

# **OMA SAVINGS BANK LTD**

## **BALANCE SHEET BOOK 2013**

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## TABLE OF CONTENTS

### FINANCIAL STATEMENTS AND ANNUAL REPORT 2013

Board of Directors' Annual Report for the Financial Period of 1 January – 31 December 2013...	1
Bank's operating activities .....	1
Income .....	3
Balance sheet .....	5
Consolidated financial statements .....	8
Voluntary ja statutory reserves .....	8
Solvency management .....	8
Risk management .....	10
Administration and personnel .....	14
Corporate social responsibility .....	16
Events occurring after the balance sheet date .....	16
Development of business operations in 2014 .....	16
Proposal of the Board of Directors on the use of assets eligible for profit distribution .....	17
Calculation formulae of the key figures.....	18
Financial statements .....	19
Income statement of Oma Savings Bank Ltd .....	19
Balance sheet of Oma Savings Bank Ltd .....	19
Financial statement of Oma Savings Bank Ltd.....	22
Notes.....	23
Signing the financial statements and the annual report .....	46
List of accounting books and types of receipts used during the financial period .....	46

## **Board of Directors' Annual Report for the Financial Period of 1 January – 31 December 2013**

Oma Savings Bank Ltd is an independent Savings Bank. The bank operates in the regions of Southern Ostrobothnia, Pirkanmaa and Satakunta. The majority of the bank's clientele is formed by private clients and small businesses.

Parkano Savings Bank transferred its business operations to Oma Savings Bank Ltd on 30 April 2013. The transfer was implemented in accordance with Sections 90–92 of the Savings Bank Act so that the assets and liabilities of Parkano Savings Bank were transferred to Oma Savings Bank Ltd with carrying amounts. In the same connection, Parkano Savings Bank became the Parkano Savings Bank Foundation that now owns 40.48 per cent of Oma Savings Bank Ltd. The Töysä, Kuortane and Parkano Savings Bank Foundations are the owners of Oma Savings Bank Ltd. The objective of this reform is to strengthen the preconditions of Savings Bank operations in the operating area of the merging Saving Banks by creating a strong Savings Bank that equally represents and serves the different population groups and operating areas of the Savings Bank.

The balance sheet book has been prepared based on the official figures of Oma Savings Bank Ltd and, due to the transfer of the business operations of Parkano Savings Bank, it is not directly comparable with the figures of the previous year. The official financial statements of Oma Savings Bank Ltd for the 1 January–31 December 2013 period comprises the bank's official annual report, income statement, balance sheet, financial statement and notes with comparative information.

The bank's number of clients amounted to over 44,800 at the end of the financial period. The bank has a total of 17 offices in Alajärvi, Alavus, Ilmajoki, Kuortane, Seinäjoki, Parkano, Kihniö, Kankaanpää, Kauhajoki, Jalasjärvi, Kurikka, Karvia and Tampere. In addition to the services offered by the offices, the clients use online banking, self-service machines and cash dispensers. The share of self-service out of all basic client services was 94.0 per cent in 2013. At the end of the year, over 15,900 clients had an online banking agreement.

### **Bank's operating activities**

The growth and income of Oma Savings Bank Ltd's operating activities met the goals set by the bank in its operating plan for the financial period.

Oma Savings Bank Ltd practices basic banking operations and offers its clients diverse banking services both via its own balance and supplies products of its partners. The supplied products include credit, investment and insurance products.

The supplied credits comprise Aktia Real Estate Mortgage Bank Plc's mortgage credits that amounted to MEUR 115.3 at the end of 2013. During the review period, Aktia Real Estate Mortgage Bank has not given out any new mortgage credits, hence, new lending is done from the banks' own balances. The bank has a refinancing obligation to the mortgage credits it supplies. The refinancing obligation is implemented as long-term, unsecured senior credit to Aktia Real Estate Mortgage Bank. The credit amount is tied to the amount of supplied credits. The amount is reviewed twice per year.

The investment products in the bank's product selection include Sp-Fund Management Company Ltd's funds as well as SEB Wealth Management Finland and SEB's funds and index credits.

The bank also offers its clients trust activity services, where the portfolio manager is SEB Varainhoito Suomi. In addition, the bank offers its clients stock trading services.

At the end of the year, the clients had MEUR 61.8 of reserve and insurance savings supplied by the bank.

The pension and life insurance products supplied by the bank are produced by Duo Life Insurance Company Ltd, which is owned by the Savings Banks. Previously owned equally by the Savings Banks and Local Insurance Group, Duo Life Insurance Company Ltd was transferred to the full ownership of the Savings Banks in February 2013. The Savings Bank Group and LähiTapiola Group signed an agreement in late January 2013 on ending the co-operation agreement. At the turn of June and July, Duo handed its entire risk life insurance portfolio over to the LähiTapiola Group. The arrangements have no significant impact on the operations of Duo.

In payment intermediation, the bank uses the payment intermediation and clearing services of Bonum Bank Ltd (former ACH Finland Ltd). In June, Säästöpankkien Holding that represents the Savings Banks sold its share in payment centre Bonum Bank Ltd to POP Bank Alliance. Bonum Bank Ltd continues the payment intermediation of the Savings Banks, POP Bank and Aktia Bank until the payment transactions of the Savings Banks and POP Banks is shifted to their own central credit institutions and the central credit institution services provided by Aktia Bank end in 2015.

The realtor is the Savings Banks' own real estate chain, whose central company is Sp-Koti Ltd. The Sp-Koti chain operates on the franchising principle, where independent companies form a national realtor chain operating in co-operation with the bank. The real estate operations that began in the operating area of Oma Savings Bank Ltd (Ilmajoki, Hyllykallio and Seinäjoki) at the end of 2012 have continued actively throughout the year. In addition, the bank holds the majority in a real estate agency called Asuntokamari Ltd operating in the area of the Kuusiokunnat municipalities.

In May, the Savings Banks opened an online shop for insurances. The online shop offers the most common accident insurance services for consumers. The insurer is Finnish P&C Insurance.

In September 2013, the Boards of Directors of Kantasäästöpankki Ltd and Oma Savings Bank Ltd concluded a merger agreement. The Extraordinary General Meetings of Oma Savings Bank and Kantasäästöpankki accepted the project finally in October 2013. The operations of Kantasäästöpankki will be transferred to Oma Savings Bank Ltd on 30 March 2014 and as a compensation the Hauho and Renko Savings Bank Foundations will receive a share of ownership in the joint Savings Bank Ltd.

In March 2013, the Boards of Directors of Suodenniemi Savings Bank and Oma Savings Bank Ltd concluded a merger agreement. The trustees of Suodenniemi Savings Bank accepted the merger finally in December 2013. The Extraordinary General Meeting of Oma Savings Bank accepted the project finally in February 2014. The operations of Suodenniemi Savings Bank will be transferred to Oma Savings Bank Ltd on 30 May 2014 and as a compensation the Suodenniemi Savings Bank Foundation will receive a share of ownership in the joint Savings Bank Ltd.

In November 2013, the Boards of Directors of Etelä-Karjala Savings Bank and Oma Savings Bank Ltd concluded a merger agreement. The trustees of Etelä-Karjala Savings Bank accepted the merger in January 2014. The operations of Etelä-Karjala Savings Bank will be transferred to Oma Savings Bank Ltd towards the end of 2014 and as a compensation the Etelä-Karjala Savings Bank Foundation will receive a share of ownership in the joint Savings Bank Ltd. In the

same connection, the aforementioned banks notified that they will not join the consortium of Savings Banks that is based on unlimited joint responsibility, but they will continue their operations fully independent and as the biggest Savings Bank in Finland called Oma Savings Bank Ltd.

A partner of the Savings Banks, Aktia Bank announced in January the discontinuation of the Savings Banks' central credit institution services at the beginning of 2015. The Savings Banks and Itella signed a letter of intent in March regarding a share transaction by which the Savings Banks purchased the whole share capital of Itella Bank. The transaction was completed in April. In June, Säästöpankkien Keskuspankki Suomi Oy – Sparbankernas Centralbank Finland Ab – Central Bank of Savings Banks Finland Ltd was registered as the bank's official name.

## Income

The operating profit of Oma Savings Bank Ltd was EUR 5,076,000 (EUR 4,000,000 in 2012). The operating profit grew by 26.9 per cent over last year. The operating profit percentage, based on the annual average of the balance, was 0.9 per cent (1.1). The positive development of the operating result was due to growing business volumes as well as moderate cost development, even if the merger created one-time cost effects. The bank's cost/income ratio was 59.2 per cent (56.1).

The bank's key income statement items have developed as follows in comparison with the two previous years:

EUR thousand	01–12/2013	01–12/2012	Change % *)	01–12/2011	Change % **)
Net interest income	9,225	5,796	59.2	5,568	4.1
Net commission income	6,150	3,598	70.9	3,301	9.0
Net income from trading in securities and foreign currencies	27	13	...	19	-35.5
Net income from available-for-sale financial assets	1,036	691		655	5.6
Net income from hedge accounting	-13	-10	29.9	12	...
Other income	906	241	...	249	-3.3
Total income	17,332	10,329	67.8	9,805	5.3
Personnel expenses	-3,672	-2,444	50.2	-2,213	10.5
Other administrative expenses	-4,053	-2,188	85.2	-2,018	8.5
Other expenses	-2,543	-1,158	...	-1,209	-4.2
Total expenses	-10,267	-5,791	77.3	-5,440	6.4
Cost/income ratio	59.24	56.06		55.48	
Impairment losses on loans	-1,989	-539	...	-675	-20.3
Operating profit	5,076	4,000	26.9	3,689	8.4
Profit for the period	3,462	1,855	86.6	2,009	-7.7
*) Change 2013–2012					
**) Change 2012–2011					

The bank's net interest income was EUR 9,225,000 (5,796,000). The net interest income increased by 59.2 per cent over the previous financial period. The net interest income was strengthened by interest from hedging interest-rate derivatives whose amount in the net interest income was EUR 1,048,000 (560,000).

The interest income amounted to EUR 14,004,000 (9,999,000), an increase of EUR 4,005,000 over last year. The interest expenses were EUR 4,778,000 (4,203,000). The interest expenses decreased by EUR 575,000 over the previous financial period.

The net commission income was EUR 6,150,000 (3,598,000). Here the share of commission income was EUR 6,679,000 (3,900,000) and commission expenses EUR 529,000 (301,000). The commission income include commissions from supplied products in the amount of EUR 1,203,000 (726,000), out of which the commissions received for the supplied credits of the mortgage bank amounted to EUR 331,000 (255,000) and for the other supplied products EUR 872,000 (471,000). The commissions received from the supplied mortgage credits are included in the aforementioned figures in net terms. With regard to the other commission income, the most significant were the commissions for lending EUR 2,197,000 (1,425,000), the commissions for payment transactions EUR 2,632,000 (1,405,000) and the commissions for trust activities and judicial tasks EUR 258,000 (145,000).

The net income from available-for-sale financial assets was EUR 1,036,000 (691,000). Here the sales profits and losses were EUR 1,036,000 (691,000).

The net income from hedge accounting was EUR –13,000 (–10,000). The item is formed by the difference of interest-rate derivatives hedging the fair value and the changes in the fair values of the items being hedged.

The other income includes income from equity-based investments, net income from investment property and other operating profit in the amount of EUR 906,000 (241,000). The received dividends were EUR 152,000 (151,000), a decrease of EUR 1,000 over the previous year. The net income from investment property was EUR 141,000 (20,000). The other operating income increased to EUR 613,000 (69,000). The increase was impacted by the unusually big one-time items in view of the business operations allocated to the period.

The personnel expenses were formed by salary expenses as well as pension and other indirect personnel expenses. These expenses amounted to EUR 3,672,000 (2,444,000), which was 50.21 per cent more than the year before.

The other administrative expenses increased by 85.2 per cent to EUR 4,052,000 (2,188,000). The other expenses, EUR 2,543,000 (1,158,000), comprise depreciation and impairments of tangible and intangible assets as well as the other operational expenses. The amount of planned depreciation was EUR 496,000 (315,000). The other operating expenses increased to EUR 2,047,000 (846,000). The increase in the other operating expenses was caused by the temporary bank tax that took effect at the beginning of the year.

The net amount of impairment losses recorded for loans and guarantees in the financial period income was EUR 1,989,000 (539,000), an increase of EUR 1,450,000 over last year. The gross amount of the impairment losses was EUR 2,008,000 (559,000). The impairment returns on receivables recorded previously as realised credit losses amounted to EUR 19,000 (20,000).

## Balance sheet

In 2013, the bank's balance sheet grew fast due to both organic growth and the merger, amounting to MEUR 744.7 (392.6) at the end of the year. The amount of credits on the balance sheet was MEUR 596.2. The amount of deposits was MEUR 556.2.

