



PILLAR III

Disclosure Report on capital adequacy and risk management

30 June 2025

The 30 June 2025 Pillar III is a translation of the original Finnish version
"Pilari III mukaiset tiedot vakavaraisuudesta ja riskienhallinnasta 30.6.2025".

If discrepancies occur, the Finnish version is dominant.

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1. Introduction

EU Capital Requirements Regulation (575/2013), Part 8, sets requirements for the disclosure obligation of institutions and the disclosure of information concerning banks' risks, their management and capital adequacy. Additionally, institutions such as the European Banking Authority (EBA) have provided more detailed guidance on the disclosure obligations. Oma Savings Bank Group complies with its reporting obligation by publishing comprehensive information on its capital adequacy and risk management (so-called Pillar III information) once a year alongside its Annual Report. On a semi-annual basis, the Group presents relevant information regarding capital adequacy and risk management. Due to the change in CRR3 (Capital Requirement Regulation 3), the Company has reviewed its previous half-year reporting and made the necessary updates to this report. The information in Pillar III is unaudited. The comparative period is 31 December 2024 unless otherwise stated. The forms present the information where applicable and only the rows and columns containing the reportable are presented.

Oma Savings Bank Plc's goal is to continue strong and profitable growth in the coming years. The market position will be strengthened in the entire business area with the profitable growth of the business. The Company actively pursues growth, but only in areas of business where it can be implemented sufficiently profitably and with an acceptable ratio of return and risk.

Risk management is part of all the Company's operations, including prudent decision making, systematic monitoring, decisive measures, avoiding risk concentrations, complying with the Company's own regulations and official regulations. One of the main tasks of risk management is to create prerequisites for achieving growth without an increase in risk levels or disturbances in daily operations. The Company has defined risk management processes, risk taking limits and guidelines to stay within the set limits.

The business profile is stable with the Company focusing on the retail banking business. Credit risk from financing activities is the Company's main risk, managed according to the credit risk strategy established by the Board of Directors by setting targets and risk limits for the quality and concentrations of the credit portfolio. Oma Savings Bank Plc's main sources of operational risk are security risks (cyber risks), communications and system failures. In addition, fraud and scams have been identified as sources of operational risk, as well as the quality of customer information related to knowing your customer. Market risk consists of fluctuations in the prices of securities in the investment portfolio and interest rate risk in the financial balance. The interest rate risk of the financial balance is modeled regularly, and the market risk of the investment portfolio is managed with a prudent investment strategy.

The recovery of the Finnish economy has been slow, which has continued to be reflected in customers' payment difficulties, non-performing exposures and expected credit losses. In addition, the increase in volumes has been significantly affected by previously reported events related to non-compliance with the guidelines and the measures taken as a result. The Company has monitored the development of the quality of the credit portfolio in an

2. Summary

Risk management key figures

(1,000 euros)	30 Jun 2025	31 Dec 2024
Own funds		
Common Equity Tier 1 (CET1) capital	546,254	528,433
Total capital (TC)	581,851	569,977
Pillar I minimum capital requirement (8%)	248,399	293,014
Pillar I total capital requirement	427,410	476,741
Risk weighted assets		
Credit and counterparty risk	2,747,182	3,190,494
Credit valuation adjustment (CVA)	22,260	57,250
Market risk (foreign exchange risk)	-	-
Operational risk	335,540	414,930
Risk weighted assets, total	3,104,982	3,662,674
Ratios		
Common Equity Tier 1 (CET1) capital	17.59%	14.43%
Total capital (TC) ratio, %	18.74%	15.56%
Leverage ratio, %	7.37%	6.79%
Liquidity coverage ratio (LCR), %	295.91%	160.32%

enhanced manner, both in terms of credit entities related to non-compliance with the guidelines and in terms of the whole credit portfolio. The Company has developed and improved processes at various stages of the credit life cycle and, as part of the credit process development project, moved to a centralised credit decision model. Development measures are still ongoing.

The Financial Stability Authority set an updated level for the Company for the minimum requirement of own funds and eligible liabilities (MREL requirement) on 21 March 2025 and revoked the decision issued on 17 April 2024. The updated MREL requirement enters into force one year earlier and must be fulfilled at the latest 17 April 2026 (previously 17 April 2027). The updated MREL consists of a total risk-based requirement of 20.88% (previously 20.88%) and a requirement based on the total amount of exposures used in the calculation of the leverage ratio, which is 7.89% (previously 7.82%).

Oma Savings Bank Group's Common Equity Tier 1 capital (CET1) ratio was 17.6 (14.4)% at the end of the period, being above the minimum level of the medium-term financial goal set by the Company's Board (at least 2 percentage points above the regulatory requirement). Risk-weighted assets decreased from the level of the comparison period mainly due to a decrease in liabilities. In addition, the CRR3 changes that took effect at the beginning of the year reduced risk-weighted assets. Own funds increased most significantly by retained earnings for the financial year 2025 and by the change in the fair value reserve. The total capital (TC) ratio was 18.7 (15.6)% and the leverage ratio was 7.4 (6.8)%. At the end of the period, the Group's total capital ratio was 5.0 percentage points above the minimum regulatory requirement.

