

Financial statements

Income statement of Suodenniemen Säästöpankki

		1.1. - 31.12.2012	1.1. - 31.12.2011
		eur	eur
Interest income	(1.1)	1 372 676,80	1 420 261,16
Interest expenses	(1.1)	-365 030,26	-339 336,92
Net interest income		1 007 646,54	1 080 924,24
Income from equity-based investments	(1.2)	47 309,36	39 035,93
Fee and commission income	(1.3)	177 993,68	148 144,16
Fee and commission expenses	(1.3)	-58 272,95	-44 774,48
Net gains on trading in securities and foreign currencies	(1.4)	3 100,00	37 350,00
Net gains on available-for-sale financial assets	(1.5)	0,00	41 040,66
Net income from investment property	(1.6)	2 109,01	2 067,44
Other operating profit	(1.7)	4 737,70	7 758,06
Administrative expenses		-705 446,24	-659 651,40
Personnel costs	(1.8)	-353 458,16	-320 011,28
Other administrative expenses	(1.9)	-351 988,08	-339 640,12
Depreciation, amortisation and impairment losses	(1.10)		
from equipment and immaterial goods		-30 580,18	-31 725,43
Other operating expenses	(1.7)	-131 351,57	-132 153,65
Impairment losses on loans and other receivables	(1.11)	-44 009,79	-24 577,33
OPERATING PROFIT		273 235,56	463 438,20
Appropriations		-30 107,58	-39 061,24
Income taxes		-62 257,82	-113 366,71
POST-TAX INCOME (LOSS) OF ACTUAL OPERATION		180 870,16	311 010,25
INCOME(LOSS) OF THE ACCOUNTING PERIOD		180 870,16	311 010,25

Balance sheet of Suodenniemen Säästöpankki

ASSETS

		31.12.2012	31.12.2011
		eur	eur
Cash and cash equivalents		300 439,40	431 236,25
Debt securities eligible for refinancing with central banks		996 740,00	984 251,00
Loans and advances to credit institutions	(2.1)	4 551 974,78	4 946 900,88
Loans and advances to the public and general government	(2.2)	33 379 572,07	31 430 211,82
Debt securities	(2.3)	4 431 519,00	3 252 165,00
From the general government		0,00	0,00
From others		4 431 519,00	3 252 165,00
Shares and interests	(2.4)	1 670 172,55	729 301,42
Immaterial goods	(2.5)	1 274,97	0,00
Material goods		232 109,15	268 352,83
Investment real estates, real estate shares and book entries	(2.6)	100 545,05	111 030,15
Other real estates and real estate community shares and book entries	(2.6)	103 824,39	117 897,28
Other tangible assets		27 739,71	39 425,40
Other assets	(2.8)	3 075,42	8 560,00
Accrued income and prepayments	(2.9)	225 852,30	220 499,56
Deferred taxes	(2.14)	83 760,10	77 748,24
TOTAL ASSETS		<u>45 876 489,74</u>	<u>42 349 227,00</u>

LIABILITIES

		31.12.2012	31.12.2011
		eur	eur
FOREIGN CAPITAL			
Liabilities to credit institutions	(2.10)	7 633,00	9 251,60
Liabilities to the public and general government	(2.11)	38 923 578,39	35 844 382,53
Deposits		38 697 635,02	35 568 889,04
Other liabilities		225 943,37	275 493,49
Other liabilities	(2.12)	592 226,53	340 781,81
Accrued expenses and deferred income	(2.13)	173 357,16	172 667,27
Deferred tax liabilities	(2.14)	76 096,62	77 090,56
TOTAL LIABILITIES		<hr/> 39 772 891,70	<hr/> 36 444 173,77
Appropriations			
Voluntary provisions		1 494 412,01	1 464 304,43
Total appropriations		<hr/> 1 494 412,01	<hr/> 1 464 304,43
EQUITY (2.18)			
Savings bank basic capital		168,18	168,18
Other restricted reserves		643 633,37	656 066,30
Legal reserve		667 249,37	667 249,37
Fair value reserve		-23 616,00	-11 183,07
Free reserves		3 764 862,11	3 453 851,86
Other reserves		3 764 862,11	3 453 851,86
Retained earnings (losses)		19 652,21	19 652,21
profit (loss) for the period		180 870,16	311 010,25
TOTAL EQUITY		<hr/> 4 609 186,03	<hr/> 4 440 748,80
TOTAL LIABILITIES		<hr/> 45 876 489,74	<hr/> 42 349 227,00
OFF-BALANCE SHEET COMMITMENTS			

		31.12.2012	31.12.2011
		eur	eur
Commitments given to third party on behalf of customer		1 401 348,39	1 003 107,01
guarantees and pledges		1 398 348,39	1 003 107,01
Others		3 000,00	0,00
Irrevocable commitments given in favour of customer		1 057 303,86	1 321 016,46
Others		1 057 303,86	1 321 016,46

