Annual Report
2022

Contents




OmaSp in Brief

Sustainability

Corporate Governance

Financial Statements

OmaSp in Brief

Profitable growth continued in 2022

OmaSp's business development has continued to be excellent. The general rise in interest rates, in addition to volume growth, has further accelerated the development of net interest income. Also the fee and commission income grew strongly, and the growth was 17% compared to the previous year. Development of fee and commission income slowed towards the end of the year as credit demand moderated due to general economic uncertainty.

Net interest income

+31%

For the full year, profit before taxes was EUR 69.2 million. Full year comparable profit before taxes increased 43% to EUR 75.9 million, an increase of nearly EUR 23 million from the comparative period. Comparable return on equity (ROE%) rose to 15.8%. Balance sheet total increased by almost EUR 600 million during the financial year and was EUR 5.9 billion at the end of the year.

OmaSp is well prepared for the uncertainty in the operating environment

We have continued to prepare for the uncertainty of the operating environment by strengthening the bank's liquidity and capital buffers. The direct effects of the Russian invasion war on the bank's operations have mainly been seen in the functioning of the refinancing market and in the general economic environment in the form of an acceleration of inflation and a rise in interest rates. The quality of the loan portfolio has remained at a good level and the accumulation of credit losses has remained low.

Comparable profit before taxes

+43%

Investments continued to ensure future competitiveness

At the beginning of the year, we entered into a long-term collaboration with Kyndryl-Samlink for IT services. They have strong expertise in developing financial IT services and through cooperation we aim to achieve for an even more modern and cost-effective IT environment. We have continued to develop digital services and introduced new features to mobile banking.

We continued investments to ensure future competitiveness and our investments in customer experience. The business transferred from Eurajoen Savings Bank was successfully integrated into OmaSp during the first quarter. The extensive expansions of Helsinki and Tampere branches were completed in late spring. In late autumn, we opened a new branch in Espoo in shopping center Iso Omena, one of Finland's busiest shopping centers. In addition, we opened the second full-service branch in Tampere in Lielahti.

Prospects for growth and increasing dividend

The unique combination of growth and profitability can be seen in the strong accumulation of equity, which enables increasing profit distribution to the owners, as well as investments to enable success also in the future.

Constantly strengthening ability to generate profit enables a growing dividend for the owners for the sixth year in a row. The dividend proposal for the spring general meeting is EUR 0.40 per share.

We're going from excellent starting points to 2023. A solid foundation for profitable growth is created by excellent customer and personnel satisfaction. Preparations for the application of the IRB method in capital adequacy calculation are continuing as planned, and it will enable capital utilization to be enhanced in the coming years. The largest business arrangement in our company's history with Liedon Savings Bank will be completed in early March 2023. With the acquisition, our position will be significantly strengthened in Southwest Finland.

Comparable ROE

15.8%

The importance of the bank's strong financial position is highlighted especially in uncertain times. In line with our earnings guidance, we expect OmaSp's profitable growth to remain strong and for 2023, the goal is to achieve EUR 100 million mark for comparable profit before taxes.

Warm thanks to all customers, personnel, owners and partners for 2022!

Pasi Sydänlammi
CEO

Investor information

Capital and Risk Management Report 2022

Oma Savings Bank Plc's internal control, risk management and risks are described in more detail in the Capital and Risk Management Report 2022, published as a separate report. The report is available on the company's website **www.omasp.fi/investors**

Share Register

The shares of Oma Savings Bank Plc are maintained by Euroclear Finland Oy. Issues relating to share information are managed by Oma Savings Bank Plc Helena Juutilainen, Chief Legal Officer, phone +358 40 580 6401.

Calendar 2023

30 March	2 May	31 July	30 October
Annual General Meeting 2023	**Interim Report** January–March 2023	**Interim Report** January–June 2023	**Report** January–September 2023

Annual General Meeting 2023

Oma Savings Bank Plc's Annual General Meeting will be held on Thursday 30 March 2023 at 13 pm Finnish time at Musiikkitalo, Mannerheimintie 13 A, Helsinki.

Shareholder, who is registered in the company's register of shareholders maintained by Euroclear Finland Ltd as at 20 March 2023, has the right to participate in the Annual General Meeting. A shareholder, whose shares are registered in his/her personal Finnish book-entry account, is registered in the shareholder's register of the company.

Shareholders whose shares are registered in their personal Finnish book-entry account are registered in the company's register of shareholders and who wish to participate in the Annual General Meeting must register their intention to attend by 4.00 pm. on 23 March 2023, at the latest.

The AGM notice including all resolutions of the AGM, is available on Oma Savings Bank Plc's website at **sijoittaminen.omasp.fi/agm-2023**

Key figures

Net interest income — **104.9**
Accounting period 1–12/2022 — **(EUR mill.)**

* Personnel survey 12/2022.
** Parasta palvelua 12/2021 -customer survey.

Profit before taxes — **69.2**
Accounting period 1–12/2022 — **(EUR mill.)**

Number of employees — **352**
Average, accounting period 1–12/2022

Comparable profit before taxes — **75.6**
Accounting period 1–12/2022 — **(EUR mill.)**

Employee satisfaction — **4.5/5**
Satisfaction in the company as a whole. *

Comparable cost/income ratio — **48.0%**
Accounting period 1–12/2022

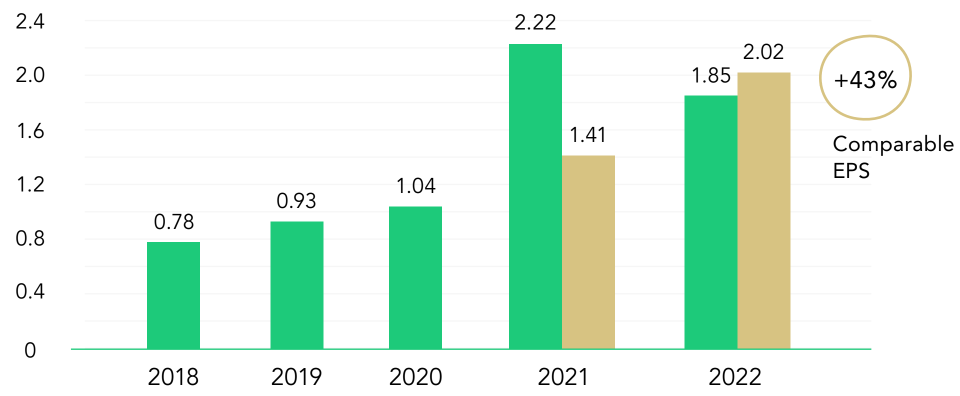
Customers — **160,000**
Private customers 83%, corporate customers 17%

Balance sheet total — **5,941.8**
Accounting period 1–12/2022 — **(EUR mill.)**

Customer satisfaction — **4.3/5**
Satisfaction in the company as a whole. **

Rate development of Oma Savings Bank share 3 January 2022 – 30 December 2022

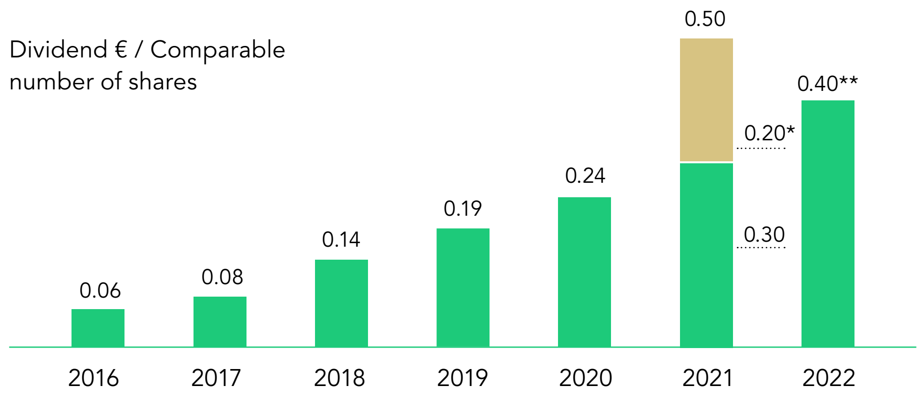
Earnings per share of Oma Savings Bank (EPS)



Number of shares outstanding changed following the listing (pcs) in

2018 25,822,093, **2019** 29,585,000, **2020** 29,585,000, **2021** 29,773,517**, 2022** 29,990,687

Development of Oma Savings Bank dividend



*Additional dividend confirmed by the AGM

**The Board's proposal for the 2022 dividend

Financial goals

10–15%

Growth

10–15% annual growth in total operating income under the current market conditions

<45%

Profitability

Cost/income ratio less than **45%**

>10%

Return on equity (ROE)

Long-term return on equity (ROE) over **10%**

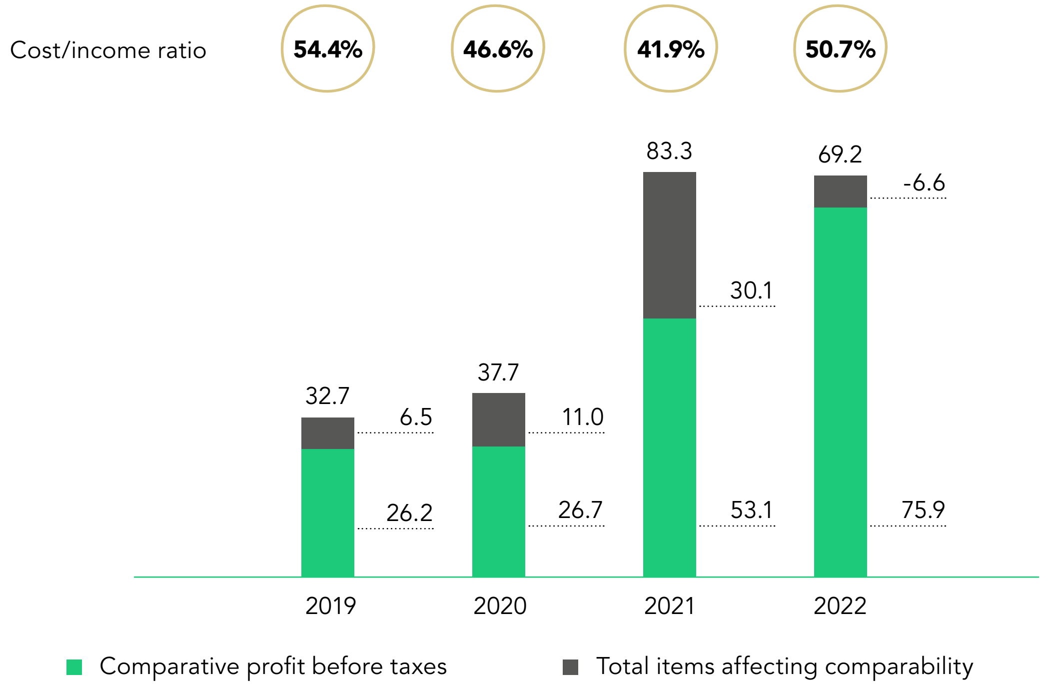
14%

Capital adequacy

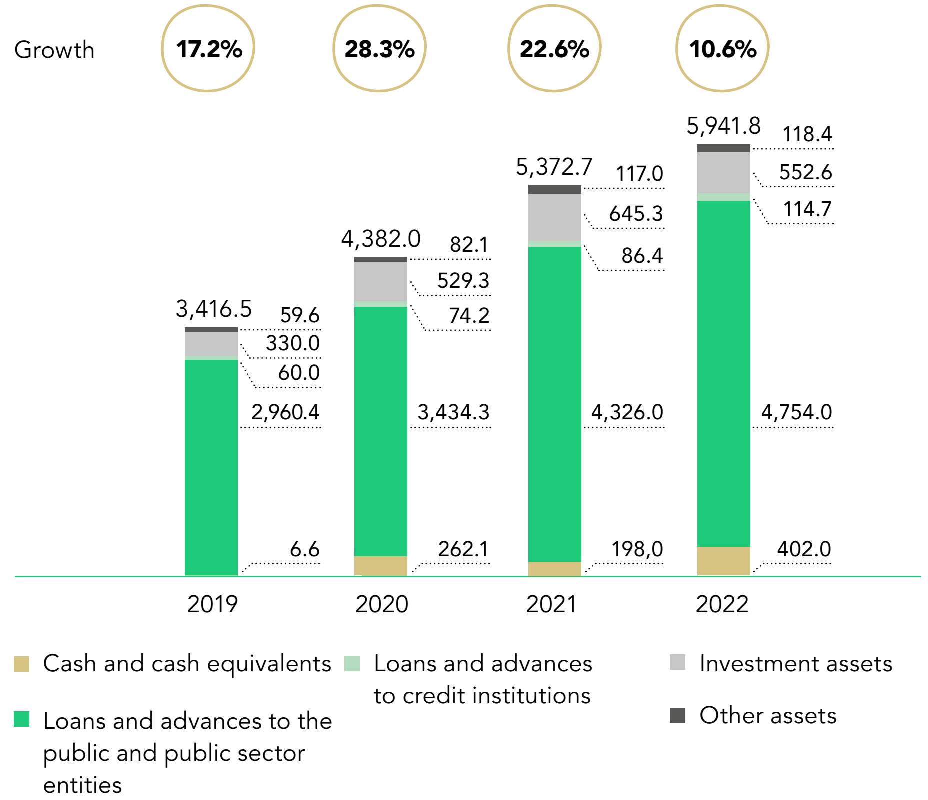
Common equity tier 1 capital (CET1) at least **14%**

A profitably growing Finnish bank

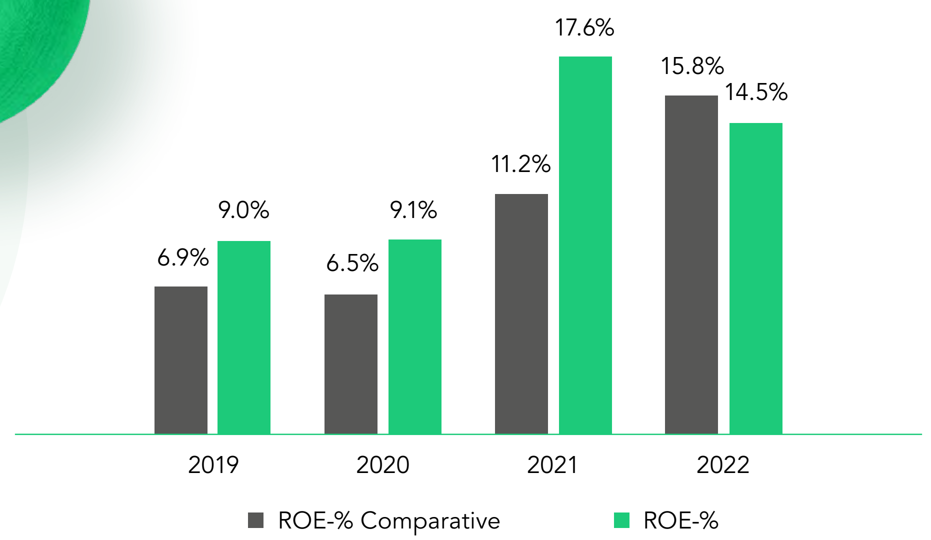
Profit before taxes, EUR mill.



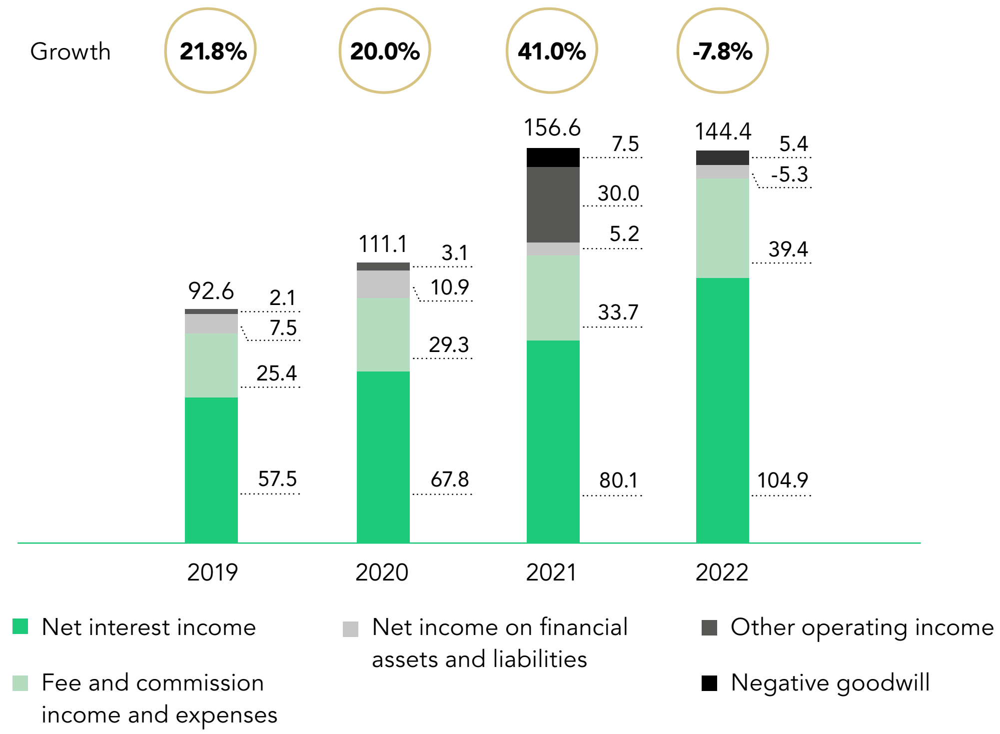
Balance sheet total, EUR mill.



Return on equity (ROE) %

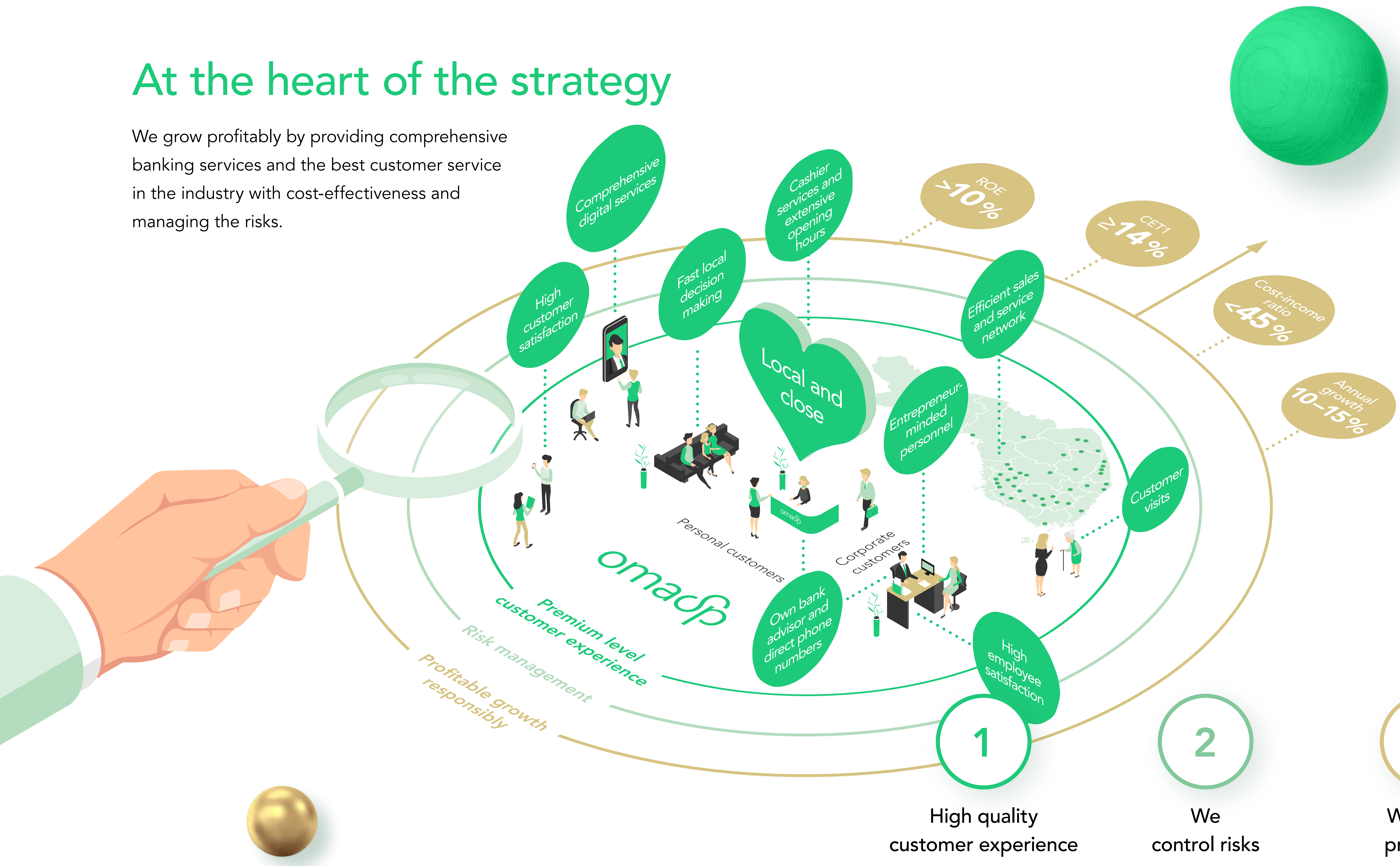


Total operating income, EUR mill.



At the heart of the strategy

We grow profitably by providing comprehensive banking services and the best customer service in the industry with cost-effectiveness and managing the risks.



1 High quality customer experience

Local and close.
Highest customer satisfaction and referral rate in the industry.

2 We control risks

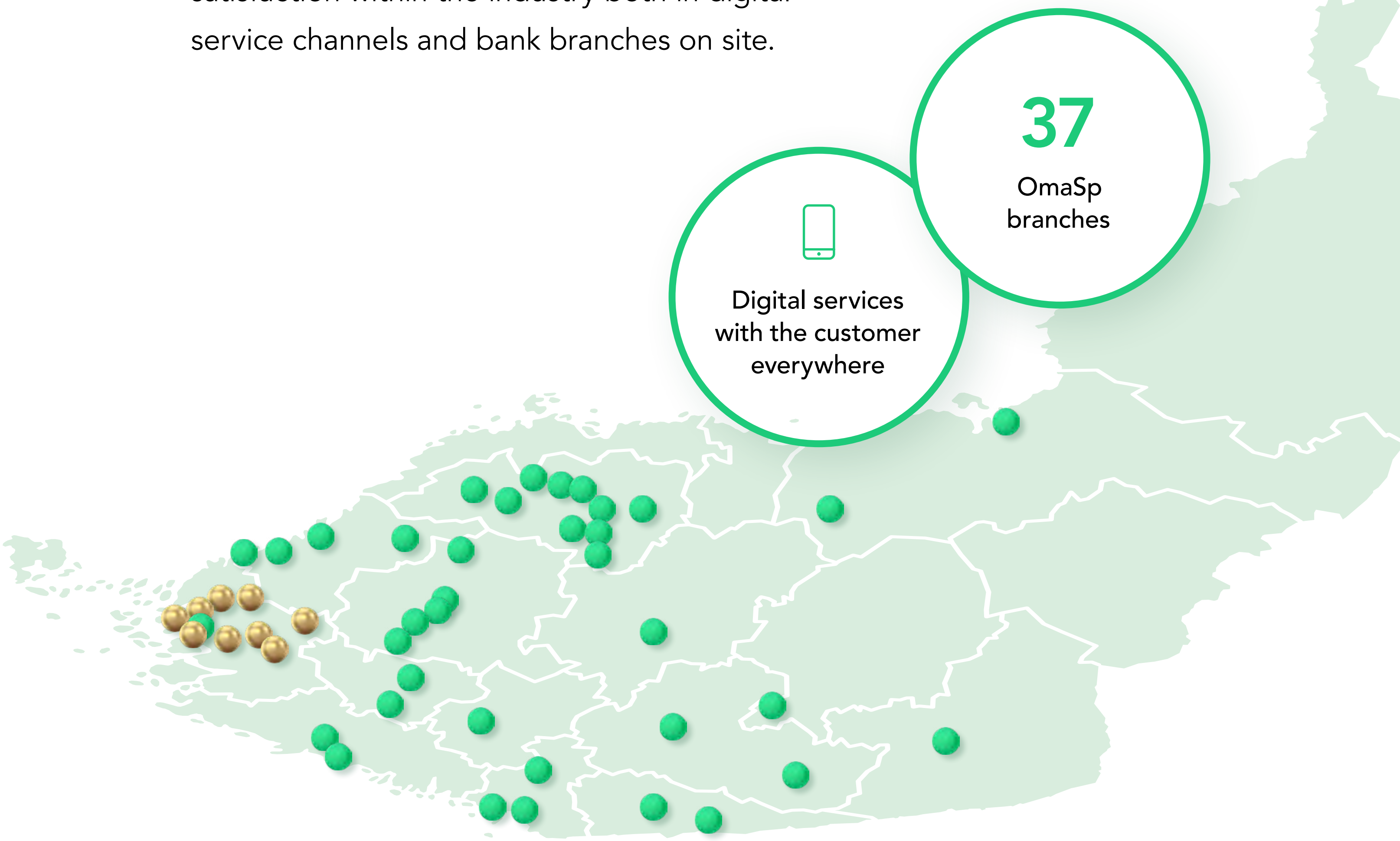
Credit policy, financial soundness, solvency and systematic risk management processes.

3 We grow profitably

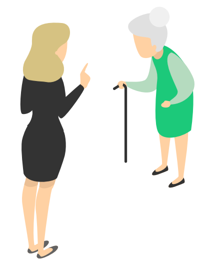
Excellent, flexible customer service and efficiency in all operations.

Efficient sales and service network

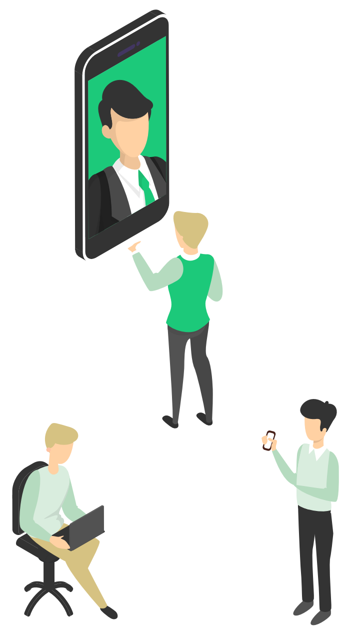
Our goal is to offer the best local banking service local and close to you. Our goal is a high level of service experience and the highest customer satisfaction within the industry both in digital service channels and bank branches on site.



- Own banking advisor and direct phone numbers
- Loan decisions locally
- Customer visits



- Extensive opening hours in branches
- Cash service every weekday



- OmaVahvistus & OmaAllekirjoitus mobile applications
- OmaMobiili mobile bank
- Customer service, call center
- Online conferencing service
- Online bank
- Chat
- Google Pay & Apple Pay
- OmaPostilaatikko mailbox & OmaVara

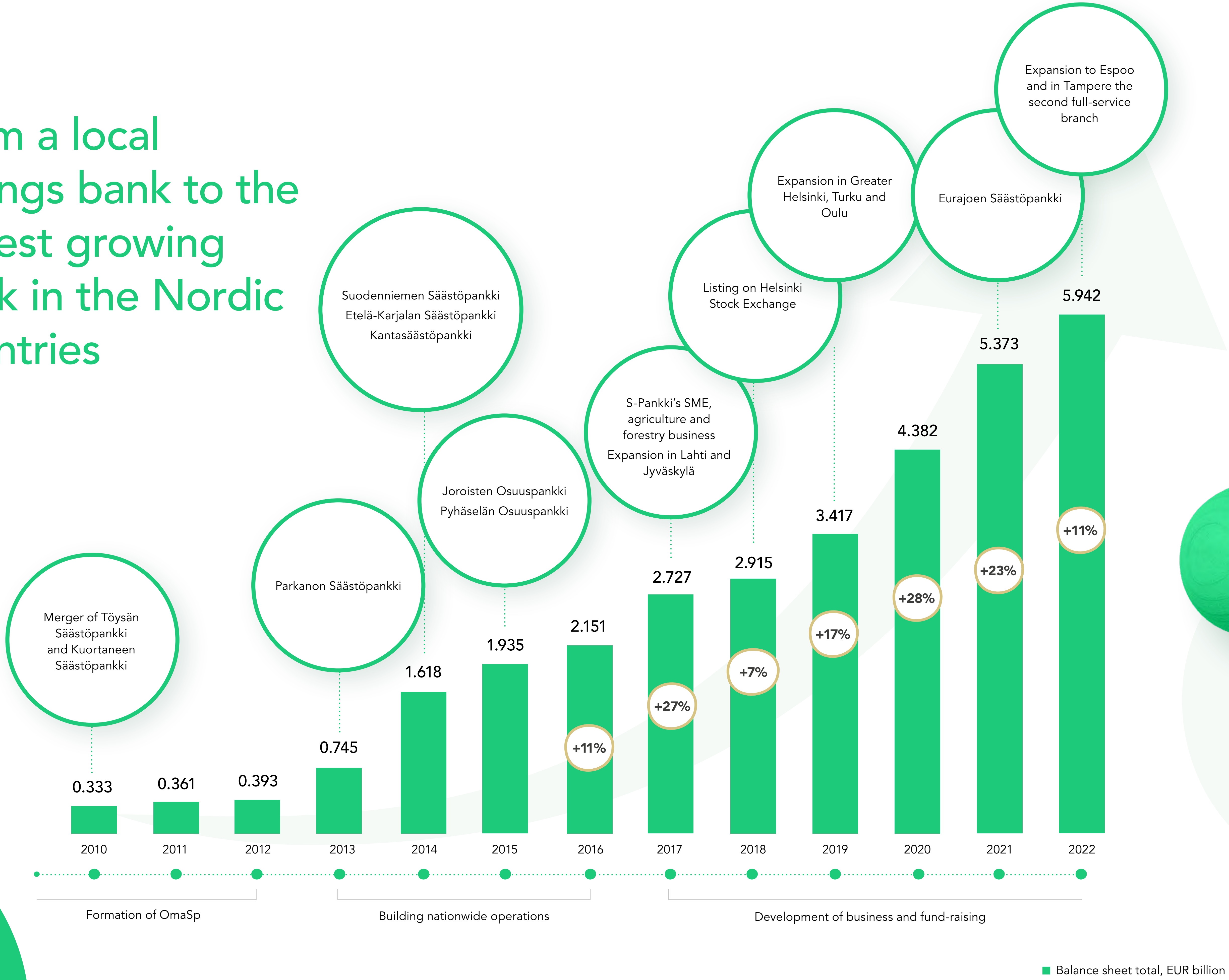
Liedon Savings Bank and its 9 branches will merge into OmaSp on 1 March 2023.

Comprehensive banking services

At the heart of the service are daily banking services and lending designed for private and corporate customers. We also offer financing, savings, investment services and legal advisory services.

	Services for private customers	Services for corporate customers
Daily banking	Accounts, payment cards, cashier and payment services, and comprehensive digital services.	Corporate accounts, payment, invoice and payment transaction services, money services, corporate netbank and other digital trading services.
Loans, financing and lending	A broad selection of loans from home loans to consumer credits and payment cards with credit facilities. Guarantee solutions also in collaboration with partners.	Extensive financial services for financing business and investments, bank guarantees as well as commercial guarantee products from the cooperation network.
Saving, investments and asset management	An extensive range of savings products from savings accounts to ASP accounts and time deposits, share basket-linked deposits and various types of insurance savings solutions. Funds and asset management together with Sp-Fund Management Company and Sp-Life Insurance.	An extensive range of savings products from savings accounts to time deposits, share basket-linked deposits and various types of insurance savings solutions. Group pension insurances, capitalization agreements and asset management capitalization in cooperation with Sp-Life Insurance.
Loan insurance	Mortgages and consumer credit, together with AXA and Insurance Company Garantia and Sp-Life Insurance.	To reduce the company's personnel risks.
Legal advisory services	Inheritance and family-related legal matters.	For example establishing a company, taxation and generational handovers.

From a local savings bank to the fastest growing bank in the Nordic countries



Sustainability Report

Sustainability Report 2022

Sustainability is one of the basic pillars of Oma Savings Bank Plc. It is at the heart of our business and an important part of our future operations. We have reported on our sustainability since 2019. With our updated sustainability programme, we aim to deepen and advance our sustainability efforts to proactively meet ever-tightening requirements.

Our sustainability efforts are based on our company's values and Code of Conduct, stakeholder expectations and megatrends that affect our operations. Based on these, we have determined three key sustainability themes for the company: we are local and close to people, we promote collective well-being and we contribute to sustainable development.

This report is a synthesis of our sustainability efforts in 2022. In the report, we examine the impacts of our operations on the environment, people and society, following the principles of due diligence and double materiality. The sustainability programme and report have been prepared in accordance with the GRI standards.

Sustainability is at the heart of OmaSp

Banks have always played an important role in building Finnish welfare. We contribute to producing essential basic services and providing opportunities for citizens, companies and organisations. Sustainability also means complying with the common practices in the sector, legislation, regulations and sustainable development principles.

OmaSp's sustainability programme is based on our values, Code of Conduct, stakeholder expectations and megatrends in the operating environment. Satisfied customers are at the heart of our strategy. Our goal is to achieve the highest level of customer satisfaction in the sector by being present in our customers' lives. A key to success is the mindset of our enterprising and motivated personnel.

OmaSp is Finnish and Finland's largest Savings Bank. Our history in banking goes back 148 years. We are strongly committed to our customers, personnel and operating environment, contributing to building an economically, socially and environmentally sustainable society. We actively promote and develop the vitality of local and regional communities by offering jobs outside urban areas and by financing local private and corporate customers. We support a local community spirit and well-being at our branch locations and the surrounding areas by organising events or participating in local events. Our personnel is our most important resource, which is why we want to take care of our employees' satisfaction and physical and mental well-being. Thriving personnel and satisfied customers lay the foundation for our bank's progress and success. A significant part of OmaSp's profit is put back into communities near our customers and for purposes of general interest through the OmaSp foundations and co-operatives that support the well-being, economy and vitality of their catchment areas. They annually distribute grants and subsidies that support, for example, economic education, research, children's sports, youth work, culture and nature conservation.

In the sales of products and services, sustainability shows in taking responsibility for the customer's financial well-being. We do this by, for example, focusing on granting secured loans to solvent clients, providing tips on prospering or taking care of maintaining a client's solvency in the event of unemployment or illness through loan insurance. Our choices of marketing and trade fair products have been geared towards the use of recycled materials or biomaterials for several years. In 2020, we switched over to green electricity in our office premises. Since the majority of our carbon footprint emissions stem from purchased services, we have set sustainability requirements for our partners.

We promote the well-being and financial literacy of children and adolescents through our involvement in various programmes that teach financial literacy, such as the Oma Onni online learning environment for developing young people's financial literacy or TAT's Yrityskylä learning environment on working life, the economy and society aimed at primary school students.

OmaSp has reported on its sustainability since 2019 and monitored performance against the targets set for the identified sustainability themes through an annual sustainability report. Since 2019, OmaSp has also supported all of the 17 UN Sustainable Development Goals. Five of these goals – the ones with the most material impact – have been incorporated into our daily management, strategy and operations. In 2020, we expanded the content of our report to also cover the assessment of OmaSp's environmental impacts through the carbon footprint in accordance with the GHG Protocol standard.

Now the time has come to take our sustainability reporting to the next level. Our updated sustainability programme and report have been prepared in accordance with the principles of the GRI standards. The standards allow us to create consistent principles for how we disclose our material impacts on people, the environment and the economy. In this way, we wish to increase the transparency of our sustainability reporting. Our goal has been to focus on what is essential and we hope the clear structure makes the report easier to read. With our updated sustainability programme, we aim to deepen and advance our sustainability efforts to proactively meet ever-tightening requirements.

OmaSp local and close – in people's daily lives and dreams

To bring more clarity to our sustainability efforts, we have divided the sustainability aspects into three themes that form the essence of our sustainability efforts now and in the future: we are local and close to people, we promote collective well-being and we contribute to sustainable development. Based on these themes, we have prepared a roadmap outlining the goals of our sustainability efforts for the coming years. We monitor the implementation of the roadmap annually through the sustainability report. As part of updating our sustainability programme, we have identified ten sustainability aspects that are material to us in the short term and which form the basis for our sustainability efforts. Although all aspects are important for our work, we have concluded that we must pay particular attention to the following three:

- Supporting customers in personal finance management and development
- Financing sustainable projects and offering sustainable investment products
- Assessing the climate-related risks of investment activities and portfolios

In 2023 we will increase our personnel's sustainability competence through training, among other means, and adopt a 100 per cent recyclable material for our bank cards. We will also look into different approaches to promote climate action and prepare a carbon neutrality roadmap outlining a specific carbon neutrality goal for us, as well as measures for reaching that goal.

For us at OmaSp, sustainability is, more than anything, about delivering on our promises every day through concrete actions.

Minna Sillanpää
Chief Communications Officer

Sustainability in 2022

Key figures and sustainability highlights

We have some
160,000
customers

37
branches throughout Finland

Overall customer satisfaction
4.3
on a scale of 1–5

Customers' satisfaction with their own contact person
4.7
on a scale of 1–5

We reached a total of
7,000
children or adolescents to improve their financial literacy

Carbon footprint of our operations
5,870
tCO_2e

Overall employee satisfaction
4.5
on a scale of 1–5

A substantial part of personnel
56%
are owners

11.7
training days per employee in 2022

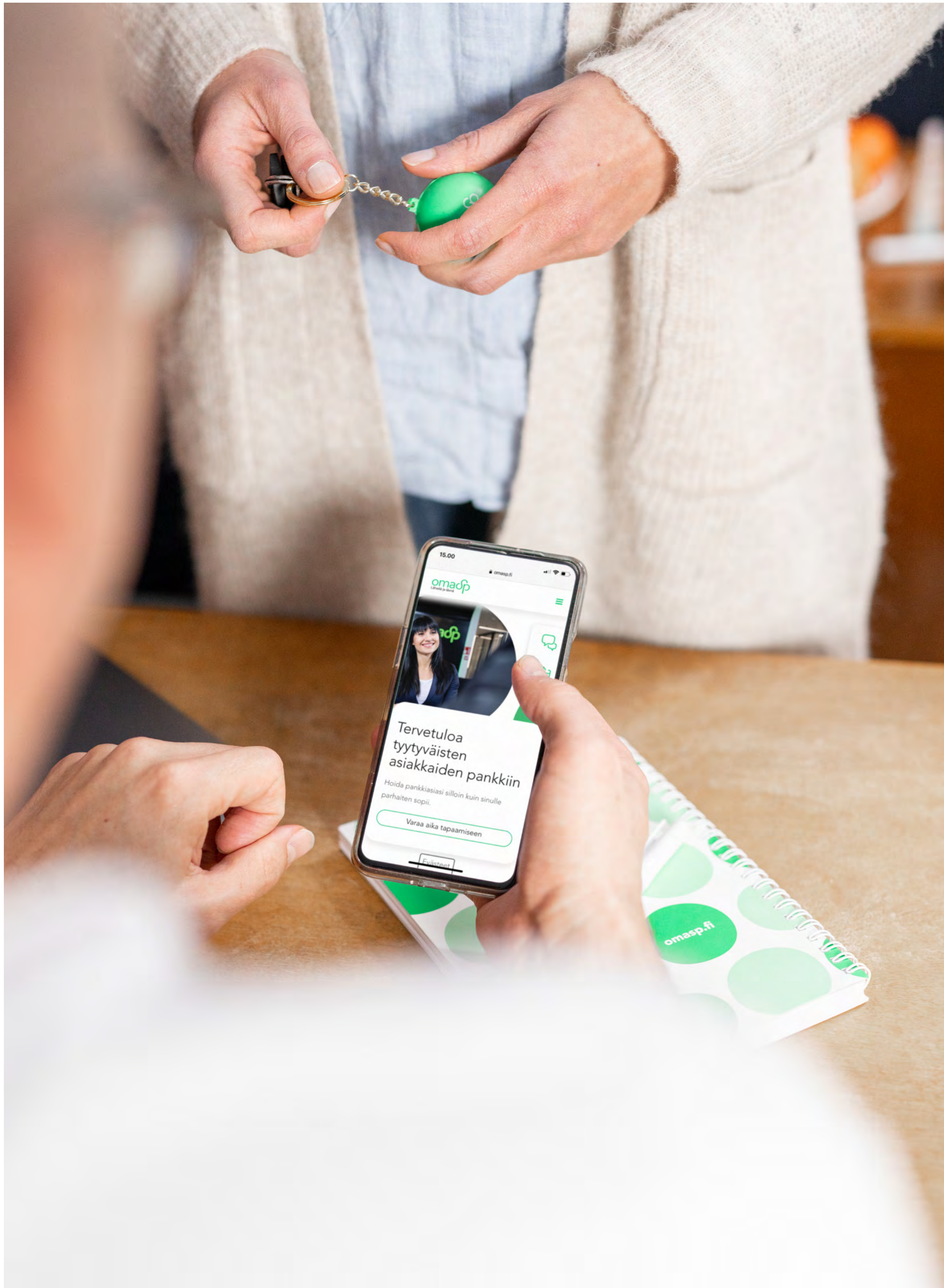
Highlights 2022

In addition to expanding our branch network, we have developed our digital services.

The 'On the road to a winning culture' training programme aimed at the entire personnel continued in 2022. It has helped clarify the company culture and internal operating models, and develop supervisory work further.

Investment advisory services started taking customers' sustainability preferences into account.

Updated sustainability programme and launch of GRI reporting.



Starting points for sustainability

Oma Savings Bank Plc in brief

We are Finland's largest independent savings bank, serving our customers in 37 branches and via comprehensive digital channels throughout Finland. Our operations focus on retail banking, and we have some 160,000 customers.

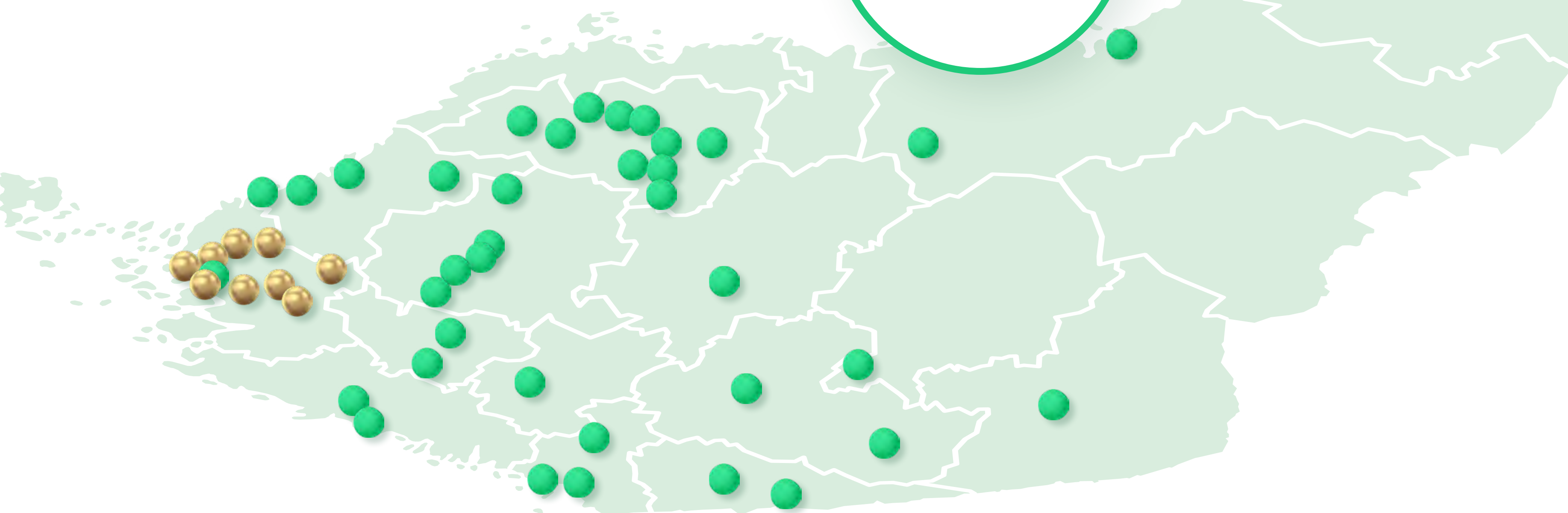
At the heart of our strategy is a satisfied customer, who we aim to reach through a first-rate service experience, sustainable operations and customer orientation, not to mention with our enterprising and motivated personnel. Part of our profit is put back into local communities through our owner foundations and co-operatives, which annually distribute grants and subsidies for non-profit purposes.

Our operations are guided by our values: customer orientation, co-operation, reliability, expertise and results. Our Code of Conduct is based on these values, and they describe the sustainability and ethical foundation of our operations in compliance with regulations and our values.

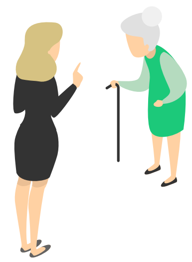
160,000
customers

350
employees

37
branches throughout Finland



Our Code of Conduct is based on these values



We take care of the customer's interest

We are committed to confidentiality and take care of privacy protection

We communicate openly

We comply insider and trading rules

We avoid conflict of interest situations and identify them in advance

We do not accept or give bribes

We follow good governance

We create a succesful working community together

We also demand accountability from our stakeholders

Global change drivers

In the financial sector, sustainability is more than what is required by laws and regulations. It is about anticipating global change drivers, meeting stakeholder expectations and creating new ways of operating in response to them. The idea is to bear responsibility for economic and social stability, as well as for the climate and the environment.

We have identified and anticipated how tightening regulation and other global change drivers will shape society and, consequently, our operations in the future. The following six global megatrends have a significant impact on our operations. The impacts and opportunities created by these megatrends form the basis for our operations, including our sustainability efforts.

Climate change and biodiversity

Companies must put more and more effort into responding to climate change and the resulting biodiversity loss. The climate impacts of operations need to be assessed throughout the supply chain and they must also be taken into account in financial solutions and products. Global warming brings business risks and opportunities, to which leaders respond proactively.

Demographic shift and urbanisation

The financial sector plays a central role in safeguarding well-being in a demographic shift, as general prosperity and the elderly population grow and urbanisation continues. As the elderly population grows and users age, opportunities for personal service must be ensured. It will be increasingly important to offer services outside urban centres, which also enhances the vitality of growth centres.

Sustainability expanding

Companies are actively looking for ways to increase the positive impacts of their operations, not just to minimise the negative impacts. International supervision and regulation are increasing, and the sector is expected to react quickly, adapt and display international service know-how. As economic thinking evolves and environmental awareness increases, new economic metrics, such as ecosystem accounting and genuine progress indicators, are met with growing interest.

Labour market transformation

The transformation of the labour market means that working life is in a constant state of change. In working life, workers of different ages and different ways of working must be taken into account. As remote and hybrid work increases, it is possible to rethink the organisation and decentralisation of work. Problems with matching workers with jobs increase when there is no skilled labour available for the jobs on offer. The importance of personal competence development is growing, not to mention the importance of knowing how to stand out as an employer.

New ways of operating enabled by technology

Operating models are evolving thanks to rapid advances in technology. Automation and decentralisation of operations are all the rage. With advances in technology, the amount of data also increases, which, in addition to technical capabilities, entails a growing need for technological understanding. It is important to remember that our digitalising world is more vulnerable than ever.

Unexpected situations

Unexpected situations, such as pandemics, political crises and war, affect our operations and the competitive arena. Active monitoring of the political and economic situation and forecasting of situations and risks rise to the forefront. The financial sector must reinforce solvency, the financial structure and liquidity in order to balance the economy.

UN Sustainable Development Goals

In 2015, UN member countries committed to the Sustainable Development Goals (SDG) programme and goals, which set the agenda for sustainable development for 2016–2023. We are committed to contributing to all of these goals and have identified five goals that are the most material to us and which we can promote through our operations.

3 GOOD HEALTH AND WELL-BEING

Goal 3: Ensure healthy lives and promote well-being for all at all ages. We promote the health and well-being of our customers by ensuring the availability of banking and financial services in an economically sustainable way. In addition to personnel's physical well-being, we also strive to promote their mental health.

4 QUALITY EDUCATION

Goal 4: Guarantee everyone open, equal and quality education, as well as life-long learning opportunities. We support the career development of our employees through continuous competence development and training. In addition, we promote the well-being and financial literacy of children and adolescents through our involvement in various programmes that teach financial literacy.

8 DECENT WORK AND ECONOMIC GROWTH

Goal 8: Contribute to sustainable economic growth, full and productive employment and decent work for everyone. We contribute to sustainable economic growth and productive employment by employing people throughout Finland. We offer training and summer jobs and we participate in, e.g., the Responsible Summer Job campaign.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Goal 9: Build resilient infrastructure, promote sustainable industrialisation and foster innovation. We take part in building resilient infrastructure and in promoting sustainable industry and innovation by operating as a partner to various entrepreneurs. We improve the position of small companies as well as their opportunities on the market.

17 PARTNERSHIPS FOR THE GOALS

Goal 17: Revitalise the global partnership for sustainable development. We take part in reinforcing the implementation of sustainable development by working in co-operation with various actors to achieve a more sustainable Finland. We work with, e.g., Economy and Youth TAT on the Yrityskylä programme, and with the Sedu vocational education and training organisation on Oma Onni.

Stakeholder co-operation

We know that when it comes to responsible and sustainable operations, taking stakeholders into account brings a considerable competitive advantage. Open dialogue with our stakeholders is thus important to us. Well-functioning stakeholder co-operation increases transparency and the common understanding of our operations and how we develop them. Consequently, it is one of the basic pillars of our sustainability efforts.

Our six key stakeholders are customers, personnel, authorities, co-operation partners and media, and owners and investors. We communicate with these stakeholders on a daily basis and develop our operations based on their insights and wishes.

Personnel

We employ 350 experts in different parts of Finland. Our personnel expect a stable and attractive workplace where they enjoy working. Our employees are highly enterprising people. Opportunities for personal development and to influence as well as an appreciation of expertise are considered important. Our employees also expect fair and equal treatment.

Customers

At the heart of our service offering are daily banking services intended for private and corporate customers. Customers expect from us good, continuous and personal service in all our service channels, as well as competitive products. Diverse service channels, good accessibility and confidentiality are considered important.

Partners and media

We collaborate with different partners, subcontractors and the media. Importance is placed on a safe partnership with shared values. The media, for its part, expects open communication and active dialogue.

Authorities

We engage in active dialogue with various authorities. The authorities expect us to comply with the legislation and requirements and to react to any changes. Due to tightening requirements, the importance of sustainability reporting is also growing.

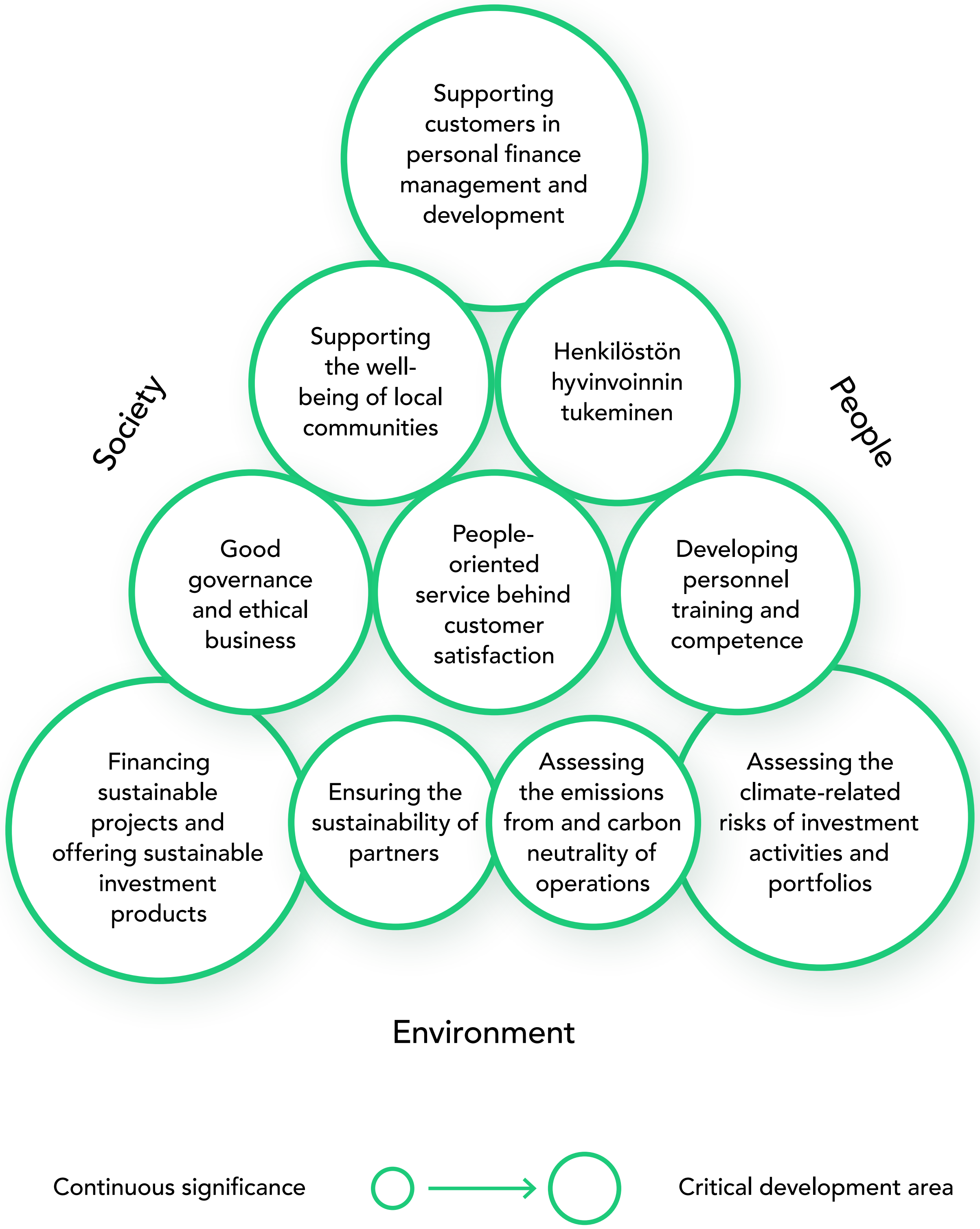
Owners and investors

Our owners and investors expect our operations to provide good shareholder value and to generate a sufficient return on investments. They also place importance on open and active dialogue, clear communication and end-to-end sustainability. In recent times, owners' expectations of sustainability have tightened and the importance of sustainable financial and investment products is growing. Approximately 75% of Oma Savings Bank's shares belong to non-profit organisations. The largest individual owner is South Karelia's Savings Bank Foundation, with a roughly 30% stake. In 2018, we were listed on the Nasdaq Helsinki Oy stock exchange, thanks to which the bank now has more than 8,000 shareholders.

