



# Q4/2023

Oma Savings Bank Group  
Financial Statements Release  
31 December 2023



Financial Statements Release 31 December 2023 is a translation of the original Finnish version "Tilinpäätöstiedote 31.12.2023". If discrepancies occur, the Finnish version is dominant.

## Oma Savings Bank Group's Financial Statements Release Jan–Dec 2023

- In January–December, net interest income grew strongly by 87.8% compared to the previous year. Net interest income totalled EUR 197.0 (104.9) million. Net interest income was increased especially by the rise of market interest rates, and in addition, the volumes that have increased with the acquisition of Liedon Savings Bank's business since March.
  - In the last quarter, net interest income increased by 85.8% compared to the comparative period and totalled EUR 56.9 (30.6) million.
  - Home mortgage portfolio increased by 25.7% during the previous 12 months. Corporate loan portfolio increased by 14.8% during the previous 12 months.
  - Deposit base grew by 19.9% over the previous 12 months.
  - In January–December, fee and commission income and expenses (net) item increased due to volume growth by 20.4%. In the last quarter, fee and commission income and expenses (net) item grew by 47.9% compared to the previous year.
  - In January–December, total operating income grew by 71.1% and in the last quarter 69.2% compared to the previous year.
  - Total operating expenses grew in total by 23.9% during the year and by 25.5% in the last quarter. The increase in expenses can be explained by the expanded branch network due to the corporate restructuring, increased authority fees and IT development costs.
  - The impairment losses on financial assets were in total EUR -17.1 (-1.7) million for the year 2023. The growth was affected by the Company's preparedness for the uncertainty of the general economic situation and in advance made write-downs, of which the profit impact of an individual customer was EUR 5 million.
- At the end of the financial year, additional loss allowances based on the management's judgement and fair value adjustments remain for the use by the Company in total EUR 8.3 million.
- In the last quarter, the impairment losses on financial assets were in total EUR -7.3 (-1.3) million. The Company continued to prepare for the uncertainty of the economic environment, and the impact of the additional allowance based on management's judgement, recorded in the last quarter, was EUR -1.0 million. The profit impact of the write-down on an individual customer was EUR -1.3 million.
  - For the financial year 2023, profit before taxes increased and was in total EUR 138.0 (69.2) million. The growth was 99.4% compared to the previous year.
  - For the last quarter, profit before taxes grew 84.3% and was in total EUR 35.5 (19.3) million.
  - For the financial year 2023, comparable profit before taxes grew 89.3% compared to the previous year and was in total EUR 143.6 (75.9) million.
  - For the last quarter, comparable profit before taxes grew 86.9% and was EUR 38.8 (20.8) million.
  - For the whole year, cost/income ratio improved and was 36.9 (50.7)%. Comparable cost/income ratio improved and was 35.1 (48.0)%.
  - In the last quarter, cost/income ratio improved and was 35.4 (47.6)%. Comparable cost/income ratio improved and was 32.8 (44.1)%.
  - Comparable return on equity (ROE) improved and was 25.3 (15.8)% for the whole year and 23.5 (18.4)% in the last quarter.

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### Outlook for the financial year 2024

The Company's profitable growth will continue driven by investments in customer experience and service network. The SME customer business to be acquired from Handelsbanken will improve the Company's profitability from the second half of 2024 onwards.


We estimate the Group's comparable profit before taxes to remain at the current excellent level in the financial year 2024 (comparable profit before taxes was EUR 143.6 million in financial year 2023). More about the outlook in the Financial Statements Release on page 24.

## 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 2023, an actual dividend of EUR 0.67 and an additional dividend of EUR 0.33 to be paid from the Parent Company's distributable profits for each share entitled to a dividend for 2023. The actual dividend is in line with the Company's dividend policy and an additional dividend is proposed due to the record result for the financial year 2023 and exceptionally strong Net interest income.

No material changes have taken place in the Company's financial position after the financial year. 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.

<b>The Group's key figures (1,000 euros)</b>	<b>1-12/2023</b>	<b>1-12/2022</b>	<b>Δ %</b>	<b>2023 Q4</b>	<b>2022 Q4</b>	<b>Δ %</b>
Net interest income	197,045	104,930	88%	56,907	30,634	86%
Fee and commission income and expenses, net	47,421	39,396	20%	12,188	8,242	48%
Total operating income	247,067	144,392	71%	67,190	39,719	69%
Total operating expenses	-90,550	-73,062	24%	-23,483	-18,709	26%
Impairment losses on financial assets, net	-17,126	-1,747	881%	-7,269	-1,315	453%
Profit before taxes	138,048	69,226	99%	35,546	19,285	84%
Cost/income ratio, %	36.9%	50.7%	-27%	35.4%	47.6%	-26%
Balance sheet total	7,642,906	5,941,766	29%	7,642,906	5,941,766	29%
Equity	541,052	364,961	48%	541,052	364,961	48%
Return on assets (ROA) %	1.6%	1.0%	62%	1.5%	1.0%	53%
Return on equity (ROE) %	24.3%	14.5%	68%	21.5%	17.1%	26%
Earnings per share (EPS), EUR	3.49	1.85	89%	0.85	0.51	67%
Total capital (TC) ratio %	16.5%	14.9%	11%	16.5%	14.9%	11%
Common Equity Tier 1 (CET1) capital ratio %	14.9%	13.3%	12%	14.9%	13.3%	12%
Comparable profit before taxes	143,609	75,850	89%	38,790	20,758	87%
Comparable cost/income ratio, %	35.1%	48.0%	-27%	32.8%	44.1%	-26%
Comparable return on equity (ROE) %	25.3%	15.8%	60%	23.5%	18.4%	28%



**Year 2023  
Comparable profit  
before taxes  
+ 89%**

## CEO's review

# Record result and additional dividend to shareholders

**OmaSp's business development continued on the path of strong growth in the financial year 2023. Profit development was boosted by the transaction carried out in the early part of the year and the rise in market interest rates. The unique combination of growth and profitability is reflected in a strong accumulation of equity, which enables owners to achieve record profit distribution as well as investments to enable future success.**

Continued development of net interest income throughout the year continued in the last quarter of the year and the growth was 88% compared to the previous year. The rise in fee and commission income and expenses also continued during the fourth quarter and full-year commission and fee and commission income and expenses increased by 20% compared to the previous



**Year 2023  
Comparable  
cost/income  
ratio 35.1%**

year. The development of customer numbers remained at a good level. With the acquisition of Liedon Savings Bank's business, we received about 50,000 new customer relationships and in addition to this, about 1,000 new customer relationships were organically created every month.

Strong business development is reflected in a significant increase in equity. The equity exceeds 500 million for the first time for the full year and was approximately EUR 541 million at the end of the year. The full-year comparable return on equity (ROE%) reached a record level of 25.3%. During the financial year, the comparable cost/income ratio improved further and was 35.1% including authority fees.

The quality of the credit portfolio has remained at the expected level despite the uncertain economic situation. OmaSp continued to prepare for the weakening cyclical situation and additional allowances based on the

management's judgement of EUR 8.3 million are for use. We recognised a total of EUR 10.6 million in ECL in profit or loss for the financial year.

EUR 0.67 and an additional dividend of EUR 0.33 per share due to the record result and exceptionally strong net interest income.

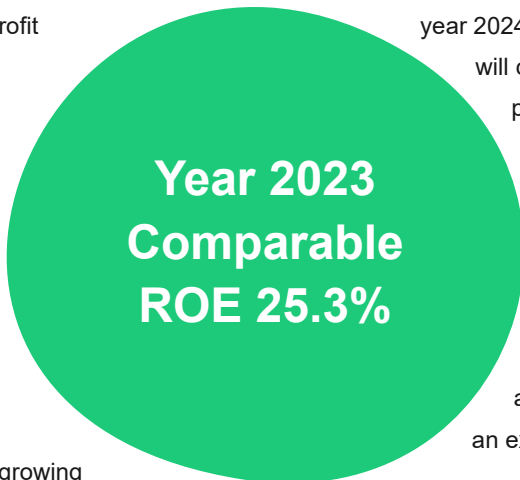
For the year 2023, profit before taxes was EUR 138 million. The full-year comparable profit before taxes increased by 89% compared to the comparison period and was EUR 143.6 million. The balance sheet total was EUR 7.6 billion and grew by over EUR 1.7 billion during the financial year.

#### **Profitable growth continues**

OmaSp's constantly strengthening ability to generate profit enables a growing dividend for the owners for the seventh year in a row. A dividend of EUR 1.00 per share is proposed for the spring Annual General Meeting, of which the actual dividend is

Profitable growth is expected to continue in the financial year 2024. In addition to organic growth, we will continue to strengthen our market position with the acquisition of Handelsbanken's SME business in Finland in the autumn. At the same time, our operations are expanding in the Helsinki metropolitan area to Vantaa and the economic areas of Kuopio and Vaasa. OmaSp is once again starting the financial year from an excellent starting point.

Warm thanks to all customers, personnel, owners and partners for 2023!