Oma Savings Bank Ltd's key balance sheet items have developed in comparison to the two previous years as follows:

EUR thousand	31 Dec 2013	31 Dec 2012	Change % **)	31 Dec 2011	Change % ***)
<b>Receivables from the public and general government</b>	<b>596,199</b>	<b>321,022</b>	<b>85.7</b>	<b>289,596</b>	<b>10.9</b>
Loans	596,199	321,022	85.7	288,792	11.2
Other receivables	0	0	...	804	...
<b>Investments</b>	<b>135,932</b>	<b>63,824</b>	<b>...</b>	<b>64,786</b>	<b>-1.5</b>
Receivables from credit institutions	56,611	20,151	...	30,571	-34.1
Debt securities	28,755	12,345	...	8,107	52.3
Shares and interests	43,412	27,303	59.0	21,968	24.3
Properties	7,154	4,849	77.8	4,456	-2.8
<b>Derivative contracts</b>	<b>3,987</b>	<b>1,930</b>	<b>...</b>	<b>1,660</b>	<b>16.3</b>
Derivative contracts assets	4,015	1,930	...	1,660	16.3
Derivative contracts liabilities	-28	0	...	0	...
<b>Deposits by the public *)</b>	<b>556,267</b>	<b>313,755</b>	<b>77.3</b>	<b>293,769</b>	<b>6.8</b>
<b>Liabilities to credit institutions</b>	<b>43,918</b>	<b>22,188</b>	<b>97.9</b>	<b>18,651</b>	<b>19.0</b>
<b>Issued promissory notes</b>	<b>65,703</b>	<b>10,959</b>	<b>...</b>	<b>7,918</b>	<b>38.4</b>
Promissory notes issued to the public *)	41,903	0	...	0	...
Subordinated liabilities	23,800	10,959	...	7,918	38.4
<b>Equity</b>	<b>40,640</b>	<b>21,902</b>	<b>85.6</b>	<b>19,048</b>	<b>15.0</b>
<b>Appropriations</b>	<b>24,751</b>	<b>15,058</b>	<b>64.4</b>	<b>13,492</b>	<b>11.6</b>
ROA %	0.7	0.9		0.9	
ROE %	8.3	11.0		10.5	
Equity ratio	7.9	8.4		8.0	
Solvency ratio	18.04%	16.95%		15.98%	
*) The figure does not include the change in the fair value resulting from hedging.					
**) Change 2013–2012					
***) Change 2012–2011					

## Lending

The total amount of lending by Oma Savings Bank Ltd at the end of the financial period was MEUR 711.5 (411.4). The lending includes the credits in the bank's balance sheet MEUR 596.2 (321.0) as well as the mortgage credits of Aktia Real Estate Mortgage Bank supplied by the bank that are not included in the bank's balance sheet. The amount of supplied mortgage credits was MEUR 115.3 (90.4) at the end of the year. Credit supplied by the bank from public funds are included in the bank's balance sheet in the item Receivables from the public and general government. They amounted to MEUR 1.0 (0.8) at the end of the year.

Including the supplied mortgage credits, credits were taken out and renewed in the amount of MEUR 184.0 during the year. The net increase in lending was 73.9 per cent.



The amount of unorganised receivables remained at a moderate level. The unorganised receivables were MEUR 5.8 (2.7) at the end of the year, which corresponds to 0.8 per cent (0.6) of the sum of total lending and guarantees included in commitments outside the balance sheet.

### **Commitments outside the balance sheet**

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

The commitments given to a third party on behalf of a client, MEUR 15.8 (12.3), are mainly formed by bank and other guarantees. The other guarantees include the absolute guarantees issued by the bank on behalf of itself and other Savings Banks to Aktia Bank Plc regarding the payment transaction agreement between the banks and to Aktia Real Estate Mortgage Bank Plc regarding compensation for potential losses due to the supplied mortgage credits.

The irrevocable commitments given in favour of a client that amounted to MEUR 36.0 (15.5) at the end of the financial period, are mainly formed by granted credit not drawn.

### **Investments**

The bank's investments mainly focus on deposits in other credit institutions, debt securities, shares and interests as well as properties that are included in the balance sheet item Tangible assets. The tangible assets are specified in note 2.9.

The bank's deposits in other credit institutions were MEUR 56.6 (20.5). The amount was MEUR 36.5 greater than the year before. The investments in debt securities were formed by money-market securities and bonds. At the end of the financial period, their amount was MEUR 28.8 (12.3), which is MEUR 16.4 greater than the year before.

The investments in shares and interests amounted to MEUR 43.4 (27.3) at the end of the period. Of this, the share of shares and interests considered essential for operations was MEUR 11.2 (5.2) and the share of other shares and reserve units was MEUR 32.2 (22.0). The bank holds no quoted shares for active trading.

The bank's property assets on the balance sheet totalled MEUR 7.2 (4.0). Of this, the value of properties in the bank's own use was MEUR 5.3 (3.3) and the value of investment property MEUR 1.9 (0.8). The fair values of investment property are presented in Note 2.8.

During the financial period, MEUR 0.1 of reconstruction expenses allocated to the properties were activated on the balance sheet. In 2013, the bank sold its property community shares in the amount of MEUR 0.1 and purchased shares in the amount of MEUR 0.4. Selling the property assets accrued a net sales profit of EUR 38,000.

### **Derivative contracts**

The bank uses derivative contracts to hedge its interest rate risks. At the end of the financial period, the positive fair value of the derivatives on the assets side of the balance sheet, in the

balance item Derivative contracts, amounted to MEUR 4.0 (1.9), out of which the share of derivatives hedging the fair value was MEUR 4.0 (1.9). For hedging the fair value, the bank used a deposit portfolio with at-sight terms. The hedging instrument was formed by interest-rate swaps.

On the liabilities side of the balance sheet, in the balance item Derivative contracts and other liabilities held for trading, the negative fair value of the derivatives amounted to EUR –28,000 (0). Hedge accounting is not applied to these derivatives held for trading in bookkeeping.

The derivative contracts are specified in Note 2.5. In the solvency calculations, the derivatives are included in the solvency requirement of the credit and counterparty risk.

## **Deposits by the public**

The majority of the bank's fund-raising comes from deposits by the public. The deposits amounted to MEUR 556.3 (313.8) at the end of the year. The deposits increased in the amount of MEUR 242.5, i.e. 77.3 per cent, during the year.

The deposits in current accounts and savings accounts increased by MEUR 187.4, i.e. 69.3 per cent, during the year and they amounted to MEUR 457.8 (270.4) at the end of the year. The increase in investment and state-subsidised home purchase savings accounts was MEUR 55.1, and they amounted to MEUR 98.4 (43.3) at the end of the year.

## **Other liabilities**

The other liabilities are mainly formed by liabilities to credit institutions and issued promissory notes that include certificates of deposit, bonds and debentures that are subordinated liabilities.

The liabilities to credit institutions were MEUR 43.9 (22.2). The item includes deposits made by other credit institutions to the bank as well as the bank's other liabilities to other credit institutions that were MEUR 2.3 (2.2). The other liabilities include, among other things, repo sales that amounted to MEUR 2.3 (2.2) at the end of the year.

During the year, the bank issued certificates of deposit in the amount of MEUR 12.0 and bonds in the amount of MEUR 30.0. During the year, the bank issued together with three other banks a debenture loan where the bank's share was MEUR 10.0. At the end of the financial period, the amount of issued promissory notes on the bank's balance sheet totalled MEUR 65.7 (11.0), out of which MEUR 12.0 were certificates of deposit, MEUR 29.9 bonds and MEUR 23.8 debenture loans.

The other liabilities were mainly formed by short-term payment intermediation items as well as transitory items of the financial statements' phase related to the sectioning of income and expenses.

## **Equity and appropriations**

The bank's equity was MEUR 40.6 (21.9) at the end of the financial period. This represents an increase of MEUR 18.7 over the last financial period. The amount of fair value reserve included in equity adjusted with deferred taxes was MEUR 2.3 (0.4). The amount was formed by the change in the fair value of the available-for-sale financial assets.

The appropriations are the depreciation differences and voluntary provisions that totalled MEUR 24.8 (15.1) at the end of the period. Out of this, the credit loss provision was MEUR 24.7 (14.9).

In 2013, the credit loss provision was increased by MEUR 9.9 (increased MEUR 1.9), after which the provision amounted to 4.0 per cent of the receivables in the financial statements. The depreciation difference was decreased by MEUR –0.2.

## **Consolidated financial statements**

Oma Savings Bank Ltd forms a group that comprises the parent bank and its subsidiaries real-estate corporation Töysän Säästökeskus, real-estate corporation Kuortaneen Säästötalo, real-estate corporation Tervalapikas, real-estate corporation Ilmajoen Säästöpankintalo, real-estate corporation Parkanon Säästötalo, Asuntokamari LKV Ltd and SP-Koti Ltd that have been left out of the consolidated financial statements, because they are small subsidiaries as referred to in Section 155(3) of the Act on Credit Institutions. The subsidiaries' impact on the Group's income and equity is minor.

## **Voluntary ja statutory reserves**

Oma Savings Bank Ltd is a member of Säästöpankkien Vakuusrahasto. The purpose of this security reserve is to secure the stable operations of the Savings Banks. The reserve is free from debt. The reserve has not made any new support decisions during the year. The assets of the reserve total MEUR 23.7 (23.4). In the voluntary security reserve, the bank is not involved in any such joint liability arrangements that would make it liable for debts or commitments of another bank.

In addition, the Savings Bank is part of the deposit insurance reserve that safeguards the depositor's receivables from the bank up to EUR 100,000. The bank's contribution to the reserve was EUR 284,000. Oma Savings Bank Ltd is also part of the invertors' compensation reserve that hedges all non-professional investors.

## **Solvency management**

Oma Savings Bank Ltd has determined a solvency management process with the goal of securing the bank's risk-bearing capacity with regard to all essential risks in its operations. In order to meet this goal, the bank identifies and assesses the risks related to its operations extensively and dimensions its risk-bearing capacity to meet the bank's total risks. In order to secure its solvency, the bank sets risk-based equity goals and prepares an equity plan in order to meet those goals. Another goal of the solvency management process is to maintain and develop high-quality risk management.

The bank operates according to its strategy in retail banking. By only operating in this business area, the bank is able to manage its operations-related risks and keep them minor in view of the operations. Savings Bank's solvency management is the responsibility of the bank's Board of Directors that also defines the operations-related risk limits. The bank's Board of Directors annually reviews the risks related to the bank's solvency management, the equity plan and limits set for the risks.

In its solvency management process, the bank prepares, among other things, income, growth and solvency forecasts. Based on the forecasts, the bank maps the actions to be taken to maintain the solvency level in accordance with the business strategy.

The bank applies in its solvency calculations a standard method for the calculation of the credit risk and a basic method for the operative risk. In the standard method, the liabilities are divided into liability groups, and minimum limits required for lending decentralisation are defined in the retail receivables group. Oma Savings Bank Ltd releases the key information for the solvency

calculations annually as part of its annual report and notes to the financial statements. The bi-annual interim financial report releases the key solvency information.

Oma Savings Bank Ltd's own assets totalled MEUR 81.9 (42.9), when the minimum requirement for own assets was MEUR 36.3 (20.2). The amount of primary own assets was MEUR 56.5 (32.1). The secondary own assets amounted to MEUR 25.4 (10.8), out of which the share of the upper secondary own assets was MEUR 2.3 (0.4) and the share of the lower secondary own assets MEUR 23.8 (11.0).

During the year, the bank's solvency ratio increased by 1.10 percentage points to 18.04 per cent. The ratio of primary own assets to risk-weighted items was 12.44 per cent (12.69 per cent).

<b>SOLVENCY CALCULATION</b>		
<b>Own assets</b>	<b>2013</b>	<b>2012</b>
Primary own assets before decreases	58,157	32,872
Decreases from primary own assets	-1,697	-752
<b>Total primary own assets</b>	<b>56,460</b>	<b>32,121</b>
Secondary own assets before decreases	26,084	11,358
Upper secondary own assets	2,284	399
Lower secondary own assets	23,800	10,959
Decreases from secondary own assets	-647	-594
<b>Total secondary own assets</b>	<b>25,437</b>	<b>10,764</b>
<b>Total own assets</b>	<b>81,897</b>	<b>42,885</b>
<b>Total liabilities</b>	<b>795,052</b>	<b>419,750</b>
<b>Risk-weighted liabilities</b>		
<b>Credit and counterparty risk</b>	<b>413,716</b>	<b>232,778</b>
Items in the balance sheet	399,003	222,919
Commitments outside the balance sheet	13,670	9,397
Derivatives	1,043	461
<b>Operative risk</b>	<b>30,221</b>	<b>16,437</b>
<b>Market risk</b>	<b>9,939</b>	<b>3,833</b>
Currency risk	9,939	3,833
<b>Total risk-weighted liabilities</b>	<b>453,877</b>	<b>253,047</b>
<b>Minimum requirement for own assets</b>	<b>36,310</b>	<b>20,244</b>
<b>Amount exceeding the minimum requirement for own assets</b>	<b>45,587</b>	<b>22,641</b>
<b>Solvency ratio (%)</b>	<b>18.04%</b>	<b>16.95%</b>
<b>Ratio of primary own assets (%)</b>	<b>12.44%</b>	<b>12.69%</b>

Oma Savings Bank Ltd's solvency development was also impacted by, besides the income, the growth of the balance, the issue of the debenture loan and changes in the fair value reserve.

The European Union's new Capital Requirements Regulation and Directive were issued on 27 June 2013. The new regulation takes effect on 1 January 2014 and it is based on the recommendations given in 2010 by the Basel Committee on Banking Supervision, i.e. the so-called Basel III framework. The new Capital Requirements Regulation is directly binding legislation for the member states and, along with it, a large part of the standards of the Financial Supervisory Authority's standards regarding solvency calculation will be revoked. The European Banking Authority (EBA) issues standards that specify the regulation and that are binding in the same way as the regulation.

The Basel III solvency reporting in accordance with the new regulation begins as per the status on 31 March 2014. Along with it, banks' capital requirements become more stringent both via the terms set for capital instruments and additional capital buffers. New requirements are set for liquidity and a new indicator, leverage ratio requirement, will be introduced for monitoring gearing.

The solvency of local banks is expected to meet the required minimum level of 8 per cent also in the future. In addition to the minimum solvency requirement, a fixed additional capital requirement of 2.5 per cent as well as a variable additional capital requirement that the authorities can set between 0 and 2.5 per cent as necessary will be introduced on 1 January 2015. In terms of the new liquidity requirements, monitoring will be implemented in 2014 but the requirements will only become binding at a later stage. The binding application of the liquidity coverage ratio (LCR) will begin at a level of 60 per cent on 1 January 2015, from where it will gradually increase to 100 per cent by 1 January 2018. The EU decides on the binding and contents of the net stable funding ratio (NSFR) and leverage ratio requirement after the monitoring period. Based on current information, they will only become binding in 2018, at the earliest.

