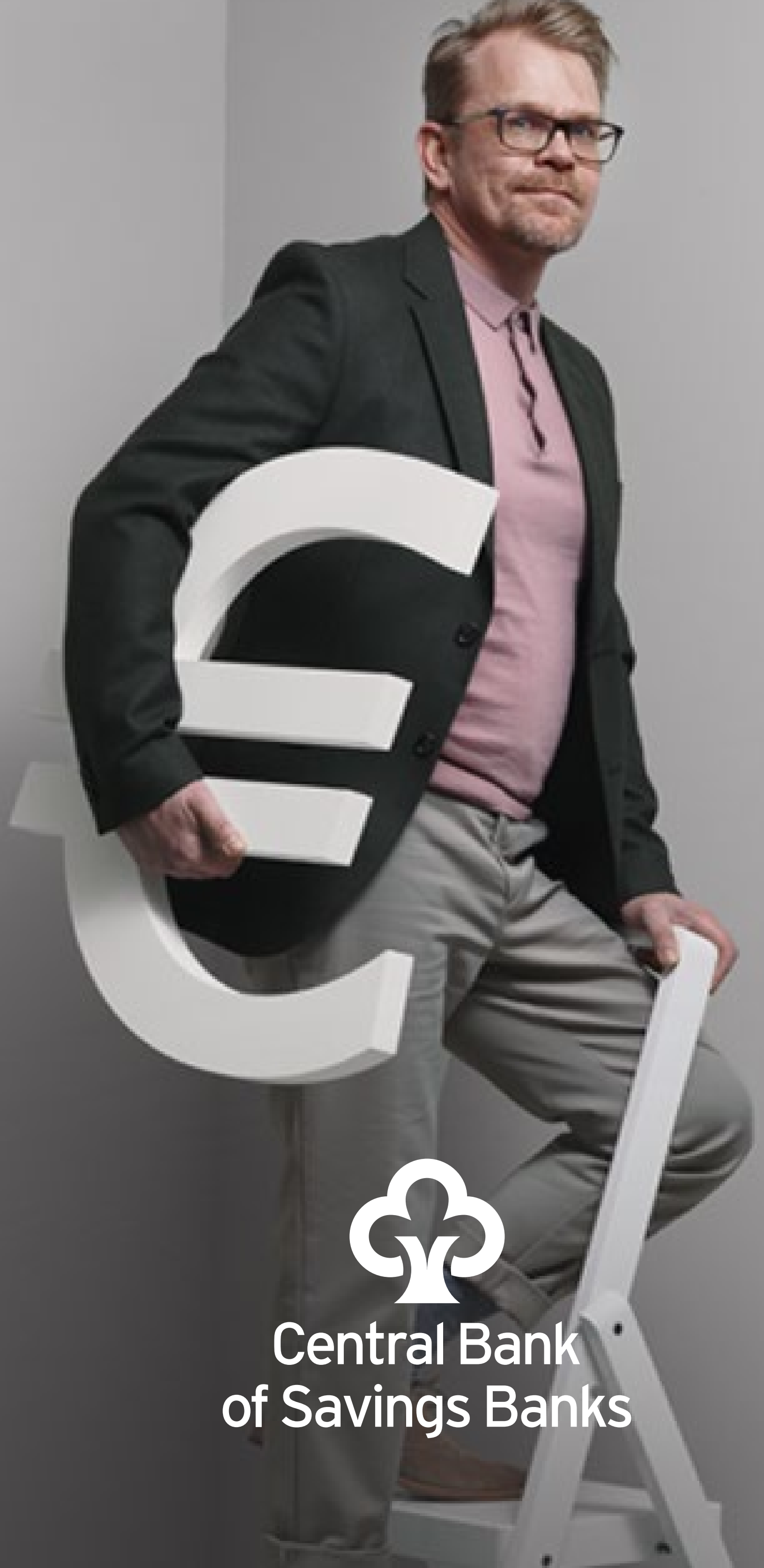
CENTRAL BANK OF SAVINGS BANKS FINLAND PLC

HALF-YEAR REPORT FOR 1 JANUARY – 30 JUNE 2021



Central Bank
of Savings Banks

HALF-YEAR REPORT FOR 1 JANUARY – 30 JUNE 2021

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BOARD OF DIRECTORS' REPORT FOR 1 JANUARY – 30 JUNE 2021

Central Bank of Savings Banks Finland Plc (hereinafter "SB Central Bank") is a bank owned by Finnish savings banks. Its main purpose is to provide savings banks and the Savings Banks Group with various central credit institution services. The central credit institution services include payment services and account operator services, payment card issuing for the customers of the member Savings Banks (hereinafter also "Savings Banks") of the Amalgamation, and services related to liquidity management, funding and asset and liability management. SB Central Bank is part of the Savings Banks Amalgamation.

During the review period SB Central Bank's focus has been maintaining and developing of the functions. The COVID-19 pandemic, which started in the beginning of the year, had no significant impacts on SB Central Bank's profit.

SB Central Bank's operating profit for January–June amounted to EUR -1.1 million, and the balance sheet total amounted to EUR 2,705 million.

The Savings Banks' Group and Amalgamation of Savings Banks

SB Central Bank is part of the Savings Banks Group and the Savings Banks Amalgamation, and its financial statements are consolidated into Savings Banks Group's consolidated financial statements.

The Savings Banks Group is the most longstanding banking group in Finland. It comprises of Savings Banks that formed the Savings Banks Amalgamation, the Savings Banks' Union Coop, which acts as the Central Institution and the subsidiaries and associated companies owned by Savings Banks.

The member organizations of the Savings Banks Amalgamation (hereinafter Amalgamation) form a financial entity as defined in the Act on Amalgamations, in which the Savings Banks' Union Coop and its member credit institutions are jointly liable for each other's liabilities and commitments. The Amalgamation comprises the Savings Banks' Union Coop, which acts as the Central Institution of the Amalgamation, 18 Savings Banks, the Central Bank of Savings Banks Finland Plc, Sp Mortgage Bank Plc, as well as the companies within the consolidation groups of the above-mentioned entities, Sp-Fund Management Company Ltd and Savings Bank Services Ltd. The structure of the Group differs from that of the Amalgamation so that the Group also includes organizations other than credit and financial institutions or service companies. The most significant of these are Sp-Life Insurance Ltd and Sp-Koti Ltd.

Liedon Säästöpankki has concluded a preliminary agreement for the acquisition of the client business of the Mietoisten Säästöpankki. The aim is to make the final decisions and other measures related to the business acquisition by the end of 2021 at the latest.

On 15 June 2021, the Board of Directors of Eurajoen Säästöpankki unanimously approved the transfer plan to merge Eurajoen Säästöpankki with Oma Säästöpankki Oyj. The hosts of Eurajoen Säästöpankki have also approved the launch of the process on the transfer of business.

Additional information on the group structure of the Savings Banks Group is available online at *saastopankki.fi/saastopankkiryhma*.

Description of the operational environment

Global economic outlook

The year 2021 is expected to be a year of rapid economic recovery. The recovery will focus on the second half of the year, but already in the spring it was seen that the recovery had started in different countries. We owe the improvement in the recovery and the economic outlook to the rapid development of vaccines, which has made it possible to make progress with vaccination and thus to brighten up the economic outlook. In addition, the fiscal and monetary stimulus contributes to the recovery of economies from the downward spiral of interest rates.

In the first half of the year, vaccination progressed rapidly after the initial struggle. Among the large economies, vaccination has been the fastest in the United States and the United Kingdom, with a slight delay in Europe. In China, vaccination started later, but the disease situation has also remained good.

As vaccination progresses, there have also been occasional setbacks on the disease front. Globally, the highest infection rates so far were seen in April, and the situation was difficult in particular in India. Even since then, individual clusters of disease have been seen in different parts of the world and restrictive measures have been reintroduced. The beginning of the year was marked by a tug-of-war between vaccination and outbreaks of the disease.