The Company monitors the progress of capital adequacy (CRD 6, CRR 3, the European Banking Authority's roadmap on the Banking Package) and regulation of resolution (BRRD and SRMR entities), as well as the impact of Basel Committee publications on EU legislation. The Company has ongoing development activities to prepare for known future regulatory changes and to anticipate future regulatory changes that are still uncertain.

The Group's LCR target is 125% (295.9% at the end of the period) and the Net Stable Funding Ratio (NSFR)

requirement target is 110% (130.5% at the end of the period). In May, S&P Global Ratings affirmed the long-term issuer credit rating of Oma Savings Bank Plc at level BBB and the short-term issuer credit rating remaining at level A-2.

Template EU KM1 - Key metrics template

(1,000 euros)		a 30 Jun 2025	c 31 Dec 2024	e 30 Jun 2024
	Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	546,254	528,433	507,061
2	Tier 1 capital	546,254	528,433	507,061
3	Total capital	581,851	569,977	554,651
	Risk-weighted exposure amounts			
4	Total risk exposure amount	3,104,982	3,662,674	3,341,588
4a	Total risk exposure pre-floor	3,104,982		
	Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	17.5928%	14.4275%	15.1743%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	17.5928%		
6	Tier 1 ratio (%)	17.5928%	14.4275%	15.1743%
6b	Tier 1 ratio considering unfloored TREA (%)	17.5928%		
7	Total capital ratio (%)	18.7393%	15.5618%	16.5984%
7b	Total capital ratio considering unfloored TREA (%)	18.7393%		
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)			
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.2500%	1.5000%	1.5000%
EU 7e	of which: to be made up of CET1 capital (percentage points)	1.2656%	0.8438%	0.8438%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	1.6875%	1.1250%	1.1250%
EU 7g	Total SREP own funds requirements (%)	10.2500%	9.5000%	9.5000%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	2.5000%	2.5000%	2.5000%
9	Institution specific countercyclical capital buffer (%)	0.0153%	0.0162%	0.0169%
EU 9a	Systemic risk buffer (%)	1.0000%	1.0000%	1.0000%
11	Combined buffer requirement (%)	3.5153%	3.5162%	3.5169%
EU 11a	Overall capital requirements (%)	13.7653%	13.0162%	13.0169%
12	CET1 available after meeting the total SREP own funds requirements (%)	8.4893%	6.0618%	7.0984%
	Leverage ratio			
13	Total exposure measure	7,411,252	7,781,871	7,437,204
14	Leverage ratio (%)	7.3706%	6.7906%	6.8179%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)			
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.2500%	0.2500%	0.2500%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.1406%	0.1406%	0.0000%
EU 14c	Total SREP leverage ratio requirements (%)	3.2500%	3.2500%	3.2500%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)			
EU 14e	Overall leverage ratio requirement (%)	3.2500%	3.2500%	3.2500%
	Liquidity Coverage Ratio			
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	799,059	843,464	845,174
EU 16a	Cash outflows - Total weighted value	535,455	548,691	539,888
EU 16b	Cash inflows - Total weighted value *	108,520	84,838	90,486
16	Total net cash outflows (adjusted value)*	426,935	463,853	449,402
17	Liquidity coverage ratio (%)*	194.2530%	186.2298%	189.8396%
	Net Stable Funding Ratio			
18	Total available stable funding*	6,468,124	6,432,113	6,126,271
19	Total required stable funding*	4,958,191	5,447,058	5,163,116
20	NSFR ratio (%)*	130.4533%	118.0841%	118.6545%

The form does not provide rows 5a, 6a, 7a, EU 8a, 10, EU 10a, and EU 14d, nor columns b and d, as there is no reporting.

*The LCR and NSFR calculations have been revised as of 31 March 2025. The data for the comparison periods have not been revised to correspond to the new calculation, so they are not comparable with the data for 30 June 2025.

3. Own funds and capital adequacy

3.1 Own funds

At the end of the review period, the capital structure of the Oma Savings Bank Group was strong. Total own funds (TC) were EUR 581.9 (570.0) million, of which Tier 1 capital (T1) accounted for EUR 546.3 (528.4) million. Tier 1 capital consisted fully of Common Equity Tier 1 capital (CET1). Tier 2 capital (T2) EUR 35.6 (41.5) million consisted of debenture loans. Own funds were most significantly increased by the change in the fair value reserve and retained earnings for the 2025 accounting period which are included in the Common Equity Tier 1

capital with the permission granted by the Finnish Financial Supervisory Authority (FIN-FSA). The foreseeable dividends for 2025 have been deducted from the retained earnings based on the Company's dividend policy, in accordance with the European Commission Delegated Regulation (EU) No 241/2014. The assets from the personnel offerings in 2017-2018 are not included in Tier 1 capital. Adjustments required by the EU's capital requirements regulation have been applied to the Common Equity Tier 1 capital.