We also play a major role in the operations of the following associations and organisations:

- TAT Yrityskylä
- Suomen Yrittäjät
- The Finnish Enterprise Agencies

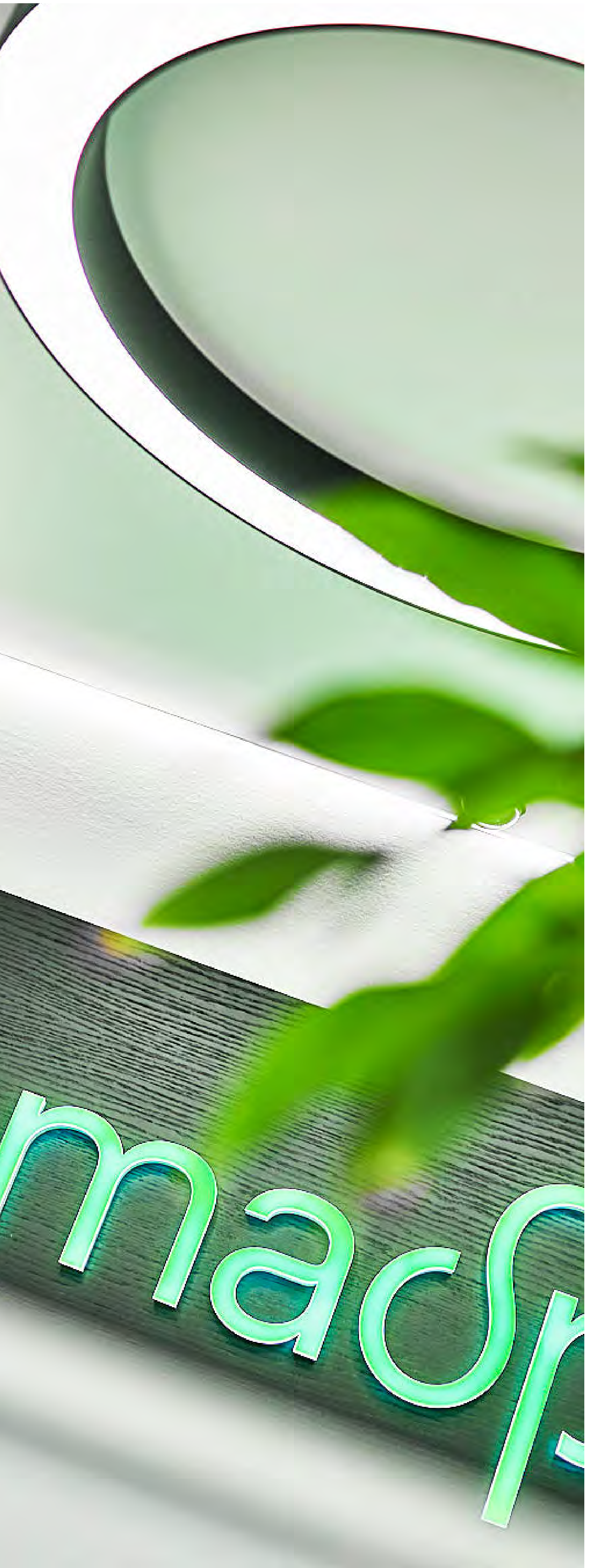
Main sustainability aspects



As part of updating our sustainability programme, we have identified the sustainability aspects that are the most significant for us in the short term. These aspects have been identified based on the global change drivers that shape society and thus our operations, and tightening regulation and evolving stakeholder expectations.

We have identified ten material sustainability aspects which form the basis for our sustainability efforts. These sustainability aspects have been identified considering our entire value chain, following the principle of due diligence. We have also assessed the impacts of our operations under the principle of double materiality; in addition to the negative footprint of our operations, we have identified our handprint, i.e. our positive impact on people, the environment and society.

The continuous development and assessment of these aspects are at the core of our sustainability efforts. All of the identified aspects are important for our work. However, we have further identified the specific aspects we will need to pay particular attention to when it comes to developing our operations going forward.



Sustainability roadmap

Sustainability themes

To bring more clarity to our sustainability efforts, we have divided the main sustainability aspects into three themes that form the essence of our sustainability efforts:

we are local and close to people,

we promote collective well-being and

we contribute to sustainable development.

We have prepared a roadmap for these sustainability themes, outlining the goals of our sustainability efforts for the coming years. We monitor the implementation of the roadmap annually through the sustainability report.

We are local and close to people

We want to be local and close to people. **Personal customer service** is our key to customer satisfaction. We regularly monitor customer satisfaction and listen to our customers. We also want to continuously support **all aspects of our personnel's well-being** and enable **the development of our personnel's competence**.

We promote collective well-being

We have an important task to **support customers in the management and development of their personal finances**, in addition to which **we support the well-being of local communities** by employing and financing local players. **We ascertain good governance and ethical business** and also ensure **the sustainability of our partners**.

We contribute to sustainable development

We have the opportunity to positively impact the challenges arising from climate change **by providing sustainable financial and investment solutions** to our customers. **Assessing the climate-related risks of investment activities and portfolios** is important. We also regularly calculate the **emissions from our own operations**, with the goal of reaching carbon neutrality.

Highlights of our sustainability goals

Goal: customers satisfied with the service

- Annual overall score in customer survey 4.3/5
- Accessibility 4.3/5
- Satisfaction with the customer's own contact person 4.7/5

Goal: maintain personnel's well-being and competence

- Personnel satisfaction on a par with the previous years
- Encouraging personnel to seek out training
- Developing sustainability competence

Goal: offer sustainable financial and investment solutions

- Highlighting sustainability aspects in all new product descriptions
- Process and system changes to create a green aspect
- Roadmap for a green framework in fundraising
- Green-based market financing

Goal: identify climate-related risks of investment activities and portfolios

- Current situation analysis of framework for collecting sustainability data
- Reporting and communication on climate impacts of investments
- Scenario analysis for climate change risks of investments and financing

Goal: reach carbon neutrality in our own operations

- Measuring the carbon footprint annually
- Creating a carbon neutrality roadmap
- Committing to the Paris Agreement

Goal: support the well-being of local communities

- Well-functioning services and sharing of information for entrepreneurs
- Collaboration with foundations and co-operatives

Goal: support people in managing and developing their finances

- Several webinars and training events for customers annually.
- Annual monitoring of customer satisfaction with financial planning
- Regular collaboration to develop the financial literacy of children and adolescents

Goal: good governance and ethical business throughout the supply chain

- Partner selection criteria and process for ESG verification
- Avoiding breaches of the Code of Conduct

Sustainability management

The operational management of sustainability matters is part of our daily business. Our sustainability activities and their management are guided by the sustainability programme for 2023–2025, which was updated in 2023.

The sustainability governance model lays down the structures and obligations in managing our sustainability efforts. Sustainability matters are addressed regularly throughout the organisation.

A more detailed description of Oma Savings Bank Plc's corporate governance and key management practices can be found on the company's website **sijoittaminen.omasp.fi/en/corporate-governance**

Sustainability governance model at OmaSp

Board of Directors

The Board of Directors monitors sustainability management and performance, and risk management.

↑

CEO and Management Team

The Chief Communications Officer prepares and guides sustainability reporting.

↑

Sustainability working group

The sustainability working group coordinates and develops sustainability efforts.

↑

Personnel

Personnel are responsible for sustainability efforts in practice and help in identifying risks.

The sustainability management practices are based on, in addition to Oma Savings Bank's strategy, the UN Sustainable Development Goals and supplementing internal guidelines and commitments.

Management systems and guiding principles and policies

The sustainability roadmap will be communicated and put into practice through multiple channels reaching out to existing and potential customers, employees and the various stakeholders. OmaSp's website will be revamped in 2023, and new contents will be added for different target groups.

Aspect		Definitions and boundaries	Key guiding principles and policies
We are local and close to people	People-oriented customer service Personnel's well-being Developing personnel's competence	We monitor customer satisfaction based on a survey We monitor personnel's job satisfaction, sick leave and accidents We monitor personnel's training hours and degrees	• Sustainability programme and related goals • Principles of good business conduct • Processing of customer complaints and feedback • Personnel policy • Work community development plan • Equality and equal opportunity plan • Occupational health and safety programme • Occupational healthcare action plan • Remuneration principles and remuneration policy • Reporting of breaches • Early support model
We promote collective well-being	Supporting people in managing and developing their personal finances Supporting the well-being of local communities Good governance and ethical business Sustainability of partners	We monitor in the customer satisfaction survey whether customers have been presented with opportunities for prospering and whether their future plans have been discussed We monitor the local events organised by our branches We monitor the implementation of the Code of Conduct and cases of misconduct We monitor our partners' sustainability performance	• Sustainability programme and related goals • Principles of reliable governance and internal control • Principles of good business conduct • Conflict management principles • Reporting of breaches • Insider register • Trading guidelines for personnel • Compliance function's operating principles and annual plan • Risk management function's operating principles and annual plan • Principles of preventing money laundering and terrorist financing
We respond to the challenges arising from climate change	Sustainable financial and investment solutions Climate-related risks of investment activities and portfolios Emissions from and carbon neutrality of own operations	We monitor customers' sustainability preferences in investment products. We monitor that the bank's own investment decisions are in line with the bank's other sustainable development goals We monitor the carbon dioxide emissions from our own operations and measures to reduce emissions	• Sustainability programme and related goals • Survey of opportunities and risks related to climate change • Principles for responsible investment • UN Sustainable Development Goals

We are local and close to people

We want to be local and close to people. Personal customer service, customer satisfaction and personnel's overall well-being are important things to us.

Our goals for 2023

We are easily accessible	We know our customers personally	We have the highest rating in customer satisfaction in the sector
We focus on the accessibility of our services and on our service channels	We achieve the highest rating in job satisfaction in the sector	We implement annual work well-being plans and related targets
We continuously develop our personnel's competence and professional skills	We keep track of the annual hours and days of training	Over the years, there are no cases of harassment or bullying

Our goals by 2026

Our goal is for our customers to be satisfied with our services:

- We will review all our services and eliminate any unnecessary ones
- The accessibility of our services is given a score of 4.3/5 in the annual survey
- Satisfaction with the customer's own contact person is given a score of 4.7/5 in the annual survey
- Overall satisfaction with the bank's operations in the customer satisfaction survey is at least 4.3/5

Our goal is to maintain personnel's well-being and competence:

- We maintain benefits that increase well-being at work (company bicycle, culture and sports benefit)
- We ensure every year that the work spaces are practical and that the working conditions and ergonomics are in order
- Annual absences due to illness remain on the level of the previous years
- We monitor the number of recruitments and make sure that new employees receive orientation
- Employees evaluate their satisfaction with their supervisor in an annual survey
- Overall satisfaction with the employer is evaluated in an annual survey
- We monitor personnel's training days and the euro amounts spent on training annually
- We encourage our personnel to participate in training and monitor the number of completed degrees
- We develop our personnel's sustainability competence and organise related training

Personal customer service

We are present in the day-to-day lives of our customers in our 37 branches around Finland, in addition to which we serve our customers via our digital channels – at any time and anywhere in the world. Our broad network of branches and comprehensive digital services ensure that **services are conveniently and personally accessible** in the form that suits the customer.

Each one of our branches is the bank's flagship in their area. **In recent years, we have strengthened our position in key growth centres in accordance with our strategy.** Thanks to our broad network of branches, we know the local market and our customer base.

To ensure that our customer service is flexibly available, **we also continuously develop our digital channels**. In addition to online banking, we offer OmaMobiili and OmaVahvistus and we enable digital buying and selling of homes and web conferencing. The objective of these services is to ensure that our customers can take care of banking matters together with their dedicated expert, regardless of where they are, by using a smartphone, tablet or computer.

Branches in
37
towns and cities throughout Finland

We have some
160,000
customers

OmaMobiili and OmaVahvistus

Online bank

Customer visits

OmaPostilaatikko and OmaVara

Customer service, call center and chat

In 2022, we opened new branches in Iso Omena, Espoo, and Kruunukeskus in Lielahti, Tampere. In addition, we announced the completion of our largest-ever corporate restructuring with Liedon Savings Bank, which will considerably strengthen our market position and service network in the Turku region and in the whole of Southwest Finland. With the expanding branch network we wish to focus on even better accessibility and expert service throughout Finland.

We place great importance on the quality of our customer services and on ensuring that our services are flexibly available. That is why, in addition to expanding our branch network, we have developed our digital services. In 2022, we introduced the OmaPostilaatikko mailbox to make digital banking even more convenient. The new service allows customers to receive and send banking-related documents securely in digital format.

In spring 2022, we also launched a new feature, OmaVara, for our customers within OmaMobiili. This new feature makes it easy for customers to get an overall picture of their total wealth and monitor their own finances and how they develop.

The comprehensive development of the accessibility of our online services has continued and meets the requirements. As many users as possible are able to use our digital services using assistive technologies. Considering accessibility is part of our daily work and developing our digital services.

Overall customer satisfaction

4.3

on a scale of 1–5

Satisfaction with the customer's own contact person

4.7

on a scale of 1–5

We offer retail banking services to households, housing companies, SMEs and agricultural and forestry entrepreneurs. We offer each customer a dedicated expert and we also serve our customers in the evenings on weekdays and on Saturdays. The same dedicated expert can serve a customer in their private banking needs and their company's financial matters.

Continuously improving the customer experience is a matter of the heart for us. Our goal every year is to achieve the highest rating in both customer satisfaction and customer service in the sector. According to the Parasta Palvelua (i.e. Best Service) survey conducted at the end of 2022, **we have a very high level of customer satisfaction**. The number of customers participating in the survey grew from the previous year.

Entrepreneurs and their businesses represent a significant part of our growing customer base. We assist our corporate customers in all practical financial matters and financing needs. We also provide tips on establishing a company and drawing up a business plan.

Through national collaboration with the Finnish Enterprise Agencies, we support early-stage entrepreneurs. In 2022, we also started national collaboration with Suomen Yrittäjät. Our objective is long-term goal-driven collaboration to guarantee Finnish SMEs opportunities and tools for financial success and for promoting their well-being. Through the collaboration, the members of Suomen Yrittäjät enjoy benefits concerning Oma Savings Bank's services.

Personnel's well-being

We employ roughly 350 motivated and enterprising experts in various parts of Finland. A significant proportion of our personnel, 56%, are the bank's shareholders, which contributes to their commitment and work motivation. It is important to us to promote and maintain the diversity of our work community by recruiting experts of all ages. The gender and age distribution of our employees is on a more equal footing than average.

Our personnel is our most important resource in implementing our strategy of ensuring first-rate service and customer satisfaction. **That is why we want to take care of our employees' satisfaction and physical and mental well-being.** Thriving personnel and, as a result, satisfied customers lay the foundation for our bank's progress and success also going forward. In 2022, we invested around EUR 840 per person in occupational health care.

Overall employee satisfaction

4.5

on a scale of 1–5

We monitor our employees' well-being, job satisfaction and satisfaction with the employer through annual personnel satisfaction surveys. We also monitor absences and the number of occupational accidents. We continuously work to prevent bullying at the workplace. Our annual goal is to achieve the highest rating in job satisfaction in the sector.

The number of respondents to the employee survey carried out in 2022 was a record-high 302, resulting in a response rate of 90%. The results show our long-term efforts to develop our work community. The overall employee satisfaction reached a record-high level and our supervisory work is at a great level as a whole. Especially the feedback and conversation culture improved further during last year.

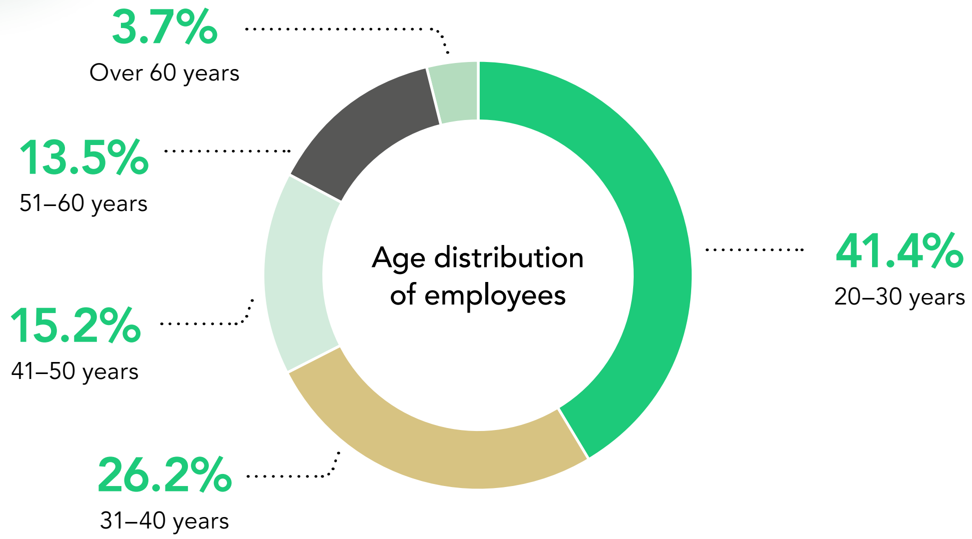
Training opportunities

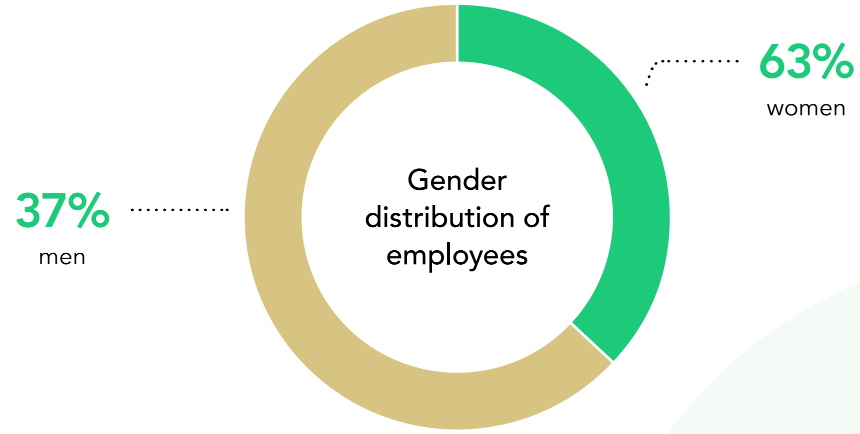
Extensive occupational health care

Exercise and meal benefits

Workplace health promotion events and WHP days

Personnel key figures in 2022





36.4
Average age of employees

2
Number of occupational accidents

6.13
Days of absence per person

Developing personnel's competence

For our personnel, expertise and diverse competence go hand in hand. Our employees are highly enterprising and skilled people who are committed to the people-oriented service at the heart of the bank's strategy.

Every employee has a clear role in the bank's organisation as well as adequate responsibilities and tasks. **A learning work community where employees can develop themselves in the manner of their choosing is important to us.** The competence of our personnel is also a key competitive factor, therefore, we continuously work to improve it. We have a tailored OmaSp Master training programme, which is implemented in collaboration with the University of Tampere. The programme is intended for the bank's experts and supervisors.

In addition, we organise training weeks targeted at the entire personnel with the aim to develop our personnel's professional skills. In addition to ongoing and regular training, we offer supervisors and experts the opportunity to complete the licensed real estate agent (LKV) qualification, for example. We annually monitor the personnel's training hours.

The training programme 'On the road to a winning culture' launched in 2021 for the entire personnel continued also in 2022. It has helped clarify the company culture and internal operating models, and develop supervisory work further. The development of the job applicant experience has been continued by making better use of the recruitment system in place. The orientation process as a whole has also been improved.

Training days per employee

11.7

in 2022

Company bicycle benefit

88

in use during 2022

Completed LKV qualifications

20

during 2022

"Our OmaSp Master training programme got off to a strong start with the development of supervisory work in 2018. We also recognised the importance of the role of experts, and thus decided to implement the training package for a group that included both experts and supervisors."

Sarianna Liiri, OmaSp's Chief Financial and Administrative Officer

We are involved in the Responsible employer campaign. The organisations involved in the campaign are committed to promoting the six principles of the campaign: non-discrimination, flexibility and working life balance, investment in supervisory work, content and meaningfulness of work, remuneration in line with the demands of the job and good applicant experience.

We promote collective well-being

We support our customers in managing and developing their personal finances. We also support the well-being of local communities and ascertain good governance and ethical business throughout the value chain.

Our goals for 2023

We continue our efforts to support SMEs operating outside urban centres	We create new jobs within the limits of growth	We report on our tax footprint and on our financial figures
Over the years, there is not a single breach of the Code of Conduct	We continue implementing Yrityskylä and OmaOnni	We maintain communication on financial management aimed at adolescents and children

Our goals by 2026

Our goal is to support people in managing and developing their personal finances:

- Every year, we organise several webinars and training events related to personal financial management
- We continue regular collaboration to develop the financial literacy of children and adolescents
- We monitor our customers' satisfaction with financial planning together with their contact person
- We ensure that our experts are interested in supporting the customer financially also in difficult situations

Our goal is to support the well-being of local communities:

- We create opportunities for companies and families by offering well-functioning services and information sharing also to entrepreneurs
- We continue collaborating with foundations and co-operatives to support regional well-being

Our goal is to ensure good governance and ethical business throughout the supply chain:

- We comply with general requirements and regulations
- We commit to implementing the sustainability programme
- We choose our co-operation partners with sustainability aspects in mind
- We avoid breaches of the Code of Conduct in all our operations
- We establish procurement criteria and a process for ESG verification to ascertain the sustainability performance of our partners

Supporting people in managing and developing their personal finances

Supporting people in managing and developing their personal finances is an important part of our operations. We facilitate personal financial management for people of all ages through various partnerships, webinars, training events and learning environments.

In 2022, we organised numerous open webinars and training days related to, for example, investing, saving and financial management. The events were open for all and free of charge. We also continued close collaboration with educational institutions to promote the financial literacy of children and adolescents.

We continued close collaboration with educational institutions to promote the financial literacy of children and adolescents:

OmaOnni is a web-based learning environment for developing young people's financial literacy. During the school year 2022–2023, more than 2,970 students in 28 secondary schools in 13 towns and cities across Finland will study within the Oma Onni programme. Six foundations that own Oma Savings Bank and six providers of upper secondary education are involved.

pääOma is an e-learning environment for personal finance management in Sedu's Moodle. Its target group includes students that are entering working life and starting to take more responsibility for their own finances. Content for the learning environment is produced by Sedu's students and teachers of shared qualification modules (YTO). YTO teachers use the pääOma material in their own teaching. pääOma is being developed together with the Oma Onni programme.

We reached some

7,000

children or adolescents to improve their financial literacy

Yrityskylä is a learning environment on working life, the economy and society that is aimed at sixth- and ninth-graders. It operates nationwide in ten regions and is based on the Finnish school curriculum. As much as 80% of Finland's sixth-graders participate in Yrityskylä's activities. We participate in the activities of TAT Southeast Finland, which reached more than 4,000 sixth- and ninth-graders and more than 80 teachers in 2022.

Training highlights

- **Suomen Asuntoneuvoja organised a webinar** where investment specialist Matti Kotka from the Jyväskylä branch gave tips on personal financial management and building wealth. Piia Hirvonen, the head of the Hyllykallio branch in Seinäjoki spoke about buying the first investment apartment.
- In November, **the Hämeenlinna branch organised a training session on personal financial management** for the first 100 to sign up. Laura Hovila, the Hämeenlinna branch's bank lawyer, shed light on why a continuing power of attorney is needed. In addition, investment specialist Tarja Pennanen addressed the topic of prudent saving.

Supporting the well-being of local communities

We are committed to working for the well-being of Finnish society. We actively promote and develop the vitality of local and regional communities by offering jobs outside urban areas and by financing local private and SME customers.

We annually organise or are involved in local events aimed at enhancing local community spirit and well-being. In addition, our owner foundations and co-operatives distribute grants and subsidies for non-profit purposes every year. These purposes include, for example, economic education, research, children's sports, youth work, culture and nature conservation.

It is important to us to promote the vitality of local communities in Finland and the success of entrepreneurs living outside urban centres, which is why we are the first bank in Finland to support, together with the European Investment Fund (EIF), micro-entrepreneurs and social enterprises. The objective is to help special groups establish and develop companies and business operations. These groups may include, for example, the unemployed or persons at risk of becoming unemployed or other individuals that struggle to find employment.

We are delighted that the Nordic Investment Bank (NIB) once again chose us as their co-operation partner in 2022 and we were able to sign the third consecutive loan agreement. This agreement provides us with more opportunities to allocate money for improving the competitiveness and success of Finnish SMEs.

Event highlights 2022

- In June, we organised a Super Saturday at OmaSp Stadium with free activities for families and young people.
- The OmaSp Joroinen branch organised, together with the Joroisten Oma co-operative and the municipality of Joroinen, the Sibelius Upper Secondary School's Christmas Show at Urheilutalo.
- OmaSp was the main partner of the Nordic Business Forum 2022 event and the Valtakunnalliset Yrittäjäpäivät 2022 event.
- In October, the OmaSp branch in the centre of Seinäjoki organised a breakfast event for pensioners with a lecture given by Tapani Kiminkinen.
- Hauho's and Renko's Savings Bank Foundations organised, together with the OmaSp Hämeenlinna branch, a free OmaJoulu Christmas concert.

Grant and subsidy highlights

- OmaSp supported UNICEF's work to help Ukrainian children through a EUR 100,000 donation.
- South Karelia's Savings Bank Foundation donated EUR 120,000 for the activities of TAT Yrityskylä in Southeast Finland and EUR 90,000 to the lake conservation association Pien-Saimaan Suojeluyhdistys.
- Töysä's Savings Bank Foundation donated EUR 150,000 in subsidies to junior sports teams and a grant of EUR 500,000 to Seinäjoki University of Applied Sciences for the establishment of the Töysän Säästöpankkisäätiö research fund.
- Parkano's Savings Bank Foundation and OmaSp's Tampere branch donated EUR 100,000 to Tampere University Hospital's Paediatric Haematology and Oncology unit as a Christmas present.
- Hauho's Savings Bank Foundation and Renko's Savings Bank Foundation donated EUR 600,000 to Häme University of Applied Sciences and the Kanta-Häme Central Hospital for research work.
- Eurajoki's Savings Bank Foundation started its operations and announced that it would support Vaasa University's and Satakunta University of Applied Sciences' project with EUR 150,000.

Good governance and ethical business throughout the supply chain

We are committed to promoting sustainable economic growth and productive employment. In addition to actively promoting local and regional vitality, we contribute to society through indirect economic impacts by, for example, paying taxes. These proceeds are used to safeguard the basic functions of society and build well-being. Furthermore, the salaries and social benefits paid to personnel have a positive effect on employees and on the surrounding communities.

Our business is guided by our Code of Conduct. In 2022, there were no reports of breaches of our Code of Conduct.

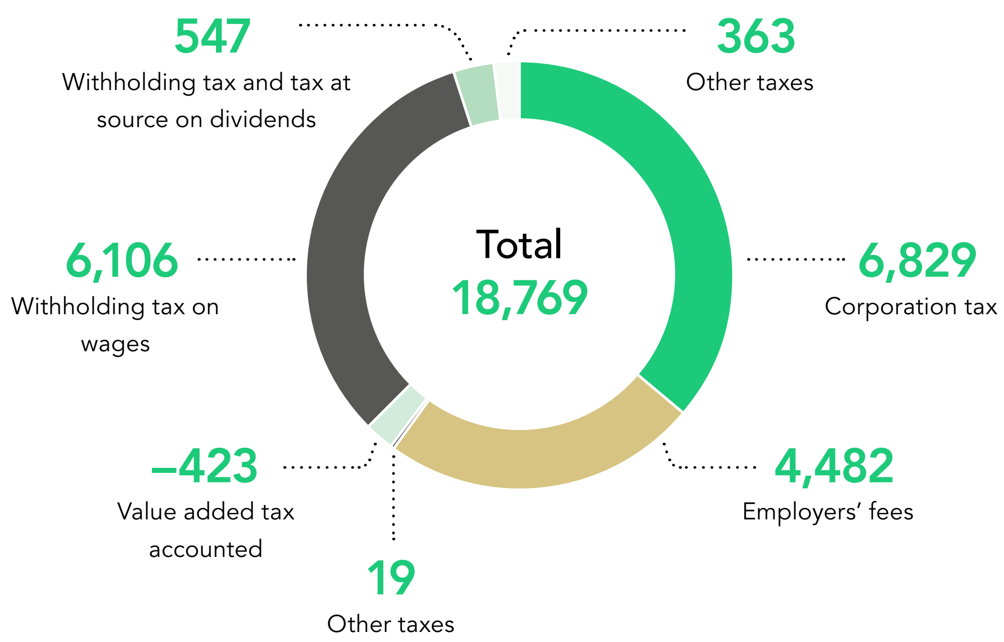
Our goal is to monitor even more closely the sustainability performance of our partners.

In 2022, we made the list of top climbers on the Helsinki stock exchange. According to the comparison of banks carried out by Kauppalehti in May 2022, we were the best bank with nationwide operations in Finland.

We enjoy collaborating with educational institutions, and we offer several training and thesis opportunities on a range of educational levels. We are involved in the national Responsible Summer Job campaign. We commit to following the campaign's good summer job principles that help make summer jobs a good experience for both the summer worker and the employer.

In 2022, we employed a total of 38 summer workers in a range of positions in our branches and administration. According to summer workers, the best thing about working with us is the good team spirit and co-workers.

Oma Savings Bank's tax footprint 2022 (1,000 euros)



Taxes payable (1,000 euros)	OmaSp
Corporation tax	6,829
Employers' fees	4,482
Other taxes	19

Taxes to be collected and accounted (1,000 euros)	OmaSp
Value added tax accounted	423
Withholding tax on wages	6,106
Withholding tax and tax at source on dividends	547
Others	363
Total	18,769

We contribute to sustainable development

We positively impact climate change challenges through sustainable financing and investment solutions. We regularly assess the emissions from our own operations.

Our goals for 2023

- We comply with the principles of sustainable financing in all our operations
- We improve young people's knowledge of sustainable financial management
- We survey our carbon footprint and other environmental impacts
- We minimise travel in our internal operations
- We devise the necessary process and system changes to assess the energy efficiency of our customers' collaterals

Our goals by 2026

Our goal is to offer sustainable financial and investment solutions:

- We highlight sustainability aspects in all new product descriptions
- We devise process and system changes to create a green aspect (green bonds/instruments)
- We create a roadmap for OmaSp's green development in fundraising and design an impact assessment for the bank's other operations. The bank seeks green market financing after the completion of the green framework.

Our goal is to identify climate-related risks of investment activities and portfolios:

- We create a current situation analysis on the identified framework for collecting sustainability data and initiate concrete measures
- We monitor and report on the climate impact of investments
- We create a scenario analysis for the climate change risks of investments and financing

Our goal is to reach carbon neutrality in our own operations:

- We measure the carbon footprint of our operations annually
- We create a carbon neutrality roadmap
- We commit to the Paris Agreement

Sustainable financial and investment solutions

We know that the financial sector plays a major role in promoting sustainable development in society. It is one of the guiding aspects in our financing decisions. We want to help our customers transition towards a climate-resilient economy. For us, it means considering and integrating sustainability aspects in all our investment and financing decisions and allocating funds to where they have the biggest impact on the well-being of the environment, climate and people. Through our financing decisions we can thus promote the development of environmentally sustainable products and services through these companies. We collaborate with, for example, Finnvera and the European Investment Fund on financial solutions aimed at the green transition. In addition, we have a refinancing partnership with the Nordic Investment Bank, in which the projects to be financed must meet the NIB's environmental mandate.

In the suitability assessment of the investment advisory services, we take into account the existing or potential customer's sustainability preferences in choosing the recommended financial instruments. This means surveying and taking into account the EU Taxonomy, the EU disclosure regulation and principal adverse impacts. Before making a product recommendation based on the investment advisory service's suitability assessment, we review the sustainability risks and their likely impact on the return on the financial instruments together with the customer. The suitability assessment means a procedure of collecting information about the customer and assessing the suitability of a specific investment service or financial instrument for the customer. No financial instruments are recommended to customers that are against their sustainability preferences.

Our goal is to create a green framework roadmap for fundraising. We also want to highlight sustainability aspects in all new product descriptions and devise process and system changes for green bonds and instruments.

Sustainable financial and investment solutions

We primarily focus on granting secured loans to solvent customers.

We work to combat the increase in short-term loans and we teach people of all ages personal financial management.

We evaluate whether a project to be funded meets the environmental requirements.

We consider environmental, social and good governance issues (ESG factors) in our investment operations.

Where possible, we aim to increase our customers' awareness of the state of the environment. In 2022, we organised a Baltic Sea evening at the Lahti branch, where Matti Leppäranta, professor emeritus of geophysics from Lahti, presented the current state of the Baltic Sea and his book 'Itämeri ja ihminen'.

We want to contribute to enhancing biodiversity, and our largest owner, South Karelia's Savings Bank Foundation, has been key in supporting the conservation of Lake Saimaa's waters for many years.

Through our owner foundations and cooperatives, we also participate in sizeable projects to promote the well-being of the environment and society. In 2022, Eurajoki's Savings Bank Foundation was involved in Vaasa University's and SAMK's major project establishing a professorship and a Master's programme in energy-related robotics applications. The professorship will strengthen collaboration between Ostrobothnia and Satakunta in research on the green transition and robotics, as well as in the development of the battery cluster.

Risks and opportunities related to climate change

An essential aspect of promoting sustainable development is the management of risks arising from climate change and the mitigation of climate emissions. Climate change calls for new practices to limit the rise in global average temperature to 2°C in accordance with the Paris Agreement.

We want to participate in efforts to combat climate change, which is why we have identified the risks and opportunities arising from climate change for our operations at the various stages of the value chain. Almost all of the risks affecting the company are transition risks, which arise as economic operators reduce their emissions and decarbonise their operations.

Transition risks also bring with them numerous business opportunities, including the renewal of the product portfolio and increase in digital services. The company's investment strategy can influence how assets are allocated to companies, projects and households in need of financing. Sustainable development is one of the guiding aspects in our financing decisions.

Risk		Description	How do we respond to risks?
Transition risks	Change in markets	Markets change and demand for climate-friendly products increases, which leads to the renewal of product portfolios. Assets are increasingly, and at a lower cost, invested in projects which aim to advance sustainability, and investments with negative impacts are avoided.	• We generate value for customers sustainably by continuously developing new services and sustainable solutions (e.g. online housing transactions, changes in payment methods, climate-related credit products or home mortgages, offsetting the carbon footprint in the investment of assets). • We develop our personnel's ways of working and ensure climate-friendly operations by assessing the carbon footprint of OmaSp's operations and creating a roadmap to reduce emissions. • We increase and develop interaction and service and make sure that a personal contact is available in remote services. • We develop customer communications by reporting on, for example, the financing of environmentally sustainable projects together with the European Investment Fund. We provide the OmaOnni and Yrityskylä services with material on climate and sustainability. • We follow Finance Finland's common climate targets. Our goal is to monitor and report on the climate impact of investments following TCFD's reporting recommendations, as applicable. A further goal is to create a scenario analysis for the climate change risks of investments and financing.
	Changes in policy measures and legislation	Legislation and other regulations tighten, which causes changes in daily work. Companies are expected to establish hands-on targets for climate-change related work.	
	Technological development	Technology changes and the demand for digital services and service channels increases.	
	Reputational risk	Stakeholder demands relating to sustainability change (e.g. green bonds), and more attention is paid to the origin of assets (climate and environmental aspects). Reputational risk arises if the markets do not meet demand as consumer expectations change. The importance of climate change abatement and other sustainability work is also highlighted in communication.	
Physical risks	Extreme weather events and pandemics	Rising temperature, extreme weather events and global pandemics may indirectly interfere with repayment capacity.	

In 2022

68%

lower emissions intensity per employee (scopes 1 and 2) compared to the sector average

In 2022

71%

lower emissions intensity per employee (scopes 1 and 2) compared to 2018

Climate impacts of our operations

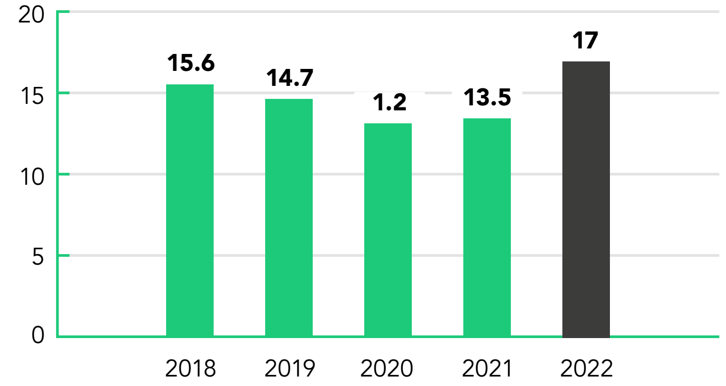
We build a sustainable economy and promote climate change mitigation and adaptation. We continuously develop our services so that they encourage customers to take sustainable and environmentally friendly action. We also aim to design our own operations to be as environmentally friendly as possible.

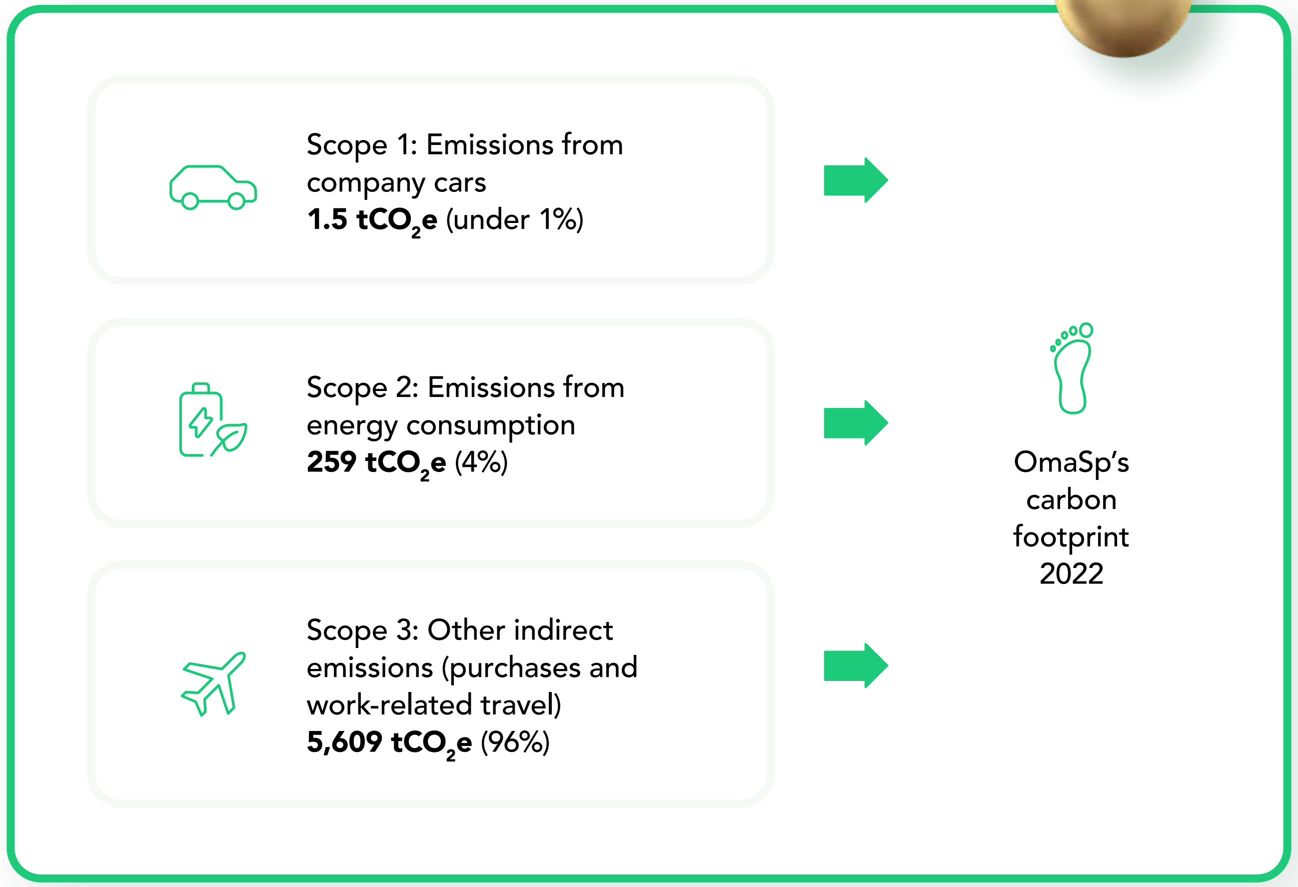
We have identified the main environmental and climate impacts of our operations and the preliminary measures that help us minimise these impacts. We have assessed our environmental impacts through the carbon footprint since 2020. The carbon footprint measures the environmental impacts of our operations through the climate impact. The calculation is based on the GHG Protocol standard. Read more about our carbon footprint in a separate report.

Tightening stakeholder expectations encourage us to actively reduce our climate emissions. In 2023, our aim is to look into different approaches to promote climate action and prepare a carbon neutrality roadmap outlining a specific carbon neutrality goal for us, as well as measures for reaching that goal.

Our total carbon footprint in 2022 was 5,870 tCO_2e. The carbon footprint grew from the previous years, which can be explained by the company's strong focus on growth and accessibility. Under 1% of the total emissions consist of direct emissions, i.e. the use of company cars. The bulk of the emissions, 96%, consists of other indirect emissions from the supply chain. We can influence these mainly by setting different requirements on our partners' sustainability performance. This is one of our sustainability goals for the upcoming years.

Emissions intensity (tCO_2e/employee) in 2018–2022, scopes 1–3





Reporting principles

This Oma Savings Bank Plc's sustainability report describes the company's economic, social and environmental impacts for the accounting period 1 January–31 December 2022. The material sustainability themes and aspects addressed in the report are based on a materiality analysis in line with the GRI standards, which is presented in the new sustainability programme. This report describes the new sustainability programme with its targets and the sustainability measures carried out in 2022. The Sustainability Report including GRI indexes can be found on the company's website **sijoittaminen.omasp.fi/en/corporate-responsibility**

The report is based on the Global Reporting Initiative Standard. At least one indicator for each material main aspect has been reported. The report also follows the Finnish Government's guidelines on corporate social responsibility reporting and the ISO 26000 social responsibility standard. The previous sustainability report was published in 2021. We will publish sustainability data also going forward.

The report was implemented in co-operation with EcoReal. The report has not been assured. For more information about Oma Savings Bank Plc's sustainability report, please contact **minna.sillanpaa@omasp.fi**

The report focuses on matters controlled by Oma Savings Bank Plc, i.e. it covers sustainability figures that are directly linked to the company's own operations. The data in the report is from 2022 and the comparison years are 2021 and 2020.

Financial key figures

the key financial figures presented in the sustainability report only cover Oma Savings Bank Plc's operations. The figures are directly linked to the company's own operations are based on accounting and the financial statements. The figures are audited.

Social key figures

the calculation of personnel key figures follows the general guidelines. The number of personnel means the number of personnel at the end of the accounting period. This report also indicates the average number of personnel during the accounting period.

Personnel training is monitored through average training days, which are converted into average training hours by multiplying them with the daily working hours, 7.5 h. The training days per employee are calculated for the number of personnel at the end of the accounting period.

Sick leave rate means absences caused by an employee's illness or accident. Sick leave includes, in addition to sick leave prescribed by occupational health care, self-reported absences of 1–3 days due to illness. The average sick leave rate is calculated for the number of personnel at the end of the accounting period.

Accidents include accidents leading to at least one day's absence from work.

The job satisfaction level is based on the overall score given in the annual personnel survey on a scale of 1–5. The survey is conducted by an external provider.

Customer satisfaction is tracked on a scale of 1–5 through the annual 'Best Service' customer survey. The survey is conducted by an external provider.

Environmental key figures

Energy consumption

The reported nominal consumption of thermal energy is weather-corrected (normalised) with the heating demand factor.

The comparison year is 2021 and comparisons have also been made against 2020 and 2019.

The reported total energy consumption is described, in accordance with the GRI standards' recommendations, divided into direct and indirect energy consumption.

All energy consumption is indirect energy consumption consisting of purchased electricity and district heating.

Carbon dioxide emissions

The bulk of OmaSp's emissions comes from purchased products and services.

OmaSp's carbon dioxide emissions are calculated in accordance with the GRI standards' recommendations following GHG Protocol's guidelines. In line with the guidelines, the emissions in the report are divided into direct and indirect emissions (scopes 1–3).

The main input data used in the calculation is indicated in the figure. More information can be found in a separate carbon footprint report.

The following input data has been used in the calculation:

Scope 1 emissions: The number of kilometres driven with the company's own or leased vehicles based on the paid per-kilometre allowances. Emission factors VTT's Lipasto/ Bionova.

Scope 2 emissions: For electricity, the consumption figures are based on paid amounts and, where unavailable, an estimate of the average nominal consumption of electricity in office properties. For district heating and cooling, the consumption figures are based on an estimate of the average nominal consumption of district heating in office properties.

Location-based: The calculation uses country-specific average emission factors. The emission factors for electricity are based on Statistics Finland's electricity generation data in Finland in 2017–2019, Ecoinvent/Bionova. The emission factors for district heating are based on district heating statistics for 2018–2019, Statistics Finland Ecoinvent 3.3/Bionova. The emission factors for district cooling are based on Statistics Finland's district cooling production data in Finland in 2011, Ecoinvent/Bionova.

Market-based: The 2021 figures include purchased green electricity. The 2020 figures include purchased green electricity as of 1 July 2020, the rest is calculated using the residual mix. Electricity emission factors Ecoinvent / Bionova. The emission factors for district heating are based on district heating statistics for 2018–2019, Statistics Finland Ecoinvent 3.3/Bionova. The emission factors for district cooling are based on Statistics Finland's district cooling production data in Finland in 2011, Ecoinvent/Bionova.

Scope 3 emissions: Purchased products and services: the input data on purchased goods and services and leased goods was collected in euros using accounting. Emission factors DEFRA/Bionova.

Work-related travel: Work-related travel of employees during working hours using public transport based on travel compensation and receipts. Emission factors VTT's Lipasto/ Bionova.

Sustainability in figures

Data as tables: Economic responsibility

Financial key figures

(EUR 1,000)	2022	2021	2020
Net interest income	104,930	80,130	67,819
Total operating income	144,392	156,565	111,073
Total operating expenses	-73,062	-65,294	-51,676
Cost/income ratio (%)	50.7%	41.9%	46.6%
Impairment losses on financial assets, net	-1,747	-7,294	-21,587
Profit before taxes	69,226	83,271	37,707
Profit/loss for the accounting period	55,379	66,252	30,653
Balance sheet total	5,941,766	5,372,633	4,381,999
Equity	364,961	401,294	353,493
Total return on assets, ROA %	1.0%	1.4%	0.8%
Return on equity, ROE %	14.5%	17.6%	9.1%
Earnings per share (EPS), EUR	1.85	2.22	1.04
Equity ratio	6.1%	7.5%	8.1%
Total capital, %	14.9%	15.6%	16.2%

Direct economic value generated and distributed

Stakeholders	Cash flows 2022	Cash flows 2021	Cash flows 2020
Direct economic value generated			
a. Total operating income	144,392,000	156,565,000	111,073,000
Economic value distributed			
b. Personnel expenses	24,316,000	20,631,000	16,866,000
c. IT expenses (included in Other operating expenses)			
d. Depreciation and amortisation on tangible and intangible assets	7,543,000	10,267,000	5,213,000
e. Other operating expenses	41,203,000	34,396,000	29,598,000

Tax footprint

Summary (EUR 1,000)	2022	2021	2020
Taxes payable for the accounting period	11,330	16,450	10,064
Taxes to be collected and accounted for the accounting period	7,439	4,670	3,974
Total tax footprint	18,769	21,120	14,038
Taxes payable (EUR 1,000)			
Corporation tax	6,829	12,848	6,366
Employers' fees	4,482	3,572	3,297
Other taxes	19	30	401
Taxes to be collected and accounted			
Value added tax accounted	423	404	338
Withholding tax on wages	6,106	3,745	3,530
Withholding tax and tax at source on dividends	547	461	
Other taxes	363	60	106

Data as tables: Social responsibility

Number and structure of personnel

	2022	2021	2020
Number of personnel at the end of the accounting period	**357**	**333**	**291**
Men	131	113	94
Women	226	220	197
Other or information missing			
Average number of personnel	**350**	**307**	**291**
Men	129	104	94
Women	221	203	197
Other or information missing			
Number of permanent employment contracts	**296**	**284**	**252**
Men	100	91	78
Women	196	193	174
Other or information missing			
Number of fixed-term employment contracts	**61**	**49**	**39**
Men	31	22	16
Women	30	27	23
Other or information missing			
Number of zero-hour employment contracts			
Men	0	0	0
Women	0	0	0
Other or information missing			

	2022	2021	2020
Number of part-time employees	**25**	**23**	**19**
Men	14	10	8
Women	11	13	11
Other or information missing			
Number of full-time employment contracts	**332**	**310**	**272**
Men	117	103	86
Women	215	207	186
Other or information missing			
Personnel turnover, incoming employees	**28.0%**	**21%**	**31%**
Personnel turnover, outgoing employees	**19.3%**	**20%**	**27%**
Average age of personnel	**36.4 y**	**38 y**	**38.3 y**
Number of retiring employees	**4**	**3**	**3**
Number of terminated employment contracts	**0**	**0**	**0**
Number of personnel laid off and average duration	**0**	**0**	**0**

Number of persons employed outside the organisation and employment type

	2022	2021	2020
Persons employed outside the organisation	-	-	-

Collective bargaining agreements

	2022	2021	2020
Number of employees covered by collective bargaining agreements	96.1%	96.6%	95.5%
Employees not covered by collective bargaining agreements	3.9%	3.4%	4.5%

Gender distribution of personnel and administration

	2022 Men	2022 Women	2021 Men	2012 Women	2020 Men	2020 Women
Board of Directors	5	2	5	3	4	3
Executive management	4	3	4	3	4	3
Managers	27	21	24	22	20	20
Salaried employees	100	202	85	195	70	174
Total	**136**	**228**	**118**	**223**	**98**	**200**

Employment relationships

	2022	2021	2020
Employment relationships started (persons)			
Women under 30 years	38	24	26
Women 30–50 years	11	11	18
Women over 50 years	0	5	4
Men under 30 years	32	20	24
Men 30–50 years	10	9	13
Men over 50 years	0	1	1
Employment relationships ended (persons)			
Women under 30 years	11	15	21
Women 30–50 years	16	18	21
Women over 50 years	12	10	7
Men under 30 years	13	10	15
Men 30–50 years	11	8	8
Men over 50 years	1	5	3

Distribution of personnel's education at the end of the accounting period

	2022		2021		2020	
	persons	%	persons	%	persons	%
Higher university degree	75	21	62	19	50	17
Lower university degree	10	3	7	2	5	2
Polytechnic or equivalent	112	31	88	26	87	30
Vocational college or equivalent	103	29	84	25	73	25
Other education	57	16	92	28	73	25

Education

	2022	2021	2020
Training days (days)	11.7	8.4	2.5
Personnel covered by development discussions (100%)	100%	100%	100%

Occupational well-being indicators

	2022	2021	2020
Occupational accidents leading to absence	2	1	1
Work-related deaths	0	0	0
Sick days	**2,188**	**1,441**	**901**
of which men	421		
of which women	1,767		
Sick days on average per person	6.13	4.33	3.10
Sick leave rate	2.79	1.97	1.41
Number of harassment and bullying cases	3	2	0
Personnel's job satisfaction	4.5	4.5	4.4

Annual total compensation ratio

	2022	2021	2020
Annual total compensation paid to the highest-paid individual in the organisation	EUR 1,938,916	EUR 600,460	EUR 649,460
Median annual total compensation paid to the organisation's employees (excluding the highest-paid individual)	EUR 35,743	EUR 33,502	EUR 35,062

Customer-related key figures

	2022	2021	2020
Number of customers (approx.)	160,000	150,000	140,000
Customers' satisfaction with their own contact person	4.7	4.7	4.7
Overall customer satisfaction	4.3	4.4	4.3

Data as tables: Environmental responsibility

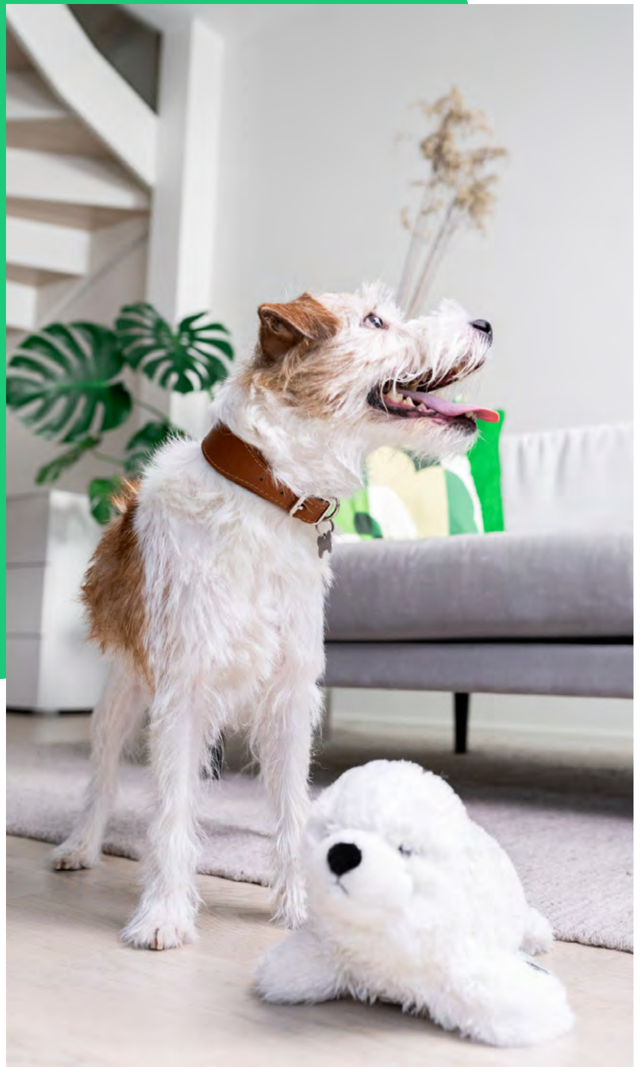
Total energy consumption, MWh

	2022	2021	2020
Purchased electricity	1,781	1,244	1,216
Purchased district heating	1,846	1,537	1,611
Total	**3,627**	**2,781**	**2,827**

OmaSp's carbon dioxide emissions, tCO_2e

	2018	2019	2020	2021	2022
Scope 1. Direct emissions, tCO_2e					
Category 1: Emissions from company cars	10.4	7.3	2.2	4.2	1.5
Scope 2. Indirect emissions, market-based, tCO_2e					
Category 1: Purchased electricity	422.7	360.4	177.3	0	0
Category 2: Purchased district heating	248.1	261.2	216.9	208.0	252.6
Category 3: Purchased district cooling	17.9	17.9	17.9	15.0	6.8
Scope 2. Indirect emissions, location-based*, tCO_2e					
Category 1: Purchased electricity	208.4	232.4	200.0	206.0	161.0
Category 2: Purchased district heating	248.1	261.2	216.9	208.0	252.6
Category 3: Purchased district cooling	17.9	17.9	17.9	15.0	6.8
Scope 3. Other indirect emissions, tCO_2e					
Category 1: Purchased products/services	3,467.5	3,407.5	3,169.6	3,728.4	5,208.1
Category 2: Leased products	325.9	351.9	365.1	293.0	393.0
Category 3: Work-related travel	13.4	8.4	2.7	2.7	7.7
Total emissions, tCO_2e	4,506	4,415	3,952	4,251	5,870
Emissions intensity (scopes 1–2), tCO_2e/employee	2.4	2.2	1.4	0.7	0.7
Emissions intensity (scopes 1–3), tCO_2e/employee	15.6	14.7	13.2	13.5	16.8

*Calculated as a reference in accordance with the GHG Protocol guidelines. The total emissions are based on the market-based figure.



Carbon footprint report 2022

Oma Savings Bank Plc builds sustainable economy and promotes mitigating and adapting to climate change. The company's products and services are developed so that they encourage customers to take sustainable and environmentally friendly action. The company aims to plan its operations to be as low carbon as possible in order to reduce the total carbon footprint.

This report brings together Oma Savings Bank Plc's carbon footprint from year 2022. The calculation has been made at the organisational level identifying the main sources of emissions from the activity. The report deals with the calculation methods used as well as the calculation score.

Date of calculation 27 January 2023
Calculation and report was made by EcoReal Oy.

What is a carbon footprint?