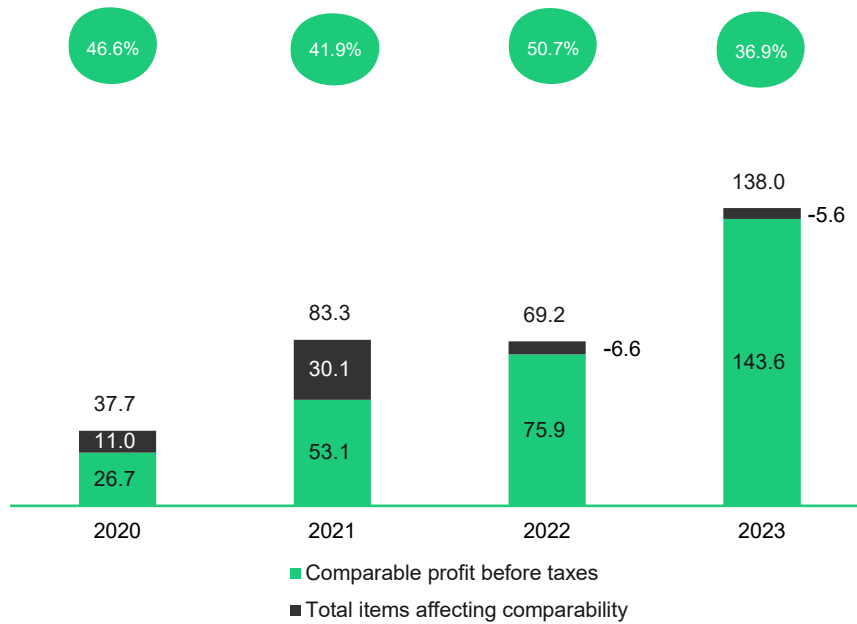
Pasi Sydänlammi

CEO

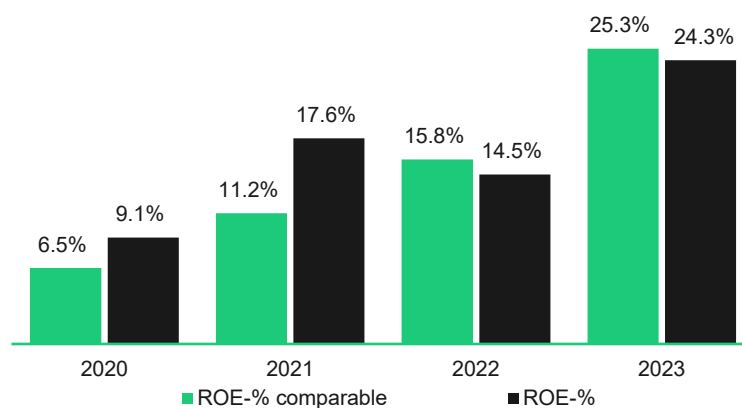
# A profitably growing Finnish bank

Profit before taxes, EUR mill.

Cost/income  
ratio

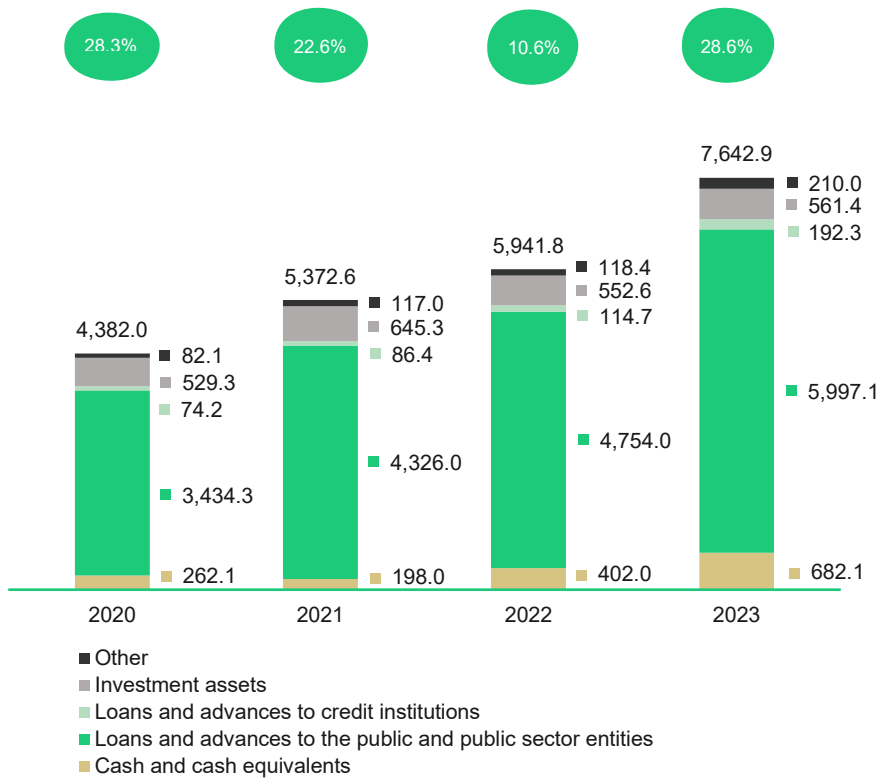


## Return on equity (ROE) %



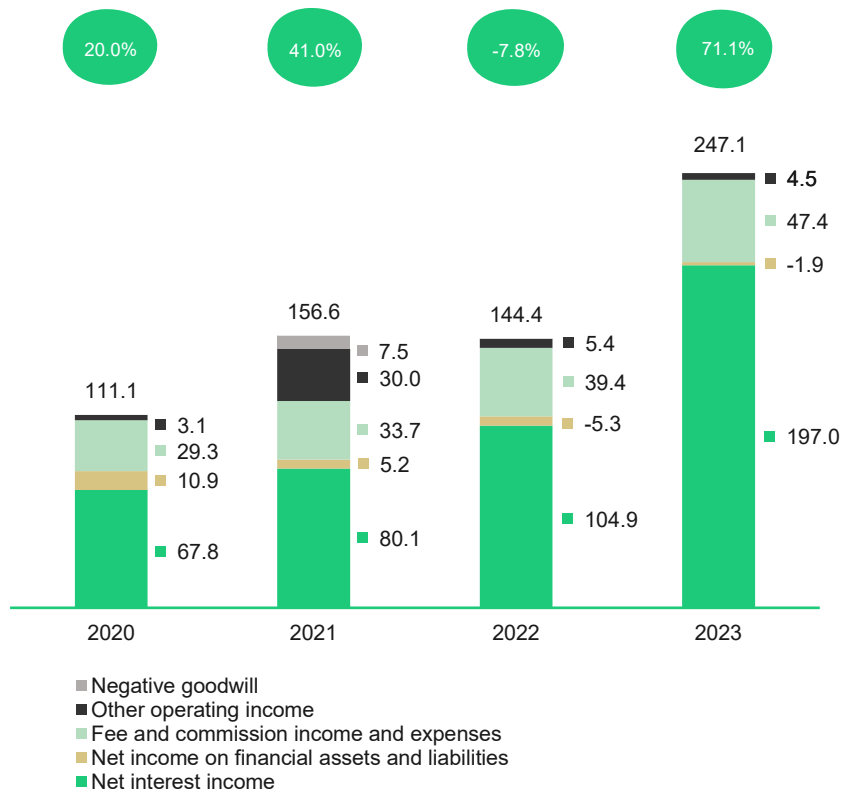
## Balance sheet total, EUR mill.

Growth



## Total operating income, EUR mill.

Growth



# Significant events in year 2023

- In November, the Company started change negotiations to ensure the Company's future competitive advantage. As a result of the change negotiations, the Company renewed its operating model starting from December to further improve the services and customer experience provided by the Company to the customer. In addition, the change prepares for the transaction of the Finnish SME enterprise operations of Svenska Handelsbanken AB in autumn 2024, and for the implementation of artificial intelligence (AI). As a result of the negotiations no one was made redundant.
- In May, Oma Savings Bank Plc and Svenska Handelsbanken AB agreed on an arrangement whereby the Company acquires Handelsbanken's SME enterprise operations in Finland. The transaction is expected to be finalised in early autumn 2024. The size of the deposit base transferring to the Company is approximately EUR 1.2 billion and the lending volume is approximately EUR 460 million in the situation on 31 March 2023. The target of the business transaction is in total approximately 14,000 SME customers. In addition, personal banking services of entrepreneurs will be transferred, which are not included in the above figures. At the same time, approximately 40 employees from Handelsbanken will transfer to the Company as old employees. Authority approval for the transaction was received on 24 July 2023.
- The Company announced the commencement of the acquisition of its own shares in September. The acquisition of shares was completed in November and 100,000 own shares were acquired at an average price of EUR 20.5419 per share.
- In June, the Company's Board of Directors updated its medium-term (3–5 years) financial goals for Return on equity and for Capital adequacy as part of its strategy process. The updated target level of the Company's Comparable Return on equity (ROE) is at least 16% instead of the previous 10%. The updated target level for the Common Equity Tier 1 (CET1) capital ratio is at least 2 percentage points above the regulatory requirement instead of the previous target of at least 14%. The updated target levels are effective from 1 July 2023.
- In June, the representatives of the five largest shareholders have been appointed to the Nomination Committee of the Company: Raimo Härmä, appointed by Etelä-Karjalan Säästöpankkisäätiö, Ari Lamminmäki, appointed by Parkanon Säästöpankkisäätiö, Jouni Niuro, appointed by Liedon Säästöpankkisäätiö, Aino Lamminmäki, appointed by Töysän Säästöpankkisäätiö and Simo Haarajärvi, appointed by Kuortaneen Säästöpankkisäätiö.
- In February, the Company issued a covered bond of EUR 350 million, a covered bond of EUR 500 million in November, and a covered bond increase (tap issue) of EUR 250 million in April. The loans were issued under the Company's EUR 3 billion bond program.
- As planned, the Company carried out the acquisition of Liedon Savings Bank's banking business at the turn of February and March. The acquisition increased the Company's balance sheet by a total of EUR 1,448.0 million and the number of customers grew to more than 200,000 customers. The Company's branch network strengthened with nine new units located in the city of Turku and in Southwest Finland.
- In October, the Finnish Financial Supervisory Authority (FIN-FSA) announced that it would set the Company an indicative additional capital recommendation of 1.0% for own funds based on the Finnish Act on Credit Institutions. The indicative additional capital recommendation is valid until further notice as of 31 March 2024. In addition, the Finnish Financial Supervisory



Authority FIN-FSA announced that it will impose the Company a discretionary additional capital requirement of 0.25% for the leverage ratio (Pillar II), which is valid until further notice as of 31 March 2024, but no later than 31 March 2026. The Company already meets the set recommendation and requirement.

- In its decision on 27 February 2023, the Finnish Financial Supervisory Authority (FIN-FSA) maintained in its decision the SREP requirement for the Company based on the supervisory authority's estimate at 1,5% unchanged. The decision is valid until further notice from 30 June 2023, but no later than 30 June 2026.
- During the first quarter, the Company issued a EUR 20 million debenture loan, which was fully subscribed before the end of the sale period.
- At the end of the year 2022, the Company announced that it would begin to apply the Mortgage Credit Bank and Covered Bonds Act (151/2022), effective 8 July 2022, on its already issued bonds. At the same time the Company initiated a consent solicitation procedure for its investors. According to the Company's announcement, the necessary consents were received in January and the Company began applying the new law for Mortgage Banking on 20 January 2023.