However, the economic outlook has improved as vaccinations have progressed. As early as the beginning of the year, various confidence indicators showed an increase and reported an increase in both business and consumer confidence. The industry has held its ground reasonably well, and even the increase in the number of infections in the early part of the year did not cause a major shock to industrial production. In the services sector, the situation is different, and the prospects of many companies in the services sector go hand in hand with restrictive measures. When restrictive measures were relaxed during the spring, this was reflected in the restoration of confidence in the service sector.

During the spring, various forecasting institutions have raised their forecasts for global economic growth. For example, at the end of March, the IMF estimated that the world economy would grow by 6% in 2021. In China, the gap in GDP caused by the COVID-19 crisis has already been bridged. In the United States, economic growth is expected to be very strong and strong stimulus measures will contribute to strengthening growth. Europe is lagging behind the US and growth is expected to be slower, but Europe is also witnessing a rather rapid recovery.

With the start of the economic recovery, fears of higher inflation have also increased. During the spring, many countries have recorded higher inflation rates than have been seen for a long time. The market consensus expects that most of the acceleration in inflation will be temporary and explained by factors related to economic opening. Of course, there are also risks of an increase in inflation in a longer term.

Although, for example, the investment market has already turned its attention to the post-covid period, the risk of disease remains. New, more rapidly spreading variants of the virus have been seen, but fortunately the vaccines are still effective. If this were not the case, the economic outlook could quickly deteriorate again.

Interest rate environment

Short-term interest rates in the euro area have remained virtually unchanged over the reference period. By contrast, long-term interest rates have been rising until mid-May, after which a slight decline has been observed. As Euribor rates are the dominant form of interest rate fixation in lending, the low level of these reference rates and the flatness of the short-term interest rate curve have continued to pose challenges to the interest income of the banking sector over the reference period.

The utilisation of the European Central Bank's TLTRO programme has led to a significant reduction in the issuance of debt by the financial sector. As a result, debt issuance created an over-demand in the debt capital markets during the reference period, which in turn has led to lower credit margins in the wholesale markets. However, at the end of the reference period, this trend has begun to stabilise. In the euro area government bond market, spreads remained stable during the first half of the year.

Investment markets

The first half of the year was positive from the perspective of the investment markets. The gradual recovery in economic growth and good stock market performance led to higher stock prices. In emerging markets, the impact of the pandemic remained more pronounced and share price developments were also lower than in developed markets. Market expectations of the Central Banks' monetary policy turned towards a tightening of monetary policy. This, together with the rise in inflation, led to an increase in interest rates both in Europe and the United States. In the corporate bond market, credit spreads declined, supported by strong demand, thus, supporting corporate bond yields in an environment of rising interest rates. Investor confidence and risk appetite remained strong as the recovery from the pandemic progressed.

The Finnish economy

The Finnish economy has coped with the COVID-19 crisis better than other European countries. Finland's GDP fell by 2.8% in 2020, well below the euro area average. Finland's success in managing the situation is the sum of many factors. The disease management in Finland has proved to be reasonably successful, and the structure of the Finnish economy also supports a smaller drop, as the role of the service sector and tourism, for example, is smaller in Finland than in many other countries. In addition, the transition to teleworking has gone smoothly thanks to good digital capabilities.

As in other countries, the decline in economic activity has been the sharpest in the service sector in Finland. There are also substantial differences within the service sector. The hardest-hit segments have been the hotel and restaurant industry, transport, entertainment and recreational services. At the same time, the information and communication sector has even grown during the COVID-19 pandemic. Industry and construction have held up well during COVID-19, and the retail trade has even benefited from the pandemic. Thus, the effects of the pandemic vary between companies in different industries.

The start of the global economic recovery is already reflected in the Finnish economy. For example, according to the latest statistics, orders in manufacturing are growing rapidly and exports have also picked up.

Corporate bankruptcies were even lower than normal in 2020, which is at least partly explained by the change in bankruptcy legislation which temporarily made it more difficult for companies to file for bankruptcy. This temporary legislation expired at the end of January 2021, but the expected wave of bankruptcy has yet to been seen. At least on the surface, companies have coped reasonably well with the coronavirus.

On the whole, households have coped with the COVID-19 crisis relatively well. Unemployment has risen slightly, but the feared mass unemployment was not seen. In spring 2021, unemployment has continued to fall, but the level is still slightly higher than before the COVID-19 crisis. The wages and salaries sum of households was at a higher level in spring 2021 than before the COVID-19 crisis in 2019. One manifestation of the COVID-19 crisis is an increase in the household savings rate. This will allow for a recovery in rapid consumption through the gradual dismantling of restrictive measures.

Financial position

Financial highlights

(EUR 1,000)	6/2021	12/2020	6/2020
Revenue	20, 987	43,904	23,392
Net interest income	4,100	6,487	3,381
% of revenue	19.5 %	14.8 %	14.5 %
Operating profit	-1,075	-1,452	1,561
% of revenue	-5.1 %	-3.3 %	6.7 %
Total operating revenue	9,543	21,332	11,976
Total operating expenses	-10,205	-21,678	-9,854
Cost to income ratio	1.07	1.02	0.82
Total assets	2,705,099	2,817,010	2,800,638
Total equity	83,158	83,620	84,470
Return on equity %	-1.6 %	-1.7 %	1.6 %
Return on assets %	-0.05 %	-0.06 %	0.05 %
Equity/assets ratio %	3.1 %	3.0 %	3.0 %
Solvency ratio %	36.7 %	32.2 %	33.1 %
Impairment losses on loans and other receivables	-414	-1,107	-562

Profit trends (comparison figures 1–6/2020)

SB Central Bank's operating profit was EUR -1.1 (1.6) million and -5.1% (6.7%) of revenue.

In comparison to the reference period, total operating revenue decreased to EUR 9.5 (12.0) million. Net interest income increased to EUR 4.1 (3.4) million whereas net fee and commission income decreased to EUR 4.3 (5.7) million. Other operating income remained at the same level compared to reference period being EUR 2.3 (2.3) million. Net investment income amounted to EUR -1.2 (0.6) million due to unrealized fair value changes from hedge accounting.

Interest income decreased 6% to EUR 8.6 (9.1) whereas interest expenses dropped 22% to EUR 4.5 (5.8) million which is connected to the stabilized interest rate environment compared to the reference period affected by the Covid-19 crisis outbreak in March 2020. Interest income is mainly driven by the lending activities to Savings banks in the group and card credits to their private cus-tomers. Interest expenses result mainly from debts to credit institutions and issued bonds. Hedging through interest rate derivatives improved net interest income by EUR 0.3 (0.4) million.

Fee and commission income remained at the same level than last year and amounted to EUR 11.2 (11.3) million. Fee and commission expenses increased 23% to EUR 6.9 (5.6) million mainly due to growth in payment and card service-related fees directed to Savings banks in the group.

Other operating income were EUR 2.3 (2.3) million and consisted of payment card issuing and service fees based on service agreements between the SB Central Bank and Savings banks.

Total operating expenses increased 4% to EUR 10.2 (9.9) million. Staff costs which include running staff and related pension- and side costs amounted to EUR 2.6 (2.4) million. Other administra-tive expenses decreased 4% being EUR 5.7 (6.0) million. Depreciations and amortizations from tangible and intangible assets increased to EUR 0.8 (0.5) million. Impairments of assets including expected credit losses were EUR 0.4 (0.6) million. Stability and deposit protection fees to authori-ties were EUR 0.2 million higher than in the reference period. The results of payment card system development activities completed last year show as a decrease in IT costs. Cost to income ratio was 1.07 (0.82).

Balance sheet and financing (comparison figures 31 December 2020)

SB Central Bank's balance sheet decreased to EUR 2,705 million (EUR 2,817) million. Loans granted to Savings Banks in the Amalgamation and Sp Mortgage Bank Plc increased 3% totaling to EUR 1,251 (1,214) million.

Loans to credit card holders amounted to EUR 94 (94) million, representing the most significant part of loans and advances to customers. In the end of the period SB Central Bank's non-performing credit card receivables were EUR 1.2 (0.9) million representing 1.3% of all credit card receivables.

Liabilities to customers consisted mainly deposits from governments, multinational organizations and foreign funds totaling to EUR 390 (511) million.