The carbon footprint refers to the climate emissions that are generated as a result of human actions and deeds in a certain period. A company's carbon footprint maps the greenhouse gas emissions arising through its activities. Carbon footprint formation depends on the company's actions. That's why a company's carbon footprint is always calculated on a case-by-case basis. In the calculation the emissions are reported as carbon dioxide equivalents, of which the abbreviation CO_2 equivalent (CO_2e) is used. It reflects different greenhouse gases modified for global warming effect corresponding the effect of carbon dioxide in the atmosphere.

Calculation is based on GHG Protocol standard

The carbon footprint calculation method used in this work is based on GHG Protocol standard which allows companies to calculate their operations greenhouse gas emissions. According to the instructions the emissions are sorted into three different dimension:

- **Scope 1:** Emissions resulting directly from the company's operations, such as your own energy production.
- **Scope 2:** Indirect emission from the company's operations arising from the production of purchased energy, such as district heating and electricity.
- **Scope 3:** Other emissions resulting indirectly from the company's indirect value chain, such as water consumption, wastewater handling and waste.

OmaSp's carbon footprint formation

Oma Savings Bank has identified the main climate impacts of its operations and defined the preliminary measures that will help the company to minimise its climate impacts.

Climate emissions are mainly indirect emissions that we cannot directly influence. These include purchased products and services, business travel and employee business travel. Indirect emissions also include emissions from investments such as finance, funds and investments. Oma Savings Bank's goal is to increase the transparency of responsible investment in its funds and, through this, promote sustainable economy and minimise the carbon footprint of its investments.

Oma Savings Bank's climate emissions can be divided into three different scopes:

OmaSp's carbon footprint

Scope 1: direct emissions

Direct emissions are generated by journeys made with company-owned or leased vehicles, and emissions from refrigeration equipment in some few premises.

Scope 2: Indirect purchasing energy emissions

Oma Savings Bank has premises where electricity, district heating and long-distance cold are purchased. The emissions generated by these purchasing energies fall under this scope. OmaSp is able to indirectly influence purchasing energy emissions through its energy choices. In practice, the company has the potential to influence only the purchase of electricity.

Scope 3: Indirect value chain emissions

Oma Savings Bank's indirect value chain emissions arise indirectly during the entire chain of operations of the company. The most essential emissions arise from purchased products and services, business travel and commuting, and waste generated. In addition, emissions from investments such as finance, funds and real estate investments fall into this category.

Baseline data, assumptions and limitations

The calculation of the carbon footprint was included the actual business of the company. After reviewing the operating environment and identifying the greatest climate impacts of the operation, calculation limits were defined to determine the carbon footprint. It was decided to include in the calculation:

- **Scope 1:** Emissions from company-owned or leased car journeys
- **Scope 2:** Emissions from purchasing energy of premises, i.e., electricity, district heating and district cooling
- **Scope 3:** Products and services purchased, leased products and employee business travel

Assumptions

The area of the real estate portfolio was 17,665 m² in 2022. The area increased by 17% from 2021 as the number of properties increased. In addition, the area information was refined for the year 2022 and the number of employees for the years 2018–2022.

The calculation applies to 2022. The starting year of the carbon footprint calculation in 2018 and the previous year 2021 have been used as a point of comparison.

Scope 2 emissions have been calculated on the basis of location and procurement according to the guidance of the GHG Protocol standard. The aggregate emissions have taken advantage of procurement-based value.

On 1 July 2020, OmaSp switched to fully renewable truly green electricity.

Calculation limitations

The following things were excluded from the calculation due to irrelevance or challenging access to data:

- **Scope 1:** emissions from refrigeration equipment located in individual premises
- **Scope 3:** Employees commute between home and workplace, as well as investment emissions i.e., emission from financing, funds, real estate investments, project financing and other investment activities

Emissions have been calculated using the following input data:

Scope 1 emissions

Kilometers driven by the company's own or leased vehicles based on paid mileage allowances. It is assumed that all trips are made by gasoline vehicles. Emission factors VTT's Lipasto / Bionova.

Scope 2 emissions

In the case of electricity, consumption is based on payments figures and, to a lesser extent, an estimate of the average specific consumption of electricity in office buildings. For district heating and cooling, consumption is based on an estimate of the average district heating specific consumption in office properties.

Location-based: Country-specific average emission factors are used in the calculation. Electricity emission factors are based on Statistics Finland's electricity production data for 2017–2019, Ecoinvent / Bionova. District heating emission factors are based on district heating statistics for 2018–2019, Statistics Finland Ecoinvent 3.3 / Bionova. District cooling emission factors are based on Statistics Finland's 2011 Finnish district cooling production data, Ecoinvent / Bionova.

Purchase-based: For 2021 figures, purchased green electricity has been taken into account. For 2020 figures, purchased green electricity has been taken into account from 1 July 2020, other share is calculated using the residual distribution. Power emission factors Ecoinvent / Bionova. District heating emission factors are based on district heating statistics for 2018–2019, Statistics Finland's Ecoinvent 3.3 / Bionova. District cooling emission factors are based on Statistics Finland's 2011 Finnish district cooling production data.

Scope 3 emissions

Purchased products and services: input data on purchased goods and services and leased goods were collected at the euro level using the accounts. Emission factors DEFRA / Bionova.

Business Travel: During employee working hours business trips by public transport were collected using the accounts at a level denominated in euro. Emission factors VTT's Lipasto / Bionova.

Total carbon footprint

According to the calculation Oma Savings Bank Plc's total carbon footprint was 5,870 tons CO2e in 2022. The carbon footprint increased by almost 38% from the previous year, which means about 1,619 tons more emissions compared to 2021. The increase was due to a strong increase in the use of computer programming and professional services, which in turn is the result of OmaSp's investment in growth and accessibility. The number of offices increased by five and the number of employees increased by 11% compared to the year 2021.

Almost all emissions, i.e., almost 96% of CO2 emissions, consist of purchased or leased products, and services. This is typical for a company that provides services. About 6% of total emissions come from computers and other devices in use, which have been leased. Energy consumption of offices accounts for about 4% of total emissions. Emissions from mobility, i.e., dimensions 1 and 3, account for less than 1% of a company's total emissions. The carbon footprint distributed very similarly the previous year.

In 2022

1,619

Tons more emissions due to growth investments compared to 2021

Number of offices

+5

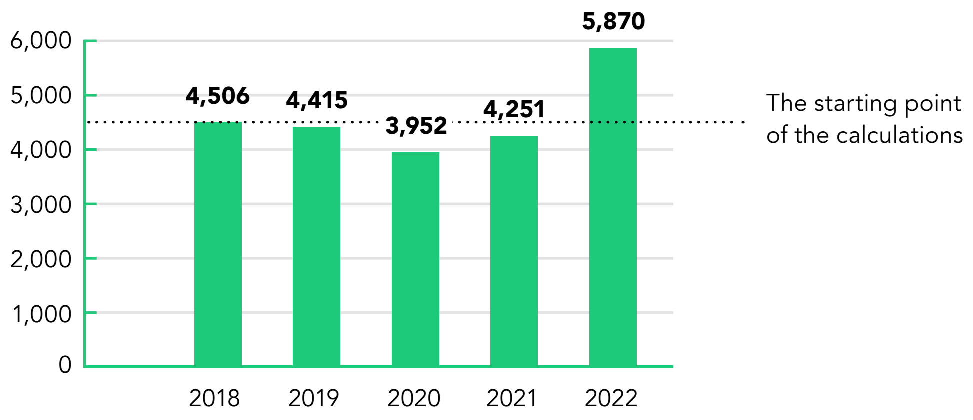
in 2022 compared to 2021

Number of employees

+11%

in 2022 compared to 2021

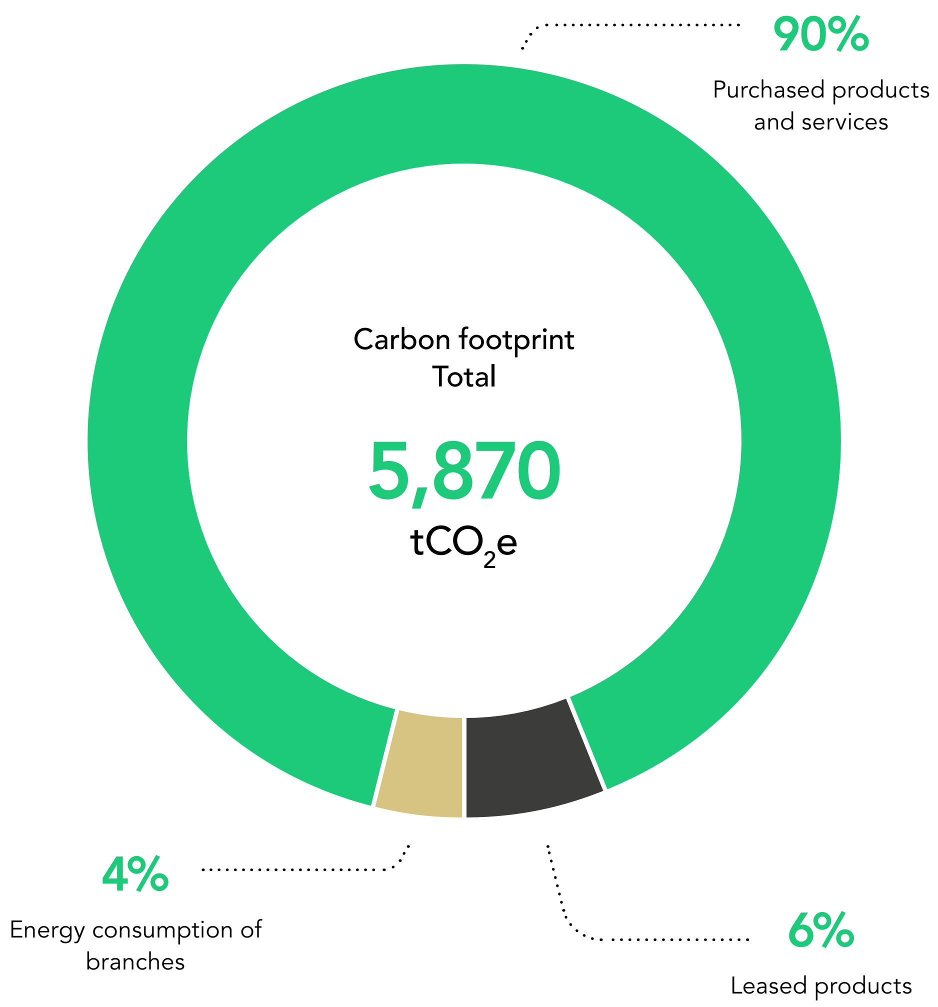
Total carbon footprint, tCO_2e



Key figures of carbon footprint

	2018	2019	2020	2021	2022	vs. 2021	vs. 2018
Total carbon footprint (tCO_2e)	4,506	4,415	3,952	4,251	5,870	+38%	+30%
Number of employees	288	300	299	315	350	+11%	+22%
Emission intensity (tCO_2e/employee)	15.6	14.7	13.2	13.5	16.8	+24%	+8%

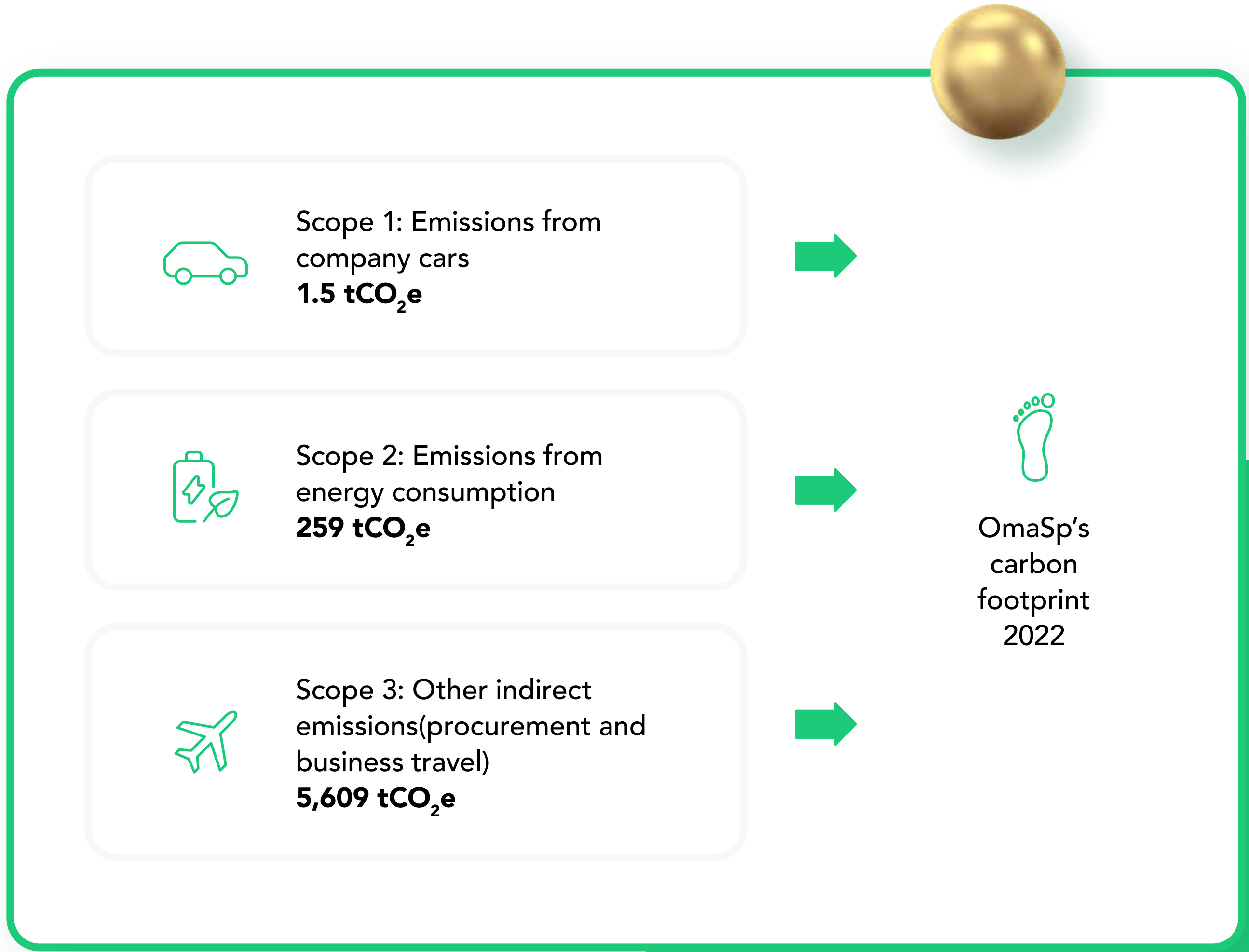
Carbon footprint distribution, %



Oma Savings Bank's carbon footprint distribution to direct and indirect emission (scopes) according to GHG Protocol guidelines are presented in the figure and table below. As stated above, the most significant emissions are from scope 3, i.e., purchased products and services and leased products. Business travel has very little impact on emissions. If only the direct emissions (scope 1) of the company were taken into account, they were approximately 1.5 tons CO2e in total, about 0.03% of total emissions, in year 2022.

Oma Savings Bank's carbon dioxide emissions (tCO_2e)	2018	2019	2020	2021	2022
Scope 1. Direct emissions					
Category 1: Emissions from company cars	10.4	7.3	2.2	4.2	1.5
Scope 2. Indirect emissions, purchase-based					
Category 1: Purchased electricity	422.7	360.4	177.3	0	0
Category 2: Purchased district heating	248.1	261.2	216.9	208.0	252.6
Category 3: Purchased district cooling	17.9	17.9	17.9	15.0	6.8
Scope 2. Indirect emissions, location-based*					
Category 1: Purchased electricity	208.4	232.4	200.0	206.0	161.0
Category 2: Purchased district heating	248.1	261.2	216.9	208.0	252.6
Category 3: Purchased district cooling	7.9	17.9	17.9	15.0	6.8
Scope 3. Other indirect emissions					
Category 1: Purchased products/services	3,467.5	3,407.5	3,169.6	3,728.4	5,208.1
Category 2: Leased products	325.9	351.9	365.1	293.0	393.0
Category 3: Business travel	13.4	8.4	2.7	2.7	7.7
Total emissions, tCO_2e	**4,506**	**4,415**	**3,952**	**4,251**	**5,870**
Emission intensity (scopes 1–2), tCO_2e/employee	**2.4**	**2.2**	**1.4**	**0.7**	**0.7**
Emission intensity (scopes 1–3), tCO_2e/employee	**15.6**	**14.7**	**13.2**	**13.5**	**16.8**

*Calculated as a reference according to GHG Protocol guidelines. Purchase-based figures are used for total emissions.



Carbon footprint by emission source

100%

of the purchased electricity renewable from 1 July 2020

Purchasing energy emissions are caused by district heating

Oma Savings Bank's purchasing energy emissions are made up of electricity, district heating and district cooling production at premises. In 2022 purchasing energy emissions have decreased by up to 71% from the year 2018. It significant that in July 2020 Oma Savings Band switched to renewable green electricity in all its premises so in 2021 and 2022 no electricity emissions were generated. In 2022 thermal energy emissions increased by 21% compared to the previous year due to the increase in the number of premises and the refinement of area information.

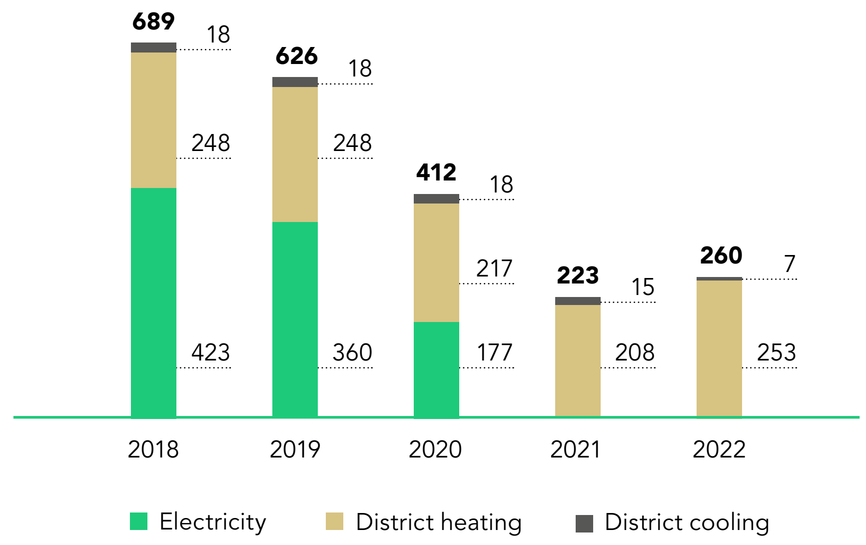
Emissions from movement have decreased by more than 63% from 2018

Emissions from work-related travel have decreased from the comparison year 2018 due to corona pandemic, remote working and remote meetings. However, in recent years work-related travel and the related emissions from movement have increased. In 2022 there were 36% more emissions from movement compared to 2021. However, emissions of own or leased cars decreased by up to 63% in 2022 as the majority of trips made with own cars were made with an electric car.

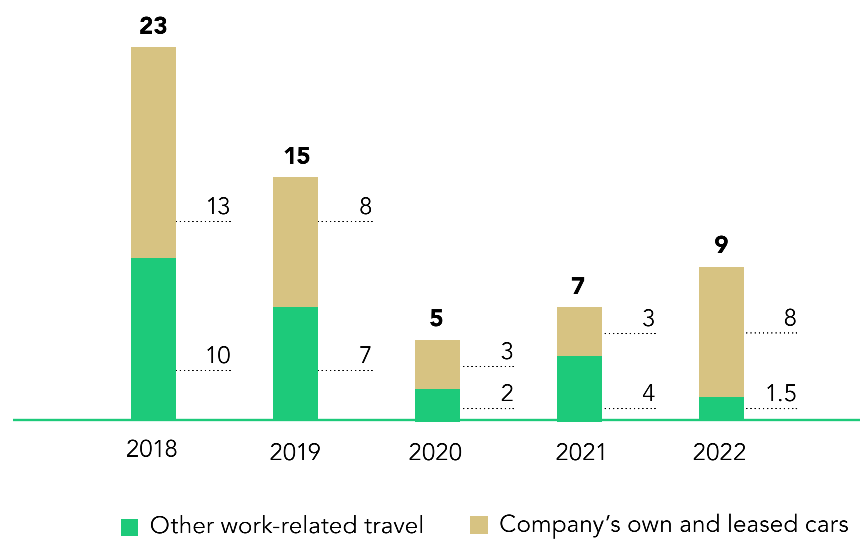
Key figures of movement

	2018	2019	2020	2021	2022	vs. 2021	vs. 2018
Emissions from movement (tCO_2e)	24	16	5	7	9	+29%	–63%
Number of employees	288	300	299	315	350	+11%	+22%
Emission intensity (tCO_2e/person)	0.08	0.05	0.02	0.03	0.03	+50%	–63%

Purchasing energy emissions, tCO_2e



Emissions from movement, tCO_2e



Highest emissions from purchased services

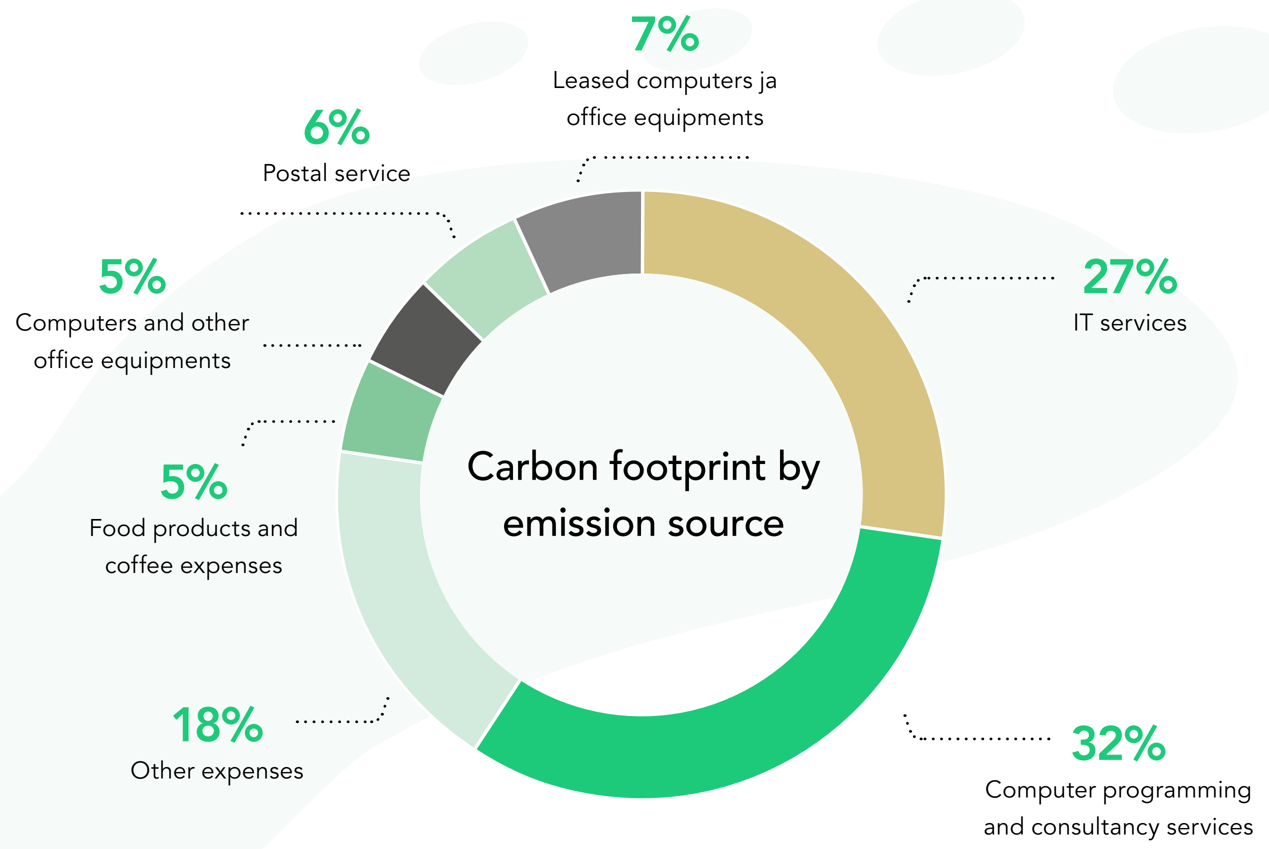
There have been no significant changes in the emissions of Oma Savings Bank's purchases during 2018-2021. However, emissions from purchases have increased by 40% in 2022 compared to 2021. In the previous year the emissions increased by 14% compared to 2020. The most significant emissions consist of services purchased outside the company.

Largest sources of emissions from purchases are formed as follows:

- 32% of computer programming and consultancy services (33% in 2021)
- 27% of ICT services (36%)
- 7% of leased computers and office equipment (7%).

Other major sources of emissions are postal services, computers and other office machines and coffee expenses.

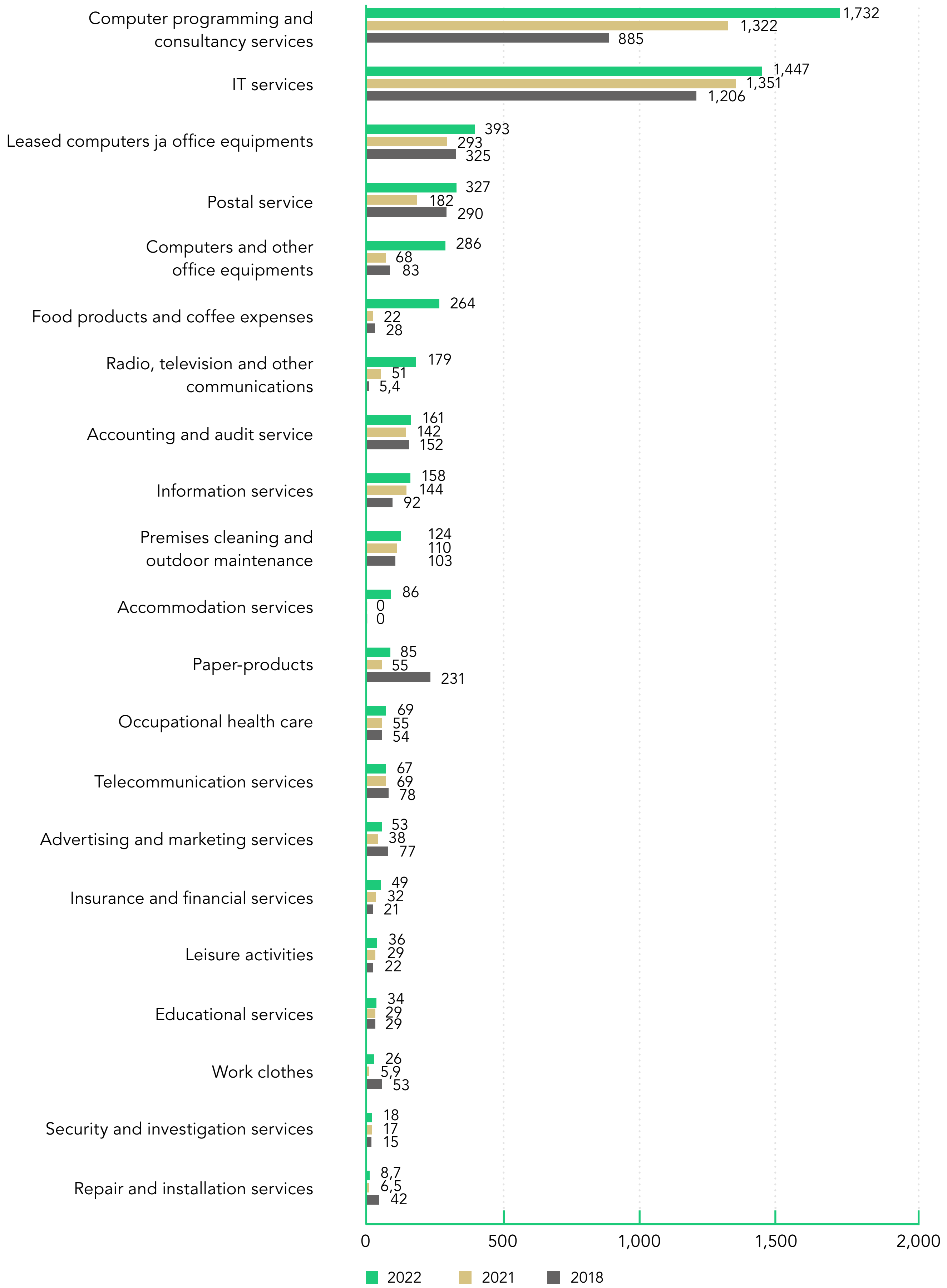
The biggest change in purchases has been in emissions from computer programming and consultancy services. These emissions have increased by 410 tons, or 31%, compared to 2021, as Oma Savings Bank has invested in growth and the development of digital services. In addition, the emissions of food products and coffee expenses have increased by 242 tons and emissions from computers and other office machines by 218 tons.



Keu figures from purchases

	2018	2019	2020	2021	2022	vs. 2021	vs. 2018
Emissions from purchases (tCO_2e)	3,468	3,408	3,170	3,728	5,208	+40%	+50%
Number of personnel	288	300	299	315	350	+11%	+22%
Emission intensity (tCO_2e/person)	12.04	11.36	10.60	11.83	14.88	+26%	+24%

CO_2 emissions from purchases, tCO_2e



Carbon footprint comparison

Emissions still below industry average

Based on the carbon footprint calculation, Oma Savings Bank's greenhouse gas emissions (scopes 1–2) are lower than the industry average. Emissions per employee is around 0.7 tCO_2e/employee as it was the previous year. Emission intensity has decreased by up to 71% compared to year 2018. The result has been most affected by the transition to renewal electrical energy.

The emission intensity in scopes 1–2 has been an average of 2.2 tCO_2e/employee in the industry in previous years. In 202 OmaSp's emission intensity per employee (scopes 1 and 2) was up to 68% lower than the industry average. The comparison of emissions is indicative as the results of the calculation is influenced by the differences between calculation methods. The comparison is based on public reports in the field.

If the emissions of scopes 1–2 (in total 259 tCO_2e) would be compensated it would currently mean a cost of around 20,000 euros in the EU emissions trading system. In proportion to the number of employees the compensation would cost 57 euros per employee. Compensation for emissions of scopes 1–3 would cost around 469,600 euros or 1,340 euros per employee.

Comparing the emission intensity of scopes 1–3 with the average of other companies in the field is not meaningful as the calculations of emissions of scope 3 is just becoming common. The results of emission calculations in scope 3 is very significantly influenced by calculation limits and differences in calculation methods.

In 2022

68%

lower emission intensity per employee (scopes 1 and 2) compared to the industry average

In 2022

71%

lower emission intensity per employee (scopes 1 and 2) compared to 2018

Benchmarks

Oma Savings Bank has a carbon footprint of **5,870 tCO_2e** in 2022.

=

This corresponds to about **570 Finns'** Annual carbon footprint[1].

=

The same amount of emissions corresponds to **40 million kilometer** drive[2].

Emissions per employee (scopes 1–2) was about **0.7 tCO_2e/person** in 2022.

cf

Compensation for emissions of scopes 1–2 costs around **20,000 e = 57 e/person** in the EU emissions trading system[3].

=

The same amount of emissions per employee is generated from **4 flights** From Helsinki to Oulu[4].

1) Sitra 2018, 2) Traficom, 3) Trading Economics 1/2023, 4) VTT's Lipasto

Corporate Governance

Effective corporate governance and transparent organizational model

We comply with the Finnish Corporate Governance Code approved by the Securities Market Association and valid at any given time. In accordance with the Corporate Governance Code, we have published the report Corporate Governance Statement for the financial year 2022. The CG Statement is available on the company's webpage at **sijoittaminen.omasp.fi/en/corporate-governance**. We refer to the content of the completed CG Statement in the Corporate Governance.

The Corporate Governance Code is available in its entirety on the Securities Markets Association's website at **www.cgfinland.fi**

In its decision-making and governance, the Company complies with the with existing legislation, OmaSp's Articles of Association, the charters of OmaSp's Board of Directors and its committees and the rules and guidelines of Nasdaq Helsinki Ltd.

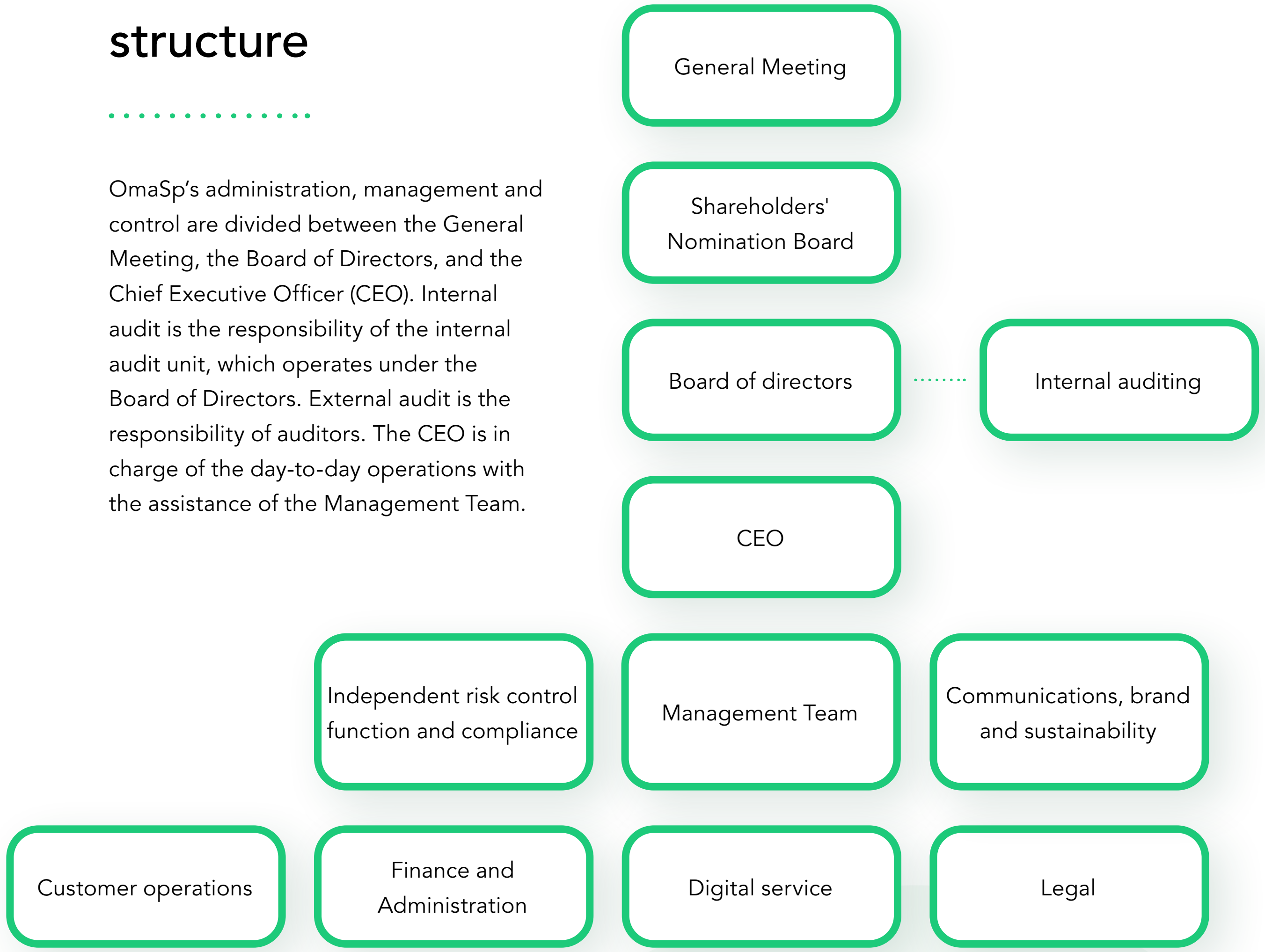
Efficient management of insider issues of a publicly listed Company requires that insider administration is arranged in a consistent and reliable manner. The obligations concerning the arrangement of insider administration are binding to publicly listed companies. OmaSp complies with the insider guidelines of Nasdaq Helsinki Ltd (Helsinki Stock Exchange). In addition, the Company has internal Insider Guidelines approved by the Board of Directors based on the guidelines of Helsinki Stock Exchange. Compliance with the insider guideline, monitoring the notification obligation, and maintaining the insider registers are the responsibility of OmaSp's Chief Legal Officer.

Group structure

The Group's parent company is Oma Savings Bank Plc, whose domicile is in Seinäjoki. Oma Savings Bank Group comprises the parent company Oma Savings Bank Plc, and its subsidiary Real estate company Lappeenrannan Säästökeskus (100% holding). In addition, the Group has associated companies GT Invest Oy (48.7% holding) and City Kauppapaikat Oy (42.1% holding) as well as joint ventures and joint operations SAV-Rahoitus Oyj (48.2% holding), Figure Taloushallinto Oy (25% holding), Deleway Projects Oy (49% holding) and Housing company Seinäjoen Oma Savings Bank house (25.5% holding).

Governance structure

OmaSp's administration, management and control are divided between the General Meeting, the Board of Directors, and the Chief Executive Officer (CEO). Internal audit is the responsibility of the internal audit unit, which operates under the Board of Directors. External audit is the responsibility of auditors. The CEO is in charge of the day-to-day operations with the assistance of the Management Team.



General Meeting

OmaSp's highest decision-making body is the General Meeting of Shareholders. The Annual General Meeting is held once a year before the end of June on a day specified by the Board of Directors.

The Annual General Meeting makes decisions pertaining to, among other things, the election of the Board members, the auditor and deputy auditor, remuneration paid to these, validating the financial statements and consolidated financial statements, discharging from liability the Board members and the CEO, and the use of the profit shown on the balance sheet. Other matters to be discussed at the Annual General Meeting according to the Limited Liability Companies Act or matters requested to be addressed by a shareholder in accordance with the Finnish Companies Act may also be discussed at the meeting. An Extraordinary General Meeting is held when the Board of Directors considers it necessary, or when it must be held pursuant to the law. In order to ensure interaction between shareholders and the Company's governing bodies and to implement the shareholders' right to request information, the CEO, and the chairman and the members of the Board of Directors will attend the General Meetings. Board member candidate must attend the General Meeting that decides on the election. Each Company share entitles to one vote at a General Meeting.

The Annual General Meeting of the Company was held on 30 March 2022. The meeting was held by exceptional meeting procedures under the Provisional Act (677/2020) to limit the spread of corona pandemic. Shareholders of the Company and their agents may attend the meeting and exercise their shareholder rights only by voting in advance and by submitting counterproposals and questions in advance and could not attend the General Meeting in person at the venue of the meeting. Shareholders enrolled at the Annual General Meeting had the opportunity to monitor the Annual General Meeting via direct remotely. Shareholders thus following the meeting were not considered to attend the General Meeting and were therefore not entitled to question or vote during the General Meeting.

Board of Directors

Under the Articles of Association, the Board of Directors of OmaSp has a minimum of five and a maximum of eight regular members and a maximum of two deputy members. The General Meeting decides on the number of members on the Board of Directors, elects the Board members, and decides on their remuneration based on the proposal of the Nomination Committee, which consists of representatives of the shareholders. The term of office of the members of the Board of Directors begins at the closing of the Annual General Meeting and ends at the closing of the next Annual General Meeting. The Board elects a chairman and deputy chairman from among its members.

According to the Board of Directors, all members of the Company's Board of Directors are independent of the Company and all members of the Board are independent of the Company's significant shareholders. None of the Board members are and have not been an employee of the Company.

Members of the Board of Directors of OmaSp and executive directors meet the trustworthiness and qualification requirements laid down in Chapter 7, Section 4, of the Credit Institutions Act.

Composition of the Board of Directors starting from the Annual General Meeting as of 30 March 2021:

Name	Education	Main occupation	Position in the Board
Jarmo Salmi b. 1963	Master of Laws	Asianajotoimisto Jarmo Salmi Oy, CEO	Chairman

Jarmo Salmi has been a member of OmaSp's Board of Directors since 2014. Salmi has served as the CEO of Asianajotoimisto Jarmo Salmi Oy since 2014, and as a lawyer and responsible partner at Asianajotoimisto Lasse Salmi Ky 1991–2014. In addition, Salmi has served as the Chairman of the Board of Kiinteistö Oy Kosken-Keskus since 2014 and as a member of the Board of the Finnish Bar Association in 2012–2015. Salmi holds a Master of Laws.

Name	Education	Main occupation	Position in the Board
Jyrki Mäkynen b. 1964	M.Sc. (Economics)	Oy HM Profiili Ab, entrepreneur	Deputy Chairman

Jyrki Mäkynen has been the Vice Chairman of OmaSp's Board of Directors since 2014 and served as the Chairman of the Board in 2009-2014. Mäkynen has been an entrepreneur at Oy HM Profiil Ab since 1992 and as Sales Director of Oy HM Profiili Ab in 1992–2002 and as CEO since 2003. Mäkynen has been a member of the Board of Fennia Insurance since 2017 and as Vice Chairman of the Board since 2021, a member of the Bank of Finland's Payments Council since 2014. In addition, Mäkynen has been the Chairman of the Board of the Federation of Finnish Enterprises in 2014–2020 and the President of the Council in 2020–2022, the Chairman of the Board of SMEunited in 2014–2020, the Chairman of the Board of the Southern Ostrobotnia University Foundation in 2010–2021 and as a Vice Chairman of the Board of Seinäjoki Joint Municipal Authority for Education Sedu in 2017–2021, as a member of the Board of Seinäjoki University of Applied Sciences 2013–2021, as a member of the Seinäjoki City Council in 2004–2021 and as a member of the city's Board in 2009–2012. Mäkynen holds a Master of Science in Economics.

Name	Education	Main occupation	Position in the Board
Aila Hemminki b. 1966	M.Sc. (Business and Administration)	Seinäjoki University of Applied Sciences, expert, RDI	Member

Aila Hemminki has been a member of OmaSp's Board of Directors since 2017. Hemminki has been an expert in business projects in Seinäjoki University of Applied Sciences, RDI since September 2021. Hemminki has worked as a Change of Ownership Specialist for the Regional Organization of South Ostrobothnian Entrepreneurs in 2018–2021. Hemminki established the Vauvatarvike Huvikumpu Ky (today Hevihill ky) in 1990 and worked as a shop trader until 2008. Since then, entrepreneurship has included management of rental properties. Aila Hemminki has held various positions at the Savings Bank Foundation of Kuortane during 2009–2017. She has been a deputy member of the Board of Hemimotors Oy since 1999 and a member of the Board of Into Seinäjoki in 2017–2021. Hemminki holds a Master of Economic Sciences.

Name	Education	Main occupation	Position in the Board
Aki Jaskari b. 1961	M.Sc. (Business and Administration)	Nerkoon Höyläämö Oy, CEO	Member

Aki Jaskari has been a member of OmaSp's Board of Directors since 2014. Jaskari has served as the CEO of Nerkoon Höyläämö Oy since 1995. In addition, Jaskari has been a member of the Advisory Board of Leppäkosken Sähkö Group Oy since 2001, a member of the Regional Advisory Committee of Pohjola Insurance Oy in 2001–2015 and as a member of the Board of the Parkano Savings Bank in 2010–2013. Jaskari holds a Master of Economic Sciences.

Name	Education	Main occupation	Position in the Board
Timo Kokkala b. 1960	M.Sc. (Agriculture and Forestry)	Farmer	Member

Timo Kokkala has been a member of OmaSp's Board of Directors since 2014. Kokkala has been a farm operator since 1989. In addition, Kokkala has served as the Chairman of the Board of Hauho Savings Bank in 1998–2008 and of Kantasäästöpankki Oy in 2009–2014 and as a member of the Supervisory Board in the Savings Bank Union in 2012–2014. Kokkala holds a Master of Science in Agriculture and Forestry.

Name	Education	Main occupation	Position in the Board
Jarmo Partanen b. 1956	MA, eMBA	Commercial counsellor, Board member	Member

Jarmo Partanen has been a member of OmaSp's Board of Directors since 2021. Partanen has previously served as OmaSp's Chairman of the Board of Directors in 2014–2019. Partanen was the CEO and the Chairman of the Board of Directors of Etelä-Karjalan Savings Bank in 2004–2014, the CEO of Someron Savings Bank in 2003–2004, the chief operating officer of Dynexco Oy in 2001–2003, the CEO of Energiameklarit Oy in 1998–2001, the CEO of Mäntsälän Osuuspankki in 1986–1998, the regional marketing manager at Osuuspankkien Keskusliitto in 1985–1986, and a doctoral candidate/economist at Osuuspankkien Keskuspankki in 1984–1985. In addition, Partanen has been a member of the Board of Etelä-Karjalan Savings Bank Foundation in 2015–2021. Partanen has been the Chairman of the Board of South Karelian Chamber of Commerce in 2015–2017, the Chairman of the Board of Sp-Koti Oy in 2011–2014, member of the Banking Executive Committee of Finance Finland in 2015–2017, member of the Delegation of the Finland Chamber of Commerce in 2007–2017, as well as member of the Board of Oy Samlink Ab in 2008–2014 and a deputy Board member of Savings Banks' Union Coop in 2005–2014. Partanen holds a Master of Arts and an eMBA. Partanen has been awarded the title of Commercial Counselor.

Name	Education	Main occupation	Position in the Board
Jaana Sandström b. 1963	D.Sc. (Tech.)	Lappeenranta University, Professor of accounting	Member

Jaana Sandström has been a member of OmaSp's Board of Directors since 2019. Sandström is a Professor of Strategic Accounting at LUT University and she will begin her third term as the Vice Rector for education at LUT University in early 2023. Before her terms as Vice Rector, she was the Dean of LUT University School of Economics in 2009–2014. In the years 1991–2008, Sandström worked at LUT University as a lecturer and as a temporary assistant to the professorship. Prior to his academic career, Sandström worked in the forest industry from 1987 to 1991 at Enso Gutzeit Oy and Ekono Oy. Among the current key positions of trust are the Second Vice-Chairmanship of the Board of Directors and the Chairmanship of the Committee on Scholarships of the Foundation for Economic Education. Sandström has served as a member of the Board of the South Karelian Cooperative in 2013–2019 and as a member of EPAS Accreditation Board of the European Foundation for Management Development (EFMD) in 2013–2019. In academic positions of trust, Sandström has worked as an opponent, as an evaluator of scientific articles and conferences, as well as an expert in the field of professorships since 2000. Sandström holds a Doctor of Science (Technology).

Diversity of the Board of Directors

OmaSp's Board of Directors has approved the diversity principles for the Board. OmaSp's aim is to promote the election of the most qualified members of the Board of Directors while ensuring equal opportunities for candidates of both genders to be elected. Both genders are represented in the Board of Directors, and candidates for Board membership are appointed in accordance with this equality goal so that, in the election, attention is paid to the added valued brought by the members to the composition of the Board in terms of maintaining and developing sufficient diversity, among other aspects. Diversity is maintained and developed by ensuring broad competence and experience, regional representation and sufficient representation of both genders and different age groups among the nominees.

Women make up 28.5 percent of Board members.

Duties of the Board of Directors

The Board of Directors represents the Company and takes care of the administration of the Company and the trustworthy and appropriate organisation of its operations. The Board of Directors ensures that the Company has business strategies, operating principles and an appropriate organisational structure, and an authorisation system and that the executive directors of the Company are competent, trustworthy and suitable to their tasks.

The Board shall see to it that the Company has sufficient risk management systems and ensure that business risks are identified and evaluated. The Board of Directors shall approve risk-taking principles, establish the procedures used to mitigate risks, and oversee compliance with these. The Board shall ensure that internal control and internal audit are appropriately organised. In its activities, the Board complies with the charter it has approved. In the charter, the tasks of the Board of Directors, its chairman and members, organising the meetings, and evaluation of the Board of Directors' work are described in more detailed. The charter of the Board of Directors is accessible on the Company's website at **sijoittaminen.omasp.fi/en/board-and-its-committees**

Meetings of the Board of Directors

The Board held 19 meetings during the financial year, of which 8 were e-mail meetings. It has also been possible to attend in meetings remotely.

All board members attended each meeting.

Notifications by executives of the Company

The Company maintains a list of executives and their related parties. The Company's executives shall inform the Company of their related parties upon taking on their responsibilities and of any changes in their related parties immediately and no later than three days from the change.

The Company executives and their related parties are subject to trading restrictions applying to Company shares, and the executives' and their related parties' notification obligations concerning such transactions are described in the Company's Insider Guidelines.

Shareholdings of the Board

Oma Savings Bank Plc's shares owned by the Board members and their controlling companies on 31 December 2022

Name	Shares
Jarmo Salmi	4,178
Jyrki Mäkynen	15,141
Aila Hemminki	7,989
Aki Jaskari	8,386
Timo Kokkala	11,000
Jarmo Partanen	1,145
Jaana Sandström	2,530

Board of Directors' Committees

Audit Committee

The Company does not have an appointed audit committee. The Company's Board of Directors performs the duties of the Audit Committee according to regulations.

Remuneration Committee

The Board has a Remuneration Committee. The Remuneration Committee is composed of a minimum of three members, which are elected by the Board among its members annually. The Board specifies the Remuneration Committee's duties in its adopted charter. The duties of the Remuneration

Committee include preparing matters pertaining to the remuneration and other financial benefits of the CEO and other management members, preparing matters pertaining to reward schemes, assessment of the remuneration of the CEO and other management members, attending to the appropriateness of the reward schemes, preparing matters pertaining to the appointment of the CEO and other management members and identifying their potential successors, and the development of the remuneration of other personnel and the organisation.

The members of the Remuneration Committee were Jarmo Salmi, Jyrki Mäkynen and Aila Hemminki. The Remuneration Committee met two times during the financial year 2022. All members of the Committee attended the meeting.

Shareholders' Nomination Committee

The Company's Extraordinary General Meeting decided in its meeting on 9 November 2018 to amend the Company's Articles of Association with a provision on the Shareholders' Nomination Committee (hereinafter Nomination Committee). The Nomination Committee's duty is to prepare proposals pertaining to the appointment and remuneration of the members of the Board of Directors for the next Annual General Meeting or, when necessary, an Extraordinary General Meeting.

Each of the five largest shareholders of the Company is entitled to appoint a representative to the Nomination Committee. If a shareholder does not wish to exercise its right to nominate a member, the right will be transferred to the next largest shareholder who would not otherwise have a nomination right. The Company's largest shareholders are determined on the basis of the registered holdings in the Company's list of shareholders on the 1st of June preceding the Annual General Meeting. The Nomination Committee shall submit its proposal concerning the members of the Board of Directors and their remuneration to the Company's Board of Directors by the end of the January preceding the Annual

General Meeting. The Nomination Committee's proposals for an Extraordinary General Meeting shall be submitted in a similar manner well ahead of the General Meeting and taking into account the relevant regulations.

The Nomination Committee's meetings are convened by the chairman of the Board of Directors, who also attends the meetings in his/her role as an expert. In its work, the Nomination Committee complies with the Charter approved by the Annual General Meeting.

Composition of the Shareholders' Nomination Committee
Raimo Härmä (Etelä-Karjalan Sp-säätiö)
Ari Lamminmäki (Parkanon Sp-säätiö)
Aino Lamminmäki (Töysän Sp-säätiö)
Simo Haarajärvi (Kuortaneen Sp-säätiö)
Jukka Kuivaniemi (Hauhon Sp-säätiö)

The Shareholders' Nomination Committee convened five times during the financial year. Jukka Kuivaniemi was absent from one meeting, otherwise all members of the Nomination Committee attended the meetings. Due to the COVID-19 situation, it has also been possible to attend the meetings remotely.

CEO and his/her responsibilities

The CEO is appointed by the Board of Directors. Pasi Sydänlammi has been the Company's CEO since 2009. The CEO manages the Company, develops its business and is in charge of operative administration in accordance with the Board of Directors' instructions. The CEO presents matters to be dealt with and reports to the Board of Directors. The CEO oversees the Company's day-to-day administration in line with the Board of Directors' guidelines and sees to it that the accounts of the Company are in compliance with the law and that its financial affairs have been arranged in a reliable manner. If the CEO is prevented from carrying out his/her tasks, he/she is deputised by a person appointed by the Board of Directors. The CEO's deputy is Pasi Turtio, Director of Customer Operations.

The Management Team

The Management Team is a decision-making body, whose areas of responsibility include operative administration, financial administration, ICT functions, business development, product and service entities, communications and control issues. The Management Team shall convene approximately every two weeks as summoned by the CEO. Minutes shall be kept of the meetings. The role of the Management Team is to assist the CEO. The Management Team comprises the CEO and other members appointed by the Board of Directors.

Shareholdings of the Management Team

Oma Savings Bank Plc's shares owned by the Management Team and companies controlled by them on 31 December 2022

Name	Shares
Pasi Sydänlammi	107,719
Pasi Turtio	71,423
Helena Juutilainen	20,882
Sarianna Liiri	35,590
Ville Rissanen	17,549
Minna Sillanpää	25,866
Kimmo Tapionsalo	23,600

Composition of the Management Team on 31 Dec 2022

Name	Education	Duty
Pasi Sydänlammi b. 1974	M.Sc. (Admin), MBA, Harvard Business School Executive Education Advanced Management	CEO

Sydänlammi has been the CEO of Oma Savings Bank since 2009. Sydänlammi has served as a representative of Töysän Savings Bank Foundation since 2009 and what before he was the CEO of Töysän Savings Bank 2007–2009. Previously he was the CEO of Lappajärven Osuuspankki 2005–2007, bank manager of LamminOsuuspankki 2004–2005, Business Development Manager at Savings Banks' Union Coop 2002–2003, management consultant and project manager at Talent Partner Group 2001–2002 and auditor at KPMG Oy Ab 2000–2001.

Name	Education	Duty
Pasi Turtio b. 1974	Diploma in Agriculture	Deputy CEO, Customer Operations Director

Turtio has been the Deputy CEO since 2009 and the Customer Operations Director since 2018 of OmaSavings Bank what before he worked as regional director 2014–2017, as manager 2008–2014. Turtio has served as the managing director of Kuortaneen Savings Bank Foundation since 2018, before which he served as a representative for Kuortaneen Savings Bank Foundation 2017–2018. Before he worked as bank manager of Lammin Osuuspankki 2005–2008 and as branch manager 2001–2005.

Name	Education	Duty
Helena Juutilainen b. 1958	Master of Laws with court training	Chief Legal Officer

Juutilainen has been the Head of Legal of Oma Savings Bank since 2017. Previously she was the legal counsel of Kuntien Tiera Oy 2010–2017 and the legal counsel of Oy Samlink Ab 1998–2010.

Name	Education	Duty
Sarianna Liiri b. 1981	M.Sc. (Business and Administration), eMBA	Chief Financial and Administrative Officer

Liiri has been the Chief Financial and Administrative Officer of Oma Savings Bank since 2018, prior to which she was the administrative officer 2015–2018 and development manager 2014–2015. Previously she was the account manager of South-Karelian Savings Bank 2006–2014.

Name	Education	Duty
Ville Rissanen b. 1971	M.Sc. (Business and Administration)	Chief Information Officer

Rissanen has served as the Head of Digital Services at OmaSp since September 2019. Rissanen has worked as IT Director at Aktia Bank Ltd 2004–2019 and as IT Director at Gyllenberg Private Bank Oy 2001–2004.

Name	Education	Duty
Minna Sillanpää b. 1970	MBA, Industrie- und Aussenhandels-assistent, Gross- und Aussenhandels-kaufmann and college degree in foreign trade, CBM	Chief Communications Officer

Sillanpää has been the Chief Communications Officer of Oma Savings Bank since 2017. Sillanpää was the CEO of the Regional Organization of Enterprises in South Ostrobothnia 2009–2017, CEO of E-P:n Yrittäjien Palvelu Oy 2009–2017, deputy director of South Ostrobothnia Chamber of Commerce 2007–2009, division manager at Berner Oy 2000–2007, and export manager/ division manager at Berner Oy 1996–2000.

