closing balance, total
<b>30.9.2019</b>	44,995	27,476	15,980	41,418	<b>129,869</b>
<b>31.12.2018</b>	106,973	24,983	-	-	<b>131,955</b>
<b>30.9.2018</b>	91,984	59,965	-	-	<b>151,949</b>

## G8 Net interest income

(1,000 euros)	1-9/2019	1-9/2018	1-12/2018
<b>Interest income</b>			
Advances to the public and public sector entities	43,031	37,260	50,912
Debt securities	1,608	1,633	2,167
Derivatives	1,858	1,496	2,188
Other interest income	453	572	683
<b>Total interest income</b>	<b>46,950</b>	<b>40,961</b>	<b>55,949</b>
<b>Interest expenses</b>			
Liabilities to credit institutions	-317	-557	-675
Liabilities to the public and public sector entities	-1,409	-1,735	-2,316
Debt securities issued to the public	-2,116	-2,373	-3,085
Subordinated liabilities	-242	-363	-477
Other interest expenses	-363	-7	-46
<b>Total interest expenses</b>	<b>-4,447</b>	<b>-5,036</b>	<b>-6,599</b>
<b>Net interest income</b>	<b>42,503</b>	<b>35,925</b>	<b>49,351</b>

## K9 Fee and commission income and expenses

(1,000 euros)	1-9/2019	1-9/2018	1-12/2018
<b>Fee and commission income</b>			
Lending	7,785	8,637	11,276
Deposits	61	100	129
Card and payment transactions	9,996	9,112	12,271
Intermediated securities	72	80	110
Reserves	1,801	1,865	2,452
Legal services	520	534	721
Brokered products	981	962	1,313
Granting of guarantees	647	450	640
Other fee and commission income	528	597	782
<b>Total fee and commission income</b>	<b>22,391</b>	<b>22,336</b>	<b>29,694</b>
<b>Fee and commission expenses</b>			
Card and payment transactions	-2,434	-2,135	-2,890
Securities	-150	-47	-1,626
Other fee and commission expenses	-721	-781	-1,020
<b>Total fee and commission expenses</b>	<b>-3,305</b>	<b>-2,963</b>	<b>-5,535</b>
<b>Fee and commission income and expenses, net</b>	<b>19,087</b>	<b>19,374</b>	<b>24,158</b>

# G10 Net income on financial assets and financial liabilities

(1,000 euros)	1-9/2019	1-9/2018	1-12/2018
<b>Net income on financial assets at fair value through profit or loss</b>			
Debt securities			
Capital gains and losses	-	-116	-116
Valuation gains and losses	4	-99	-104
<b>Total debt securities</b>	<b>4</b>	<b>-215</b>	<b>-220</b>
Shares and other equity instruments			
Dividend income	1,366	1,275	1,289
Capital gains and losses	103	-77	-90
Valuation gains and losses	5,992	209	-712
<b>Total shares and other equity instruments</b>	<b>7,465</b>	<b>1,407</b>	<b>486</b>
<b>Net income on financial assets at fair value through profit or loss, total</b>	<b>7,465</b>	<b>1,192</b>	<b>266</b>
<b>Net income on financial assets at fair value through other comprehensive income</b>			
Debt securities			
Capital gains and losses	131	2	-4
Difference in valuation reclassified from the fair value reserve to the income statement	-120	161	396
<b>Total debt securities</b>	<b>11</b>	<b>163</b>	<b>393</b>
<b>Net income on financial assets at fair value through other comprehensive income, total</b>	<b>11</b>	<b>163</b>	<b>393</b>
<b>Net income from investment properties (1,000 euros)</b>			
Rent and dividend income	539	621	818
Capital gains and losses	-60	-402	-387
Other gains from investment properties	8	6	10
Maintenance expenses	-679	-692	-919
Depreciation and impairment on investment properties	-197	-9	-200
Rent expenses on investment properties	-1	-1	-13
<b>Net income from investment properties, total</b>	<b>-390</b>	<b>-478</b>	<b>-691</b>
<b>Net gains on trading in foreign currencies</b>	<b>77</b>	<b>29</b>	<b>45</b>
<b>Net gains from hedge accounting</b>	<b>-297</b>	<b>-270</b>	<b>744</b>
<b>Net income from trading</b>	<b>-786</b>	<b>197</b>	<b>-202</b>
<b>Net income on financial assets and financial liabilities, total</b>	<b>6,080</b>	<b>832</b>	<b>556</b>