Own funds (1,000 euros)	30 Jun 2025	31 Dec 2024
Common Equity Tier 1 capital before regulatory adjustments	586,038	563,444
Share capital	24,000	24,000
Reserve for invested unrestricted equity*	206,489	206,306
Fair value reserve	-43,919	-53,068
Other reserves	581	581
Retained earnings	398,888	385,626
Regulatory adjustments on Common Equity Tier 1 capital	-39,784	-35,011
Intangible assets and goodwill	-36,725	-31,806
Value adjustments due to the requirements for prudent valuation and insufficient coverage for non-performing exposures	-3,058	-3,205
Common Equity Tier 1 (CET1) capital	546,254	528,433
Additional Tier 1 capital before regulatory adjustments	-	-
Regulatory adjustments on Additional Tier 1 capital	-	-
Additional Tier 1 (AT1) capital	-	-
Tier 2 capital before regulatory adjustments	35,597	41,544
Debentures	35,597	41,544
Regulatory adjustments on Tier 2 capital	-	-
Tier 2 (T2) capital	35,597	41,544
Total capital (TC)	581,851	569,977

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

The SREP requirement 2.25% set by the Finnish Financial Supervisory Authority (FIN-FSA) based on the supervisory authority's estimate is valid until further notice, but no later than 30 June 2028. The SREP requirement is possible to be partially covered by Tier 1 capital and Tier 2 capital in addition to Common Equity Tier 1. According to the overall assessment based on risk indicators, there are no grounds for applying a countercyclical buffer, and thus the FIN-FSA maintained the requirement of countercyclical buffer at its basic level of 0%. The systemic risk buffer requirement of 1.0%, set by the FIN-FSA for Finnish credit institutions,

strengthens the risk-bearing capacity of the banking sector.

In addition to the capital requirements, the FIN-FSA has imposed an indicative additional capital recommendation for own funds based on the Finnish Act on Credit Institutions for Oma Savings Bank Plc. The indicative additional capital recommendation of 1.0%, to be covered by Common Equity Tier 1 capital, is valid until further notice. Taking into account the indicative additional capital recommendation, the surplus of own funds was EUR 123.4 million in the reporting period.

Group's total capital requirement 30 Jun 2025 (1,000 euros)

Capital	Pillar I minimum capital requirement*	Buffer requirements					Total capital requirement	
		Pillar II (SREP) capital requirement	Capital conservation buffer	Countercyclical buffer**	O-SII	Systemic risk buffer		
CET1	4.50%	1.27%	2.50%	0.02%	0.00%	1.00%	9.28%	288,171
AT1	1.50%	0.42%					1.92%	59,674
T2	2.00%	0.56%					2.56%	79,565
Total	8.00%	2.25%	2.50%	0.02%	0.00%	1.00%	13.77%	427,410

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

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

The minimum requirement for own funds and eligible liabilities (MREL) set by the Financial Stability Authority for Oma Savings Bank Plc under the Resolution Act consists of a requirement based on overall risk (9.5%) and a requirement based on the total amount of liabilities used in calculating the leverage ratio (3.0%). In the situation on 30 June 2025, Oma Savings Bank Group fulfils the set requirement with its own funds. The Financial Stability Authority set an updated level for the Company for the minimum requirement of own funds and eligible liabilities (MREL) on 21 March 2025 and revoked the decision issued on 17 April 2024. According to the new decision, the updated MREL consists of a total risk-based requirement of 20.88% (previously 20.88%) and a requirement based on the total amount of exposures used in the calculation of the leverage ratio, which is 7.89% (previously 7.82%), of which the higher euro requirement must be met and thus corresponds to the total risk-based requirement of 20.88%. The new MREL requirement must be fulfilled at the latest on 17 April 2026 (previously 17 April 2027). In accordance with the financing plan confirmed by the Board of Directors, the Company is preparing to meet the future MREL requirement even before it enters into force.

MREL requirement (1,000 euros)	30.6.2025	31.12.2024
Total risk exposure amount (TREA)	3,104,982	3,662,674
of which MREL requirement	294,973	347,954
Leverage ratio exposures (LRE)	7,411,252	7,781,871
of which MREL requirement	222,338	233,456
MREL requirement	294,973	347,954
Common Equity Tier 1 (CET1)	546,254	528,433
T2 instruments	35,597	41,544
Other liabilities	126,552	169,225
Total MREL eligible assets	708,403	739,202

3.2 Capital adequacy position

The total capital (TC) ratio of the Oma Savings Bank Group was 18.7 (15.6)% at the end of the period. The Common Equity Tier 1 capital (CET1) ratio was 17.6 (14.4)%, exceeding with 6.3 percentage points the minimum level of the medium-term financial goals set by the Board of Directors (at least 2 percentage points above the regulatory requirement).

Risk-weighted assets decreased 15.2% to EUR 3,105.0 (3,662.7) million. The reduction was largely due to a

decrease in exposures. In addition, the CRR3 changes that took effect at the beginning of the year reduced risk-weighted assets. In particular, the risk-weighted amount of operational risk decreased. Oma Savings Bank Group applies the standardised approach in the capital requirement calculation for credit risk and for operational risk the new standardised approach. The capital requirement for market risk is calculated using the standardised approach for foreign exchange position. In November 2024, the Company announced that it will suspend its IRB application process until further notice.