Name	Education	Duty
Kimmo Tapionsalo b. 1963	M.Sc. (Business and Administration), eMBA, CBM	Chief Risk Officer

Tapionsalo has served as the Chief Risk Officer since 2016, before which he was in risk management positions in the years 2013–2015. Tapionsalo has acted as Banking and Corporate Banking Director and Head of Corporate Finance at Kantasäästöpankki Oy in 2010–2013, as Head of Corporate Banking and Investment Manager at Nooa Säästöpankki Oy in 2003–2010, as Head of Bank and Investment Advisor at Aktia Plc in 1998–2003.

Main features of the internal control and risk management systems connected with the financial reporting process

Internal control refers to measures that ensure the achievement of strategic objectives, the efficiency of resources, the smooth running of information and the reliability of information. Internal control ensures that risk management is continuously adequate in various areas. Compliance with regulations and risk awareness are reflected in all decision-making and are part of corporate culture and responsible operations. Internal control also extends to ensuring compliance with business principles.

The Company's Board of Directors has overall responsibility for arranging internal control, and the Board regularly evaluates the effectiveness and efficiency of internal control based on the reporting of the compliance function, the independent risk assessment function and the internal audit. The principles of internal control approved by the Board of Directors outline the totality and objectives of the control system. The control principles are supplemented by function-specific control descriptions and guidelines.

Financial reporting

In terms of financial reporting, the principles for internal control are clear roles and responsibilities within the organisation. As regards internal control, clear responsibilities between the Company and service providers and efficient procedures for monitoring processes are key. OmaSp has drawn up reporting practices for the implementation of financial reporting. In order to ensure the accuracy of financial reporting, internal control processes have been established.

The unit of Financial Administration is responsible for the financial reporting of the Oma Savings Bank Group as a whole and for external and internal accounting. Financial Administration is responsible for, among other things, the Group's financial reporting, the Group's accounting principles and maintenance thereof, drawing up and updating the Group's forecasting models, and the Company's internal financial reporting and its monitoring. The Group's reporting is centralised to Financial Administration.

The bookkeeping of OmaSp is handled by Figure Taloushallinto Oy, which is partly owned by the Company. Purchased services include basic bookkeeping, drawing up the consolidated financial statements according to IFRS along with producing the numeric content for the notes to the financial statements, securities ledger and purchase ledger accounting, and fixed assets bookkeeping. These services are produced in accordance with service agreements, and they comply with the guidelines and regulations of the Finnish Financial Supervisory Authority and other authorities. The Company holds regular meetings with the service providers to develop the collaboration and monitor their operations. OmaSp's Management Team and the Board of Directors receive regular management reports, which cover reports for the period, forecasts, and analyses of deviations by earnings item and balance sheet item. The reporting framework also includes key figures that are to be reported.

Controllers involved in the Group's financial reporting do not participate in business activities or making business decisions. Controllers report to OmaSp's CFO, who is a member of the Management Team.

Functions independent of business operations

The Company has arranged functions that are independent of business operations to ensure efficient and comprehensive internal control as follows:

- Independent risk control function
- Ensuring regulatory compliance (Compliance function)
- Internal audit function.

The Company's Board of Directors has appointed the persons in charge of these functions. In this way, the Board of Directors has ensured that the risk control function, compliance function, credit risk evaluation function and internal audit function have adequate and competent personnel resources with respect to the nature, scope and diversity of the Company's operations.

Risk control

Risk control function is an essential part of internal control. The purpose of function is to ensure that risks arising from the Company's business are identified, assessed and quantified, and that the risks are monitored as part of day-to-day business management.

The Board of Directors approves the operating principles of the function, and the function reports on its activities to the Board of Directors and executive management. The Company maintains and develops risk control functions to ensure that all new, previously unidentified essential risks will be covered by risk management.

Compliance

The compliance function assists the Board of Directors and executive management in managing risks related to non-compliance. The Board of Directors has adopted the goals and responsibilities of the function by approving its operating principles and confirming its annual plan each year.

The compliance function supervises and regularly assesses the adequacy and efficiency of all business areas' activities and procedures through which the Company ensures compliance with regulations. The function assesses and ensures that the procedures and instructions are appropriate with respect to legislation and the requirements arising from other regulations. The function evaluates the adequacy of the measures taken to rectify the deficiencies identified as regards compliance with regulations and the implementation of equal treatment of customers. The function works in co-operation with the internal audit and risk control functions and monitors the execution of the recommendations based on internal audit's observations.

The Compliance function reports to the Board of Directors on its observations biannually.

Internal audit

Internal audit refers to evaluation and assurance activities that are objective and independent of business operations.

The Board of Directors decides annually on the operating principles of the internal audit and the audit plan. The internal audit reports at least annually and, if necessary, more frequently on its most important findings, the follow-up of measures and the implementation of the audit plan directly to the Board.

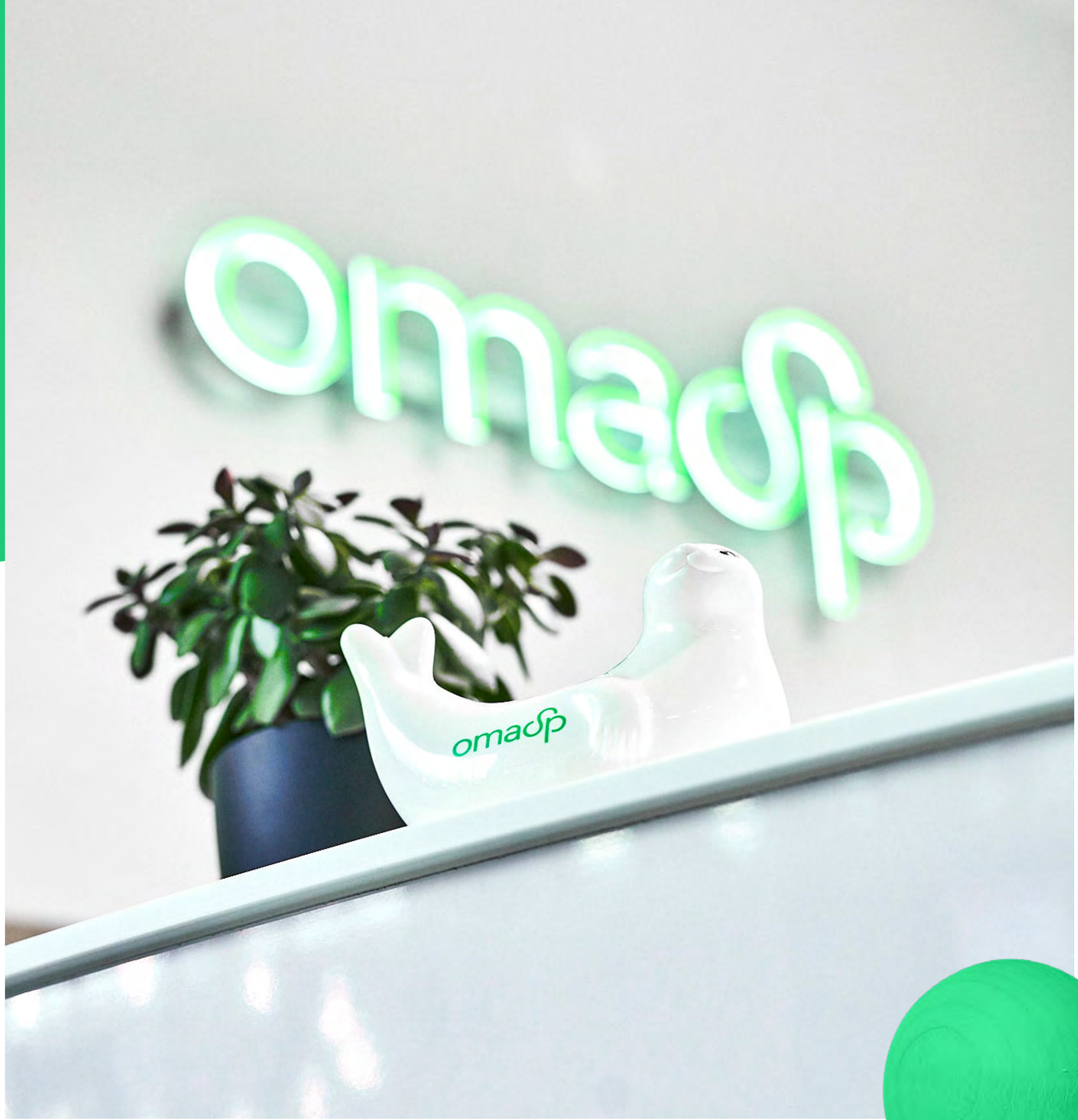
Related party information

Related parties refer to key management personnel in OmaSp and their family members, subsidiaries, associates and joint ventures, joint operations, and companies in which the key management personnel have control or significant influence and entities that have significant influence in OmaSp. The key personnel are the members of the Board of Directors, the CEO and the Deputy CEO, and the rest of the Management Team. Loans and guarantees granted to related parties are granted on terms and conditions that apply to similar customer loans and guarantees. Employee benefits are respected for related parties working in OmaSp. Transactions with related parties are part of the Company's normal business operations and are carried out in accordance with the agreed decision-making procedure and taking into account possible conflicts of interest. Related party transactions are reported in the notes to the financial statements (G34).

Auditors

According to the Articles of Association, at minimum one (1) and at maximum two (2) auditors shall be elected for the Company. The auditors shall be Authorised Public Accountants approved by Finland Chamber of Commerce. If only one auditor is elected and this is not from an authorised public accountants firm approved by Finland Chamber of Commerce, a deputy auditor shall also be elected. The auditors are chosen for their assignment until further notice. The auditor of OmaSp is the firm of auditors KPMG Oy Ab (Business ID 1805485-9), with Fredrik Westerholm, M.Sc., APA, as the auditor in charge until 31 of May 2022 and after that Tuomas Ilveskoski, M.Sc., APA. The auditor's term of office begins at the close of the Annual General Meeting and continues until the end of the next Annual General Meeting. The Company discloses the fees payable to the firm of auditors in the notes to the financial statements (G22).

Report of Board of Directors



Report of Board of Directors

Year 2022 Report of Board of Directors and Financial Statements is a translation of the original Finnish version "Vuoden 2022 hallituksen toimintakertomus ja tilinpäätös". If discrepancies occur, the Finnish version is dominant.This is not the ESEF Financial Statements, the official ESEF Financial Statements can be read on the Company's website.

Strategy and financial goals

Oma Savings Bank Plc is a profitably growing Finnish bank and the largest savings bank in Finland based on total assets. The company focuses primarily on retail banking operations and provides its clients with a broad range of banking services both through its own balance sheet as well as by acting as an intermediary for its partners' products. The intermediated products include credit, investment and loan insurance products. The company is also engaged in mortgage banking operations.

Oma Savings Bank's key customer groups are private customers, small and medium-sized companies as well as agricultural and forestry entrepreneurs. The company's aim is to strengthen its market position in its respective area and among all the above-mentioned customer groups. However, growth is sought in business areas where growth can be achieved within the framework of the company's business profitability and risk management objectives. Oma Savings Bank has been one of the most profitable and effective banks in Finland already for years, and the aim is to maintain this position in the future as well. The development of business volumes is based on organic growth, but the company is open to reorganisations in line with its strategy. The core idea of Oma Savings Bank is to provide personal service and to be local and close to its customers, both in digital and traditional channels. Oma Savings Bank strives to offer premium level customer experience through personal service and easy accessibility and offers its customers a full range of banking services.

The company pays special attention to cost efficiency as well as comprehensive risk management. The business profile is stable as the company focuses on retail banking in Finland. The company aims to keep individual customer and investment risk concentrations limited and organizational structure simple and transparent. The company has defined precise risk management processes, risk taking limits and guidelines to stay within the set limits.

The company's personnel is committed and the aim is to support career development through versatile tasks and continuous development. A significant part of the personnel also own shares in the company.

The Company's operation

Oma Savings Bank offers its customers a full range of banking services. The company serves its customers through its branch network as well as comprehensive digital service channels. Oma Savings Bank's offering to private customers covers daily banking services, various financing solutions, saving services, financial services, insurance, as well as inheritance and family law matters. The range of services to corporate customers covers payment services and other business daily banking services, financial services, corporate pension insurance, investment services and legal and other advisory services. Oma Savings Bank has complemented its own service offering with services provided by partner companies.

The company's savings and investment product range includes, in addition to its own products, such as accounts and OmaTuotto deposits, as well as the investment and savings products of the partners Sp-Fund Management Company Ltd and Sp-Life Insurance Ltd. At the end of 2022, the customers had EUR 514 million in fund and insurance savings brokered by the company. In 2022, the company agreed with Mandatum on cooperation related to securities trading, and as part of the cooperation, the company gave up offering its own shareholding accounts during the year. Previously, the Central Bank of Savings Banks Finland Plc acted as the company's account operator and Skandinaviska Enskilda Banken (SEB) was the intermediary partner in brokerage services.

The company's financial services are complemented by partner products such as loan insurances and various guarantees. The company's partners in offering these financial products include Sp-Life Insurance Ltd, Axa Partners and insurance company Garantia. Oma Savings Bank operates as an independent issuer of Visa cards and finances the cards from its balance sheet.

Acquisition of Liedon Savings Bank's business

In May 2022, the company launched negotiations to merge Liedon Savings Bank's banking business into its business. The acquisition plan was registered in the Trade Register in June. In September 2022, the company's

board and the governing body of Liedon Savings Bank decided on the implementation of the transfer of the business in accordance with the acquisition plan. The goal is to complete the acquisition of the business on 28 February 2023. The acquisition of the business is estimated to have a significant positive impact on the company's annual profitability. In the next few years, it is estimated to increase the company's profit before taxes by approximately EUR 15-20 million annually in the coming years. In the longer term, business in the Turku economic area is expected to significantly increase the company's earnings. The merger will increase the company's balance sheet by approximately EUR 1.4 billion. The arrangement will significantly strengthen the company's market position and service network in the Turku economic area and throughout Southwest Finland. The number of the company's private and corporate customers will increase to more than 200,000 after the merger. The growing volumes will further improve the company's cost efficiency and business profitability.

In November, Oma Savings Bank announced that it has signed an agreement with Sp Mortgage Bank Plc on the transfer of mortgage credit bank loans (mortgage loans) brokered by Liedon Savings Bank. The company purchases traded mortgage loans from SpKLP with all rights and obligations. The amount of the loan portfolio transferring to the company on 5 March 2023 was approximately EUR 250 million in November 2022.The final size of the loan portfolio will be specified at the time of transfer.

Investments in customer experience development

Oma Savings Bank's key aim is to serve its customers personally and to be local and close in both digital and traditional service channels. The company has been developing its distribution network by investing to the development of digital services, as well as developing its branch network over the course of the year. In line with the company's strategy, presence in growth centers is key. The corona pandemic had a large impact on the daily lives of people and companies during the financial year. Oma Savings Bank has invested in guaranteeing and promoting safe banking and encouraged customers to take advantage of digital service channels.

The company's branch network expanded to the Espoo and Tampere Lielahti branches opened in the second half of the year. In addition, the premises of the central Tampere and Helsinki branches were expanded. Investments in branch premises are part of Oma Savings Bank's ongoing investments in developing the customer experience.

Impacts of the Russian invasion war on the business

Russian invasion war to Ukraine has led to global sanctions on Russia and Belarus. Most significantly, Russia's invasion to Ukraine and the economic uncertainty have affected the financial markets in terms of the activities of Oma Savings Bank, and thereby the functioning of the refinancing market in terms of funding availability and pricing. The invasion war and the sanctions against Russia have strongly accelerated the inflation that started in 2021. High inflation and the energy crisis have increased the pressure on central banks to raise interest rates, which has been reflected in the continued rise in interest rates. As a result of the rise in market interest rates, the value of the company's liquidity portfolio decreased, particularly in the first half of the year as the portfolio mainly consists of fixed-rate bonds. The company's hedging measures equated the valuation changes in the liquidity portfolio as expected for the remainder of the year. Correspondingly, the increase in interest rates has been reflected in a significantly increased interest income in net interest income. The company has initiated many measures with which it aims to add buffers to the clearly weakening economic cycle. The company completed bond and debenture loan issuances in the fourth quarter of the year to increase its liquidity and capital buffers. In addition, the company is running hedging measures regarding interest rate risk management.

The war has also highlighted the existence of cyber threats in particular: a denial-of-service attack can disrupt or paralyze information systems. Cyber threats and other risks have been identified in cooperation with service providers to ensure that the company is well prepared in the event of a possible disruption. The company has updated its own preparedness measures and operating guidelines especially with respect to the control of sanctions. In addition, the authorities have developed their own precautionary measures.

The Russian invasion war has not affected the growth of grace periods during 2022, and there have been no peaks in demand for them.

The quality of the company's loan portfolio has remained at a good level. However, the Russian invasion war, inflation and the rise in interest rates have further increased uncertainty in the financial market and the operating environment, and it has increased the credit risk as customers' potential payment difficulties may increase. In addition to the allowances generated by ECL models, additional allowances based on management's judgement has been made for payment difficulties by individual customers already during the corona pandemic. In the last quarter of the year, the company updated the ECL model macro variables: The update will allow the company to better account for the weak economic cycle as part of the ECL model.

Progress of key IT projects

In February 2022, the company agreed on a long-term collaboration with Kyndryl-Samlink. The company will develop its IT systems as reasonable entities and from the business needs. Through long-term cooperation, the company aims for an even more modern and cost-effective IT environment.

The company's project of transitioning to the application of the IRB approach is progressing. In the first stage, the company has applied permission to apply an internal risk classification under the IRB approach to calculate capital requirements for retail credit risk liabilities. Later, the company will apply for a similar permit for corporate liabilities as well as renewable retail liabilities. In February, the company has applied to the Finnish Financial Supervisory Authority (FIN-FSA) for the application of the IRB approach in capital adequacy, after which the application process has progressed on the basis of dialogue with the supervisor.

The system project to prevent money laundering and terrorist financing is progressing according to plan. The system will be implemented in stages. In addition, the company has an ongoing project related to the development of data warehousing and data analytics solutions on the basis of which the company will renew amongst other things areas of the regulatory reporting. Projects to reform regulatory reporting have started as planned during the third quarter.

Focus on investing in personnel competence is key

The development of personnel has been one of the operational development priorities in the company in recent years. In the fall of 2021, the company launched an extensive training program for the entire organization, the goal of which is to clarify the organization's strategy and operating models and to develop the work of immediate supervisors. The training program lasted until the end of the year 2022 and its goal was to improve customer satisfaction and personnel satisfaction and increase business profitability. As an individual program, the training program was a significant investment in the development of personnel competence. In addition to ongoing and regular training, the company offers supervisors and experts the opportunity to complete licensed real estate agent (LKV) qualification. Investing in young employees continued during the year. The company offered internships for university and vocational college students in different units. Several Bachelor's and Master's theses were prepared for the company as part of various development projects. In the summer of 2022, the company was involved in the Responsible Summer Job campaign, offering about 38 young people summer job opportunities in the company.

Issuance of bonds

The company issued three bonds during the year. A covered bond of EUR 350 million was issued in May and a covered bond of EUR 250 million in November. In December, the company's covered bond of EUR 350 million matured. In addition, a EUR 150 million unsecured senior-term bond was issued in September.

Operating environment

The lifting of corona restrictions boosted economic growth worldwide, and Finland's economy also grew at a good pace in the early part of 2022. However, the growth of the economy weakened due to Russia's invasion war against Ukraine. The energy crisis brought by war and the rapid increase in the cost of living has driven up inflation and are weakening the purchasing power of consumers and the confidence of consumers and companies in the economy.[1] The annual change in consumer prices calculated by Statistics Finland was 9.1% in December. The rise in inflation was influenced, among other things, by the rise in the price of electricity and the average interest rate on mortgages.[3]

The European Central Bank aims to keep inflation at the level of 2% over the medium term, so the development of inflation guides the rate of change in monetary policy. As expected, the ECB continued to raise key interest rates in December. Throughout the year, key interest rates have been raised by 2.50 percentage points, the most recent increase in key interest rates in December being 0.50 percentage points. The ECB has also indicated that interest rates may need to be raised further in future meetings.[2] Financial conditions in Finland have tightened during 2022 and interest rates have turned to rapid growth. During January-December, the quotation of the 12-month Euribor rate has risen approximately by 3.5percentage points.[10]

Russia's invasion war to Ukraine has weakened the growth of the economy. The war has raised the prices of electricity and fuel significantly and weakened the availability of energy. The rapid rise in inflation dampens the growth of private consumption. According to the preliminary calculations of the Bank of Finland, the predicted GDP growth in 2022 would be 1.9% and the GDP growth is predicted to decrease 0.5% in 2023. In 2024, economic growth is expected to return to 1.1%.[1]

In July-September, the seasonally adjusted savings rate of households decreased compared to the previous quarter. Inflation can be seen as a significant increase in consumer spending. However, households' disposable income grew by 3.7% year-on-year, when refined from price changes, income decreased by 1.6%. The investment rate remained at the level of the previous quarter. The majority of investments of households are in housing investments. The corporate investment rate remained at the level of the previous quarter.[4]

According to Statistics Finland, there were 65,000 more employed and 22,000 fewer unemployed than a year ago. In 2022, the employment rate was 73.8% and the unemployment rate was 6.8%.[5]

In December, the consumer confidence indicator dropped sharply to freezing compared to the previous year. The components of the confidence indicator are: assessment of one's own finances now, expectations of one's own and Finland's economy 12 months from now, and intentions to spend money on durable goods in the next 12 months.

Expectations about the current state of the consumer's own finances weakened and compared to a year ago, expectations about the current state of the Finnish economy were clearly darker.[11]

According to Statistics Finland's preliminary data, prices of old dwellings in housing companies fell by 3.4% in November compared to a year ago. Of the larger cities, house prices fell the most in Helsinki and Tampere. Prices of flats decreased and, accordingly, the prices of terraced houses increased slightly compared to last year. In the six largest cities, the prices of old dwellings in housing companies fell by 5% in November compared to last year, in the rest of Finland prices fell more moderately. At the same time, 38% fewer transactions in flats and terraced dwellings were made through real estate agents than one year earlier.[6]

In November, 1.2 billion euros worth of mortgage loans were raised, which is EUR 750 million less than the previous year. The average interest rate for new mortgage loans was 3.18% in November. In November 2022, the annual growth of all loans to households was 1.2%. The annual growth rate of mortgage lending was 1%. The volume of corporate loans rose 10% over the same period.

Over the 12-month period, the number of household deposits increased by a total of 2.7% but has clearly slowed down from the same period last year.[7]

In January-December 2022, the number of bankruptcies filed increased by 7.4% compared to the previous year. The number of personnel in the companies filing for bankruptcy came to 11,975, i.e. 4.2% more than in the corresponding period in 2021.[8] In September-November, the number of new building permits granted decreased by 35% compared to the previous year and was 7.1 million cubic meters.[9]

The company has increased its preparedness for the uncertainty of the economic environment through various means, including increasing buffers from both capital and liquidity perspectives, and initiating hedging measures.

1) Bank of Finland, Finland's economy slips into recession. Published on 16 December 2022.
2) Bank of Finland, ECB monetary policy decisions. Published on 15December 2022.
3) Statistics Finland, Inflation 9.1% in December 2022. Published on 13 January 2023.
4) Statistics Finland, Households' saving rate decreased in 2022
in the third quarter. Published on 16 December 2022.
5) Statistics Finland, Number of employed persons increased and the number of unemployed decreased in 2022. Published on 27 January 2023.
6) Statistics Finland, Prices of old dwellings in housing companies fell in November 2022, especially in the metropolitan area. Published on 29 December 2022.
7) Bank of Finland, MFI balance sheet (loans and deposits) and interest rates, Amount of funds in current accounts decreased and the popularity ofterm deposits increased. Published on 3 January 2023.
8) Statistics Finland, 222 bankruptcies were initiated in December 2022. Published on 16 November 2022.
9) Statistics Finland, Number of cubes issued for building permits decreased further in September-November 2022 from one year ago. Published on 25 January 2023.
10) Bank of Finland, Euribor interest rates tables. Published on 3 January2023.
11) Statistic Finland, Consumers' estimates of their own finances increasingly gloomy in December 2022. Published on 27 December 2022.

Oma Savings Bank Group's key figures

(1,000 euros)	1-12/2022	1-12/2021	Δ%
Net interest income	104,930	80,130	31%
Total operating income	144,392	156,565	-8%
Total operating expenses	-73,062	-65,294	12%
1) Cost/income ratio, %	50.7%	41.9%	21%
Impairment losses on financial assets, net	-1,747	-7,294	76%
Profit before taxes	69,226	83,271	-17%
Profit/loss for the accounting period	55,379	66,252	-16%
Balance sheet total	5,941,766	5,372,633	11%
Equity	364,961	401,294	-9%
1) Return on assets (ROA) %	1.0%	1.4%	-30%
1) Return on equity (ROE) %	14.5%	17.6%	-18%
1) Earnings per share (EPS), EUR	1.85	2.22	-17%
1) Equity ratio %	6.1%	7.5%	-18%
1) Total capital (TC) ratio %	14.9%	15.6%	-5%
1) Common Equity Tier 1 (CET1) capital ratio %	13.3%	15.5%	-14%
1) Tier 1 (T1) capital ratio %	13.3%	15.5%	-14%
1) Liquidity coverage ratio (LCR) %	166.4%	133.0%	25%
1) Net Stable Funding Ratio (NSFR) %	115.3%	115.2%	0%
Average number of employees	352	315	12%
Employees at the end of the period	357	344	4%
Alternative performance measures excluding items affecting comparability:			
1) Comparable profit before taxes	75,850	53,142	43%
1) Comparable cost/income ratio, %	48.0%	48.0%	0%
1) Comparable earnings per share (EPS), EUR	2.02	1.41	43%
1) Comparable return on equity (ROE) %	15.8%	11.2%	42%

1) The calculation principles of the key figures are presented in Note G37 of the Financial Statements. Comparable profit is presented in the Income Statement.

Result 1–12 / 2022

The Group's profit before taxes for January-December was EUR 69.2 (83.3) million and the profit for the period was EUR 55.4 (66.3) million. The cost/income ratio was 50.7 (41.9)%.

Comparable profit before taxes in January-December amounted to EUR 75.9 (53.1) million and the comparable cost/income ratio was 48.0 (48.0)%. The comparable profit before taxes has been adjusted for the net income on financial assets and liabilities as well as expenses related to acquisitions.

Income

Total operating income was EUR 144.4 (156.6) million. Total operating income decreased 7.8% year-on-year. The one-time item caused by the change in the Group structure and the revaluation of the joint debt recorded in connection with the acquisition carried out last year were recorded in operating income. The combined effect of these on operating income was EUR 1.7 million. In the comparison period, other operating income increased by EUR 26.9 million from the one-off item received for the termination of the project regarding the core banking platform during the second quarter 2021 as well as EUR 7.5 million of negative goodwill from the acquisition of Eurajoen Savings Bank's business as a single item.

Comparable total operating income was EUR 149.7 (116.9) million and the increase of comparable total operating income was 28.1%.

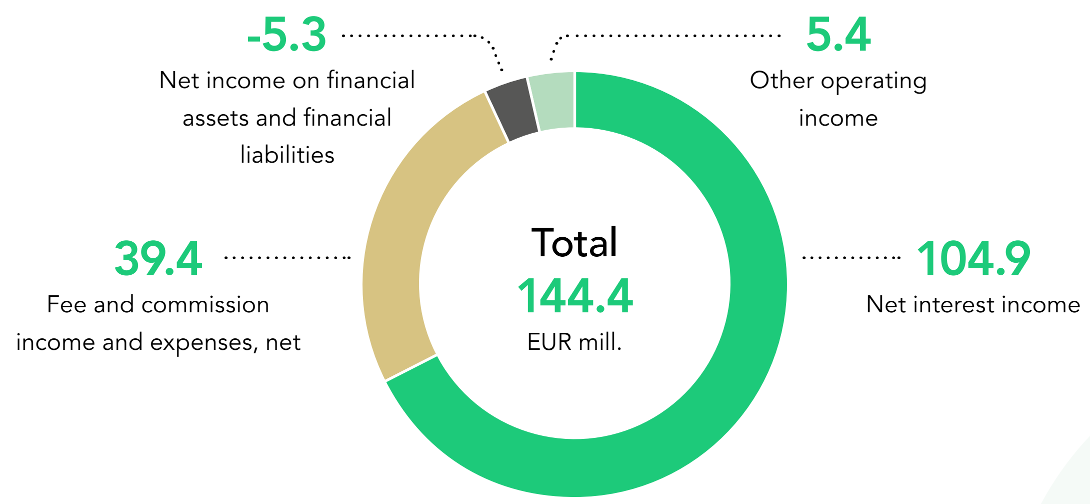
During the reporting period, net income on financial assets and liabilities of EUR -5.3 (5.2) million has been eliminated from operating income as an item affecting comparability.

Net interest income grew 31.0%, totalling EUR 104.9 (80.1) million. During the financial period, interest income grew 43.5% and was EUR 121.9 (84.9) million. The increase in interest income is largely explained by the growth of EUR 456 million in loans and receivables since 31 December 2021 and increased market interest rates. The overall increase in interest rates has increased the interest income, particularly beginning from the third quarter. Hedges to manage interest rate risk have also boosted interest income. During the period, the average margin of the loan portfolio has remained almost unchanged.

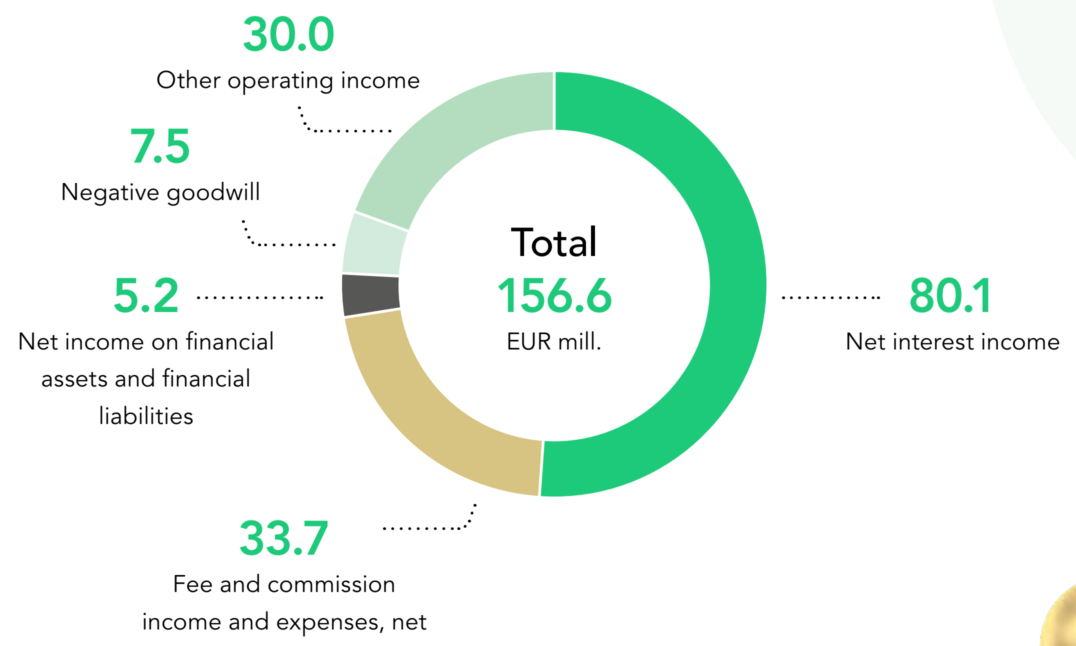
Interest expenses increased year-on-year and was EUR 16.9 (4.8) million. A large part of the increase in interest expenses can be explained by the higher interest rate on the new bonds issued in 2022 and the rise in market interest rates. The average interest on deposits paid to the company's customers was 0.20% (0.01%) at the end of the period.

Fee and commission income and expenses (net) increased by 17.0% and was EUR 39.4 (33.7) million. The total amount of fee and commission income was EUR 46.3 (39.4) million.

Operating income 1–12/2022, EUR mill.



Operating income 1–12/2021, EUR mill.



Commissions from cards and payment transactions net grew 28.7% compared on the comparative period and was EUR 24.4 (19.0) million. The increase is mainly explained by volume growth and an improvement in pricing power. The amount of commission income on lending was EUR 11.9 (12.0) million. Commission on lending decreased in the fourth quarter as new lending slowed down. Uncertainty of the economic environment weakened credit demand, in addition, the company reduced new lending in preparation for a weakening economic cycle.

The net income on financial assets and liabilities was EUR -5.3 (5.2) million during the period.

Other operating income was EUR 5.4 (30.0) million. During the reporting period, other operating income includes EUR 1.3 million from the revaluation of joint debt recorded in connection with the Eurajoen Savings Bank's business transaction as well as EUR 0.4 million caused by the change in the Group structure as a positive impact. In the comparison period, the impact of the contract termination regarding the core banking platform was EUR 26.9 million and the negative goodwill of EUR 7.5 million recognised as a result of the Eurajoen Savings Bank acquisition.

Expenses

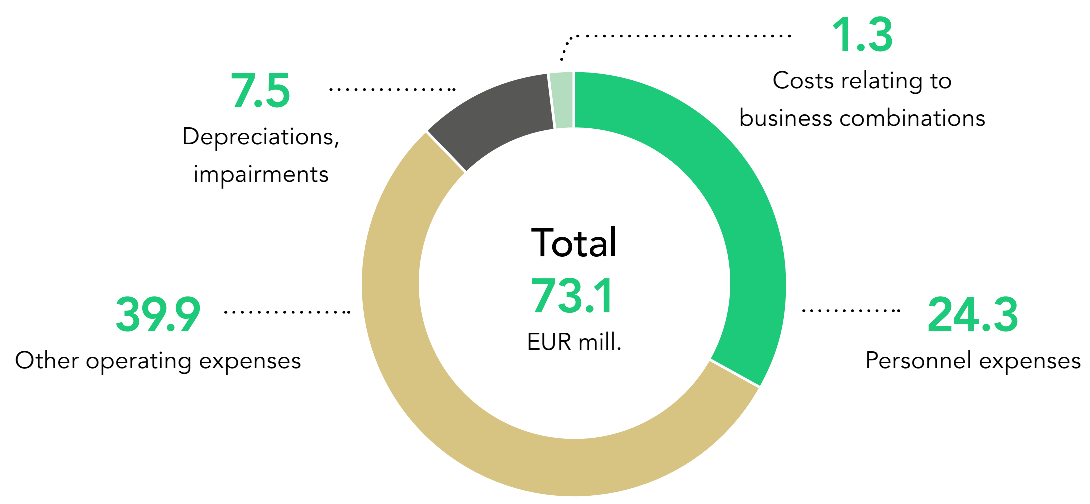
Operating expenses increased 11.9% compared to the previous year's corresponding period. Operating expenses came to a total of EUR 73.1 (65.3) million. For the reporting period, expenses affecting comparability have been recorded in relation to the future acquisition of the Liedon Savings Bank business of EUR 1.3 million. In the comparison period, the operating expenses included the write-down of the core banking project and expenses related to the acquisition of Eurajoen Savings Bank's business EUR 4.4 million, so the comparable operating expenses were EUR 71.7 (55.7) million. The increase of comparable operating expenses was 28.7%.

Personnel expenses increased 17.9%, totalling EUR 24.3 (20.6) million. The increase in personnel expensed is effected by the business transaction made at the end of 2021, in which the personnel of Eurajoen Savings Bank transferred to Oma Savings Bank as well as the personnel costs of new branches opened at the end of the year. The increase in personnel expenses is also affected by expenses recorded for the share-based incentive scheme. The number of employees at the end of the period was 357 (344), of which 62 (55) were fixed-term.

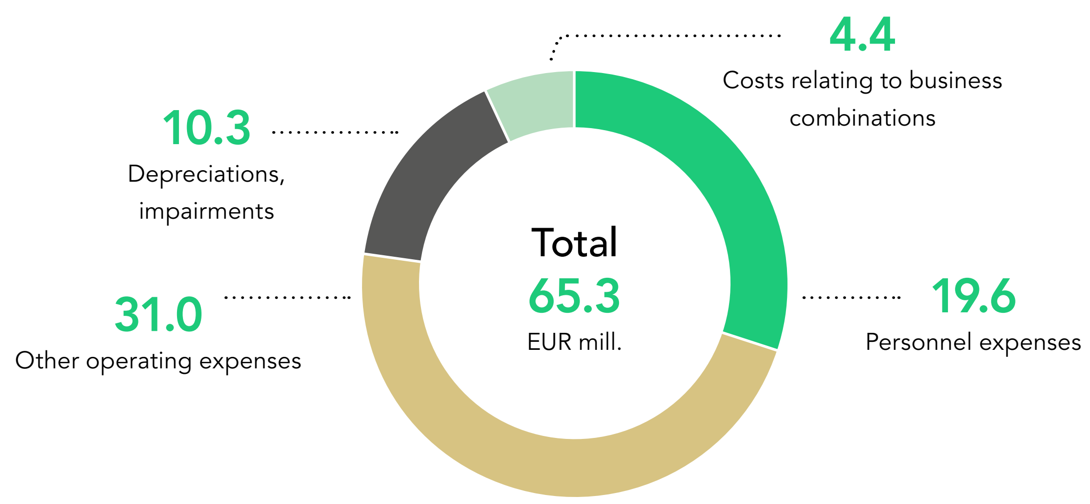
Other operating expenses increased 19.8% to EUR 41.2 (34.4) million. Part of the increase in expenses is explained by the increase in authority fees due to the company's growth. The item includes authority fees, office, IT, PR and marketing costs and those stemming from the business premises in own use. The increase in expenses compared to the comparison period was mainly influenced by the increase in the amount of expenses for branches and personnel following the acquisition of Eurajoen Savings Bank's business at the end of 2021. As well as the increased costs due to the Espoo and Tampere Lielahti branches opened at the end of 2022 and project costs related to Liedon Savings Bank.

Depreciation, amortisation and impairment on tangible and intangible assets were EUR 7.5 (10.3) million. During the second quarter 2021, items recorded as impairment for the core banking project were in total EUR 4.6 million.

Operating expenses 1–12/2022, EUR mill.



Operating expenses 1–12/2021, EUR mill.



Impairment losses on financial assets

Impairment losses on financial assets (net) decreased compared to the comparison year and were EUR 1.7 million, while the impairment losses on financial assets (net) recorded in the comparison period were EUR 7.3 million.

The net impact of final credit losses decreased compared to the comparison year and was in January-December EUR 3.8 (4.4) million. Credit losses recorded during the period are mostly targeted at corporate customers.

During January-December, the amount of expected credit losses decreased by EUR 2.1 million, while expected credit losses increased by EUR 2.9 million in the comparison period. Of the change in expected credit losses, EUR 1.3 million was allocated to receivables from customers and off-balance sheet items. The change in the investment portfolio was EUR 0.7 million. At the beginning of the year, the company switched to using new, more advanced ECL models as part of the development of IRB credit risk models. This reduced expected credit losses by EUR 2.6 million.

During the first quarter, the company released EUR 2.0 million of the additional loss allowances related to the corona pandemic. However, the Russian invasion war that began in February added economic uncertainty, which is why the company made an additional loss allowance of EUR 2.0 million based on management's judgement. In the second quarter, based on the company's assessment, the effects of the invasion war and the corona pandemic on the company's credit base remained limited, which is why the company released EUR 2.0 million of the additional loss allowances. In the third quarter, the company's management decided to make an additional loss allowance based on the management's judgement of EUR 1.0 million to prepare for a weakening economic cycle and increasing payment difficulties that may come with it. During the last quarter, the company updated the macro variables of the ECL calculation model, that consider the effects of the weakening economic cycle in the calculation model. The change increased the amount of ECL by EUR 0.7 million. During the last quarter, the company released EUR 2.0 million of the additional loss allowances.

After the fourth quarter, additional loss allowances of EUR 0.9 million remain for use by the company. A total of EUR 0.5 million of these additional loss allowances has been allocated to corporate customers and EUR 0.4 million to private customers. Additional allowances made are targeted to stage 2. In addition to the allowances generated by ECL models, allowances based on management's judgement has been made for the payment difficulties of individual customers.

Balance sheet

The Group's balance sheet total grew to EUR 5,941.8 (5,372.6) million during January-December 2022. The growth was 10.6%.

Loans and other receivables

In total, loans and other receivables grew 10.3% to EUR 4,868.7 (4,412.3) million in January-December.

The average size of loans issued over the past 12 months has been approximately EUR 133 thousand.

Loan portfolio by customer group (excl. credit institutions), before the expected credit losses

Credit balance (1000 euroa)	31 Dec 2022	31 Dec 2021
Private customers	2,858,099	2,705,643
Business customers	1,093,700	882,817
Housing associations	461,339	388,306
Agricultural customers	271,112	277,743
Other	94,618	100,040
Total	**4,778,869**	**4,354,549**

Investment assets

The Group's investment assets decreased 14.4% during the period, totalling EUR 552.6 (645.3) million. The decrease was due to the decrease in the value of the liquidity portfolio after market interest rates turned to a sharp rise. In order to reduce the interest rate risk, the company started interest hedging of the liquidity portfolio in the last quarter. The implemented interest hedging measures balanced the effects of changes in the value of the liquidity portfolio on equity. The primary purpose of managing investment assets is securing the company's liquidity position.

Intangible assets

At the end of the year, intangible assets totalled EUR 8.6 (10.0) million.

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

Liabilities to credit institutions and to the public and public sector entities grew during the period by 7.9% to EUR 3,355.0 (3,110.5) million. The deposit portfolio decreased during the third quarter but turned upward again in the last quarter.

The item consists mostly of deposits received from the public, which came to EUR 3,113.9 (2,897.1) million at the end of December. Liabilities to the credit institutions were EUR 242.5 million (EUR 212.7 million).

Debt securities issued to the public

Total debt securities issued to the public grew during the period by 18.4% to EUR 2,087.0 (1,762.3) million. The company issued a covered bond of EUR 350 million in May and EUR 250 million in November, and EUR 150 million unsecured senior-term bond in September. A EUR 350 million covered bond matured in December, the repayment of which reduced the number of bonds in the fourth quarter. The debt securities issued to the public are shown in more detail in Note G13.

Covered bonds are secured by loans to the value of EUR 2,100.1 (1,690.4) million.

Equity

The Group's equity EUR 365.0 (401.3) million decreased by 9.1% during the period. The change in equity is mainly explained by the decrease in the fair value reserve. During the period, fair value reserve decreased by EUR 76.0 million as a result of changes in market prices caused by the increase in interest rates.

Own shares

On 31 December 2022, the number of own shares held by Oma Savings Bank was 130,847. The company repurchased shares of its own under the repurchase program, which ended in February 2022. There was a weighty financial reason for the directed acquisition of own shares as they were acquired in relation to the implementation of a share-based incentive scheme for key personnel.

Share capital	**31 Dec 2022**	**31 Dec 2021**
Average number of shares (excluding own shares)	29,990,687	29,773,517
Number of shares at the end of the year (excluding own shares)	30,019,341	29,962,033
Number of own shares	130,847	188,155
Share capital (1,000 euros)	24,000	24,000

Off-balance-sheet commitments

Off-balance-sheet commitments included commitments given to a third party on behalf of a customer and irrevocable commitments given to a customer. Commitments given to a third party on behalf of a customer, EUR 34.8 (31.0) million, were mostly made up of bank guarantees and other guarantees. Irrevocable commitments given to a customer, which totalled EUR 291.2 (377.8) million at the end of December, consisted mainly of undrawn credit facilities.

Deposit Guarantee Fund and Investors' Compensation Fund

The deposit guarantee is regulated by the Act on the Financial Stability Authority. The Financial Stability Authority is responsible for the guarantee. The Deposit Guarantee Fund protects the deposit maker's eligible receivables up to EUR 100,000.

The Investors' Compensation Fund covers compensation from Oma Savings Bank to non-professional investors of a maximum of EUR 20,000.

The Group's capital adequacy and risk management

Capital adequacy management

Oma Savings Bank Plc has introduced a capital adequacy management process, whose objective is to secure the company's risk-bearing capacity relative to all substantial operational risks. To achieve this goal, the company comprehensively identifies and evaluates the risks related to its operations and measures its risk-bearing capacity to correspond to the company's total risks. To secure its capital adequacy, the company sets risk-based equity objectives and creates an equity plan to reach those objectives. The objective of the capital adequacy management process is also to maintain and develop high-quality risk management operations.

The internal capital needs, which are determined through the capital adequacy management process, are based on the capital requirements of solvency regulations, Pillar I, and its external risks, such as the interest rate risk of the financial account, the market risk of the investment portfolio and business risk.

In its internal evaluation process, the bank estimates the amount of capital sufficient to cover any unexpected losses emerging from risks that are external to Pillar I.

The company's Board of Directors confirms the general requirements for the capital adequacy measurement and evaluation processes as well as general principles for the structuring of the capital adequacy management process. The Board confirms risk strategies and defines target levels for capital, which covers all essential risks emerging from business operations and changes in the external operating environment. In retail bank operations, the company operates according to its strategy. By restricting its operations to this sector alone, the company is able to keep its risks on a manageable level and small in terms of operational quality. The company's Board of Directors is responsible for managing the company's capital adequacy, which also defines the risk limits related to operations. Annually, the Board of Directors reviews the company's capital adequacy management risks, the capital plan as well as the limits set for the risks.

Capital adequacy position and own funds

The total capital (TC) ratio of Oma Savings Bank Group decreased and was 14.9 (15.6)% at the end of the period. The Common Equity Tier 1 capital (CET1) ratio was 13.3 (15.5)%. The medium-term (3-5 years) financial goal for the Common Equity tier 1 capital ratio confirmed by the company's Board of Directors is at least 14%. Risk-weighted assets grew 6.2% to EUR 2,546.5 (2,398.1) million. Risk-weighted assets grew most significantly due to the growth in the loan portfolio for private and corporate customers. Oma Savings Bank Group applies in the capital requirement calculation for credit risk calculation the standardised approach and for operational risk the basic indicator approach. The capital requirement for market risk is calculated using the basic method for the currency position. The company's project to transition to the application of the IRB approach is progressing as planned. At the end of the review period, the capital structure of Oma Savings Bank Group remained sufficient, consisting mostly of Common Equity Tier 1 capital (CET1). The Group's own funds (TC) EUR 379.0 (375.2) million exceeded by EUR 73.2 million the total capital requirement for own funds of EUR 305.8 (287.9) million. Tier 1 capital (T1) was EUR 339.5 (371.9) million, consisting entirely of Common Equity Tier 1 capital (CET1), and Tier 2 capital (T2) was EUR 39.5 (3.3) million, consisting of debenture loans. Own funds were most significantly increased by retained earnings for the financial year 2022, which have been included in the Common Equity Tier 1 capital with the permission granted by the Finnish Financial Supervisory Authority (FIN-FSA) as well as the total of EUR 40 million debenture loans issued in September and November. Decrease in fair value reserve EUR 76.0 million significantly reduced own funds. In the fourth quarter, the company launched liquidity portfolio interest rate hedging to reduce changes in the fair value reserve when the interest rate environment changes. In addition, the company has readiness for the issuance of a debenture loan in early 2023.

The main items in the capital adequacy calculation

(1,000 euros)	31 Dec 2022	31 Dec 2021
Common Equity Tier 1 capital before regulatory adjustments	348,692	383,167
Regulatory adjustments on Common Equity Tier 1	-9,204	-11,244
Common Equity Tier 1 (CET1) capital, total	**339,488**	**371,923**
Additional Tier 1 capital before regulatory adjustments	-	-
Regulatory adjustments on additional Tier 1 capital	-	-
Additional Tier 1 (AT1) capital, total	-	-
Tier 1 capital (T1 = CET1 + AT1), total	**339,488**	**371,923**
Tier 2 capital before regulatory adjustments	40,000	3,261
Regulatory adjustments on Tier 2 capital	-500	-
Tier 2 (T2) capital, total	**39,500**	**3,261**
Total capital (TC = T1 + T2) / Total own funds	**378,988**	**375,184**
Risk-weighted assets		
Credit and counterparty risk, standardised approach	2,281,829	2,179,689
Credit valuation adjustment risk (CVA)	31,658	8,513
Market risk (foreign exchange risk)	-	8,668
Operational risk, basic indicator approach	233,043	201,272
Risk-weighted assets, total	**2,546,530**	**2,398,141**
Common Equity Tier 1 (CET1) capital ratio, %	**13.33%**	**15.51%**
Tier 1 (T1) capital ratio, %	**13.33%**	**15.51%**
Total capital (TC) ratio, %	**14.88%**	**15.64%**

The total capital requirement for banks' own funds consists of the Pillar I minimum capital requirement (8.0%) and various buffer requirements. Buffer requirements are among others the capital conservation buffer set by the Credit Institution Act (2.5%), the discretionary SREP requirement according to Pillar II, the countercyclical buffer requirement, and the systematic risk buffer.

The SREP requirement set by the Finnish Financial Supervisory Authority (FIN-FSA) for Oma Savings Bank Plc, based on the authority's assessment, 1.5%, is valid until further notice, however not later than 30 June 2023. SREP requirement is possible to be partially covered by Tier 1 capital and Tier 2 capital in addition to Common Equity Tier 1. In the third quarter of 2022, the Finnish Financial Supervisory Authority (FIN-FSA) introduced a renewed risk indicator to guide the setting of the countercyclical buffer requirement. The risk indicator does not point to an overheating of the financial cycle in Finland, and thus the countercyclical buffer requirement remained at its basic level of 0 percent. The Finnish Financial Supervisory Authority (FIN-FSA) is preparing to decide on setting a systemic risk buffer to strengthen the risk-bearing capacity of the banking sector at the beginning of 2023. After spring 2020, the systemic risk buffer has not been applied to Finnish credit institutions.

Group`s total capital requirement

31 Dec 2022
(1,000 euros)

		Buffer requirements						
Capital	**Pillar I minimum capital requirement***	**Pillar II (SREP) capital requirement***	**Capital conservation buffer**	**Countercyclical buffer****	**O-SII**	**Systemic risk buffer**	**Total capital requirement**	
CET1	4.50%	0.84%	2.50%	0.01%	0.00%	0.00%	7.85%	199,952
AT1	1.50%	0.28%					1.78%	45,360
T2	2.00%	0.38%					2.38%	60,480
Total	**8.00%**	**1.50%**	**2.50%**	**0.01%**	**0.00%**	**0.00%**	**12.01%**	**305,792**

* AT1 and T2 capital requirements are possible to fill with CET1 capital
**Taking into account the geographical distribution of the Group's exposures

Leverage ratio

At the end of the review period, Oma Savings Bank Group's leverage ratio was 5.6 (6.7)% while the binding requirement of the capital adequacy regulation was 3%. The leverage ratio is calculated based on valid regulations and describes the ratio of the company's Tier 1 capital to the total exposures. Oma Savings Bank monitors excessive leverage as part of its 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.

Leverage ratio (1, 000 euros)	**31 Dec 2022**	**31 Dec 2021**
Tier 1 capital	339,488	371,923
Total amount of exposures	6,093,644	5,527,533
Leverage ratio, %	5,57%	6,73%

Liquidity coverage ratio and net stable funding ratio

The Group's liquidity coverage ratio (LCR) remained good, coming to 166.4 (133.0)% at the end of the period, when the minimum LCR is 100%.

The Russian invasion war that began in February 2022 as well as rising interest rates, appear as an increase in uncertainty in refinancing markets. The situation has been particularly evident in the deposit certificate market, where the price of financing has risen. For covered bonds, the market continues to perform, but uncertainty has moved investors' maturity preference shorter. The increased interest rate can be seen above all in increased refinancing costs.

Liquidity remained at strong levels with the company issuing a EUR 250 million covered bond increase (tap issue) in November and a EUR 350 million covered bond in May. In addition, a EUR 150 million unsecured senior-term bond was issued in September. The issuance of the bonds took place under the company's EUR 3 billion bond program.

LCR & NSFR	**31 Dec 2022**	**31 Dec 2021**
LCR	166.4%	133.0%
NSFR	115.3%	115.2%

The net stable funding ratio (NSFR) was 115.3 (115.2)% at the end of the period with a minimum requirement of 100%. The NSFR key figure has risen moderately with new issues. In addition, the Company's financial plan for the coming years will also support NSFR's development in the future.

Resolution plan

Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms was implemented in Finland as of 1 January 2015 (Act on the Resolution of Credit Institutions and Investment Firms). For the implementation of this Act, the Financial Stability Authority was established (Act on the Financial Stability Authority 1195/2014), which approved Oma Savings Bank's resolution plan in December 2017.

The Financial Stability Authority has issued a decision to Oma Savings Bank Plc on the Minimum Requirement for Own Funds and Eligible Liabilities requirement (MREL) within the meaning of Chapter 8, Section 7 of the Resolution Act (1194/2014) on 6 April 2022. The requirement under the decision consists of an overall risk-based requirement (9.5%) and a requirement based on the total amount of liabilities used to calculate the leverage ratio (3%). MREL requirements must be fully met as of 30 June 2022. On 31 December 2022, Oma Savings Bank Plc meets the set requirement with own funds.

Risk management

The objective of risk management is to ensure that the risks stemming from the company's operations have been identified, evaluated and scaled to an acceptable level, that the risks are monitored and that they are commensurate with the company's ability to bear risk. The essential areas of risk management are credit risks, market risks including interest rate and price risks, financing risks, property risks as well as strategic and operational risks. The company monitors the interdependence of various risks on a risk map. Oma Savings Bank complies with its disclosure obligation by publishing information of risks, their management and capital adequacy in its financial statements. In addition, the company publishes a Capital and Risk Management Report as a separate document to the financial statements.

Principles and organisation

Risk management means the identification, assessment, measurement, restriction and monitoring of risks resulting from and closely related to business operations. Through risk management, the company attempts to minimise the likelihood of unexpected losses and threats to the company's reputation. Risk management perspectives are also involved in business decisions when assessing new business opportunities and areas and the ratio of risk to return. Oma Savings Bank's risk management strategy is based on the goal and business strategy approved by the Board of Directors for the company, the risk management policy and instructions, the authorisation system and the risk and incident reporting generated from the most important business areas. In accordance with its strategy, the company operates in the low-risk area of retail banking activities. The company does not have too much customer or investment risk concentrations in relation to its financial capacity, nor does the company take them in accordance with its strategy.

The company's Board sets the level of risk appetite by approving risk area-specific risk strategies and the necessary risk limits and monitoring limits. The realisation of the risk strategy is monitored through the control of risk limits and monitoring limits and reporting, which are performed independently of business operations. The company maintains its solvency at a safe level. The company's solvency and risk bearing ability are fortified with profitable operations. The Board is regularly provided information about the various risks to the company as well as an assessment of the level of each risk. The Board also accepts authorisations and frameworks for risk-taking by determining the approved levels of credit and market risks.

Within the limits of authorisation, the responsibility for the daily risk monitoring and surveillance belongs to the management. The executive management utilizes system-produced reports on the various areas of risk. Systems and policies intended for risk reporting and monitoring meet the requirements set for risk management, taking into consideration the character and extent of the company's operations.

The company has established independent operations to ensure efficient and comprehensive internal control.

Independent operations:

- Independent risk control
- Ensuring compliance with regulations
- (compliance function)
- Internal audit

Risk management and compliance arrangements

Risk control and independent monitoring of compliance with regulations are performed by the risk control function and the company's compliance function. The risk control function maintains the operating principles and framework of risk management and promotes a healthy risk culture by supporting the business in its risk management. The purpose of the independent risk control is to ensure and monitor that the company's risk management is conducted on a sufficient level in terms of the quality, extent, diversity and risks of the company's business operations. In addition, all new and essential previously unknown risks will be included in the company's risk management.