## **Risk management**

### **Risk management objective**

The objective of risk management is to ensure that the risks resulting from the bank's operating activities are identified, assessed and dimensioned to an accepted level and that those risks are monitored and they are correctly proportionate to the bank's risk-bearing capacity. The key sub-areas in risk management are credit risks, market risks including interest and price risks, financial risks and property risks as well as strategic and operative risks. The bank monitors the dependencies between different risks with a risk map.

### **Principles and organisation**

Oma Savings Bank Ltd's risk management strategy is based on the goal confirmed by the Board of Directors for the bank and the business strategy, risk management instructions, mandate system and the risk and deviation reporting produced for the key business sub-areas.

The bank focuses its operating activities according to its strategy in the low-risk section of retail banking. The bank has no oversized client or investment risk concentrations with regard to its financial bearing capacity nor will it seek any in accordance with its strategy.

The bank keeps its solvency at a safe level. The bank's solvency and risk-bearing capacity are solidified with profitable operating activities. The bank observes the threat of loss formed by credit risks and other risks in its financial statements with sufficient depreciation and other losses.

The Board of Directors is regularly provided with information on the bank's different risks and their levels. The Board of Directors also approves the mandate and framework for risk taking by defining the allowed risk limits for credit and market risks. Within that mandate, the responsibility for daily risk monitoring and supervision belongs to the operative management. The operative management utilises in its monitoring the reports produced by the systems in the different risk sub-areas. The systems and practices dedicated for risk reporting and monitoring meet the requirements set for risk management taking into consideration the nature and extent of the bank's operations.

## **Credit risks**

The goal of credit risk management is to limit the income and solvency impacts of risks resulting from client liabilities to an acceptable level. The business strategy confirmed by the Board of Directors and the lending instructions define the maximum amounts for risk concentrations and guide lending according to client sectors, fields of operation and creditworthiness classes.

The bank's key client groups include the operating area's private clients, agriculture entrepreneurs and small businesses. The majority of the bank's fund-raising has been lent to the bank's clients. The combined share of household and entrepreneur credits on the bank's balance sheet is approx. 65.0 per cent (62.5 per cent). The share of rural entrepreneurs in the credits of the balance sheet is 7.4 per cent (7.5 per cent) and that of others 27.6 per cent (29.1 per cent). The majority of the bank's credits, 71.2 per cent (71.5 per cent), have been granted against a housing unit serving as guarantee.

The management of corporate and agriculture credit risks is based on client monitoring carried out by the person in charge of the client and on the internal creditworthiness classification. The assessment of a private client's creditworthiness is based on the local bank's good client knowledge and an assessment done based on that knowledge on the client's solvency.

The bank's Board of Directors makes the major credit decisions. The Board of Directors has delegated credit mandate onwards to the bank's credit committee and other appointed employees. Credit decisions are made in accordance with the lending instructions confirmed by the bank's Board of Directors. The main rule is the principle of at least two decision makers. Credit decisions are based on the client's creditworthiness and solvency as well as other lending criteria, such as meeting the guarantee requirements. The credits have been mainly granted with securing guarantees. Guarantees are cautiously valued to their fair value and their fair values are regularly monitored by utilising both statistics and good knowledge of the field. The bank's Board of Directors has confirmed instructions for the bank on the valuing of different forms of guarantees and their guarantee values that can be used in lending.

The credit risk is constantly assessed by monitoring, for example, delays in repayment and unorganised loans. The amounts of client-specific liabilities and guarantees are tracked by the person in charge of the client based on continuous payment behaviour and monitoring of the client's activities. All client liabilities and unorganised credits of over MEUR 1.2 are reported to the Board of Directors regularly twice a year. The reporting covers, among other things, the amount and development of risks per client unities, fields and creditworthiness classes.

The bank has no client unities, whose liabilities exceed the 25 per cent top limit of the bank's own assets set by the Act on Credit Institutions. The risks included in the bank's credit portfolio are, based on the reports made, at a low level in view of the bank's annual income level and risk-bearing capacity.

## Financial risk

The financial risk is a risk related to the availability and price of refinancing that is created when the maturities of receivables and payables differ from each other. The financial risk is also created if the receivables and payables are too concentrated on individual counterparties. The financial risk is assessed according to the maturity classes with the extent of the difference between the receivables and payables of each class. The financial risk is managed, for example, by keeping sufficient liquid assets in order to ensure liquidity. The financial risk is monitored by reporting to the Board of Directors on the bank's financial and liquidity standing.

Oma Savings Bank Ltd acquires the refinancing it needs as deposits within its own field of operations. According to the deposit account terms, a significant part of refinancing is subject to at-sight terms, dividing over 39,200 depositor clients. The bank's goal is to extend the maturity of its refinancing and to maintain an extensive capital base.

The bank invests no more than 110 per cent of its fund-raising in lending and keeps its liquidity good by investing liquid assets mainly in financial instruments that are marketable on the secondary market and in short-term deposits in other financial institutions. Out of the credits on the bank's balance sheet, 16.7 per cent (16.7 per cent) are credits whose period of credit is over 20 years. In 2013, the bank's financial standing remained stable.

## Interest rate risk

The interest rate risk means the impact of interest level changes on the bank's income and solvency. The interest rate risk is caused by differing interest basis of receivables and payables as well as non-simultaneous rollover or maturity dates. The bank's Board of Directors has granted the operative management the mandate to use hedging derivatives. In order to minimise its interest rate risk, the bank uses hedging derivative contracts whose use has been reported in more detail under Derivative contracts.

The bank's interest-rate risk is reported regularly to the Board of Directors that has given the maximum amounts for the bank's interest-rate risk in its confirmed instructions.

The bank uses balance sheet analysis for measuring the interest rate risk that measures the impact of one and two percentage point changes of the forward interests over the interest margin forecast for the next 1– 60 months. The forecast is calculated with the forward interests available on the market at the time of reporting for the next five years. The amount of the open interest rate risk is measured with interest rate sensitivity that observes the impact of the aforementioned interest rate shocks on net interest income in the upcoming years.

## Derivative contracts

The bank hedges its liabilities with interest against interest rate changes with interest rate derivatives and applies the regulations concerning hedge accounting to them in addition to regular monitoring of the effectiveness of the hedging. In addition, the bank has derivative contracts that it uses to hedge its interest-rate risk operatively, but does not apply hedge accounting to them, so in bookkeeping they are processed as derivatives held for trading. The derivatives are specified in note 2.5. The bank monitors on a monthly basis the risks related to the derivatives, such as changes in the fair value of the derivatives in comparison with interest rate curve changes as well as changes in the bank's balance sheet standing and in the net interest income sensitivity to interest changes.

## Market risk

The market risk means the impact of changes in the interest rates and market prices on the bank's income and own assets. In trading, an interest rate change causes the realisation of a

market risk as a change in the market value of securities. The share risk means, among other things, the income impact caused by the changing rates of publicly listed shares and fund units. In securities investment, the bank's goal is to gain a competitive return on the invested capital in terms of the income–risk ratio.

The bank invests in securities only so that the income impact of changing rates does not jeopardise the bank's solvency or profitability. At the balance sheet date, the bank's income included unrealised changes in value recorded from securities in the net amount of EUR 12,000 (2,000). In addition, unrealised changes in value are included in the fair value reserve, in the amount of MEUR 2.3 (0.4), formed by change in the value of the available-for-sale financial assets. The impact caused by the unrealised changes in value of the securities to the bank's own assets was EUR 2,296,000 (401,000), which is 2.8 per cent (0.9 per cent) of the bank's own assets at the end of the financial period. The bank has no securities-related minimum solvency requirement caused by the settlement risk of the entire operation.

The decentralisation of investments is used to reduce the centralisation risk caused by individual investments. The bank has no investment unities, where the amount of investments and receivables would exceed the 25 per cent top limit of the bank's own assets set by the Act on Credit Institutions.

The bank monitors the market values of securities acquired in investment purposes and cash flows related to their transactions. The contents and balance sheet standing of the securities portfolio is regularly reported to the Board of Directors. The market risk included in the securities portfolio is assessed in relation to the bank's income and own assets.

### **Property risk**

The property risk means value reduction, income and damage risk facing property assets. Property investment is not part of the bank's core business. The bank's property assets are mainly insured with full value insurance.

The bank's investment property assets have been assessed and evaluated in the financial statements by primarily using the purchase price method.

The value of the property assets is minor in comparison to the bank's balance sheet and the bank's own capital, and the value of the property assets does not, at the moment, face any value reduction needs that would have an essential impact on the bank's income and solvency in the coming years. The carrying amounts and fair values of the investment property are presented in note 2.8 (excluding activations recorded to intangible assets).

The capital tied up in properties and property company shares that are used by the bank itself was, at the balance sheet date, MEUR 6.0 (4.7). Capital tied in investment property amounted to MEUR 2.4 (1.8), which is 0.3 per cent out of the bank's balance sheet total.

### **Strategic and operative risks**

The strategic risk means losses generated by a poorly selected business strategy in view of the development of the bank's operating environment.

The aim is to minimise the strategic risks by regularly updating the strategic and annual plans. The planning makes use of analyses and forecasts of the development of the industry, competition situation and financial operating environment.

The operative risks mean losses that can be caused by internal inadequacies in systems, processes and operations of the personnel or by external factors affecting the operating activities.



The realisation of operative risks is minimised by the continuous development of the personnel and comprehensive operating procedures as well as internal monitoring measures, such as separating the preparation of matters, decision-making, implementation and monitoring from each other where possible.

The bank is prepared with a special insurance against the potential operative risks in banking and the resulting damage. The realisation of judicial risks is, in part, reduced by the widely applied standard contractual provisions. Continuity planning is used for preparing for risks caused by IT system malfunctions.

The operative risks are monitored by collecting data on the financial losses and possible abuse suffered by the bank. The observations on the bank's operative risks are reported to the Board of Directors at least twice a year. The operative management makes use of the reports on the observance of instructions generated by internal monitoring as well as the data on the changes in the operating environment.

### **Internal audit**

The Board of Directors has set an internal audit for the bank and confirmed an audit plan and reporting principles for the internal audit.

The purpose of the internal audit is to assess the extent and sufficiency of the internal monitoring of the bank's operative organisation as well as to monitor and assess the functionality of the risk management systems. The internal audit reports its observations to the Chief Executive Officer. The bank's Board of Directors reviews the audit summaries prepared by the internal audit.

### **Internal monitoring**

The purpose of the bank's internal monitoring is to ensure that the objectives and goals set on different levels at the bank are met in accordance with the instructions agreed and set by the internal monitoring. Internal monitoring is self-observation from within the bank carried out by the administrative bodies and the organisation, and it mainly focusses on the state, quality and results of operations. Internal monitoring is conducted by the Supervisory Board, Board of Directors, Chief Executive Officer, supervisors and employees. In addition, the employees are obligated to report deviations and illegal activities to the upper organisation.

## **Administration and personnel**

The Annual General Meeting of the Savings Bank Ltd was held on 10 April 2013. The Annual General Meeting reviewed the financial statements of 2012. The proposal of the Board of Directors on the profit distribution was accepted. EUR 150,000 of the financial period income was paid as dividend. In addition, the Annual General Meeting granted exemption from liability for the Board members and the Chief Executive Officer.

Oma Savings Bank Ltd's Board of Directors comprises six members. Jyrki Mäkynen has served as the Chair, Tuula Mäkelä as the Deputy Chair and Pasi Sydänlammi as the Chief Executive Officer. Yrjö Koskimäki has served as the Deputy Chief Executive Officer. The Board of Directors assembled 12 times during the year.

The ordinary members of the Board of Directors until 30 April 2013:

Chair	Jyrki Mäkynen
Deputy Chair	Tuula Mäkelä
Member	Juhana Saari
Member	Markku Toivonen
Member	Ari Yli-Kaatila
Member	Jarmo Ylä-Vannesluoma

The ordinary members of the Board of Directors since 1 May 2013:

Chair	Jyrki Mäkynen
Deputy Chair	Kai Tammela
Member	Riitta Koivunen
Member	Tuula Mäkelä
Member	Ari Yli-Kaatila
Member	Jarmo Ylä-Vannesluoma

The Bank employed 82 people at the end of the year. The number of personnel increased in connection with the merger that took place in the spring. Great investments were also made in the development of the personnel's competence in 2013.

The bank's auditor has been APA Tatu Huhtala. The bank has outsourced the internal audit. Audit Partners Ltd has served as the internal auditor.

### **Bank's administrative and guidance system**

The Annual General Meeting of the joint-stock Savings Bank processes the financial statements of the previous year, profit distribution, granting exemption from liability and selecting the Board members. The decisions on the bank's operating activities and strategic matters are taken by the bank's Board of Directors. In addition, the Board of Directors makes decisions on major matters regarding the bank's operating activities and selects the bank's Chief Executive Officer. The work of the Board of Directors is based on confirmed procedures. The bank's Chief Executive Officer takes care of the everyday administration of the bank in accordance with the instruction provided by the Board of Directors.

Settlement of the independence of the Board members and the Chief Executive Officer is carried out in accordance with the regulations provided by the Financial Supervisory Authority and its predecessor the Financial Supervision. The Board members and the Chief Executive Officer must provide a report on the communities they are involved in at the time of the appointment and from then on annually. In addition, the Board members and the Chief Executive Officer must provide an aptitude and reliability report in accordance with the regulation of the Financial Supervision when accepting the appointment.

### **Reward systems**

The terms and benefits of the Chief Executive Officer's employment are approved by the Board of Directors of the bank. The members of the Board are paid a meeting-specific fee and an annual fee. The Chair is paid, in addition to the meeting fee, a monthly fee. The bank has a reward system in place. The goal of the reward system is to reward the performance of the personnel when meeting the goals of the bank's strategy.

## Central outsourced operations

The bank's central information systems have been outsourced to Samlink Ltd, where the share majority is held by the Savings Banks. The bank's books and records are managed by Paikallispankkien PP-Laskenta Ltd, which is fully owned by Samlink. In payment intermediation, the bank uses ACH Finland Ltd's payment intermediation and clearing services and, in cash management, the cash management system of Automatia Pankkiautomaatit Ltd.