## Oma Savings Bank Group's key figures

(1,000 euros)	1-12/2023	1-12/2022	Δ %	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4
Net interest income	197,045	104,930	88%	56,907	54,679	49,236	36,224	30,634
Fee and commission income and expenses, net	47,421	39,396	20%	12,188	12,226	12,555	10,453	8,242
Total operating income	247,067	144,392	71%	67,190	65,999	63,181	50,697	39,719
Total operating expenses	-90,550	-73,062	24%	-23,483	-19,824	-21,674	-25,568	-18,709
<sup>1)</sup> Cost/income ratio, %	36.9%	50.7%	-27%	35.4%	30.1%	34.4%	50.7%	47.6%
Impairment losses on financial assets, net	-17,126	-1,747	881%	-7,269	-5,548	-2,714	-1,595	-1,315
Profit before taxes	138,048	69,226	99%	35,546	40,506	38,699	23,296	19,285
Profit/loss for the accounting period	110,051	55,379	99%	28,185	32,325	30,870	18,671	15,262
Balance sheet total	7,642,906	5,941,766	29%	7,642,906	7,071,703	7,014,730	7,298,953	5,941,766
Equity	541,052	364,961	48%	541,052	505,290	470,229	437,357	364,961
<sup>1)</sup> Return on assets (ROA) %	1.6%	1.0%	62%	1.5%	1.8%	1.7%	1.1%	1.0%
<sup>1)</sup> Return on equity (ROE) %	24.3%	14.5%	68%	21.5%	26.5%	27.2%	18.6%	17.1%
<sup>1)</sup> Earnings per share (EPS), EUR	3.49	1.85	89%	0.85	0.97	0.93	0.59	0.51
<sup>1)</sup> Equity ratio %	7.1%	6.1%	15%	7.1%	7.1%	6.7%	6.0%	6.1%
<sup>1)</sup> Total capital (TC) ratio %	16.5%	14.9%	11%	16.5%	16.6%	16.0%	15.5%	14.9%
<sup>1)</sup> Common Equity Tier 1 (CET1) capital ratio %	14.9%	13.3%	12%	14.9%	14.8%	14.1%	13.6%	13.3%
<sup>1)</sup> Tier 1 (T1) capital ratio %	14.9%	13.3%	12%	14.9%	14.8%	14.1%	13.6%	13.3%
<sup>1) 2)</sup> Liquidity coverage ratio (LCR) %	248.9%	159.9%	56%	248.9%	153.6%	149.9%	126.2%	159.9%
<sup>1) 3)</sup> Net Stable Funding Ratio (NSFR) %	117.8%	114.3%	3%	117.8%	115.3%	119.8%	116.9%	114.3%
Average number of employees	445	352	26%	463	476	464	375	355
Employees at the end of the period	464	357	30%	464	463	482	428	357
<b>Alternative performance measures excluding items affecting comparability:</b>								
<sup>1)</sup> Comparable profit before taxes	143,609	75,850	89%	38,790	41,840	38,822	24,157	20,758
<sup>1)</sup> Comparable cost/income ratio, %	35.1%	48.0%	-27%	32.8%	29.2%	33.7%	47.9%	44.1%
<sup>1)</sup> Comparable earnings per share (EPS), EUR	3.63	2.02	79%	0.93	1.01	0.93	0.61	0.55
<sup>1)</sup> Comparable return on equity (ROE) %	25.3%	15.8%	60%	23.5%	27.4%	27.3%	19.3%	18.4%

1) Calculation principles of alternative performance measures and key figures are presented in Note 18 of the Financial Statements Release. Comparable profit calculation is presented in the Income Statement.

2) LCR calculation adjusted retrospectively as of 31 December 2022.

3) NSFR calculation adjusted for comparative periods retrospectively.

# Operating environment

Finland's economy is in recession and, according to the Bank of Finland's forecast, the economy will only start to recover at the end of the year 2024. Interest rate and elevated prices as well as the uncertainty about the future are slowing down the growth. The notable reduction in investments also affects the recovery of the economy. <sup>(1)</sup> The year-on-year change in consumer prices calculated by Statistics Finland was 3.6% in December. The rise in inflation compared to a year ago was influenced, among other things, by the rise in the average interest rate on mortgages and the rise of interest rates on consumer loans. <sup>(3)</sup>

Inflation has slowed down in recent months, but it is likely to pick up again temporarily in the near term. The European Central Bank is determined to ensure that inflation returns to its 2% medium-term target in a timely manner. In December 2023, ECB decided to keep the three key interest rates unchanged. In 2023, the ECB raised key interest rates by a total of 1.0 percentage points. <sup>(2)</sup> Financial conditions in Finland have tightened during 2023 and, after the rise of the interest rates in the beginning of the year, the interest rates have turned to a slight decline at the end of the year. During January-December, the quotation of the 12-month Euribor rate has risen approximately by 0.2 percentage points. <sup>(11)</sup>

Along with the rise in interest rates, the tightening of monetary policy, the rise in prices and weak export demand have influenced the economic growth in Finland. According to the preliminary calculations of the Bank of Finland, the GDP is predicted to decrease by 0.5% in 2023 and by 0.2% in 2024. In 2025, economic growth is projected to pick up to 1.5% and to 1.3% in 2026. <sup>(1)</sup>

In July-September, the seasonally adjusted savings rate of households increased by 3.4% compared to the previous quarter. In the third quarter, the disposable income of households grew compared to the previous quarter and consumption expenditure remained at the level of the previous quarter. The disposable income of households grew by 8.5% and adjusted by price changes, income increased by 4.1% compared to the previous quarter one year ago. The investment rate decreased slightly from the

previous quarter and was 11.8%. Majority of the investments of households is directed in housing investments. The corporate investment rate remained at the level of the previous quarter and was 29.8%. <sup>(4)</sup>

According to Statistics Finland, the number of employed people aged 15 to 74 was almost the same in December as one year ago and the number of unemployed persons was 12,000 higher than a year ago. In December 2023, the employment rate was 77.1% (20 to 64 years) and the average unemployment rate was 7.1%. <sup>(5)</sup>

According to Statistics Finland's preliminary data, prices of old dwellings in housing companies decreased in the whole country by 6.4% in 2023 from the previous year. Prices of old dwellings in housing companies fell most in Helsinki and Vantaa, where prices went down by 8.0% and in the rest of Finland by 4.8% compared to the previous year. At the same time, the number of sales of old dwellings in blocks of flats and terraced houses made through real estate agents decreased by 23% from the comparison period. <sup>(6)</sup>

In December, mortgage withdrawals were made in total of EUR 1.3 billion, which is EUR 270 million more than in the previous year. <sup>(7)</sup> The demand for housing loans may have been positively affected by the government's decision to change the real estate transfer taxation law. <sup>(8)</sup> In December, the medium interest rate of new mortgages was 4.42%. In December 2023, the annual growth of all loans for households decreased by 1.3%. The volume of corporate loans rose 1.2% over the same period. Over the 12-month period, the number of household deposits reduced by a total of 2.8%. <sup>(7)</sup>

In January-December 2023, the number of bankruptcies filed increased by 24.9% compared to the previous year. The number of bankruptcies has been increasing for several months and there were more companies filed for bankruptcy in 2023 than during the 2009 financial crisis. <sup>(9)</sup> In September-November, the number of new building permits granted decreased by 17% compared to the previous year and was 6.6 million cubic meters. <sup>(10)</sup>

- 1) Bank of Finland, Finland's economy is in recession and the recovery will be slow. Published on 19 December 2023.
- 2) Bank of Finland, ECB monetary policy decisions. Published on 14 December 2023.
- 3) Statistics Finland, Inflation 3.6% in December 2023. Published on 15 January 2024.
- 4) Statistics Finland, Households' saving rate positive in the third quarter of 2023. Published on 18 December 2023.
- 5) Statistics Finland, Almost as many employed and more unemployed persons in December 2023 compared to one year ago. Published on 25 January 2024.
- 6) Statistics Finland, Prices of old dwellings in housing companies fell in the whole country in 2023. Published on 26 January 2024.
- 7) Bank of Finland, MFI balance sheet (loans and deposits) and interest rates, Amount of non-performing loans in the construction sector has grown further. Published on 31 January 2024.
- 8) Bank of Finland, MFI balance sheet (loans and deposits) and interest rates, In November, more mortgages were taken out than in the same period last year. Published on 4 January 2024.
- 9) Statistics Finland, In December 2023 more bankruptcies than during the financial crisis 2009. Published on 17 January 2024.
- 10) Statistics Finland, Cubic volume of building permits granted decreased in September to November 2023 by 17% year-on-year. Published on 23 January 2024.
- 11) Bank of Finland, Euribor interest rates tables. Published on 5 January 2024.

## Credit rating and liquidity

S&P Global Ratings confirmed a credit rating of BBB+ for Oma Savings Bank Plc's long-term borrowing in June 2023, as well as a rating of A-2 for short-term borrowing. The outlook for a long-term credit rating has been confirmed as stable.

	31 Dec 2023	31 Dec 2022
LCR*	248.9%	159.9%
NSFR*	117.8%	114.3%

\* LCR and NSFR calculation retrospectively adjusted as of 31 December 2022

The Group's Liquidity Coverage Ratio (LCR) remained at a good level, standing at 248.9% at the end of the last quarter. The Net Stable Funding Ratio (NSFR) was 117.8%.

Prolonged inflation and high interest rates reflect as an increase in uncertainty particularly in refinancing markets. The increased interest rate level, on the other hand, can be seen in the increased costs of market-based financing. Despite the increase in costs, the availability of financing has remained at a good level. Despite the general economic uncertainty, the Company's liquidity has remained stable in the last fourth quarter, in addition to which bonds issued by the Company have strengthened its liquidity position and reduced refinancing risk.

## Related party disclosures

Related party is defined as key persons in a leading position at Oma Savings Bank Plc and their family members, subsidiaries, associated companies and joint ventures, joint operations and companies in which a key person in a leading position has control or significant influence, and organizations that have significant influence in Oma Savings Bank Plc. Key persons are members of the Board of Directors, the CEO and deputy to the 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.