3.3 Leverage ratio

The Oma Savings Bank Group's leverage ratio is presented in accordance with the European Commission Delegated Regulation and the figure describes the ratio of the Group's Tier 1 capital to the total exposures. The Oma Savings Bank Group's leverage ratio on 30 June 2025 was 7.4 (6.8)%.

The Company monitors excessive leverage as part of capital adequacy management process. An internal minimum target level has been set for the Group's leverage ratio as part of risk budgeting included in the overall risk strategy. The Finnish Financial Supervisory Authority (FIN-FSA) maintained the discretionary additional capital requirement, set by its decision on 14 February 2025 based on the Finnish Act on Credit Institutions, for Oma Savings Bank Plc. The discretionary additional capital requirement of 0.25% for the leverage ratio (Pillar II), is valid until further notice as of 30 June 2025, but no later than 30 June 2028. The requirement must be covered by Common Equity Tier 1 capital. The CRR3 regulation obligates the maintenance of a leverage ratio of a minimum of 3%.

4. Credit risk

Credit risk refers to the risk that occurs when the counterparty is unlikely to be able to meet its contractual payment obligations. The Company's credit risk consists mainly of loans granted to private customers, SMEs, housing associations and agricultural and forestry operators. Credit risk and counterparty risk also arise from other receivables, such as those included in the Company's investment portfolio, debt securities and derivative contracts and off-balance sheet commitments, such as undrawn credit facilities and limits, guarantees and letters of credit. The Company calculates the credit and counterparty risk capital requirement using the standardised approach. Credit and counterparty risk represents approximately 88.5% of the Company's risk-weighted items (EUR 2.7 billion).

4.1 Structure of credit risk

The Company's credit risk consists mainly of exposures secured by immovable property, retail exposures and exposures to corporates. Real estate-secured

receivables account for 61.8% of the credit risk, retail liabilities account for 2.8% and corporate receivables account for 4.4%.

Liabilities of private customers and housing associations are mainly covered by housing collateral. The share of housing associations and corporate customers in the loan portfolio has decreased during the early part of the year. At the same time, the share of private customers and agricultural customers has increased. Private customers make up 61.0% of the total loan portfolio. The total loan portfolio has decreased by 5.9% during 2025. The loan portfolio is well-diversified geographically and sector-wise, which reduces the Company's concentration risk.

The Company has reported events related to non-compliance with the guidelines and actions taken as a result in previously published financial statements. The Company has no material exposures outside of Finland. The risks included in the Company's loan portfolio are at a stable level in terms of the Company's annual income level and risk-bearing capacity.

Large Exposures (as set in part four in capital requirements regulation)

Groups (1,000 euros)	Exposure before adjustments	Adjustments	Exposure after adjustments	Share of capital (Tier 1)
Customer group 1	184,166	-70,340	113,826	20.8%
Customer group 2	30,889	-	30,889	5.7%
Customer group 3	38,076	-7,521	30,555	5.6%
Customer group 4	30,560	-992	29,568	5.4%
Customer group 5	28,989	-	28,989	5.3%
Sum	312,680	-78,853	233,827	
Total exposure of customer groups	312,680	-78,853	233,827	

The table shows the total amount of exposure of the five largest customer entities and their share of Tier 1 Equity. Different customer groups include the same individual customer relationships, i.e. the total exposure of different customer groups may include the same individual customer exposure. Total exposure of customer groups is presented on two different lines. The "Sum" line adds up the exposure of all customer entities. The "Total exposure of customer groups" line shows the total amount of exposure so that the individual customer's exposures are calculated only once. Adjustments include acceptable credit risk mitigation techniques and exemptions in accordance with part four.

Group's loan portfolio and expected credit losses by customer group

Credit balance (1,000 euros)	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Sep 2024	30 Jun 2024
Private customers	3,671,986	3,725,373	3,778,191	3,816,144	3,611,537
-Expected credit losses	-30,882	-29,616	-23,237	-20,224	-20,022
Corporate customers	1,194,962	1,283,958	1,356,416	1,415,043	1,291,240
-Expected credit losses	-52,020	-48,015	-35,894	-36,536	-43,623
Housing association	655,548	692,168	712,477	728,701	723,264
-Expected credit losses	-23,575	-24,414	-23,458	-22,602	-16,229
Agriculture	295,225	305,104	311,510	320,280	304,277
-Expected credit losses	-8,712	-8,682	-6,702	-5,030	-3,915
Other	200,444	238,977	239,801	218,322	147,313
-Expected credit losses	-23,665	-23,040	-23,317	-23,007	-6,633
Credit balance total	6,018,165	6,245,580	6,398,396	6,498,489	6,077,630
Expected credit losses total	-138,854	-133,767	-112,608	-107,399	-90,423

During the reporting period, the number of expected credit losses increased and was EUR 27.5 million. The amount has been affected by additional allowances based on the management's judgement during the first quarter, the updated ECL model, the status transitions to stage 3 and the credit risk increase.