During the period, SB Central Bank issued new private placement-based bonds in different maturi-ties under the EMTN programme, amounting to EUR 111.5 million. SB Central Bank participated in the ECB's third TLTRO financing program by raising EUR 38 million collateralized debt from the ECB.

SB Central Bank's equity was EUR 83 (84) million showing a decrease of 0.6 %. Return on equity was -1.6 % (-1.7 %). Return on assets was -0.05 % (-0.06 %).

Capital adequacy and risk position

Capital adequacy (comparative information 31 December 2020)

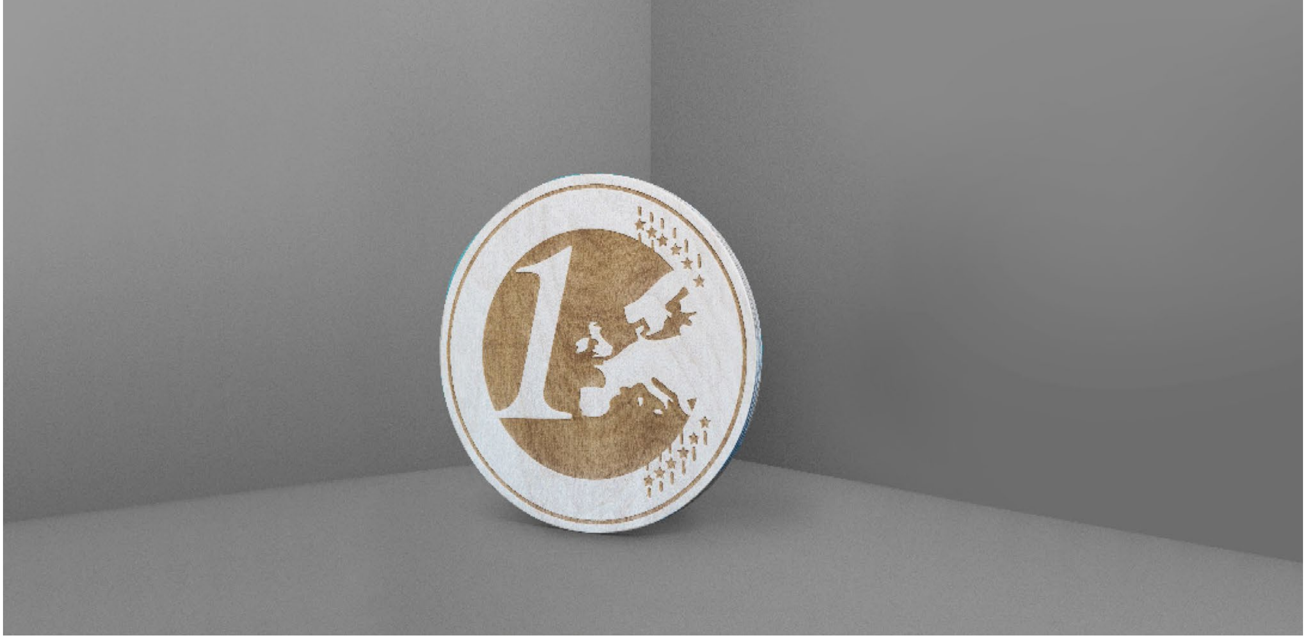
SB Central Bank's capital adequacy is strong and exceeds clearly regulatory minimum and buffer requirements. Own funds consist wholly of CET1 capital and totalled EUR 74.6 million (EUR 75.6 million) at the end of the review period. The decrease in own funds is due to loss of the reporting period. Risk-weighted assets were EUR 203 (235) million euros, that is 13 % less than in the end of the year 2020. During the review period, risk-weighted exposure amounts were increased by the introduction of a new definition of default and reduced by the redemptions of fund investments. SB Central Bank's capital ratio was 36.7 % (32.2 %) and CET1 capital ratio was 36.7 (32.2) at the end of the review period.

The capital requirement of SB Central Bank was EUR 21.3 million (EUR 24.7 million) that equals to 10.5 % of risk-weighted assets. The components of the capital requirement have remained unchanged compared to the previous year. The capital requirement is formed by:

- Minimum capital requirements set by Capital Requirement Regulation (CRR) (capital ratio of 8%),
- 2.5% CET1 capital conservation buffer of according to the Act on Credit Institutions and
- the country-specific countercyclical CET1 capital requirements of foreign exposures.

Finnish Financial Supervisory Authority made decision on Pillar II requirement for the Savings Bank Amalgamation on 4 July 2019 and it came into force on 31 March 2020. As a result Pillar II requirement for the Savings Bank Amalgamation increased from 0.5% to 1.25% of total risk amount. The requirement percentage is based on the methodology of SREP (Supervisory Review and Evaluation Process) for LSI banks from ECB, where the percentage of additional capital re-quirement is determined from the overall rating of FSA's assessment. The requirement shall be met at the amalgamation level with CET1 capital. The requirement is valid maximum 3 years until 31 March 2023.

The Finnish Financial Supervisory Authority is responsible for domestic macro prudential decision



making after hearing the Bank of Finland, Ministry of Finance and Ministry of Social Affairs and Health. Decisions on the activation of macro prudential instruments are taken on a quarterly basis expect for decisions on O-SII buffers, risk weights for loans secured by mortgages on immovable property (CRR Article 124 and 164) and systematic risk buffer. Decisions on the activation of these instruments have taken at least once a year.

At its meeting on 6 April 2020, the Board of the Financial Supervisory Authority decided to remove the systemic risk buffer, which lowered the Saving Bank Amalgamation's capital requirement by one percentage point. The aim of the decision is to mitigate the negative effects of the coronavirus pandemic on the stability of financial markets and on credit institutions' ability to finance the economy.

The Board of the Financial Supervision Authority has not imposed countercyclical buffer requirement (CCyB) in year 2021 on credit institutions, and therefore CCyB remained at zero. CCyB can vary from 0-2.5% of risk weighted assets. FIN-FSA did not impose additional O-SII capital requirement for Savings Banks Amalgamation.

Financial Supervisory Authority has granted a permission to apply a 0 per cent risk weight to internal credit institution liabilities included within the scope of the Amalgamation's joint and several liability. These permissions are based on the European Union Capital Requirements Regulation (EU 575/2013) and the Act on the Amalgamation of Deposit Banks (599/2010).

The Financial Supervisory Authority has granted permission to the Central Institution of the Amalgamation to waive fully the application of the requirements regarding liquidity set out in part six of Regulation (EU) No 575/2013 and its amending and supplementing acts to the Amalgamation's member credit institutions. The authorization granted to the Central Institution also covers the NSFR claim that entered into force on 28 June 2021.

The standard method is used to calculate the capital requirement of the credit risk of the SB Cen-tral Bank. The capital requirement to the operational risk is calculated by the basic method. SB Central Bank has published the relevant information with regard to capital adequacy calculation each year as part of its Annual Report and Notes to the Financial Statement. The main capital adequacy information has been published in the Half-year report.

SB Central Bank's capital adequacy information is included in the consolidated financial state-ments of the Savings Banks Amalgamation. The Savings Banks Group publishes the Pillar III capital adequacy information separately at the same time with its financial statements. The Savings Banks Group's financial statements and Pillar III information are available online at *www.saastopankki.fi*.

Capital adequacy

Own funds (EUR 1,000)	30.6.2021	31.12.2020
Common Equity Tier 1 (CET1) capital before regulatory adjustments	83,158	83,620
Total regulatory adjustments to Common Equity Tier 1 (CET1)	-8,514	-8,055
Common Equity Tier 1 (CET1) capital	**74,644**	**75,564**
Tier 1 capital (T1 = CET1 + AT1)	**74,644**	**75,564**
Total capital (TC = T1 + T2)	**74,644**	**75,564**
Risk weighted assets	**203,320**	**234,847**
of which: credit and counterparty risk	160,288	188,947
of which: credit valuation adjustment (CVA)	1,992	833
of which: market risk	0	4,026
of which: operational risk	41,040	41,040
Common Equity Tier 1 (as a percentage of total risk exposure amount)	**36.7**	**32.2**
Tier 1 (as a percentage of total risk exposure amount)	**36.7**	**32.2**
Total capital (as a percentage of total risk exposure amount)	**36.7**	**32.2**
Capital requirement		
Total capital	74,644	75,564
Capital requirement total*	21,349	24,659
Capital buffer	**53,295**	**50,905**

* The capital requirement is formed by the statutory minimum capital adequacy requirement of 8 %, the capital conservation buffer of 2.5 % according to the Act on Credit Institutions, and the country-specific counter-cyclical capital requirements of foreign exposures.