The compliance function ensures that the company complies with laws, regulations and internal guidelines in all its operations. The compliance function also ensures that the practises followed, and the company's internal instructions are coordinated with the requirements of legislation and other regulations. The goal of the compliance function is to promote the company's compliance culture. The risk control function and the compliance function report directly to the CEO.

Oma Savings Bank's internal audit is an independent and objective assessment and assurance activity, the task of which is to check the adequacy, functionality and efficiency of the internal control system, risk management and management and governance processes in the bank's various units and functions. Internal audit supports Oma Savings Bank's top management and the organization in achieving its goals by providing a systematic approach to the organisation's processes and providing added value to Oma Savings Bank and improving its operational reliability.

Credit ratings

Standard & Poor's confirmed a credit rating of BBB+ for Oma Savings Bank's long-term borrowing in June 2022, as well as a rating of A-2 for short-term borrowing. The long-term credit rating outlook has been confirmed as stable.

Pillar III publication principles

In accordance with Regulation (EU) No 575/2013 of the European Parliament and the Council, Oma Savings Bank Group publishes information on capital adequacy and risk management listed in Part 8 and its Supplementary Regulation (EU) 2019/876 annually in Capital and Risk Management Report. In connection with the half-year report, the information according to Pillar III is published as a separate report in essential parts. The company's independent operations evaluate and authenticate the relevance of the published information. The company's Board of Directors assesses, on the proposal of independent operations, whether the published information provides market participants a comprehensive understanding of the company's risk profile.

Resolutions of the Annual General Meeting

Oma Savings Bank Plc's Annual General Meeting was held on 30 March 2022 by exceptional meeting procedure based on the temporary legislative act (375/2021) approved by the Finnish Parliament to limit spread of corona pandemic. The AGM confirmed the company's financial statements and consolidated financial statements for the 2021 financial year, granted discharge to the members of the company's Board of Directors and CEO from liability, and approved the remuneration report.

In accordance with the Board's proposal, the AGM decided to pay an actual dividend of EUR 0.30 per share and an additional dividend of EUR 0.20 per share for the financial year 2021. In total, a dividend of EUR 0.50 per share was paid for the year 2021.

In accordance with the proposal of the Shareholders' Nomination Committee, the AGM decided to pay the following annual remuneration for the period ending at the AGM in 2023: EUR 55,000 per year to the Chairman, EUR 41,250 per year to the Vice Chairman and for other members EUR 27,500 per year. In addition, the meeting fees of EUR 1,000 for each Board meeting and EUR 500 for each single-issue email meeting and committee meeting will be paid.

A condition for obtaining and paying a fixed annual fee is that the Board Member commits to purchase Oma Savings Bank Plc shares amounting to 40% of the fixed annual remuneration on the regulated market (Nasdaq Helsinki Ltd) at a price determined by trading. The recommendation is that a member of the Board of Directors shall not transfer the shares awarded as annual remuneration until the membership in the Board has expired.

The number of members of the Board of Directors was confirmed to be seven. Aila Hemminki, Aki Jaskari, Timo Kokkala, Jyrki Mäkynen, Jarmo Partanen, Jarmo Salmi and Jaana Sandström were re-elected for a term ending at the end of the 2023 AGM.

KPMG Oy Ab, a firm of authorised public accountants, was elected to continue as auditor for a term ending at the 2023 AGM. M.Sc (Econ.) APA, Fredrik Westerholm continued further as responsible auditor. The auditor's remuneration is paid against an invoice approved by the company.

The AGM decided, in accordance with the Board of Directors' proposal, to authorise the Board of Directors to resolve on the issuance of shares or transfer of the company's shares and the issuance of special rights entitled to shares as referred to in Chapter 10, Section 1 of the Finnish Companies Act, subject to the following conditions:

- Shares and special rights can be issued ordisposed of in one or more instalments, either inreturn for payment or free of charge.
- The total number of shares to be issued underthe authorisation, including shares acquired onthe basis of special rights, cannot exceed4,000,000 shares, which corresponds toapproximately 13 per cent of the company's totalshares on the day of the AGM.
- The Board of Directors decides on all terms andconditions related to the issuance of shares. Theauthorisation concerns both the issuance of newshares and the transfer of own shares.

The authorisation is valid until the end of the next AGM, but not later than June 30, 2023. The authorisation revokes previous authorisations given by the AGM to decide on a share issue, as well as the option rights and the issuance of special rights entitling to shares.

The AGM decided, in accordance with the Board of Directors' proposal, to authorise the Board of Directors to decide on the repurchase of the company's own shares with funds belonging to the company's free equity under the following conditions:

- Maximum number of 1,000,000 own shares maybe repurchased, representing approximately3.3% of the company's total shares according to the situation on the date of the notice of the meeting, however, that the number of own shares held by the company does not exceed 10% of the company's total shares of the company at any time. This amount includes the own shares held by the company itself and its subsidiaries within the meaning of Chapter 15, Section 11 (1) of the Finnish Companies Act.

The Board of Directors is authorised to decide how to acquire own shares. The authorisation is valid until the closing of the next AGM, but not later than 30 June 2023.

Oma Savings Bank Plc's Board of Directors consists of seven members. The Board of Directors convened 19 times during the year, of which eight were email meetings.

Members of the Board:
Chairman of the Board Jarmo Salmi
Deputy chairman Jyrki Mäkynen
Member Aila Hemminki
Member Aki Jaskari
Member Timo Kokkala
Member Jarmo Partanen
Member Jaana Sandström

Administration and personnel

Oma Savings Bank Plc Group employed an average of 357 people in 2022. The goal of the company is that every employee has a clear role in the organisation as well as adequate responsibilities and tasks.

Oma Savings Bank invests extensively in developing the skills and abilities of its personnel. The company is running an extensive training package related to corporate culture, operating models and improving the customer experience. The training and development of personnel with various themes in the form of training sessions, webinars and online trainings are the company's continuous development of competence and professional skills.

The company's personnel is generally very satisfied and committed. A significant portion of the company's personnel own company shares. The company has carried out two personnel issues in 2017 and 2018.

Personnel satisfaction is a key indicator for the company's operations and success. The company monitors personnel satisfaction through an annual personnel survey. The overall satisfaction was at an excellent level of 4.5/5 in December 2022.

Corporate governance

The company's corporate governance principles are described in a separate document 'Oma Savings Bank Plc's Corporate Governance Statement', approved by the Board, which can be found on Oma Savings Bank's website.

Reward schemes

Oma Savings Bank complies with the requirements on reward schemes laid down in Section 8 of the Act on Credit Institutions. The company's Board of Directors has approved the general principles concerning the reward schemes and supervises and assesses their functioning and compliance with them regularly.

The reward scheme is aligned with the company's business strategy, goals and targets, and the company's long-term benefit. The goal of the reward scheme is to assist the bank in achieving its strategic and operative targets by keeping the personnel motivated and committed. Remuneration also impacts work satisfaction, work well-being and commitment. The reward scheme is also in line with the company's good and efficient risk management and risk-bearing capacity and promotes these.

One of the forms of rewards at Oma Savings Bank is the personnel fund. The personnel fund means a fund owned and managed by the company's personnel, the purpose of which is to manage earnings and profit bonuses paid into it by the company and other assets in accordance with the Act on Personnel Funds. The purpose of the personnel fund is to reward the whole personnel for achieving goals, improve the company's productivity and competitiveness and promote co-operation between the employer and the personnel and financial participation of the personnel. The company's Board of Directors decides annually on the amount of the profit-sharing bonus to be distributed to the personnel fund and the objectives behind the distribution. All employees that have been working at Oma Savings Bank for six months, excluding the CEO and the members of the management team, become members of the personnel fund. The personnel fund rules determine how the bonus gets distributed to the personnel fund members. The operation of the personnel fund is regulated by the Act on Personnel Funds.

In February 2022, the company's Board of Directors decided on an incentive scheme for its key personnel. The aim of the scheme is to combine the interests of owners and key persons in order to increase the value of the company in the long term, and to commit the key persons to implement the company's strategy, objectives and long-term interest and to provide them with competitive earnings of the company's shares and a remuneration scheme based on accrual. The terms of the share-based incentive system follow the principles of variable remuneration presented in the company's remuneration policy. The persons belonging to the systems do not have other variable remuneration reward systems during the earning period.

The company's Board of Directors decided to establish one two-year earning period for the years 2022-2023 in the share incentive scheme. The system's target group includes a maximum of 30 key personnel, including the company's CEO and members of the group's management team. The fees payable under the scheme corresponds to a maximum value of 400,000 shares of Oma Savings Bank Plc, including the amount to be paid in cash.

The share incentive scheme established in February 2020 (2020-2021) had one two-year earning period. In February 2022, the company's Board of Directors approved 331,790 shares for payment from the incentive system, including the portion to be paid in cash. The system's target group included 10 key personnel.

Salaries and rewards for the financial year are presented in Note G21 Personnel expenses. The company publishes the Remuneration Report alongside the Financial Statements.

Auditors

As of 29 April 2019, Oma Savings Bank's auditor has been the auditing firm KPMG Oy Ab. The chief auditor has been M.Sc., APA Fredrik Westerholm until 31 May 2022 and after that Tuomas Ilveskoski, M.Sc., APA.

Corporate social responsibility and sustainability

Sustainability is one of the cornerstones of Oma Savings Bank's strategy. It is at the heart of the business and an important part of the future operations. The 2022 sustainability program and report have been renewed and prepared in accordance with the principles of the GRI standards. The report examines the effects of the operation on the environment, people and society in compliance with the duty of care and dual materiality.

With the updated sustainability program, the aim is to deepen and promote sustainability work to meet the increasingly stringent sustainability requirements in advance.

The company's sustainability work is based on the company's values and business principles, the expectations of stakeholders and the megatrends affecting operations, based on which the three most important responsibility themes have been defined - we are local and close to people, we promote common well-being and we promote sustainable development.

The company has been reporting on sustainability since 2019. In 2020, the reporting expanded and included a review of the company's environmental impact through the carbon footprint in accordance with the GHG Protocol standard.

Oma Savings Bank builds sustainable economy and promotes mitigating and adapting to climate change. The company's products and services are developed to encourage customers to take sustainable and environmentally friendly action. The company aims to plan its operations to be as low carbon as possible in order to reduce the total carbon footprint of the company.

The corporate responsibility report is published as part of the company's annual report and also includes a survey of the effects and risks of climate change and a carbon footprint result of the company's actual operations.

Significant events after the period

In December 2022, Oma Savings Bank announced that it had started a new condition change procedure and consent solicitation procedure in accordance with the Covered Bonds and Mortgage Banks Act (151/2022) regarding its outstanding covered bonds. The company announced in January 2023 that the consent solicitation procedure for all outstanding bonds has been approved and it began to apply the Finnish Act on Mortgage Banks and Covered Bonds (151/2022) in its entirety on 20 January 2023.

In January, Oma Savings Bank's Shareholders' Nomination Committee proposes the Annual General Meeting the number of Board members to be further confirmed at seven. The Shareholders' Nomination Committee proposes that the Board members Aila Hemminki, Aki Jaskari, Timo Kokkala, Jyrki Mäkynen, Jarmo Salmi and Jaana Sandström to be re-elected and as a new member Jaakko Ossa.

In February 2023, the company issued a covered bond of EUR 350 million. The bond has a maturity date of 15 June 2028, and it will be paid an annual interest rate of 3.125%. The issuance of the loan will take place under the company's EUR 3 billion bond program.

Events following the end of the reporting period that would require the presentation of additional information or that would materially affect the Company's financial position are unknown.

Outlook for 2023

The company's business volumes will continue strong growth in FY2023. The company's profitable growth is supported by efforts in recent years to improve the customer experience and the availability of customer service through new digital service channels and opening of new units. The acquisition of Liedon Savings Bank's business will improve the company's performance from the first half of 2023. In addition, the increase in market interest rates continues to strengthen the growth of net interest income.

Oma Savings Bank Plc provides earnings guidance on comparable profit before taxes for 2023. A verbal description is used to make a comparison with the comparative period. Earnings guidance is based on the forecast for the entire year, which takes into account the current market and business situation. Forecasts are based on the management's insight into the Group's business development.

The company estimates that profitable growth will continue to be strong. The Group's 2023 comparable profit before taxes will increase significantly compared to the previous financial year and will exceed EUR 100 million.

Financial goals

Oma Savings Bank's Board of Directors has approved the following financial goals:

- **Growth**: 10–15% annual growth in total operatingincome under the current market conditions
- **Profitability**: Cost/income ratio less than 45%
- **Return on equity (ROE)**: Long-term return onequity (ROE) over 10%
- **Capital adequacy**: Common Equity Tier 1(CET1) capital ratio at least 14%

Dividend policy

The company aims to pay a steady and growing dividend, at least 20% of net income. The company's Board of Directors assesses the balance between the dividend or capital return to be distributed and the amount of own funds required by the company's solvency requirements and target on an annual basis and makes a proposal on the amount of dividend or capital return to be distributed.

Board of Directors' proposal for the distribution of profit to AGM

The Board of Directors proposes that, based on the Financial Statements to be approved for 2022, a dividend of EUR 0.40 to be paid from the parent company's distributable profits for each share entitled to a dividend for 2022.

Record date for dividends would be 3 April 2023 and payment date 12 April 2023.

The Board's proposal complies with the company's dividend policy. No significant changes took place in the company's financial position after the end of the accounting period. The company's liquidity is good, and the proposed profit distribution does not compromise the company's liquidity according to the Board of Directors' insight.

General Meeting

Oma Savings Bank Plc's Annual General Meeting will be held on Wednesday 30 March 2023. The company's Board of Directors will convene the Annual General Meeting separately.

Financial Statements

Year 2022 Report of Board of Directors and Financial Statements is a translation of the original Finnish version "Vuoden 2022 hallituksen toimintakertomus ja tilinpäätös". If discrepancies occur, the Finnish version is dominant.

This is not the ESEF Financial Statements, the official ESEF Financial Statements can be read on the Company's website.

The Group's Financial Statements

Notes to the Consolidated Financial Statement

Consolidated income statement

Note	(1,000 euros)	1-12/2022	1-12/2021
	Interest income	121,876	84,908
	Interest expenses	-16,946	-4,778
G17	**Net interest income**	**104,930**	**80,130**
	Fee and commission income	46,270	39,438
	Fee and commission expenses	-6,873	-5,752
G18	**Fee and commission income and expenses, net**	**39,396**	**33,686**
G19	Net income on financial assets and financial liabilities	-5,306	5,203
G20	Negative goodwill	-	7,535
G20	Other operating income	5,371	30,012
	Total operating income	**144,392**	**156,565**
G21	Personnel expenses	-24,316	-20,631
G22	Other operating expenses	-41,203	-34,396
G23	Depreciation, amortisations and impairment losses on tangible and intangible assets	-7,543	-10,267
	Total operating expenses	**-73,062**	**-65,294**
G24	Impairment losses on financial assets, net	-1,747	-7,294
	Share of profit of equity accounted entities	-357	-706
	Profit before taxes	**69,226**	**83,271**
G25	Income taxes	-13,847	-17,019
	Profit for the accounting period	**55,379**	**66,252**
	Of which:		
	Shareholders of Oma Savings Bank Plc	55,382	66,158
	Non-controlling interest	-2	95
	Total	**55,379**	**66,252**
	Earnings per share (EPS), EUR	**1.85**	**2.22**
	Earnings per share (EPS) after dilution, EUR	**1.83**	**2.20**

Profit before taxes excluding items affecting comparability

(1,000 euros)	1-12/2022	1-12/2021
Profit before taxes	**69,226**	**83,271**
Operating income:		
Net income on financial assets and liabilities	5,306	-5,203
Impact of contract termination regarding core banking project	-	-26,936
Negative goodwill	-	-7,535
Operating expenses		
Impact of contract termination regarding core banking project, impairment losses	-	4,629
Costs relating to business combinations	1,318	4,416
Real estate sales and impairment losses	-	500
Comparable profit before taxes	**75,850**	**53,142**
Income taxes in income statement	-13,847	-17,019
Change of deferred taxes	-1,325	6,026
Comparable profit/loss for the accounting period	**60,679**	**42,149**

Consolidated statement of comprehensive income

(1,000 euros)	1-12/2022	1-12/2021
Profit for the accounting period	**55,379**	**66,252**
Other comprehensive income before taxes		
Items that will not be reclassified through profit or loss		
Gains and losses on remeasurements from defined benefit pension plans	364	-359
Items that may later be reclassified through profit or loss		
Measured at fair value	-94,917	-14,153
Transferred to Income Statement as a reclassification change	-97	8
Other comprehensive income before taxes	**-94,650**	**-14,504**
Income taxes		
For items that will not be reclassified to profit or loss		
Gains and losses on remeasurements from defined benefit pension plans	-73	72
Items that may later be reclassified to profit or loss		
Measured at fair value	19,003	2,829
Income taxes	**18,930**	**2,901**
Other comprehensive income for the accounting period after taxes	**-75,720**	**-11,603**
Comprehensive income for the accounting period	**-20,340**	**54,649**
Attributable to:		
Shareholders of Oma Savings Bank Plc	-20,338	54,554
Non-controlling interest	-2	95
Total	**-20,340**	**54,649**

Consolidated balance sheet

Note	Assets (1,000 euros)	31 Dec 2022	31 Dec 2021
G4	Cash and cash equivalents	402,030	198,046
G5	Loans and receivables from credit institutions	114,655	86,371
G5	Loans and receivables from public and public sector entities	4,754,036	4,325,950
G6	Financial derivatives	1,931	2,240
G7	Investment assets	552,633	645,275
G34	Equity accounted entities	25,351	22,884
G8	Intangible assets	8,628	10,025
G9	Tangible assets	28,799	27,887
G10	Other assets	31,778	46,880
G11	Deferred tax assets	21,924	7,077
	Total assets	**5,941,766**	**5,372,633**

Note	Liabilities (1,000 euros)	31 Dec 2022	31 Dec 2021
G12	Liabilities to credit institutions	242,543	212,685
G12	Liabilities to the public and public sector entities	3,112,464	2,897,865
G6	Financial derivatives	4,184	-
G13	Debt securities issued to the public	2,086,950	1,762,324
G14	Subordinated liabilities	40,000	15,500
G15	Provisions and other liabilities	54,111	42,512
G11	Deferred tax liabilities	36,072	31,122
G11	Current income tax liabilities	482	9,331
	Total liabilities	**5,576,806**	**4,971,339**
G16	Equity	31 Dec 2022	31 Dec 2021
	Share capital	24,000	24,000
	Reserves	68,822	144,833
	Retained earnings	272,139	231,939
	Shareholders of Oma Savings Bank Plc	**364,961**	**400,772**
	Shareholders of Oma Savings Bank Plc	364,961	400,772
	Non-controlling interest	-	522
	Equity, total	**364,961**	**401,294**
	Total liabilities and equity	**5,941,766**	**5,372,633**

Group's off-balance sheet commitments (1,000 euros)	31 Dec 2022	31 Dec 2021
Off-balance sheet commitments		
Guarantees and pledges	34,774	30,818
Other commitments given to a third party	-	212
Commitments given to a third party on behalf of a customer	**34,774**	**31,030**
Undrawn credit facilities	291,184	377,826
Irrevocable commitments given in favour of a customer	**291,184**	**377,826**
Group's off-balance sheet commitments, total	**325,958**	**408,855**

Consolidated statement of changes in equity

(1,000 euros)	Share capital	Fair value reserve	Other reserves	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
Equity, January 1 2022	**24,000**	**-492**	**145,324**	**144,833**	**231,939**	**400,772**	**522**	**401,294**
Comprehensive income								
Profit for the accounting period	-	-	-	-	55,382	55,382	-2	55,379
Other comprehensive income	-	-76,011	-	-76,011	291	-75,720	-	-75,720
Total comprehensive income	**-**	**-76,011**	**-**	**-76,011**	**55,673**	**-20,338**	**-2**	**-20,340**
Transactions with owners								
Share issue	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	-	880	880	-	880
Distribution of dividends	-	-	-	-	-15,010	-15,010	-	-15,010
Share-based incentive scheme	-	-	-	-	-1,381	-1,381	-	-1,381
Other changes	-	-	-	-	37	37	-520	-482
Transactions with owners, total	**-**	**-**	**-**	**-**	**-15,473**	**-15,473**	**-520**	**-15,993**
Equity total 2022	**24,000**	**-76,503**	**145,324**	**68,822**	**272,139**	**364,961**	**-**	**364,961**

(1,000 euros)	Share capital	Fair value reserve	Other reserves	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
Equity, 1 January 2021	**24,000**	**10,824**	**137,530**	**148,354**	**180,712**	**353,066**	**427**	**353,493**
Comprehensive income								
Profit for the accounting period	-	-	-	-	66,158	66,158	95	66,252
Other comprehensive income	-	-11,316	-	-11,316	-288	-11,603	-	-11,603
Total comprehensive income	**-**	**-11,316**	**-**	**-11,316**	**65,870**	**54,554**	**95**	**54,649**
Transactions with owners								
Share issue	-	-	7,800	7,800	-	7,800	-	7,800
Repurchase of own shares	-	-	-	-	-2,863	-2,863	-	-2,863
Distribution of dividends	-	-	-	-	-12,699	-12,699	-	-12,699
Share-based incentive scheme	-	-	-	-	913	913	-	913
Other changes	-	-	-6	-6	6	-	-	-
Transactions with owners, total	**-**	**-**	**7,794**	**7,794**	**-14,642**	**-6,848**	**-**	**-6,848**
Equity total 2021	**24,000**	**-492**	**145,324**	**144,833**	**231,939**	**400,772**	**522**	**401,294**

Consolidated cash flow statement

(1,000 euros)	1-12/2022	1-12/2021
Cash flow from operating activities		
Profit/loss for the accounting period	55,379	66,252
Changes in fair value	414	-9
Share of profit of equity accounted entities	357	706
Depreciation and impairment losses on investment properties	41	46
Depreciation, amortisation and impairment losses on tangible and intangible assets	7,543	10,267
Gains and losses on sales of tangible and intangible assets	-273	54
Impairment and expected credit losses	1,747	7,294
Negative goodwill	-	-7,535
Income taxes	13,847	17,019
Other adjustments	-21,329	2,031
Adjustments to the profit/loss of the accounting period	2,346	29,872
Cash flow from operations before changes in receivables and liabilities	**57,725**	**96,124**
Increase (-) or decrease (+) in operating assets		
Debt securities	-17,330	-120,976
Loans and receivables from credit institutions	-1,391	-5,288
Loans and receivables from customers	-460,913	-631,749
Derivatives, in hedge accounting	114	138
Investment assets	10,463	1,903
Other assets	14,502	-2,413
Total	**-454,556**	**-758,384**
Increase (+) or decrease (-) in operating liabilities		
Liabilities to credit institutions	57,953	-91,094
Deposits	218,242	298,605
Provisions and other liabilities	11,131	-7,721
Total	**287,326**	**199,790**
Paid income taxes	**-15,679**	**-7,301**
Total cash flow from operating activities	**-125,184**	**-469,770**
Cash flow from investments		
Investments in tangible and intangible assets	-3,554	-5,976
Proceeds from sales of tangible and intangible assets	742	5,797
Acquisition of associated companies and joint ventures	-1,500	-
Changes in other investments	246	-
Total cash flow from investments	**-4,066**	**-180**
Cash flows from financing activities		
Repurchase of own shares	-367	-2,863
Subordinated liabilities, changes	25,000	-
Debt securities issued to the public	353,049	384,937
Acquisition or disposal of business	-28	43,305
Payments of lease liabilities	-2,517	-1,943
Dividends paid	-15,010	-12,699
Total cash flows from financing activities	**360,128**	**410,738**
Net change in cash and cash equivalents	**230,878**	**-59,212**
Cash and cash equivalents at the beginning of the accounting period	**253,782**	**312,994**
Cash and cash equivalents at the end of the accounting period	**484,660**	**253,782**
Cash and cash equivalents are formed by the following items		
Cash and cash equivalents	402,030	198,046
Receivables from credit institutions repayable on demand	82,630	55,736
Total	**484,660**	**253,782**
Received interest	110,342	84,177
Paid interest	-10,848	-4,146
Dividends received	449	300

Notes to the consolidated financial statements

G1 Accounting principles for the consolidated financial statement

1. About the accounting principles

Oma Savings Bank Plc is a Finnish public limited company, whose domicile is in Seinäjoki and head office in Lappeenranta, Valtakatu 32, 53100 Lappeenranta. The Group's parent company is Oma Savings Bank Plc. Copies of the Financial Statements and Interim Reports are available on the Bank's website www.omasp.fi.

The Board of Directors has approved the Operating Report and Financial Statements for the period from 1 January to 31 December 2022 at its meeting 23 February 2023, and the Annual General Meeting will approve them on 30 March 2023.

Oma Savings Bank Group is formed as follows:

Subsidiaries

- Real estate company Lappeenrannan Säästökeskus holding 100%

Associated companies

- GT Invest Oy holding 48.7%
- City Kauppapaikat Oy holding 42.7%

Joint ventures and joint operations

- Figure Taloushallinto Oy holding 25%
- Deleway Projects Oy holding 49%
- SAV-Rahoitus Oyj holding 48.2%
- Housing company Seinäjoen Oma Savings Bank house holding 25.5%

The Consolidated Financial Statements of Oma Savings Bank Plc (hereinafter Company) have been prepared in compliance with the International Financial Reporting Standards (IFRS), and in accordance with SIC and IFRIC interpretations. The preparation of the Notes to the Financial Statements took into account also the Finnish accounting and entity legislation and the supplementary requirements of authorities' requirements.

The Consolidated Financial Statements (hereinafter Group) are presented in thousands of euros unless otherwise specified. The figures in the notes are rounded off, so the combined sum of single figures may deviate from the grand total presented in a table or a calculation. The accounting and functional currency of the Group and its companies is the euro. The Consolidated Financial Statements can also be signed electronically.

The Group's Consolidated Financial Statements have been prepared on a historical cost basis, except for financial assets recognised at fair value through profit or loss, financial assets held for trading, fair value hedges (for hedged risk) and hedging derivatives used in fair value or cash flow hedges that are recognised at fair value.

1.1 New and revised standards and interpretations applied

Oma Savings Bank has applied the standard amendments and interpretations concerning the company that came into force during the financial year. The changes that took effect in 2022 have not had a material effect on the Group's result for the financial year, financial position or presentation of Financial Statements.

2. Consolidation principles

2.1. Subsidiaries

The Group's Consolidated Financial Statements include the parent company and its subsidiaries in which the bank has control. Control arises when the Group, by participating in an entity, is exposed to or is entitled to a variable return on an investee and is able to exercise that return by exercising its power over the investee.

Mutual ownership in the Group has been eliminated using the acquisition method. The consideration transferred, the identifiable assets of the acquired entity and liabilities taken for liability are valued at fair value at the time of acquisition. Any goodwill shall be recorded in the amount by which the cost exceeds the Group's share of the fair value of acquired assets and liabilities at the time of acquisition. The costs related to the acquisition have been recorded as expenses. The non-controlling owners share is valued at an amount equal to the non-controlling owners´ share of the identifiable net assets of the subject of the acquisition. If the consideration given undercuts identifiable assets and liabilities taken for liability, negative goodwill arise due to low cost trading, recorded in the Income Statement under Other operating income.

The acquired subsidiaries are included in the Consolidated Financial Statements from the moment that the Group gains control over them and the sold subsidiaries are included until control ceases. Internal transactions, receivables and liabilities, unrealised profits and internal profit distribution in the Group have been eliminated in the Consolidated Financial Statements.

Unrealised losses are not eliminated if the loss is due to impairment. The distribution of profit or loss for the period to the controlling and non-controlling interests of the parent company is disclosed separately in the income statement. The distribution of comprehensive income for the period to the controlling and non-controlling interests of the parent company is presented in the statement of comprehensive income. Profit or loss for the period and comprehensive income are allocated to the controlling and non-controlling interests of the parent company, even if this were to result in the non-controlling interest becoming negative. The share of equity belonging to non-controlling interest is presented as a separate item in the balance sheet, as part of equity.

2.2. Joint ventures and associated companies

Joint ventures are defined as joint arrangements in which the bank has joint control together with other parties to the arrangement and the arrangement brings the bank the right to the arrangement's net assets. Joint ventures and associated companies have been consolidated using the equity method. The investment is initially recognised at cost, after which the Group's share of the profit of the joint venture for the period is consolidated in the income statement. Similarly, the potential Group's share of other comprehensive income of the joint venture or associate company is recognised in the Group's comprehensive income.

A joint venture is an arrangement in which the Group has rights to the arrangement of net assets, while in a joint operation, the Group has rights to the assets and liabilities of arrangement. Mutual real estate companies are joint operations from which the Group has combined its own assets, liabilities, income and expenses and its own share of common assets, liabilities, income and expenses.

3. Goodwill

Goodwill arising from the combination of business operations is recognised in the amount by which the combined amount of transferred consideration, non-controlling interest in the acquired item and the previously owned share exceeds the fair value of the acquired net assets.

No depreciation is recognised in goodwill, but it is tested in case of impairment at least on every reporting day and whenever there is any indication that the value may have decreased. Goodwill is valued at the initial acquisition value less impairment.

4. Financial instruments

4.1. Classification and valuation of financial assets

On initial recognition, the item belonging to financial assets is valued at fair value in accordance with IFRS 9. If the financial asset is an item not recognised at fair value through profit or loss, the incremental direct transaction costs from the acquisition of the assets are added to it or deducted from it.

Financial assets are classified in one of the three following classes when they are initially recognised:

- valued at amortised cost,
- valued at fair value through other comprehensive income or
- financial assets valued at fair value through profit or loss.

Immediately subsequent to the initial recognition, a loss allowance concerning expected credit losses (ECL) is recognised on the financial assets, if the financial asset is valued at amortised cost or at fair value through other comprehensive income. Impairments of financial assets are assessed for each receivable and receivable category. Impairments that cannot be allocated to individual receivables are recognised as impairments of a receivable category.

The classification and valuation of financial assets is based on the company's business model and nature of contractual cash flows. Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

4.1.1 Financial assets valued at amortised cost

Financial assets are valued at amortised cost when the contractual cash flows only include capital repayments and interest payments, and the company holds them as part of a business model whose objective is to collect contractual cash flows over the life of the contract. Financial assets valued at amortised cost include receivables from customers and credit institutions, as well as cash assets.

4.1.2 Financial assets valued at fair value through other comprehensive income

Financial assets are valued at fair value through other comprehensive income when the contractual cash flows consist only of capital repayments and interest payments and the company holds the financial asset as part of a business model whose objective is both collecting contractual cash flows and possibly selling the financial assets before the maturity date. The company has classified some of its debt instruments to be valued at fair value through other comprehensive income.

4.1.3 Financial assets valued at fair value through profit or loss

Financial assets are valued at fair value through profit or loss unless they are valued at amortised cost or at fair value through other comprehensive income. Items that do not meet the SPPI test are also recognised at fair value through profit or loss. Mainly financial assets whose business model is to trade actively, and which have been acquired to generate earnings in the short term, are recognised at fair value through profit or loss. The company has classified some of its debt securities in this class.

4.2 Equity instruments

Equity instruments are recognised at fair value through profit or loss unless the company makes an irrevocable choice at the time of acquisition to measure the investment at fair value through other comprehensive income.

The Group does not have equity investments valued at fair value through other comprehensive income. All equity instruments recognised according to IFRS 9 are recognised at fair value through profit and loss.

4.2.1 Assessment of business models

The company specifies the business model objective for each portfolio according to how business operations are managed and reported to the management. The objectives are specified on the basis of the investment and lending policy approved by the company.

The business model describes a portfolio-specific earnings model with the purpose of collecting only contractual cash flows, collecting contractual cash flows and cash flows from sales of financial assets or collecting cash flows from trading in financial assets.

4.2.2 Cash flow testing

If the business model is other than trading, the company assesses whether the contractual cash flows are based solely on payment of principal and interest (so called SPPI test). If the cash flow criterion is not met, the financial asset is recognised at fair value through profit or loss.

In assessing whether contractual cash flows are solely payments of principal and interest, the company will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of cash flows so that it does not meet the SPPI contractual cash flow characteristics test requirements.

The retail bank and corporate loans granted by the company contain a prepayment feature. This feature does meet the cash flow testing criteria as, in connection with a prematurely repaid loan, the company is entitled to collect reasonable compensation for the premature termination of the contract.

4.3 Changes in contractual cash flows

Whenever a change is made to a financial asset or liability valued at amortised cost without removing the asset or liability from the balance sheet any profit or loss must be recognised. The profit or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the contractual interest rate. An example of a situation of this kind are changes made to the amortisation plan for a loan granted to the customer or granting amortisation suspension. Changes due to a deterioration in the customers solvency are treated as a significant growth in credit risk.

In connection with significant loan term changes, the loan is derecognised from the balance sheet and a new loan is recognised in its place. If the credit risk of the loan derecognised from the balance sheet has grown significantly, the new loan is recognised in the balance sheet as credit-impaired.

4.4 Derecognition

The Group derecognises a financial asset when the contractual rights to cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group does not retain control of the financial assets.

4.5 Impairment of financial assets

The impairment estimate, the expected credit loss (ECL), is recognised on all debt instruments belonging to financial assets valued at amortised cost and valued at fair value through the fair value reserve and on off-balance sheet loan commitments and guarantee contracts.

For financial assets valued at amortised cost, a loss allowance for the expected credit loss is recognised in a separate account as a reduction in the carrying amount. The expected credit loss on the financial assets valued at fair value through other comprehensive income is recognised in the fair value reserve through other comprehensive income. For off-balance-sheet items, the expected credit loss is recognised as a provision.

The expected credit losses are measured at an amount equal to lifetime of the financial asset when, on the date of reporting, the credit risk related to the financial asset has significantly increased since its initial recognition (stage 2) or when the contract is credit-impaired (stage 3). Otherwise, the expected credit loss is calculated based on the assessment that default event will occur within 12 months of the date of reporting.

The expected credit losses are recognised for each date of reporting and they describe:

- an unbiased and probability-weighted monetary amount that is determined by evaluating a range of possible outcomes,
- the time value of money and
- reasonable and justifiable information that is available on the date of reporting without any excessive costs or efforts and which applies to past events, current circumstances and forecasts of the economic environment.

The financial assets used in the calculations are classified into three stages, which describe the weakening of the quality of the financial assets compared to the initial recognition.

Stage 1: Contracts whose credit risk has not grown since the initial recognition and for which a 12-month ECL is calculated.

Stage 2: Contracts whose credit risk has grown significantly since the initial recognition and for which a lifetime ECL is calculated.
Stage 3: Credit-impaired contracts (contract has been classified as being in default) for which a lifetime ECL is calculated.

4.5.1 Significant increase in credit risk

In assessing whether the credit risk related to a financial instrument has increased significantly, the change in the risk of a default occurring over the expected life of the financial instrument shall be observed. When carrying out this assessment, the risk of default occurring over the expected life of the instrument at the reporting date is compared with the risk of default at the date of initial recognition. A significant increase in credit risk leads to the transfer of the loan from stage 1 to stage 2. The company uses both quantitative and qualitative indicators in credit risk assessment.

As indicators to assess a significant increase in credit risk, the company uses, among other things, changes in the rating of customers. In addition to classifications, the company uses certain qualitative indicators, such as forbearance marking, as well as a delay of at least 30 days of contractual payments. This review is automated in the calculation.
Loan-specific stage allocations are monitored monthly. The loan can improve at most one step per calculation date. Loans from stage 2 are transferred to stage 1 only after a delay period. With a loan at stage 2, improvement to stage 1 requires at least two consecutive months in which the loan does not meet the criteria of stage 2 or 3. This means that the loan is always at least two months in stage 2, regardless of whether it is a loan improved from stage 3, which has not met the stage 2 or 3 criteria at any stage after improvement, or which has met the criteria for stage 2 or initially in stage 2 been a loan that would be entering stage 1.

4.5.2 Definition of default

The company has determined that the default under IFRS 9 (stage 3) occurred when the debtor's contract has been defaulted. The definition corresponds with the definition of default used by the Group in its regulatory reporting and is consistent with the definition of customer default. A debtor is default when the aggregate amount of its overdue credit obligations exceeds both of the thresholds listed below. All receivables due at the overall level are taken into account, regardless of maturity.

- Absolute threshold of EUR 100 / EUR 500: The total amount of receivables due to the Group is at least EUR 100 for retail exposures or at least EUR 500 for all other “non-retail” receivables.
- Relative 1% threshold: The total amount of payments due to the Group in relation to the total amount of each debtor's liabilities is at least 1% of the total receivables

Once both thresholds have been met for 90 consecutive days, the customer is classified as defaulted. The other criterion of uncertain repayment may also result in customer default if it is likely that the customer will not repay their credit obligation in full without resorting to collateral liquidation.

In assessing when a debtor is in a state of default, the company takes into account qualitative indicators such as violations of loan terms or covenants and quantitative indicators such as the number of days past due date, by using internal and external sources to collect information on the debtor's financial position.

4.5.3 Expected credit loss – Model input

The calculation of the expected credit losses is based on portfolio-specific calculation rules. The Group's loan portfolio has been divided into the following calculation portfolios:

- Private customers
- SME customers
- Other agricultural entrepreneurs
- Other housing company
- Other customers

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). As a basis for determining the parameters, the Company uses customers' historical payment behavior and customer data, as well as liability and collateral values. In the determination of the values of the PD and LGD variables, macroeconomic forecasts concerning the future development of the national economy are used.

The portfolios of private customers 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 included in the IRB license application. 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 by the average default frequency calculated from the history of the agribusiness counterparties. For other housing companies, the principle of calculation is similar. The remaining counterparties go to the “Other” portfolio and use values calculated from the average PDs of Phase 1 and 2 of the SME counterparties.

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. With credit card receivables, EAD calculation applies the so-called CCF coefficient when taking into account undrawn limits. The Exposure at Default (EAD) is the amount of exposure at the reporting date.

For debt security investments, the Group determines the allowance for credit loss using the formula EAD*PD*LGD. Instrument-specific material from the market database is used as the source for calculating PDs. In addition, the low credit risk exemption is applied for debt security investments with a credit rating of at least investment grade at the reporting date. The investment grade level is the highest possible rating level that debt security investments can receive from credit rating agencies and therefore the low credit risk exemption may apply to such investments. In these cases, the allowance for credit loss will be measured at an amount equal to the 12-month expected credit losses.

The management of the company monitors the development of an allowance for credit loss to ensure that the model properly reflects the amount of expected credit loss. If necessary, the management refines the calculation parameters.

4.6 Recognising final credit losses

Financial assets are derecognised from the balance sheet when it is expected that payment on the loans will no longer be received and the final credit loss can be calculated. The previously recognised expected credit loss is reversed at the same time as the item is removed from the balance sheet and the final credit loss is recognised.

The loans are removed from the balance sheet when their enforcement activities have been finished or when the loan terms are changed significantly, for example in connection with refinancing. After derecognition, payments allocated to recoveries of amounts previously written off are recognised through profit or loss in the item ‘Impairment losses on financial assets, net’.

4.7 Classification and valuation of financial liabilities

At the time of the initial recognition, financial liabilities are classified in one of the following classes:

- financial assets valued at amortised cost, or
- recognised at fair value through profit and loss.

Financing liabilities are originally recognised at fair value. Consequently, financial liabilities, with the exception of liabilities recognised at fair value through profit and loss, are valued at amortised cost using the effective interest method. Transaction costs are included in the original carrying value of financial liabilities valued at amortised cost. Transaction costs related to financial liabilities that are recognised at fair value through profit or loss are recognised as expenses.

Financial liabilities valued at fair value through profit or loss comprise derivative instruments to which hedge accounting is not applied. At the reporting date, the Group does not have derivative instruments valued at fair value through profit or loss.

Liabilities to credit institutions, liabilities to the public and general government as well as debt securities issued to the public are recognised in other financial liabilities valued at amortised cost.

Financial liabilities are not reclassified subsequent to their initial recognition.

4.8 Offsetting financial assets and liabilities
Financial assets have not been netted in the Group's financial statements.

4.9 Items denominated in foreign currencies
Assets and liabilities denominated in foreign currencies outside of the euro zone have been translated into to euros as per the European Central Bank's average rate on the reporting date. On the income statement, foreign currency differencies that arising from during valuation have been recognised in net gains from investment operations.

4.10 Cash and cash equivalents
Cash and cash equavalents consist of cash, bank receivables and short-term deposits of less than three months.

4.11 Determining the fair value
Fair value is the price that would be received for the sale of an asset or that would be paid for assuming a liability between market participants in a common transaction occurring on the valuation date.

The fair value of a financial instrument is determined either utilising quoted prices obtained from active markets or, if active markets do not exist, utilising an established valuation method. Markets are considered to be active if price quotes are easily and regularly available and if they reflect real and regularly reoccurring market transactions between parties that are independent of each other. The current bid price is used as the quoted market price of financial assets.

If there is an established valuation method in the markets for financial instruments for which a market price cannot be directly acquired, the fair value is based on the generally used calculation model of market price and on the input quotes used by the model.

If the valuation method is not well-established in the markets, a specific widely recognised valuation model for the product in question is used to determine the market value. Valuation models are based on widely utilized calculation methods and they cover all factors that market participants would take into consideration when calculating prices. When determining the fair value, uses observable prices of market transactions, discounted cash flows and the fair value at the time of financial statements of another, essentially similar instrument. Valuation methods take into account credit risk assessments, used discount rates, the possibility of prepayments and other factors that impact the valuation of the financial instrument's fair value.

The fair value determination according to the IFRS 13 standard is applied to the determination of the fair value of financial instruments. The fair values of financial instruments are divided in three hierarchies according to how the fair value is determined:
Level 1: Fair values quoted in active markets for identical assets or liabilities.
Level 2: Fair values that have been determined by the use of input information other than quoted in Level 1 prices, that are verifiable for assets or liabilities either directly (e.g. as prices) or indirectly (e.g. derived from prices).
Level 3: Fair values that have been determined for assets or liabilities using inputs that are not essentially based on verifiable market prices.

The hierarchy levels of fair values are determined based on the lowest level of input that is significant for the investee. The significance of an input is assessed against the item valued at fair value in its entirety. Transfers between fair value hierarchy levels are determined to have occurred on the date when the event or change in circumstances occurs.

5. Derivatives and hedge accounting

Oma Savings Bank hedges its interest-bearing loans against interest rate fluctuations with derivatives and applies hedge accounting in addition to regularly evaluating the effectiveness of such hedging and changes in fair values. Hedge accounting conforms to the IFRS 9 standard's provision that allows to continue to apply portfolio hedge accounting pursuant to the IAS 39 standard. The fair value of interest rate risk is hedged using the IAS 39 "carve out" method.

Interest rate swaps are used to hedge fixed-rate deposit stocks and stock derivatives have been used to hedge deposits, whose yield is tied to changes in stock value. At the time of its Financial Statements, the Group has equity derivatives to hedge deposits whose returns are tied to the change in the value of the shares. The Group also has interest rate derivatives that protect avista-conditional interest-bearing loans.

In determining the fair values of derivative contracts, the company follows hierarchy levels 2 and 3 of the fair values of financial instruments presented in section 4.11 Determining the fair value. Derivative contracts are valued at fair value and changes in value are recorded in profit or loss or if hedge accounting is applied to other comprehensive income items. The positive fair values of derivative contracts are presented in the assets of the balance sheet under the item 'Derivatives'. The counterparty's credit risk adjustment (CVA) is taken into account when valuing the assets.
The negative fair values of derivative contracts are presented in the balance sheet's liabilities under the 'Derivative contracts' item. The debit valuation adjustment (DVA) is taken into account in the valuation. Derivative contracts are valued at fair value and hedge accounting is applied to them. The changes in the fair value of hedged items and hedging instruments designated for hedging the fair value are entered in the income statement item 'Net income on financial assets and liabilities' and in the balance sheet as an adjustment of the item in question. The interest expenses of hedge derivatives are presented under interest expenses and the income under interest income.

The fair values of discontinued hedging calculation derivatives are amortised over the period to the original maturity.

Derivatives are not held for the purpose of trading. Before beginning hedge accounting, the connection between hedging derivatives and instruments to be hedged (economic hedge relationship) and the effectiveness of hedging are documented.

6. Intangible assets

The most significant intangible assets in the Consolidated Financial Statements are the information systems used in the banking operations and intangible assets related to customer relationships recognised in the balance sheet in connection with acquisitions.

Intangible assets are recognised in the balance sheet if it is likely that the expected economic benefits associated with the asset will flow to the Group and the acquisition cost of the asset can be measured reliably.

The acquisition cost comprises the purchase price including expenditure that are direct results of preparing the asset for its intended purpose. Internal development work related directly to the information system project is also in the carrying amount of the asset. Expenses related to the use of the asset and the training of personnel are not included in the acquisition cost, nor are administrative expenses or other general expenses. After initial recognition, the intangible asset is measured at cost less amortisation and impairments.

Intangible assets are recognised in the balance sheet under 'Intangible assets' and any amortisation is recognised on the income statement under 'Depreciation, amortisation and impairment losses on tangible and intangible assets'.

The acquisition cost of intangible assets is recognised as depreciation in accordance with useful life. Depreciations of intangible assets are commenced at the moment when the asset is ready for use. The useful life of intangible assets is reviewed annually.

The estimated useful lives are as follows:
- Information systems: 3 – 10 years
- Customer relationships related to deposits: 6 years
- Other intangible assets: 3 – 5 years

The accounting for cloud computing arrangements depends on whether cloud-based software is classifies as a software intangible asset or a service contract. Those arrangements where the company does not have control over the underlying software are accounted as service contracts providing the company the right to access the cloud provider's application software over the contract period. The ongoing licensing fees to the application software, together with related configuration or customisation cost incurred, are recognised under Other operating expenses when the services are received. Prepayments paid to the cloud vendor customizing services which are not distinct are recognised over the contract period.

7. Tangible assets and investment properties

Based on the purpose of use, the Group's properties are divided into properties in own use and investment properties. The purpose of investment properties is to generate rental income or increases in capital value. If a property is both in own and investment use, the assets are presented separately only if they can be sold separately. In these cases, the division is based on the ratio of square metres in different uses.
If these parts could be sold separately, they are processed separately in bookkeeping by the purpose of use. If the parts cannot be sold separately, the property is treated as an investment property only if merely a small portion of the property is in own or the personnel's use. If the parts cannot be sold separately, the premises are classified as per the purpose of use of the larger area in use.

Property, plant and equipment are recognised in the balance sheet under 'Tangible assets' and investment properties are recognised under 'Investment assets'. On the income statement, income related to properties in own use is recognised under 'Other operating income' and the related expenses are recognised under 'Other operating expenses'. Depreciation and impairment losses from all property, plant and equipment are recognised under 'Depreciation, amortisation and impairment losses from tangible and intangible assets'. Net income from investment properties, including accumulated depreciation, amortisation and impairment, are included in 'Net income from investment activities'. Gains or losses arising from disposal or retirement are recognised as a difference between received income and balance sheet value.

Property, plant and equipment as well as investment properties are valued at acquisition cost less depreciation and impairment. Depreciations are based on estimates on the assets' useful lives. Depreciations are not made for land areas. Subsequent expenditure on asset is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates or the economic life is extended. The estimated useful lives are primarily as follows:

- Buildings: 10 – 40 years
- Machines and equipment: 3 – 8 years
- Other tangible assets: 3 – 10 years

8. Lease agreements

Leases in which the Group functions as a lessee are recognised in the balance sheet as lease liability and as a right-of-use asset. The right-of-use assets recognised in the Group's balance sheet are related to the leases on properties, flats and machines and equipment.

At the commencement date of the lease, the right-of-use asset is valued at acquisition cost, which includes an initial amount of lease liability and any initial direct costs and an estimate of costs to dismantle and any rents paid by the commencement date of the lease, minus received incentives. The lease term of a lease agreement is defined as a period during which the agreement cannot be terminated. A period including a possible extension or termination option is added to the lease term, if it is relatively certain that the Group will exercise the extension option or not use the termination option. The company's management has determined that the duration of offices' permanent leases is five years.

After the start of the agreement, the Group values the fixed asset in accordance with the acquisition cost model. Depreciation and interest expenses related to lease liabilities are recognised in the fixed asset item. Depreciation is recognised in the period between the date of commencement of the contract and the end of the economic life of the fixed asset or the end of the lease term.

The lease liability is initially measured at the present value the rents to be paid during the lease term, which have not yet been paid. Leases are discounted at using the interest rate implicit in the lease or the Group's incremental borrowing rate. When a variable lease is based on the index or price, these are taken into account in determining the lease liability. Subsequently the lease liability is measured using the effective interest method. Rents consist of fixed payments and variable lease payments, which depend on the index. The lease liability is remeasured when a change occurs in future leases, which results from a change in the index or price level used to determine the payment in question or a change occurs in the expected amounts paid based on the residual value guarantee. Also changes in estimates concerning the purchase option or extension or termination option of the underlying asset can lead to a reassessment of the lease liability. The amount resulting from the remeasurement of the lease liability is used to adjust the carrying amount of the right-of-use asset, or if the value of the right-of-use asset is zero, it is recognised in profit or loss. The Group applies the recognition exemptions under IFRS 16 for leases of no more than 12 months and low value assets. These are expensed on a straight-line basis over the lease term. These are not recognised as assets and their related liabilities in the balance sheet.

As a lessor, Oma Savings Bank Group does not have any contracts that are classified as finance leases. Leases classified as operating leases are recognised on a straight-line basis over the lease term in the income statement item 'Net income from investment assets' or 'Other operating income'. Some fixed-term leases include extension options, the effect of which is taken into account in the calculation if it can be assumed with reasonable certainty that the option in the agreement will be exercised.

9. Provisions

Provisions are recognised when the Group has a legal or an actual obligation resulting from a previous event, the fulfilment of the obligation is likely and the management can evaluate the amount of the obligation in a reliable manner. If it is certain that partial compensation for the obligation will be received from a third party, the compensation is recognised as a separate item. Provisions are reviewed annually on the date of reporting and adjusted if necessary. Provisions are valued at the current value of the amount that is expected in order to fulfil the obligation.

10. Employee benefits

The Group's employee benefits as per the IAS 19 Employee Benefits standard comprise short-term employee benefits, benefits related to the termination of employment and benefits after the employment has been terminated.

Short-term employee benefits are, for example, salaries and benefits in kind, annual holidays, performance rewards and additional insurance that are expected to be paid in full within 12 months from the end of the accounting period during which the employees perform the work in question. Benefits based on the termination of employment comprise severance payments. Pension plans related to benefits after the employment has been terminated are classified as defined benefit plans and defined contribution plans. Defined benefits plans are, for the most part, agreements that include additional pension schemes.

In terms of defined contribution plans, the Group makes fixed pension insurance payments to pension insurance companies and there is no legal or actual obligation to make additional payments if the pension insurance company is unable to make payments on such benefits. Expenses are recognised as expenses during the relevant accounting period.

In terms of defined benefit plans, the Group has obligations after making payments during the accounting period. For defined benefit plans, liability is presented as the current value of obligations resulting from the plans on the date of reporting less the fair value of funds in the plans. The Group uses an external actuary to define the obligations resulting from benefits after employment has been terminated.

In February 2020, Oma Savings Bank's Board of Directors decided on a share-based incentive scheme for the Group's key personnel, in which payments are made partly in the form of equity instruments and partly in cash. The purpose of the cash contribution is to cover taxes and tax-like payments incurred to the key personnel. Benefits under the plan are valued at fair value at the time they are granted and are recognised as an expense in the income statement during the period of entitlement. The amount recognised as an expense is based on an estimate of the number of shares to which are expected to be entitled. The fees are fully recognised as a share-based arrangement payable in equity and the expense is amortised for the entire entitlement period and the expense effect is presented in the income statement under personnel expenses. The Group revises the expected number of shares that are expected to be ultimately exercised at each Financial Statements date. Changes in estimates are recognised in the income statement. The amount recognised as an expense is subsequently adjusted to reflect the number of shares finally issued. In February 2022, Oma Savings Bank Plc's Board of Directors decided on a new share-based incentive scheme for the Group's key persons, on the same terms as the 2020 incentive scheme. The requirements of IFRS 2 Share-based Payment apply to the incentive scheme.

11. Revenue recognition principles

11.1 Interest income and expenses

Interest income and expenses are recognised over the duration of the contract. Interest income and expenses are recognised on the income statement under 'Net interest income'.

Significant arrangement and transaction fees are recognised using the effective interest method based on the average expected maturity of the loan rather than recognising the income as a one-off gain. The clarification of recognition principles relates to new credit issued to corporates and housing companies.

11.2 Fee and commission income and expenses

Income from services offered to customers related to, for instance, payment transactions and lending, and fee and commission income related to funds are recognised in fee and commission income. The income is recognised when control of the performance obligation has transferred to the customer in the amount that the Group considers itself entitled to against services rendered. For fees and commissions spanning several years, the portion related to the accounting period is entered.

Fee and commission expenses mainly include fees and commissions related to card and payment transactions as well as costs related to obtaining financing.

On the basis of the exemption allowed by the IFRS 15 standard, information is not presented for the transaction prices allocated to the remaining performance obligations, which transaction prices are part of an agreement whose original expected duration is no more than one year, or if the Group is entitled to invoice the customer for a consideration, the cash amount of which directly corresponds with the value of the performance provided by the Group to the customer by the moment of review.

11.3 Net income on financial assets and financial liabilities

The following are recognised in net income on financial assets and liabilities: gains and losses from sales, valuation gains and losses, dividend income from financial instruments recognised at fair value in profit and loss, including equity instruments and net income from financial assets held for trading and net income from investment properties. Dividend income has been recognised when an entitlement to dividend exists.

Additionally, net income from currency exchanges as well as net income from fair value hedge accounting are recognised under the same item.

12. Income taxes

Result-based taxes of the accounting period for companies in the Group, adjustments to taxes for previous accounting periods and changes in deferred taxes are recognised in the Group's income statement. Taxes are recognised in the income statement except for items that are directly related to equity or other items recognised in the comprehensive income statement. In these cases, the tax is also recognised under these items. Income taxes are recognised based on the estimated taxable income for the year.

Deferred taxes are calculated on the taxable temporary and deductible differences between bookkeeping and taxation. Deferred tax assets are recognised up to the amount for which there is likely to be future taxable income, against which the temporary difference can be applied. Deferred tax assets based on unused losses verified in taxation are recognised if the accumulation of taxable income is likely and the asset can be utilised.

13. Operating segments

The company's banking operations form a segment as per the definition in the IFRS 8 Operating Segments standard. Based on the company's business model and the nature of operations, the entire Group is treated as a reportable segment. The Group conducts business only in Finland.

14. Accounting principles for the financial statements requiring management's judgement and factors of uncertainty related to estimates

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

During the financial years 2021 and 2022, there have been changes in the accounting principles and uncertainties related to estimates that require management's judgment as result of the corona pandemic and the Russian invasion war. The Russian invasion war and the subsequent accelerating inflation and rising interest rates, as well as the corona pandemic have caused uncertainty in the operating environment. The application of the impairment losses on financial assets model under IFRS 9 requires the management to make estimates and assumptions about whether the credit risk associated with the financial instrument has increased significantly since the initial recognition and requires forward-looking information to be taken into account in the recognition of on-demand credit losses. The company's management has assessed the effects of the Russian invasion war and the corona pandemic on an industry-by-industry basis and made group-specific additional loss allowances. Due to the corona pandemic, the company generally offered its customers loan grace periods or other arrangements under in accordance with its normal credit policy especially in the early stages of corona pandemic. Further details of the impact of the Russian invasion war and the corona pandemic on the company's risk position are provided in Note G2.