More detailed information on related parties is given in Note G31 of the 2022 Financial Statements.

More detailed information on the share-based remuneration scheme for the management is given in Note G32 of the Financial Statements and in Note 14 of the Financial Statements Release.

# Financial statements

The corresponding period last year has been used as the year under comparison in income statement items, and the date 31 December 2022 as the comparative period for the balance sheet and capital adequacy. The figures in the financial statements release are unaudited.

## Result 10–12 / 2023

For the last quarter, the Group's profit before taxes was EUR 35.5 (19.3) million and the profit for the period was EUR 28.2 (15.3) million. The cost/income ratio was 35.4 (47.6)%.

Comparable profit before taxes amounted to EUR 38.8 (20.8) million in the last quarter and the comparable cost/income ratio was 32.8 (44.1)%. The comparable profit has been adjusted for the net income on financial assets and liabilities as well as the one-off expenses related to the acquisitions and the change negotiations.

### Income

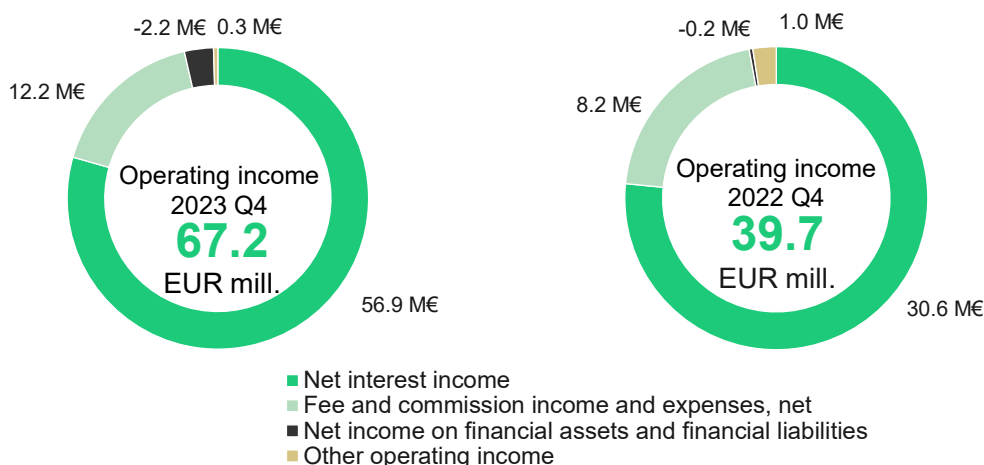
Total operating income was EUR 67.2 (39.7) million. Total operating income increased 69.2% compared to the comparable period. Comparable operating income was EUR 69.4 (39.9) million, an increase of 74.1%. Net income on financial assets and liabilities of EUR -2.2 (-0.2) million has been eliminated from the operating income as an item affecting comparability. The acquisition of Liedon Savings

Bank's business at the beginning of the year has had a positive impact on the development of net interest income and fee and commission income during the reporting period.

Net interest income grew by 85.8%, totalling EUR 56.9 (30.6) million. During the review period, interest income grew by 139.2%, totalling EUR 98.6 (41.2) million. The significant growth in interest income can be explained by the increase in market interest rates and by the increased volume due to the acquisition of Liedon Savings Bank's business as of March. Hedges related to interest rate risk management have also increased interest income, their impact on the interest income was EUR 12.3 (4.3) million. During the reporting period, the average margin of the loan portfolio has remained almost unchanged.

Interest expenses were EUR 41.7 (10.6) million in the last quarter. The growth of interest expenses has been influenced by the increase in market interest rates, the increased interest rates on issued bonds and by hedges related to the management of interest rate risk. The impact of hedges on interest expenses was EUR -14.9 (-2.7) million. The average interest on deposits paid to the Company's customers was 0.87 (0.20)% at the end of the period.

Fee and commission income and expenses (net) increased by 47.9% to EUR 12.2 (8.2) million. The total amount of fee and commission income was EUR 15.0 (10.4) million.



Net fee and commission income from cards and payment transactions was EUR 8.6 (6.4) million, an increase of 34.0% over the previous year. The increase is mainly explained by the increase in customer volume. The amount of commission income from lending was EUR 3.0 (1.8) million.

The net income on financial assets and liabilities were EUR -2.2 (-0.2) million during the period. Other operating income was EUR 0.3 (1.0) million.

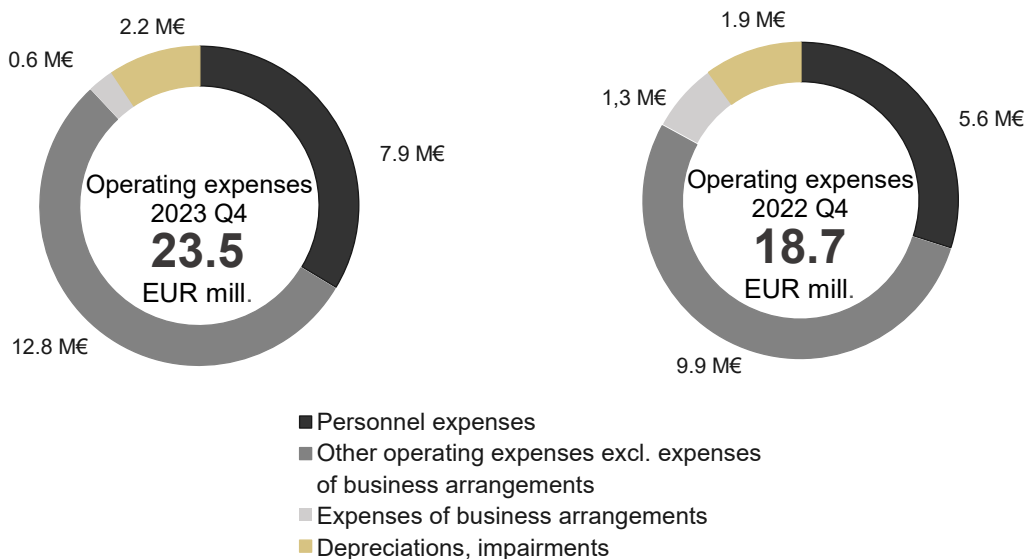
## Expenses

Operating expenses came to a total of EUR 23.5 (18.7) million and they increased 25.5% compared to the previous year's corresponding period. For the reporting period, expenses affecting comparability were recorded from the acquisition of Handelsbanken EUR 0.6 million and from the change negotiations EUR 0.4 million. In the comparison period, expenses included EUR 1.3 million related to the acquisition of Liedon Savings Bank's business, so comparable operating expenses were EUR 22.5 (17.4) million. The increase in comparable operating expenses was 29.2%.

Personnel expenses increased by 41.0% and were EUR 7.9 (5.6) million. At the end of the period, the number of employees was 464 (357), of which 69 (62) were fixed-term. The increase in expenses compared to the comparative period was influenced by the increase in the number of personnel due to the acquisition of Liedon Savings Bank's business.

Other operating expenses increased 19.2% to EUR 13.4 (11.2) million. 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 driven by an enlarged branch office network due to the acquisition of Liedon Savings Bank's business.

Depreciation, amortisation and impairments on tangible and intangible assets were EUR 2.2 (1.9) million.



## Impairment losses on financial assets

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Impairment losses on financial assets (net) increased compared to the comparative period and were EUR -7.3 million, while the impairment losses on financial assets recorded in the comparative period amounted to EUR -1.3 million.

During the last quarter, the amount of expected credit losses (ECL) decreased by EUR 9.1 million, while the expected credit losses increased by EUR 0.5 million in the comparison period. EUR 9.0 million of the change in expected credit losses was allocated to receivables from customers and off-balance sheet items. An additional allowance of EUR 12.5 million based on the management's judgement towards an individual customer was cancelled as planned in connection with the final write-off of the credit loss during the period.

The net amount of realised credit losses increased compared to the comparison period and was EUR 16.4 (0.8) million in the last quarter. Of this, the share of an individual customer was EUR 13.8 million and the profit impact was EUR -1.3 million for the period.

The impact of the change in calculation models was EUR 0.8 million.

In the last quarter, the Company continued to prepare for the uncertainty of the economic environment with an additional allowance of EUR 1.0 million based on the management's judgement. At the end of the reporting period, additional loss allowances based on the management's judgement and fair value adjustments remain for the use by the Company in total EUR 8.3 million. Additional allowances are targeted to stage 2.



# Result 1–12 / 2023

The Group's profit before taxes was EUR 138.0 (69.2) million in January-December and the profit for the period was EUR 110.1 (55.4) million. The cost/income ratio was 36.9 (50.7)%.

Comparable profit before taxes amounted to EUR 143.6 (75.9) million for January-December and the comparable cost/income ratio was 35.1 (48.0)%. The comparable profit before taxes has been adjusted for the net income on financial assets and liabilities as well as one-off items related to the acquisitions and the change negotiations.

## Income

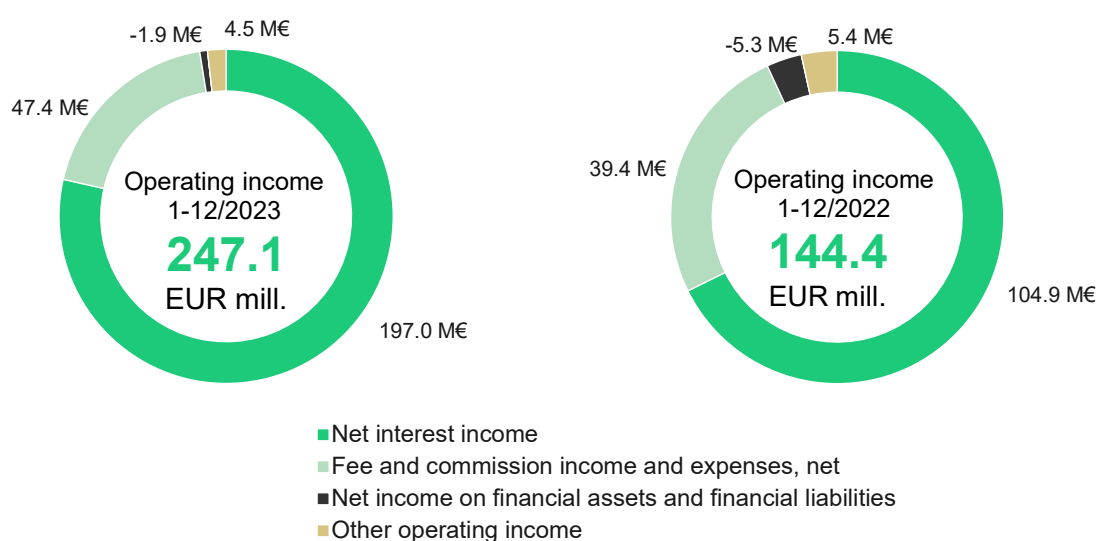
Total operating income was EUR 247.1 (144.4) million. Total operating income increased 71.1% year-on-year. The increase can be explained by the strong growth of net interest income and fee and commission income.