## Corporate social responsibility

Oma Savings Bank Ltd's corporate social responsibility means the bank's responsibility for the impacts of its business operations on the surrounding society and the company's interest groups. As a local bank, Oma Savings Bank Ltd deems it necessary for the bank to carry responsibility for the surrounding society. Oma Savings Bank Ltd makes sure that the employer obligations are observed. In 2013, EUR 1,235,000 of corporate tax was paid on the bank's income.

## Events occurring after the balance sheet date

Oma Savings Bank Ltd's Extraordinary General Meeting on 5 February 2014 decided in accordance with the proposal of the Board of Directors to pay dividend in the amount of EUR 252,000. The exceptionally timed dividend decision was due to the merger with Kantasäästöpankki Ltd on 30 March 2014.

The bank's Board of Directors has no knowledge of factors that would essentially impact the bank's financial position after the completion of the financial statements.

## Development of business operations in 2014

The mergers that were announced in autumn and late 2013 will be completed during the financial period. The mergers have a major impact on the bank's business operations and volumes. The merger of Kantasäästöpankki Ltd will take place at the end of March, the transfer of the business operations of Suodenniemi Savings Banks at the end of May and Etelä-Karjala Savings Bank is likely to merge with Oma Savings Bank at the end of November. Oma Savings Bank Ltd will separate from the Savings Banks Association that will become a central community of the consortium of Savings Banks.

The bank's business operations are expected to develop favourably in 2014. The bank's comparable income development is expected to remain at the level of 2013, if there are no changes in the interest level. If the interest level will increase slightly, it will have a positive impact on the bank's income. However, a strong increase in the interest level can cause an increase in impairment losses. If the competition situation will remain tight, the margins that the bank receives may decrease, having a negative impact on the bank's income.

## **Proposal of the Board of Directors on the use of assets eligible for profit distribution**

Oma Savings Bank Ltd's assets eligible for profit distribution are EUR 28,356,532.56, out of which the profit of the financial period is EUR 3,461,725.67.

The Board of Directors proposes to the Annual General Meeting that no dividend be paid and the financial period profit of EUR 3,461,725.67 be transferred to the profit account of previous financial periods.

## Calculation formulae of the key figures

### Cost/income ratio, %

Administrative expenses + depreciation and impairment losses on tangible and intangible assets + other operating expenses x 100  
 Net interest income + income from equity-based investments + net commission income + net income from trading in securities and foreign currencies + net income from available-for-sale financial assets + net income from hedge accounting + net income from investment property + other operating income + share of the income of the associates

### Return on equity (ROE)

$$\frac{\text{Operating profit or loss} - \text{Taxes on income}}{\text{Equity and minority interest} + \text{appropriations} - \text{less deferred tax liabilities}} \times 100$$
  
 (average of the year beginning and end)

### Return on assets (ROA)

$$\frac{\text{Operating profit or loss} - \text{Income taxes}}{\text{Balance sheet total}} \times 100$$
  
 (average of the year beginning and end)

### Equity ratio

$$\frac{\text{Equity and minority interest} + \text{Appropriations} - \text{less deferred tax liabilities}}{\text{Balance sheet total}} \times 100$$

### Solvency ratio

$$\frac{\text{Total own assets}}{\text{Total minimum requirement of own assets}} \times 8\%$$

### Ratio of primary own assets to risk-weighted items

$$\frac{\text{Total primary own assets}}{\text{Total minimum requirement of own assets}} \times 8\%$$

## Financial statements

### Income statement of Oma Savings Bank Ltd

		1 Jan–31 Dec 2013 EUR	1 Jan–31 Dec 2012 EUR
Interest income	(1.1)	14,003,605.12	9,999,023.23
Interest expenses	(1.1)	-4,778,146.91	-4,202,917.77
<b>NET INTEREST INCOME</b>		<b>9,225,458.21</b>	<b>5,796,105.46</b>
Income from equity-based investments	(1.2)	152,273.40	151,483.32
Fee and commission income	(1.3)	6,678,930.05	3,900,365.83
Fee and commission expenses	(1.3)	-528,686.07	-301,942.46
Net income from trading in securities and foreign currencies	(1.4)	27,112.93	12,549.95
Net income from available-for-sale financial assets	(1.5)	1,036,402.25	691,194.91
Net income from hedge accounting	(1.6)	-13,051.19	-10,044.21
Net income from investment property	(1.7)	140,664.71	19,725.53
Other operating profit	(1.8)	612,887.69	69,344.89
Administrative expenses		-7,724,074.93	-4,632,572.68
Personnel expenses	(1.9)	-3,671,536.34	-2,444,332.65
Other administrative expenses	(1.10)	-4,052,538.59	-2,188,240.03
Depreciation and impairment losses on tangible and intangible assets	(1.11)	-496,207.68	-314,824.60
Other operating expenses	(1.8)	-2,046,864.32	-843,211.91
Impairment losses on credits and other receivables	(1.12)	-1,988,940.02	-538,553.16
<b>OPERATING PROFIT</b>		<b>5,075,905.03</b>	<b>3,999,620.87</b>
Appropriations		-379,347.53	-1,565,817.67
Income taxes		-1,234,831.83	-578,961.33
<b>PROFIT (LOSS) OF ACTUAL OPERATIONS AFTER TAXES</b>		<b>3,461,725.67</b>	<b>1,854,841.87</b>
<b>PROFIT (LOSS) OF THE FINANCIAL PERIOD</b>		<b>3,461,725.67</b>	<b>1,854,841.87</b>

### Balance sheet of Oma Savings Bank Ltd

#### ASSETS

	31 Dec 2013 EUR	31 Dec 2012 EUR
Cash and cash equivalents	3,631,078.54	2,338,293.82
Debt securities eligible for refinancing with central banks	5,957,212.78	2,534,048.44

<b>Receivables from credit institutions</b>	<b>(2.1)</b>	56,611,138.01	20,151,450.55
<b>Receivables from the public and public institutions</b>	<b>(2.2)</b>	596,199,336.50	321,021,610.82
<b>Debt securities</b>	<b>(2.3)</b>	22,797,519.28	9,811,175.25
From others		22,797,519.28	9,811,175.25
<b>Shares and interests</b>	<b>(2.4)</b>	43,412,082.60	27,302,633.26
<b>Derivative contracts</b>	<b>(2.5)</b>	4,015,351.26	1,929,637.16
<b>Intangible assets</b>	<b>(2.7)</b>	799,351.24	8,072.56
<b>Tangible assets</b>		8,005,392.15	5,576,806.85
Investment property, investment property shares and interests	<b>(2.8)</b>	1,874,321.12	803,476.84
Other property and property community shares and interests	<b>(2.8)</b>	5,279,406.72	4,045,378.30
Other tangible assets		851,664.31	727,951.71
<b>Other assets</b>	<b>(2.10)</b>	92,746.09	33,307.67
<b>Accrued income and prepayments</b>	<b>(2.11)</b>	2,953,153.52	1,656,054.30
<b>Deferred tax assets</b>	<b>(2.18)</b>	200,949.27	266,697.11
<b>TOTAL ASSETS</b>		<u>744,675,311.24</u>	<u>392,629,787.79</u>

**LIABILITIES**

		<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
		<b>EUR</b>	<b>EUR</b>
<b>LIABILITIES</b>			
<b>Liabilities to credit institutions</b>	<b>(2.12)</b>	43,917,879.88	22,187,737.01
<b>Liabilities to the public and public institutions</b>	<b>(2.13)</b>	561,193,811.33	316,484,606.01
Deposits		560,261,259.33	315,684,144.26
Other liabilities		932,552.00	800,461.75
<b>Promissory notes issued to the public</b>	<b>(2.14)</b>	41,903,392.41	0.00
<b>Derivative contracts and other liabilities held for trading</b>	<b>(2.5)</b>	-28,041.00	0.00
<b>Other liabilities</b>	<b>(2.15)</b>	4,834,009.71	4,263,023.62
<b>Accrued liabilities and prepayments received</b>	<b>(2.16)</b>	2,891,239.26	1,379,012.13
<b>Subordinated liabilities</b>	<b>(2.17)</b>	23,800,000.00	10,958,800.00
<b>Deferred tax liabilities</b>	<b>(2.18)</b>	771,933.82	396,164.71
<b>TOTAL LIABILITIES</b>		<b>679,284,225.41</b>	<b>355,669,343.48</b>
<b>APPROPRIATIONS</b>			
<b>Depreciation difference</b>		3,990.34	206,750.72
<b>Voluntary provisions</b>		24,746,624.77	14,851,561.54
<b>TOTAL APPROPRIATIONS</b>		<b>24,750,615.11</b>	<b>15,058,312.26</b>
<b>EQUITY</b>	<b>(2.22)</b>		
<b>Share capital</b>		10,000,000.00	6,500,000.00
<b>Other restricted reserves</b>		2,283,938.16	398,971.57
Fair value reserve		2,283,938.16	398,971.57
<b>Non-restricted reserves</b>		19,567,889.55	9,526,243.14
Reserve for invested non-restricted equity		19,567,889.55	9,526,243.14
<b>Retained profit (loss)</b>		5,326,917.34	3,622,075.47
<b>Profit (loss) for the financial period</b>		3,461,725.67	1,854,841.87
<b>TOTAL EQUITY</b>		<b>40,640,470.72</b>	<b>21,902,132.05</b>
<b>TOTAL LIABILITIES</b>		<b>744,675,311.24</b>	<b>392,629,787.79</b>

**COMMITMENTS OUTSIDE THE BALANCE SHEET**

		<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
		<b>EUR</b>	<b>EUR</b>
<b>Commitments given to a third party on behalf of a client</b>		15,821,883.40	12,319,309.77
Guarantees and pledges		15,522,674.00	9,643,151.48
Others		299,209.40	2,676,158.29
<b>Irrevocable commitments given in favour of a client</b>		35,945,964.31	15,542,040.14
Others		35,945,964.31	15,542,040.14



## Financial statement of Oma Savings Bank Ltd

	1 Jan–31 Dec 2013 EUR	1 Jan–31 Dec 2012 EUR
<b>Cash flow from operations</b>		
Profit of actual operations after taxes	3,461,725.67	1,854,841.87
Rectifications for the financial period	4,154,741.10	2,509,251.25
<b>Increase (–) or decrease (+) of operating assets</b>	<b>-61,163,357.86</b>	<b>-41,584,212.73</b>
Debt securities	-3,838,490.81	-3,959,754.01
Receivables from credit institutions	-2,631,852.00	-2,992,703.00
Receivables from the public and public institutions	-54,378,514.46	-31,425,675.67
Shares and interests	-630,863.06	-3,546,356.26
Other assets	316,362.47	340,276.21
<b>Increase (+) or decrease (–) of operating liabilities</b>	<b>76,235,836.37</b>	<b>23,304,182.83</b>
Liabilities to credit institutions	14,256,828.00	3,536,391.18
Liabilities to the public and public institutions	21,921,950.20	19,704,017.16
Promissory notes issued to the public	41,903,392.41	0.00
Other liabilities	-1,846,334.24	63,774.49
Paid income taxes	-496,541.58	-463,035.57
<b>Total operating cash flow</b>	<b>22,192,403.70</b>	<b>-14,378,972.35</b>
<b>Cash flow from investments</b>		
Investments in shares and interests, increases	-2,231,495.13	-543,658.68
Investments in tangible and intangible assets	-639,616.50	-3,558,701.20
Assignments of tangible and intangible assets	188,894.22	3,021,564.32
<b>Total cash flow from investments</b>	<b>-2,682,217.41</b>	<b>-1,080,795.56</b>
<b>Financing cash flow</b>		
Subordinated liabilities, increases	4,941,200.00	5,000,000.00
Subordinated liabilities, decreases	0.00	-1,958,800.00
Paid dividends and other distribution of profit	-150,000.00	-150,000.00
Other money increases of equity items	0.00	0.00
Other money decreases of equity items	0.00	0.00
<b>Total financing cash flow</b>	<b>4,791,200.00</b>	<b>2,891,200.00</b>
<b>Net change of cash and cash equivalents</b>	<b>24,301,386.29</b>	<b>-12,568,567.91</b>
Financial assets at the beginning of the financial period	9,683,921.37	22,252,489.28
Financial assets at the end of the financial period	<b>38,009,892.55</b>	<b>9,683,921.37</b>
– Financial assets transferred at the assignment of business operations	-4,024,584.89	
Financial assets at the end of the financial period without the financial assets transferred at the assignment of business operations	<b>33,985,307.66</b>	<b>9,683,921.37</b>
<b>Financial assets are composed of the following balance sheet items:</b>		
Cash and cash equivalents	3,631,078.54	2,338,293.82
Receivables from credit institutions paid on demand	34,378,814.01	7,345,627.55
<b>Total</b>	<b>38,009,892.55</b>	<b>9,683,921.37</b>
<b>Additional information on the financial statement:</b>		
Received interest	12,790,882.40	10,401,910.28
Paid interest	4,256,460.90	4,315,655.38
Received dividends	152,273.40	151,483.32
<b>Rectifications for the financial period:</b>		
Appropriations	379,347.53	1,565,817.67
Income statement taxes	1,234,831.83	578,961.33
Changes in fair value	-37,284.04	10,044.21
Depreciation and impairment losses on tangible and intangible assets	530,406.20	344,334.74
Other rectifications	2,047,439.58	10,093.30
<b>Total</b>	<b>4,154,741.10</b>	<b>2,509,251.25</b>

## Notes

### Accounting principles

The financial statements of the bank are made in accordance with the regulations of the Accounting Act and the Act on Credit Institutions, the Ministry of Finance Decree (150/2007) on Financial Statements and Consolidated Financial Statements of Credit Institutions as well as the Regulations and Guidelines 1/2013 of the Financial Supervisory Authority on Financial Sector Bookkeeping, Financial Statements and Annual Report.