14.1 Impairment of financial assets

The model for impairment of financial assets brought by IFRS 9 requires management to make decisions, estimates and assumptions especially on the following topics:

- Selecting and defining calculation models,
- Assessing whether the credit risk related to a financial instrument has increased significantly after initial recognition and
- Taking into account forward-looking information in the recognition of expected credit losses.

Calculation models and parameters for different portfolios have been selected based on their business significance and criticality. More complex models and parameters are defined for portfolios that are the largest in euro and customer numbers. The company has emphasized the model most suitable for each type of loan in its ECL model choices, as well as considering the company's size using the principle of proportionality.

In ECL computation, the company notes information based on future prospects. The company uses quantitative adjustments to the PD parameter of housing and consumer credit for corporate customers and private customers based on projections of macroeconomic environment development. In the macroeconomic model, PD values are adjusted from the moment of calculation to the next three years based on projections of Finland's GDP developments and the scenarios generated from these. Three scenarios and related realization probabilities have been defined: baseline scenario (50%), negative scenario (30%), and positive scenario (20%). The weight of the negative scenario is relatively high due to continuing uncertainty in the economy. GDP changes have historically predicted the number of bankruptcies well and have therefore been chosen as an explanatory variable for the model. The bankruptcy indirectly presents the number of insolvency events and its use instead of the internal default variable has been concluded due to the insufficient size and quality of the internal material.

14.2 Evaluation of fair value
The management's judgement is also used in cases where the fair value of a financial instrument is determined through valuation methods. If no verifiable market inputs exist on which the used valuation methods can be based, the management team has to assess which other inputs to use to determine fair value. The principles used to determine fair value are described in more detail in the section 'Determining the fair value'.

Management assesses when it considers that the market for financial instruments is not functioning. Such a situation could arise as a result of widespread disruption to the global economy. Additionally, it must be evaluated whether a single financial instrument is the object of active trading and whether the price information received from the market is a reliable indicator of the fair value of the financial instrument.

14.3 Impairment of tangible and intangible assets
In connection with the financial statements, the management reviews the impairment of tangible and intangible assets. Impairment tests require the management team's discretion and assessment of the amount of money accrued by the asset in the future, its financial useful life and used discount rate.

14.4 Business combinations
In business consolidation, the determination of fair values requires consideration from the company's management regarding the recognition and valuation at fair value of the consideration given and identifiable assets, liabilities and contingent liabilities.

The amount of Eurajoen Savings Banks debt that can be valued with profit has been reassessed and the amount of debt has been reduced by EUR 1.3 million during the accounting period. At the time of closing the accounts, the value of the debt is EUR 5.2 million.

15. IFRS standards and interpretations not yet in effect

New and amended standards and interpretations published by IASB by 31 December 2022 are not expected to have a significant impact on Oma Savings Bank's consolidated financial statements.

G2 Risk management notes

Oma Savings Bank Plc focuses on retail banking operations and provides its clients a broad range of banking services both through its own balance sheet as well as by acting as an intermediary for its partners' products. The intermediated products include credit, investment and loan insurance products.
The company is also engaged in mortgage banking operations. The company's key risk types are credit risk, operational risk, market risk and liquidity risk.

The Group's internal control, risks and risk management and disclosure requirements of CRR, Part 8, (Pillar III) are discussed in more detail in the *Capital and Risk Management Report*, which is released as a separate report alongside the Financial Statements.

1. Organising risk management

Risk management is an essential part of the bank's business and internal control. Oma Savings Bank's risk management principles are defined by the risk management policy approved by the Board of Directors. The purpose of the company's risk management is to ensure that the company's significant risks are identified, assessed and quantified, and that the risks are monitored and controlled as part of day-to-day business management. The company's risks are evaluated regularly, and the Board of Directors regularly assesses the company's risk management strategy, risk-bearing ability and approach towards risk-taking. Risk surveys and measures taken based on the surveys, systematic monitoring and the analysis of the operating environment and market are used to control risks. Functions independent of business operations have been arranged to ensure efficient and comprehensive risk management and internal control as follows:

- Risk control function
- Compliance function
- Internal audit function

It is the task of the Board of Directors to ensure that the risk control function, compliance function and internal audit function have adequate and competent personnel resources with respect to the nature, scope and diversity of the company's operations. The goal of the risk control function is to develop systematic and preemptive risk management, through which the company's business can be developed safely. In the company's organisation the risk control function reports directly to the CEO and reports to the Board of Directors, the CEO and other executive management.

Risk management has three lines of defence

The framework for Oma Savings Bank's risk management function is based on a principle of three defence lines, which are

1st line of defence: Business units.
The entire company's personnel, both the customer interface and those working with other tasks, must comply in their daily work with the company's Code of Conduct and risk management principles.

2nd line of defence: Risk management and compliance function.
The risk control function monitors and ensures that the company's operations comply with the set strategies and limits. The function carries out continuous monitoring and ensures that the practices develop over time. The compliance function monitors compliance with regulations.

3rd line of defence: Internal audit.
Internal audit assesses and ensures the sufficiency, functioning and efficiency of internal control in the company's different units, functions and subsidiaries.

2. Capital adequacy management

The development of capital adequacy is reported to the Board of Directors every month. The reporting monitors the total capital ratio and Common Equity Tier 1 capital. . The company's Board of Directors has approved a minimum Common Equity Tier 1 capital (CET1) financial target of at least 14 percent (CET1) for the medium term (3-5 years). The goal is to ensure capital adequacy even when business cycles weaken.

More detailed information on the Group's capital adequacy is available in the Report of Board of Directors and the Capital and Risk Management Report.

3. Credit risk

Credit risk refers to the possibility that a counterparty fails to meet its obligations in accordance with agreed terms and conditions. Oma Savings Bank's credit risk largely consists of granted loans. Oma Savings Bank has continued to develop the credit rating models introduced during 2021 in accordance with IRB requirements.

Counterparty risk is defined as a risk of loss or a negative valuation difference resulting from a weakening of the counterparty's credit rating. Credit risk and counterparty risk also result from other receivables, such as bonds 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.

Oma Savings Bank's credit risk primarily consists of exposures secured by immovable property, retail exposures and business loans. On 31 December 2022, the share of exposures secured by immovable property of the credit risks was 45.5% (42.3%), the share of retail exposures 17.2% (19.6%) and exposures to corporates 27.7% (28.4%). Credit risk exposures are well-diversified geographically and sector-wise, which reduces the company's concentration risk. Oma Savings Bank uses the definition of non-performing loans according to EBA/GL/2016/07. Non-performing loans accounted for 1.6% of the loan portfolio.

The goal of credit risk management is to limit the profit and loss and capital adequacy effects of risks resulting from customer exposures to an acceptable level. Credit and counterparty risk are measured by estimating expected credit losses. Expected credit losses are estimated using the ECL model, in accordance with IFRS 9.

3.1 Loan relief granted by the company

Neither the Russian invasion war nor the corona pandemic have significantly affected the number of grace periods during 2022, and there have been no spikes in demand for them. At the end of the financial year, the total grace periods of the loans from the entire loan stock amounted to EUR 439.4 million. All grace periods in force at the end of the financial year, regardless of the reason or start date, have been included in the capital.

3.2 Calculation of expected credit losses

The calculation of Expected Credit Loss (ECL) is carried out monthly for each loan. In ECL calculation, the expected credit loss for each month is calculated for each loan, based on the Probability of Default (PD) and the Loss Given Default (LGD).

The company's loan portfolio is classified into different clusters based on customers' different risk characteristics. In assessing whether the credit risk related to a financial instrument has increased significantly, the change in the risk of a default occurring over the expected life of the financial instrument shall be observed. When carrying out this assessment, the risk of default occurring over the expected life of the instrument at the reporting date is compared with the risk of default at the date of initial recognition. A significant increase in credit risk leads to the transfer of the loan from stage 1 to stage 2.

The company's loan portfolio has grown strongly during the financial year. The quality of the loan portfolio has remained at a good level despite the corona pandemic and Russian invasion war. Overdue and non-performing receivables from the loan portfolio fell from 2.4 percent to 2.2 percent. However, the general economic situation is deteriorating, which is why the quality of the credit portfolio may deteriorate in the future.
The company made during 2020 and early 2021 additional loss allowances based on management's judgement, totalling EUR 5.9 million, which predicted growth in credit risk in specific sectors. The sectors were selected based on both their significance and the estimated size of the pandemic's impact. During the last quarter, the Company released EUR 2.0 million of the additional loss allowances in addition to the previous releases. In relation to the corona pandemic and the Russian invasion war, additional loss allowances are still available for EUR 0.9 million. The additional loss allowances anticipate the effects of the corona pandemic and the Russian invasion war on Oma Savings Bank's credit base and aim to cover possible credit losses to the extent that the expected credit loss calculation model does not recognise them. The future-looking variables of the model were updated at the end of the year due to the deterioration of the general economic situation. The company has intensified its monitoring of the credit risk situation and its development based on credit risk management methods during the corona pandemic.

Customers, especially the watchlist customers, have been monitored intensively during the pandemic and the Russan invasion war. The company continues monitoring the situation monthly. In the transition to stage 3, significant growth in credit risk is identified, in particular, through the definition of default and related criteria. The move from stage 2 to stage 3 is due to the significant increase in credit risk associated with the gain. Stage 3 of the ECL calculation classifies all loans that the company considers to meet the definition of default. Category criteria for stage 3 include, for example, delays in contractual payments by 90 days, customer debt renovation or bankruptcy, or loan transfer to debt collection. Other indications of uncertain repayment are also actively monitored. The calculation of expected credit losses is described in more detail in Note G1 Accounting principles for the Consolidated financial Statements.

Loan portfolio and expected credit losses per customer group

(1,000 euros)	31 Dec 2022	31 Dec 2021
Private customer	2,858,099	2,705,643
-Expected credit losses	-9,883	-11,968
Corporate customers	1,093,700	882,817
-Expected credit losses	-13,817	-14,949
Housing companies	461,339	388,306
-Expected credit losses	-254	-102
Agricultural customers	271,112	277,743
-Expected credit losses	-820	-1,379
Others	94,618	100,040
-Expected credit losses	-59	-200
Total	**4,778,869**	**4,354,549**
Total expected credit losses	-24,833	-28,599

Matured and non-performing receivables

(1,000 euros)	31/12/2022	% of credit portfolio	31/12/2021	% of credit portfolio
Matured receivables, 30-90 days	18,509	0.4%	7,538	0.2%
Non-matured or matured less than 90 days, non-repayment likely	47,497	1.0%	65,975	1.5%
Non-performing receivables, 90-180 days	5,635	0.1%	7,739	0.2%
Non-performing receivables, 181 days - 1 year	6,186	0.1%	6,034	0.1%
Non-performing receivables, > 1 year	28,252	0.6%	16,027	0.4%
Matured and non-performing receivables total	**106,080**	**2.2%**	**103,312**	**2.4%**
Performing receivables and matured receivables with forbearances	62,011	1.3%	59,264	1.4%
Defaulted receivables with forbearances	33,376	0.7%	27,335	0.6%
Forbearances total	**95,387**	**2.0%**	**86,599**	**2.0%**

Figures include interest due on items.

3.3 Watchlist loans

The company's credit risk management guidelines define the operating models for monitoring watchlist customers and watchlist loans. Watchlist loans mean commitments that become subject to monitoring based on predetermined criteria. The criteria correspond with stage 3 of ECL calculation. In addition to stage 3 criteria, loans at stage 2 of ECL calculation also become subject to scrutiny when their size or collateral risk rises over the limit values for the credit guidelines. In addition to these definitions, the customer can be classified as a watchlist customer in deviation to these criteria, using discretion.

The review performed in the case of these commitments on, for example, the securing of the receivable, changing the customer's credit rating and recognising credit losses. The purpose of monitoring is to identify watchlist loans or loans that are becoming watchlist loans as early as possible. Watchlist customers and liabilities are monitored by branch and in relation to the loan portfolio's size. An action plan is drawn up for each watchlist customer, when the limits defined in the credit guidelines are exceeded.

Credit ratings for private customers

Credit ratings (1,000 euros)	31 Dec 2022	%	31 Dec 2021	%
AAA	343,766	12.0%	263,105	9.7%
AA	1,127,696	39.5%	812,212	30.0%
A	801,822	28.1%	632,881	23.4%
B	367,027	12.8%	424,340	15.7%
C	116,123	4.1%	368,559	13.6%
D	69,493	2.4%	145,985	5.4%
Not rated	1,067	0.0%	32,174	1.2%
Defaulted	31,106	1.1%	26,386	1.0%
Private customers	**2,858,099**	**100.0%**	**2,705,643**	**100.0%**

Credit ratings for corporates and housing companies

Credit ratings (1,000 euros)	31 Dec 2022	%	31 Dec 2021	%
AAA	720,465	46.3%	629,223	49.5%
AA	353,818	22.8%	324,328	25.5%
A+	236,596	15.2%	171,359	13.5%
A	137,138	8.8%	75,809	6.0%
B	59,353	3.8%	35,654	2.8%
C	8,101	0.5%	6,033	0.5%
Defaulted	39,568	2.5%	28,717	2.3%
Corporates and housing companies	**1,555,040**	**100.0%**	**1,271,123**	**100.0%**

3.4 Distribution by risk class

The company classifies its customers into risk classes based on information available on the counterparty. External credit rating data or an internal assessment is used for credit rating. Monitoring is continuous and can lead to a transfer from one risk class to another.

In lending, a risk concentration is born or can be born, for example when the loan portfolio includes large amounts of loans and other liabilities:

- to a single counterparty
- to groups that are made up of individual counterparties or entities tied to them
- to specific sectors
- against specific collateral
- whose maturity is the same or
- whose product/instrument is the same

Distribution of financial assets by risk class and credit risk concentrations

Risk rating 1: Low-risk items are considered to include the bank's internal credit rating of AAA-AA level private customers, AAA-AA + level corporate, housing companies and agricultural customers.

Risk rating 2: Reasonable risk items include the bank's internal credit rating of A-B level private customers, AA-A + level corporate and housing companies and AA-A level agricultural customers.

Risk rating 3: Increased risk items include the bank's internal credit rating of C-level private customers and A-level corporate and housing companies, as well as B-C-level agricultural customers.

Risk rating 4: The highest risk items are considered to be the bank's internal credit rating of D-level private customers, B-D-level corporate and housing companies, D-level agricultural customers and insolvent customers.

Other customers are based on the bank's internal assessment of the risk rating.

The 'No rating' item includes loans and debt securities for which the company has not defined credit ratings or for which there are no external credit ratings available.

Private customers

Loans and receivables and off-balance sheet commitments	31 Dec 2022	31 Dec 2021
Risk rating 1	1,562,267	1,173,015
Risk rating 2	1,206,970	1,108,238
Risk rating 3	117,572	380,596
Risk rating 4	101,218	173,926
No rating	4,130	34,153
Capital items by risk category, total	**2,992,157**	**2,869,927**
Loss allowance	10,102	12,279
Total	**2,982,055**	**2,857,648**

Corporates

Loans and receivables and off-balance sheet commitments	31 Dec 2022	31 Dec 2021
Risk rating 1	432,174	390,795
Risk rating 2	535,879	428,432
Risk rating 3	124,924	104,111
Risk rating 4	104,505	68,249
Capital items by risk category, total	**1,197,482**	**991,588**
Loss allowance	13,882	15,514
Total	**1,183,601**	**976,073**

Housing companies

Loans and receivables and off-balance sheet commitments	31 Dec 2022	31 Dec 2021
Risk rating 1	328,309	286,724
Risk rating 2	125,284	151,619
Risk rating 3	20,208	18,643
Risk rating 4	6,934	2,786
Capital items by risk category, total	**480,734**	**459,771**
Loss allowance	255	106
Total	**480,480**	**459,665**

Agricultural customers

Loans and receivables and off-balance sheet commitments	31 Dec 2022	31 Dec 2021
Risk rating 1	55,670	40,372
Risk rating 2	162,555	136,276
Risk rating 3	50,930	85,082
Risk rating 4	10,024	22,894
No rating	157	75
Capital items by risk category, total	**279,336**	**284,699**
Loss allowance	824	1,390
Total	**278,512**	**283,310**

Others

Loans and receivables and off-balance sheet commitments	31 Dec 2022	31 Dec 2021
Risk rating 1	73,979	40,829
Risk rating 2	29,146	63,716
Risk rating 3	1,157	449
Risk rating 4	22	3,697
No rating	-	44
Capital items by risk category, total	**104,304**	**108,735**
Loss allowance	68	236
Total	**104,236**	**108,499**

Debt securities	31 Dec 2022	31 Dec 2021
Risk rating 1	471,772	489,539
Risk rating 2	371	15,129
Risk rating 4	83	-
No rating	68,055	112,842
Capital items by risk category, total	**540,281**	**617,511**
Loss allowance	438	1,158
Total	**539,843**	**616,353**

Loans and receivables and off-balance sheet commitments by industry	Risk rating 1	Risk rating 2	Risk rating 3	Risk rating 4	No rating	31 Dec 2022	31 Dec 2021
Enterprises	760,054	696,012	142,488	110,253	122	**1,708,929**	**1,477,514**
Real estate	412,211	353,711	81,961	40,973	-	**888,856**	**855,433**
Agriculture	2,370	43,293	1,659	572	122	**48,015**	**43,417**
Construction	57,647	43,321	7,822	11,675	-	**120,465**	**95,983**
Accommodation and food service activities	26,697	34,449	8,798	4,719	-	**74,663**	**67,263**
Wholesale and retail	63,281	92,429	18,377	14,219	-	**188,307**	**99,639**
Finance and insurance	33,016	20,063	1,087	1,441	-	**55,607**	**37,288**
Others	164,833	108,745	22,784	36,654	-	**333,016**	**278,492**
Public sector entities	1,082	2,535	-	-	-	**3,617**	**4,280**
Non-profit communities	9,992	18,240	1,151	-	-	**29,383**	**19,764**
Financial and insurance institutions	62,530	8,361	6	22	-	**70,918**	**84,061**
Households	1,618,742	1,334,688	171,146	112,426	4,165	**3,241,167**	**3,129,101**
Total 31.12.	**2,452,399**	**2,059,835**	**314,791**	**222,702**	**4,287**	**5,054,014**	**4,714,720**

3.5 Collaterals

Credit risk is managed through collaterals and covenants. Collaterals are taken for exposures to secure repayment. As a general rule, loans must have a secure collateral position, a collateral shortfall can be accepted in the best credit categories. In corporate loans, risk is often hedged by agreeing with the customer on a covenant, which enables the company to renegotiate the terms linked to the loan if the customer's risk position changes.

Loan collateral is included in the expected credit loss models as an item reducing the loss allowance. The collateral value is affected by the type of collateral, such as residential or commercial apartment or real estate.

The company is engaged in mortgage banking and, as a result, it monitors the development of the amount of eligible loans to secure refinancing through covered bonds.

Mortgage Bank's LTV distribution

LTV	31 Dec 2022	31 Dec 2021
0-50%	23.4%	23.3%
50-60%	15.1%	14.3%
60-70%	19.9%	19.1%
70-80%	16.1%	15.3%
80-90%	13.0%	13.5%
90-100%	12.5%	14.6%
Total	**100.0%**	**100.0%**

The table shows the LTV distributions of loans secured at the time of reporting, based on the regulations of the Mortgage Bank. In table categories, the total loan amount is displayed in the LTV category to which its highest LTV value belongs. For example, a loan of EUR 55,000 secured by a property of EUR 100,000 is calculated in the LTV category at 50-60%.

Impact of collaterals and other arrangements improving the quality of loans

Amount exposed to credit risk covered by collateral (1,000 euros)	31 Dec 2022	31 Dec 2021	Description of collateral held
Home mortgages	2,447,825	2,280,264	Mostly residential real estate collateral
Corporate loans	1,465,838	1,196,696	Mostly property collateral
Consumer credits	324,335	362,862	Mostly residential real estate collateral
Other	495,780	489,402	Mostly property collateral
Loans and receivables from public and public sector entities	**4,733,778**	**4,329,225**	

4. 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 greatest liquidity risks arise from the difference in maturity of borrowing and lending.

The company's liquidity remained at a strong level during 2022, for example due to the covered bonds issued in May and November. In addition to this, the company issued a new unsecured senior bond in September.

In addition to the issuance of the company's bonds, the growth of the company's deposit portfolio in the last quarter of 2022 has kept the credit-deposit ratio stable. The company has reduced new lending in preparation for a weakening economic cycle. The demand for new loans is also restrained by the weakened economic situation and the general rise in interest rates. The company matures a bond of EUR 250 million in April 2023 and a TLTRO loan of EUR 150 million in June.

The management of Oma Savings Bank's liquidity risk is based on the company's ability to procure sufficient cash that is competitive in price in both the short and long term. A key component of liquidity risk management is the planning of the liquidity position in both the short and long term. Additionally, by planning the liquidity reserve, the bank can prepare for weakening economic trends on the markets and for any changes to legislation. The goal of the company's liquidity reserve is to cover one month's outflows.

Liquidity risk management is supported by active risk management, monitoring of the balance sheet and cash flows and internal calculation models. The continuous monitoring of the liquidity situation is important so that the company can manage outgoing cash flows.

The company's liquidity risk is also managed by monitoring and forecasting changes in market factors and market development. If forecasts show that market liquidity is falling, the company can set tighter internal limits for liquidity risk management. Liquidity risk management also includes liquidity reserve management. This ensures that the company has sufficient amounts of liquid securities available to cover the collateral requirements of different business activities.

Maturity distribution of financial assets and liabilities

Financial assets (1,000 euros)	31 Dec 2022 less than 3 months	3 - 12 months	1 - 5 years	5 - 10 years	over 10 years	Total
Debt securities eligible for refinancing with central banks	7,380	12,348	228,359	184,135	69,792	502,013
Loans and receivables from credit institutions	114,155	500	-	-	-	114,655
Loans and receivables from public and public sector entities	266,049	387,665	1,465,511	1,084,694	1,550,117	4,754,036
Debt securities	1,923	3,054	25,361	7,794	558	38,689
Derivative contracts	15	36	144	228	1,508	1,931
Total	**389,522**	**403,602**	**1,719,374**	**1,276,851**	**1,621,974**	**5,411,324**

Financial assets (1,000 euros)	31 Dec 2021 less than 3 months	3 - 12 months	1 - 5 years	5 - 10 years	over 10 years	Total
Debt securities eligible for refinancing with central banks	-	4,014	187,085	275,293	98,297	564,690
Loans and receivables from credit institutions	55,736	30,634	-	-	-	86,371
Loans and receivables from public and public sector entities	72,307	439,210	1,448,778	1,106,186	1,259,469	4,325,950
Debt securities	1,551	1,501	32,855	16,131	621	52,659
Derivative contracts	46	584	1,609	-	-	2,240
Total	**129,641**	**475,944**	**1,670,327**	**1,397,610**	**1,358,386**	**5,031,909**

Financial liabilities (1,000 euros)	31 Dec 2022 less than 3 months	3 - 12 months	1 - 5 years	5 - 10 years	over 10 years	Total
Liabilities to credit institutions and central banks	4,765	150,000	23,324	64,453	-	242,543
Liabilities to the public and public sector entities	2,869,454	197,722	45,288	-	-	3,112,464
Debt securities issued to the public	133,777	261,787	1,691,386	-	-	2,086,950
Subordinated debts	-	-	-	40,000	-	40,000
Derivatives and other liabilities held for trading	73	-	2,935	77	1,098	4,184
Total	**3,008,070**	**609,508**	**1,762,933**	**104,530**	**1,098**	**5,486,141**

Financial liabilities (1,000 euros)	31 Dec 2021 less than 3 months	3 - 12 months	1 - 5 years	5 - 10 years	over 10 years	Total
Liabilities to credit institutions and central banks	10,784	12,217	173,321	16,364	-	212,685
Liabilities to the public and public sector entities	2,794,997	57,823	45,012	33	-	2,897,865
Debt securities issued to the public	20,000	534,464	803,150	404,710	-	1,762,324
Subordinated debts	-	-	15,500	-	-	15,500
Total	**2,825,781**	**604,504**	**1,036,983**	**421,107**	**-**	**4,888,374**

Liquidity risk is measured through a liquidity buffer requirement (LCR) and a long-term funding minimum requirement (NSFR). The Group's liquidity requirement (LCR) remained at a good level, being 166.4 (133.0)% at the end of 2022. Net stable funding ratio (NSFR) was 115.3 (115.2)% in year 2022. The NSFR key figure has risen moderately with new issues. The company's financial plan for the coming years supports the development of NSFR.

LCR & NSFR Development by Quarter

	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022
LCR, %	166%	153%	151%	123%
NSFR, %	115%	111%	110%	116%

LCR and NSFR figures are unaudited.

5. Market risk

5.1. Equity risk

The strong rise in market interest rates that occurred in 2022 will be seen as a fall in value across the entire bond market. The effects are also transmitted to the company's investment portfolio, which mainly consists of fixed-rate bonds. As a counterweight, the company implemented hedging measures during the rest of the year, which balanced the effect of the rise in market interest rates. During 2022, the size of the investment portfolio has not been increased, and in connection with liquidity testing, the company has reduced lower-rated holdings and replaced them with well-rated government bonds.
In addition, the company's investments are mainly in well-rated government bonds and covered bonds, whose reactions to negative news were, for example, more moderate than in the corporate bond market. Taking into account the market changes that took place during the year, the development of the entire investment portfolio has remained relatively flat.

Market risk is managed, for example, by diversifying the contents of the investment portfolio sufficiently. Diversifying the portfolio reduces the concentration risk resulting from individual investments. The company monitors monthly the market values of securities acquired for investment purposes and the cash flows related to their transactions. Regular reports are made to the Board of Directors on the contents and balance sheet position of the securities portfolio. Market risk contained in the securities portfolio is assessed in relation to the company's result and own funds. Limits and monitoring limits have been set for measuring and monitoring market risks.

Oma Savings Bank does not trade in shares for trading purposes. A sensitivity analysis of share price risk has not been presented as it does not have a material effect on the Group's financial position.

Distribution of investment assets total

(1,000 euros)	31 Dec 2022 Fair value	%	31 Dec 2021 Fair value	%
Shares and other equity instruments	10,604	1.9%	26,212	4.1%
Debt securities	540,702	97.8%	617,349	95.7%
Investment properties	1,431	0.3%	1,787	0.3%
Investment assets total	**552,737**	**100%**	**645,348**	**100%**

5.2 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 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.

For 2022, the effects of the corona pandemic on interest rate risk remained moderate. Due to the structure of the company's balance sheet, net interest income increases as interest rates rise and at the same time the effects of falling interest rates are limited. The company constantly monitors interest rate sensitivities and, if necessary, the company has the capacity to open new hedging positions.

In accordance with the company's interest rate risk policy, the company may use derivatives to manage interest rate risk. For covered bonds, the company may make derivatives to hedge risk. In accordance with the company's policy, interest rate swaps can be used mainly for hedging. The company's goal is to balance the interest rate bases for assets and liabilities and reduce unexpected changes in the net interest income. The pricing of lending and borrowing is the key in terms of the development of the company's net interest income.

Interest rate risk sensitivity to 1% change in interest rate

(1, 000 euros)	31 Dec 2022		31 Dec 2021	
	-1% change	+1% change	-1% change	+1% change
Change 1-12 months	-12,333	12,372	-4,416	11,666
Change 13-24 months	-26,422	26,516	-9,657	28,741

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. Reputational risk, legal risks, compliance risk, information security risks and risks related to money laundering and the funding of terrorism are also included in operational risks. Outsourced functions also generate operational risk.

Realised operational risks can lead to financial losses or a loss of reputation for the company.

Operational risk forms a significant risk area for Oma Savings Bank. It is typical for operational risk that potential losses resulting from the risk are not always easy to measure. Reasons for this may include the delayed realisation of the risk or that the risks, when they are realised, cannot be quantified as concrete financial losses.

Oma Savings Bank's most significant sources of operational risk are cyber risks, data communication and system failures. The probability of a cyber attack has increased with the Russian invasion war. The energy crisis has increased the probability of power outages, which can also affect telecommunications disruptions. In addition, sources of operational risk have been identified as frauds and scams, as well as knowing the customer, which is related to the quality of the collected customer information.

Oma Savings Bank calculates the operational risk in accordance with Pilar I using the basic indicator approach for the capital adequacy. This amount in 2022 was EUR 233.0 million, of which the own funds requirement was EUR 18.6 million. The increase is due to a significant increase in net interest income and fee and commission income.

Operational risk

(1, 000 euros)	2022	2021	2020
Gross income	144,889	122,229	105,751
The revenue indicator	21,733	18,334	15,863
Requirement for own funds of operational risk			18,643
Risk-weighted amount of operational risk			**233,043**

The company's Board of Directors annually approves the operational risk management principles. In managing operational risk, the company's main objective is to manage reputation risk and to ensure the continuity of business activities and compliance with regulations in the short and long term. Operational risk management ensures that the values and strategy of Oma Savings Bank are achieved throughout the business activities. Operational risk management covers all material risks related to business activities.

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. The business units also assess the likelihood of the risks and their impacts if 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 business's operational environment 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 are also a key component of preventing operational risk. The company reduces the impact of operational risk also by maintaining insurance for real estate and the fixed assets it owns. Each employee is responsible for managing operational risk in their own job role. Realised operational risks are reported to the management of the business unit.

New products, services, and outsourced service providers are approved separately through a separate company approval process prior to deployment. The approval process ensures that the risks associated with new products and services are properly identified and assessed. The same approval process also applies when developing existing products.

The monitoring, control and reporting of operational risks are handled by the company's risk control. At least annually, the company's management receives the risk assessments and a report on realized risks of the business units' on the realized risks, based on which a separate operational risk matrix is compiled, which is reported to the Board of Directors. 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. The risk identification process enables the Board to decide on risk management measures and priorities regarding operational risk. The new risk management system, which has been in use for a year, has improved operational risk management, monitoring and reporting.

7. Measures to reduce the risks caused by the Russian invasion war and the corona pandemic

The company's customer service has been operating throughout the exceptional circumstances in order to ensure necessary banking services to customers. The company has continuously monitored the development of the corona virus situation and personnel has been notified concerning health-related matters, in accordance with the guidelines of the Finnish government and the authorities. Internal operating models have been adapted to the situation. The corona pandemic does not currently affect the company's service offering or operating models in customer service.

With regard to credit risk, preventive measures have included the above-mentioned grace periods granted to customers, increased monitoring of watchlist customers and loans in arrears, careful assessment of collateral values and monitoring. Due to the increased risk due to the Russian invasion war and sanctions, the company has performed a loan portfolio analysis. The review has identified only a limited number of customers who may be experiencing loan management difficulties. Additionally, when granting new loans, the applicant's repayment capacity and the value of collateral are monitored bearing in mind the above-mentioned crises and the economic uncertainty caused by them, as well as the increase in interest rates and costs.

The risk of cyber threats has increased due to the war: with the help of a denial-of-service attack or other actions, it is possible to disrupt or paralyze e.g. information systems. Cyber threats and other risks, such as interruptions in electricity distribution, have been mapped in cooperation with service providers, so that the Company is well prepared in the event of a possible disruption. The company has updated its own preparedness measures and operating guidelines by assessing various threat scenarios and their probabilities and impacts. The authorities have also developed their own precautionary measures.

G3 Classification of financial assets and liabilities

Assets (1,000 euros) 31 Dec 2022	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	Booking value, total	Fair value
Cash and cash equivalents	402,030	-	-	-	402,030	402,030
Loans and receivables from credit institutions	114,655	-	-	-	114,655	114,655
Loans and receivables from customers	4,754,036	-	-	-	4,754,036	4,754,036
Derivatives, hedge accounting	-	-	-	1,931	1,931	1,931
Debt instruments	-	539,843	859	-	540,702	540,702
Equity instruments	-	-	10,604	-	10,604	10,604
Financial assets, total	**5,270,721**	**539,843**	**11,463**	**1,931**	**5,823,958**	**5,823,958**
Investments in associated companies	-	-	-	-	25,351	25,351
Investment properties	-	-	-	-	1,328	1,431
Other assets	-	-	-	-	91,130	91,130
Assets, total	**5,270,721**	**539,843**	**11,463**	**1,931**	**5,941,766**	**5,941,870**

Liabilities (1,000 euros) 31 Dec 2022	Other liabilities	Hedging derivatives	Booking value, total	Fair value
Liabilities to credit institutions	242,543	-	242,543	242,543
Liabilities to customers	3,112,464	-	3,112,464	3,112,464
Derivatives, hedge accounting	-	4,184	4,184	4,184
Debt securities issued to the public	2,086,950	-	2,086,950	2,086,950
Subordinated liabilities	40,000	-	40,000	40,000
Financial liabilities, total	**5,481,957**	**4,184**	**5,486,141**	**5,486,141**
Non-financial liabilities	-	-	90,665	90,665
Liabilities, total	**5,481,957**	**4,184**	**5,576,806**	**5,576,806**

Assets (1,000 euros) 31 Dec 2021	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	Booking value, total	Fair value
Cash and cash equivalents	198,046	-	-	-	198,046	198,046
Loans and receivables from credit institutions	86,371	-	-	-	86,371	86,371
Loans and receivables from customers	4,325,950	-	-	-	4,325,950	4,325,950
Derivatives, hedge accounting	-	-	-	2,240	2,240	2,240
Debt instruments	-	616,353	995	-	617,349	617,349
Equity instruments	-	-	26,212	-	26,212	26,212
Financial assets, total	**4,610,366**	**616,353**	**27,208**	**2,240**	**5,256,167**	**5,256,167**
Investments in associated companies					22,884	22,884
Investment properties					1,713	1,787
Other assets					91,868	91,868
Assets, total	**4,610,366**	**616,353**	**27,208**	**2,240**	**5,372,633**	**5,372,707**

Liabilities (1,000 euros) 31 Dec 2021	Other liabilities	Hedging derivatives	Booking value, total	Fair value
Liabilities to credit institutions	212,685	-	212,685	212,685
Liabilities to customers	2,897,865	-	2,897,865	2,897,865
Debt securities issued to the public	1,762,324	-	1,762,324	1,762,324
Subordinated liabilities	15,500	-	15,500	15,500
Financial liabilities, total	**4,888,374**	**-**	**4,888,374**	**4,888,374**
Non-financial liabilities			82,965	82,965
Liabilities, total	**4,888,374**	**-**	**4,971,339**	**4,971,339**

G4 Cash and cash equivalents

(1,000 euros)	31 Dec 2022	31 Dec 2021
Cash in hand	6,028	5,616
Current account in the Bank of Finland	396,002	192,429
Cash and cash equivalents, total	**402,030**	**198,046**

G5 Loans and other receivables

(1,000 euros)	31 Dec 2022	31 Dec 2021
Loans and receivables from credit institutions		
Repayable on demand	82,630	55,736
Other	32,026	30,634
Loans and receivables from credit institutions, total	**114,655**	**86,371**
Loans and receivables from public and public sector entities		
Loans	4,656,941	4,218,377
Utilised overdraft facilities	53,670	70,504
Loans intermediated through the State's assets	29	48
Credit cards	43,029	36,813
Bank guarantee receivables	367	209
Loans and receivables from public and public sector entities, total	**4,754,036**	**4,325,950**
Loans and receivables, total	**4,868,691**	**4,412,321**

Reconciliations from the opening and the closing balances of the expected credit losses are presented in Note G24 Impairment losses on financial assets.

G6 Financial derivatives

Assets (1,000 euros)	31 Dec 2022	31 Dec 2021
Fair value hedge		
Interest rate derivatives	1,929	662
Other hedging derivatives		
Share and share index derivatives	2	1,578
Derivative assets, total	**1,931**	**2,240**

Liabilities (1,000 euros)	31 Dec 2022	31 Dec 2021
Fair value hedge		
Interest rate derivatives	4,184	-
Share and share index derivatives	-	-
Derivative liabilities, total	**4,184**	**-**
Change in the value of hedged object / Fair value hedge	**1,446**	**-688**
Change in the value of hedged object / Other hedging derivatives	**343**	**-1,166**

Nominal values of underlying items and fair values of derivatives (1,000 euros)	Remaining maturity				Fair values	
31 Dec 2022	Less than 1 year	1-5 years	Over 5 years	Total	Assets	Liabilities
Fair value hedge	**10,000**	**291,000**	**327,000**	**628,000**	**1,929**	**4,184**
Interest rate swaps	10,000	291,000	327,000	628,000	1,931	4,110
Cva and Dva adjustments	-	-	-	-	-2	73
Other hedging derivatives	**31,328**	**12,553**	**-**	**43,880**	**2**	**-**
Share and share index derivatives	31,328	12,553	-	43,880	5	-
Cva and Dva adjustments	-	-	-	-	-3	-
Derivatives, total	**41,328**	**303,553**	**327,000**	**671,880**	**1,931**	**4,184**

Nominal values of underlying items and fair values of derivatives (1,000 euros)	Remaining maturity				Fair values	
31 Dec 2021	Less than 1 year	1-5 years	Over 5 years	Total	Assets	Liabilities
Fair value hedge	**5,000**	**10,000**	**-**	**15,000**	**662**	**-**
Interest rate swaps	5,000	10,000	-	15,000	686	-
Cva and Dva adjustments	-	-	-	-	-24	-
Other hedging derivatives	**16,516**	**43,880**	**-**	**60,396**	**1,578**	**-**
Share and share index derivatives	16,516	43,880	-	60,396	1,628	-
Cva and Dva adjustments	-	-	-	-	-50	-
Derivatives, total	**21,516**	**53,880**	**-**	**75,396**	**2,240**	**-**

G7 Investment assets

Investment assets (1,000 euros)	31 Dec 2022	31 Dec 2021
Measured at fair value through profit or loss		
Debt securities	859	995
Shares and other equity instruments	10,604	26,212
Assets measured at fair value through profit or loss, total	**11,463**	**27,208**
Measured at fair value through other comprehensive income		
Debt securities	539,843	616,353
Shares and other equity instruments	-	-
Measured at fair value through other comprehensive income, total	**539,843**	**616,353**
Investment properties	**1,328**	**1,713**
Investment assets, total	**552,633**	**645,275**

Reconciliations from the opening and the closing balances of the expected credit losses are presented in Note G24 Impairment losses on financial assets.

Changes in investment properties (1,000 euros)		31 Dec 2022	31 Dec 2021
Cost January 1		**4,544**	**10,491**
+	Increases	-	5,390
-	Decreases	-345	-11,342
+/-	Transfers	-	5
Cost at the end of the period		**4,199**	**4,544**
Accumulated depreciation and impairment losses		**-2,830**	**-3,220**
+/-	Accumulated depreciation of decreases and transfers	-	410
-	Depreciation	-41	-21
+/-	Impairment loss and their return	-	25
Accumulated depreciation and impairment at the end of the period		**-2,871**	**-2,830**
Opening balance		**1,713**	**7,270**
Closing balance		**1,328**	**1,713**

31 Dec 2022	Equity instruments				Debt-based				
Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	All total
Quoted									
Public sector entities	-	-	-	-	158,567	-	-	158,567	158,567
From others	-	2,375	-	2,375	381,071	115	-	381,186	383,561
Non-quoted									
From others	-	8,229	-	8,229	205	744	-	949	9,178
Total	**-**	**10,604**	**-**	**10,604**	**539,843**	**859**	**-**	**540,702**	**551,306**

31 Dec 2021	Equity instruments				Debt-based				
Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	All total
Quoted									
Public sector entities	-	-	-	-	171,122	-	-	171,122	171,122
From others	-	16,948	-	16,948	445,023	185	-	445,208	462,157
Non-quoted									
From others	-	9,264	-	9,264	208	810	-	1,018	10,282
Total	**-**	**26,212**	**-**	**26,212**	**616,353**	**995**	**-**	**617,349**	**643,561**

G8 Intangible assets

(1,000 euros)	31 Dec 2022	31 Dec 2021
Other intangible rights	6,336	4,873
Information systems	5,912	3,984
Customer relationships related to deposits	424	889
Intangible assets on progress	1,839	4,098
Goodwill	454	1,054
Total intangible assets	**8,628**	**10,025**

Changes in intangible assets 2022	In progress: intangible assets	Other intangible rights	Goodwill
Cost January 1	**4,098**	**12,553**	**1,054**
+ Increases	-2,259	106	-
- Decreases	-	-140	-600
+/- Transfers	-	4,349	-
Cost December 31	**1,839**	**16,869**	**454**
Accumulated amortisation and impairment loss January 1	**-**	**-7,680**	**-**
+/- Accumulated amortisation of decreases and transfers	-	96	-
- Amortisation	-	-2,949	-
- Impairment	-	-	-
+/- Other changes	-	-	-
Accumulated amortisation and impairment loss December 31	**-**	**-10,533**	**-**
Opening balance, January 1	**4,098**	**4,873**	**1,054**
Closing balance, December 31	**1,839**	**6,336**	**454**

Changes in intangible assets 2021	In progress: intangible assets	Other intangible rights	Goodwill
Cost January 1	**8,054**	**8,461**	**1,054**
+ Increases	-3,956	6	-
- Decreases	-	-352	-
+/- Transfers	-	4,439	-
Cost December 31	**4,098**	**12,553**	**1,054**
Accumulated amortisation and impairment loss January 1	**-**	**-6,388**	**-**
+/- Accumulated amortisation of decreases and transfers	-	-	-
- Amortisation	-	-1,292	-
- Impairment	-	-	-
+/- Other changes	-	-	-
Accumulated amortisation and impairment loss December 31	**-**	**-7,680**	**-**
Opening balance, January 1	**8,054**	**2,073**	**1,054**
Closing balance, December 31	**4,098**	**4,873**	**1,054**

G9 Tangible assets

(1,000 euros)	31 Dec 2022	31 Dec 2021
Properties in own use	19,242	19,944
Land and water areas	1,357	1,357
Buildings	17,884	18,586
Buildings and constructions, right-of-use assets	7,661	6,051
Machinery and equipment	1,397	1,461
Machinery and equipment, right-of-use assets	209	138
Other tangible assets	290	293
Tangible assets, total	**28,799**	**27,887**

Changes in tangible assets 2022	Land and water areas	Buildings	Buildings right-of-use assets	Machinery and equipment	Machinery and equipment, right-of-use assets	Other tangible assets	Assets under construction
Cost January 1	**1,370**	**31,658**	**10,572**	**11,997**	**672**	**293**	**-**
+ Increases	-	153	4,720	405	255	-	-
- Decreases	-	-2,112	-1,408	-57	-22	-3	-
+/- Transfers	-	781	-	72	-	-	-
Cost December 31	**1,370**	**30,480**	**13,884**	**12,418**	**905**	**290**	**-**
Accumulated depreciation and impairment loss January 1	**-13**	**-13,071**	**-4,521**	**-10,536**	**-534**	**-**	**-**
+/- Accumulated depreciation of decreases and transfers	-	276	693	27	13	-	-
- Depreciation	-	-1,239	-2,394	-511	-175	-	-
- Impairment	-	1,438	-	-	-	-	-
Accumulated depreciation and impairment loss December 31	**-13**	**-12,596**	**-6,223**	**-11,020**	**-696**	**-**	**-**
Opening balance January 1	**1,357**	**18,586**	**6,051**	**1,461**	**138**	**293**	**-**
Opening balance December 31	**1,357**	**17,884**	**7,661**	**1,397**	**209**	**290**	**-**

Changes in tangible assets 2021	Land and water areas	Buildings	Buildings right-of-use assets	Machinery and equipment	Machinery and equipment, right-of-use assets	Other tangible assets	Assets under construction
Cost January 1	**1,439**	**31,381**	**9,097**	**11,649**	**601**	**293**	**160**
+ Increases	-	101	1,475	291	71	-	134
- Decreases	-63	-628	-	-4	-	-	-
+/- Transfers	-5	804	-	62	-	-	-293
Cost December 31	**1,370**	**31,658**	**10,572**	**11,997**	**672**	**293**	**-**
Accumulated depreciation and impairment loss January 1	**-15**	**-11,818**	**-2,735**	**-9,995**	**-358**	**-**	**-**
+/- Accumulated depreciation of decreases and transfers	2	566	-	4	-	-	-
- Depreciation	-	-1,360	-1,786	-545	-176	-	-
- Impairment	-	-460	-	-	-	-	-
Accumulated depreciation and impairment loss December 31	**-13**	**-13,071**	**-4,521**	**-10,536**	**-534**	**-**	**-**
Opening balance January 1	**1,424**	**19,563**	**6,362**	**1,654**	**243**	**293**	**160**
Opening balance December 31	**1,357**	**18,586**	**6,051**	**1,461**	**138**	**293**	**-**

G10 Other assets

(1,000 euros)	31 Dec 2022	31 Dec 2021
Receivables on payment transfers	94	82
Accrued income	26,029	15,485
Interests	21,300	11,826
Other advance payments	649	247
Other accrued income	4,081	3,412
Other*	5,654	31,313
Other assets, total	**31,778**	**46,880**

* The item Other included receivables of securities of EUR 30.0 million in the comparative period.

G11 Tax assets and liabilities

(1,000 euros)	31 Dec 2022	31 Dec 2021
Tax assets		
Deferred tax assets	21,924	7,077
Tax assets, total	**21,924**	**7,077**
Tax liabilities		
Current income tax liabilities	482	9,331
Deferred tax liabilities	36,072	31,122
Tax liabilities, total	**36,554**	**40,453**

Deferred tax assets 2022 (1,000euros)	1.1.	Recognised through profit or loss	Other comprehensive income	Business acquisitions	31.12.
Assets at fair value through other comprehensive income	1,436	-	17,779	-	19,215
Tangible assets	262	84	-	-	347
Defined benefit pension plans	118	-4	-73	-	41
Impairment	10	-	-	-	10
Confirmed losses	217	-46	-170	-	-
Derivatives	6	-	-	-	6
Liabilities	1,300	-	-	-1,300	-
Other items	3,727	-798	-624		2,305
Deferred tax assets, total	**7,077**	**-763**	**16,911**	**-1,300**	**21,924**

Deferred tax liabilities 2022 (1,000 euros)	1.1.	Recognised through profit or loss	Other comprehensive income	Business acquisitions	31.12.
On taxable reserves	29,496	6,275	-	-	35,771
Assets at fair value through other comprehensive income	1,314	-	-1,224	-	89
Derivatives	6	-	-	-	6
Liabilities	194	-100	-	-	94
Other items	113	78	-79		112
Deferred tax liabilities, total	**31,122**	**6,254**	**-1,303**	**-**	**36,072**

Deferred tax assets 2021 (1,000 euros)	1.1.	Recognised through profit or loss	Other comprehensive income	Business acquisitions	31.12.
Assets at fair value through other comprehensive income	75	-	1,361	-	1,436
Tangible assets	177	85	-	-	262
Defined benefit pension plans	45	1	72	-	118
Impairment	-	-	-	10	10
Confirmed losses	308	-92	-	-	217
Derivatives	-	-	-	6	6
Liabilities	-	-	-	1,300	1,300
Other items	3,269	458	-	-	3,727
Deferred tax assets, total	**3,875**	**453**	**1,433**	**1,316**	**7,077**

Deferred tax liabilities 2021 (1,000 euros)	1.1.	Recognised through profit or loss	Other comprehensive income	Business acquisitions	31.12.
On taxable reserves	24,733	4,763	-	-	29,496
Assets at fair value through other comprehensive income	2,781	-	-1,467	-	1,314
Derivatives	-	-	-	6	6
Liabilities	355	-171	-	10	194
Other items	79	34	-	-	113
Deferred tax liabilities, total	**27,948**	**4,626**	**-1,467**	**16**	**31,122**

G12 Liabilities to the public and public sector entities and liabilities to credit institutions

(1,000 euros)	31 Dec 2022	31 Dec 2021
Liabilities to credit institutions		
Liabilities to Central Banks	150,000	150,000
Repayable on demand	4,749	10,784
Other than repayable on demand	87,794	51,901
Liabilities to credit institutions, total	**242,543**	**212,685**
Liabilities to the public and public sector entities		
Deposits	3,113,883	2,897,144
Repayable on demand	2,817,464	2,770,980
Other	296,420	126,164
Other financial liabilities	27	33
Other than repayable on demand	27	33
Changes in fair value in terms of borrowing	-1,446	688
Liabilities to the public and public sector entities, total	**3,112,464**	**2,897,865**
Liabilities to the public and public sector entities and liabilities to credit institutions, total	**3,355,007**	**3,110,550**

The liabilities to Central Banks item is a TLTRO secured credit withdrawn on June 2020. The loan matures 30 June 2023 but repayment of it has been possible as of 29 September 2021. The determination of the interest rate is influenced by the average of the European Central Bank's deposit rate over the course of the loan, as well as the increase in the company's loan portfolio approved for monitoring. The interest rate on the loan will be reviewed after the loan matures. The TLTRO loan has been treated as a debt under IFRS 9 standard. The company evaluates the interest rate of the loan by review period. In the third quarter, the company revised the interest rate treatment of the TLTRO loan due to European Central Bank's increase in interest rate.

G13 Debt securities issued to the public

(1,000 euros)	31 Dec 2022	31 Dec 2021
Bonds	1,941,269	1,557,380
Certificates of deposit	145,681	204,944
Debt securities issued to the public, total	**2,086,950**	**1,762,324**

					Closing balance	
Maturity of bonds	Nominal value	Interest	Year of issue	Due date	31 Dec 2022	31 Dec 2021
OmaSp Plc 12.12.2022, covered bond	350,000	0,125%/fixed	2017-2018	12/12/2022	-	349,520
OmaSp Plc 3.4.2024, covered bond	300,000	0,125%/fixed	2019	03/04/2024	299,579	299,245
OmaSp Plc 6.4.2023, covered bond	250,000	0,125%/fixed	2020	06/04/2023	249,883	249,440
OmaSp Plc 17.1.2024	55,000	margin 1%/variable	2020	17.1.2024	54,999	54,997
OmaSp Plc 25.11.2027, covered bond	400,000	0,01%/fixed	2020-2021	25/11/2027	403,908	404,710
OmaSp Plc 19.5.2025	200,000	margin 0,2%/variable	2021	19/05/2025	199,625	199,468
OmaSp Plc 18.12.2026, covered bond	600,000	1,5%/fixed	14/07/1905	18.12.2026	583,684	-
OmaSp Plc 26.9.2024	150,000	5%/fixed	2022	26.9.2024	149,591	-
					1,941,269	**1,557,380**

Maturity of deposit certificates	Less than 3 months	3-6 months	6-9 months	9-12 months	Closing balance, total
31 Dec 2022	133,777	11,904	-	-	**145,681**
31 Dec 2021	64,996	80,982	28,992	29,974	**204,944**

G14 Subordinated liabilities

(1,000 euros)	31 Dec 2022	31 Dec 2021
Subordinated loans	-	500
Debentures	40,000	15,000
Subordinated liabilities, total	40,000	15,500

Details of liabilities (1,000 euros)	31 Dec 2022	31 Dec 2021	Interest %	Due date
OmaSp debenture loan I/2017	-	15,000	1.25%	01/02/2023
OmaSp debenture loan I/2022	20,000	-	3.00%	15/01/2028
OmaSp debenture loan II/2022	20,000	-	3.25%	14/07/2028
Total	**40,000**	**15,000**		

Amount included in own funds (1,000 euros)	31 Dec 2022	31 Dec 2021
OmaSp debenture loan I/2017	-	3,261
OmaSp debenture loan I/2022	20,000	-
OmaSp debenture loan II/2022	20,000	-
Total	**40,000**	**3,261**

Terms and conditions of prepayment: The Group retains on all loans the right to claim the loan either partially or in full before the due date. However, prepayment is only possible if permitted by the Finnish Financial Supervisory Authority, excluding minor claims that the Company will resell shortly after claiming. In the last quarter, the company redeemed the OmaSp debenture loan I/2017 before the maturity date of 1 February 2023.

Regulations on loan priorities and potential exchanging of loans for shares: Loans have been issued as a debenture loan in accordance with Article 34 of the Promissory Notes Act (622/47). These loans are subordinated to the issuer's other loans.

G15 Provisions and other liabilities

(1,000 euros)	31 Dec 2022	31 Dec 2021
Provisions		
Pension provisions	206	589
Expected credit loss from irrevocable commitments given in favour of a customer	297	926
Provisions total	**503**	**1,515**
Other liabilities		
Liabilities on payment transfers	16,647	10,696
Accruals	18,062	16,831
Interest payable	8,198	1,971
Advance interest payments received	1,702	4,613
Other accruals	7,992	10,129
Advance payments received	170	118
Other	18,899	13,470
Payment liability, consortium of Savings Banks	5,200	6,500
Other liabilities	13,699	6,970
Other liabilities total	**53,608**	**40,997**
Provisions and other liabilities total	**54,111**	**42,512**

Changes in provisions (1,000 euros)	31 Dec 2022	31 Dec 2021
Provisions January 1	**1,515**	**1,197**
Increase/decrease in defined benefit pension plans	-383	366
Increase in expected credit loss from irrevocable commitments given in favour of a customer	-629	-48
Provisions December 31	**503**	**1,515**

Pension provisions are formed by defined benefit pension plans, which are described in more detail in Note G28 Pension liability.

G16 Equity

(1,000 euros)	31 Dec 2022	31 Dec 2021
Share capital	**24,000**	**24,000**
Other reserves	**68,822**	**144,833**
Fair value reserve	-76,503	-492
Measured at fair value	-76,503	-492
Reserve for invested non-restricted equity	145,196	145,196
Other reserves	128	128
Retained earnings	**272,139**	**231,939**
Retained earnings (loss)	216,757	165,781
Profit (loss) for the accounting period	55,382	66,158
Equity, total	**364,961**	**400,772**
Shareholders of Oma Savings Bank Plc	364,961	400,772
Non-controlling interest	-	522
Equity, total	**364,961**	**401,294**

Movements in the fair value reserve	31 Dec 2022	31 Dec 2021
Fair value reserve January 1	**-492**	**10,824**
Change in fair value, other financial instruments	-94,294	-14,809
Expected credit loss on debt securities	-720	664
Deferred taxes	19,003	2,829
Fair value reserve December 31	**-76,503**	**-492**

Shares and shareholder rights

The number of Oma Savings Bank Plc's shares is 30,150,188 pc, of which 130,847 shares were held in the company's own possession as of 31 December 2022. The number of votes per share is 1 vote / share. The share has no nominal value. The company has no different share classes. All shares have equal dividend rights and other rights.

In February, the Company completed a repurchase program related to the acquisition of its own shares, which began in September 2021. During the period, 198,300 shares of own shares were acquired at an average price of EUR 16,2543 per share. The company acquired a total of 21,845 shares during the 2022 financial year.

In February, the company's Board of Directors confirmed the fulfilment of the 2020-2021 share-based incentive scheme's earning criteria and the payment of 331,790 shares, including the amount to be paid in cash. The share rewards will be paid in four installments within three years. During the 2022 financial year, the company disposed of a total of 79,153 shares to key persons.

In February, the Company's Board of Directors decided on a new share-based incentive scheme for its key persons and the earning period for the years 2022–2023. The system's target group includes a maximum of 30 key personnel, including the company's CEO and members of the group's management team. The fees payable under the scheme corresponds to a maximum value of 400,000 shares of Oma Savings Bank Plc, including the amount to be paid in cash.

On 30 March 2022, the Annual General Meeting has authorised the Board to decide on the issue or transfer of the company's shares, as well as on the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act. The number of shares to be issued under the authorisation, including shares to be received on the basis of special rights, may not exceed a total of 4,000,000 shares; and to decide on the repurchase of a maximum of 1,000,000 of the company's own shares with the company's unrestricted equity. The authorisations are valid until the end of the next Annual General Meeting, however, not later than 30 June 2023.