Comparable total operating income was EUR 248.9 (149.7) million and the increase of comparable total operating income was 66.3%. During the reporting period, net income on financial assets and liabilities of EUR -1.9 (-5.3) million has been eliminated from operating income as an item affecting comparability.

Net interest income grew 87.8%, totalling EUR 197.0 (104.9) million. During the reporting period, interest income grew 164.6% and was EUR 322.5 (121.9) million. The significant increase in interest income is explained by the impact of rising market interest rates and by the increased loan portfolio due to the acquisition of Liedon Savings Bank in March. Hedges to manage the interest rate risk have also boosted interest income, the impact of these on interest income was EUR 37.6 (7.0) million. During the period, the average margin of the loan portfolio has remained almost unchanged.

Interest expenses increased significantly compared to the previous year to EUR 125.5 (16.9) million. The increase in interest expenses has been influenced by higher interest on issued bonds, due to the increase in the interest rate. Interest expenses have also been increased by hedges related to the management of interest rate risk and their impact on interest expenses was EUR -41.7 (-2.7) million. The average interest on deposits paid to the Company's customers was 0.87% (0.20%) at the end of the period.

Fee and commission income and expenses (net) increased by 20.4% and was EUR 47.4 (39.4) million. The total amount of fee and commission income was EUR 56.6 (46.3) million.



Commissions from cards and payment transactions net grew 37.9% compared to the comparison year and amounted to EUR 34.0 (24.4) million. The increase is mainly explained by volume growth. The amount of commission income on lending was EUR 10.2 (11.9) million. Commissions on lending decreased in the reporting period as new lending slowed down. Uncertainty in the economic environment has weakened credit demand in the market overall.

The net income on financial assets and liabilities was EUR -1.9 (-5.3) million during the period.

Other operating income was EUR 4.5 (5.4) million. Other operating income includes a deposit guarantee fee recorded during the reporting period of EUR 2.7 million and EUR 0.7 million from the revaluation of joint debt recorded in connection with the Eurajoen Savings Bank's business transaction. In the comparison period, EUR 1.3 million from the revaluation of the joint debt recognised in connection with the Eurajoen Savings Bank's business transaction was recorded in other operating income as well as a positive impact EUR 0.4 million caused by the change in the Group structure.

## Expenses

Operating expenses increased 23.9% compared to the previous year's corresponding period. Operating expenses came to a total of EUR 90.5 (73.1) million. For the reporting period, expenses affecting comparability have been recorded in relation to the acquisition of the Liedon Savings Bank's and Handelsbanken's business of EUR 3.3 million. In the comparison period, operating expenses

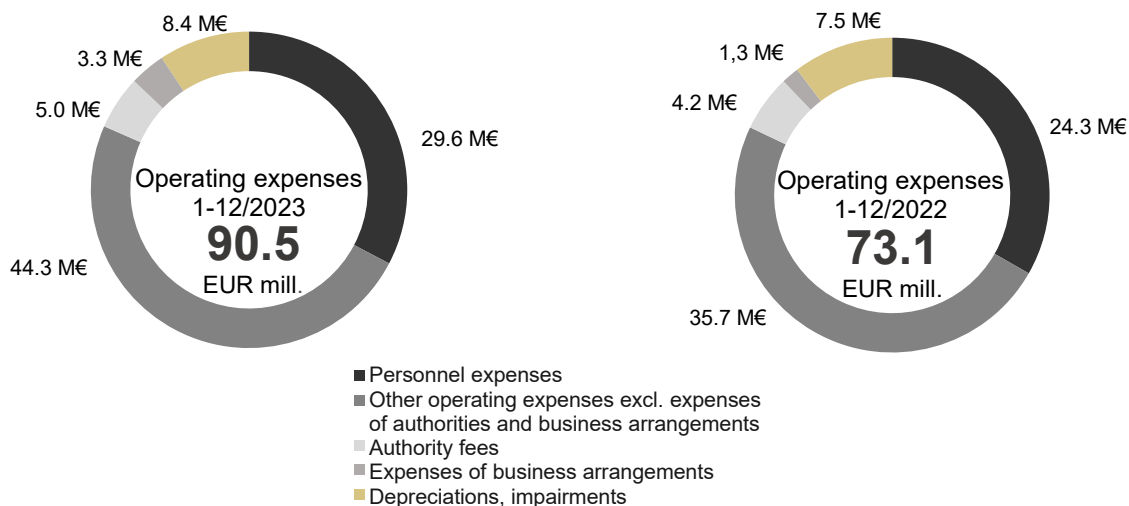
included costs of EUR 1.3 million arising from the acquisition of Liedon Savings Bank's business. Comparable operating expenses were EUR 86.9 (71.7) million. The increase of comparable operating expenses was 21.1%.

Personnel expenses increased 21.8%, totalling EUR 29.6 (24.3) million. The increase in personnel costs was impacted by the increased number of personnel as a result of the business arrangement with Liedon Savings Bank. The number of employees at the end of the period was 464 (357), of which 69 (62) were fixed-term.

Other operating expenses increased 27.5% to EUR 52.5 (41.2) 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 influenced by the increase in the number of personnel as well as the project costs related to business arrangements.

During the reporting period, a total of EUR 2.2 million has been recorded as a stabilization fee and a total of EUR 2.7 million as a deposit guarantee fee. The deposit guarantee fee will be covered by refunds from the old deposit guarantee fund. A total of EUR 5.0 (4.2) million was recorded as authority fees.

Depreciation, amortisation and impairment on tangible and intangible assets were EUR 8.4 (7.5) million.



## Impairment losses on financial assets

Impairment losses of financial assets increased compared to the comparison year and were EUR -17.1 million, while the impairment losses of financial assets recorded in the comparison period were EUR -1.7 million. The growth was affected by the Company's preparedness for the uncertainty of the general economic situation and in advance made write-downs, of which the profit impact of an individual customer was EUR 5 million.

During January-December, the amount of expected credit losses decreased EUR 1.9 million targeting receivables from customers and off-balance sheet items. During the reporting period, expected credit losses amounted to EUR 10.6 million and an additional allowance of EUR 12.5 million based on management's judgement towards an individual customer was cancelled from the allowance as planned in connection with the final credit loss recognition. The net amount of realised credit losses increased compared to the comparison year and was EUR 19.0 (3.8) million during January-December. Of the realised credit losses, an individual customer accounted for EUR 13.8 million and the profit impact for the period was EUR -1.3 million.

During the reporting period, the Company updated its expected credit loss (ECL) calculation models, which had an impact of EUR 0.8 million. During the comparison period in 2022, the amount of expected credit losses as a result of model development decreased by EUR 2.6 million.

Based on the Company's assessment, the effects of the Russian invasion war remained limited on the Company's credit base, which is why the Company released EUR 0.9 million of the additional loss allowances related to the corona pandemic and the Russian invasion war during the first quarter.

In the first quarter, the receivables transferred in connection with the acquisition of Liedon Savings Bank's business were valued at fair value at the time of acquisition. EUR 8.0 million was recorded as a fair value adjustment based on the management's judgement. In the second quarter, the Company allocated a fair value

adjustment of EUR 0.7 million to the receivables of the loans transferred in the business transaction. At the time of reporting, the Company has available EUR 7.3 million of fair value adjustment made to the receivable base.

In the last quarter, an additional allowance of EUR 1.0 million based on the management's judgement was recorded with which the Company continued to prepare for the uncertainty of the economic environment.

At the end of the reporting period, based on the management's judgement, the Company has additional loss allowances and fair value adjustments recognised in the balance sheet in total EUR 8.3 million. The additional allowances are targeted to stage 2.

# Balance sheet

The Group's balance sheet total grew to EUR 7,642.9 (5,941.8) million during January-December 2023. The growth was 28.6%. Of the growth, EUR 1,448.0 million came from the acquisition of Liedon Savings Bank's business.

## Loans and advances

In total, loans and advances grew 27.1% to EUR 6,189.4 (4,868.7) million in January-December. The acquisition of Liedon Savings Bank's banking business increased loans and advances by EUR 1,399.8 million.

The average size of loans issued over the past 12 months has been approximately EUR 128 thousand.

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

Credit balance (1,000 euros)	31 Dec 2023	31 Dec 2022
Private customers	3,585,722	2,858,099
Corporate customers	1,255,520	1,093,700
Housing associations	736,068	461,339
Agricultural customers	300,447	271,112
Other	154,776	94,618
<b>Total</b>	<b>6,032,533</b>	<b>4,778,869</b>

## Investment assets

The Group's investment assets increased 1.6% during the period, totaling EUR 561.4 (552.6) million. The primary purpose of managing investment assets is securing the Company's liquidity position.

## Intangible assets and goodwill

At the end of the period, intangible assets recorded in the balance sheet totaled EUR 8.8 (8.2) million and a goodwill of EUR 4.8 (0.5) million. Goodwill was recognised from the acquisition of Liedon Savings Bank's banking business of EUR 4.4 million.

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

During the period, liabilities to credit institutions and to the public and public sector entities grew by 17.5% to EUR 3,943.6 (3,355.0) million.