# G11 Impairment losses on financial assets

(1,000 euros)	1-9/2019	1-9/2018	1-12/2018
ECL from advances to customers and off-balance sheet items	-4,501	-2,042	-1,699
ECL from debt instruments	-27	-60	-64
<b>Expected credit losses, total</b>	<b>-4,528</b>	<b>-2,102</b>	<b>-1,763</b>
<b>Final credit losses</b>			
Final credit losses	-1,460	-1,522	-2,216
Refunds on realised credit losses	65	74	234
<b>Recognised credit losses, net</b>	<b>-1,395</b>	<b>-1,447</b>	<b>-1,983</b>
<b>Impairment on receivables, total</b>	<b>-5,923</b>	<b>-3,549</b>	<b>-3,746</b>

## Expected credit losses, loans and advances

Loans and advances to credit institutions and to public and general government, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	30.9.2019	30.9.2018	31.12.2018
				Total	Total	Total
<b>Expected credit losses 1 January 2019</b>	<b>1,504</b>	<b>1,825</b>	<b>8,247</b>	<b>11,577</b>	<b>9,762</b>	<b>9,762</b>
Transfer to stage 1	265	-279	-64	-78	-304	-449
Transfer to stage 2	-123	920	-460	337	-172	-162
Transfer to stage 3	-21	-254	4,530	4,254	2,650	3,045
New debt securities	825	259	140	1,223	1,605	1,917
Matured debt securities	-462	-224	-2,560	-3,247	-2,145	-2,953
Realised credit losses	1	-1	-573	-574	-718	-1,183
Recoveries on previous realised credit losses	-3	11	-7	-0	-	-
Changes in credit risk	81	317	2,055	2,453	1,111	1,245
Changes in the ECL model parameters	-	-	-	-	-	-
Manual corrections, at credit level	54	-21	-	33	-	356
<b>Expected credit losses 30 September 2019</b>	<b>2,120</b>	<b>2,552</b>	<b>11,307</b>	<b>15,980</b>	<b>11,788</b>	<b>11,577</b>
Off-balance sheet commitments (1,000 euros)	Stage 1	Stage 2	Stage 3	30.9.2019	30.9.2018	31.12.2018
				Total	Total	Total
<b>Expected credit losses 1 January 2019</b>	<b>384</b>	<b>121</b>	<b>89</b>	<b>594</b>	<b>710</b>	<b>710</b>
Transfer to stage 1	17	-16	-1	-0	-13	-3
Transfer to stage 2	-3	5	-2	-	-	-
Transfer to stage 3	-0	-14	14	-	-	-
New debt securities	163	141	48	351	403	327
Matured debt securities	-200	-27	-26	-253	-331	-394
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	18	-8	-11	-0	-42	-46
Changes in the ECL model parameters	-	-	-	-	-	-
Manual corrections, at credit level	-	-	-	-	-	-
<b>Expected credit losses 30 September 2019</b>	<b>378</b>	<b>202</b>	<b>112</b>	<b>692</b>	<b>726</b>	<b>594</b>

## Expected credit losses, investment assets

Debt securities, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	30.9.2019	30.9.2018	31.12.2018
				Total	Total	Total
<b>Expected credit losses 1 January 2019</b>	<b>499</b>	<b>49</b>	-	<b>548</b>	<b>484</b>	<b>484</b>
Transfer to stage 1	1	-13	-	-12	-6	-
Transfer to stage 2	-	-	-	-	17	20
Transfer to stage 3	-	-	-	-	-	-
New debt securities	38	16	-	54	167	190
Matured debt securities	-4	-8	-	-12	-36	-44
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	3	-6	-	-3	-82	-102
Changes in the ECL model parameters	-	-	-	-	-	-
Manual corrections, at credit level	-	-	-	-	-	-
<b>Expected credit losses 30 September 2019</b>	<b>537</b>	<b>38</b>	-	<b>575</b>	<b>544</b>	<b>548</b>

## G12 Fair values in accordance with the valuation method

The determination of the fair value of financial instruments is set out in note K2 Accounting principles under "Determining the fair value" of the financial statements for the year 2018.

Level 3 equity securities include the shares of companies that are strategic to Oma Savings Bank's operations.