Leverage ratio

The leverage ratio of SB Central Bank was 5.2 per cent (2.6) clearly exceeding the 3% minimum requirement that became valid on 28 June 2021. The leverage ratio describes the level of indebtedness of a credit institution and is calculated by dividing the original own funds by the total of liabilities. The benchmark data are not fully comparable as they do not take into account the changes to the CRR that entered into force during the review period. The SB Central Bank monitors the indebtedness as part of the ICAAP process.

(EUR 1,000)	30.6.2021	31.12.2020
Tier 1 capital	74,644	75,564
Leverage ratio exposure	1,441,228	2,878,392
Leverage ratio	**5.2**	**2.6**

Resolution plan

The Directive of the European Parliament and of the Union 2014/59/EU on the recovery and reso-lution framework of credit institutions and investment service firms was brought nationally into force as of 1 January 2015 (the Act on the crisis solution of credit institutions and investment service firms). To implement the resolution act, the Financial Stability Authority was established (the Act on the Financial Stability Authority, 1995/2014). In April 2021, the Financial Stability Authority set a minimum requirement for own funds and eligible liabilities (MREL requirement) for the Savings Banks Amalgamation Sp Mortgage Bank Plc. The requirement will enter into force in full as of 1 January 2022 for the Savings Banks Amalgamation and as of 1 January 2022 for Sp Mortgage Bank Plc. The requirement does not apply to the member credit institutions or the Central Bank of Savings Banks. The MREL requirement is by nature a Pillar II type minimum requirement that must be met continuously. The Financial Stability Authority decided that the MREL requirement applied to the Savings Banks Amalgamation is 19.49% of the total risk exposure amount or 5.91% of the total exposures, whichever is higher. As of 1 January 2024, the MREL requirement in full for Sp Mortgage Bank Plc is 15.71% of the total risk amount or 5.91% of the total exposures, whichever is higher. In addition to the requirement calculated on the basis of overall risk, the institution-specific capital buffer requirement shall be met on an ongoing basis.

Risk management

The objectives, principles and organization of risk management in SB Central Bank are the same as those presented in the 2020 financial statements.

Credit rating

On 22 January 2021, S&P Global Ratings (S&P) confirmed the long-term credit rating of SB Central Bank at A- and its short-term credit rating at A-2. The outlook remained negative.

The previous S&P's rating report was from May 2020.

Significant events after the interim report date

The Board of Directors of SB Central Bank is not aware of any factors that would materially influence the financial position after the interim report date.

Outlook for the year

SB Central Bank's result before tax is expected to be profitable.

Further information

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The figures presented in the half-year report are unaudited.

Releases and other corporate information are available on the SB Central Bank's website at www.spkeskuspankki.fi

The corresponding information on Savings Banks Group is available online at www.saastopankki.fi.

Formulas used in calculating the financial highlights:

Revenues:	Interest income, fee income, net trading income, other operating revenue
Total operating revenue:	Net interest income, net fee and commission income, net trading income, other operating revenue
Total operating expenses:	Personnel expenses, other operating expenses, depreciation and amortisation of property, plant and equipment and intangible assets

Cost to income ratio:

$$\frac{\text{Total operating expenses}}{\text{Total operating revenue}}$$

Return on equity %:

$$\frac{\text{Profit}}{\text{Equity, incl. non-controlling interests (average)}} * 100$$

Return on assets %:

$$\frac{\text{Profit}}{\text{Total assets (average)}} * 100$$

Equity/assets ratio %:

$$\frac{\text{Equity (incl. non-controlling interests)}}{\text{Total assets}} * 100$$

Solvency ratio, %:

$$\frac{\text{Own Funds total}}{\text{Risk-weighted assets total}} * 100$$

Alternative Performance Measures

European Securities and Markets Authority's Guidelines on Alternative Performance measures came into effect on 3 July 2017. An alternative performance measure is a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the IFRS framework. Alternative Performance Measures are used to reflect financial development and enhance comparability between different reporting periods.

SB Central Bank is not using any alternative performance measures that are not directly calculated using the information presented in the half-year report, nor have any changes occurred in the financial highlights.

HALF-YEAR REPORT (IFRS)

Income statement

(EUR 1,000)	Note	1-6/2021	1-6/2020
Interest income		8,614	9,155
Interest expense		-4,513	-5,774
Net interest income	4	4,100	3,381
Net fee and commission income	5	4,316	5,669
Net trading income		-1,165	581
Other operating revenue		2,291	2,345
Total operating revenue		**9,543**	**11,976**
Personnel expenses		-2,583	-2,411
Other operating expenses		-6,830	-6,977
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		-791	-467
Total operating expenses		**-10,205**	**-9,854**
Net impairment loss on financial assets	6	-414	-562
Operating profit		**-1,075**	**1,561**
Income tax expense		-282	-252
PROFIT		**-1,357**	**1,309**

Statement of comprehensive income

(EUR 1,000)	1-6/2021	1-6/2020
Profit	**-1,357**	**1,309**
OTHER COMPREHENSIVE INCOME		
Items that are or may be reclassified to profit or loss		
Changes in fair value reserve		
Fair value measurements	896	-744
Total	**896**	**-744**
TOTAL COMPREHENSIVE INCOME	-461	564

Statement of financial position

(EUR 1,000)	Note	30.6.2021	31.12.2020
ASSETS			
Cash and cash equivalents		1,056,831	1,170,028
Loans and advances to credit institutions	8	1,378,003	1,333,894
Loans and advances to customers	8	92,589	92,462
Derivatives	9	-	1,471
Investment assets	10	57,078	103,292
Property, plant and equipment		107	137
Intangible assets		7,468	7,237
Tax assets		1,035	1,317
Other assets		111,988	107,172
TOTAL ASSETS		**2,705,099**	**2,817,010**
LIABILITIES AND EQUITY			
Liabilities			
Liabilities to credit institutions	11	1,250,164	1,099,645
Liabilities to customers	11	390,486	511,102
Derivatives	9	7 394	315
Debt securities issued	12	959,546	1,111,076
Tax liabilities		308	705
Other liabilities		14,043	10,547
Total liabilities		**2,621,941**	**2,733,391**
Equity			
Share capital		68,344	68,344
Reserves		19,431	21,022
Retained earnings		-4,618	-5,746
Total equity		**83,158**	**83,620**
TOTAL LIABILITIES AND EQUITY		**2,705,099**	**2,817,010**