The impairment losses on financial assets were in total EUR 31.4 million. During the reporting period, a total of EUR 6.9 million on impairment losses on financial assets have been recorded in relation to non-compliance with the guidelines. Impairment losses on financial assets amounted to EUR 9.1 million in the second quarter. At the end of the reporting period, the Company has additional allowances and fair value adjustments based on the management's judgement totalling EUR 2.6 million. The ECL model's forward-looking variables were updated during the second quarter due to the updated forecasts concerning the Finnish economy.

The share of non-performing exposures of total loan portfolio increased and was 8.4 (6.5)%. The proportion of the portfolio of non-compliance with the guidelines was 3.0 (2.4)%. The Company monitors the development of possible payment delays and repayment exemption applications as well as the development of values of collaterals.

The share of matured exposures (30–90 days) of the credit portfolio was 0.5 (0.8)% during the period under review.

Under certain circumstances, when a debtor faces financial difficulties, the customer can be granted concessions from the original loan terms in the form of deferred amortisation or loan rearrangement to ensure the customer's ability to pay and avoid potential credit losses.

Granting forbearance requires that the customer's financial difficulties are short-term and temporary. The share of the Group's forbearances of the credit portfolio increased and was 2.9 (2.5)%. The proportion of the portfolio related to non-compliance with the guidelines was 0.3 (0.2)%.

Matured and non-performing exposures and forbearances

(1,000 euros)	30 Jun 2025	% of credit portfolio	31 Dec 2024	% of credit portfolio
Matured exposures, 30-90 days	32,349	0.5%	54,513	0.8%
Non-matured or matured less than 90 days, non-repayment likely	238,257	3.9%	257,430	4.0%
Non-performing exposures, 90-180 days	57,930	1.0%	41,407	0.6%
Non-performing exposures, 181 days - 1 year	113,934	1.9%	75,955	1.2%
Non-performing exposures, > 1 year	99,610	1.6%	45,150	0.7%
Matured and non-performing exposures total	542,080	9.0%	474,455	7.4%
Non-performing exposures total	509,731	8.4%	419,942	6.5%
of which portfolio related to non-compliance with the guidelines, total	180,350	3.0%	153,091	2.4%
of which other portfolio, total	329,380	5.5%	266,851	4.2%
Performing exposures and matured exposures with forbearances	93,122	1.5%	86,909	1.4%
Non-performing exposures with forbearances	81,931	1.4%	72,021	1.1%
Forbearances total	175,054	2.9%	158,930	2.5%
of which portfolio related to non-compliance with the guidelines, total	17,259	0.3%	10,214	0.2%
of which other portfolio total	157,794	2.6%	148,716	2.3%

Figures include interest due on items.

Mortgage bank's LTV distribution

LTV	30 Jun 2025	31 Dec 2024	30 Jun 2024
0-50%	26.2%	25.3%	24.7%
50-60%	13.9%	13.3%	12.7%
60-70%	18.5%	18.3%	18.1%
70-80%	16.9%	16.8%	17.2%
80-90%	13.4%	14.3%	14.5%
90-100%	11.2%	11.9%	12.7%
>100%	0.0%	0.0%	0.0%
Total	100%	100%	100%

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

4.2 Credit risk management

4.2.1 Credit risk management systems

The key principles and goals of credit risk management and the credit risk management procedures are set in the credit risk strategy, which is approved by the Company's Board. Good credit risk management requires procedures for identifying, measuring, limiting, monitoring and controlling credit risks. The credit risk strategy applies the risk management framework and limit framework described in the Company's risk management strategy, according to which risk appetite determines the thresholds, limits and target levels specific to the risk type.

The development of credit risks is monitored regularly using different methods. Credit risk monitoring takes into account, for example, the quality, structure, credit shortfall development and watchlist customers. Watchlist customers refer to customers whose credit rating is

weak or deteriorated, and who for this reason are placed under enhanced monitoring.

Reporting of credit risk position to the Board is regular. Reporting includes monitoring limits, as well as monitoring the development of the quantity and quality of the loan portfolio. These include the amount of insolvent receivables, collateral risk and the development of the credit portfolio and the quality, return and growth targets set for the credit portfolios, among other things. In addition, the 15 largest customer entities are reported to the Board once a year.

The structure of the credit portfolio is monitored by customer groups and industry divisions of corporate customers. Risk concentrations arise, among other things, if a loan portfolio contains a large amount of loans to a single counterparty or to groups consisting of individual counterparties, specific industries or geographical areas. Sufficient diversification of loan maturities and products/instruments is also monitored regularly.