### Items repeatedly valued at fair value

Financial assets (1,000 euros)	30 September 2019			
	Level 1	Level 2	Level 3	Total
<b>At fair value through profit or loss</b>				
Equity securities	35,699	1,665	18,741	56,104
Debt securities	183	-	84	267
Financial derivatives	-	11,762	-	11,762
<b>At fair value through other comprehensive income</b>				
Debt securities	265,333	-	5,284	270,616
<b>Financial assets total</b>	<b>301,214</b>	<b>13,426</b>	<b>24,108</b>	<b>338,749</b>

Items repeatedly valued at fair value

Financial assets (1,000 euros)	31 December 2018				30 September 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Measured at fair value through profit or loss</b>								
Equity securities	15,200	1,214	20,003	36,417	15,952	1,367	20,026	37,345
Debt securities	179	-	84	263	184	-	84	268
Financial derivatives	-	1,593	-	1,593	816	996	-	1,812
<b>At fair value through other comprehensive income</b>								
Debt securities	228,191	-	289	228,480	219,046	-	3,291	222,337
<b>Financial assets total</b>	<b>243,570</b>	<b>2,807</b>	<b>20,376</b>	<b>266,753</b>	<b>235,998</b>	<b>2,362</b>	<b>23,401</b>	<b>261,762</b>

At amortised cost

Financial liabilities (1,000 euros)	31 December 2018				30 September 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Other financial liabilities</b>	-	-	-	-	-	2,038	-	2,038
<b>Total financial liabilities</b>	-	-	-	-	-	2,038	-	2,038

Investment transactions 30 September 2019, categorised to Level 3

Financial assets at fair value through profit or loss (1,000 euros)	30 September 2019			31 December 2018			30 September 2018		
	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total
<b>Opening balance</b>	<b>20,003</b>	<b>84</b>	<b>20,087</b>	<b>19,119</b>	<b>718</b>	<b>19,837</b>	<b>19,119</b>	<b>718</b>	<b>19,837</b>
+ Acquisitions	-	-	-	1,006	0	1,006	1,006	-	1,006
- Sales	-6,556	-	-6,556	-76	0	-76	-66	-	-66
- Matured during the year	-	-	-	0	-532	-532	-	-532	-532
+/- Realised changes in value recognised on the income statement	-2	-	-2	-67	-100	-167	-53	-100	-154
+/- Unrealised changes in value recognised on the income statement	5,295	-	5,295	20	-1	19	20	-1	19
+ Transfers to Level 3	-	-	-	0	0	0	-	-	-
- Transfers to Level 1 and 2	-	-	-	0	0	0	-	-	-
<b>Closing balance</b>	<b>18,741</b>	<b>84</b>	<b>18,824</b>	<b>20,003</b>	<b>84</b>	<b>20,087</b>	<b>20,026</b>	<b>84</b>	<b>20,110</b>

At fair value through other comprehensive income (1,000 euros)	30 September 2019			31 December 2018			30 September 2018		
	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total
<b>Opening balance</b>	<b>-</b>	<b>289</b>	<b>289</b>	<b>0</b>	<b>749</b>	<b>749</b>	<b>-</b>	<b>749</b>	<b>749</b>
+ Acquisitions	-	4,965	4,965	0	0	0	-	2,991	2,991
- Sales	-	-	-	0	-6	-6	-	-6	-6
- Matured during the year	-	-	-	0	-451	-451	-	-451	-451
+/- Realised changes in value recognised on the income statement	-	-	-	0	0	0	-	-	-
+/- Unrealised changes in value recognised on the income statement	-	319	319	0	0	0	-	-	-
+/- Changes in value recognised in other comprehensive income	-	-	-	0	-3	-3	-	8	8
+ Transfers to Level 3	-	-	-	0	0	0	-	-	-
- Transfers to Level 1 and 2	-	-289	-289	0	0	0	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>5,284</b>	<b>5,284</b>	<b>0</b>	<b>289</b>	<b>289</b>	<b>-</b>	<b>3,291</b>	<b>3,291</b>

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

	Hypothetical change	30 September 2019 Potential impact on equity			31 December 2018 Potential impact on equity			30 September 2018 Potential impact on equity		
		Market value	Positive	Negative	Market value	Positive	Negative	Market value	Positive	Negative
<b>Equity securities</b>										
At fair value through profit or loss	+/- 15%	18,741	2,811	-2,811	20,003	3,000	-3,000	20,026	3,004	-3,004
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>18,741</b>	<b>2,811</b>	<b>-2,811</b>	<b>20,003</b>	<b>3,000</b>	<b>-3,000</b>	<b>20,026</b>	<b>3,004</b>	<b>-3,004</b>