The item consists mostly of deposits received from the public, which came to EUR 3,733.3 (3,113.9) million at the end of December. The impact of the acquisition of Liedon Savings Bank's banking business on the growth of the deposit portfolio was EUR 907.7 million. Liabilities to the credit institutions were EUR 165.3 (242.5) million at the end of the period.

## Debt securities issued to the public

Total debt securities issued to the public grew during the period by 40.4% to EUR 2,930.1 (2,087.0) million. The Company issued a covered bond of EUR 350 million in February and EUR 500 million in November. In addition to these, a EUR 250 million bond increase (tap issue) was issued in April. A covered bond of EUR 250 million matured in April. Debt securities issued to the public are shown in more detail in Note 8.

At the end of the period, covered bonds were secured by loans to the value of EUR 3,024.0 (2,100.1) million.

## Equity

The Group's equity EUR 541.1 (365.0) million increased by 48.2% during the period. The change in equity is mainly explained by the strong result of the period, the change in the fair value reserve, the payment of dividends and the directed share issue.

In the first quarter, the Company carried out a paid directed share issue to Liedon Savings Bank. In the targeted issue, 3,125,049 shares were subscribed. A weighty reason for the directed issue was the development and expansion of the Company's banking operations into a new area through a business transaction. Share issue EUR 65.0 million was recorded in the Reserve for invested non-restricted equity.

## Own shares

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On 31 December 2023, the number of own shares held by Oma Savings Bank was 201,386. In March, the Company transferred 29,461 shares held by the Company to persons entitled to the remuneration of the 2023 reward installment of the share incentive scheme 2020–2021. Based on the authorisation given by the Annual General Meeting on 30 March 2023, the Company carried out a repurchase program related to the repurchase of its own shares in September-November. Shares were purchased to implement the share-based incentive scheme for key persons.

<u>Share capital</u>	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
Average number of shares (excluding own shares)	31,546,596	29,990,687
Number of shares at the end of the year (excluding own shares)	33,073,851	30,019,341
Number of own shares	201,386	130,847
Share capital (1,000 euros)	24,000	24,000

## Off-balance-sheet commitments

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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 41.9 (34.8) million, were mostly made up of bank guarantees and other guarantees. Irrevocable commitments given to a customer, which totalled EUR 330.6 (291.2) million at the end of December, consisted mainly of undrawn credit facilities.

## Progress of key development projects

The Company's project of transitioning to the application of the IRB approach is progressing as planned. In the first stage, the Company is applying for 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 permission for other types of liabilities. In February 2022, 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 based on dialogue with the supervisor.

In addition, the Company has reform projects ongoing regarding regulatory reporting.

## Acquisition of Handelsbanken's SME enterprise operations in Finland

In May, the Company and Handelsbanken agreed on an arrangement whereby the Company will acquire Handelsbanken's SME enterprise operations in Finland. The transaction is expected to be finalized during the second half of 2024. The exact date will be specified later. As part of the purchase of the SME enterprise operations, entrepreneurs' private banking services will also be transferred to the Company, excluding asset management and investment services. The SME enterprise operations to be purchased are geographically located all over Finland.

The size of the deposit base transferring to the Company was approximately EUR 1.2 billion and the lending volume is approximately EUR 460 million in the situation on 31 March 2023. The target of the business transaction is in total approximately 14,000 SME customers. The personal banking services of entrepreneurs transferring are not included in the above figures.

At the same time, around 40 people from Handelsbanken will transfer to the Company as old employees.

With the arrangement the banks' market position will strengthen among SMEs in Finland. The growing business volumes will further improve the Company's cost efficiency and business profitability, and substantially strengthen the annual profit-making ability. The transferring deposit base will strengthen the Company's liquidity position, and there is no separate financing need for the business arrangement. The business deal has no material effect on the Company's capital adequacy. The purchase price is the net value of the balance sheet items to be transferred at closing plus EUR 15 million. The purchase price will be paid in cash, so the transaction has no impact on the number of Company's shares outstanding. Authority approval for the transaction was received on 24 July 2023.

## Significant events after the period

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

Other 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.

## Dividend policy and dividend payment

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 capital adequacy 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 2023, an actual dividend of EUR 0.67 and an additional dividend of EUR 0.33, i.e. total of EUR 1.00 to be paid from the Parent Company's distributable profits for each share entitled to a dividend for 2023. The actual dividend is in line with the Company's dividend policy and an additional dividend is proposed due to the record result for the financial year 2023 and exceptionally strong Net interest income. Proposed record date for dividends would be 28 March 2024 and payment date 8 April 2024.

No significant changes took place in the Company's financial position after the financial year. 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.

## Financial goals

The Company has financial goals set by the Board of Directors for growth, profitability, return on equity and capital adequacy. The Company's Board of Directors has confirmed the following financial goals:

**Growth:** 10–15 percent annual growth in total operating income under the current market conditions.

**Profitability:** Cost/income ratio less than 45 percent.

**Return on equity (ROE):** Long-term return on equity (ROE) over 16 percent.

**Capital adequacy:** Common Equity Tier 1 (CET1) capital ratio at least 2 percentage points above regulatory requirement.

## Financial reporting in 2024

The Company will publish financial information in 2024 as follows:

29 Apr 2024 Interim Report Jan-Mar 2024

29 Jul 2024 Interim Report Jan-Jun 2024

28 Oct 2024 Interim Report Jan-Sep 2024

The Company's Financial Statement, Annual Report and Auditor's Report for 2023 will be published on week 10.

## Outlook for the 2024 accounting period

The Company's profitable growth will continue driven by investments in customer experience and service network. The SME customer business to be acquired from Handelsbanken will improve the Company's profitability from the second half of 2024 onwards.

Oma Savings Bank Plc provides earnings guidance on comparable profit before taxes for 2024. 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.

We estimate the Group's comparable profit before taxes to remain at the current excellent level in the financial year 2024 (comparable profit before taxes was EUR 143.6 million in financial year 2023).



# Capital adequacy

The total capital (TC) ratio of Oma Savings Bank Group increased and was 16.5 (14.9)% at the end of the period. The Common Equity Tier 1 capital (CET1) ratio was 14.9 (13.3)%, being above the minimum level of the medium-term financial goal set by the Company's Board. As of 1 July 2023, the updated target level for the Common Equity Tier 1 (CET1) capital ratio is at least 2 percentage points above the regulatory requirement, whereby the target level reflects the buffer to the regulatory requirement in accordance with market practice.

Risk-weighted assets grew 29.6% to EUR 3,300.0 (2,546.5) million. Risk-weighted assets grew most significantly due to the acquisition of Liedon Savings Bank's business. 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 basic method is applied when calculating the capital requirement for market risk for the foreign exchange position. The Company's transition

project to the application of the IRB approach is proceeding as planned.

At the end of the review period, the capital structure of the Group was strong and consisted mostly of Common Equity Tier 1 capital (CET1). The Group's own funds (TC) of EUR 544.5 (379.0) million exceeded by EUR 148.1 million the total capital requirement for own funds EUR 396.5 (305.8) million. Own funds increased most significantly by the EUR 65 million share issue to Liedon Savings Bank and retained earnings for the financial year 2023, which have been included in the Common Equity Tier 1 capital with the permission granted by the Finnish Financial Supervisory Authority (FIN-FSA). In addition, own funds were increased by a EUR 20 million debenture loan issued in February. The Group's leverage ratio was 6.3 (5.6)% at the end of the period, while the binding leverage ratio requirement was 3%.

The main items in the capital adequacy calculation (1,000 euros)	31 Dec 2023	31 Dec 2022
Common Equity Tier 1 capital before regulatory adjustments	505,611	348,692
Regulatory adjustments on Common Equity Tier 1	-14,663	-9,204
<b>Common Equity Tier 1 (CET1) capital, total</b>	<b>490,948</b>	<b>339,488</b>
Additional Tier 1 capital before regulatory adjustments	-	-
Regulatory adjustments on additional Tier 1 capital	-	-
<b>Additional Tier 1 (AT1) capital, total</b>	<b>-</b>	<b>-</b>
<b>Tier 1 capital (T1 = CET1 + AT1), total</b>	<b>490,948</b>	<b>339,488</b>
Tier 2 capital before regulatory adjustments	53,571	40,000
Regulatory adjustments on Tier 2 capital	-	-500
<b>Tier 2 (T2) capital, total</b>	<b>53,571</b>	<b>39,500</b>
<b>Total capital (TC = T1 + T2), total</b>	<b>544,519</b>	<b>378,988</b>
<b>Risk-weighted assets</b>		
Credit and counterparty risk, standardised approach	2,926,776	2,281,829
Credit valuation adjustment risk (CVA)	50,949	31,658
Operational risk, basic indicator approach	322,280	233,043
<b>Risk-weighted assets, total</b>	<b>3,300,005</b>	<b>2,546,530</b>
Common Equity Tier 1 (CET1) capital ratio, %	14.88%	13.33%
Tier 1 (T1) capital ratio, %	14.88%	13.33%
Total capital (TC) ratio, %	16.50%	14.88%
<b>Leverage ratio (1,000 euros)</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Tier 1 capital	490,948	339,488
Total amount of exposures	7,749,639	6,093,644
<b>Leverage ratio</b>	<b>6.34%</b>	<b>5.57%</b>

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 (2.5%) set by the Credit Institution Act, the discretionary SREP requirement according to Pillar II, the countercyclical buffer requirement and the systematic risk buffer.

In its decision of 27 February 2023, the Finnish Financial Supervisory Authority (FIN-FSA) maintained the SREP requirement for Oma Savings Bank Plc based on the supervisory authority's estimate at 1.5% unchanged. The decision is valid until further notice from 30 June 2023, but no later than 30 June 2026. SREP requirement is possible to be partially covered by Tier 1 capital and Tier 2 capital in addition to Common Equity Tier 1. According to the overall assessment based on risk indicators, there are no grounds for applying a countercyclical buffer, and thus the Finnish Financial Authority (FIN-FSA) maintained the requirement of countercyclical buffer at its basic level of 0%.