On 22 September 2022, the Board of Directors decided to carry out a paid directed share issue. All new shares of Oma Savings Bank Plc to be issued in the share issue, 3,125,049, will be issued to Liedon Savings Bank as consideration for the business to be transferred when the implementation of the transfer of Liedon Savings Bank's business under the acquisition plan is registered in the Trade Register, which is scheduled to take place on 28 February 2023.

Other reserves

Fair value reserve
The fair value reserve includes the change in fair value of financial assets at fair value through other comprehensive income less deferred taxes. The items recognised in the reserve are transferred to the income statement when a security held for trading is sold or when impairment is recognised.

Reserve for invested non-restricted equity
The assets raised in the institutional and public offerings and personnel offerings in 2017–2018 are entered in the reserve for invested non-restricted equity. In addition, the reserve for invested non-restricted equity includes the assets gained from issued shares in connection with reorganisations in previous accounting periods.

Retained earnings

Retained earnings are earnings accumulated over previous accounting periods that have not been distributed as dividends to owners. Retained earnings also include voluntary reserves included in the separate financial statements and the depreciation difference, minus deferred tax liabilities.

G17 Net interest income

(1,000 euros)	1-12/2022	1-12/2021
Interest income		
Receivables from credit institutions	1,377	-
Receivables from public and public sector entities	108,840	76,981
Debt securities	3,104	2,812
Derivatives	6,947	3,039
Other interest income	1,608	2,076
Total interest income	**121,876**	**84,908**
Interest expenses		
Liabilities to credit institutions	-1,283	-761
Liabilities to the public and public sector entities	-1,524	-692
Debt securities issued to the public	-10,907	-2,750
Subordinated liabilities	-354	-189
Derivatives	-2,742	-
Other interest expenses	-136	-387
Total interest expenses	**-16,946**	**-4,778**
Net interest income	**104,930**	**80,130**

G18 Fee and commission income and expenses

(1,000 euros)	1-12/2022	1-12/2021
Fee and commission income		
Lending	11,925	11,969
Deposits	77	67
Card and payment transactions	24,440	18,986
Intermediated securities	259	193
Funds	4,485	3,930
Legal services	422	499
Brokered products	2,025	1,725
Granting of guarantees	1,865	1,301
Other fee and commission income	771	768
Total fee and commission income	**46,270**	**39,438**
Fee and commission expenses		
Card and payment transactions	-5,455	-4,663
Securities	-246	-84
Other fee and commission expenses	-1,172	-1,004
Total fee and commission expenses	**-6,873**	**-5,752**
Fee and commission income and expenses, net	**39,396**	**33,686**

G19 Net income on financial assets and financial liabilities

(1,000 euros)	1-12/2022	1-12/2021
Net income on financial assets measured at fair value through profit or loss		
Debt securities		
Capital gains and losses	-	-43
Valuation gains and losses	-136	66
Total debt securities	**-136**	**23**
Shares and other equity instruments		
Dividend income	449	300
Capital gains and losses	-203	226
Valuation gains and losses	-4,828	4,331
Total shares and other equity instruments	**-4,582**	**4,856**
Net income on financial assets measured at fair value through profit or loss, total	**-4,718**	**4,879**
Net income on financial assets measured at fair value through other comprehensive income		
Debt securities		
Capital gains and losses	-500	29
Difference in valuation reclassified from the fair value reserve to the income statement	97	-8
Total debt securities	**-403**	**21**
Net income on financial assets measured at fair value through other comprehensive income, total	**-403**	**21**

Net income from investment properties (1,000 euros)	1-12/2022	1-12/2021
Rent and dividend income	202	280
Capital gains and losses	-3	-15
Other gains from investment properties	7	8
Maintenance expenses	-53	-96
Depreciation and impairment on investment properties	-41	-46
Rent expenses on investment properties	-10	-9
Net income from investment properties, total	**103**	**123**

Net gains on trading in foreign currencies	**130**	**160**
Net gains from hedge accounting	**-414**	**8**
Net income from trading	**-4**	**12**
Net income on financial assets and financial liabilities, total	**-5,306**	**5,203**

G20 Other operating income and negative goodwill

(1,000 euros)	1-12/2022	1-12/2021
Rent income from properties in own use	359	99
Other income from banking operations	4,736	29,913
Other	276	-
Total other operating income	**5,371**	**30,012**

Negative goodwill

(1,000 euros)	1-12/2022	1-12/2021
Acquisition of Eurajoen Savings Bank's business	-	7,535
Total	**-**	**7,535**

Negative goodwill is recorded in Other operating income and presented as a separate line in the Consolidated income statement.

G21 Personnel expenses

(1,000 euros)	1-12/2022	1-12/2021
Salaries and rewards	-21,585	-17,982
Pensions	-3,404	-3,010
Defined contribution plans	-3,422	-2,977
Defined benefit plans	19	-7
Other fixed post-employment benefits	-	-26
Share-based incentive scheme payments	1,298	913
Other social security expenses	-625	-553
Personnel expenses, total	**-24,316**	**-20,631**

Number of employees December 31	1-12/2022	1-12/2021
Full time	294	288
Part time	1	1
Temporary	62	55
Total	357	344
Average number of employees in accounting period	**352**	**315**

Details about the employment benefits and loans of the related parties are presented in Note G31 Management compensation and related party transactions.

G22 Other operating expenses

(1,000 euros)	1-12/2022	1-12/2021
Other personnel expenses	-1,816	-1,468
Office expenses	-3,031	-2,646
Data administration and IT expenses	-18,942	-16,450
Telephony expenses	-1,442	-1,302
Marketing expenses	-2,138	-1,480
Rent expenses	-1,213	-1,229
Expenses from properties in own use	-1,424	-1,147
Insurance and security expenses	-4,748	-3,127
Monitoring, control and membership fees	-772	-670
Other	-5,677	-4,876
Other operating expenses, total	**-41,203**	**-34,396**

Auditors' fees

(1,000 euros)	1-12/2022	1-12/2021
KPMG Oy Ab		
Statutory audit	305	336
Services related to auditing	11	12
Services related to acquisitions	24	16
Tax advisory	2	-
Other services	81	52
Total	**423**	**416**

G23 Depreciation, amortisation and impairment losses on tangible and intangible assets

(1,000 euros)	1-12/2022	1-12/2021
On buildings	-430	-463
From buildings, right-of-use assets	-2,394	-1,786
Machinery and equipment	-511	-544
From machinery and equipment, right-of-use assets	-175	-176
Intangible assets	-3,759	-2,190
Impairment loss on properties in own use	-274	-460
Impairment loss on intangible assets	-	-4,649
Total depreciation, amortisation and impairment losses	**-7,543**	**-10,267**

G24 Impairment losses on financial assets

(1,000 euros)	1-12/2022	1-12/2021
ECL on receivables from customers and off-balance sheet items	1,343	-2,254
ECL from debt instruments	720	-602
Expected credit losses, total	**2,063**	**-2,856**
Final credit losses		
Final credit losses	-4,348	-5,476
Refunds on realised credit losses	538	1,038
Recognised credit losses, net	**-3,810**	**-4,438**
Impairment on receivables, total	**-1,747**	**-7,294**

Reconciliations from the opening and closing balances of the expected credit losses have been formed from 1 January 2022 and 31 December 2022 on the basis of changes in euro denominated loan exposures and expected credit losses.

Expected credit losses, loans and receivables

				1-12/2022	1-12/2021
Receivables from credit institutions and from public and public sector entities (1,000 euros)	Stage 1	Stage 2	Stage 3	Total	Total
Expected credit losses 1 January	**1,981**	**6,535**	**20,083**	**28,599**	**25,858**
Transfer to stage 1	242	-1,310	-153	-1,221	-175
Transfer to stage 2	-265	3,489	-610	2,615	-369
Transfer to stage 3	-14	-271	2,639	2,354	3,810
New debt securities	367	519	229	1,115	3,067
Matured debt securities	-150	-762	-1,414	-2,327	-4,990
Realised credit losses	-	-	-4,114	-4,114	-3,209
Recoveries on previous realised credit losses	-	-	462	462	95
Changes in credit risk	284	-439	2,446	2,291	1,816
Changes in the ECL model parameters	-1,336	1,097	-2,099	-2,338	-
Changes based on management estimates	-391	-3,301	1,089	-2,603	2,696
Expected credit losses period end	**718**	**5,556**	**18,558**	**24,833**	**28,599**

The company's management has assessed the effects of the corona pandemic and the Russian invasion war on an industry-by-industry basis. During the last quarter, the company released EUR 2.0 million of the additional loss allowances based on management's judgement. During the last quarter, the company implemented a macro model update of ECL to prepare for a weakening economic cycle. The change increased the amount of ECL by EUR 0.7 million at the time of change and consider the weakening economic cycle as part of the regular ECL calculation even more strongly. Additional loss allowance based on management's judgement remain for use EUR 0.9 million at the time of the Financial Statements.
Due to the change in the Group structure, ECL of SAV-Rahoitus loan portfolio is no longer included in the Group's balance sheet. After the change, Oma Savings Bank will consider the share of the company's ECL allowance when combining with the company's equity method.

				1-12/2022	1-12/2021
Off-balance sheet commitments (1,000 euros)	Stage 1	Stage 2	Stage 3	Total	Total
Expected credit losses 1 January	**561**	**180**	**184**	**926**	**974**
Transfer to stage 1	6	-69	-	-63	-211
Transfer to stage 2	-13	173	-	160	38
Transfer to stage 3	-	-3	-	-3	40
New debt securities	151	153	-	304	477
Amortisations and matured debt liabilities	-147	-140	-	-287	-464
Realised credit losses	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-
Changes in credit risk	-19	-14	-	-33	73
Changes in the ECL model parameters	-427	-47	-184	-659	-
Changes based on management estimates	1	-50	-	-49	-
Expected credit losses period end	**114**	**183**	**-**	**297**	**926**

Expected credit losses, investment assets

				1-12/2022	1-12/2021
Debt securities (1,000 euros)	Stage 1	Stage 2	Stage 3	Total	Total
Expected credit losses 1 January	**1,138**	**19**	**-**	**1,158**	**493**
Transfer to stage 1	5	-17	-	-13	-118
Transfer to stage 2	-1	10	-	9	-1
Transfer to stage 3	-	-	-	-	-
New debt securities	20	12	-	33	225
Matured debt securities	-126	-1	-	-127	-112
Realised credit losses	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-
Changes in credit risk	-622	-	-	-622	135
Changes in the ECL model parameters	-	-	-	-	-
Changes based on management estimates	-	-	-	-	536
Expected credit losses period end	**415**	**23**	**-**	**438**	**1,158**

G25 Income taxes

(1,000 euros)	1-12/2022	1-12/2021
Income tax for accounting period	-6,829	-12,849
Income tax on primary operations	-6,829	-12,848
Other direct taxes	-	-1
Taxes for the previous accounting periods	-	20
Change in deferred tax assets	-763	469
Change in deferred tax liabilities	-6,254	-4,659
Total income taxes	**-13,847**	**-17,019**
Income tax rate	**20%**	**20%**
Accounting profit before taxes	**69,226**	**83,271**
Proportion of the result in accordance with tax rate	**-13,845**	**-16,654**
+ Tax-exempt income on the income statement	142	21
- Non-deductible expenses on the income statement	-96	-274
+ Deductible expenses not included in the income statement	23	11
- Unrecognised under losses: deferred tax assets	-70	-143
+/- Taxes for previous accounting periods	-	20
Taxes on income statement	**-13,847**	**-17,019**

G26 Collaterals given and received

Collaterals given (1,000 euros)	31 Dec 2022	31 Dec 2021
Given for own liabilities and provisions	2,100,080	1,690,392
Collaterals given, total	**2,100,080**	**1,690,392**

Collaterals given are loan receivables given as collateral for covered bonds.

Nominal value of covered bonds in the balance sheet is EUR 1,550 million on 31 December 2022.

Collaterals received (1,000 euros)	31 Dec 2022	31 Dec 2021
Property collateral	4,265,604	3,958,089
Cash collateral	13,682	15,243
Guarantees received	236,430	160,527
Other	69,864	58,400
Collaterals received, total	**4,585,580**	**4,192,260**

G27 Off-balance sheet commitments

(1,000 euros)	31 Dec 2022	31 Dec 2021
Guarantees	34,774	30,818
Loan commitments	291,184	377,826
Other	-	212
Off-balance sheet commitments, total	**325,958**	**408,855**

G28 Pension liability

(1,000 euros)	31 Dec 2022	31 Dec 2021
Expenses on the income statement	-	11
The current service cost	9	9
Net interest	6	2
Settlements gain	-15	-
Expenses on the statement of comprehensive income		
Remeasurements	-364	359
Comprehensive income for the accounting period	**-364**	**371**

	31 Dec 2022	31 Dec 2021
Current value of obligation January 1	**3,705**	**2,678**
The current service cost	9	9
Interest expense	38	15
Actuarial gains (-) and losses (+) on experienced changes	117	91
Actuarial gains (-) and losses (+) on changes in financial assumptions	-941	238
Benefits paid	-167	-242
Settlements	-149	-
Gained in acquisition of business	-	916
Current value of obligation December 31	**2,613**	**3,705**

	31 Dec 2022	31 Dec 2021
Fair value of funds under the plan January 1	**3,116**	**2,455**
Interest income	32	12
Return on assets in the plan excl. item belonging in the interest expense/income	-460	-31
Benefits paid	-167	-242
Gained in acquisition of business	-	813
Settlements	-134	-
Employer contributions	19	108
Fair value of funds under the plan December 31	**2,407**	**3,116**

	31 Dec 2022	31 Dec 2021
Present value of obligation	2,613	3,705
Fair value of plan assets	2,407	3,116
Liability on the balance sheet December 31	**206**	**589**

	31 Dec 2022	31 Dec 2021
Liability on the balance sheet January 1	589	223
Expenses on the income statement	-	11
Payments made into the plan	-19	-108
Remeasurements in other comprehensive income items	-364	359
Gained in acquisition of business	-	103
Liability on the balance sheet December 31	**206**	**589**

Actuarial assumptions	2022	2021
Discount rate, %	3.75%	1.05%
Wage development, %	3.10%	2.60%
Increase in pension, %	2.85%	2.35%
Inflation, %	2.60%	2.10%

	2022		2021	
Sensitivity Analysis	**Defined Benefit Obligation**		**Defined Benefit Obligation**	
Effect of a change in assumptions used	Increase	Decrease	Increase	Decrease
Discount rate (0,5% change)	-5.80%	6.50%	-7.30%	8.30%
Future pension increase (0,25% change)	2.60%	-2.50%	3.30%	-3.20%

	2022		2021	
Sensitivity Analysis	**Fair Value of Plan Assets**		**Fair Value of Plan Assets**	
Effect of a change in assumptions used	Increase	Decrease	Increase	Decrease
Discount rate (0,5% change)	-5.60%	6.20%	-6.60%	7.40%

Duration based on weighted average of obligations is 13.0 years.

In 2023, the Group expects to pay approximately 200 thousand euros into its defined benefit pension plans.

In addition to the statutory pension scheme, Oma Savings Bank provides defined benefit pension plans to the management team, key personnel in certain key roles, and employees who were members of Säästöpankkien Eläkekassat (Savings Banks' Pension Fund) when its operation ceased on 31 December 1992. For these plans, the retirement age is 60-65 years and the amount of pension is 60% of the salary eligible for pension.

In the pension scheme, the amount of assets describes the part of the obligation for which the insurance company is liable, and it is calculated using the same discount rate as the liability. The assets included in the scheme include 100% acceptable insurance policies. Because the liabilities have been insured, the company is not liable for significant risks. The company remains primarily liable for increases in pensions tied to the employment pension index and the effect of changes in the discount rate and pay increases on the net liabilities.

The assets of defined benefit plans managed in insurance companies are part of the insurance companies' investment assets and the investment risk lies with the insurance company.

G29 Offsetting financial assets and financial liabilities

(1,000 euros)	Monetary amounts not offset in the Balance Sheet			
Financial assets 31 Dec 2022	**Financial instruments**	**Received security collateral**	**Received cash collateral**	**Net amount**
Derivative assets	1,931	-	-	1,931
Other	-	-	-	-
Total financial assets	**1,931**	**-**	**-**	**1,931**

	Monetary amounts not offset in the Balance Sheet			
Financial liabilities 31 Dec 2022	**Financial instruments**	**Granted security collateral**	**Granted cash collateral**	**Net amount**
Derivative liabilities	4,184	-	-	4,184
Other	-	-	-	-
Total financial liabilities	**4,184**	**-**	**-**	**4,184**

	Monetary amounts not offset in the Balance Sheet			
Financial assets 31 Dec 2021	**Financial instruments**	**Received security collateral**	**Received cash collateral**	**Net amount**
Derivative assets	2,240	-	-	2,240
Other	-	-	-	-
Total financial assets	**2,240**	**-**	**-**	**2,240**

	Monetary amounts not offset in the Balance Sheet			
Financial liabilities 31 Dec 2021	**Financial instruments**	**Granted security collateral**	**Granted cash collateral**	**Net amount**
Derivative liabilities	-	-	-	-
Other	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**

G30 Fair values in accordance with the valuation method

The determination of the fair value of financial instruments is set out in Note G1 Accounting principles under "Determining the fair value" of the Financial Statements for the year 2022.

Equity securities recorded to stage 3 include shares in unlisted companies.

Financial assets and liabilities measured at fair value

Financial assets (1,000 euros)	31 Dec 2022 Level 1	Level 2	Level 3	Total
At fair value through profit or loss				
Equity securities	2,375	2,018	6,211	**10,604**
Debt securities	660	-	199	**859**
Derivatives	-	1,931	-	**1,931**
At fair value through other comprehensive income				
Debt securities	539,843	-	-	539,843
Financial assets, total	**542,878**	**3,948**	**6,410**	**553,236**

Financial liabilities (1 000 euroa)	31 Dec 2022 Level 1	Level 2	Level 3	Total
Derivatives	-	4,184	-	4,184
Financial liabilities, total	**-**	**4,184**	**-**	**4,184**

Other liabilities (1 000 euroa)	31 Dec 2022 Level 1	Level 2	Level 3	Total
At fair value through profit or loss				
Payment liability, consortium of Savings Banks	-	-	5,200	5,200
Total	**-**	**-**	**5,200**	**5,200**

Financial assets (1,000 euros)	31 Dec 2021 Level 1	Level 2	Level 3	Total
Measured at fair value through profit or loss				
Equity securities	16,948	1,987	7,277	**26,212**
Debt securities	726	-	269	**995**
Derivatives	-	2240	-	**2,240**
Measured at fair value through other comprehensive income				
Debt securities	616,353	-	-	616,353
Financial assets, total	**634,028**	**4,227**	**7,546**	**645,801**

Financial liabilities (1 000 euroa)	31 Dec 2021 Level 1	Level 2	Level 3	Total
Derivatives	-	-	-	-
Financial liabilities, total	**-**	**-**	**-**	**-**

Other liabilities (1 000 euroa)	31 Dec 2021 Level 1	Level 2	Level 3	Total
At fair value through profit or loss				
Payment liability, consortium of Savings Banks	-	-	6,500	6,500
Total	**-**	**-**	**6,500**	**6,500**

Investment transactions, categorised to Level 3

Financial assets at fair value through profit or loss (1,000 euros)	31 Dec 2022 Equity securities	Debt securities	Total	31 Dec 2021 Equity securities	Debt securities	Total
Opening balance	**7,277**	**269**	**7,546**	**6,772**	**84**	**6,856**
+ Acquisitions	-	-	-	926	185	1,111
- Sales	-1,252	-	-1,252	-612	-	-612
- Matured during the year	-	-	-	-	-	-
+/- Realised changes in value recognised on the income statement	103	-	103	188	-	188
+/- Unrealised changes in value recognised on the income statement	83	-70	13	2	-	2
+ Transfers to Level 3	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-
Closing balance	**6,211**	**199**	**6,410**	**7,277**	**269**	**7,546**

At fair value through other comprehensive income (1,000 euros)	31 Dec 2022 Equity securities	Debt securities	Total	31 Dec 2021 Equity securities	Debt securities	Total
Opening balance	**-**	**-**	**-**	**-**	**-**	**-**
+ Acquisitions	-	-	-	-	-	-
- Sales	-	-	-	-	-50	-50
- Matured during the year	-	-	-	-	-226	-226
+/- Realised changes in value recognised on the income statement	-	-	-	-	16	16
+/- Unrealised changes in value recognised on the income statement	-	-	-	-	7	7
+/- Changes in value recognised in other comprehensive income	-	-	-	-	-14	-14
+ Transfers to Level 3	-	-	-	-	268	268
- Transfers to Level 1 and 2	-	-	-	-	-	-
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**

Transactions in other liabilities, categorised to Level 3

Other liabilities at fair value through profit or loss (1 000 euroa)	31 Dec 2022 Equity securities	Debt securities	Total	31 Dec 2021 Equity securities	Debt securities	Total
Opening balance	**-**	**6,500**	**6,500**	**-**	**-**	**-**
+ Acquisitions	-	-	-	-	6,500	6,500
- Sales	-	-	-	-	-	-
- Matured during the year	-	-	-	-	-	-
+/- Realised changes in value recognised on the income statement	-	-	-	-	-	-
+/- Unrealised changes in value recognised on the income statement	-	-1,300	-1,300	-	-	-
+ Transfers to Level 3	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-
Closing balance	**-**	**5,200**	**5,200**	**-**	**6,500**	**6,500**

Sensitivity analysis for financial assets on Level 3

		31 Dec 2022			31 Dec 2021		
(1,000 euros)		Potential impact on equity			Potential impact on equity		
Equity securities	Hypo-thetical change	Market value	Positive	Negative	Market value	Positive	Negative
At fair value through profit or loss	+/- 15%	6,211	932	-932	7,277	1,092	-1,092
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-
Total		**6,211**	**932**	**-932**	**7,277**	**1,092**	**-1,092**

		31 Dec 2022			31 Dec 2021		
(1,000 euros)		Potential impact on equity			Potential impact on equity		
Debt securities	Hypo-thetical change	Market value	Positive	Negative	Market value	Positive	Negative
At fair value through profit or loss	+/- 15%	199	30	-30	269	40	-40
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-
Total		**199**	**30**	**-30**	**269**	**40**	**-40**

G31 Management compensation and related party transactions

Related parties refer to key personnel in leading positions at Oma Savings Bank and their close family members, as well as subsidiaries, joint ventures and companies, where key personnel in leading positions have control authority or considerable influence, and entities that have significant influence in Oma Savings Bank Plc. Key personnel include Board members, CEO, Deputy CEO and the rest of the Management Team. Loans and guarantees have been granted with conditions that are applied to similar loans and guarantees granted to customers.

Remuneration received by members of management	Salaries and rewards		Statutory pension costs		Cost for voluntary supplementary pension	
(1,000 euros)	1-12/2022	1-12/2021	1-12/2022	1-12/2021	1-12/2022	1-12/2021
Pasi Sydänlammi, CEO	947	600	166	104	188	119
Pasi Turtio, Deputy CEO	381	253	67	44	56	38
The rest of the Management Team*	787	635	138	110	-	-
Total	**2,115**	**1,488**	**371**	**258**	**244**	**156**

* The rest of the management team: Juutilainen Helena, Liiri Sarianna, Sillanpää Minna, Tapionsalo Kimmo, Rissanen Ville

In addition to the short-term employee benefits and voluntary supplementary pensions indicated in the table above, management has not been paid any other post-employment benefits. The Group's management team has been part of two share-based incentive schemes in the 2022 financial year. The share based incentive scheme payments recorded for the 2022 financial year amounted to EUR 460 thousand for the 2020-2021 programme and EUR 838 thousand for the 2022-2023 programme. Further information on the share-based incentive scheme is provided in Note G32.

Management employee benefits		
(1,000 euros)	31 Dec 2022	31 Dec 2021
Salaries and short-term employee benefits	2,115	1,448
Termination benefits	-	-
Post-employment benefits	244	156
Other long-term employee benefits	-	-
Share-based benefits	2,413	-
Total	**4,772**	**1,604**

The CEO and Deputy CEO are entitled to a statutory pension and the retirement age is determined by the statutory earnings-related pension plan. The statutory pension expenditure for the CEO and Deputy CEO in 2022 was altogether EUR 233 thousand (EUR 147 thousand in 2021).

The CEO and Deputy CEO have additionally voluntary pension insurance taken out by the company, based on which old-age pension will be paid upon application based on the insurance terms and conditions when the insured is 60 years and 1 month to 70 years of age. The amount of the pension is calculated on the basis of the calculation criteria, the terms of insurance and the price list of the accumulated insurance savings per insurer. In the event of death or permanent incapacity of the insured, a one-off indemnity of 100 percent of the insured's individual insurance savings will be paid to the beneficiary in accordance with the terms of the insurance. The voluntary pension expenses for the CEO and Deputy CEO in 2022 were altogether EUR 244 thousand (EUR 156 thousand in 2021).

Compensation for Board members	Salaries and rewards		Statutory pension costs		Cost for voluntary supplementary pension	
(1,000 euros)	1-12/2022	1-12/2021	1-12/2022	1-12/2021	1-12/2022	1-12/2021
Salmi Jarmo, Chairman	71	66	-	-	-	-
Mäkynen Jyrki, Vice Chairman	57	53	-	-	-	-
Hemminki Aila	44	40	-	-	-	-
Jaskari Aki	43	38	-	-	-	-
Kokkala Timo	43	39	-	-	-	-
Partanen Jarmo	43	35	-	-	-	-
Sandström Jaana	43	39	-	-	-	-
Total	**342**	**307**	**-**	**-**	**-**	**-**

Related party transactions (1,000 euros)	31 Dec 2022			31 Dec 2021		
	Key personnel and their family members	Joint ventures and associated companies	Other related parties	Key personnel and their family members	Joint ventures and associated companies	Other related parties
Loans	5,362	25,608	3,116	6,009	29,639	3,469
Deposits	766	27	8,302	1,433	1,970	7,664
Guarantees	-			50		
Received interests	62	1,441	76	38	1,347	78
Paid interests	-			-		
Service fees	6	26	26	3	22	10
Services bought	-	1,021		-	1,156	
Total	**6,196**	**28,123**	**11,520**	**7,533**	**34,134**	**11,221**

G32 Share-based incentive schemes

As of 31 December 2022, the company has the following existing share-based incentive programs:

Program 2020-2021
On 17 February 2020, Oma Savings Bank's Board of Directors decided to set up a share-based incentive scheme for the Group's management. The remuneration is based on comparable cost-income ratio, an increase in operating income (in comparable figures) and customer and employee satisfaction. The program includes the earning period 2020-2021 and subsequent commitment periods, during which the shares will be disposed approximately in four installments within three years. The reward is paid partly in shares of the company and partly in cash. The cash portion is used to cover taxes and tax charges incurred by the reward to the person. If a person's employment or employment relationship ends before the payment of the commission, the remuneration, as a rule, is not paid. The fees payable under the scheme correspond to a total of up to 420,000 Oma Savings Bank Plc shares. The target group of the scheme includes a maximum of 10 persons.

Program 2022-2023
On 24 February 2022, Oma Savings Bank's Board of Directors decided to set up a new share-based incentive scheme for key persons of the Group. The remuneration is based on comparable cost-income ratio, an increase in operating income (in comparable figures) and customer and employee satisfaction. The possible reward is based on a comparable cost-income ratio, an increase in operating income (by comparable figures), and customer and employee satisfaction. The program includes a two-year long earning period, 2022-2023 and subsequent commitment periods, during which the shares will be disposed in approximately six instalments within five years. The reward is paid partly in shares of the company and partly in cash. The cash portion is used to cover taxes and tax charges incurred by the reward to the person. If a person's employment or employment relationship ends before the payment of the commission, the remuneration, as a rule, is not paid. The fees payable under the scheme corresponds to a maximum value of 400,000 shares of Oma Savings Bank Plc, including the amount to be paid in cash. The target group of the scheme includes a maximum of 30 key persons, including the company's CEO and members of the Group's Management Team.

Share-based incentive scheme	1-12/2022	1-12/2022	1-12/2021
	Program 2022-2023	Program 2020-2021	Program 2020-2021
Maximum estimated number of gross shares at the start of the scheme	400,000	420,000	420,000
Date of issue	01/01/2022	01/01/2020	01/01/2020
Share price at issue, weighted average fair value	16.90	8.79	8.79
Earning period begins	01/01/2022	01/01/2020	01/01/2020
Earning period ends	31/12/2023	31/12/2021	31/12/2021
Persons at the close of the financial year	27	10	11

Events for the financial year (pcs)	1-12/2022	1-12/2022	1-12/2021
2022	Program 2022-2023	Program 2020-2021	Program 2020-2021
Those who were out at the beginning of the period	-	-	-
Changes during the period			
Granted during the period	-	331,790	-
Lost during the period	-	-	-
Implemented during the period	-	159,600	-
Expired during the period	-	-	-
Out at the end of the period	**-**	**172,190**	**-**

G33 Leases

Assets, premises (1,000 euros)	31 Dec 2022	31 Dec 2021
Cost January 1	**10,572**	**9,097**
+ Increases (*	4,720	1,475
- Decreases	-1,408	-
Cost at the end of the period	**13,884**	**10,572**
Accumulated depreciation and impairment losses January 1	**-4,521**	**-2,735**
+/- Accumulated depreciation of decreases and transfers	693	-
- Depreciation	-2,394	-1,786
Accumulated depreciation and impairment losses at the end of the period	**-6,223**	**-4,521**
Opening balance January 1	**6,051**	**6,362**
Closing balance at the end of the period	**7,661**	**6,051**
Refundable at the end of the lease	15	15
	15	**15**

*) The increases in costs mainly consist of office and equipment rental agreements for the expansion of the Helsinki office and the offices opened in Espoo and Tampere Lielahti.

Assets, equipment (1,000 euros)	31 Dec 2022	31 Dec 2021
Cost January 1	**672**	**601**
+ Increases	255	71
- Decreases	-22	-
Cost at the end of the period	**905**	**672**
Accumulated depreciation and impairment losses January 1	**-534**	**-358**
+/- Accumulated depreciation of decreases and transfers	13	-
- Depreciation	-175	-176
Accumulated depreciation and impairment losses at the end of the period	**-696**	**-534**
Opening balance January 1	**138**	**243**
Closing balance at the end of the period	**209**	**138**

Liabilities (1,000 euros)	31 Dec 2022	31 Dec 2021
Lease liabilities at the end of the period	8,624	8,648

Maturity analysis (undiscounted cash flows)	less than 1 year	1–5 years	over 5 years
31 Dec 2022	2,673	5,740	211
31 Dec 2021	2,339	6,185	124

Impact on result (1,000 euros):	31 Dec 2022	31 Dec 2021
Rental income, other operating income	359	99
Rental income, investment properties	202	280
Depreciation		
Premises	-2,394	-1,786
Equipment	-175	-176
Interest expenses	-112	-79
Leases of short-term leases	-23	-194
Leases of low-value assets	-1,190	-1,035
Lease expenses total	**-3,334**	**-2,892**

Cash flow from leases	31 Dec 2022	31 Dec 2021
	-3,169	-2,793

G34 Entities and changes in the Group structure included in the Consolidated Financial Statements

Subsidiaries and associated companies and joint ventures consolidated in the Oma Savings Bank Group

	Domicile	Type of interest	The Group's share of ownership	
			31 Dec 2022	31 Dec 2021
Kiinteistö Oy Lappeenrannan Säästökeskus	Lappeenranta	Subsidiary	100.00%	100.00%
SAV-Rahoitus Oyj	Helsinki	Subsidiary	0.00%	50.73%
GT Invest Oy	Helsinki	Associated company	48.67%	48.67%
City Kauppapaikat Oy	Helsinki	Associated company	42.70%	42.10%
Deleway Projects Oy	Seinäjoki	Joint venture	49.00%	49.00%
Figure Taloushallinto Oy	Espoo	Joint venture	25.00%	25.00%
SAV-Rahoitus Oyj	Seinäjoki	Joint venture	48.21%	0.00%
Asunto Oy Oma Säästöpankin talo	Seinäjoki	Joint operation	25.50%	25.50%

Changes for the financial year 2022

As of 1 June 2022, as a result of changes in ownership and control of SAV-Rahoitus Plc, the company will be consolidated into the Group as a joint venture. The Group's shareholding is 48.2%.

Oma Savings Bank Plc participated in City Kauppapaikat Oy's directed share issue during the period and as a result the company's ownership increased by 0.6% to 42.7% at the end of the financial year.

Changes for the financial year 2021

In June, Oma Savings Bank sold the shares of Kiinteistö Oy Sofian Tupa. It was an investment property. The company is no longer consolidated into Oma Savings Bank Group.

Investments in significant associates and joint ventures

Value of the investment (1,000 euros)	31 Dec 2022	31 Dec 2021
Figure Taloushallinto Oy	200	200
GT Invest Oy	5,500	5,500
Deleway Projects Oy	2,000	2,000
City Kauppapaikat Oy	17,800	16,300
SAV-Rahoitus Oy	1,520	1,520
Total balance sheet value	**27,020**	**25,520**

	Holding, %			
	31 Dec 2022	31 Dec 2021	Main activity	Domicile
Figure Taloushallinto Oy	25.0%	25.0%	Other financial service activities	Espoo
GT Invest Oy	48.7%	48.7%	Other financial service activities	Helsinki
Deleway Projects Oy	49.0%	49.0%	Trade of own real estate	Seinäjoki
City Kauppapaikat Oy	42.7%	42.1%	Muiden kiinteistöjen vuokraus ja hallinta	Helsinki
SAV-Rahoitus Oy	48.2%	50.7%	Muu luotonanto	Helsinki

G35 Significant events after the period

In December 2022, Oma Savings Bank announced that it had started a new condition change procedure and consent solicitation procedure in accordance with the Covered Bonds and Mortgage Banks Act (151/2022) regarding its outstanding covered bonds. The company announced in January 2023 that the consent solicitation procedure for all outstanding bonds has been approved and it began to apply the Finnish Act on Mortgage Banks and Covered Bonds (151/2022) in its entirety on 20 January 2023.

In January, Oma Savings Bank's Shareholders' Nomination Committee proposes the Annual General Meeting the number of Board members to be further confirmed at seven. The Shareholders' Nomination Committee proposes that the Board members Aila Hemminki, Aki Jaskari, Timo Kokkala, Jyrki Mäkynen, Jarmo Salmi and Jaana Sandström to be re-elected and as a new member Jaakko Ossa.

In February 2023, the company issued a covered bond of EUR 350 million. The bond has a maturity date of 15 June 2028, and it will be paid an annual interest rate of 3.125%. The issuance of the loan will take place under the company's EUR 3 billion bond program.

Events following the end of the reporting period that would require the presentation of additional information or that would materially affect the Company's financial position are unknown.

G36 Alternative Performance Measures (APM) and calculation of key figures

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

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

Oma Savings Bank Plc uses the following Alternative Performance Measures:

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

Calculation of key figures

Operating income, total

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

Total operating expenses

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

Liquidity coverage ratio (LCR), %

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

Net stable funding ratio (NSFR)%

$$\frac{\text{Available amount of stable funding}}{\text{Required amount of stable funding}} \times 100$$

Cost/income ratio, %

$$\frac{\text{Total operating expenses}}{\text{Total operating income + share of profit from joint ventures and associated companies (net)}} \times 100$$

Comparable cost/income ratio, %

$$\frac{\text{Total operating expenses without items affecting comparability}}{\text{Total operating income without items affecting comparability + share of profit from joint ventures and associated companies (net)}} \times 100$$

Comparable profit before taxes

Profit/loss before taxes without items effecting comparability

Return on equity, ROE %

$$\frac{\text{Profit/loss for the accounting period}}{\text{Equity (average of the beginning and the end of the year)}} \times 100$$

Comparable return on equity, ROE %

$$\frac{\text{Comparable profit/loss for the accounting period}}{\text{Equity (average of the beginning and the end of the year)}} \times 100$$

Total return on assets, ROA %

$$\frac{\text{Profit/loss of the accounting period}}{\text{Average balance sheet total (average of the beginning and the end of the year)}} \times 100$$

Equity ratio, %

$$\frac{\text{Equity}}{\text{Balance sheet total}} \times 100$$

Total capital (TC), %

$$\frac{\text{Own funds total (TC)}}{\text{Risk-weighted assets (RWA) total}} \times 100$$

Common Equity Tier 1 (CET1) capital ratio, %

$$\frac{\text{Common Equity Tier 1 (CET1) capital}}{\text{Risk-weighted assets (RWA) total}} \times 100$$

Tier 1 (T1), capital ratio, %

$$\frac{\text{Tier 1 (T1) capital}}{\text{Risk-weighted assets (RWA) total}} \times 100$$

Leverage ratio, %

$$\frac{\text{Tier 1 (T1) capital}}{\text{Exposures total}} \times 100$$

Earnings per share (EPS), EUR

$$\frac{\text{Profit/loss for the accounting period belonging to the parent company owners}}{\text{Average number of shares outstanding}}$$

Earnings per share after dilution (EPS), EUR

$$\frac{\text{Profit/loss for the accounting period belonging to the parent company}}{\text{Average number of shares outstanding after dilution of share-based rewarding}}$$

Comparable earnings per share (EPS), EUR

$$\frac{\text{Comparable profit/loss – Share of non-controlling interests}}{\text{Average number of shares outstanding}}$$

Oma Savings Bank Plc Parent Company's Financial Statements

Parent Company's Notes

Oma Savings Bank Plc Income statement

Note	(1,000 euros)	1-12/2022	1-12/2021
P25	Interest income	121,500	83,838
P25	Interest expenses	-16,812	-4,403
	Net interest income	**104,688**	**79,436**
P26	Income from equity investments	646	497
P27	Fee and commission income	45,694	37,912
P27	Fee and commission expenses	-6,715	-5,352
P28	Net income from securities trading and foreign currency trading	-5,041	4,752
P29	Net income from assets at fair value through fair value reserve	-403	21
P30	Net income from hedge accounting	-414	8
P31	Net income from investment properties	78	112
P32	Negative goodwill	-	7,535
P32	Other operating income	4,264	29,712
	Administrative expenses	**-52,528**	**-43,245**
P33	Personnel expenses	-24,204	-19,350
P34	Other administrative expenses	-28,324	-23,895
P35	Depreciation, amortisation and impairment on tangible and intangible assets	-4,339	-7,590
P32	Other operating expenses	-15,359	-11,543
P36	Expected credit losses from financial assets at amortised cost	-2,041	-6,036
P36	Expected credit losses and impairment from other financial assets	720	-602
	Operating profit	**69,249**	**85,615**
	Appropriations	-31,376	-23,815
	Income taxes	-7,583	-12,349
	Profit (loss) from ordinary activities after taxes	**30,290**	**49,451**
	Profit (loss) for the period	**30,290**	**49,451**

Oma Savings Bank Plc Balance sheet

Note	Assets (1,000 euros)	31 Dec 2022	31 Dec 2021
	Cash and cash equivalents	402,030	198,046
	Debt securities eligible for refinancing with central banks	502,013	564,690
P3	Loans and receivables from credit institutions	114,655	86,330
P3	Loans and receivables from public and public sector entities	4,758,917	4,331,047
P4	Debt securities	38,689	52,659
	Public sector entities	9,949	11,109
	From others	28,741	41,550
P5	Shares and other equity	37,613	51,722
P6	Derivative contracts	1,931	2,240
P7	Intangible assets	11,459	12,247
P8	Tangible assets	16,490	17,245
	Investment property and shares and interests in investment property	1,353	1,709
	Other property and shares and interests in property companies	13,484	13,837
	Other tangible assets	1,654	1,699
P10	Other assets	5,734	30,759
P11	Accrued income and prepayments	25,966	15,393
P17	Deferred tax assets	21,983	6,258
	Assets, total	**5,937,481**	**5,368,635**

Note	Liabilities and equity (1,000 euros)	31 Dec 2022	31 Dec 2021
	Liabilities		
P11	Liabilities to credit institutions	242,526	212,685
P11	Liabilities to the public and public sector entities	3,112,489	2,897,879
	Deposits	3,112,463	2,897,846
	Other liabilities	27	33
P12	Debt securities issued to the public	2,086,950	1,762,324
P6	Derivative contracts	4,184	-
P13	Other liabilities	27,699	18,661
P14	Accrued expenses and deferred income	18,540	26,047
P14	Subordinated liabilities	40,000	15,000
P16	Deferred tax liabilities	89	1,314
	Liabilities, total	**5,532,477**	**4,933,909**
	Appropriations		
P13	Voluntary provisions	178,854	147,478
	Appropriations, total	**178,854**	**147,478**
P23	**Equity**		
P24	Share capital	24,000	24,000
	Other restricted reserves		
	Fair value reserve	-76,503	-492
	Non-restricted reserves		
	Reserve for invested non-restricted equity	145,288	145,288
	Retained earnings (loss)	103,075	69,000
	Profit (loss) for the period	30,290	49,451
	Equity, total	**226,150**	**287,247**
	Liabilities and equity, total	**5,937,481**	**5,368,635**

Off-balance sheet commitments (1,000 euros)	31 Dec 2022	31 Dec 2021
Commitments given to a third party on behalf of a customer	**34,774**	**31,030**
Guarantees and pledges	34,774	30,818
Other	-	212
Irrevocable commitments given in favour of a customer	**291,191**	**379,163**
Undrawn credit facilities	291,191	379,163

Oma Savings Bank Plc Cash flow statement

(1,000 euros)	1-12/2022	1-12/2021
Cash flow from operating activities		
Operating income after taxes	**30,290**	**49,451**
End-of-period adjustments*	**23,674**	**43,763**
Increase (-) or decrease (+) in receivables from operating activities	**-425,079**	**-770,364**
Debt securities	-17,330	-120,976
Loans and receivables from credit institutions	-1,391	-5,288
Loans and receivables from public and public sector entities	-431,372	-643,835
Shares and other equity	10,463	1,903
Other assets	14,551	-2,169
Increase (+) or decrease (-) in liabilities from operating activities	**259,103**	**199,923**
Liabilities to credit institutions	29,841	-91,094
Liabilities to the public and public sector entities	218,254	298,563
Other liabilities	11,008	-7,545
Paid income taxes	-15,679	-7,301
Cash flow from operating activities, total	**-127,690**	**-484,527**
Cash flow from investing activities		
Investments in shares and other equity, increases	-1,500	-
Investments in shares and other equity, decreases	246	-
Investments in tangible and intangible assets	-3,551	-5,940
Transfers of tangible and intangible assets	742	5,654
Cash flow from investing activities, total	**-4,064**	**-287**
Cash flow from financing activities		
Subordinated liabilities, increases	40,000	-
Subordinated liabilities, decreases	-15,000	-
Dividends paid	-15,010	-12,699
Other monetary increases in equity items	-367	-2,863
Acquisition or sale of business	-	43,391
Debt securities issued to the public	353,049	397,777
Cash flow from financing activities, total	**362,673**	**425,606**
Net change in cash and cash equivalents	**230,919**	**-59,207**
Cash and cash equivalents at the beginning of the period	253,741	312,948
Cash and cash equivalents at the end of the period	484,660	253,741
Cash and cash equivalents in the cash flow statement consist of the following items:		
Cash and cash equivalents	402,030	198,046
Receivables from credit institutions repayable on demand	82,630	55,695
Total	**484,660**	**253,741**
Additional information on the cash flow statement		
Received interests	110,022	83,096
Paid interests	10,655	3,599
Dividends received	646	497
***End-of-period adjustments:**		
Appropriations	31,376	23,815
Taxes on income statement	2,053	-480
Changes in fair value	414	-9
Expected credit losses and impairment losses	1,321	6,638
Depreciation, amortisation and impairment loss on intangible and tangible assets	4,352	7,606
Negative goodwill	-	-7,535
Other adjustments	-15,842	13,727
Total	**23,674**	**43,763**

Parent Company's Notes

P1 Accounting principles for the Parent Company

The parent company Oma Savings Bank Plc draws up separate financial statements in accordance with the provisions of the Accounting Act and Act on Credit Institutions, the Decree of the Ministry of Finance on financial statements and consolidated financial statements of credit institutions (698/2014) and Regulations and Guidelines 2/2016 of the Finnish Financial Supervisory Authority on accounting, financial statements and management reports for the financial sector.

1. Items denominated in foreign currencies

Assets and liabilities tied to items denominated in foreign currencies outside of the euro zone have been converted to euros as per the European Central Bank's closing price on the reporting date. On the income statement, foreign exchange differences that emerged during valuation have been recognised in net gains on trading in foreign currencies.

2. Financial instruments

2.1 Classification and valuation of financial assets

In connection with initial recognition, the item belonging to financial assets is valued at fair value. If the item is an item not recognised at fair value through profit or loss, the transaction costs immediately resulting from the acquisition of the item are added to it or deducted from it.

Immediately subsequent to the initial recognition, a loss allowance concerning expected credit losses (ECL) is recognised on the financial assets, if the financial asset is valued at amortised cost or through a fair value reserve. Impairments of financial assets are assessed for each receivable and receivable category. Impairments that cannot be allocated to individual receivables are recognised as impairments of a receivable category.

Financial assets are classified in one of the three following categories when they are initially recognised:

- valued at amortised cost
- valued through the fair value reserve or
- financial assets valued at fair value through profit or loss.

The classification and valuation of financial assets is based on the company's business model and nature of contractual cash flows. Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

2.1.1 Financial assets valued at amortised cost
Financial assets are valued at amortised cost when the contractual cash flows only include capital repayments and interest payments, and the company holds them as part of a business model whose objective is to collect contractual cash flows over the life of the contract. Financial assets valued at amortised cost include receivables from customers and credit institutions and cash assets.

2.1.2 Financial assets valued through the fair value reserve
Financial assets are valued at fair value through the fair value reserve when the contractual cash flows consist only of capital repayments and interest payments and the company holds the financial asset as part of a business model where the objective is to hold financial assets in order to collect the contractual cash flows, but also possibly sell the financial assets before the maturity date. The company has classified some of its debt securities in this class.

2.1.3 Financial assets valued at fair value through profit or loss
Financial assets are valued at fair value through profit or loss, unless they are valued at amortised cost or at fair value through the fair value reserve. Mainly financial assets whose business model is to trade actively, and which have been acquired to generate earnings in the short term are recognised at fair value through profit or loss. The company has classified some of its debt securities in this class.

2.2 Equity instruments
Equity instruments are recognised at fair value through profit or loss, unless the company irrevocably chooses to measure an individual asset at fair value through the fair value reserve.

The company does not have equity-based investments valued at fair value through the fair value reserve. All equity instruments recognised according to IFRS 9 are recognised at fair value through profit and loss.

2.2.1 Assessment of business models
The company specifies the business model objective for each portfolio according to how business operations are managed and reported to the management. The objectives are specified on the basis of the investment and lending policy approved by the company.

The business model describes a portfolio-specific earnings model with the purpose of collecting only contractual cash flows, collecting contractual cash flows and cash flows from sales of financial assets or collecting cash flows from trading in financial assets.

2.2.2 Cash flow testing
If the business model is other than trading, the company assesses whether the contractual cash flows are based solely on payment of principal and interest (SPPI test). If the cash flow criterion is not met, the financial asset is recognised at fair value through profit or loss.

In assessing whether contractual cash flows are solely payments of principal and interest, the company will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of cash flows so that it does not meet the SPPI (solely payments of principal and interest) contractual cash flow characteristics test requirements.

All retail and corporate loans granted by the company contain a prepayment feature. This feature does meet the cash flow testing criteria as, in connection with a prematurely repaid loan, the company is entitled to collect reasonable compensation for the premature termination of the contract.

2.3 Derecognition
The Group derecognises financial assets when the contractual rights to cash flows from the financial assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group does not retain control of the financial assets.

2.4 Impairment of financial assets
The impairment estimate, the expected credit loss (ECL), is recognised on all debt instruments belonging to financial assets valued at amortised cost and valued at fair value through the fair value reserve and on off-balance sheet loan commitments and guarantee contracts.

For financial assets valued at amortised cost, a loss allowance for the expected credit loss is recognised in a separate account as a reduction in the carrying amount. The expected credit loss is recognised on the financial assets valued at fair value through the fair value reserve in the fair value reserve. For off-balance-sheet commitments, the expected credit loss is recognised as a provision.

The expected credit losses are calculated for the entire effective period of the financial asset when, on the date of reporting, the credit risk related to the financial asset has significantly increased since its initial recognition (stage 2) or when the contract is impaired (stage 3). Otherwise, the expected credit loss is calculated based on the assessment that default of payment will occur within 12 months of the date of reporting.

The expected credit losses are recognised for each date of reporting and they describe:

- an unbiased and probability-weighted monetary amount that is determined by evaluating a range of possible outcomes,
- the time value of money and
- reasonable and justifiable information that is available on the date of reporting without any excessive costs or efforts and which applies to past events, current circumstances and forecasts of the economic environment.

The financial assets used in the calculations are classified into three stages, which describe the weakening of the quality of the financial assets compared to the initial recognition.

Stage 1: Contracts whose credit risk has not grown since the initial recognition and for which a 12-month ECL is calculated.
Stage 2: Contracts whose credit risk has grown significantly since the initial recognition and for which a lifetime ECL is calculated.
Stage 3: Credit-impaired contracts (contract has been classified as being in default) for which a lifetime ECL is calculated.

2.4.1 Significant increase in credit risk
In assessing whether the credit risk related to a financial instrument has increased significantly, the change in the risk of a default occurring over the expected life of the financial instrument shall be observed. When carrying out this assessment, the entity shall compare the risk of default occurring over the expected life of the instrument at the reporting date with the risk of default at the date of initial recognition. A significant increase in credit risk leads to the transfer of the loan from stage 1 to stage 2. The company uses both quantitative and qualitative indicators in credit risk assessment.

As indicators to assess a significant increase in credit risk, the company uses, among other things, changes in the rating of customers. In addition to classifications, the company uses certain qualitative indicators, such as forbearance marking, as well as a delay of at least 30 days of contractual payments. This review is automated in the calculation. Loans from stage 2 are transferred to stage 1 only after the delay period.

2.4.2 Definition of default
The company has defined defaults in accordance with IFRS 9 (step 3) has occurred when the debtor's contract has been declared insolvent. The definition corresponds with the definition of default used by the company in its regulatory reporting and is consistent with the definition of customer default. In assessing when a debtor is in default, the company takes into account qualitative indicators such as breaches of loan terms and quantitative indicators such as the number of days past due date by using internal and external sources to collect information on the debtor's financial position.

2.4.3 Expected credit loss – model input
The calculation of the expected credit losses is based on portfolio-specific calculation rules. The loan portfolio has been divided into the following calculation portfolios:

- Private customers
- SME customers
- Other agricultural entrepreneurs
- Other housing associations
- Other customers

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). As a basis for determining the parameters, the Company uses customers' historical payment behavior and customer data, as well as liability and collateral values. In the determination of the values of the PD and LGD variables, macroeconomic forecasts concerning the future development of the national economy.

Private customers' portfolio includes liabilities for which the PD value has been modeled using the private customer rating method included in the IRB license application. The portfolio of SME clients includes all corporate liabilities for which the PD value is modeled using the SME rating method. If the PD value cannot be calculated using the two methods mentioned above, the portfolio of liability is determined by the customer's sector and industry code.

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. With respect to limit receivables, EAD calculation applies the so-called CCF coefficient when taking into account undrawn limits. Loss Given Default caused by insolvency describes the share of credit losses in the loan capital at the time of insolvency.

For debt security investments, the company determines the allowance for credit loss using the formula EAD*PD*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.

The management of the company monitors the development of a loss allowance to ensure that the model properly reflects the amount of expected credit loss. If necessary, the management refines the calculation parameters.

2.4.4 Changing contractual cash flows
Whenever a change is made to a financial asset or liability valued at amortised cost without removing the asset or liability from the balance sheet any profit or loss must be recognised. The profit or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the contractual interest rate.

An example of a situation of this kind are changes made to the amortisation plan for a loan granted to the customer or granting deferred amortisation. Changes to the loan terms resulting from a customer's weakened solvency are treated as a significant growth in credit risk.

In connection with significant loan term changes, the loan is removed from the balance sheet and a new loan is recognised in its place. If the credit risk of the loan removed from the balance sheet has grown significantly, the new loan is recognised in the balance sheet as impaired.

2.5 Recognising final credit losses
Financial assets are removed from the balance sheet when it is expected that payment on the loans will no longer be received, and the final credit loss can be calculated. The previously recognised expected credit loss is reversed at the same time as the item is removed from the balance sheet and the final credit loss is recognised.

The loans are removed from the balance sheet when their collection proceedings have been finished or when the loan terms are changed significantly, for example in connection with refinancing. After derecognition, payments allocated to credit loss receivables are recognised through profit or loss in the item 'Expected credit loss from financial assets recognised at amortised cost'.

2.6 Classification and valuation of financial liabilities
At the time of the initial recognition, financial liabilities are classified in one of the following items:

- financial assets valued at amortised cost, or,
- recognised at fair value through profit and loss.

Financing liabilities are originally recognised in the statements at fair value. Later, financial liabilities, with the exception of liabilities recognised at fair value through profit and loss, are valued at amortised cost using the effective interest method. Transaction costs are included in the original bookkeeping value of financial liabilities valued at amortised cost. Transaction costs related to financial liabilities recognised at fair value through profit or loss are recognised as expenditure.

Financial liabilities valued at fair value through profit or loss are formed by derivative liabilities to which hedge accounting is not applied. At the reporting date, the company does not have derivative liabilities valued at fair value through profit or loss.

Liabilities to credit institutions, liabilities to the public and general government as well as debt securities issued to the public are recognised in other financial liabilities valued at amortised cost.

Financial liabilities are not reclassified subsequent to their initial recognition.

2.7 Offsetting financial assets and liabilities
Financial assets have not been netted in the company's Financial Statements.

2.8 Items denominated in foreign currencies
Assets and liabilities tied to items denominated in foreign currencies outside of the euro zone have been converted to euros as per the European Central Bank's average rate on the reporting date. On the income statement, foreign exchange differences that emerged during valuation have been recognised in net gains from investment operations.

2.9 Cash and cash equivalents
Cash and cash equivalents consist of cash in hand and at banks as well as short-term deposits of less than three months.

2.10 Determining the fair value
Fair value is the price that could be received for the sale of an asset or that could be paid for assuming a debt between market parties in a common transaction occurring on the valuation date.

The fair value of a financial instrument is determined either utilising price quotes obtained from active markets or, if active markets do not exist, utilising an established valuation method. Markets are considered to be active if price quotes are easily and regularly available and if they reflect real and regularly reoccurring market transactions between parties that are independent of each other. The current bid price is used as the quoted market price of financial assets.

If there is an established valuation method in the markets for financial instruments for which a market price cannot be directly acquired, the fair value is based on the generally used calculation model of market price and on the input quotes used by the model.

If the valuation method is not well-established in the markets, a specific generally used valuation model for the product in question is used to determine the market value. Valuation models are based on generally utilised calculation methods, and they cover all factors that parties in the markets would take into consideration when calculating prices. When determining the fair value, the utilised aspects are the prices of market transactions, discounted cash flows and the fair value at the time of financial statements of another, essentially similar instrument. The valuation methods take into account credit risk assessments, used discount rates, the possibility of prepayments and other factors that impact the valuation of the financial instrument's fair value.

The fair value determination according to the IFRS 13 standard is applied to the determination of the fair value of financial instruments. The fair values of financial instruments are divided in three hierarchies according to how the fair value is determined:

Level 1: Fair values quoted in active markets for identical assets or liabilities.
Level 2: Fair values that have been determined by the use of input information other than quoted Level 1 prices that are verifiable for assets or liabilities either directly (e.g. as prices) or indirectly (e.g. derived from prices).
Level 3: Fair values that have been determined for assets or liabilities using inputs that are not essentially based on verifiable market prices.

The hierarchy levels of fair values are determined based on the lowest level of input that is significant for the investment item. The significance of an input is assessed against the item valued at fair value in its entirety. Transfers between fair value hierarchy levels are determined to have occurred on the date when the event or change in circumstances occurred.