	Hypothetical change	30 September 2019 Potential impact on equity			31 December 2018 Potential impact on equity			30 September 2018 Potential impact on equity		
		Market value	Positive	Negative	Market value	Positive	Negative	Market value	Positive	Negative
<b>Debt securities</b>										
At fair value through profit or loss	+/- 15%	84	13	-13	84	13	-13	84	13	-13
At fair value through other comprehensive income	+/- 15%	5,284	793	-793	289	43	-43	3,291	494	-494
<b>Total</b>		<b>5,368</b>	<b>805</b>	<b>-805</b>	<b>373</b>	<b>56</b>	<b>-56</b>	<b>3,375</b>	<b>506</b>	<b>-506</b>

# G13 Business combinations

## Acquisition during the 2019 accounting period

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Oma Savings Bank acquired 48.7% of share capital of GT Invest Oy. GT Invest Oy owns 51% of the joint venture which invests in rental flats built in Finland.

The acquired shares and private equity are recognised in the consolidated balance sheet in the item 'Shares of companies consolidated by the equity method'.

The total value of the private equity and equity holdings is EUR 5.5 million.

## Acquisitions during the 2018 accounting period

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On 31 August 2018, Oma Savings Bank, together with Aktia Bank, the POP Bank Group and the Savings Bank Group acquired the entire share capital of PP-Laskenta Oy. PP-Laskenta Oy is a nationally operating financial administration service centre, which produces financial administration and regulatory reporting services for financial operators. PP-Laskenta's new owners are PP-Laskenta's customers.

Oma Savings Bank owns 25.0% of the acquired company.

The acquired shares and goodwill are recognised in the consolidated balance sheet in the item 'Shares of companies consolidated by the equity method'.

# G14 Leases

## Adoption of IFRS 16 Leases

The IFRS 16 Leases standard came into force on 1 January 2019. The new standard replaced the IAS 17 standard and the related interpretations. As a result of IFRS 16, almost all leases are recognised in the balance sheet, with the exception of the two exemptions included in the standard which apply to short-term leases of no more than 12 months and low-value leases. The classification into operating leases and finance leasing was removed. The lessee enters the right-of-use asset in the balance sheet based on its right to use the item in question and the lease liability based on its obligation to pay rent.

Oma Savings Bank Group began to apply the IFRS 16 Leases standard on 1 January 2019, applying the simplified cumulative catch-up transition method. The comparative data relating to the previous financial periods have not been adjusted. The accounting principles in accor-

dance with IFRS 16 are presented in note G1 'Accounting principles' of the interim report.

The Group has applied the exemptions allowed by the standard and low-value leases and lease terms less than 12 months have been excluded from the scope of the application. The adoption of the IFRS 16 standard does not therefore have a significant impact on the consolidated financial statements of the Oma Savings Bank Group.

The table below shows the rental obligations resulting from the operating leases presented when applying IAS 17 in the 2018 financial statements and the reconciliation between the lease liabilities recognised in the balance sheet on 1 January 2019. The lease liabilities recognised in the balance sheet have been determined using the weighted average of the Group's incremental borrowing rate, 1.3 per cent.

(1,000 euros)	1.1.2019
Operating lease commitment at 31 December 2018 as disclosed in the Group's consolidated financial statements	4,448
Lease obligations discounted 1 January 2019	4,327
Extension options reasonably certain to be exercised	1,280
Other changes	469
Recognition exemption for short-term leases	-5
<b>Lease liability recognised at 1 January 2019</b>	<b>6,071</b>

<b>Assets (1,000 euros)</b>	<b>30.9.2019</b>
<b>Opening balance premises, 1 January 2019</b>	<b>5,934</b>
Increases	107
Decreases	-224
Depreciation	-963
<b>Closing balance premises, 30 September 2019</b>	<b>4,853</b>
Refundable at the end of the lease	15
<b>Opening balance equipment, 1 January 2019</b>	<b>122</b>
Increases	403
Depreciation	-125
<b>Closing balance equipment, 30 September 2019</b>	<b>400</b>

<b>Liabilities (1,000 euros)</b>	<b>30.9.2019</b>		
<b>Lease liabilities 30 September 2019</b>	<b>5,306</b>		
<b>Maturity analysis (undiscounted cash flows)</b>			
	less than 1 year	1-5 years	over 5 years
	<b>1,451</b>	<b>3,859</b>	<b>159</b>