Cash flow statement of Suodenniemen Säästöpankki

	1.1.-31.12.2012	1.1.-31.12.2011
	eur	eur
Cash flow from operations		
Post-tax profit from ordinary activities	180 870,16	311 010,25
Rectifications for the accounting period	-16 123,67	27 529,12
Increase (+) or decrease (-) of assets	-2 613 066,70	3 195 503,29
Debt securities	-1 000 322,37	2 407 143,57
Loans and advances to credit institutions	1 326 771,00	-968 696,00
Loans to the public and general government	-1 949 360,25	1 318 993,93
Shares and interests	-1 003 657,77	424 403,96
Other assets	13 502,69	13 657,83
Increase (+) or decrease (-) of liabilities	3 352 854,95	-1 398 394,94
Liabilities to credit institutions	-1 618,60	-276,98
Liabilities to the public and general government	3 079 195,86	-1 465 638,33
Other liabilities	275 277,69	67 520,37
Paid income taxes	-98 771,75	-78 251,47
Total cash flow from operations	805 762,99	2 057 396,25
Cash flow from investments		
Investments in shares and interests, deductions	1 381,63	0,00
Investments on material and immaterial goods	-6 096,57	0,00
Total cash flow from investments	-4 714,94	0,00
Net change of cash and cash equivalents	801 048,05	2 057 396,25
Financial assets at the beginning of the accounting period	3 780 044,13	1 722 647,88
Financial assets at the end of the accounting period	4 581 092,18	3 780 044,13
Financial assets are composed of the following balance sheet items:		
Cash assets	300 439,40	431 236,25
Loans and advances to credit institutions repayable on demand	4 280 652,78	3 348 807,88
Total	4 581 092,18	3 780 044,13
Additional information on the cash flow statement		
Received interest	1 382 655,34	1 435 896,99
Paid interest	346 412,95	322 908,17
Received dividends	47 309,36	39 035,93
Rectifications for the accounting period:		
Appropriations	30 107,58	39 061,24
Income statement taxes	62 257,82	113 366,71
Depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	41 065,28	43 207,73
Other rectifications	-149 554,35	-168 106,56
Total	-16 123,67	27 529,12

Notes

NOTES ON THE FINANCIAL STATEMENTS

1.1 Interest income and expenses

	2012	2011
Interest income		
On claims from credit institutions	13 643,48	30 450,48
From loans and advances to the public and general government	975 430,05	971 688,22
From claim certificates	233 722,01	249 911,41
From derivative contracts	149 554,35	168 106,56
Other interest income	326,91	104,49
Total	1 372 676,80	1 420 261,16
Interest income on impairment of credits and other assets	0,00	0,00
Interest expenses		
From liabilities to credit institutions	-3 025,00	-3 042,00
Liabilities to the public and general government	-362 005,26	-332 114,21
Other interest expenses	0,00	-4 180,71
Total	-365 030,26	-339 336,92

1.2 Income from equity-based investments

	2012	2011
From available-for-sale financial assets	47 309,36	39 035,93
Total	47 309,36	39 035,93

1.3 Fee and commission income and expenses

	2012	2011
Fee and commission income		
From credits	53 316,79	49 207,22
From deposits	998,60	3 395,50
From payment transactions	76 469,85	53 813,44
From asset management	21 140,23	19 812,58
From transferred operations	8 578,59	11 204,82
From granting of guarantees	15 965,19	8 683,12
Other fee and commission income	1 524,43	2 027,48
Total	177 993,68	148 144,16
Fee and commission expenses		
Paid commissions	-17 869,71	-4 567,41
Others	-40 403,24	-40 207,07
Total	-58 272,95	-44 774,48

1.4 Net gains on trading in securities and foreign currencies

	2012		
	Gains and losses on sales (net)	Changes in market value (net)	Total
From claim certificates	42 375,00	-39 275,00	3 100,00
Total net gains on trading in securities	42 375,00	-39 275,00	3 100,00
Total of the income statement unit	42 375,00	-39 275,00	3 100,00

Net gains on trading in securities and foreign currencies

	2011		
	Gains and losses on sales (net)	Changes in market value (net)	Total
From claim certificates	0,00	37 350,00	37 350,00
Total net gains on trading in securities	0,00	37 350,00	37 350,00
Total of the income statement unit	0,00	37 350,00	37 350,00

1.5 Net gains on available-for-sale financial assets

	2012		Transfers from	Total
	Gains and losses on sales (net)	Impairments	fair value reserve	
From claim certificates	0,00	0,00	0,00	0,00
From shares and interests	0,00	0,00	0,00	0,00
Total	0,00	0,00	0,00	0,00

Net gains on available-for-sale financial assets

	2011		Transfers from	Total
	Gains and losses on sales (net)	Impairments	fair value reserve	
From claim certificates	4 520,00	0,00	856,16	5 376,16
From shares and interests	-56 356,79	0,00	92 021,29	35 664,50
Total	-51 836,79	0,00	92 877,45	41 040,66

1.6 income from investment property

	2012	2011
Rent income	14 345,64	14 648,32
Planned depreciation write-off	-10 485,10	-11 482,30
Other expenses	-1 751,53	-1 098,58
Total	2 109,01	2 067,44

1.7 Other operating profit and expenses

Other operating profit	2012	2011
Rent income from real estate in own use	50,00	0,00
Other income	4 687,70	7 758,06
Total	4 737,70	7 758,06

Other operating expenses	2012	2011
Rent expenses	-14 107,33	-18 767,07
Expenses from real estate in own use	-31 802,12	-28 382,82
Other expenses	-85 442,12	-85 003,76
Total	-131 351,57	-132 153,65

1.8 Personnel expenses

	2012	2011
Wages and fees	-306 522,51	-269 168,05
Long-term benefits	-46 935,65	-50 843,23
Pension expenses	-37 366,72	-42 378,18
Other long-term benefits	-9 568,93	-8 465,05
Total	-353 458,16	-320 011,28

1.9 Other administrative expenses

	2012	2011
Other personnel expenses	-40 522,27	-35 161,31
Office expenses	-50 762,29	-56 008,77
IT expenses	-197 870,52	-180 485,26
Communications expenses	-22 700,36	-22 949,46
Promotional and marketing expenses	-40 132,64	-45 035,32
Total	-351 988,08	-339 640,12

1.10 Depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets

	2012	2011
Planned depreciation write-off	-30 580,18	-31 725,43
Material goods	-30 580,18	-31 725,43
Total	-30 580,18	-31 725,43

1.11 Impairment losses on loans, other engagements and other financial assets**Impairment losses on loans and other engagements**

	2012	2011
From loans and advances to the public and general government	-44 009,79	-24 577,33
Contractually based impairment losses	-45 238,08	-25 717,63
Cancellations and returns (-) on impairments	1 228,29	1 140,30
Total impairment losses on loans and other receivables	-44 009,79	-24 577,33
Total impairment losses on financial assets	-44 009,79	-24 577,33

Income by operating and market area

	2012	2011
Income from banking operations	1 242 896,29	1 356 320,49

Distribution of gains, operating profit, assets and liabilities by operating area have not been reported due to lack of significance.