3. Derivatives and hedge accounting

The company protects its interest-bearing loans against interest rate fluctuations with derivatives and applies hedge accounting regulations in addition to regularly following the effectiveness of such hedging and changes in fair values. Hedge accounting conforms to the IFRS 9 standard's provision that makes it possible to continue to apply portfolio hedge accounting pursuant to the IAS 39 standard.

Interest rate swaps are used to hedge fixed-rate deposit stocks and stock derivatives have been used to hedge deposits, whose yield is tied to changes in stock value. At the end of the accounting period, the company does not have derivatives that hedge the cash flow.

The company follows the fair values of derivative contracts in the determination of section 2.10 Determining the fair value presented by the fair values of the financial instruments, hierarchy levels 2 and 3. Derivative contracts are valued at fair value and changes in value are recorded in the balance sheet and income statement. Positive fair values of derivative contracts are recorded in the corresponding half of the balance sheet under the item 'Derivative contracts'. The valuation of assets takes into account the counterparty's credit risk adjustment (CVA).

The negative fair values of derivative contracts are presented under 'Derivative contracts and other liabilities held for trading' in the balance sheet's liabilities. The debit valuation adjustment (DVA) is taken into account in the valuation.

Derivative contracts are valued at fair value and hedge accounting is applied to them. The changes in the fair value of hedged items and hedging instruments designated for hedging the fair value are entered in the income statement item 'Net income from hedge accounting' and in the balance sheet as an adjustment of the item in question. The interest expenses of hedge derivatives are presented under interest expenses and the income under interest income.

Derivatives are not created for the purpose of trading. The connection between hedging derivatives and instruments to be hedged (hedge relationship) and the effectiveness of hedging are documented.

4. Tangible and intangible assets

Properties and shares in property companies have been divided into properties in the company's own use and investment properties, based on the purpose of use.

Properties have been recognised in the balance sheet at acquisition cost less planned depreciation. Shares and other equity in investment properties are recognised on the balance sheet at acquisition cost. The bank does not apply the option provided in Section 12, Article 8 of the Credit Institution Act, which allows the valuation of investment properties at fair value.

The balance sheet values of properties in the company's own use and shares and other equity in property companies are based on the value of the assets relative to the expected income of core business operations.

The difference between the bookkeeping value of investment properties and shares and other equity in property companies, and the permanently lower likely transfer price, if it is significant, is an impairment loss recognised as an expense under 'Net income of investment properties'. Any reversals of impairment are recognised as adjustments in the same item.

The company's key investment properties have been evaluated by property with the purchase price allocation method or the yield value method. The estimates of the yield value method are based on the amounts of net rent income from the property and the yield requirement of property markets. The fair values of investment properties are listed in Note P8.

5. Appropriations

5.1 Tax-based provisions
Tax-based provisions, such as credit loss provisions, are used in the planning of the company's Financial Statements and taxes. As such, the amounts of tax-based provisions and their changes do not depict the risks faced by the company.

In the company's Financial Statements, appropriations are listed without deducting the deferred tax liability.

6. Off-balance-sheet commitments

Off-balance-sheet commitments are commitments given to a third party on behalf of a customer and irrevocable commitments given in favour of a customer.

Commitments given to a third party on behalf of a customer are, for example, guarantees and guarantee commitments equated to them. Commitments are listed at the maximum amounts of the guarantees or guarantee commitments at the end of the year.

Irrevocable commitments given in favour of a customer are, for example, binding loan commitments, granted undrawn loans as well as unused credit limits. Commitments are listed at the maximum amounts that could be payable at the end of the accounting period.

7. Interest income and expenses

All interest income and expenses derived from interest-bearing assets and liabilities are recognised in 'Interest income and expenses'. Interest is recognised on an accrual basis excluding interest for late payments, which are recognised when payments are received.

Also recognised as interest income or expense is the difference between the acquisition cost and nominal value of receivables and liabilities, which is amortised on the maturity period of the receivable or the liability. The counterpart is recognised as a change in receivable or liability.

Interest income has also been accrued on impaired receivables' remaining balance in the bookkeeping at the original effective interest rate in the contract.

Significant lending transaction and processing fee income is recognised in interest income over time using the effective interest method in accordance with the average expected maturity of the loan rather than recognising the income as a one-off gain. The clarification of the over-time accounting principles concerns new credit issued to companies and housing companies.

8. Impairment of financial assets

The model for impairment of financial assets brought by IFRS 9 requires management to make decisions, estimates and assumptions especially on the following topics:

- Selecting and defining calculation models,
- Assessing whether the credit risk related to a financial
instrument has increased significantly after initial recognition, and
- Taking into account forward-looking information in the
recognition of expected credit losses.

8.1 Evaluation of fair value
The management team's discretion is also used in cases where the fair value of a financial instrument is determined through valuation methods. If no verifiable market inputs exist on which the used valuation methods can be based, the management team has to assess which other inputs to use to determine fair value. The principles used to determine fair value are described in more detail in the section 'Determining the fair value'.

The management decides when it considers the markets of financial instruments to be inactive. Additionally, it must be evaluated whether a single financial instrument is the object of active trading and whether the price information received from the market is a reliable indicator of the fair value of the financial instrument.

9. Depreciation principles

The acquisition costs of buildings and other wearable tangible and intangible assets are depreciated based on the financial holding time in equal instalments and in accordance with a previously created depreciation plan. The depreciation time is 10–40 years for buildings and 3–8 years for machinery and equipment. Depreciations are not performed for land.

Development expenses and licences of computer software are added under 'Intangible rights' and depreciated within 3–10 years. Long-term expenses are depreciated during their useful life of 3–10 years.

10. Income and expenses from other than ordinary activities and statutory provision

The company has not recognised income or expenses from other than ordinary activities. If the exact sum of a future loss or cost is not known, it must be entered as a statutory provision in the balance sheet.

11. Taxes

Income taxes are recognised in the company's financial statements based on the calculations of taxable income. Of the positive change in value included in the fair value reserve, deferred tax liabilities are recognised on the balance sheet, and of the negative change in value, deferred tax assets are recognised on the balance sheet. Additionally, of the negative change in value transferred from the fair value reserve to the result, deferred tax assets are recognised. Other deferred taxes have not been recognised at company level.

P2 Categorisation of financial assets and financial liabilities

31 Dec 2022 Financial assets (1 000 euros)	Amortised cost	Fair value through profit or loss	Fair value through fair value reserve	Book value, total	Fair value
Cash and cash equivalents	402,030	-	-	402,030	402,030
Receivables from credit institutions	114,655	-	-	114,655	114,655
Receivables from public and public sector entities	4,758,417	500	-	4,758,917	4,758,917
Debt securities	-	859	539,843	540,702	540,702
Shares and other equity	-	10,604	-	10,604	10,604
Derivatives	-	1,931	-	1,931	1,931
Assets total	**5,275,103**	**13,893**	**539,843**	**5,828,839**	**5,828,839**
Shares, participations and subsidiaries				27,010	27,010
Investment property				1,353	1,457
Non-financial assets				80,279	80,279
Total assets				**5,937,481**	**5,937,585**

31 Dec 2022 Financial liabilities (1 000 euros)	Amortised cost	Fair value through profit or loss	Bookkeeping value, total	Fair value
Liabilities to credit institutions	242,526	-	242,526	242,526
Liabilities to public and public sector entities	3,112,489	-	3,112,489	3,112,489
Subordinated loans	40,000	-	40,000	40,000
Debt securities issued to the public	2,086,950	-	2,086,950	2,086,950
Derivatives	-	4,184	4,184	4,184
Financial liabilities total	**5,481,966**	**4,184**	**5,486,150**	**5,486,150**
Other than financial liabilities			46,328	46,328
Total liabilities			**5,532,477**	**5,532,477**

31 Dec 2021 Financial assets (1,000 euros)	Amortised cost	Fair value through profit or loss	Fair value through fair value reserve	Book value, total	Fair value
Cash and cash equivalents	198,046	-	-	198,046	198,046
Receivables from credit institutions	86,330	-	-	86,330	86,330
Receivables from public and public sector entities	4,330,374	673	-	4,331,047	4,331,047
Debt securities	-	995	616,353	617,349	617,349
Shares and other equity	-	26,069	-	26,069	26,069
Derivatives	-	2,240	-	2,240	2,240
Assets total	**4,614,750**	**29,977**	**616,353**	**5,261,080**	**5,261,080**
Shares, participations and subsidiaries				25,653	25,653
Investment property				1,709	1,787
Non-financial assets				80,192	80,192
Total assets				**5,368,635**	**5,368,713**

31 Dec 2021 Financial liabilities (1,000 euros)	Amortised cost	Fair value through profit or loss	Book value, total	Fair value
Liabilities to credit institutions	212,685	-	212,685	212,685
Liabilities to public and public sector entities	2,897,879	-	2,897,879	2,897,879
Subordinated loans	15,000	-	15,000	15,000
Debt securities issued to the public	1,762,324	-	1,762,324	1,762,324
Financial liabilities total	**4,887,888**	**-**	**4,887,888**	**4,887,888**
Other than financial liabilities			46,022	46,022
Total liabilities			**4,933,909**	**4,933,909**

P3 Loans and receivables from credit institutions and from public and from public sector entities

Loans and receivables from credit institutions (1,000 euros)	31 Dec 2022	Of which loss allowance	31 Dec 2021	Of which loss allowance
Payable on demand	**82,630**	**-**	**55,695**	**-**
From the central financial institution	75,104	-	45,991	-
From domestic credit institutions	7,525	-	9,705	-
Other	**32,026**	**-**	**30,634**	**-**
Minimum reserve deposit	31,526	-	30,134	-
From domestic credit institutions	500	-	500	-
Total	**114,655**	**-**	**86,330**	**-**

Loans and receivables from public and from public sector entities (1,000 euros)	31 Dec 2022	Of which loss allowance	31 Dec 2021	Of which loss allowance
Companies and housing associations	1,589,096	14,010	1,328,958	14,726
Financial and insurance institutions	64,827	17	77,786	134
Public sector	2,545	2	3,538	12
Households	3,052,882	10,666	2,888,946	8,977
Non-profit organisations serving households	27,510	40	18,479	1,940
Foreign countries	22,057	99	13,339	28
Total	**4,758,917**	**24,833**	**4,331,047**	**25,817**
- of which subordinated receivables	500	-	673	-

Matured and non-performing receivables (1,000 euros)	31 Dec 2022	31 Dec 2021
over 90 days matured receivables	27,108	27,942
of which likely to be unpaid, which are undue or less than 90 days due	50,004	58,182
Matured and non-performing receivables, total	**77,112**	**86,123**
Forbearance receivables, total	**95,387**	**86,599**
Contract residual amount of financial assets that have been written off as final credit losses during the reporting period, and which are further subject to recovery measures	2,266	2,219
Amount of final credit losses recorded on assets for the financial year	4,117	4,998

Loans and receivables and off-balance sheet (1,000 euros)	Stage 1	Stage 2	Stage 3	31 Dec 2022 Total	31 Dec 2021 Total
Expected credit losses 1.1.	**2,407**	**6,416**	**17,920**	**26,743**	**24,292**
Transfer to stage 1	144	-874	-250	-980	-809
Transfer to stage 2	-319	2,482	-905	1,258	161
Transfer to stage 3	-7	-96	2,747	2,644	3,850
New debt securities	550	1,049	520	2,118	3,543
Matured debt securities	-1,011	-409	-3,471	-4,891	-5,547
Realised credit losses	-	-23	-2,685	-2,708	-3,001
Recoveries on previous realised credit losses	-	-	-	-	-
Changes in credit risk	-665	194	9,290	8,819	1,558
Changes in the ECL model parameters	-	-	-	-	-
Manual corrections, at credit level	-267	-3,000	-4,606	-7,874	2,696
Expected credit losses 31.12.	**832**	**5,740**	**18,558**	**25,130**	**26,743**

P4 Debt securities

(1,000 euros)	31 Dec 2022 Total	31 Dec 2022 Of which central bank funding entitling debt securities	31 Dec 2022 Of which loss allowance	31 Dec 2021 Total	31 Dec 2021 Of which central bank funding entitling debt securities	31 Dec 2021 Of which loss allowance
Recognised at fair value through profit and loss	**859**	**-**	**-**	**995**	**-**	**-**
Publicly quoted	115	-	-	185	-	-
Other	744	-	-	810	-	-
Recognised at fair value through fair value reserve	**539,843**	**502,013**	438	**616,353**	**564,690**	**1,158**
Publicly quoted	539,638	502,013	437	616,145	564,690	1,156
Other	205	-	1	208	-	1
Total	**540,702**	**502,013**	**438**	**617,349**	**564,690**	**1,158**
of which subordinated receivables	302	-	-	374	-	-

Debt securities, amortised (1 000 euros)	Stage 1	Stage 2	Stage 3	31 Dec 2022 Total	31 Dec 2021 Total
Expected credit losses 1.1.2018	**1,138**	**19**	**-**	**1,158**	**493**
Transfer to stage 1	5	-17	-	-13	-118
Transfer to stage 2	-1	10	-	9	-1
Transfer to stage 3	-	-	-	-	-
New debt securities	20	12	-	33	225
Matured debt securities	-126	-1	-	-127	-112
Realised credit losses	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-
Changes in credit risk	-622	-	-	-622	135
Changes in the ECL model parameters	-	-	-	-	-
Changes based on management estimates	-	-	-	-	536
Expected credit losses 31 December	**415**	**23**	**-**	**438**	**1,158**

P5 Shares and other equity

(1,000 euros)	31 Dec 2022	31 Dec 2021
At fair value through profit or loss		
Publicly quoted	2,375	16,948
Other	8,229	9,263
At fair value through profit or loss, total	**10,604**	**26,212**
Of which in credit institutions	-	2,300
Of which in other companies	10,604	23,912
At amortised cost		
Shares and holdings in participation companies	**27,010**	**23,989**
Of which in credit institutions	-	-
Of which in other companies	27,010	23,989
Shares and holdings in companies belonging to the same Group	**-**	**1,521**
Of which in other companies	-	1,521
Total at amortised cost	**27,010**	**25,511**
Total shares	**37,613**	**51,722**

P6 Derivative contracts

Nominal values of derivative contracts

(1,000 euros) Residual maturity	31 Dec 2022 less than 1 year	1-5 years	over 5 years	Total
Hedging derivative contracts	**41,328**	**303,553**	**327,000**	**671,880**
Fair value hedge				
Interest rate derivatives				
Interest rate swaps	10,000	291,000	327,000	628,000
Other hedging derivatives				
Stock derivatives	31,328	12,553	-	43,880

Nominal values of derivative contracts

(1,000 euros) Residual maturity	31 Dec 2021 less than 1 year	1-5 years	over 5 years	Total
Hedging derivative contracts	**21,516**	**53,880**	**-**	**75,396**
Fair value hedge				
Interest rate derivatives				
Interest rate swaps	5,000	10,000	-	15,000
Other hedging derivatives				
Stock derivatives	16,516	43,880	-	60,396

Fair values of derivative contracts

(1,000 euros)	31 Dec 2022 Assets	31 Dec 2022 Liabilities	31 Dec 2021 Assets	31 Dec 2021 Liabilities
Hedging derivative contracts				
Fair value hedge	**1,929**	**4,184**	**662**	**-**
Interest rate derivatives	1,931	4,110	686	-
CVA and DVA adjustments	-2	73	-24	-
Other hedging derivatives	**2**	**-**	**1,578**	**-**
Stock derivatives	5	-	1,628	-
CVA and DVA adjustments	-3	-	-50	-
Total	**1,931**	**4,184**	**2,240**	**-**

Profit or loss resulting from the hedged risk of the hedging instrument (1 000 euros)	31 Dec 2022	31 Dec 2021
Change in the value of hedged object	-1,789	1,854

P7 Intangible assets

(1,000 euros)	31 Dec 2022	31 Dec 2021
IT expenses	5,912	3,984
Goodwill	500	1,000
Unfinished intangible assets	1,839	4,098
Other intangible assets	3,208	3,165
Total	**11,459**	**12,247**

Intangible assets	31 Dec 2022	31 Dec 2021
Acquisition cost January 1	**26,197**	**25,194**
+ increases during the accounting period	3,088	1,065
+ transfers between items	-72	-62
Acquisition cost December 31	**29,212**	**26,197**
Accrued amortisation and impairment January 1	-13,950	-12,070
- amortisation during the accounting period	-3,804	-1,880
Accrued amortisation and impairment December 31	-17,753	-13,950
Closing balance December 31	**11,459**	**12,247**
Opening balance January 1	**12,247**	**13,123**

P8 Tangible assets

	31 Dec 2022		31 Dec 2021	
(1,000 euros)	Book value	Fair value	Book value	Fair value
Land and water				
In own use	252	252	252	252
Used for investments	419	419	764	764
Total	**671**	**671**	**1,016**	**1,016**
Buildings				
In own use	272	272	226	226
Used for investments	33	33	44	44
Total	**305**	**305**	**270**	**270**
Shares and other equity in property companies				
In own use	12,959	12,959	13,359	13,359
Used for investments	901	1,004	901	979
Total	**13,860**	**13,964**	**14,260**	**14,338**
Other tangible assets	**1,654**		**1,699**	
Tangible assets, total	**16,490**		**17,245**	

Investment properties have been measured at acquisition cost.

	31 Dec 2022			
Changes in tangible assets during the accounting period (1,000 euros)	Investment properties and investment property shares	Other properties and property shares	Other tangible assets	Total
Acquisition cost January 1	**2,380**	**17,122**	**11,412**	**30,914**
+ increases during the accounting period	-	76	393	469
- decreases during the accounting period	-345	-2,112	-	-2,457
+/- transfers between items	-	-	72	72
Acquisition cost December 31	**2,035**	**15,087**	**11,877**	**28,999**
Accrued depreciation and impairment January 1	**-670**	**-3,285**	**-9,712**	**-13,668**
+/- accrued depreciation on decreases and transfers	-	1,712	-	1,712
- depreciation during the accounting period	-11	-30	-511	-552
Accrued depreciation and impairment December 31	-681	-1,604	-10,223	-12,508
Closing Balance December 31	**1,353**	**13,484**	**1,654**	**16,490**
Opening Balance January 1	**1,709**	**13,837**	**1,699**	**17,245**

	31 Dec 2021			
Changes in tangible assets during the accounting period (1,000 euros)	Investment properties and investment property shares	Other properties and property shares	Other tangible assets	Total
Acquisition cost January 1	**8,324**	**17,821**	**11,074**	**37,220**
+ increases during the accounting period	-	-	280	280
- decreases during the accounting period	-5,950	-694	-4	-6,648
+/- transfers between items	5	-5	62	62
Acquisition cost December 31	**2,380**	**17,122**	**11,412**	**30,914**
Accrued depreciation and impairment January 1	**-1,093**	**-3,330**	**-9,177**	**-13,601**
+/- accrued depreciation on decreases and transfers	436	570	4	1,010
- depreciation during the accounting period	-13	-25	-539	-577
- depreciation during the accounting period	-	-500	-	-500
Accrued depreciation and impairment December 31	-670	-3,285	-9,712	-13,668
Closing Balance December 31	**1,709**	**13,837**	**1,699**	**17,245**
Opening Balance January 1	**7,231**	**14,491**	**1,897**	**23,619**

P9 Other assets

(1,000 euros)	31 Dec 2022	31 Dec 2021
Receivables on payment transfers	94	82
Receivables from securities	-	30,034
Other	5,639	643
Total	**5,734**	**30,759**

P10 Accured income and prepayments

(1,000 euros)	31 Dec 2022	31 Dec 2021
Interests	20,885	11,632
Other	5,081	3,761
Total	**25,966**	**15,393**

P11 Liabilities to the public and public sector entities and liabilities to credit institutions

Liabilities to the public and public sector entities

(1,000 euros)	31 Dec 2022	31 Dec 2021
Deposits	**3,112,463**	**2,897,846**
Repayable on demand	2,816,043	2,771,682
Other	296,420	126,164
Other liabilitites	**27**	**33**
Other	27	33
Total	**3,112,489**	**2,897,879**

Liabilities to credit institutions

(1,000 euros)	31 Dec 2022	31 Dec 2021
Liabilities to central banks	150,000	150,000
Repayable on demand	4,749	10,784
Other	87,777	51,901
Total	**242,526**	**212,685**

P12 Debt securities issued to the public

	31 Dec 2022		31 Dec 2021	
(1,000 euros)	Closing balance	Nominal value	Closing balance	Nominal value
Certificates of deposit	145,681	146,000	204,944	205,000
Bonds	1,941,269	1,955,000	1,557,380	1,555,000
Total	**2,086,950**	**2,101,000**	**1,762,324**	**1,760,000**

					Closing balance	
Maturity of bonds	Nominal value	Interest	Year of issue	Due date	31 Dec 2022	31 Dec
OmaSp Plc 12.12.2022, covered bond	350,000	0,125%/fixed	2017-2018	12/12/2022	-	34!
OmaSp Plc 3.4.2024, covered bond	300,000	0,125%/fixed	2019	03/04/2024	299,579	29!
OmaSp Plc 6.4.2023, covered bond	250,000	0,125%/fixed	2020	06/04/2023	249,883	24!
OmaSp Plc 17.1.2024	55,000	margin 1%/variable	2020	17.1.2024	54,999	5
OmaSp Plc 25.11.2027, covered bond	400,000	0,01%/fixed	2020-2021	25/11/2027	403,908	40
OmaSp Plc 19.5.2025	200,000	margin 0,2%/variable	2021	19/05/2025	199,625	19!
OmaSp Plc 18.12.2026, covered bond	600,000	1,5%/fixed	2022	18.12.2026	583,684	
OmaSp Plc 26.9.2024	150,000	5%/fixed	2,022	26.9.2024	149,591	
					1,941,269	**1,55**

Maturity of deposit certificates	less than 3 months	3-6 months	6-9 months	9-12 months	Closing balance, total
31 Dec 2022	133,777	11,904	-	-	**145,681**
31 Dec 2021	64,996	80,982	28,992	29,974	**204,944**

P13 Provisions and other liabilities

Provisions

(1,000 euros)	31 Dec 2022	31 Dec 2021
Tax-based credit loss provisions	178,854	147,478
Total	**178,854**	**147,478**

Other liabilities

(1,000 euros)	31 Dec 2022	31 Dec 2021
Liabilities on payment transfers	14,646	8,977
Expected credit loss on loan commitments	297	926
Payment liability, consortium of Savings Banks*	5,200	6,500
Other	7,556	2,259
Total	**27,699**	**18,661**

*Payment liability recognised to Oma Savings Bank in the acquisition of Eurajoen Savings Bank's business.

P14 Accrued expenses and deferred income

(1,000 euros)	31 Dec 2022	31 Dec 2021
Interests	9,697	6,379
Other	8,842	19,669
Total	**18,540**	**26,047**

P15 Subordinated liabilities

Subordinated liabilities whose bookkeeping value exceeds 10 % of total amount of these liabilities

(1,000 euros)	Bookkeeping value			
Identifying details of liability	31 Dec 2022	31 Dec 2021	Interest %	Due date
Oma Savings Bank Plc's debenture loan I/2017	-	15,000	1.25	01/02/2023
Oma Savings Bank Plc's debenture loan I/2022	20,000	-	3.00	15/01/2028
Oma Savings Bank Plc's debenture loan II/2022	20,000	-	3.25	14/07/2028
Total	**40,000**	**15,000**		

	Amount included in own funds	
Identifying details of liability	31 Dec 2022	31 Dec 2021
Oma Savings Bank Plc's debenture loan I/2017	-	3,261
Oma Savings Bank Plc's debenture loan I/2022	20,000	-
Oma Savings Bank Plc's debenture loan II/2022	20,000	-
Total	**40,000**	**3,261**

All listed loans are denominated in euro. In the solvency calculation, the listed loans are included in the credit institution's lower tier 2 capital.

Terms and conditions of prepayment:

The bank retains on all loans the right to claim the loan either partially or in full before the due date. However, prepayment is only possible if permitted by the Financial Supervisory Authority, excluding minor claims that the bank will resell shortly after claiming. In the last quarter, the company redeemed the OmaSp debenture loan I/2017 before the maturity date 1 February 2023.

Regulations on loan priorities and potential exchanging of loans for shares:

Loans have been issued as a debenture loan in accordance with Article 34 of the Promissory Notes Act (622/47). These loans are subordinated to the issuer's other loans.

P16 Deferred tax liabilities and tax assets

(1,000 euros)	31 Dec 2022	31 Dec 2021
Tax receivables calculated from other temporary differences	2,768	4,821
Amount of deferred tax assets due to fair value reserve	19,215	1,436
Deferred tax assets total	**21,983**	**6,258**
Tax liabilities calculated from other temporary differences	88	232
Amount of deferred tax liabilities due to fair value reserve	2	1,082
Deferred tax liabilities total	**89**	**1,314**

Deferred tax liabilities and assets have been recognised in the fair value reserve for changes of certificates of receivables and equity securities entered in the fair value reserve, expected credit losses, as well as other temporary differences between accounting and taxation.

P17 Maturity distribution of financial assets and liabilities

Financial assets (1,000 euros)	31 Dec 2022 Less than 3	3 - 12 months	1 - 5 years	5 - 10 years	Over 10 years	Total
Debt securities eligible for refinancing with central banks	7,380	12,348	228,359	184,135	69,792	**502,013**
Receivables from credit institutions	114,155	500	-	-	-	**114,655**
Receivables from public and public	268,108	386,030	1,466,879	1,085,821	1,552,079	**4,758,917**
Debt securities	1,923	3,054	25,361	7,794	558	**38,689**
Derivative contracts	15	36	144	228	1,508	**1,931**
Total	**391,581**	**401,968**	**1,720,743**	**1,277,977**	**1,623,936**	**5,416,205**

Financial assets (1,000 euros)	31 Dec 2021 Less than 3	3 - 12 months	1 - 5 years	5 - 10 years	Over 10 years	Total
Debt securities eligible for refinancing with central banks	-	4,014	187,085	275,293	98,297	**564,690**
Receivables from credit institutions	55,695	30,634	-	-	-	**86,330**
Receivables from public and public	75,952	451,620	1,434,371	1,107,424	1,261,680	**4,331,047**
Debt securities	1,551	1,501	32,855	16,131	621	**52,659**
Derivative contracts	46	584	1,609	-	-	**2,240**
Total	**133,245**	**488,354**	**1,655,921**	**1,398,848**	**1,360,597**	**5,036,965**

Financial liabilities (1,000 euros)	31 Dec 2022 Less than 3	3 - 12 months	1 - 5 years	5 - 10 years	Over 10 years	Total
Liabilities to credit institutions and central banks	4,749	150,000	23,324	64,453	-	**242,526**
Liabilities to public and public sector entities	2,869,480	197,722	45,288	-	-	**3,112,489**
Debt securities issued to the public	133,777	261,787	1,691,386	-	-	**2,086,950**
Subordinated debts	-	-	-	40,000	-	**40,000**
Derivative contracts	73	-	2,935	77	1,098	**4,184**
Total	**3,008,080**	**609,508**	**1,762,933**	**104,530**	**1,098**	**5,486,150**

Financial liabilities (1,000 euros)	31 Dec 2021 Less than 3	3 - 12 months	1 - 5 years	5 - 10 years	Over 10 years	Total
Liabilities to credit institutions and central banks	10,784	12,217	173,321	16,364	-	**212,685**
Liabilities to public and public sector entities	2,795,011	57,823	45,012	33	-	**2,897,879**
Debt securities issued to the public	20,000	534,464	803,150	404,710	-	**1,762,324**
Subordinated debts	-	-	15,000	-	-	**15,000**
Derivative contracts	-	-	-	-	-	**-**
Total	**2,825,795**	**604,504**	**1,036,483**	**421,107**	**-**	**4,887,888**

Receivables from public and public sector entities, repayable on demand:
Other than fixed-term deposits and overdraft accounts are listed in the category of less than 3 months.

P18 Itemisation of assets and liabilities in domestic and foreign denominations

Assets (1,000 euros)	31 Dec 2022 Domestic currency	31 Dec 2022 Foreign currency	31 Dec 2021 Domestic currency	31 Dec 2021 Foreign currency
Debt securities eligible for refinancing with central banks	502,013	-	564,690	-
Receivables from credit institutions	114,655	-	86,330	-
Receivables from public and public sector entities	4,758,917	-	4,331,047	-
Debt securities	38,689	-	52,659	-
Derivative contracts	1,931	-	2,240	-
Other assets	519,259	2,018	329,683	1,987
Total	**5,935,464**	**2,018**	**5,366,648**	**1,987**

Liabilities (1,000 euros)	31 Dec 2022 Domestic currency	31 Dec 2022 Foreign currency	31 Dec 2021 Domestic currency	31 Dec 2021 Foreign currency
Liabilities to credit institutions and central banks	242,526	-	212,685	-
Liabilities to public and public sector entities	3,112,489	-	2,897,879	-
Debt securities issued to public	2,086,950	-	1,762,324	-
Derivative contracts	4,184	-	-	-
Subordinated liabilities	40,000	-	15,000	-
Other liabilities	27,788	-	19,974	-
Accrued expenses and deferred income	18,540	-	26,047	-
Total	**5,532,477**	**-**	**4,933,909**	**-**

P19 Fair values and book values of financial assets and liabilities and fair value hierarchy

The fair values of financial assets have been determined primarily on the basis of the quoted market prices. If a quoted market price was not available, the current value discounted by the market interest rate or another generally accepted valuation model or method was used in the valuation. The book value was used as the fair value for other financial assets. The book value was used as the fair value for financial liabilities.

Financial assets	31 Dec 2022		31 Dec 2021	
(1,000 euros)	Book value	Fair value	Book value	Fair value
Cash and cash equivalents	402,030	402,030	198,046	198,046
Receivables from credit institutions	114,655	114,655	86,330	86,330
Receivables from public and public sector	4,758,917	4,758,917	4,331,047	4,331,047
Debt securities	540,702	540,702	617,349	617,349
Shares and other equity	37,613	37,613	51,722	51,722
Derivative contracts	1,931	1,931	2,240	2,240
Total	**5,855,849**	**5,855,849**	**5,286,733**	**5,286,733**

Financial liabilities	31 Dec 2022		31 Dec 2021	
(1,000 euros)	Book value	Fair value	Book value	Fair value
Liabilities to credit institutions	242,526	242,526	212,685	212,685
Liabilities to public and public sector entities	3,112,489	3,112,489	2,897,879	2,897,879
Debt securities issued to public	2,086,950	2,086,950	1,762,324	1,762,324
Derivative contracts	4,184	4,184	-	-
Subordinated liabilities	40,000	40,000	15,000	15,000
Total	**5,486,150**	**5,486,150**	**4,887,888**	**4,887,888**

Financial instruments measured at fair value (1, 000 euros)	Level 1	Level 2	Level 3	Total
31 Dec 2022	542,878	3,948	6,410	**553,236**
31 Dec 2021	634,028	4,227	7,546	**645,801**

Fair value and changes in value entered directly into the income statement as well as changes, entered into the fair value reserve, from each group of financial instruments measured at fair value

(1,000 euros)	31 Dec 2022			31 Dec 2021		
	Fair value	Change in value in income statement	Fair value reserve 31.12.	Fair value	Change in value in income statement	Fair value reserve 31.12.
Financial assets at fair value through fair value reserve	539,843	97	-96,066	616,353	-8	-1,772
Financial assets at fair value through profit or loss	13,393	-5,381	-	29,448	4,397	-
Total	**553,236**	**-5,284**	**-96,066**	**645,801**	**4,389**	**-1,772**

P20 Distribution of financial assets by risk rating

Risk rating 1: Low-risk items are considered to include the company's internal credit rating of AAA-AA level private customers, AAA-AA + level corporate, housing companies and agricultural customers.

Risk rating 2: Reasonable risk items include the company's internal credit rating of A-B level private customers, AA-A + level corporate and housing companies and AA-A level agricultural customers.

Risk rating 3: Increased risk items include the company's internal credit rating of C-level private customers and A-level corporate and housing companies, as well as B-C-level agricultural customers.

Risk rating 4: The highest risk items are considered to be the company's internal credit rating of D-level private customers, B-D-level corporate and housing companies, D-level agricultural customers and insolvent customers.

The 'No rating' item includes loans and debt securities for which the company has not defined credit ratings or for which there are no external credit ratings available.

Loans and off-balance sheet commitments (1,000 euros)	Stage 1	Stage 2	Stage 3	31 Dec 2022 Total	31 Dec 2021 Total
Risk rating 1	2,419,585	25,427	-	2,445,011	1,967,628
Risk rating 2	1,908,302	133,692	180	2,042,175	1,889,984
Risk rating 3	128,589	181,187	851	310,627	587,340
Risk rating 4	19,179	128,773	71,702	219,654	273,513
No rating	4,287	-	-	4,287	2,106
Capital items by risk rating, total	**4,479,941**	**469,080**	**72,734**	**5,021,755**	**4,720,571**
Allowance for credit losses	1,441	4,230	18,558	24,230	**26,743**
Total	**4,478,500**	**464,849**	**54,175**	**4,997,524**	**4,693,827**

Debt securities (1,000 euros)	Stage 1	Stage 2	Stage 3	31 Dec 2022 Total	31 Dec 2021 Total
Risk rating 1	490,550	-	-	490,550	436,250
Risk rating 2	400	-	-	400	14,000
Risk rating 3	-	-	-	-	-
Risk rating 4	-	-	-	-	-
No rating	119,900	5,600	-	125,500	145,776
Capital items by risk rating, total	**610,850**	**5,600**	**-**	**616,450**	**596,026**
Allowance for credit losses	415	23	-	438	**1,158**
Total	**610,435**	**5,577**	**-**	**616,012**	**594,868**

P21 Credit risk concentrations

Risk rating 1: Low-risk items are considered to include the company's internal credit rating of AAA-AA level private customers, AAA-AA + level corporate, housing company and agricultural customers.

Risk rating 2: Reasonable risk items include the company's internal credit rating of A-B level private customers, AA-A + level corporate and housing companies and AA-A level agricultural customers.

Risk rating 3: Increased risk items include the company's internal credit rating of C-level private customers and A-level corporate and housing companies, as well as B-C-level agricultural customers.

Risk rating 4: The highest risk items are considered to be the company's internal credit rating of D-level private customers, B-D-level corporate and housing companies, D-level agricultural customers and insolvent customers.

The 'No rating' item includes loans and debt securities for which the company has not defined credit ratings or for which there are no external credit ratings available.

Loans and off-balance sheet commitments by industry	Risk rating 1	Risk rating 2	Risk rating 3	Risk rating 4	No rating	31 Dec 2022 Total	31 Dec 2021 Total
Companies	759,415	678,869	138,397	107,211	122	1,684,014	1,513,413
Real estate	432,065	352,280	81,926	40,951	-	907,222	860,660
Agriculture	2,370	43,180	1,659	572	122	47,902	43,417
Construction	49,875	38,330	6,132	10,330	-	104,667	95,983
Accommodation and food service	25,272	34,249	7,870	4,669	-	72,061	67,263
Wholesale and retail	59,196	87,134	17,222	14,125	-	177,676	130,311
Finance and insurance	33,016	20,063	1,087	1,441	-	55,607	37,288
Others	157,620	103,634	22,501	35,123	-	318,879	278,492
Public sector entities	1,082	2,535	-	-	-	3,617	4,280
Non-profit organisations	9,992	18,240	1,151	-	-	29,383	19,764
Finance and insurance	62,530	8,250	6	22	-	70,808	84,061
Households	1,611,993	1,334,281	171,073	112,421	4,165	3,233,934	3,099,052
Total December 31	**2,445,011**	**2,042,175**	**310,627**	**219,654**	**4,287**	**5,021,755**	**4,720,571**

P22 Impact of collaterals and other arrangements improving the quality of loans

Amount exposed to credit risk covered by collateral

(1,000 euros)	31 Dec 2022	31 Dec 2021	Description of collateral held
Home mortgages	2,447,825	2,280,264	Mostly residential real estate collateral
Corporate loans	1,482,828	1,226,335	Mostly property collateral
Consumer credit	324,335	333,469	Mostly residential real estate collateral
Other	495,780	489,402	Mostly property collateral
Loans and receivables from public and public sector entities	**4,750,768**	**4,329,471**	

P23 Changes in equity during the accounting period

(1,000 euros)	At the beginning of the accounting period	Increases	Decreases	At the end of the accounting period
Share capital	20,700	-	-	20,700
Credit loss provisions transferred to share capital	3,300	-	-	3,300
Other restricted reserves	-492	220,133	-296,144	-76,503
Fair value reserve	-492	220,133	-296,144	-76,503
Measured at fair value	-492	220,133	-296,144	-76,503
Non-restricted reserves	145,288	-	-	145,288
Reserve for invested non-restricted equity	145,288	-	-	145,288
Retained earnings	69,000	49,451	-15,377	103,075
Profit for the period	49,451	30,290	-49,451	30,290
Equity, total	**287,247**	**299,874**	**-360,972**	**226,150**

Changes in fair value reserve during the accounting period

(1,000 euros)	31 Dec 2022 Debt securities	Shares and other equity	Cash flow hedge	Total
Fair value reserve January 1, 2022	**-492**	**-**	**-**	**-492**
Increases	24,179	-	-	24,179
Decreases	-99,537	-	-	-99,537
Reclassified from the fair value reserve to the income statement	-78	-	-	-78
Expected credit losses	-576	-	-	-576
Changes in fair value reserve 2022, total	**-76,011**	**-**	**-**	**-76,011**
Fair value reserve December 31, 2022 (gross)	-95,629	-	-	-95,629
Deferred tax assets (+)/ liabilities (-)	19,126	-	-	19,126
Fair value reserve December 31, 2022	**-76,503**	**-**	**-**	**-76,503**

(1,000 euros)	31 Dec 2021 Debt securities	Shares and other equity	Cash flow hedge	Total
Fair value reserve January 1, 2021	**10,824**	**-**	**-**	**10,824**
Increases	12,461	-	-	12,461
Decreases	-24,315	-	-	-24,315
Reclassified from the fair value reserve to the income statement	7	-	-	7
Expected credit losses	532	-	-	532
Changes in fair value reserve 2021, total	**-11,316**	**-**	**-**	**-11,316**
Fair value reserve December 31, 2021 (gross)	-614	-	-	-614
Deferred tax assets (+)/ liabilities (-)	123	-	-	123
Fair value reserve December 31, 2021	**-492**	**-**	**-**	**-492**

Calculation of distributable equity (1,000 euros)	31 Dec 2022	31 Dec 2021
Retained earnings	103,075	69,000
Profit for the financial period	30,290	49,451
Invested unrestricted equity fund	145,288	145,288
Capitalized development expenditure	-6,100	-6,690
Total	**272,553**	**257,049**

Other committed reserves

Fair value reserve

The fair value reserve includes the change in fair value of financial assets less deferred taxes. The value of financial assets recognised in the fair value reserve is transferred to the income statement in connection with the sale or impairment of assets.

Non-restricted reserves

Reserve for invested non-restricted equity

The assets raised in the institutional and public offerings and personnel offerings in 2017–2018 are entered in the reserve for invested non-restricted equity. In addition, the reserve for invested non-restricted equity includes the assets gained from issued shares in connection with reorganisations in previous accounting periods.

Retained earnings

Retained earnings are earnings accrued over the group's companies' previous accounting periods that have not been distributed as dividends to owners.

P24 Shares and shareholder right

The number of shares is 30, 019,341 in total (excluding own shares) and the number of votes per share is 1 vote / share.
The shares do not have a nominal value.

	Ownership December 31, 2022	
	Number of shares	% in shares
South Karelia's Savings Bank Foundation	9,078,759	30.2
Parkano's Savings Bank Foundation	3,290,000	11.0
Töysä's Savings Bank Foundation	2,970,000	9.9
Kuortane's Savings Bank Foundation	1,925,000	6.4
Hauho's Savings Bank Foundation	1,649,980	5.5
Renko's Savings Bank Foundation	1,065,661	3.5
Suodennieme's Savings Bank Foundation	800,000	2.7
Savolainen Heikki Antero	786,254	2.6
Joroinen's Oma Cooperative	689,150	2.3
Elo Mutual Pension Insurance Company	686,997	2.3
10 largest shareholders	**22,941,801**	**76.4**
Other	7,077,540	23.6
Total	**30,019,341**	**100.0**

	Ownership December 31, 2021	
	Number of shares	% in shares
South Karelia's Savings Bank Foundation	9,078,759	30.3
Parkano's Savings Bank Foundation	3,290,000	11.0
Töysä's Savings Bank Foundation	2,970,000	9.9
Kuortane's Savings Bank Foundation	1,920,000	6.4
Hauho's Savings Bank Foundation	1,649,980	5.5
Renko's Savings Bank Foundation	1,079,661	3.6
Suodennieme's Savings Bank Foundation	805,000	2.7
Elo Mutual Pension Insurance Company	788,405	2.6
Savolainen Heikki Antero	777,158	2.6
Joroinen's Oma Cooperative	689,150	2.3
10 largest shareholders	**23,048,113**	**76.9**
Other	6,913,920	23.1
Total	**29,962,033**	**100.0**

The company holds 130,847 shares on 31 December 2022.

The company has no different share classes. All shares have equal dividend rights and other rights.

In February, the company completed a repurchase program related to the acquisition of its own shares, which began in September 2021. During the period, 198,300 shares of own shares were acquired at an average price of EUR 16,2543 per share. The company acquired a total of 21,845 shares during the 2022 financial year. In February, the company's Board of Directors confirmed the fulfilment of the 2020-2021 share-based incentive scheme's earning criteria and the payment of 331,790 shares, including the amount to be paid in cash. The share rewards will be paid in four installments within three years. During the 2022 financial year, the company disposed of a total of 79,153 shares to key persons.

In February, the company's Board of Directors decided on a new share-based incentive scheme for its key persons and the earning period for the years 2022–2023. The system's target group includes a maximum of 30 key personnel, including the company's CEO and members of the group's management team. The fees payable under the scheme corresponds to a maximum value of 400,000 shares of Oma Savings Bank Plc, including the amount to be paid in cash.

On 30 March 2022, the Annual General Meeting has authorised the Board to decide on the issue or transfer of the company's shares, as well as on the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act. The number of shares to be issued under the authorisation, including shares to be received on the basis of special rights, may not exceed a total of 4,000,000 shares; and to decide on the repurchase of a maximum of 1,000,000 of the company's own shares with the company's unrestricted equity. The authorisations are valid until the end of the next Annual General Meeting, however, not later than 30 June 2023.

On 22 September 2022, the Board of Directors decided to carry out a paid directed share issue. All new shares of Oma Savings Bank Plc to be issued in the share issue, 3,125,049, will be issued to Liedon Savings Bank as consideration for the business to be transferred when the implementation of the transfer of Liedon Savings Bank's business under the acquisition plan is registered in the Trade Register, which is scheduled to take place on 28 February 2023.

P25 Interest income and expenses

(1,000 euros)	1-12/2022	1-12/2021
Interest income		
Debt securities eligible for refinancing with central banks	2,570	2,317
Receivables from credit institutions	1,377	-
Receivables from public and public sector entities	108,463	75,912
On debt securities	535	495
Derivate contracts	6,910	3,032
Negative interest expenses from financial liabilities	1,077	1,357
Other interest income	568	725
Total	**121,500**	**83,838**
Interest income on financial assets recorded in stage 3	2,305	1,889

(1,000 euros)	1-12/2022	1-12/2021
Interest expenses		
Liabilities to credit institutions	-544	-12
Liabilities to public and public sector entities	-1,280	-483
Debt securities issued to public	-10,907	-2,750
Derivative contracts and liabilities held for trading purposes	-2,742	-
Subordinated liabilities	-354	-189
Negative interest income from financial assets	-983	-958
Other interest expenses	-2	-12
Total	**-16,812**	**-4,403**

P26 Income from equity investments

(1,000 euros)	1-12/2022	1-12/2021
Dividend income from financial assets at fair value through profit and loss	646	497
Total	**646**	**497**

P27 Fee and commission income and expenses

(1,000 euros)	1-12/2022	1-12/2021
Fee and commission income		
Lending	13,019	11,698
Borrowing	77	67
Payment transactions	22,837	17,781
Asset management	898	965
Brokered products	6,444	5,605
Granting of guarantees	1,865	1,301
Other fee and commission income	554	495
Total	**45,694**	**37,912**
Fee and commission expenses		
Paid delivery fees	-1,464	-1,362
Other	-5,251	-3,990
Total	**-6,715**	**-5,352**

P28 Net income from securities and currency trading

(1,000 euros)	1-12/2022 Capital gain and loss (net)	Transfers from the fair value reserve	Total	1-12/2021 Capital gain and loss (net)	Transfers from the fair value reserve	Total
On debt securities	-	-136	-136	-43	66	23
Shares and other equity	-203	-4,828	-5,031	215	4,331	4,546
Derivative instruments and other receivables	-73	69	-4	11	12	23
Net income from securities trading, total	-276	-4,895	-5,171	183	4,409	4,592
Net income from currency trading	130	-	130	160	-	160
Net income from securities and currency trading, total	**-146**	**-4,895**	**-5,041**	**343**	**4,409**	**4,752**

P29 Net income from financial assets recognised at fair value through fair value reserve

(1,000 euros)	1-12/2022 Capital gain and loss (net)	Transfers from the fair value reserve	Total	1-12/2021 Capital gain and loss (net)	Transfers from the fair value reserve	Total
On debt securities	-500	97	-403	29	-8	21
Total	**-500**	**97**	**-403**	**29**	**-8**	**21**

P30 Net income from hedge accounting

(1,000 euros)	1-12/2022	1-12/2021
Changes in fair value of hedge instruments	-3,850	766
Changes in fair value of hedged items	3,436	-758
Total	**-414**	**8**

P31 Net income on investment

(1,000 euros)	1-12/2022	1-12/2021
Rent income	196	217
Rent expenses	-1	-
Depreciation	-14	-15
Capital gain and loss (net)	-3	54
Other expenses	-101	-144
Total	**78**	**112**

P32 Other operating income and expenses and negative goodwill

(1,000 euros)	1-12/2022	1-12/2021
Other operating income		
Rent income from properties in own use	95	93
Gains on own-occupied real estate assets	9	6
Compensation received from insurance companies that does not apply to investment properties	-	1
Other income	4,160	29,612
Total	**4,264**	**29,712**

Negative goodwill

(1,000 euros)	1-12/2022	1-12/2021
Acquisition of Eurajoen Savings Bank's business	-	7535
Total	**-**	**7535**

IFRS16 items are not included in the financial reporting of the parent company.

Other operating expenses	1-12/2022	1-12/2021
Rent expenses	-2,757	-2,246
Expenses on properties in own use	-1,546	-1,254
Capital loss from properties in own use	-	-39
Guarantee Fund expenses	-2,266	-1,611
Other expenses	-8,790	-6,393
Total	**-15,359**	**-11,543**

Expenses arising from the acquisition of Liedon Savings Bank's business were recorded EUR 1.3 million in the last quarter of 2022.

Auditor's fees

(1,000 euros)	1-12/2022	1-12/2021
KPMG Oy Ab		
Auditor's fees by assignment group:		
Audit	303	307
Assignments as provided for in Section 1, Sub-section 1, Clause 2 of the Auditing Act	11	12
Acquisition-related expenses	24	16
Tax advisory	2	-
Other services	81	52
Total	**421**	**388**

P33 Personnel expenses

(1,000 euros)	1-12/2022	1-12/2021
Salaries and rewards	-20,200	-15,853
Long-term benefits	-4,004	-3,497
Pensions	-3,386	-2,949
Other long-term benefits	-617	-549
Total	**-24,204**	**-19,350**

Number of employees	31 Dec 2022	31 Dec 2021
Permanent full-time employees	294	282
Permanent part-time employees	1	1
Temporary employees	62	53
Total	**357**	**336**
Average number of employees during the financial year.	**347**	**308**

Pension liabilities
Personnel's retirement provisions are arranged with pension insurance company Ilmarinen and there are no uncovered pension liabilities.

P34 Other administration expenses

(1,000 euros)	1-12/2022	1-12/2021
Other personnel expenses	-1,795	-1,426
Office expenses	-2,817	-2,501
IT expenses	-19,999	-17,262
Telephony expenses	-1,401	-1,203
Marketing expenses	-2,137	-1,468
Other	-175	-35
Total	**-28,324**	**-23,895**

P35 Depreciation, amortisation and impairment on tangible and intangible assets

(1,000 euros)	1-12/2022	1-12/2021
Depreciation and amortisation	**-4,339**	**-2,441**
Tangible assets	-538	-564
Intangible assets	-3,801	-1,877
Impairment and reversals of impairment losses	**-**	**-5,149**
Tangible assets	-	-500
Intangible assets	-	-4,649
Total	**-4,339**	**-7,590**

P36 Expected credit losses on loans and other commitments and other financial assets

(1,000 euros)	1-12/2022			
Expected credit loss on financial assets at amortised cost and guarantees and other off-balance sheet commitments	Contractual expected credit losses, gross	Reversals	Reversals of final credit losses recognised in the income statement	Final credit losses recognised in the income stetement
Receivables from credit institutions	117	-	-	-
Receivables from public and public sector entities	-1,841	2,708	462	-4,117
Off-balance sheet commitments	629	-	-	-
Total	**-1,095**	**2,708**	**462**	**-4,117**
Expected credit losses on other financial assets				
Debt securities at fair value through fair value reserve	720	-	-	-
Total	**720**	**-**	**-**	**-**
Expected credit losses total	**-375**	**2,708**	**462**	**-4,117**

(1,000 euros)	1-12/2021			
Expected credit loss on financial assets at amortised cost and guarantees and other off-balance sheet commitments	Contractual expected credit losses, gross	Reversals	Reversals of final credit losses recognised in the income statement	Final credit losses recognised in the income stetement
Receivables from credit institutions	-104	-	-	-
Receivables from public and public sector entities	-4,967	3,001	974	-4,998
Off-balance sheet commitments	57	-	-	-
Total	**-5,013**	**3,001**	**974**	**-4,998**
Expected credit losses on other financial assets				
Debt securities at fair value through fair value reserve	-602	-	-	-
Total	**-602**	**-**	**-**	**-**
Expected credit losses total	**-5,616**	**3,001**	**974**	**-4,998**

P37 Liabilities and off-balance sheet commitments

Rent liabilities
Minimum rent payable based on irrevocable rent agreements.

(1,000 euros)	31 Dec 2022	31 Dec 2021
Within one year	2,673	2,339
Within more than one year and no more than five years	5,740	6,185
Within more than 5 years	211	124
Total	**8,624**	**8,648**

The expansion of the Helsinki branch and the opening of branches in Espoo and Tampere Lielahti increased the number of rental liabilities during the financial year.

Off-balance sheet commitments

(1 000 euros)	31 Dec 2022	31 Dec 2021
Commitments given to a third party on behalf of a customer		
Guarantees	34,774	30,818
Other commitments given to a third party on behalf of a customer	-	212
Irrevocable commitments given in favour of a customer	291,191	379,163
Off-balance sheet commitments, total	**325,965**	**410,193**

Other off-balance sheet arrangements
The company belongs to Oy Samlink Ab's value added tax obligation group.

(1,000 euros)	31 Dec 2022	31 Dec 2021
The joint liability amount related to the group registration of value added tax	231	715

P38 Investment services provided by Oma Savings Bank

Oma Savings Bank Plc offers the following investment services mentioned in Chapter 1, Article 15 of the Act on Investment Services:

- receiving and transmission of orders concerning financial instruments
- execution of orders concerning financial instruments on behalf of a customer
- trading on its own account
- investment advisory services
- arranging the issuance of financial instruments

Oma Savings Bank Plc does not offer the following investment services mentioned in Chapter 1, Article 15 of the Act on Investment Services:

- arranging multilateral trading in financial instruments
- arranging trade in bonds, structured financial products, emission rights or derivative contracts in an organised trading system as provided by the law on trading financial instruments (arranging organised trading)
- managing financial instruments based on a contract made with a customer such that the power to make decisions on investments has been fully or partially given to the recipient of the order (asset management)
- arranging the issuance or sale of financial instruments by providing the related subscription or purchase undertaking (underwriting of financial instruments);

Oma Savings Bank Plc offers the following ancillary services mentioned in Chapter 2, Article 3 of the Act on Investment Services:

- granting loans and other financing related to the investment service to the customer;
- offers custody and management of financial instruments on behalf of the customer, which includes custody services and other related services, except for providing and maintaining securities accounts at the top tier level pursuant to the EU's regulation on improving securities settlement in

Signatures on the Financial Statements and the Annual Report

In Helsinki, 23 February 2023

OMA SAVINGS BANK PLC'S BOARD OF DIRECTORS

Jarmo Salmi Chairman of the Board	Jyrki Mäkynen Vice Chairman of the Board	
Aila Hemminki	Aki Jaskari	Timo Kokkala
Jarmo Partanen	Jaana Sandström	Pasi Sydänlammi CEO

Auditor's Note

An audit report has been provided today.
In Helsinki, 23 February 2023

KPMG Oy Ab

APA Tuomas Ilveskoski

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

Auditor's Report

To the Annual General Meeting of Oma Savings Bank Plc

Report on the Audit of the Financial Statements Opinion

Opinion

We have audited the financial statements of Oma Savings Bank Plc (business identity code 2231936-2) for the year ended 31 December, 2022. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.
In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note G22 to the consolidated financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

The Key Audit Matter	How the matter was addressed on the audit
Loans and receivables from customers - valuation (Note G1 Accounting principles for the consolidated financial statements and notes G2, G5 and G24 to the consolidated financial statements)	
• Loans and receivables from public and public sector entities, totalling EUR 4.754 million, is the most significant item on Oma Savings Bank Plc Group's balance sheet, accounting for 80% of the consolidated total assets. • Oma Savings Bank Plc applies IFRS 9 Financial Instruments to recognition of impairment losses on receivables and in calculating expected credit loss (ECL) using models in accordance with the standard. • Calculation of expected credit losses involves assumptions, estimates and management judgment, for example in determining the probability and amount of expected credit losses, value of any collaterals as well as the significant increases in credit risk • Due to the significance of the carrying amount involved, complexity of the accounting methods used for measurement purposes and management valuation judgements, valuation of loans and receivables from customers are addressed as a key audit matter.	• We evaluated compliance with the lending instructions and assessed the appropriateness of the recognition and measurement principles, as well as tested controls over valuation of loan receivables and collaterals. • We assessed the models and the key assumptions for calculating expected credit losses, as well as tested the related controls over the calculation process. • We considered the impacts of the geopolitical situation on the credit risk position and the accounting for expected credit losses. • Our IFRS and financial instruments specialists were involved in the audit. • Furthermore, we considered the appropriateness of the disclosures provided in respect of receivables and expected credit losses.
Control environment relating to financial reporting process and IT systems	
• In respect of the accuracy of the financial statements of Oma Savings Bank Plc, the key reporting processes are dependent on information systems. Therefore, information technology plays an essential role for business continuity, incident management and the accuracy of financial reporting. • The most significant risks relate to integrity of data, confidentiality and services disruptions. • Consequently, the IT environment related to the financial reporting process and the application controls of individual IT systems have a significant effect on the selected audit approach.	• We obtained an understanding of the IT systems related to financial reporting and the associated control environment and tested the effectiveness of the related internal controls. We also utilised assurance reports received from external service providers. • As part of our audit we performed substantive procedures and data analyses relating to various aspects in the financial reporting process.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.
As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on April 9, 2016, and our appointment represents a total period of uninterrupted engagement of seven years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 23 February 2023

KPMG OY AB

[signature]

TUOMAS ILVESKOSKI
Authorised Public Accountant, KHT

omasp.fi

Oma Säästöpankki Oyj
p. 020 764 0600, omasp@omasp.fi