Statement of cash flows

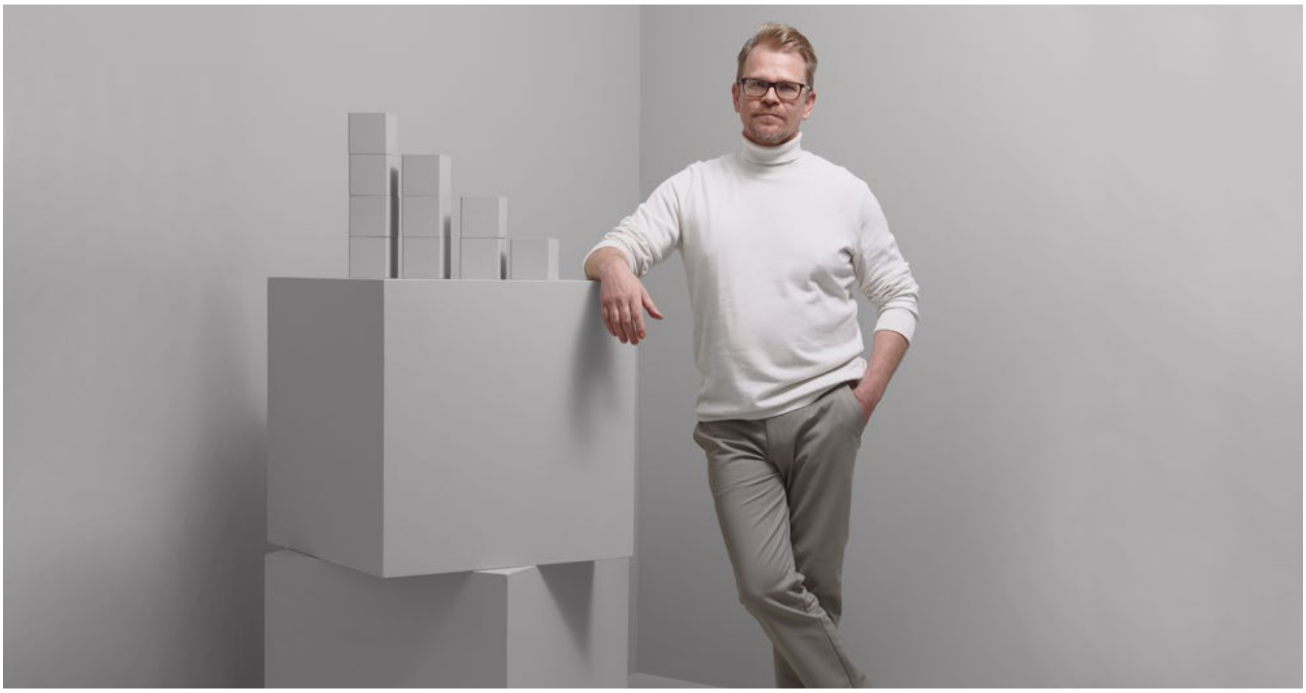
(EUR 1,000)	1-6/2021	1-6/2020
Cash flows from operating activities		
Profit	-1,357	1,309
Adjustments for items without cash flow effect	2,208	-197
Change in deferred tax	282	252
Cash flows from operating activities before changes in assets and liabilities	**1,133**	**1,364**
Increase (-) or decrease (+) in operating assets	**-1,572**	**-218,760**
Loans and advances to credit institutions	-43 142	-143,707
Loans and advances to customers	-326	8,684
Investment assets, at fair value through other comprehensive income	3,012	-54,258
Investment assets, at amortized cost		18,151
Investment assets, at amortized cost	43,700	
Other assets	-4,816	-47,630
Increase (-) or decrease (+) in operating liabilities	**-110,990**	**640,762**
Liabilities to credit institutions	150,519	422,435
Liabilities to customers	-120,616	358,352
Debt securities issued	-144,390	-136,611
Other liabilities	3,497	-3,415
Total cash flows from operating activities	**-111,428**	**423,366**
Cash flows from investing activities		
Investments in property, plant and equipment and intangible assets	-993	-1,253
Total cash flows from investing activities	**-993**	**-1,253**
Change in cash and cash equivalents	**-112,421**	**422,112**
Cash and cash equivalents at the beginning of the period	**1,181,204**	**1,355,709**
Cash and cash equivalents at the end of the period	**1,068,783**	**1,102,245**
Cash and cash equivalents comprise the following items:		
Cash	1,056,831	1,089,038
Receivables from central banks repayable on demand	11,952	13,207
Total cash and cash equivalents	**1,068,783**	**1,102,245**
Interest received	8,524	12,638
Interest paid	-4,667	9,291

Statement of changes in equity

(EUR 1,000)	Share capital	Share premium	Fair value reserve	Total reserves	Retained earnings	Total equity
Equity 1 January 2020	**68 344**	**19 000**	**920**	**19 920**	**-4 359**	**83 906**
Comprehensive income						
Profit					-1 387	-1 387
Other comprehensive income			1 101	1 101		1 101
Total comprehensive income			**1 101**	**1 101**	**-1 387**	**-286**
Total equity 31 December 2019	**68 344**	**19 000**	**2 022**	**21 022**	**-5 746**	**83 620**
Equity 1 January 2021	**68 344**	**19 000**	**2 022**	**21 022**	**-5 746**	**83 620**
Comprehensive income						
Profit					-1 357	-1 357
Tranfers between items			-2 486	-2 486	2 486	0
Other comprehensive income			896	896		896
Total comprehensive income			**-1 590**	**-1 590**	**1 129**	**-461**
Total equity 30 June 2021	**68 344**	**19 000**	**431**	**19 431**	**-4 618**	**83 158**

BASIS OF PREPARATION

NOTE 1. INFORMATION ON THE REPORTING COMPANY AND DESCRIPTION OF THE SAVINGS BANKS GROUP



Central Bank of Savings Banks Finland Plc (hereinafter "SB Central Bank") is a depository bank owned by Finnish Savings Banks. SB Central Bank's primary function is to provide the savings banks and the Savings Banks Group with various central credit institution services. The central credit institution services include payment services and account operator services, payment card issuing for the customers of the member Savings Banks of the Amalgamation, and services related to liquidity management, funding and asset and liability management. SB Central Bank belongs to the Savings Banks Group and its principal owners are the 19 Savings Banks of the Amalgamation and one Savings Bank outside the Amalgamation.

SB Central Bank's financial statements are consolidated into Savings Banks Group's consolidated financial statements.

The Savings Banks Group (hereinafter Group) is the most longstanding banking group in Finland. It comprises of Savings Banks that formed the Savings Banks Amalgamation, the Sav-ings Banks' Union Coop, which acts as the Central Institution and the subsidiaries and associated companies owned by Savings Banks.

The member organizations of the Savings Banks Amalgamation (hereinafter Amalgamation) form a financial entity as defined in the Act on Amalgamations, in which the Savings Banks' Union Coop and its member credit institutions are jointly liable for each other's liabilities and commitments. The Amalgamation comprises the Savings Banks' Union Coop, which acts as the Central Institution of the Amalgamation, 18 Savings Banks, the Central Bank of Savings Banks Finland Plc, Sp Mortgage Bank Plc, as well as the companies within the consolidation groups of the above-mentioned entities, Sp-Fund Management Company Ltd and Savings Bank Services Ltd. The structure of the Group differs from that of the Amalgamation so that the Group also includes organizations other than credit and financial institutions or service companies. The most significant of these are Sp-Life Insurance Ltd and Sp-Koti Ltd.

Liedon Säästöpankki has concluded a preliminary agreement for the acquisition of the client business of the Mietoisten Säästöpankki. The aim is to make the final decisions and other measures related to the business acquisition by the end of 2021 at the latest.

On 15 June 2021, the Board of Directors of Eurajoen Säästöpankki unanimously approved the transfer plan to merge Eurajoen Säästöpankki with Oma Säästöpankki Oyj. The hosts of Eurajoen Säästöpankki have also approved the launch of the process on the transfer of business.

NOTE 2. ACCOUNTING POLICIES

1. Overview

SB Central Bank's financial statements have been prepared in accordance with the Interna-tional Financial Reporting Standards (IFRS) as adopted by the EU.

The half-year report has been prepared in accordance with the IAS 34 Interim Financial Re-porting standard. Changes in accounting policies during the financial year are described below. A complete description of the accounting policy can be found in the notes to the financial statements of 2020.

The figures presented in the half-year report are unaudited.

SB Central Bank's half-year report is presented in euros, which is the Bank's functional curren-cy.

SB Central Bank will publish one interim report during the year 2020.

SB Central Bank's financial statements and half-year reports are available at the website www.spkeskuspankki.fi or at the premises, address Teollisuuskatu 33, FI-00510 Helsinki. SB Central Bank's registered office is Helsinki.

The Group's financial statements and half-year reports are available at the website *www.saastopankki.fi/saastopankkiryhma* or at the premises of Savings Banks' Union Coop, address Teollisuuskatu 33, FI-00510 Helsinki.

2. Critical accounting estimates and judgements

IFRS-compliant financial statements require SB Central Bank's management to exercise judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and other information such as the amounts of income and expense. Although these estimates are based on the management's best knowledge at the time, it is possible that actual results differ from the estimates used in the financial statements.

The critical estimates of SB Central Bank concern the future and key uncertainties related to estimates at the reporting date, and they relate in particular to determining fair value, impairment of financial assets and recognition of deferred tax on confirmed tax losses.