The bank operates only in Finland.

The gains are presented as non-eliminated.

NOTES ON THE BALANCE SHEET

2.1. Loans and advances to credit institutions

	2012	2011
Repayable on demand	4 280 652,78	3 348 807,88
From domestic credit institutions	4 280 652,78	3 348 807,88
Others	271 322,00	1 598 093,00
From domestic credit institutions	271 322,00	1 598 093,00
Total	4 551 974,78	4 946 900,88

2.2 Loans to the public and general government

	2012	2011
Enterprises and housing communities	8 644 757,66	7 527 011,04
General government	14 085,61	18 710,79
Households	24 596 278,80	23 781 689,99
Non-profit communities serving households	124 450,00	102 800,00
Total	33 379 572,07	31 430 211,82

Impairment losses recorded during the accounting period

	2012	2011
Impairment losses at the beginning of the accounting period	20 009,93	20 230,58
+ claim-specific impairment losses recorded during the accounting period	45 238,08	25 717,63
- claim-specific impairment losses cancelled during the accounting period	-109,39	-220,65
- credit losses realized during the accounting period formerly recorded with a claim-specific impairment loss	-45 238,08	-25 717,63
Impairment losses at the end of the accounting period	19 900,54	20 009,93

2.3 Debt securities

	2012		2011	
	Total	Of which debt securities eligible for refinancing with central banks	Total	Of which debt securities eligible for refinancing with central banks
Debt securities held for trading	505 600,00	0,00	0,00	0,00
Others	505 600,00	0,00	0,00	0,00
Available-for-sale debt securities	4 922 659,00	996 740,00	4 236 416,00	984 251,00
Quoted	4 719 139,00	996 740,00	4 030 796,00	984 251,00
Others	203 520,00	0,00	205 620,00	0,00
Total	5 428 259,00	996 740,00	4 236 416,00	984 251,00
Subordinated liabilities	711 150,00	0,00	725 615,00	0,00

2.4 Shares and interests

	2012	2011
Available-for-sale shares and interests	1 670 172,55	729 301,42
Quoted	1 397 456,76	455 204,00
Others	272 715,79	274 097,42
<hr/>		
Total shares and interests	1 670 172,55	729 301,42
- of which in credit institutions	474 688,20	456 803,20

2.5 Immaterial goods

	2012	2011
Other immaterial goods	1 274,97	0,00
<hr/>		
Total	1 274,97	0,00

2.6 Material goods

	Book value	Fair value
Land and water areas		
In own use	24 387,74	
Invested	10 159,21	10 159,21
<hr/>		
Total	34 546,95	
Buildings		
In own use	79 436,65	
Invested	90 385,84	90 385,84
<hr/>		
Total	169 822,49	
Other tangible assets	27 739,71	
Total material goods	232 109,15	

Real estate investments are appraised at acquisition cost.

2.7 Changes in immaterial and material goods during the accounting period

Immaterial goods	2012
Acquisition cost 1 Jan	12 613,41
+ additions of the accounting period	1 274,97
Acquisition cost 31 Dec	13 888,38
Accrued depreciation, amortisation and impairment losses 1 Jan	-12 613,41
Accrued depreciation, amortisation and impairment losses 31 Dec	-12 613,41
<hr/>	
Book value 31 Dec	1 274,97
Book value 1 Jan	0,00

Material goods

	2012			Total
	Investment prop- erty and investment prop- erty shares	Other properties and property shares	Other tangible assets	
Acquisition cost 1 Jan	166 336,78	186 287,66	241 955,19	594 579,63
+ additions of the accounting period	0,00	0,00	4 821,60	4 821,60
Acquisition cost 31 Dec	166 336,78	186 287,66	246 776,79	599 401,23
Accrued depreciation, amortisation and impairment losses 1 Jan	-120 025,34	-128 130,74	-202 529,79	-450 685,87
- depreciation write-off of the accounting period	-10 485,10	-14 072,89	-16 507,29	-41 065,28
Accrued depreciation, amortisation and impairment losses 31 Dec	-130 510,44	-142 203,63	-219 037,08	-491 751,15
Accrued revaluations 1 Jan	64 718,71	59 740,36	0,00	124 459,07
Accrued revaluations 31 Dec	64 718,71	59 740,36	0,00	124 459,07
Book value 31 Dec	100 545,05	103 824,39	27 739,71	232 109,15
Book value 1 Jan	111 030,15	117 897,28	39 425,40	268 352,83

2.8 Other assets

	2012	2011
Others	3 075,42	8 560,00
Total	3 075,42	8 560,00

2.9 Accrued income and prepayments

	2012	2011
Interests	198 712,70	208 691,24
Others	27 139,60	11 808,32
Total	225 852,30	220 499,56

2.10 Liabilities to credit institutions

	2012	2011
To credit institutions	7 633,00	9 251,60
Repayable on demand	7 633,00	9 251,60
Total	7 633,00	9 251,60

**2.11 Liabilities to the public and gen-
eral government**

	2012	2011
Deposits	38 697 635,02	35 568 889,04
Repayable on demand	27 951 599,98	25 118 059,12
Others	10 746 035,04	10 450 829,92
Other liabilities	225 943,37	275 493,49
Others	225 943,37	275 493,49
Total	38 923 578,39	35 844 382,53

2.12 Other liabilities

	2012	2011
Liabilities on payment transfer	587 016,65	330 772,30
Others	5 209,88	10 009,51
Total	592 226,53	340 781,81

2.13 Accrued expenses and deferred income

	2012	2011
Interests	104 304,12	88 731,14
Others	69 053,04	83 936,13
Total	173 357,16	172 667,27

2.14 Deferred tax liabilities and assets

Deferred tax debts and claims are recorded from changes recorded at the fair value reserve of derivatives hedging the cash flow and available-for-sale financial assets. Otherwise the bank does not have any entries of deferred tax debts and claims in the balance sheet.