<b>Impact on result (1,000 euros):</b>	<b>1-9/2019</b>
Depreciation	
Premises	-963
Equipment	-125
Interest expenses	-61
Leases of short-term leases	-13
Leases of low-value assets	-627
<b>Lease expenses total</b>	<b>-1,788</b>



# G15 Alternative Performance Measures (APM) and calculation of key figures

Oma Savings Bank Plc's financial reporting presents Alternative Performance Measures (APM) that describe the company's historical financial result, financial position or cash flows. The APMs are drawn up in line with the guidelines set by the European Securities and Markets Authority (ESMA). APMs are not key figures defined or specified in compliance with IFRS standards, solvency regulations (CRD/CRR) or Solvency II (SII) regulations. The Bank presents APMs as supplementary information to the key figures that are presented in the Group's IFRS-compliant income statements, Group balance sheets and cash flow statements.

In the Bank's view, alternative key figures provide meaningful and useful information to investors, securities market analysts and others concerning Oma Savings Bank Plc's performance, financial position and cash flows.

## **Oma Savings Bank Plc uses the following Alternative Performance Measures:**

- Operating income/loss
- Comparable profit before taxes
- Cost/income ratio
- Total return on assets, ROA %
- Return on equity, ROE %
- Equity ratio, %
- Comparable cost/income ratio, %
- Comparable return on equity, ROE %
- Comparable earnings per share (EPS), EUR

### Operating income, total

Net interest income, net fee and commission income and expenses, net income on financial assets and liabilities, other operating income

### Total operating expenses

Personnel expenses, other operating expenses, depreciation, amortisation and impairment losses on tangible and intangible assets

### Liquidity coverage ratio (LCR), %

Minimum liquidity buffer relative to net cash and collateral outflows in a 30-day stress scenario

### Cost/income ratio, %

Share of profit from joint ventures and associated companies  
\_\_\_\_\_ X 100  
Total operating income + share of profit from associated companies (net)

### Comparable cost/income ratio, %

Total operating expenses without items affecting comparability  
\_\_\_\_\_ X 100  
Total operating income without items affecting comparability + share of profit from joint ventures and associated companies (net)

### Comparable profit before taxes

Profit/loss before taxes without items effecting comparability

### Return on equity (ROE), %

Profit/loss for the accounting period  
\_\_\_\_\_ X 100  
Equity (average of the beginning and the end of the year)

### Comparable return on equity (ROE), %

Comparable profit/loss for the accounting period  
\_\_\_\_\_ X 100  
Equity (average of the beginning and the end of the year)

### Total return on assets (ROA), %

Profit/loss for the accounting period  
\_\_\_\_\_ X 100  
Average balance sheet total  
(average of the beginning and the end of the year)

### Equity ratio, %

Equity  
\_\_\_\_\_ X 100  
Balance sheet total

### Total capital (TC), %

Own funds total (TC)  
\_\_\_\_\_ X 100  
Risk-weighted assets total (RWA)

### Common Equity Tier 1 (CET1)

Common Equity Tier 1 (CET1)  
\_\_\_\_\_ X 100  
Risk-weighted assets total (RWA) x100

### Tier 1 equity ratio (T1), %

Tier 1 capital (T1)  
\_\_\_\_\_ X 100  
Risk-weighted assets total (RWA) x100

### Earnings per share (EPS), EUR

Profit/loss for the accounting period belonging to the parent company owners

Average number of shares outstanding

### Comparable earnings per share (EPS), EUR

Comparable profit/loss – Share of non-controlling interests

Average number of shares outstanding

# Independent Auditor's Report on Review of Consolidated Interim Report of Oma Savings Bank plc

To the Board of Directors of Oma Savings Bank plc

This document is an English translation of the Finnish auditor's report.  
Only the Finnish version of the report is legally binding.

## Introduction

We have reviewed the accompanying consolidated interim report of Oma Savings Bank plc which comprise the condensed consolidated balance sheet as at 30 September 2019, condensed consolidated income statement, statement of comprehensive income, changes in equity, and cash flows for the nine months ended 30 September 2019 and notes to the condensed interim information. The Board of Directors and the CEO are responsible for the preparation and presentation of the condensed consolidated interim report in accordance with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

## Scope of review

We conducted our review in accordance with International Standards on Review Engagements ISRE 2410 "Review of Interim Financial Information Performed

by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim report of Oma Savings Bank plc for the nine month period ended 30 September 2019 has not been prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

KPMG OY AB

Helsinki, 7 November 2019

FREDRIK WESTERHOLM  
Authorised Public Accountant, APA



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