In the financial statements dated 30 June 2021, the most significant uncertainty influencing the management's estimates has been the prevailing COVID-19 pandemic. There is uncertainty associated with estimating the economic impacts of the coronavirus pandemic, which particularly influences the assessment of the expected credit losses on financial assets.

NOTE 3. SEGMENT INFORMATION

SB Central Bank's management reviews the performance of the company as one individual segment and therefore separate segment information, as defined in IFRS 8, is not presented.

PROFIT FOR THE PERIOD

NOTE 4. NET INTEREST INCOME

(EUR 1,000)	1-6/2021	1-6/2020
Interest income		
Debts eligible for refinancing with Central Bank	196	143
Loans and advances to credit institutions	3,299	3,443
Loans and advances to customers*	3,889	3,363
Debt securities	-	13
Derivative contracts		
Hedging derivates	532	1,650
Other**	697	542
Total	**8,614**	**9,155**
Interest expense		
Liabilities to credit institutions***	-2,003	-1,463
Liabilities to customers	-144	-53
Derivative contracts		
Hedging derivates	-267	-1,299
Debt securities issued	-2,099	-2,959
Other	-1	0
Total	**-4,513**	**-5,774**
Net interest income	**4,100**	**3,381**
* of which interest income from loans in stage 3	**1**	**0**

**) Other interest income is made up of interest charges and limit commission based on account agreements.

***) The interest expense from Liabilities to credit institutions is largely made up of the negative interest on central bank deposits.

NOTE 5. NET FEE AND COMMISSION INCOME

(EUR 1,000)	1-6/2021	1-6/2020
Fee and commission income		
Lending	7,210	7,370
Payment transfers	2,894	2,713
Securities	994	942
Other	149	287
Total	**11,247**	**11,312**
Fee and commission expense		
Payment transfers	-1,429	-1,339
Securities	-357	-320
Other*	-5,145	-3,983
Total	**-6,931**	**-5,642**
Net fee and commission income	**4,316**	**5,669**

*of which the most significant expenses are expenses related to granting loans.

NOTE 6. NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

SB Central Bank determines impairments for financial assets based on an expected credit loss model. The loss allowance for expected credit loss is measured and recognized for financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, debt instruments, loan receivables, guarantees and loan commitments.

For the purpose of measuring expected credit losses, SB Central Bank applies a three-stage model in which the stage to be applied in the measurement is determined on the basis of the change in the credit risk of the financial asset between the date of initial recognition and the reporting date as follows:

- Stage 1 includes financial assets for which the credit risk has not increased significantly between the date of initial recognition and the reporting date. The measurement of the expected credit loss for stage 1 financial assets is based on the likelihood of the credit loss being incurred within 12 months of the reporting date.
- Stage 2 includes financial assets for which the credit risk has increased significantly after the date of initial recognition. The measurement of the expected credit loss for stage 2 financial assets is based on the likelihood of the credit loss being incurred within the remaining life of the financial asset.
- Stage 3 includes financial assets that are assessed to be impaired. The measurement of the expected credit loss for stage 3 financial assets is based on the likelihood of the credit loss being incurred within the remaining life of the financial asset.

In assessing the significance of change in credit risk, SB Central Bank takes into account the following qualitative and quantitative data, amongst others:

- Payment past due: the credit risk associated with a financial asset is assessed to have grown significantly and the contract is migrated from stage 1 to stage 2 when payments are more than 30 days past due. When payments are more than 90 days past due, the financial asset is deemed to be impaired and is migrated from stage 2 to stage 3.
- Weakening of credit rating: the credit risk of a financial asset is considered to have increased significantly and the agreement transitions from stage 1 to stage 2, if the credit rating of the agreement decreased by a minimum of four credit ratings.
- Forbearance: if the receivable is non-performing, the forbearance concession is interpreted as a significant increase in credit risk and the receivable is migrated from stage 1 to stage 2. If forbearance is applied to a contract that is non-performing, or if a forbearance concession is made for a contract at the time of application, the contract is deemed to be impaired and is migrated to stage 3.
- Default: If a customer is found to be in default, the financial asset is deemed to be impaired and is migrated to stage 3.
- PD % increase (investment assets): credit risk is assessed to have grown significantly when its PD increases either by 10 basis points or 2.5 times its original value.

The criteria of stage 3 of the calculation of expected credit losses of loans and receivables have been harmonised with the EBA-compliant definition of insolvency adopted at the beginning of the review period. Following the amendment, the agreement will transition to stage 3 if even one of the following criteria is met:

- payment delay of more than 90 days exceeding the threshold,
- severe external disturbance or
- uncertain repayment.

The agreement remains in stage 3 until it has consistently met the criteria for stage 2 for three months. Following the amendment, the definition of insolvency applied to the calculation of expected credit loss matches the definition used in internal risk management.

The number of credit ratings increased in the new credit rating model for private customers adopted during the review period, and as a result, the criteria for stage 2 were amended by replacing weakening by 3 credit ratings with weakening of 4 credit ratings. The Savings Bank Group will validate and, if necessary, calibrate the criteria for stage 2. Changes described above decreased the amount of expected credit losses by approximately EUR 44 thousand.

The tables below present the development of expected credit losses as of the beginning of the review period.

Expected Credit Losses (ECL), Loans and advances to customers and off-balance sheet	Stage 1	Stage 2	Stage 3	Total
(EUR 1,000)	12 month ECL	Lifetime ECL	Lifetime ECL	
Expected Credit Losses 1 January 2021	**260**	**192**	**1,133**	**1,585**
Transfers to Stage 1	7	-28		-20
Transfers to Stage 2	-13	164	-62	89
Transfers to Stage 3	-1	-101	745	643
New assets originated or purchased	26		0	26
Assets derecognised or repaid	-6	-1	-322	-329
Amounts written off			-339	-339
Amounts recovered			107	107
Change in credit risk without change in Stage	-1	-32	19	-14
Manual corrections, on credit level	-5	-3	52	44
Net change in ECL	**7**	**-1**	**200**	**206**
Expected Credit Losses 30 June 2021	**267**	**191**	**1,332**	**1,791**

Expected Credit Losses (ECL), Loans and advances to credit institutions and off-balance sheet	Stage 1	Stage 2	Stage 3	Total
(EUR 1,000)	12 month ECL	Lifetime ECL	Lifetime ECL	
Expected Credit Losses 1 January 2021	**212**			**212**
New assets originated or purchased	5			5
Assets derecognised or repaid	-30			-30
Net change in ECL	**-25**	**-**	**-**	**-25**
Expected Credit Losses 30 June 2021	**187**	**-**	**-**	**187**

Expected Credit Losses (ECL), Investment asset	Stage 1	Stage 2	Stage 3	Total
(EUR 1,000)	12 month ECL	Lifetime ECL	Lifetime ECL	
Expected Credit Losses 1 January 2021	**186**	**-**	**-**	**186**
New assets originated or purchased				0
Assets derecognised or repaid	0			0
Net change in ECL	**0**	**-**	**-**	**0**
Expected Credit Losses 30 June 2021	**186**	**-**	**-**	**186**
Expected Credit Losses 30 June 2021 total	**640**	**191**	**1,332**	**2,164**
Net change in ECL 1.1.-30.6.2021: loans and advances, off-balanse sheet and investment assets	**-18**	**-1**	**200**	**181**

Expected Credit Losses (ECL), Loans and advances to customers and off-balance sheet	Stage 1	Stage 2	Stage 3	Total
(EUR 1,000)	12 month ECL	Lifetime ECL	Lifetime ECL	
Expected Credit Losses 1 January 2020	**186**	**265**	**911**	**1,363**
Transfers to Stage 1	4	-27		-23
Transfers to Stage 2	-15	138		123
Transfers to Stage 3	-2	-33	991	956
New assets originated or purchased	3	10	45	58
Assets derecognised or repaid	-10	-61	-221	-292
Amounts written off			-589	-589
Change in credit risk without change in Stage	21	-66	-3	-49
Changes in ECL model	73	-34		38
Net change in ECL	**74**	**-73**	**222**	**222**
Expected Credit Losses 31 December 2020	**260**	**192**	**1,133**	**1,585**