Deferred tax liabilities and assets

Valuation-based deferred tax liabilities	83 760,10
Valuation-based deferred tax liabilities	76 096,62

Deferred tax liabilities from revaluations have not been recorded.

2.15 Maturity distribution of financial assets and liabilities

Financial assets

	Parent		
	2012 Less than 3 months	3 to 12 months	1 to 5 years
Debt securities eligible for refinancing with central banks	0,00	0,00	996 740,00
Loans and advances to credit institutions	4 551 974,78	0,00	0,00
Loans and advances to the public and general government	1 750 112,55	4 131 841,53	13 841 251,66
Debt securities	0,00	1 016 280,00	2 785 981,00
Total	6 302 087,33	5 148 121,53	17 623 972,66

	2012		Total
	5 to 10 years	more than 10 years	
Debt securities eligible for refinancing with central banks	0,00	0,00	996 740,00
Loans and advances to credit institutions	0,00	0,00	4 551 974,78
Loans and advances to the public and general government	7 738 309,30	5 918 057,03	33 379 572,07
Debt securities	629 258,00	0,00	4 431 519,00
Total	8 367 567,30	5 918 057,03	43 359 805,85

Financial assets

	2011		
	Less than 3 months	3 to 12 months	1 to 5 years
Debt securities eligible for refinancing with central banks	0,00	0,00	984 251,00
Loans and advances to credit institutions	4 946 900,88	0,00	0,00
Loans and advances to the public and general government	2 927 789,95	3 641 022,41	12 448 375,04
Debt securities	500 800,00	0,00	2 207 993,00
Total	8 375 490,83	3 641 022,41	15 640 619,04

Financial assets

	2011		Total
	5 to 10 years	more than 10 years	
Debt securities eligible for refinancing with central banks	0,00	0,00	984 251,00
Loans and advances to credit institutions	0,00	0,00	4 946 900,88
Loans and advances to the public and general government	7 321 652,84	5 091 371,58	31 430 211,82
Debt securities	543 372,00	0,00	3 252 165,00
Total	7 865 024,84	5 091 371,58	40 613 528,70

Financial liabilities

	2012		
	Less than 3 months	3 to 12 months	1 to 5 years
Liabilities to credit institutions and central banks	7 633,00	0,00	0,00
Liabilities to the public and general government	30 407 928,85	5 476 296,27	2 813 409,90
Total	30 415 561,85	5 476 296,27	2 813 409,90

Financial liabilities

	2012		Total
	5 to 10 years	more than 10 years	
Liabilities to credit institutions and central banks	0,00	0,00	7 633,00
Liabilities to the public and general government	225 943,37	0,00	38 923 578,39
Total	225 943,37	0,00	38 931 211,39

Financial liabilities

	2011		
	Less than 3 months	3 to 12 months	1 to 5 years
Liabilities to credit institutions and central banks	9 251,60	0,00	0,00
Liabilities to the public and general government	27 504 271,24	4 684 941,54	3 379 676,26
Total	27 513 522,84	4 684 941,54	3 379 676,26

Financial liabilities

	2011		Total
	5 to 10 years	more than 10 years	
Liabilities to credit institutions and central banks	0,00	0,00	9 251,60
Liabilities to the public and general government	275 493,49	0,00	35 844 382,53
Total	275 493,49	0,00	35 853 634,13

Loans and advances to the public and general government repayable on demand: Other than fixed term deposits and accounts with overdraft allowance are reported in the category of less than 3 months.

2.16 Classification of assets and liabilities based on domestic and foreign currency

Assets	2012		2011	
	Domestic currency	Foreign currency	Domestic currency	Foreign currency
Debt securities eligible for refinancing with central banks	996 740,00	0,00	984 251,00	0,00
Loans and advances to credit institutions	4 551 974,78	0,00	4 946 900,88	0,00
Loans and advances to the public and gen-	33 379 572,07	0,00	31 430 211,82	0,00

eral government				
Debt securities	4 431 519,00	0,00	3 252 165,00	0,00
Other property	2 516 683,89	0,00	1 735 698,30	0,00
Total	45 876 489,74	0,00	42 349 227,00	0,00

Liabilities

	2012		2011	
	Domestic currency	Foreign currency	Domestic currency	Foreign currency
Liabilities to credit institutions and central banks	7 633,00	0,00	9 251,60	0,00
Liabilities to the public and general government	38 923 578,39	0,00	35 844 382,53	0,00
Other liabilities	668 323,15	0,00	417 872,37	0,00
Accrued expenses and deferred income	173 357,16	0,00	172 667,27	0,00
Total	39 772 891,70	0,00	36 444 173,77	0,00

2.17 Fair values of financial assets and liabilities

	2012		2011	
	Book value	Fair value	Book value	Fair value
Cash and cash equivalents	300 439,40	300 439,40	431 236,25	431 236,25
Loans and advances to credit institutions	4 551 974,78	4 551 974,78	4 946 900,88	4 946 900,88
Loans and advances to the public and general government	33 379 572,07	33 379 572,07	31 430 211,82	31 430 211,82
Debt securities	5 428 259,00	5 428 259,00	4 236 416,00	4 236 416,00
Shares and interests	1 670 172,55	1 670 172,55	729 301,42	729 301,42
Total	45 330 417,80	45 330 417,80	41 774 066,37	41 774 066,37

Financial liabilities

	2012		2011	
	Book value	Fair value	Book value	Fair value
Liabilities to credit institutions	7 633,00	7 633,00	9 251,60	9 251,60
Liabilities to the public and general government	38 923 578,39	38 923 578,39	35 844 382,53	35 844 382,53
Total	38 931 211,39	38 931 211,39	35 853 634,13	35 853 634,13

The fair values of financial asset have primarily been made using quoted market values. If a quoted market value has not been available, the valuation has been based on the current value discounted with market interest rate or other commonly accepted valuation model or method. For the fair value of other financial assets, the book value has been used .
For the fair value of financial liabilities, the book value has been used.