On 30 March 2023, the Finnish Financial Supervisory Authority (FIN-FSA) imposed a systemic risk buffer requirement of 1.0% for Finnish credit institutions in order to strengthen the risk-bearing capacity of the banking

sector. The decision enters into force after a transitional period on 1 April 2024 and shall be covered by Consolidated Common Equity. In October 2023, the Finnish Financial Supervisory Authority (FIN-FSA) announced that it would set Oma Savings Bank Plc an indicative additional capital recommendation for own funds and a discretionary additional capital requirement based on the Finnish Act on Credit Institutions. The indicative additional capital recommendation of 1.0% must be covered by Common Equity Tier 1 capital and the recommendation is valid until further notice as of 31 March 2024. The discretionary additional capital requirement of 0.25% for the leverage ratio (Pillar II), must be covered by Tier 1 capital and the requirement is valid until further notice as of 31 March 2024, but no later than 31 March 2026.

The minimum requirement for own funds and eligible liabilities (MREL) imposed by the Financial Stability Authority for Oma Savings Bank Plc in the Resolution Act 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 (3.0%). On 31 December 2023, Oma Savings Bank Plc meets the set requirement with own funds.

### Group's total capital requirement

31 Dec 2023  
(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%	7.86%	259,299
AT1	1.50%	0.28%					1.78%	58,781
T2	2.00%	0.38%					2.38%	78,375
<b>Total</b>	<b>8.00%</b>	<b>1.50%</b>	<b>2.50%</b>	<b>0.01%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>12.01%</b>	<b>396,455</b>

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

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

The Group publishes information on capital adequacy and risk management compliant with Pillar III in its Capital and Risk Management Report. The document will be released as a separate report in connection with the Annual Report and it provides a more detailed description of Oma Savings Bank Group's capital adequacy and risk position. The substantial information in accordance with Pillar III will be published as a separate report alongside the Half-Year Financial Report.

# Tables and notes to the Financial Statements

## Consolidated condensed income statement

Note	(1,000 euros)	1-12/2023	1-12/2022	2023 Q4	2022 Q4
	Interest income	322,506	121,876	98,581	41,216
	Interest expenses	-125,461	-16,946	-41,674	-10,582
<b>9</b>	<b>Net interest income</b>	<b>197,045</b>	<b>104,930</b>	<b>56,907</b>	<b>30,634</b>
	Fee and commission income	56,621	46,270	15,000	10,429
	Fee and commission expenses	-9,200	-6,873	-2,812	-2,187
<b>10</b>	<b>Fee and commission income and expenses, net</b>	<b>47,421</b>	<b>39,396</b>	<b>12,188</b>	<b>8,242</b>
<b>11</b>	<b>Net income on financial assets and financial liabilities</b>	<b>-1,875</b>	<b>-5,306</b>	<b>-2,234</b>	<b>-154</b>
	Other operating income	4,476	5,371	330	997
	<b>Total operating income</b>	<b>247,067</b>	<b>144,392</b>	<b>67,190</b>	<b>39,719</b>
	Personnel expenses	-29,611	-24,316	-7,898	-5,601
	Other operating expenses	-52,517	-41,203	-13,393	-11,236
	Depreciation, amortisation and impairment losses on tangible and intangible assets	-8,422	-7,543	-2,192	-1,872
	<b>Total operating expenses</b>	<b>-90,550</b>	<b>-73,062</b>	<b>-23,483</b>	<b>-18,709</b>
<b>12</b>	<b>Impairment losses on financial assets, net</b>	<b>-17,126</b>	<b>-1,747</b>	<b>-7,269</b>	<b>-1,315</b>
	Share of profit of equity accounted entities	-1,344	-357	-891	-410
	<b>Profit before taxes</b>	<b>138,048</b>	<b>69,226</b>	<b>35,546</b>	<b>19,285</b>
	Income taxes	-27,997	-13,847	-7,361	-4,024
	<b>Profit for the accounting period</b>	<b>110,051</b>	<b>55,379</b>	<b>28,185</b>	<b>15,262</b>
	<b>Of which:</b>				
	Shareholders of Oma Savings Bank Plc	110,051	55,382	28,185	15,262
	Non-controlling interest	-	-2	-	-
	<b>Total</b>	<b>110,051</b>	<b>55,379</b>	<b>28,185</b>	<b>15,262</b>
	<b>Earnings per share (EPS), EUR</b>	<b>3.49</b>	<b>1.85</b>	<b>0.85</b>	<b>0.51</b>
	<b>Earnings per share (EPS) after dilution, EUR</b>	<b>3.47</b>	<b>1.83</b>	<b>0.85</b>	<b>0.51</b>

## Profit before taxes excluding items affecting comparability

(1,000 euros)	1-12/2023	1-12/2022	2023 Q4	2022 Q4
<b>Profit before taxes</b>	<b>138,048</b>	<b>69,226</b>	<b>35,546</b>	<b>19,285</b>
<b>Operating income:</b>				
Net income on financial assets and liabilities	1,875	5,306	2,234	154
<b>Operating expenses</b>				
Costs relating to business combinations	3,292	1,318	615	1,318
Expenses from the co-operation negotiations	394	-	394	-
<b>Comparable profit before taxes</b>	<b>143,609</b>	<b>75,850</b>	<b>38,790</b>	<b>20,758</b>
Income taxes in income statement	-27,997	-13,847	-7,361	-4,024
Change of deferred taxes	-1,112	-1,325	-649	-294
<b>Comparable profit/loss for the accounting period</b>	<b>114,500</b>	<b>60,679</b>	<b>30,780</b>	<b>16,440</b>

## Consolidated statement of comprehensive income

(1,000 euros)	1-12/2023	1-12/2022	2023 Q4	2022 Q4
<b>Profit for the accounting period</b>	<b>110,051</b>	<b>55,379</b>	<b>28,185</b>	<b>15,262</b>
<b>Other comprehensive income before taxes</b>				
<b>Items that will not be reclassified through profit or loss</b>				
Gains and losses on remeasurements from defined benefit pension plans	191	364	191	364
<b>Items that may later be reclassified through profit or loss</b>				
Measured at fair value, net	18,012	-94,917	10,906	-1,871
Transferred to Income Statement as a reclassification change	422	-97	38	-
<b>Other comprehensive income before taxes</b>	<b>18,624</b>	<b>-94,650</b>	<b>11,135</b>	<b>-1,507</b>
<b>Income taxes</b>				
<b>For items that will not be reclassified to profit or loss</b>				
Gains and losses on remeasurements from defined benefit pension plans	-38	-73	-38	-73
<b>Items that may later be reclassified to profit or loss</b>				
Measured at fair value	-3,687	19,003	-2,189	374
<b>Income taxes</b>	<b>-3,725</b>	<b>18,930</b>	<b>-2,227</b>	<b>301</b>
<b>Other comprehensive income for the accounting period after taxes</b>	<b>14,899</b>	<b>-75,720</b>	<b>8,908</b>	<b>-1,206</b>
<b>Comprehensive income for the accounting period</b>	<b>124,950</b>	<b>-20,340</b>	<b>37,093</b>	<b>14,056</b>
<b>Attributable to:</b>				
Shareholders of Oma Savings Bank Plc	124,950	-20,338	37,093	14,056
Non-controlling interest	-	-2	-	-
<b>Total</b>	<b>124,950</b>	<b>-20,340</b>	<b>37,093</b>	<b>14,056</b>

## Consolidated condensed balance sheet

Note	Assets (1,000 euros)	31 Dec 2023	31 Dec 2022
	Cash and cash equivalents	682,117	402,030
4	Loans and advances to credit institutions	192,305	114,655
4	Loans and advances to the public and public sector entities	5,997,074	4,754,036
5	Financial derivatives	44,924	1,931
6	Investment assets	561,414	552,633
	Equity accounted entities	24,131	25,351
	Intangible assets	8,801	8,174
	Goodwill	4,837	454
	Tangible assets	34,594	28,799
	Other assets	75,097	31,778
	Deferred tax assets	17,610	21,924
	<b>Assets, total</b>	<b>7,642,906</b>	<b>5,941,766</b>

Note	Liabilities (1,000 euros)	31 Dec 2023	31 Dec 2022
7	Liabilities to credit institutions	165,255	242,543
7	Liabilities to the public and public sector entities	3,778,310	3,112,464
5	Financial derivatives	9,455	4,184
8	Debt securities issued to the public	2,930,058	2,086,950
	Subordinated liabilities	60,000	40,000
	Provisions and other liabilities	113,297	54,111
	Deferred tax liabilities	42,899	36,072
	Current income tax liabilities	2,580	482
	<b>Liabilities, total</b>	<b>7,101,854</b>	<b>5,576,806</b>

	Equity	31 Dec 2023	31 Dec 2022
	Share capital	24,000	24,000
	Reserves	148,822	68,822
	Retained earnings	368,230	272,139
	<b>Shareholders of Oma Savings Bank Plc</b>	<b>541,052</b>	<b>364,961</b>
	Shareholders of Oma Savings Bank Plc	541,052	364,961
	<b>Equity, total</b>	<b>541,052</b>	<b>364,961</b>
	<b>Liabilities and equity, total</b>	<b>7,642,906</b>	<b>5,941,766</b>

	Group's off-balance sheet commitments (1,000 euros)	31 Dec 2023	31 Dec 2022
	<b>Off-balance sheet commitments</b>		
	Guarantees and pledges	41,926	34,774
	<b>Commitments given to a third party on behalf of a customer</b>	<b>41,926</b>	<b>34,774</b>
	Undrawn credit facilities	330,599	291,184
	<b>Irrevocable commitments given in favour of a customer</b>	<b>330,599</b>	<b>291,184</b>
	<b>Group's off-balance sheet commitments, total</b>	<b>372,525</b>	<b>325,958</b>