Expected Credit Losses (ECL), Loans and advances to credit institutions and off-balance sheet	Stage 1	Stage 2	Stage 3	Total
(EUR 1,000)	12 month ECL	Lifetime ECL	Lifetime ECL	
Expected Credit Losses 1 January 2020	**215**			**215**
New assets originated or purchased	140			140
Assets derecognised or repaid (excluding write offs)	-143			-143
Net change in ECL	**-3**			**-3**
Expected Credit Losses 31 December 2020	**212**			**212**

Expected Credit Losses (ECL), Investment asset	Stage 1	Stage 2	Stage 3	Total
(EUR 1,000)	12 month ECL	Lifetime ECL	Lifetime ECL	
Expected Credit Losses 1 January 2020	**395**			**395**
New assets originated or purchased	186			186
Assets derecognised or repaid (excluding write offs)	-395			-395
Net change in ECL	**-209**	**-**	**-**	**-209**
Expected Credit Losses 31 December 2020	**186**	**-**	**-**	**186**
Expected Credit Losses 31 December 2020 total	**658**	**192**	**1,133**	**1,983**
Net change in ECL 1.1.-31.12.2020: loans and advances, off-balanse sheet and investment assets	**-138**	**-73**	**222**	**10**

ASSETS

NOTE 7. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

30.6.2021 (EUR 1,000)	Amortized costs	Fair value through other comprehensive income	Fair value through profit or loss	Total
Cash and cash equivalents			1,056,831	1,056,831
Loans and advances to credit institutions	1,378,003			1,378,003
Loans and advances to customers	92,589			92,589
Derivatives				
hedging derivatives			-	-
fair value				
Investment assets		55,878	1,200	57,078
Total assets	**1,470,592**	**55,878**	**1,058,031**	**2,584,501**
Liabilities to credit institutions	1,250,164			1,250,164
Liabilities to customers	390,486			390,486
Derivatives				
hedging derivatives			7,394	7,394
fair value			7,394	7,394
Debt securities issued	959,546			959,546
Total liabilities	**2,600,197**		**7,394**	**2,607,590**

31.12.2020 (EUR 1,000)	Amortized costs	Fair value through other comprehensive income	Fair value through profit or loss	Total
Cash and cash equivalents			1,170,028	1,170,028
Loans and advances to credit institutions	1,333,894			1,333,894
Loans and advances to customers	92,462			92,462
Derivatives				
hedging derivatives			1,471	1,471
fair value			1,471	1,471
Investment assets		58,392	44,900	103,292
Total assets	**1,426,356**	**58,392**	**1,216,399**	**2,701,147**
Liabilities to credit institutions	1,099,645			1,099,645
Liabilities to customers	511,102			511,102
Derivatives				
hedging derivatives			315	315
fair value			315	315
Debt securities issued	1,111,076			1,111,076
Total liabilities	**2,721,823**		**315**	**2,722,139**

NOTE 8. LOANS AND ADVANCES

(EUR 1,000) 30.6.2021	Not impaired (gross)	Expected credit losses (ECL)	Balance sheet value
Loans and advances to credit institutions			
Deposits	93,110	-	93,110
Loans and other receivables	1,285,078	-186	1,284,893
Total	**1,378,188**	**-186**	**1,378,003**
Loans and advances to customers			
Tuotteittain			
Used overdrafts	41	-1	40
Credit cards	94,171	-1,622	92,549
Total	**94,212**	**-1,623**	**92,589**
Loans and advances total	**1,472,400**	**-1,809**	**1,470,592**

(EUR 1,000) 31.12.2020	Not impaired (gross)	Expected credit losses (ECL)	Balance sheet value
Loans and advances to credit institutions			
Deposits	85,923	-23	85,900
Loans and other receivables	1,248,174	-180	1,247,994
Total	**1,334,097**	**-203**	**1,333,894**
Loans and advances to customers by product			
Used overdrafts	52	-1	50
Credit cards	93,834	-1,423	92,412
Total	**93,886**	**-1,424**	**92,462**
Loans and advances total	**1,427,983**	**-1,627**	**1,426,356**

NOTE 9. DERIVATIVES AND HEDGE ACCOUNTING

SB Central Bank hedges its interest rate risk against changes in fair value and applies hedge accounting on hedging relationships. Fair value hedging is applied to fixed interest rate funding transaction and to fixed-rate borrowing.

Changes in the fair value of the hedging derivatives are recognised in the income statement under Net trading income. When applying fair value hedging, also the hedged item is measured at fair value during the hedging period even if the item is otherwise measured at amortised cost. Changes in the fair value of the hedged item are recognised in the balance sheet as an adjustment to the corresponding balance sheet item and in the income statement under Net trading income. Interests arising from hedging derivatives are presented in interest expenses and income.

(EUR 1,000)	Nominal value / remaining maturity				Fair value	
30.6.2021	less than 1 year	1 - 5 years	over 5 years	Total	Assets	Liabilities
Hedging derivative contracts						
Fair value hedging						
Interest rate derivatives	10,000	20,000	198,000	228,000	-	7,394
Total	**10,000**	**20,000**	**198,000**	**228,000**	**-**	**7,394**

(EUR 1,000)	Nominal value / remaining maturity				Fair value	
31.12.2020	less than 1 year	1 - 5 years	over 5 years	Total	Assets	Liabilities
Hedging derivative contracts						
Fair value hedging						
Interest rate derivatives	15,000	20,000	178,000	213,000	1,471	315
Total	**15,000**	**20,000**	**178,000**	**213,000**	**1,471**	**315**

NOTE 10. INVESTMENT ASSETS

(EUR 1,000)	30.6.2021	31.12.2020
At fair value through other comprehensive income		
Debt securities	54,605	54,366
Shares and participations	1,273	4,026
Total	**55,878**	**58,392**
Fair value through profit or loss		
Shares and participations	1,200	44,900
Total	**1,200**	**44,900**
Investment assets	**57,078**	**103,292**

Breakdown by issuer of quotation

30.6.2021 (EUR 1,000)	Measured at fair value through other comprehensive income	Fair value through profit or loss	Total
Quoted			
From public entities			
From others			
Other			
From others	55,878	1,200	
Total	**55,878**	**1,200**	**-**

31.12.2020 (EUR 1,000)	Measured at fair value through other comprehensive income	Fair value through profit or loss	Total
Quoted			
From public entities			
From others		44,500	
Other			
From others	58,392	400	
Total	**58,392**	**44,900**	**-**

LIABILITIES

NOTE 11. LIABILITIES TO CREDIT INSTITUTIONS AND CUSTOMERS

(EUR 1,000)	30.6.2021	31.12.2020
Liabilities to credit institutions		
Liabilities to central banks	80,000	62,000
Liabilities to credit institutions	1,170,164	1,037,645
Total	**1,250,164**	**1,099,645**
Liabilities to customers		
Deposits	7,394	315
Other financial liabilities*	390,344	511,001
Total	**397,738**	**511,316**
Liabilities to credit institutions and customers	**1,647,902**	**1,610,961**

* Other financial liabilities are deposits from governments, multinational organisations and foreign funds.

NOTE 12. DEBT SECURITIES ISSUED

	30.6.2021		31.12.2020	
(EUR 1,000)	Nominal value	Book value	Nominal value	Book value
Measured at amortised cost				
Bonds	855,500	849,385	1,044,000	1,045,142
Other	110,000	110,161	66,000	65,934
Certificates of deposit	**1,088,000**	**1,089,108**	**1,224,000**	**1,226,901**
Of which				
Variable interest rate	448,000	443,914	658,000	659,073
Fixed interest rate	517,500	515,632	452,000	452,003
Total	**965,500**	**959,546**	**1,110,000**	**1,111,076**

During the review period SB Central Bank issued private placement based debentures with variable maturities, amounting to EUR 105 million, under the EMTN programme listed on the Irish Stock Exchange.

OTHER NOTES

NOTE 13. FAIR VALUES BY VALUATION TECHNIQUE

Fair value measurement

Financial instruments are carried in the SB Central Bank's balance sheet at fair value or at amortised cost. The accounting policies of the annual report (Note 2) describe the classification of financial assets and liabilities according to their valuation method, together with the criteria for the valuation techniques and fair value measurement.