Essential financial assets evaluated to acquisition cost instead of fair value

Shares and interests are evaluated to acquisition cost in companies considered essential for the operation, which are described in detail
Shares and interests presented in note 5.1 considered essential for the operation are meant to be kept in permanent possession.
The fair value of these ownerships cannot be defined in a reliable manner.

2.18 Equity increase and decrease during accounting period

	Accounting period at the beginning	Increase	Decrease	Accounting period at the end
Savings bank basic capital	168,18	0,00	0,00	168,18
Other restricted reserves	656 066,30	613 061,57	-625 494,50	643 633,37
Legal reserve	667 249,37	0,00	0,00	667 249,37
Fair value reserve	-11 183,07	613 061,57	-625 494,50	-23 616,00
From cash flow hedges	110 670,24	0,00	-110 670,24	0,00
From valuation to fair value	-121 853,31	613 061,57	-514 824,26	-23 616,00

Free reserves	3 453 851,86	311 010,25	0,00	3 764 862,11
Other reserves	3 453 851,86	311 010,25	0,00	3 764 862,11
Retained earnings	19 652,21			19 652,21
Profit for the period	311 010,25	180 870,16	-311 010,25	180 870,16
Total equity	4 440 748,80	1 104 941,98	-936 504,75	4 609 186,03

	Accounting period at the beginning	Increase	Decrease	Accounting period at the end
Cash flow hedging	110 670,24	0,00	-110 670,24	0,00
Equity-based instruments	-96 543,72	364 270,64	-410 631,41	-142 904,49
of which deferred taxes	31 328,75	15 044,24		46 372,99
Debt securities	-25 309,59	248 790,93	-104 192,85	119 288,49
of which deferred taxes	8 213,04		-46 922,55	-38 709,51
Total fair value reserve	-11 183,07	613 061,57	-625 494,50	-23 616,00

Information from valid mandates of the board concerning redemption of subscriptions and/or convertible bonds.

NOTES CONCERNING GRANTED SECURITY COLLATERALS AND CONTINGENT LIABILITIES

3.1 Pension liabilities

The pension security of the personnel has been arranged by Eläke-Fennia pension security company, and there is no uncovered pension security.

3.2 Engagements outside the balance sheet

	2012	2011
Commitments given to third party on behalf of customer		
Guarantees	1 398 348,39	1 003 107,01
Other commitments given to a third party on behalf of a customer	3 000,00	0,00
Granted to a customer		
Irrevocable engagements	1 057 303,86	1 321 016,46
of which credit engagements	1 057 303,86	1 321 016,46
Total engagements outside the balance sheet	2 458 652,25	2 324 123,47

The bank has issued a guarantee as for one's own debt to Aktia Pankki Ltd in favour of all other savings banks which have made a payment operations contract of similar content with Aktia Pankki Ltd. The subject matter of the guarantee are those claims that may incur to Aktia Pankki Ltd upon breaching the terms of the payment operations contract. The amount of guarantee liabilities is restricted.

3.3 Other arrangements outside the balance sheet

The bank belongs to the VAT group of Oy Samlink Ab.

Common liabilities related to the group VAT registration	561 633,42	561 633,42
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The central organisation for Finnish savings banks Säästöpankkiliitto ry acts as their representative towards Visa Europe. After the business of Luottokunta was transferred to Luottokunta Ltd in 1 April 2012 and the membership type of Luottokunta Ltd changed to Principal Member, also the membership of Säästöpankkiliitto changed to Associate Member. As a member of Visa Europe, Säästöpankkiliitto is primarily responsible for the potential damage that may incur to the payment card business and for following the rules of the membership and Visa to Visa Europe. On the basis of the membership contract, Visa Europe may submit a claim for compensation upon breaching the contract or the rules. As the savings banks are responsible for all the business related to Visa cards, they are ultimately responsible for all the compensations to Visa Europe.

NOTES ON PERSONNEL AND MANAGEMENT

4.1 Number of personnel 31 Dec

	2012	2011
Permanent full-time personnel	6	6
Fixed-term personnel	1	1
Total	7	7

4.2 Wages and fees of the management

	2012	2011
Board members and deputies as well as managing director and his deputy	119 259,80	113 093,80
Total	119 259,80	113 093,80

Pension commitments

4.3 Loans and guarantees granted to the management

	2012		2011	
	Loans	Guarantees	Loans	Guarantees
Board members and deputies as well as managing director and his deputy	967 494,24	2 500,00	510 221,89	0,00
Total	967 494,24	2 500,00	510 221,89	0,00
Increase	173 711,35	2 500,00		
Decrease	221 482,11			

Terms of loan

Loans and guarantees have been granted in terms similar to customers.

OWNERSHIP IN OTHER COMPANIES

5.1 Ownership in other companies

Name and residence of the company	Share of ownership, %	Equity	Profit for the period*
Aktia Hypoteekkipankki Oyj, Helsinki	0,00	115 241 195,90	1 962 595,93
Nooa Säästöpankki Oyj, Helsinki	0,41	35 109 079,23	718 772,40
Oy Samlink Ab, Espoo	0,39	11 797 512,83	280 379,31
Sp-Rahastoyhtiö Oy, Espoo	0,72	2 316 720,79	90 013,01
Säästöpankkien Holding Oy, Espoo	0,47	1 351 131,96	128,62
Total		165 815 640,71	3 051 889,27

* Profit for the period 2011

Other notes

6.1 Trustee operations provided by the credit institution

Property management services provided by the credit institution

The bank provides services on the realisation and transfer of assignments, trading on its own behalf, property management, investment consultation defined in accordance with section 5 of the law of financing services companies and safekeeping and management of financial instruments as well as safety deposit and related services defined in section 15, respectively.