### Consolidated financial statements

The subsidiaries of the bank are real estate companies and the bank does not have any associates or joint ventures. According to Section 155 of the Act on Credit Institutions, subsidiaries, associates and joint ventures whose balance sheet total is less than 1 per cent of the parent bank's balance sheet total and less than MEUR 10 can be excluded from the consolidated financial statements. The subsidiaries do not have a significant impact on the Group's income and balance sheet and, therefore, the financial statements of the bank provide a correct and adequate picture of the operative income and financial standing of the Group.

### Foreign currency entries

Assets and liabilities bound to foreign currencies outside the EU are converted to euros in accordance with the average rate quoted by the European Central Bank on the day of closing the accounts.

The differences in currency rates emerging from valuation are entered in the income statement under net income on trading in foreign currencies.

### Financial instruments

#### Classification

The financial assets are classified in the financial statements in accordance with the Regulations and Guidelines 1/2013 of the Financial Supervisory Authority on Financial Sector Bookkeeping, Financial Statements and Annual Report to four valuation classes:

- Financial assets entered to fair value with impact on the income
- Available-for-sale financial assets
- Held-to-maturity investments
- Loans and other receivables

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. In addition, derivatives which have been made for the purpose of hedging but to which hedge accounting is not applied have been classified in this class.

Investments held until the maturity date include debt securities with fixed or definable payments that mature on a set date and which the bank is determined and capable to keep until the maturity date.

The class of loans and receivables contains receivables with fixed or definable payments that are not quoted on the market.

The available-for-sale financial assets contain financial assets that have not been classified in the aforementioned valuation classes.

The acquisition and sales of financial assets have been entered in the books and records by the trade date and they are included in the balance sheet items Debt securities and Shares and interests.

Financial liabilities are divided into two valuation classes:

- Financial liabilities held for trading
- Other financial liabilities.

Derivative contracts to which hedge accounting is not applied and the fair value of which is negative are classified in financial liabilities held for trading.

### Valuation

Financial assets are carried either at fair value or amortised cost. With the exception of derivative contracts, financial liabilities are carried at amortised cost.

Changes in the fair value of financial assets recorded at fair value through profit and loss are entered directly in the financial statement item Net income on trading in securities.

Available-for-sale financial assets are appraised to their fair value. Changes in their fair value are adjusted by deferred taxes and recorded in the fair value reserve under equity. Foreign exchange gains and losses are not entered in the fair value reserve but directly to income. The change of value accrued in the fair value reserve is entered under income when an asset belonging to available-for-sale financial assets is sold or otherwise derecognised.

The year's final bid price has been considered to be the fair value of quoted shares. The fair value of unquoted shares has been their acquisition cost when their fair value cannot have been determined reliably. The fair value of debt securities is the year's last bid price if the debt security has a quotation or, when there is no quotation, the present value of the debt security discounted by the market interest rate of the capital or interest flow, or a value calculated by using some other generally approved valuation model or method.

If there has been objective proof of the depreciation, held-to-maturity investments as well as loans and receivables are valued at the amortised cost or acquisition cost deducted by the impairment loss.

The shares and interest in subsidiaries and associates are recorded under the acquisition cost or acquisition cost deducted by the impairment loss in the event that the impairment is considered significant or long-term.

### **Derivative contracts and hedge accounting**

Derivative contracts in the financial statements are appraised at their fair value, and changes in the value are entered in the balance sheet and income statement.

The bank hedges its interest risk from changes in the fair value and applies fair value hedging to it. The hedging is applied to fixed-rate deposits. The change in the fair value of derivatives that are used for hedging the fair value is recorded in the income statement under Net income from hedge accounting. When hedging the fair value, the subject of hedging is also appraised to the fair value for the hedging period, even if it is otherwise appraised at the amortised cost. The change in the fair value of the subject of hedging is recorded in the balance sheet as an adjustment of the item in question and in the income statement under Net income from hedge accounting. The interests of the hedging derivatives are given as adjustment of interest expenses.

The bank also uses derivatives to operatively hedge its interest-rate risk but does not apply hedge accounting to it. In accounting, these derivatives are treated as derivatives held for trading, and the change in their fair value is entered directly to the income statement item Net income on trading in securities. Interests are recorded in interest income.

### **Tangible and intangible assets**

Properties and shares in property communities are divided on the basis of their purpose of use into property in own use and investment property.

Properties are entered in the balance sheet with the acquisition cost deducted by planned depreciation. The shares and interests in property communities are entered in the balance sheet at the acquisition cost. The bank does not apply the possibility to evaluate the investment property to fair value under Section 153 of the Act on Credit Institutions.

The balance values of properties as well as shares and interests in property communities in own use are based on the value of the assets in relation to the income expectations of the actual operations.

The difference between the carrying amount of the investment property and shares of property communities and the permanently lower probable assignment price is, in case it is significant, entered in impairment loss as an expense under Net income from investment property. Potential cancellations of impairment are entered as adjustments of the same item.

The bank's key investment property items are valued using the purchase price method for each property.

### **Appropriations**

#### Depreciation difference and voluntary provisions

Depreciation difference entries contain the difference between planned and realised depreciations.

The bank uses voluntary provisions, such as credit loss provisions, when planning taxation and the financial statements. Therefore, the amount or change of voluntary provisions does not characterise the risks of the bank.

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

### **Commitments outside the balance sheet**

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

Commitments given to a third party on behalf of a client include, for example, guarantees or similar guarantee commitments. The commitments are presented in the amount that the guarantee or guarantee commitment corresponds to at the moment of closing the accounts.

Irrevocable commitments given in favour of a client include, for example, binding credit commitments, granted loans not drawn yet and unused credit limits. The commitments are presented in the maximum 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 entered on an accrual basis except for penalty interests, which are entered 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 receivables and payables, which is deferred to the exercise period of the receivables or payables by using the method of effective interests. A counter item is entered as a change in the receivables or payables.

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

### **Impairment losses of financial assets**

#### Loans and other receivables

Impairment losses contain impairment of loans and other receivables when there is objective proof that the capital or interests of the loan or receivable will not be paid and when the guarantee of the receivable does not suffice to cover the amount. Estimation of the objective proof is based on estimating the insolvency of the client 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 realisation. The amount of impairment losses is defined as the difference between the carrying amount of the receivable and the estimated current value of the incoming cash flow accruable from the receivable by taking into account the fair value of the guarantee. The original effective interest rate of the receivable has been used as the discount rate.

#### Held-to-maturity investments

In the event that, on closing the accounts, objective proof has been shown that the value of a debt security classified in held-to-maturity investments may have declined, the debt security must undergo an impairment analysis.

If the analysis shows an impairment, for example that the credit risk of the issuer has increased, the impairment is recorded through profit and loss to the item Impairment losses of other financial assets. The amount of the impairment loss is defined as the difference between the carrying amount of the receivable and the estimated current value of the accruable future cash flows. The original effective interest rate of the receivable has been used as the discount rate.

#### Available-for-sale financial assets

In the event that, at the closing of accounts, objective proof indicates that the value of securities classified as 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 the share has decreased significantly or below the acquisition cost for a long time 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 under Net income from available-for-sale financial assets.

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

### **Depreciation principles**

The acquisition cost of buildings and other tangible and intangible assets is depreciated on the basis of the economic holding period, in accordance with the depreciation plan as straight-line depreciation. Depreciation periods range from 10 to 40 years for buildings and structures, and 5 to 8 years for machinery and equipment. Land areas are not subject to depreciation.

The development expenses and licences of software programs are activated in Immaterial Rights and depreciated in 3 to 5 years. Long-term expenses are depreciated over their useful lives, which is 5 to 10 years.

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

The bank and the Group have 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. A positive change in the value included in the fair value reserve is recorded in the balance sheet as a deferred tax liability, and a negative change as a deferred tax asset, respectively. In addition, the negative change in value transferred from the fair value reserve to income is recorded as a deferred tax asset. Other deferred taxes have not been recorded.

### **Financial assets**

The financial assets of the financial statements comprise cash and cash equivalents and receivables from credit institutions paid on demand. The financial statements have been prepared using the indirect method.

## Other notes

## NOTES

### NOTES ON THE FINANCIAL STATEMENTS

#### 1.1 Interest income and expenses

	2013	2012
<b>Interest income</b>		
From receivables from credit institutions	324,532.58	233,082.39
From receivables from the public and public institutions	12,608,739.99	9,298,082.18
From debt securities	976,808.04	463,001.16
Other interest income	93,524.51	4,857.50
<b>Total</b>	<b>14,003,605.12</b>	<b>9,999,023.23</b>
Interest income on impairment of credits and other receivables	75,626.16	19,708.96
<b>Interest expenses</b>		
From liabilities to credit institutions	-450,763.14	-600,657.37
From liabilities to the public and public institutions	-4,472,856.31	-3,827,978.31
From promissory notes issued to the public	-306,750.32	0.00
From derivative contracts and other liabilities held for trading	1,048,494.03	560,459.03
From subordinated liabilities	-559,176.16	-324,468.37
Other interest expenses	-37,095.01	-10,272.75
<b>Total</b>	<b>-4,778,146.91</b>	<b>-4,202,917.77</b>

#### 1.2 Income from equity-based investments

	2013	2012
From available-for-sale financial assets	152,273.40	151,483.32
<b>Total</b>	<b>152,273.40</b>	<b>151,483.32</b>

#### 1.3 Fee and commission income and expenses

	2013	2012
<b>Fee and commission income</b>		
From lending	2,197,344.09	1,425,194.16
From deposits	92,752.50	34,721.33
From payment transactions	2,631,516.33	1,405,440.86
From asset management	321,394.44	167,558.30
From supplied operations	1,203,025.42	725,673.65
From granting of guarantees	168,105.16	105,226.69
Other fee and commission income	64,792.11	36,550.84
<b>Total</b>	<b>6,678,930.05</b>	<b>3,900,365.83</b>
<b>Fee and commission expenses</b>		
Paid commissions	-75,363.49	-27,344.16
Others	-453,322.58	-274,598.30
<b>Total</b>	<b>-528,686.07</b>	<b>-301,942.46</b>

**1.4 Net income on trading in securities and foreign currencies**

	2013		
	Sales profits and losses (net)	Changes in fair value (net)	Total
From debt securities	1,688.00	-41,588.00	-39,900.00
From others	0.00	67,012.93	67,012.93
Total net income on trading in securities	1,688.00	25,424.93	27,112.93
Net income on trading in foreign currencies	0.00	0.00	0.00
<b>Income statement item total</b>	<b>1,688.00</b>	<b>25,424.93</b>	<b>27,112.93</b>

**Net income from trading in securities and foreign currencies**

	2012		
	Sales profits and losses (net)	Changes in fair value (net)	Total
From debt securities	0.00	12,550.00	12,550.00
Total net income on trading in securities	0.00	12,550.00	12,550.00
Net income on trading in foreign currencies	-0.05	0.00	-0.05
<b>Income statement item total</b>	<b>-0.05</b>	<b>12,550.00</b>	<b>12,549.95</b>

**1.5 Net income on available-for-sale financial assets**

	2013			
	Sales profits and losses (net)	Impairments	Transfers from the fair value reserve	Total
From debt securities	18,183.00	0.00	-49,980.03	-31,797.03
From shares and interests	61,794.71	0.00	1,006,404.57	1,068,199.28
<b>Total</b>	<b>79,977.71</b>	<b>0.00</b>	<b>956,424.54</b>	<b>1,036,402.25</b>

**Net income on available-for-sale financial assets**

	2012			
	Sales profits and losses (net)	Impairments	Transfers from the fair value reserve	Total
From debt securities	0.00	0.00	0.00	0.00
From shares and interests	40,883.57	0.00	650,311.34	691,194.91
<b>Total</b>	<b>40,883.57</b>	<b>0.00</b>	<b>650,311.34</b>	<b>691,194.91</b>

**1.6 Net income from hedge accounting**

	2013	2012
Change (net) in the fair value of hedging derivatives	-1,812,840.34	326,229.99
Change (net) in the fair value of hedged items	1,799,789.15	-336,274.20
<b>Total</b>	<b>-13,051.19</b>	<b>-10,044.21</b>

**1.7 Net income from investment property**

	2013	2012
Rental income	238,423.10	146,943.47
Rental expenses	-360.00	0.00
Planned depreciation	-34,198.52	-29,510.14
Sales profits and losses (net)	37,760.14	-10,692.20
Other income	1,525.23	5,340.00
Other expenses	-102,485.24	-92,355.60
<b>Total</b>	<b>140,664.71</b>	<b>19,725.53</b>



### 1.8 Other operating income and expenses

	2013	2012
<b>Other operating income</b>		
Rental income from property in own use	1,466.28	0.00
Other income	611,421.41	69,344.89
<b>Total</b>	<b>612,887.69</b>	<b>69,344.89</b>

	2013	2012
<b>Other operating expenses</b>		
Rental expenses	-177,653.27	-74,731.11
Expenses from property in own use	-420,508.06	-211,545.00
Other expenses	-1,448,702.99	-556,935.80
<b>Total</b>	<b>-2,046,864.32</b>	<b>-843,211.91</b>

### 1.9 Personnel expenses

	2013	2012
Salaries and fees	-2,829,751.22	-1,919,590.86
Indirect employee expenses	-841,785.12	-524,741.79
Pension expenses	-724,038.97	-462,115.97
Other indirect employee expenses	-117,746.15	-62,625.82
<b>Total</b>	<b>-3,671,536.34</b>	<b>-2,444,332.65</b>

### 1.10 Other administrative expenses

	2013	2012
Other personnel expenses	-298,185.77	-171,420.85
Office expenses	-447,927.99	-202,540.07
IT expenses	-2,314,589.81	-1,292,883.70
Communications expenses	-242,383.13	-131,238.69
Representational and marketing expenses	-749,451.89	-390,156.72
<b>Total</b>	<b>-4,052,538.59</b>	<b>-2,188,240.03</b>

### 1.11 Depreciation and impairments on tangible and intangible assets

	2013	2012
<b>Planned depreciation</b>	-496,207.68	-314,824.60
Tangible assets	-312,544.73	-314,715.02
Intangible assets	-183,662.95	-109.58
<b>Total</b>	<b>-496,207.68</b>	<b>-314,824.60</b>

### 1.12 Impairment losses on credits and other commitments as well as other financial assets

	2013	2012
<b>Impairment losses on credits and other commitments</b>		
<b>From receivables from the public and public institutions</b>	-1,988,940.02	-538,553.16
Contract-specific impairment losses	-2,007,645.01	-558,752.10
Cancellations and returns (-) on impairments	18,704.99	20,198.94
<b>Total impairment losses on credits and other commitments</b>	<b>-1,988,940.02</b>	<b>-538,553.16</b>
<b>Total impairment losses on financial assets</b>	-1,988,940.02	-538,553.16

### 1.13 Income by operating and market area

	2013	2012
Income from banking operations	17,860,678.05	10,630,725.68

Distribution of income, operating profit, assets and liabilities by operating area has not been reported due to a lack of significance.