Industry breakdown of loan portfolio (excluding private customers)

Industry	30 Jun 2025		31 Dec 2024	
	Credit balance	Collateral gap	Credit balance	Collateral gap
Real Estate	46.7%	11.5%	46.1%	11.9%
Agriculture, forestry, fishing industry	12.2%	11.4%	11.6%	11.1%
Finance and insurance	6.1%	39.7%	6.7%	32.3%
Construction	6.0%	22.9%	5.9%	26.1%
Trade	5.5%	38.5%	6.3%	39.6%
Professional, scientific and technical activities	3.7%	24.7%	3.9%	20.2%
Industry	3.3%	24.9%	3.3%	27.1%
Transportation and storage	2.7%	12.2%	2.6%	9.6%
Accommodation and food service activities	2.6%	12.1%	2.6%	12.4%
Art, entertainment and recreation	2.4%	19.8%	2.1%	22.3%
Other lines of business, total	8.6%	23.5%	8.9%	24.8%
Total	100%	17.6%	100%	17.9%

In addition to private customers, the four largest industries are real estate, agriculture and forestry, finance and insurance, and construction. The development of the sectors in question are regularly monitored and reported to the Company's management and Board.

The monitoring takes into account, among other things, the development of the loan portfolio, changes in credit ratings, the development of the collateral gap and the development of defaulters. The situation of concentration risks is also regularly monitored through broader industry-specific monitoring. In addition, the development of the amount of expected credit losses is monitored.

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

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

4.2.2 Collateral management

Credit decisions are primarily based on the debtor's debt servicing capability, but credit risk collateral is also relevant as the collateral secures the repayment of the debt. Assessment of collateral and the use of covenants is instructed by the Company in the credit risk management guidelines. For the types of collateral, there are valuation percentages established by the Board according to the categories of collateral, and collateral is assessed conservatively at fair value. The collateral is assessed independently and separated from the rest of the business. The collateral assessment and monitoring are carried out by a separate collateral assessment unit. The value of the collateral is

determined by an internal or external valuer who uses statistical models to support the assessment. Development of the collateral value is regularly monitored as part of credit control. Housing collateral price developments are monitored quarterly and commercial property prices annually.

The Company's collateral deficit (after securing collaterals) has increased slightly during the period under review. The maximum loan-to-value ratio measures the ratio of the amount of the remaining loan to the collateral of the loan.

4.2.3 Credit risk adjustments

The majority of the Group's specific credit risk adjustments is calculated using the expected credit loss model in accordance with IFRS 9 Financial Instruments (ECL, expected credit loss). The ECL model estimates the final credit loss resulting for the Company after the collateral used for the loan has been realised. In addition, credit risk adjustments that cannot be allocated to an individual exposure are recognised as an impairment on an asset per asset group. The Company's credit portfolio is divided into the following calculation portfolios based on the PD (Probability of default) parameter calculated for the customer:

- Private customers
- SME customers
- Agricultural entrepreneurs
- Housing companies
- Others

The portfolios of private and SME customers make up the two clearly largest calculation portfolios. Private customers' portfolio includes liabilities for which the PD value has been modeled using the private customer classification method. The portfolio of SME customers includes all corporate liabilities for which the PD value is modeled using the SME classification method. If the PD value cannot be calculated for the liability using the two methods mentioned above, the portfolio of the liability is determined according to the customer's sector and industry code.

For other agricultural entrepreneurs, the PD value is determined according to the average insolvency frequency calculated from the history of the agricultural entrepreneurs' counterparties. For other housing companies, the calculation principle is similar. The remaining counterparties go into the "Others" portfolio and are assigned values calculated from the average PD values of the SME and private customer's counterparties in stages 1 and 2.

The calculation of the expected credit loss for each portfolio is based on the Exposure at Default (EAD), Probability of Default (PD) and the Loss Given Default (LGD). The Company uses the recorded customers' repayment behaviour data, customer-specific ratings and loan-specific collateral values as the basis for determining the parameters. In determining the values of the PD and LGD parameters, macroeconomic forecasts concerning the future development of the Finnish economy are used.

The Exposure at Default (EAD) is the amount of exposure at the reporting date. Calculation of the EAD takes into account the payments to the loan as stated in the payment plan. However, certain financial instruments include both a loan principal and an undrawn portion of a loan commitment. The undrawn portion of a loan is taken into account in the exposures for the total limit granted. In the case of limit receivables, the so-called CCF (Credit Conversion Factor) factor is also used in the EAD calculation to take into account the unused limit. The LGD (Loss Given Default) caused by insolvency describes the share of expected credit loss of the loan principal at the time of default.

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

4.3 Counterparty risk

Counterparty risk results in connection with the investment of liquid assets and asset management, from large individual customer entities and sector concentrations. Derivatives are used only for hedging purposes. The derivatives are subject to daily collateral settlements in accordance with the ISDA/CSA for each counterparty.

5. Market risk

Oma Savings Bank Group does not have market risk pursuant to Pillar I, but market risk results from fluctuations in the market prices of investment portfolio securities and the interest rate risk in the banking book.

5.1 Interest rate risk

The interest rate risk in the banking book forms the majority of the Company's interest rate risk. The interest rate risk results from differences in the interest rate levels and maturities of assets and liabilities. In line with the Company's business model, the majority of lending is linked to variable market rates, with borrowing being mainly fixed rate. Due to the structure of the Company's balance sheet, the net interest income decreases as market interest rates fall and increases as market interest rates rise. In addition, market interest rates affect the market prices of the securities in the investment portfolio. The amount of interest rate risk is reported regularly to the Board of Directors, which has set an upper limit for the interest rate risk.