The bank does not provide so-called full-service property management.

NOTES ON SOLVENCY (PILLAR III)

7.1 Classification of own assets

Primary own assets	2012	2011
Paid equity	168,18	168,18
Reserves	5 760 914,92	5 557 313,53
- Immaterial goods	-1 274,97	0,00
- Investments in financial institutions	-104 588,99	-118 860,36
Total primary own assets	5 655 219,14	5 438 621,35
Secondary own assets		
Upper secondary own assets	-23 616,00	-121 853,31
Total secondary own assets	-23 616,00	-121 853,31
Total own assets	5 631 603,14	5 316 768,04

7.2 Minimum amount of own assets

Credit and opponent risk

	2012	2011
Liability group	Minimum amount of own assets	Minimum amount of own assets
Loans and advances to credit institutions and investment service companies	138 952,29	98 690,69
Claims from companies	1 070 179,89	999 036,48
Retail claims	177 903,51	141 229,43
Real estate security claims	569 476,21	529 132,82
Maturity claims	12 888,85	14 744,04
Investments in investment funds	13 714,54	0,00
Other items	108 105,47	75 928,60
Total credit risk	2 091 220,76	1 858 762,06
Market risk (currency risk)	0,00	0,00
Operative risk	183 533,02	194 317,43
Total minimum amount of own assets	2 274 753,78	2 053 079,49

7.3 Total liabilities with risk weights

Credit and opponent risk

Risk weight (%)	2012	2011
0	2 388 050,68	3 064 528,13
20	5 547 491,40	5 302 761,44
35	20 420 024,25	19 133 787,84
50	178 593,55	0,00
75	3 333 366,63	2 542 097,77
100	16 319 774,78	14 419 577,32
150	41 976,73	91 737,61
Total	48 229 278,02	44 554 490,11

7.4 Average value of total liabilities by liability group during the accounting period

Credit and opponent risk

Liability group	2012	2011
Claims from governments and central banks	1 063 312,89	1 254 474,50
Claims from regional administration and local authorities	333 455,04	361 801,61
Claims from the general government and public institutions	503 387,51	503 158,55
Loans and advances to credit institutions and investment service companies	4 774 684,82	4 117 261,87
Claims from companies	14 052 691,91	14 243 404,31
Retail claims	3 059 204,16	2 592 101,34
Real estate security claims	20 362 568,30	19 593 856,86
Maturity claims	176 572,71	134 293,50
Investments in investment funds	376 562,75	0,00
Other items	1 757 216,07	1 551 544,59
Total	46 459 656,16	44 351 897,13

7.5 Total liabilities according to maturity analysis per liability group *)

Credit and opponent risk

Liability group	2012		
	Total	less than 3 months	3 to 12 months
Real estate security claims	20 420 024,25	51 260,84	485 090,96
Claims from companies	14 160 770,62	606 950,02	1 511 647,84
Loans and advances to credit institutions and investment service companies	6 200 173,42	4 552 087,83	0,00
Retail claims	3 333 366,64	228 695,26	104 710,99
Total other liability groups	3 970 872,75	422 834,59	22 275,00
Maturity claims	144 070,35	11 655,26	5 098,82
Total	48 229 278,03	5 873 483,80	2 128 823,61

Liability group	1 to 5 years	5 to 10 years	more than 10 years
Real estate security claims	4 578 320,24	5 279 456,57	10 025 895,64
Claims from companies	4 462 091,99	2 813 977,11	4 766 103,66
Loans and advances to credit institutions and investment service companies	1 048 102,59	207 876,30	392 106,70
Retail claims	1 147 083,94	830 680,85	1 022 195,60
Total other liability groups	792 724,41	122 966,28	2 610 072,47
Maturity claims	124 202,15	3 114,12	0,00
Total	12 152 525,32	9 258 071,23	18 816 374,07

Credit and opponent risk

Liability group	2011		
	Total	less than 3 months	3 to 12 months
Real estate security claims	19 133 787,84	281 289,50	405 901,33
Claims from companies	13 250 694,36	1 324 441,86	901 149,23
Loans and advances to credit institutions and investment service companies	6 074 234,85	3 947 199,93	0,00
Retail claims	2 542 097,77	76 563,20	96 699,30
Total other liability groups	3 415 243,55	542 405,30	22 912,85
Maturity claims	138 431,74	10 905,15	915,67
Total	44 554 490,11	6 182 804,94	1 427 578,38

Liability group	1 to 5 years	5 to 10 years	more than 10 years
Real estate security claims	3 100 860,25	5 224 403,03	10 121 333,73
Claims from companies	4 230 203,54	3 108 766,88	3 686 132,85
Loans and advances to credit institutions and investment service companies	513 450,52	209 976,30	1 403 608,10
Retail claims	860 739,24	601 620,25	906 475,78
Total other liability groups	831 423,77	290 149,20	1 728 352,43
Maturity claims	104 612,90	21 998,02	0,00
Total	9 641 290,22	9 456 913,68	17 845 902,89

*) The table shows the four largest liability groups and maturity claims; other liability groups are summed up in one unit, Total other liability groups.