The bank only operates in Finland.

The income is presented as non-eliminated.

## NOTES ON THE BALANCE SHEET

### 2.1. Receivables from credit institutions

	2013	2012
<b>Repayable on demand</b>	34,378,814.01	7,345,627.55
From domestic credit institutions	34,378,814.01	7,345,627.55
<b>Others</b>	22,232,324.00	12,805,823.00
From domestic credit institutions	22,232,324.00	12,805,823.00
<b>Total</b>	<b>56,611,138.01</b>	<b>20,151,450.55</b>

The item Others comprises a long-term, unsecured senior credit granted by the bank to Aktia Real Estate Mortgage Bank Plc. for refinancing of the supplied mortgages.

### 2.2 Receivables from the public and public institutions

	2013	2012
Enterprises and housing communities	161,118,028.14	95,294,031.76
Financing and insurance institutions	1,276,799.52	124,473.97
Public institutions	112,200.00	0.00
Households	431,777,345.81	224,866,377.50
Non-profit communities serving households	1,884,964.93	736,727.59
Foreign	29,998.10	0.00
<b>Total</b>	<b>596,199,336.50</b>	<b>321,021,610.82</b>
– out of which receivables with subordinated liabilities	68,000.00	0.00

### Impairment losses recorded during the financial period

	2013	2012
Impairment losses at the beginning of the financial period	553,452.52	398,740.27
+ receivable-specific impairment losses recorded during the financial period	3,472,463.30	558,752.10
– receivable-specific impairment losses cancelled during the financial period	-40,437.10	-18,281.01
– credit losses realised during the financial period formerly recorded with a receivable-specific impairment loss	24,622.49	-385,758.84
<b>Impairment losses at the end of the financial period</b>	<b>4,010,101.21</b>	<b>553,452.52</b>

### 2.3 Debt securities

	2013		2012	
	Total	Of which debt securities eligible for refinancing with central banks	Total	Of which debt securities eligible for refinancing with central banks
<b>Debt securities held for trading</b>	1,992,210.00	0.00	452,800.00	0.00
Quoted	828,240.00	0.00	0.00	0.00
Others	1,163,970.00	0.00	452,800.00	0.00
<b>Available-for-sale debt securities</b>	22,778,105.28	3,972,796.00	5,909,025.25	550,650.00
Quoted	18,045,690.40	3,972,796.00	5,345,975.25	550,650.00
Others	4,732,414.88	0.00	563,050.00	0.00
<b>Debt securities held to maturity</b>	3,984,416.78	1,984,416.78	5,983,398.44	1,983,398.44
Quoted	1,984,416.78	1,984,416.78	1,983,398.44	1,983,398.44
Others	2,000,000.00	0.00	4,000,000.00	0.00
<b>Total</b>	<b>28,754,732.06</b>	<b>5,957,212.78</b>	<b>12,345,223.69</b>	<b>2,534,048.44</b>
– out of which receivables with subordinated liabilities	869,148.00	0.00	668,004.25	0.00

## 2.4 Shares and interests

	2013	2012
<b>Available-for-sale shares and interests</b>	43,356,112.60	27,246,663.26
Quoted	31,894,256.92	21,935,287.49
Others	11,461,855.68	5,311,375.77
<b>Total shares and interests</b>	<b>43,356,112.60</b>	<b>27,246,663.26</b>
– of which in credit institutions	8,314,427.17	4,926,288.37

### Shares and interests in companies belonging to the same Group

In other companies	55,970.00	55,970.00
<b>Total</b>	<b>55,970.00</b>	<b>55,970.00</b>

Ownership is appraised at acquisition cost.

## 2.5 Derivative contracts

### Nominal values of derivative contracts

	2013			Total
	less than 1 year	1 to 5 years	more than 5 years	
Remaining maturity				
Hedging derivative contracts	0.00	25,000,000.00	20,000,000.00	45,000,000.00
Interest rate derivatives	0.00	25,000,000.00	20,000,000.00	45,000,000.00
Non-hedging derivative contracts	0.00	2,311,200.00	5,000,000.00	7,311,200.00
Interest rate derivatives	0.00	0.00	5,000,000.00	5,000,000.00
Option contracts	0.00	0.00	5,000,000.00	5,000,000.00
Set	0.00	0.00	5,000,000.00	5,000,000.00
Share derivatives	0.00	2,311,200.00	0.00	2,311,200.00

	2012			Total
	less than 1 year	1 to 5 years	more than 5 years	
Remaining maturity				
Hedging derivative contracts	0.00	15,000,000.00	0.00	15,000,000.00
Interest rate derivatives	0.00	15,000,000.00	0.00	15,000,000.00
Option contracts	0.00	0.00	0.00	0.00
Purchased	0.00	0.00	0.00	0.00
Non-hedging derivative contracts	0.00	0.00	0.00	0.00
Interest rate derivatives	0.00	0.00	0.00	0.00
Option contracts	0.00	0.00	0.00	0.00
Set	0.00	0.00	0.00	0.00

### Fair values of derivative contracts

	2013		2012	
	Receivables	Payables	Receivables	Payables
Hedging derivative contracts	3,996,592.30	-16,677.70	1,929,637.16	0.00
Interest rate derivatives	3,996,592.30	0.00	1,929,637.16	0.00
Option contracts	38,436.66	0.00	0.00	0.00
Purchased	38,436.66	0.00	0.00	0.00
Share derivatives	0.00	-16,677.70	0.00	0.00
Non-hedging derivative contracts	0.00	-28,041.00	0.00	0.00
Interest rate derivatives	0.00	-28,041.00	0.00	0.00
Option contracts	0.00	-28,041.00	0.00	0.00
Set	0.00	-28,041.00	0.00	0.00
<b>Total</b>	<b>3,996,592.30</b>	<b>-44,718.70</b>	<b>1,929,637.16</b>	<b>0.00</b>

## 2.6 Related party disclosures

Related party disclosures are presented in connection with the notes on personnel and management. Note 4.4.

## 2.7 Intangible assets

	2013	2012
Other intangible assets	799,351.24	8,072.56
<b>Total</b>	<b>799,351.24</b>	<b>8,072.56</b>

## 2.8 Tangible assets

	Carrying amount	Fair value
<b>Land and water areas</b>		
In own use	108,731.39	
Invested	63,058.10	58,617.12
<b>Total</b>	<b>171,789.49</b>	
<b>Buildings</b>		
In own use	620,351.81	
Invested	164,138.09	166,189.93
<b>Total</b>	<b>784,489.90</b>	
<b>Shares and interests in property communities</b>		
In own use	4,550,323.52	
Invested	1,647,124.93	1,697,137.76
<b>Total</b>	<b>6,197,448.45</b>	
<b>Other tangible assets</b>	851,664.31	
<b>Total tangible assets</b>	8,005,392.15	

Investment property is measured at cost.

## 2.9 Changes in intangible and tangible assets during the financial period

Intangible assets	2013			
	Investment property and shares in investment property	Other property and shares in property	Other tangible assets	Total
Acquisition cost 1 Jan	219,903.10			
+ increases during the financial period	1,527,403.97			
- decreases during the financial period	-19,789.31			
+/- transfers between items	1,435,714.57			
Acquisition cost 31 Dec	3,163,232.33			
Accrued depreciation and impairments 1 Jan	-211,830.54			
+/- accrued depreciation on decreases and transfers	-1,956,077.52			
- depreciation during the financial period	-195,973.03			
Accrued depreciation and impairments 31 Dec	-2,363,881.09			
<b>Carrying amount 31 Dec</b>	<b>799,351.24</b>			
Carrying amount 1 Jan	8,072.56			
<b>Tangible assets</b>				
	Investment property and shares in investment property	Other property and shares in property	Other tangible assets	Total
Acquisition cost 1 Jan	1,355,795.03	5,232,700.26	1,843,170.03	8,431,665.32
+ increases during the financial period	1,339,510.62	2,289,195.68	1,479,906.50	5,108,612.80
- decreases during the financial period	-144,329.27	0.00	0.00	-144,329.27
+/- transfers between items	-153,330.53	-1,282,384.04	0.00	-1,435,714.57
Acquisition cost 31 Dec	2,397,645.85	6,239,511.90	3,323,076.53	11,960,234.28
Accrued depreciation and impairments 1 Jan	-552,318.19	-1,191,526.65	-1,115,218.32	-2,859,063.16
+/- accrued depreciation on decreases and transfers	50,881.90	315,582.91	-1,132,015.30	-765,550.49
- depreciation during the financial period	-21,888.44	-88,366.13	-224,178.60	-334,433.17
Accrued depreciation and impairments 31 Dec	-523,324.73	-964,309.87	-2,471,412.22	-3,959,046.82
Accrued revaluations 1 Jan	0.00	4,204.69	0.00	4,204.69

Accrued revaluations 31 Dec	0.00	4,204.69	0.00	4,204.69
<b>Carrying amount 31 Dec</b>	<b>1,874,321.12</b>	<b>5,279,406.72</b>	<b>851,664.31</b>	<b>8,005,392.15</b>
Carrying amount 1 Jan	803,476.84	4,045,378.30	729,951.71	5,576,806.85

Activated reconstruction expenses of housing company units have been transferred during the financial period of 2013 from tangible assets to intangible assets.

## 2.10 Other assets

	2013	2012
Payment intermediation receivables	1,361.04	618.75
Others	91,385.05	32,688.92
<b>Total</b>	<b>92,746.09</b>	<b>33,307.67</b>

## 2.11 Accrued income and prepayments

	2013	2012
Interests	2,541,621.77	1,328,899.05
Others	411,531.75	327,155.25
<b>Total</b>	<b>2,953,153.52</b>	<b>1,656,054.30</b>

## 2.12 Liabilities to credit institutions

	2013	2012
To credit institutions	43,917,879.88	22,187,737.01
Repayable on demand	237,173.38	288,085.01
Others	43,680,706.50	21,899,652.00
<b>Total</b>	<b>43,917,879.88</b>	<b>22,187,737.01</b>

## 2.13 Liabilities to the public and public institutions

	2013	2012
Deposits	560,261,259.33	315,684,144.26
Repayable on demand	461,828,572.17	272,354,082.39
Others	98,432,687.16	43,330,061.87
Other liabilities	932,552.00	800,461.75
Others	932,552.00	800,461.75
<b>Total</b>	<b>561,193,811.33</b>	<b>316,484,606.01</b>

## 2.14 Promissory notes issued to the public

	2013		2012	
	Carrying amount	Nominal value	Carrying amount	Nominal value
Certificates of deposit	11,962,530.95	12,000,000.00	0.00	0.00
Bonds	29,940,861.46	30,000,000.00	0.00	0.00
<b>Total</b>	<b>41,903,392.41</b>	<b>42,000,000.00</b>	<b>0.00</b>	<b>0.00</b>

## 2.15 Other liabilities

	2013	2012
Liabilities on payment intermediation	4,749,283.33	4,238,523.29
Others	84,726.38	24,500.33
<b>Total</b>	<b>4,834,009.71</b>	<b>4,263,023.62</b>

## 2.16 Accrued liabilities and prepayments received

	2013	2012
Interests	1,377,278.56	865,368.86
Others	1,513,960.70	513,643.27
<b>Total</b>	<b>2,891,239.26</b>	<b>1,379,012.13</b>

## 2.17 Subordinated liabilities

### 1) Subordinated liabilities

whose carrying amount exceeds 10 per cent of the total value of liabilities

Identification data of the liabilities	Carrying amount	Nominal value	Interest %	Maturity date
Debenture loan of the Savings Banks 1/2011	4,800,000.00	4,800,000.00	3.50	16 May 2016
Debenture loan of the Savings Banks 1/2012	6,400,000.00	6,400,000.00	2.85	7 May 2017
Debenture loan of the Savings Banks 1/2013	10,000,000.00	10,000,000.00	2.35	15 May 2018
<b>Total</b>	<b>21,200,000.00</b>	<b>21,200,000.00</b>		

	Amount counted among own assets
Debenture loan of the Savings Banks 1/2011	4,800,000.00
Debenture loan of the Savings Banks 1/2012	6,400,000.00
Debenture loan of the Savings Banks 1/2013	10,000,000.00
<b>Total</b>	<b>21,200,000.00</b>

All liabilities are reported in euros. The reported liabilities are counted in solvency calculation as lower secondary credit institution-respective assets.

Terms of prepayment:

The bank retains the right of full or partial redemption of all loans prior to the maturity date. However, prepayment is subject to permission from the Financial Supervisory Authority, except for minor redemptions which the bank resells within a short period of redemption.

Regulations concerning the subordination of liabilities or the potential change of liabilities to shares:

The loans are issued as debenture loans in accordance with Section 34 of the Promissory Notes Act (622/1947). The loans are subordinate in comparison to the other liabilities of the issuer.

### 2) All liabilities other than those mentioned above subordinate to other liabilities of the credit institution

	Debenture loans
Total sum of liabilities	2,600,000.00

## 2.18 Deferred tax liabilities and assets

Deferred tax liabilities and assets are recorded on the changes in the fair value of available-for-sale financial assets in the fair value reserve.