The interest rate risk arising from the structure of the balance sheet is mainly hedged by interest rate swaps, which balance the interest margin as market interest rates fall. The Company can acquire hedges to manage its deposit funding and bond interest rate risk.

Moreover, the Company uses interest rate swaps to protect against fluctuations in the value of the market interest rates of the investment portfolio. In addition to interest rate swaps, the Company uses interest rate risk mitigation measures agreed with corporate customers to prevent interest rate reductions in loan agreements. The Company's systematic interest rate risk management balances the interest rate bases on receivables and liabilities and reduces fluctuations in interest margin as market interest rates change.

During the first half of the year 2025, the European Central Bank lowered the deposit facility rates by a total of 1.0 percentage points, which was reflected in decreased Euribor rates in the market. The Company's interest rate risk position remained stable despite the impact of the change in market interest rates on net interest income and interest rate sensitivities. The

Company's systematic interest rate risk management has mitigated interest rate sensitivities and will smooth interest margin fluctuations in the coming years.

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

Net interest income (NII) (EUR mill.)	30 Jun 2025	30 Jun 2024
+100bps	-0.6	8.5
-100bps	-3.1	-8.4

Economic value (EV) (EUR mill.)	30 Jun 2025	30 Jun 2024
+100bps	-33.7	-9.5
-100bps	14.7	13.2

The interest rate risk to the Company is mainly measured and modelled using net interest income and current value accounting.

In the interest margin calculation, the Company's expected net interest income at the current interest rate level is compared to income under various interest rate shock scenarios. The current value accounting examines the changes in the net value of balance sheet items as interest rates change during their remaining lifetime. Profit-based analysis measures the future expected changes in profitability resulting from interest rate movements in different scenarios.

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

Interest rate sensitivity analysis can help to predict the impact of change in interest rates on the current value of expected future net interest income. Calculations are based on the repayment of loans based on known amortisation plans and different growth and interest rate forecasts for different balance sheet items. The Company also evaluates several other scenarios, in

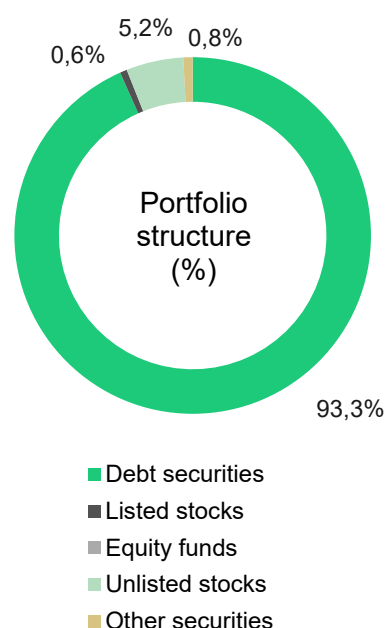
which, for instance, an exceptional amount of loans is paid early or an exceptional amount of undated deposits are with-drawn. The calculations also take into account the impact of particularly exceptional interest rate changes on the development of net interest income. Changes in exchange rates do not cause significant variation in net interest income as the Company's amount of foreign exchange risk is low.

5.2 Spread risk

The Company is subject to spread risk due to the fluctuations in the market prices of the investment portfolio's bonds. The spread risk is related to the credit ratings of the instruments' issuers and the markets' general sentiment towards credit risk-linked instruments. Spread risk is managed by, among other things, decentralising the content of the investment portfolio to a sufficient extent. Diversification of investments reduces the risk of concentration arising from individual investments. In accordance with the Company's investment strategy, the liquidity buffer is hedged with interest rate derivatives to smooth the variation in the price of securities. The Company regularly monitors the market values of securities acquired for investment purposes and the cash flows related to their transactions.

The Company's liquidity buffer investments are mainly in government bonds with a good rating and covered bonds, whose price changes are, for example, more moderate than the corporate loan market. Taking into account the positive impact of the market interest rates on the bonds' value, the development of the entire investment portfolio has remained in line with expectations. The Company's investment portfolio mainly consists of low-risk interest rate investments, as High Yield bonds make up a very small part of the portfolio and the other bonds are Investment Grade bonds for EU countries. In addition to this, the Company complies with counterparty risks approved by the Board of Directors, which are reported together with the composition of the investment portfolio to the Company's management on a regular basis. On 30 June 2025, the market value of the investment portfolio was EUR 508 million.

The Company's spread risk is calculated regularly using an internal calculation model and the amount of spread risk is reported regularly to the Board of Directors. The calculation model is based on the Value at Risk (VaR) model, which calculates the maximum loss at a 95-percent confidence level on a 12-month horizon. In addition, the allocations used in the model are monitored regularly to avoid tail risk. Separate monitoring limits and a maximum amount are set for VaR risk.



6. Operational risk

Operational risk means a consequence or risk of loss resulting from inadequate or deficient internal processes, systems or people or external factors. Legal risks, compliance risk, information security risks, and risks related to money laundering and the funding of terrorism are also included in operational risk, which may also include reputational risk. Outsourced functions also generate operational risk.