7.6 Total liabilities grouped by opposing parties *)

Credit and opponent risk

Liability group	2012				
	Total	Private	Agriculture	Companies	Others
Real estate security claims	20 420 024,26	11 784 363,84	4 301 739,84	3 755 504,68	578 415,90
Claims from companies	14 160 770,62	1 114 762,26	3 803 502,74	7 159 146,72	2 083 358,90
Loans and advances to credit institutions and investment service companies	6 200 173,42	0,00	0,00	0,00	6 200 173,42
Retail claims	3 333 366,64	1 419 565,48	487 291,66	1 319 642,74	106 866,76
Total other liability groups	3 970 872,75	485 888,25	310 287,71	949 019,07	2 225 677,72
Maturity claims	144 070,35	80 002,13	3 508,11	59 374,23	1 185,88
Total	48 229 278,04	14 884 581,96	8 906 330,06	13 242 687,44	11 195 678,58

Credit and opponent risk

Liability group	2011				
	Total	Private	Agriculture	Companies	Others
Real estate security claims	19 133 787,84	10 934 960,96	3 927 816,85	3 989 743,42	281 266,61
Claims from companies	13 250 694,35	1 028 685,87	4 749 219,44	5 903 446,70	1 569 342,34
Loans and advances to credit institutions and investment service companies	6 074 234,85	0,00	0,00	0,00	6 074 234,85
Retail claims	2 542 097,77	1 203 404,60	420 301,53	826 247,97	92 143,67
Total other liability groups	3 415 243,55	505 418,15	363 059,27	781 910,42	1 764 855,71
Maturity claims	138 431,74	53 565,01	0,00	84 422,86	443,87
Total	44 554 490,10	13 726 034,59	9 460 397,09	11 585 771,37	9 782 287,05

*) The table shows the four largest liability groups and maturity claims; other liability groups are summed up in one unit, Total other liability groups.

7.7 Imputed operative risk

	Parent			Minimum amount of own assets
	2012	2011	2010	
Total gross income	1 196 859,97	1 283 086,23	1 190 714,29	
Income indicator	179 529,00	192 462,93	178 607,14	183 533,02
	2011	2010	2009	Minimum amount of own assets
Total gross income	1 283 086,23	1 190 714,29	1 412 548,13	
Income indicator	192 462,93	178 607,14	211 882,22	194 317,43

The income indicator is calculated according to the basic method presented in standard 4.3i of the Financial Supervisory Authority.

Minimum amount of own assets = sum of positive annual income indicators divided by the number of years with a positive indicator.

Operative risks refer to the risk of loss potentially caused by inadequate or insufficient internal processes, personnel, systems or external factors.

Accounting principles

The financial statements of the bank are made in accordance with the regulations on bookkeeping and credit institution law, statute (150/2007) on financial statements and consolidated financial statements issued by the Ministry of Finance, as well as standard 3.1 of the Financing Supervisory Authority.

Financial instruments

Classification

Financial assets are classified in the financial statements in four valuation categories in accordance with standard 3.1 of the Financing Supervisory Authority.

- Financial assets entered to fair value with impact on the income
- Available-for-sale financial assets
- Investment assets to be kept till due date
- Loans and other assets

The financial assets recorded at fair value through profit and loss consist of compound instruments which contain an embedded derivative that has not been separated from the main contract and other financial assets recorded at fair value through profit and loss.

The bank does not possess investment assets to be retained till the due date.

The category of loans and other assets contains assets with fixed or definable payments that are not quoted on the market.

Available-for-sale financial assets contain assets that have not been classified in the valuation categories mentioned above.

Acquisition and sales of financial assets have been entered in the bookkeeping in accordance with the spot date, and are contained in the balance units-based debt securities, shares and interests.

Financial liabilities are divided into two valuation categories:

- Liabilities held for transactions
- Other financial liabilities

The bank does not possess liabilities held for transactions. All financial liabilities are thus classified under other financial liabilities.

Valuation

Financial assets are entered in the balance sheet either to their fair value or periodic acquisition cost. Financial liabilities except for derivative contracts are recorded in the balance sheet to sectioned acquisition cost.

Changes in the fair value of financial assets entered to fair value with impact on income are entered in the financial statement unit Net gains (losses) on trading in securities.

Available-for-sale financial assets are appraised to their fair value. Changes in their fair value adjusted by deferred tax debt are recorded at a fair value reserve under equity. Currency gains

and losses originating from foreign currency based units are not entered in the fair value reserve but directly to earnings instead. The change of value accrued in the fair value reserve is entered in the earnings when a property unit belonging to available-for-sale financial assets is sold or otherwise written out of the balance sheet.

The year's final buying rate has been considered to be the fair value of quoted shares. Their acquisition cost has been regarded as the fair value for other than quoted shares when there are no reliable means to define the fair value. If the claim certificate has a quotation, the year's final buying rate has been considered to be the fair value of the claim or when missing, the current value of the claim discounted by the market interest rate of the capital or interest flow, or a value calculated by using some other publicly approved valuation model or method.

Material and immaterial goods

Properties and their shares are divided on the basis of their purpose into real estate in own use and investment property. The square metres in use have been used as the basis of the distribution.

Properties are entered in the balance sheet with acquisition cost deducted by planned depreciation write-off. The shares and interest of real estate communities are entered in the balance sheet in acquisition cost. The bank does not apply the possibility defined in section 153 of the Credit Institution Act to evaluate the investment property to fair value.

The balance values of properties in own use and shares and interest of real estate communities are based on the value of the goods in relation to the income expectations in relation to the actual operations.

The difference between the book value of investment property and the shares of real estate communities and the permanently lower likely assignment price is, in case it is significant, entered in value depreciation loss as an expense in the net income from investment property. Potential cancellations of value depreciations are entered as adjustments of the same unit.

The central investment property items are appraised case-by-case on the basis of the income method. Estimations of the income method are based on the available amount of net rent income from a real estate and the income claim of the real estate market. The investment property owned by the bank consist of the residences and business premises located in connection of the Suodenniemi bank office only. Considering the price level of the region, no significant revenue even in continuation can be expected from this property. The fair values of investment property are presented in note 2.6.

In earlier years, revaluation has been applied to some real estates and investment property shares on the basis of experts' opinions and the approval of the Financial Supervisory Authority. In the event that the value of the property with increased value has dropped below the booking value, or if the property or part of it has been assigned or destroyed, the revaluation is cancelled accordingly. No depreciation write-off is made from revaluations. No imputable tax debt is entered from revaluations. If the imputable tax debt is significant, it is reported in the notes.