The fair values of financial instruments are primarily determined by using publicly quoted prices or from market prices obtained from third parties. If no market quotation is available, the balance sheet items have mostly been measured by discounting future cash flows using the market interest rates on the reporting date. In the case of cash assets, the nominal value equals the fair value. Similarly, in the case of deposits repayable on demand the nominal value is deemed to correspond to fair value.

SB Central Bank has no non-recurring fair value measurements of assets.

Fair value hierarchy

Level 1 includes financial assets whose fair value is determined by quotations obtainable from active markets. A market is considered to be active, if the prices are readily and regularly available. Level 1 includes quoted bonds, other securities, stocks and derivatives with quoted prices.

Level 2 includes financial assets that are not traded in an active market, and whose fair value is determined by using valuation techniques or models. These are based on assumptions supported by observable market data, such as the quoted interest rates or prices of similar instruments. This group includes e.g. currency and interest rate derivatives, commercial papers and certificates of deposits.

Level 3 includes financial assets whose fair value cannot be derived from public market quotations or through valuation techniques or models which are based on observable market data. Level 3 comprises unquoted equity instruments, structured investments and other securities for which there is currently no binding market quotation available. The fair value at level 3 is often based on price information received from a third party.

Transfers between the levels

Transfers between the levels of fair value hierarchy are considered to take place on the date when the event or change in circumstances causing the transfer occurred.

SB Central Bank has made transfers between the levels during reporting period January to June 2020.

30.6.2021	Carrying amount	Fair value by hierarchy level			
Financial assets (EUR 1,000)		Level 1	Level 2	Level 3	Total
Measured at fair value					
At fair value through profit or loss	1,058,031	1,056,831		1,200	1,058,031
Derivative contracts	-				0
Fair value through other comprehensive income	55,878		51,464	5,272	56,736
Measured at amortised cost	1,470,592				1,481,536
Total financial assets	**2,584,501**	**1,056,831**	**51,464**	**6,472**	**2,596,304**

30.6.2021	Kirjanpitoarvo	Käypä arvo hierarkiatasoittain			
Financial liabilities (EUR 1,000)		Taso 1	Taso 2	Taso 3	Yhteensä
Measured at fair value					
Derivative contracts	7,393,687		7,393,687		7,393,687
Measured at amortised cost	2,600,197				2,615,860
Total financial liabilities	**9,993,884**		**7,393,687**		**10,009,547**

Changes at level 3

Reconciliation of changes in financial assets at level 3.

Fair value through other compre-hensive income (EUR 1,000)	
Carrying amount 31 December 2020	**8,025**
Sales	-3,012
Changes in value recognised in comprehensive income statement	259
Carrying amount 30 June 2021	**5,272**

Sensitivity analysis of financial instruments at level 3	Effect of hypothetical changes'		
30.6.2021	Carrying amount	Positive	Negative
At fair value through profit or loss	**1,200**	**1,380**	**1,020**
Fair value through other comprehensive income	**5,272**	**6,063**	**4,481**

The sensitivity of the fair value of instruments belonging to level 3 to assumed changes is presented in the table above. The fair value has been tested using a 15% change in value.

31.12.2020	Carrying amount	Fair value by hierarchy level			
Financial assets (EUR 1,000)		Level 1	Level 2	Level 3	Total
Measured at fair value					
At fair value through profit or loss	1,214,928	1,214,528		400	1,214,928
Derivative contracts	1,471		1,471		1,471
Fair value through other comprehensive income	58,392		51,396	8,025	59,421
Measured at amortised cost	1,426,356	85,950	1,258,391	93,343	1,437,684
Total financial assets	**2,701,147**	**1,300,478**	**1,311,258**	**101,768**	**2,713,504**

31.12.2020	Carrying amount	Fair value by hierarchy level			
Financial liabilities (EUR 1,000)		Level 1	Level 2	Level 3	Total
Measured at fair value					
Derivative contracts	315		315		315
Measured at amortised cost	2,721,823	838,014	1,906,143		2,744,157
Total financial liabilities	**2,722,139**	**838,014**	**1,906,458**	**-**	**2,744,472**

NOTE 14. OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The derivative contracts of the SB Central Bank are subject to ISDA Master Agreement. Based on ISDA agreement, derivative payments may be offset by payment transaction on each payment date as well as in the event of counterparty default or bankruptcy. In addition, it is possible to agree on collateral on a counterparty-specific basis in the terms and conditions of the agreement. These derivatives are presented in the statement of financial position on a gross basis.

30.6.2021				Amounts which are not offset but are subject to enforceablemaster netting arrangements or similar agreements		
(EUR 1,000)	Recognised financial assets, gross	Recognised financial liabilities offset in balance sheet, gross	Carrying amount in balance sheet, net	Financial instruments	Cash held as collateral	Net amount
Assets						
Derivative contracts				-	-	-
Total				**-**	**-**	**-**
Liabilities						
Derivative contracts				7,394	7,800	-406
Total				**7,394**	**7,800**	**-406**

31.12.2020				Amounts which are not offset but are subject to enforceablemaster netting arrangements or similar agreements		
(EUR 1,000)	Recognised financial assets, gross	Recognised financial liabilities offset in balance sheet, gross	Carrying amount in balance sheet, net	Financial instruments	Cash held as collateral	Net amount
Assets						
Derivative contracts				1,471	440	1,031
Total				**1,471**	**440**	**1,031**
Liabilities						
Derivative contracts				315		315
Total				**315**	**0**	**315**

NOTE 15. COLLATERAL GIVEN AND RECEIVED

(EUR 1,000)	30.6.2021	31.12.2020
Collateral given		
Given on behalf of Group's own liabilities and commitments		
Securities	95,367	95,227
Other	7,800	-
Collateral given	**103,167**	**95,227**
Collateral received		
Securities	45,731	46,247
Other	-	440
Collateral received	**45,731**	**46,687**

Collateral given and held are related to participating in ECB funding operations and margin depos-its related to derivatives.

NOTE 16. OFF BALANCE-SHEET COMMITMENTS

(EUR 1,000)	30.6.2021	31.12.2020
Guarantees	10,000	10,000
Loan commitments	258,344	255,285
Other*	10,500	63,500
Off balance-sheet commitments	**278,844**	**328,785**

* Other off balance-sheet commitments are agreements with member credit institutions of the Savings Banks Amalgamation in which the trade date will only take place after the end of the period under review.

NOTE 17. RELATED PARTIES

Related party refers to SB Central Bank's key management personnel and their close family members. In addition, related parties comprise entities, which the key management personnel and/or their close family members control. SB Central Bank's related parties include the members of the Board of Directors, Managing Director and Deputy Managing Director. No significant changes have taken place in key personnel compensation during the review period.

With the exception of uncollateralised credit cards, SB Central Bank has granted no related party loans or investments and has no related party business activities. Credit cards granted to related parties are subject to the same general terms and conditions that apply to corresponding customer credits.

PILLAR III DISCLOSURES

SB Central Bank is part of the Savings Banks Amalgamation and the Savings Banks Group. SB Central Bank's capital adequacy information is included in the information concerning the capital adequacy of the Savings Banks Amalgamation, presented in the consolidated financial statements of the Savings Banks Group. The Financial Supervisory Authority has granted a permission not to deduct internal holdings of credit institutions included in the Amalgamation from own funds instruments when calculating own funds at the individual institution level and sub-consolidation group level. In addition, the Financial Supervisory Authority has granted a permission to apply a 0 per cent risk weight to internal credit institution liabilities included within the scope of the Amalgamation's joint and several liability. These permissions are based on the European Union Capital Requirements Regulation (EU 575/2013) and the Act on the Amalgamation of Deposit Banks (599/2010). A copy of the financial statement of the Savings Banks Group is available online at *www.saastopankki.fi* or from the Savings Banks' Union Coop offices at Teollisuuskatu 33, FI-00510 Helsinki, Finland.

The original Half-year Report is in Finnish. This is an English version thereof.

Central Bank
of Savings Banks

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