Other deferred tax liabilities and assets have not been recorded on the bank's balance sheet.

### Deferred tax liabilities and assets

Valuation-based deferred tax assets	200,949.27
Valuation-based deferred tax liabilities	771,933.82

## 2.19 Maturity distribution of financial assets and liabilities

### Financial assets

	2013		
	Less than 3 months	3 to 12 months	1 to 5 years
Debt securities eligible for refinancing with central banks	0.00	507,850.00	2,960,446.00
Receivables from credit institutions	39,936,938.01	0.00	0.00
Receivables from the public and general government	30,824,906.72	62,472,210.99	201,876,968.42
Debt securities	1,663,855.38	3,579,808.00	12,383,984.90
<b>Total</b>	<b>72,425,700.11</b>	<b>66,559,868.99</b>	<b>217,221,399.32</b>

	2013		
	5 to 10 years	More than 10 years	Total
Debt securities eligible for refinancing with central banks	504,500.00	1,984,416.78	5,957,212.78
Receivables from credit institutions	0.00	16,674,200.00	56,611,138.01
Receivables from the public and general government	151,670,576.13	149,354,674.24	596,199,336.50
Debt securities	5,169,871.00	0.00	22,797,519.28
<b>Total</b>	<b>157,344,947.13</b>	<b>168,013,291.02</b>	<b>681,565,206.57</b>

### Financial assets

	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	550,650.00
Receivables from credit institutions	10,240,550.55	0.00	0.00
Receivables from the public and general government	17,253,704.68	29,317,055.28	117,224,276.06
Debt securities	0.00	0.00	3,595,231.00
<b>Total</b>	<b>27,494,255.23</b>	<b>29,317,055.28</b>	<b>121,370,157.06</b>

### Financial assets

	2012		
	5 to 10 years	More than 10 years	Total
Debt securities eligible for refinancing with central banks	0.00	1,983,398.44	2,534,048.44
Receivables from credit institutions	0.00	9,910,900.00	20,151,450.55
Receivables from the public and general government	78,116,332.55	79,110,242.25	321,021,610.82
Debt securities	1,547,940.00	4,668,004.25	9,811,175.25
<b>Total</b>	<b>79,664,272.55</b>	<b>95,672,544.94</b>	<b>353,518,285.06</b>

### Financial liabilities

	2013		
	Less than 3 months	3 to 12 months	1 to 5 years
Liabilities to credit institutions and central banks	32,340,016.69	10,499,185.00	1,078,678.19
Liabilities to the public and public institutions	495,336,485.46	45,999,831.92	18,924,941.95
Promissory notes issued to the public	4,992,931.13	6,969,599.82	29,940,861.46
Subordinated liabilities	0.00	6,700,000.00	17,100,000.00
<b>Total</b>	<b>532,669,433.28</b>	<b>70,168,616.74</b>	<b>67,044,481.60</b>

### Financial liabilities

	2013		
	5 to 10 years	More than 10 years	Total
Liabilities to credit institutions and central banks	0.00	0.00	43,917,879.88
Liabilities to the public and public institutions	932,552.00	0.00	561,193,811.33
Promissory notes issued to the public	0.00	0.00	41,903,392.41
Subordinated liabilities	0.00	0.00	23,800,000.00

<b>Total</b>	<b>932,552.00</b>	<b>0.00</b>	<b>670,815,083.62</b>
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### Financial liabilities

	2012		
	Less than 3 months	3 to 12 months	1 to 5 years
Liabilities to credit institutions and central banks	15,388,085.01	6,771,421.00	28,231.00
Liabilities to the public and public institutions	289,296,645.06	23,483,511.49	2,903,987.71
Promissory notes issued to the public	0.00	0.00	0.00
Subordinated liabilities	0.00	2,758,800.00	8,200,000.00
<b>Total</b>	<b>304,684,730.07</b>	<b>33,013,732.49</b>	<b>11,132,218.71</b>

### Financial liabilities

	2012		
	5 to 10 years	More than 10 years	Total
Liabilities to credit institutions and central banks	0.00	0.00	22,187,737.01
Liabilities to the public and public institutions	800,461.75	0.00	316,484,606.01
Promissory notes issued to the public	0.00	0.00	0.00
Subordinated liabilities	0.00	0.00	10,958,800.00
<b>Total</b>	<b>800,461.75</b>	<b>0.00</b>	<b>349,631,143.02</b>

Liabilities to the public and public institutions repayable on demand:  
Other than fixed-term deposits and accounts with overdraft allowance are reported in the category Less than 3 months.

## 2.20 Classification of assets and liabilities based on domestic and foreign currency and those within the same Group

Assets	2013		2012	
	Domestic currency	Foreign currency	Domestic currency	Foreign currency
Debt securities eligible for refinancing with central banks	5,957,212.78	0.00	2,534,048.44	0.00
Receivables from credit institutions	56,611,138.01	0.00	20,151,450.55	0.00
Receivables from the public and general government	596,199,336.50	0.00	321,021,610.82	0.00
Debt securities	22,797,519.28	0.00	9,811,175.25	0.00
Derivative contracts	4,015,351.26	0.00	1,929,637.16	0.00
Other property	59,094,753.44	-0.03	37,181,865.60	-0.03
<b>Total</b>	<b>744,675,311.27</b>	<b>-0.03</b>	<b>392,629,787.82</b>	<b>-0.03</b>

### Payables

	2013		2012	
	Domestic currency	Foreign currency	Domestic currency	Foreign currency
Liabilities to credit institutions and central banks	43,917,879.88	0.00	22,187,737.01	0.00
Liabilities to the public and public institutions	561,193,811.33	0.00	316,484,606.01	0.00
Promissory notes issued to the public	41,903,392.41	0.00	0.00	0.00
Derivative contracts	-28,041.00	0.00	0.00	0.00
Subordinated liabilities	23,800,000.00	0.00	10,958,800.00	0.00
Other liabilities	5,605,943.53	0.00	4,659,188.33	0.00
Accrued liabilities and prepayments received	2,891,239.26	0.00	1,379,012.13	0.00
<b>Total</b>	<b>679,284,225.41</b>	<b>0.00</b>	<b>355,669,343.48</b>	<b>0.00</b>



## 2.21 Fair values of financial assets and liabilities

Financial assets	2013		2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	3,631,078.54	3,631,078.54	2,338,293.82	2,338,293.82
Receivables from credit institutions	56,611,138.01	56,611,138.01	20,151,450.55	20,151,450.55
Receivables from the public and general government	596,199,336.50	596,199,336.50	321,021,610.82	321,021,610.82
Debt securities	28,754,732.06	28,754,732.06	12,345,223.69	12,345,223.69
Shares and interests	43,356,112.60	43,356,112.60	27,246,663.26	27,246,663.26
Shares and interests in companies belonging to the same Group	55,970.00	55,970.00	55,970.00	55,970.00
Derivative contracts	4,015,351.26	4,015,351.26	1,929,637.16	1,929,637.16
<b>Total</b>	<b>732,623,718.97</b>	<b>732,623,718.97</b>	<b>385,088,849.30</b>	<b>385,088,849.30</b>

### Financial liabilities

Financial liabilities	2013		2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities to credit institutions	43,917,879.88	43,917,879.88	22,187,737.01	22,187,737.01
Liabilities to the public and public institutions	561,193,811.33	561,193,811.33	316,484,606.01	316,484,606.01
Promissory notes issued to the public	41,903,392.41	41,903,392.41	0.00	0.00
Derivative contracts and other liabilities held for trading	-28,041.00	-28,041.00	0.00	0.00
Subordinated liabilities	23,800,000.00	23,800,000.00	10,958,800.00	10,958,800.00
<b>Total</b>	<b>670,787,042.62</b>	<b>670,787,042.62</b>	<b>349,631,143.02</b>	<b>349,631,143.02</b>

The fair values of financial asset have primarily been defined using quoted market prices. If the quoted market price 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 carrying amount has been used. For the fair value of financial liabilities, the carrying amount has been used.

### Financial instruments valued at the fair value on the balance sheet

	Parent 2013			
	Level 1	Level 2	Level 3	Total
Profits and losses unrealised during the period	46,249,046.32	4,996,064.68	9,406,771.46	60,651,882.46
			133,912.00	
	Parent 2012			
	Level 1	Level 2	Level 3	Total
Profits and losses unrealised during the period	26,247,622.74	1,929,637.16	2,049,490.00	30,226,749.90
			12,550.00	

### Essential financial assets measured at cost instead of fair value

Shares and interests are measured at cost in companies considered essential for the operations, which are described in detail in note 5.2. Shares and interests considered essential for the operations are meant to be kept in permanent possession. The fair value of these ownerships cannot be defined in a reliable manner.

## 2.22 Equity increase and decrease during the financial period

	Financial period at the beginning	Increase	Decrease	Financial period at the end
Share capital	6,500,000.00	3,500,000.00	0.00	10,000,000.00
Other restricted reserves	398,971.57	6,856,630.65	-4,971,664.06	2,283,938.16
Fair value reserve	398,971.57	6,856,630.65	-4,971,664.06	2,283,938.16
From valuation to fair value	398,971.57	6,856,630.65	-4,971,664.06	2,283,938.16
Non-restricted reserves	9,526,243.14	10,041,646.41	0.00	19,567,889.55
Reserve for invested non-restricted equity	9,526,243.14	10,041,646.41	0.00	19,567,889.55
Retained profit	3,622,075.47	1,854,841.87	-150,000.00	5,326,917.34
Profit for the period	1,854,841.87	3,461,725.67	-1,854,841.87	3,461,725.67
<b>Total equity</b>	<b>21,902,132.05</b>	<b>25,714,844.60</b>	<b>-6,976,505.93</b>	<b>40,640,470.72</b>

	Financial period at the beginning	Increase	Decrease	Financial period at the end
Equity instruments	388,024.67	5,480,884.13	-4,149,267.20	1,719,641.60
of which deferred taxes	-125,915.29	0.00	-303,995.12	-429,910.41
Debt securities	10,946.90	1,375,746.52	-822,396.86	564,296.56
of which deferred taxes	-3,552.31	0.00	-137,521.83	-141,074.14
<b>Total fair value reserve</b>	<b>398,971.57</b>	<b>6,856,630.65</b>	<b>-4,971,664.06</b>	<b>2,283,938.16</b>

### Increase of equity items at the merger of 30 April 2013

Share capital	3,500,000.00
Fair value reserve	970,547.59
Reserve for invested non-restricted equity	10,041,646.41

## 2.23 Share capital

The number of Oma Savings Bank Ltd's shares is 168,000, of which the Töysä Savings Bank Foundation owns 60,000, the Kuortane Savings Bank Foundation 40,000 and the Parkano Savings Bank Foundation 68,000.

Shareholders have one vote per share.

## NOTES CONCERNING GRANTED SECURITY COLLATERALS AND CONTINGENT LIABILITIES

### 3.1 Securities granted

#### Granted from own liabilities:

Balance sheet item	Pledges	Mortgages	Other securities	Total
Liabilities to credit institutions	2,299,185.00	0.00	0.00	2,299,185.00
<b>Granted from own liabilities, total</b>	<b>2,299,185.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,299,185.00</b>

### 3.2 Pension liabilities

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

### 3.3 Leasing and other rent liabilities

Minimum rents payable on the basis of non-cancellable leasing

	2013	2012
Less than 1 year	114,551.28	125,317.76
1 to 5 years	101,862.94	204,489.51

### 3.4 Commitments outside the balance sheet

	2013	2012
Commitments given to a third party on behalf of a client		
Guarantees	15,522,674.00	9,643,151.48
Other commitments given to a third party on behalf of a client	299,209.40	2,676,158.29
Granted to a client		
Irrevocable commitments	35,945,964.31	15,542,040.14
of which credit commitments	35,945,964.31	15,542,040.14
<b>Total commitments outside the balance sheet</b>	<b>51,767,847.71</b>	<b>27,861,349.91</b>

The bank has issued an absolute guarantee to Aktia Real Estate Mortgage Bank Plc on behalf of itself and the other Savings Banks included in the intermediation contract on the compensation of potential mortgage credit losses to Aktia Real Estate Mortgage Bank Plc. The amount of guarantee liabilities is restricted.

The bank has issued an absolute guarantee to Aktia Pankki Plc in favour of all the other Savings Banks which have concluded a payment transaction contract of similar content with Aktia Pankki Plc. The guarantee concerns the receivables that may be generated to Aktia Pankki Plc on the breach of the terms and conditions of the payment transaction contract. The amount of guarantee liabilities is restricted.

### 3.5 Other arrangements outside the balance sheet

The bank belongs to the VAT group of Samlink Ltd.

Joint responsibility related to the group VAT registration	1,599,454.59	884,897.32
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The Savings Banks Association represents the Savings Banks towards Visa Europe. As a member of Visa Europe (Associate Member), the Savings Banks Association is primarily responsible for the potential damage that may incur in the payment card business and for following the rules of the membership and Visa with respect to Visa Europe. On the basis of the membership contract, Visa Europe may submit claims for compensation upon breaching the contract or the rules.

Since the Savings Banks are responsible for all business operations related to the Visa cards, they are also eventually responsible for any compensation to Visa Europe.

## NOTES ON PERSONNEL AND MANAGEMENT

### 4.1 Number of personnel 31 Dec

	2013	2012
Permanent full-time personnel	67	37
Permanent part-time personnel	4	2
Fixed-term personnel	11	5
<b>Total</b>	<b>82</b>	<b>44</b>

### 4.2 Salaries and fees of the management

	2013	2012
The Board members and deputies as well as the Chief Executive Officer and his or her deputy	390,531.88	384,806.94
<b>Total</b>	<b>390,531.88</b>	<b>384,806.94</b>

Pension commitments

4.3 Loans and guarantees granted to the management	2013		2012	
	Loans	Guarantees	Loans	Guarantees
The Board members and deputies as well as the Chief Executive Officer and his or her deputy	1,121,533.84	0.00	413,381.66	31,809.40
<b>Total</b>	<b>1,121,533.84</b>	<b>0.00</b>	<b>413,381.66</b>	<b>31,809.40</b>
Increase	479,360.80		78,040.00	
Decrease	113,034.06	31,809.40	99,296.25	

Loans and guarantees have been granted under terms similar to those applied to clients' loans and guarantees.