Appropriations

Voluntary provisions

The bank uses voluntary provisions such as bad debt credit loss provisions when planning taxation and the financial statements. This being the case, the amount or change of voluntary provisions do not characterise the risks of the bank.

In the bank's financial statements, the appropriations are presented without deducting the related tax debt.

Engagements outside the balance sheet

Engagements outside the balance sheet comprise commitments given to a third party on behalf of a customer and irrevocable commitments given in favour of a customer.

Commitments given to a third party on behalf of a customer contain, for example, guarantees or similar guarantee engagements. The engagements are presented in the amount that the guarantee or guarantee engagement corresponds to at the moment of closing the accounts.

Irrevocable commitments given in favour of a customer are, for example, binding credit engagements, granted loans not drawn yet and unused credit limits. The engagements are presented in the amount that may result in payments at the moment of closing the accounts.

Interest income and expenses

Interest income and expenses contain entries of all income and expenses resulting from interest-bound assets and liabilities. Interests are recorded on an accrual basis except for penalty interests, which are recorded after receiving the payment. Interests are deferred by using the method of effective interests.

Interest income and expenses also contain the difference between the acquisition price and nominal value of debts, which is deferred to the running period of the claim or debt by using the method of effective interests. A counter unit is entered as a change in a claim or debt.

Interest yield is also accrued in the bookings of claims with decreased value to the remaining value using the original effective interest rate of the contract.

Impairment losses of financial assets

Loans and other assets

Impairment losses contain entries from the impairment of loans and other assets, when there has been objective proof that payment is lacking from the capital or interest of the loan or other asset as well as when the guarantee does not suffice to cover the amount. Estimation of the objective proof is based on estimating the insolvency of a customer and sufficiency of the guarantee. When impairments are entered, the guarantee is evaluated to the amount that is expected to be gained at the moment of realization. The amount of impairment losses is defined as the difference between the book value of the claim and the estimated current value of the accruable incoming cash flow, by taking into account the fair value of the guarantee. The original effective interest has been used as the discount interest of a claim.

Available-for-sale financial assets

In the event that, at the closing of accounts, objective proof has been shown that the value of securities classified in available-for-sale financial assets may have declined, the securities must undergo an impairment analysis. If the analysis shows impairment – e.g. the credit risk of the issuer has increased or the value of a share has decreased significantly or below the long-term acquisition cost, and the bank estimates that it cannot return the investment – the loss accrued in the fair value reserve is entered with impact on the income to the unit Net income from available-for-sale financial assets.

As comes to claim certificates, the amount of impairment loss is defined as the difference between the book value of the claim and the estimated current value of the accruable incoming cash flow. The original effective interest has been used as the discount interest of a claim. The cancellation of the impairment losses of claim certificates are entered with impact on the income. The amount of the impairment losses of shares and interest is estimated as the difference between their book value and the value that the bank estimates not to receive. The impairment losses of shares cannot be cancelled with impact on the income, and the change in the value is entered in the fair value reserve.

Depreciation principles

The acquisition cost of buildings and other material and immaterial goods is depreciated on the basis of the economic holding period, in accordance with the depreciation plan as straight-line depreciations. The depreciation period is 40 years for buildings and their parts, and 5 to 8 years for machinery and equipment. Land areas are not subject to depreciation.

The development costs of software programs and licences are activated in Immaterial Rights and depreciated in 3 to 5 years.

Income and expenses other than those from ordinary activities and statutory provisions

The bank has not recorded any statutory provisions or income and expenses other than those from ordinary activities.

Taxes

Income taxes are entered in the bank's financial statements on the basis of taxable income. The positive change in the value contained in the fair value reserve is recorded at the balance sheet as a deferred tax debt, and the negative change as a deferred tax asset, respectively. In addition, the negative change of the fair value reserve is recorded in the income statement as a deferred tax asset. Other deferred tax debts are not recorded.

Financial assets

The financial assets in the cash flow statement consist of cash and cash equivalents and claims from credit institutions payable on demand. The cash flow statement has been made using the indirect method.

Other notes**Property management services provided by the credit institution**

The bank provides services on the realisation and transfer of assignments, trading on its own behalf, property management, investment consultation defined in accordance with section 55 of the law of financing services companies and safekeeping and management of financial instruments as well as safety deposit and related services defined in section 15, respectively.

Signing of the financial statements and annual report

Sastamala, 12 February 2013

Board of Directors of Parkanon Säästöpankki

Päivi Koskinen

Veli-Juhani Rahkjärvi

Jaakko Horelli

Jouni Hujo

Isto Seppä

Jouni Uusi-Rauva

Kari Kaijo
Managing director

Adoption of the financial statements

A report of the performed audit has been issued today.

Sastamala, 21 February 2013

Ari Pakari, APA

List of accounting books and types of receipts used during the accounting period

Accounting books	Form of archiving
General ledger/journal	Electronic archive
Balance sheet	Bound book
Receipts	Paper print-out

Factoring

Customer factoring (automated)	Electronic archive
Portfolio bookkeeping	Electronic archive
Accounts payable	Paper receipt
Cash journal	Electronic print-out
Cash reports	Electronic print-out
Wages accounting	Electronic archive
Fixed assets factoring	Electronic archive
Derivative factoring	Excel file

Manually maintained accounts (cards, files, etc.)

Rent claims
Trustee assignments

Types of receipts

10	Payment transactions in account statement
20	Purchase invoices
21	Managing Director's expenses
25	Purchase invoice settlements
26	Direct debiting (Samlink)
28	Direct debiting (PP-Laskenta)
51	Portfolio bookkeeping
53	Deposits funding, Payment transactions interest
56	Machine-language entries from other factoring, transactions entered at QS cash
58	Machine-language transactions between cost centres
60	Internal accounting receipts
61	Machine-language data transmission of internal accounting
70	Memorandum receipts
71	General ledger entries
75	Salary entries, paid salaries
80	Deferred receipts, distributable entries
82	Machine-language imputations
85	Depreciation write-off
99	Income entry