Operational risk forms a significant risk area for the Company. It is typical for the operational risk that any losses resulting from the risk are not always easy to measure. Reasons for this may include the delay in the realisation of the risk or the fact that the risks do not materialise as economically measurable losses.

Oma Savings Bank Plc's most significant sources of operational risk are cyber risks, communication and system failures. In addition, fraud and scams have been identified as sources of operational risk, as well as the quality of customer information related to knowing the customer.

Oma Savings Bank Plc has further intensified its preparedness for information security and security threats due to the tightening global security situation. There have been attacks, but they have not caused any significant harm to customers during the review period. The Company has reminded its customers of scams and phishing campaigns and their identification. Special attention will continue to be paid to business continuity and risk management.

Oma Savings Bank Group calculates the operational risk in accordance with Pillar I, using the standardised approach for the capital adequacy approach. This amount was in 2024 EUR 335.5 million, of which the requirement of own funds was EUR 26.8 million. The decrease was mainly due to the new calculation method introduced by CRR3.

Operational risk

(1,000 euros)	30 Jun 2025
Business indicator	223,693
Requirement for own funds of operational risk	26,843
Risk-weighted amount of operational risk	335,540

Operational risk management is part of the Company's risk management aimed at reducing the likelihood of unforeseen losses or threatening the Company's reputation. Operational risk management ensures that the Company's values and strategy are implemented throughout the business.

Operational risk management covers all material risks related to the business.

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

As part of operational risk management, the Company aims to reduce the likelihood of operational risk through its internal code of conduct and by training personnel. The control points defined for the processes and internal control are also a key component of preventing operational risk. The Company also reduces the impact of operational risk by maintaining insurance against various damaging events. Every employee is responsible for operational risk management in his/her work. Materialised operational risks are reported to the management team of the business unit.

New products, services and suppliers of outsourced services are approved separately by the Company's separate approval process before implementation. The approval process ensures that the risks associated with new products and services are properly identified and assessed. The same approval process is also applied when existing products are developed. Monitoring, control and reporting of operational risks are handled by the Company's risk control.

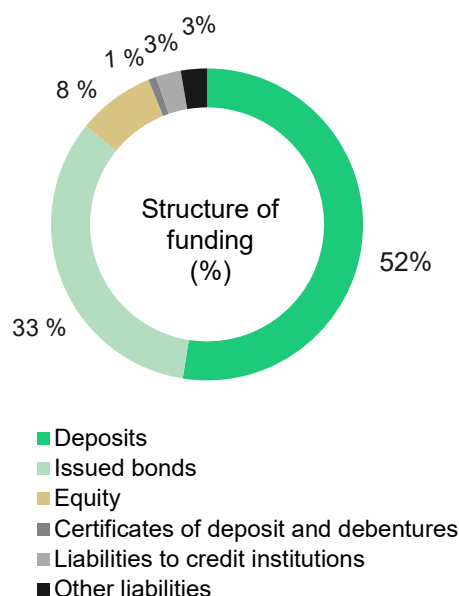
At least annually, the Company's management receives the business units' risk assessments and a report on the realised risks, on the basis of which a separate risk matrix is compiled and reported to the Board. The created process allows the Board to form an overall picture of the operational risks to the business and their potential effects on the Company. Through the risk identification process, the Board can decide on risk management measures and priorities regarding operational risk.

7. Liquidity risk

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

Liquidity risk is measured in the short and long term by monitoring the structure of the liquidity reserve and long-term liabilities. At the end of June 2025, the Group's liquidity coverage ratio (LCR) remained at a good level standing at 295.9% (160.3%), when the minimum LCR level is 100%.

Another significant key figure in terms of liquidity management is the Net Stable Funding Ratio (NSFR), increased compared to the turn of the year and was 130.5 % (118.1%) at the moment of review. The binding requirement for net stable funding ratio is at least 100%.



In May 2025, S&P Global Ratings affirmed a credit rating of BBB for the Company's long-term issuer credit rating and AAA for the Company's bond program. The short-term issuer credit rating of the Company has been confirmed at level A-2.

LCR & NSFR development

	30 Jun 2025	31 Dec 2024	30 Jun 2024
LCR (%)*	296%	160%	199%
NSFR (%)*	130%	118%	119%

*The Company has refined the LCR and NSFR calculations as of 31 March 2025. Changes in the interpretation of calculation parameters that improve the key figures have been specified. The key figures for the comparison periods have not been revised to correspond to the new calculation, so they are not comparable with the key figures on 30 June 2025.

The Company's liquidity is monitored daily by the Company's Treasury unit. The main objective of the Treasury unit is to ensure that the liquidity position always remains above the regulatory and internally set thresholds. The unit monitors and measures the amounts of incoming and outgoing cash flows and assesses the presence of potential funding shortfalls during the day. The key liquidity ratios are reported to the Board of Directors and management on a regular basis. In addition, internal models for calculating liquidity risk are assessed at least once a year by risk control.



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