#### 4.4 Related party disclosures

Related party grounds	2013			
	Receivables from the public and public institutions	Investments	Other receivables	Guarantees/ securities
Management *)	0.00	0.00	0.00	0.00
Management of the owner community	1,353,012.94	0.00	0.00	28,500.00
Relation	417,707.01	0.00	0.00	15,000.00
Authority	4,984,632.30	0.00	0.00	0.00
<b>Total</b>	<b>6,755,352.25</b>	<b>0.00</b>	<b>0.00</b>	<b>43,500.00</b>

Related party grounds	2012			
	Receivables from the public and public institutions	Investments	Other receivables	Guarantees/ securities
Management *)	0.00	0.00	0.00	0.00
Management of the owner community	1,323,000.54	0.00	0.00	45,400.00
Relation	343,979.48	0.00	0.00	42,000.00
Authority	909,983.30	0.00	0.00	188,400.00
<b>Total</b>	<b>2,576,963.32</b>	<b>0.00</b>	<b>0.00</b>	<b>275,800.00</b>

\*) Loans and guarantees granted to the management are presented in note 4.3.

## OWNERSHIPS IN OTHER COMPANIES

### 5.1 Small subsidiaries and associates left out of the consolidated financial statements

Subsidiaries	Pcs	Carrying amounts
Housing and real estate companies	5	1,761,688.33
Others	2	55,970.00

Associates	Pcs	Carrying amounts
Housing and real estate companies	6	3,982,831.44

### 5.2 Ownerships in other companies

Name and domicile of the company	Share of ownership, %	Equity*	Profit for the financial period*
Aktia Real Estate Mortgage Bank, Helsinki	3.20	107,700,000.00	1,738,724.47
Henkivakuutusosakeyhtiö Duo, Espoo	6.90	24,804,665.73	6,623,227.21
Nooa Savings Bank Ltd, Helsinki	7.01	35,310,395.25	-642,230.68
Sp-Rahastoyhtiö Ltd, Espoo	6.83	1,957,053.86	-359,684.96
Samlink Ltd, Espoo	3.78	11,582,011.78	1,552,187.95
Säästöpankkien Holding Ltd, Espoo	7.04	1,351,008.31	-123.65
Sp-Koti, Espoo	7.64	525,611.66	-534,854.48
Central Bank of Savings Banks Finland, Espoo	7.94	0.00	0.00
<b>Total</b>		<b>183,230,746.59</b>	<b>8,377,245.86</b>

\* Equity and profit of financial period 2012

## OTHER NOTES

### 6.1 Trustee operations provided by the credit institution

Trust activity services provided by the credit institution

The bank provides supply and implementation of assignments, trading on its own behalf, trust activities, investment consultation, safekeeping and management of financial instruments as well as safety deposit and related services.

The bank does not provide so-called full-service trust activities.

### 6.2 Auditor fees

	<b>2013</b>
Auditor fees by assignment group:	
Audit	23,941.20
Assignments referred to in Section 1(1)(2) of the Auditing Act	3,506.20
Other services	1,814.50
<b>Total</b>	<b>29,261.90</b>

## 7 NOTES ON SOLVENCY (PILLAR III)

### 7.1 Classification of own assets

	<b>2013</b>	<b>2012</b>
<b>Primary own assets</b>		
Paid equity	10,000,000.00	6,500,000.00
Reserves	48,157,024.65	26,372,186.24
– Planned profit distribution	-250,000.00	-150,000.00
– Intangible assets	-799,351.24	-8,072.56
– Investments in financial institutions	-647,287.04	-593,552.05
<b>Total primary own assets</b>	<b>56,460,386.37</b>	<b>32,120,561.63</b>
<b>Secondary own assets</b>		
Upper secondary own assets	2,283,938.16	398,971.57
Lower secondary own assets	23,800,000.00	10,958,800.00
– Investments in financial institutions	-647,287.04	-593,552.05
<b>Total secondary own assets</b>	<b>25,436,651.12</b>	<b>10,764,219.52</b>
<b>Total own assets</b>	<b>81,897,037.49</b>	<b>42,884,781.15</b>

### 7.2 Minimum amount of own assets

#### Credit and counterparty risk

<b>Liability group</b>	<b>2013</b> Minimum amount of own assets	<b>2012</b> Minimum amount of own assets
Receivables from credit institutions and investment service companies	1,131,070.40	431,203.66
Receivables from companies	8,094,785.08	4,999,437.47
Retail receivables	9,993,016.40	5,828,900.94
Property-security receivables	9,567,938.49	4,652,243.98
Matured receivables	524,691.80	263,883.83
Investments in unit trusts	2,203,006.46	1,582,009.66
Other items	1,582,763.89	864,532.37
<b>Total credit risk</b>	<b>33,097,272.52</b>	<b>18,622,211.91</b>
<b>Market risk</b> (currency risk)	795,147.18	306,649.54
<b>Operative risk</b>	2,417,704.00	1,314,929.58
<b>Total minimum amount of own assets</b>	<b>36,310,123.70</b>	<b>20,243,791.03</b>

### 7.3 Total liabilities according to risk weight

#### Credit and counterparty risk

Risk weight (%)	2013	2012
0	36,320,502.07	21,784,125.75
20	68,100,751.77	26,489,906.05
35	342,518,796.70	165,401,157.76
50	3,676,171.18	1,916,855.87
75	178,924,613.39	105,375,586.63
100	163,685,814.54	94,224,119.82
150	1,825,833.52	4,557,781.26
<b>Total</b>	<b>795,052,483.17</b>	<b>419,749,533.14</b>

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

#### Credit and counterparty risk

Liability group	2013	2012
Receivables from governments and central banks	17,313,254.88	11,232,286.02
Receivables from regional administration and local authorities	2,165,910.74	504,169.06
Receivables from the general government and public institutions	4,337,602.22	4,077,107.09
Receivables from credit institutions and investment service companies	54,671,274.68	23,898,701.96
Receivables from companies	101,499,133.83	63,517,670.33
Retail receivables	160,755,490.10	104,965,272.65
Property-security receivables	292,510,125.91	159,650,379.82
Matured receivables	5,147,505.25	3,066,867.55
Investments in unit trusts	30,859,988.86	21,676,867.97
Other items	20,832,349.43	13,368,453.67
<b>Total</b>	<b>690,092,635.90</b>	<b>405,957,776.12</b>

### 7.5 Maturity distribution of total liabilities by liability group \*)

#### Credit and counterparty risk

Liability group	2013	Less than 3 months	3 to 12 months
	Total		
Property-security receivables	344,196,398.18	3,157,506.02	11,578,540.90
Retail receivables	178,924,613.41	7,128,546.52	4,729,519.84
Receivables from companies	113,169,323.23	7,799,977.28	7,595,869.61
Receivables from credit institutions and investment service companies	71,907,210.75	39,937,748.57	521,596.58
Total other liability groups	80,985,167.56	4,562,651.29	3,641,436.53
Matured receivables	5,869,770.05	2,336,529.30	3,334.86
<b>Total</b>	<b>795,052,483.18</b>	<b>64,922,958.98</b>	<b>28,070,298.32</b>

Liability group	1 to 5 years	5 to 10 years	More than 10 years
Property-security receivables	35,507,283.65	68,755,623.26	225,197,444.35
Retail receivables	33,666,600.44	43,909,714.16	89,490,232.43
Receivables from companies	23,950,747.66	21,075,492.87	52,747,235.81
Receivables from credit institutions and investment service companies	2,784,095.37	0.00	28,663,770.23
Total other liability groups	1,699,355.99	1,966,048.54	69,115,675.21
Matured receivables	266,102.95	270,836.65	2,992,966.29
<b>Total</b>	<b>97,874,186.06</b>	<b>135,977,715.48</b>	<b>468,207,324.32</b>

#### Credit and counterparty risk

Liability group	2012	Less than 3 months	3 to 12 months
	Total		
Property-security receivables	166,730,036.37	2,235,115.93	2,629,595.42
Retail receivables	105,375,586.65	3,760,755.55	2,519,547.07
Receivables from companies	67,009,557.77	3,066,384.05	2,606,614.71
Receivables from credit institutions and investment service companies	27,716,504.76	10,241,756.77	0.00
Total other liability groups	50,162,887.10	3,046,108.38	166,152.14
Matured receivables	2,754,960.51	1,884,491.10	104,898.88
<b>Total</b>	<b>419,749,533.16</b>	<b>24,234,611.78</b>	<b>8,026,808.22</b>

Liability group	1 to 5 years	5 to 10 years	More than 10 years
Property-security receivables	17,426,859.72	34,837,469.75	109,600,995.55

Retail receivables	17,917,695.97	27,694,207.23	53,483,380.83
Receivables from companies	20,638,983.65	7,558,978.22	33,138,597.14
Receivables from credit institutions and investment service companies	1,044,191.92	20,000.00	16,410,556.07
Total other liability groups	1,128,252.83	914,127.70	44,908,246.05
Matured receivables	20,301.29	71,320.84	673,948.40
<b>Total</b>	<b>58,176,285.38</b>	<b>71,096,103.74</b>	<b>258,215,724.04</b>

\*) The table shows the four largest liability groups and matured receivables; the other liability groups are summed up in one item, Total other liability groups.

## 7.6 Total liabilities by liability group and by counterparty \*)

### Credit and counterparty risk

Liability group	2013				
	Total	Private	Agriculture	Companies	Others
Property-security receivables	344,196,398.18	257,267,186.65	24,726,674.80	51,562,543.62	10,639,993.11
Retail receivables	178,924,613.40	80,077,504.78	25,955,977.14	67,990,900.39	4,900,231.09
Receivables from companies	113,169,323.24	10,978,069.55	5,911,109.87	64,627,877.58	31,652,266.23
Receivables from credit institutions and investment service companies	71,907,210.75	29,006.62	0.00	20,000.00	71,858,204.13
Total other liability groups	80,985,167.56	12,179,898.83	954,787.65	5,198,652.42	62,651,828.66
Matured receivables	5,869,770.05	3,602,811.16	292,607.92	1,826,822.17	147,528.80
<b>Total</b>	<b>795,052,483.18</b>	<b>364,134,477.59</b>	<b>57,841,157.38</b>	<b>191,226,796.18</b>	<b>181,850,052.02</b>

### Credit and counterparty risk

Liability group	2012				
	Total	Private	Agriculture	Companies	Others
Property-security receivables	166,730,036.36	128,464,982.29	10,514,604.50	24,776,816.29	2,973,633.28
Retail receivables	105,375,586.64	53,168,401.95	14,551,915.70	35,995,532.62	1,659,736.37
Receivables from companies	67,009,557.78	8,958,566.02	3,525,071.53	37,956,128.67	16,569,791.56
Receivables from credit institutions and investment service companies	27,716,504.76	23,078.03	0.00	20,000.00	27,673,426.73
Total other liability groups	50,162,887.11	6,448,910.70	759,190.89	2,145,884.16	40,808,901.36
Matured receivables	2,754,960.51	1,568,657.88	429,833.75	724,900.97	31,567.91
<b>Total</b>	<b>419,749,533.16</b>	<b>198,632,596.87</b>	<b>29,780,616.37</b>	<b>101,619,262.71</b>	<b>89,717,057.21</b>

\*) The table shows the four largest liability groups and matured receivables; the other liability groups are summed up in one item, Total other liability groups.

## 7.7 Imputed operative risk

	Parent			Minimum amount of own assets
	2013	2012	2011	
Total gross income	16,432,633.49	15,885,575.41	16,035,871.08	
Income indicator	2,464,895.02	2,382,836.31	2,405,380.66	2,417,704.00
	2012	2011	2010	Minimum amount of own assets
Total gross income	9,770,666.25	9,262,566.02	7,265,359.43	
Income indicator	1,465,599.94	1,389,384.90	1,089,803.91	1,314,929.58

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.



## Signing the financial statements and the annual report

Seinäjoki, 11 February 2014

Board of Directors of Oma Säästöpankki Ltd



Jyrki Mäkyne



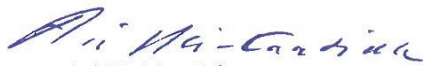
Tuula Mäkelä



Riitta Koivunen



Kai Tammela



Ari Yli-Kaatiala



Jarmo Ylä-Vannesluoma



Pasi Sydänlammi  
Chief Executive Officer

## Adoption of the financial statements

A report of the performed audit has been issued today.

Seinäjoki, 21 February 2014



APA Tatu Huhtala

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

Accounting books	Form of archiving
General ledger/journal	Electronic archive
Balance sheet	Bound book
Receipts	Paper print-out
<b>Factoring</b>	
Sales ledger (automated)	Electronic archive
Portfolio bookkeeping	Electronic archive
Accounts payable (eOffice)	Electronic archive
Accounts payable	Paper receipt
Cash journal	Electronic print-out
Cash reports	Electronic print-out
Payroll accounting	Electronic archive
Fixed assets accounting	Electronic archive
Derivative factoring	Excel file
Rent receivables	Excel file
Trustee assignments	Excel file

### Types of receipts

10	Payment transactions in account statement
20	Purchase invoices
21	Expenses of the Chief Executive Officer
22	Personnel expenses
25	Purchase invoice settlements
26	Direct debiting (Samlink)
28	Direct debiting (PP-Laskenta)
30	Purchase invoices, eOffice banks, invoices circulating outside the bank
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
83	Machine-language imputations, salaries, holiday pay
84	Machine-language imputations, salaries, indirect expenses, social security payments
85	Depreciation write-off
91	Business transactions, items outside the balance sheet
92	Business transactions, adjusting items
94	Business transaction related entries
99	Income entry