## 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
<b>31 Dec 2023</b>								
<b>Equity, 1 January 2023</b>	<b>24,000</b>	<b>-76,503</b>	<b>145,324</b>	<b>68,822</b>	<b>272,139</b>	<b>364,961</b>	-	<b>364,961</b>
<b>Comprehensive income</b>								
Profit for the accounting period	-	-	-	-	110,051	110,051	-	110,051
Other comprehensive income	-	14,747	-	14,747	153	14,899	-	14,899
<b>Comprehensive income, total</b>	<b>-</b>	<b>14,747</b>	<b>-</b>	<b>14,747</b>	<b>110,204</b>	<b>124,950</b>	<b>-</b>	<b>124,950</b>
<b>Transactions with owners</b>								
Emission of new shares	-	-	65,001	65,001	-	65,001	-	65,001
Repurchase/sale of own shares	-	-	-	-	-1,556	-1,556	-	-1,556
Distribution of dividends	-	-	-	-	-13,270	-13,270	-	-13,270
Share-based incentive scheme	-	-	-	-	552	552	-	552
Other changes	-	-	252	252	162	414	-	414
<b>Transactions with owners, total</b>	<b>-</b>	<b>-</b>	<b>65,253</b>	<b>65,253</b>	<b>-14,112</b>	<b>51,141</b>	<b>-</b>	<b>51,141</b>
<b>Equity total, 31 December 2023</b>	<b>24,000</b>	<b>-61,756</b>	<b>210,578</b>	<b>148,822</b>	<b>368,230</b>	<b>541,052</b>	<b>-</b>	<b>541,052</b>

	Share capital	Fair value reserve	Other reserves	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
<b>31 Dec 2022</b>								
<b>Equity, 1 January 2022</b>	<b>24,000</b>	<b>-492</b>	<b>145,324</b>	<b>144,833</b>	<b>231,939</b>	<b>400,772</b>	<b>522</b>	<b>401,294</b>
<b>Comprehensive income</b>								
Profit for the accounting period	-	-	-	-	55,382	55,382	-2	55,379
Other comprehensive income	-	-76,011	-	-76,011	291	-75,720	-	-75,720
<b>Comprehensive income, total</b>	<b>-</b>	<b>-76,011</b>	<b>-</b>	<b>-76,011</b>	<b>55,673</b>	<b>-20,338</b>	<b>-2</b>	<b>-20,340</b>
<b>Transactions with owners</b>								
Emission of new shares	-	-	-	-	-	-	-	-
Repurchase/sale 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
<b>Transactions with owners, total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-15,473</b>	<b>-15,473</b>	<b>-520</b>	<b>-15,993</b>
<b>Equity total, 31 December 2022</b>	<b>24,000</b>	<b>-76,503</b>	<b>145,324</b>	<b>68,822</b>	<b>272,139</b>	<b>364,961</b>	<b>-</b>	<b>364,961</b>

## Consolidated condensed cash flow statement

Note	(1,000 euros)	1-12/2023	1-12/2022
<b>Cash flow from operating activities</b>			
	Profit/loss for the accounting period	110,051	55,379
	Changes in fair value	2,104	414
	Share of profit of equity accounted entities	1,344	357
11	Depreciation and impairment losses on investment properties	59	41
	Depreciation, amortisation and impairment losses on tangible and intangible assets	8,422	7,543
	Gains and losses on sales of tangible and intangible assets	-	-273
12	Impairment and expected credit losses	17,126	1,747
	Income taxes	27,997	13,847
	Other adjustments	9,446	-21,329
	Adjustments to the profit/loss of the accounting period	66,498	2,346
	<b>Cash flow from operations before changes in receivables and liabilities</b>	<b>176,549</b>	<b>57,725</b>
<b>Increase (-) or decrease (+) in operating assets</b>			
	Debt securities	58,741	-17,330
	Loans and advances to credit institutions	45,052	-1,391
	Loans and advances to customers	-254,038	-460,913
	Derivatives in hedge accounting	246	114
	Investment assets	-758	10,463
	Other assets	-37,101	14,502
	<b>Total</b>	<b>-187,859</b>	<b>-454,556</b>
<b>Increase (+) or decrease (-) in operating liabilities</b>			
	Liabilities to credit institutions	-288,103	57,953
	Deposits	-289,309	218,242
	Provisions and other liabilities	28,639	11,131
	<b>Total</b>	<b>-548,773</b>	<b>287,326</b>
	<b>Paid income taxes</b>	<b>-17,796</b>	<b>-15,679</b>
	<b>Total cash flow from operating activities</b>	<b>-577,879</b>	<b>-125,184</b>
<b>Cash flow from investments</b>			
	Investments in tangible and intangible assets	-6,559	-3,554
	Proceeds from sales of tangible and intangible assets	-	742
	Acquisition of associated companies and joint ventures	-3,270	-1,500
	Changes in other investments	-	246
	<b>Total cash flow from investments</b>	<b>-9,829</b>	<b>-4,066</b>
<b>Cash flows from financing activities</b>			
	Other cash increases in equity items	252	-
	Repurchase of own shares	-2,054	-367
	Subordinated liabilities, changes	20,000	25,000
	Debt securities issued to the public	832,413	353,049
	Acquisition or sale of business	143,071	-28
	Payments of lease liabilities	-3,442	-2,517
	Dividends paid	-13,270	-15,010
	<b>Total cash flows from financing activities</b>	<b>976,971</b>	<b>360,128</b>
	<b>Net change in cash and cash equivalents</b>	<b>389,262</b>	<b>230,878</b>
	<b>Cash and cash equivalents at the beginning of the accounting period</b>	<b>484,660</b>	<b>253,782</b>
	<b>Cash and cash equivalents at the end of the accounting period</b>	<b>873,923</b>	<b>484,660</b>
<b>Cash and cash equivalents are formed by the following items</b>			
3	Cash and cash equivalents	682,117	402,030
4	Receivables from credit institutions repayable on demand	191,805	82,630
	<b>Total</b>	<b>873,923</b>	<b>484,660</b>
	<b>Received interest</b>	<b>290,255</b>	<b>110,342</b>
	<b>Paid interest</b>	<b>-101,834</b>	<b>-10,848</b>
	<b>Dividends received</b>	<b>179</b>	<b>449</b>



## Consolidated condensed income statement, quarterly trend

Note	(1 000 euros)	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4
	Interest income	98,581	90,051	78,281	55,593	41,216
	Interest expenses	-41,674	-35,372	-29,046	-19,369	-10,582
<b>9</b>	<b>Interest income, net</b>	<b>56,907</b>	<b>54,679</b>	<b>49,236</b>	<b>36,224</b>	<b>30,634</b>
	Fee and commission income	15,000	14,858	14,640	12,123	10,429
	Fee and commission expenses	-2,812	-2,632	-2,085	-1,670	-2,187
<b>10</b>	<b>Fee and commission income and expenses, net</b>	<b>12,188</b>	<b>12,226</b>	<b>12,555</b>	<b>10,453</b>	<b>8,242</b>
<b>11</b>	<b>Net income on financial assets and financial liabilities</b>	<b>-2,234</b>	<b>-1,084</b>	<b>424</b>	<b>1,019</b>	<b>-154</b>
	Other operating income	330	178	967	3,002	997
	<b>Operating income, total</b>	<b>67,190</b>	<b>65,999</b>	<b>63,181</b>	<b>50,697</b>	<b>39,719</b>
	Personnel expenses	-7,898	-7,295	-8,456	-5,962	-5,601
	Other operating expenses	-13,393	-10,352	-11,121	-17,652	-11,236
	Depreciation, amortisation and impairment losses on tangible and intangible assets	-2,192	-2,178	-2,097	-1,954	-1,872
	<b>Operating expenses, total</b>	<b>-23,483</b>	<b>-19,824</b>	<b>-21,674</b>	<b>-25,568</b>	<b>-18,709</b>
<b>12</b>	<b>Impairment losses on financial assets, net</b>	<b>-7,269</b>	<b>-5,548</b>	<b>-2,714</b>	<b>-1,595</b>	<b>-1,315</b>
	Share of profit from joint ventures and associated companies	-891	-120	-94	-238	-410
	<b>Profit before taxes</b>	<b>35,546</b>	<b>40,506</b>	<b>38,699</b>	<b>23,296</b>	<b>19,285</b>
	Income taxes	-7,361	-8,181	-7,829	-4,625	-4,024
	<b>Profit for the accounting period</b>	<b>28,185</b>	<b>32,325</b>	<b>30,870</b>	<b>18,671</b>	<b>15,262</b>
	<b>Of which:</b>					
	Shareholders of Oma Savings Bank Plc	28,185	32,325	30,870	18,671	15,262
	<b>Total</b>	<b>28,185</b>	<b>32,325</b>	<b>30,870</b>	<b>18,671</b>	<b>15,262</b>
	<b>Earnings per share (EPS), EUR</b>	<b>0.85</b>	<b>0.97</b>	<b>0.93</b>	<b>0.59</b>	<b>0.51</b>
	<b>Earnings per share (EPS) after dilution, EUR</b>	<b>0.85</b>	<b>0.97</b>	<b>0.93</b>	<b>0.59</b>	<b>0.51</b>
	<b>Profit before taxes excluding items affecting comparability:</b>					
	<b>Profit before taxes</b>	<b>35,546</b>	<b>40,506</b>	<b>38,699</b>	<b>23,296</b>	<b>19,285</b>
	<b>Operating income:</b>					
	Net income on financial assets and liabilities	2,234	1,084	-424	-1,019	154
	<b>Operating expenses</b>					
	Costs relating to business combinations	615	250	547	1,879	1,318
	Expenses from the co-operation negotiations	394	-	-	-	-
	<b>Comparable profit before taxes</b>	<b>38,790</b>	<b>41,840</b>	<b>38,822</b>	<b>24,157</b>	<b>20,758</b>
	Income taxes in income statement	-7,361	-8,181	-7,829	-4,625	-4,024
	Change of deferred taxes	-649	-267	-25	-172	-294
	<b>Comparable profit/loss for the accounting period</b>	<b>30,780</b>	<b>33,392</b>	<b>30,968</b>	<b>19,360</b>	<b>16,440</b>

# Note 1 Accounting principles for the Financial Statements Release

## 1. About the accounting principles

The Group's parent Company is Oma Savings Bank Plc, whose domicile is in Seinäjoki and head office is in Lappeenranta, Valtakatu 32, 53100 Lappeenranta. Copies of the Financial Statements, Financial Statements Release, Interim and Half-Year Financial Reports are available on the bank's website [www.omasp.fi](http://www.omasp.fi).

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 43.3%

### Joint ventures

- Figure Taloushallinto Oy holding 25%
- Deleway Projects Oy holding 49%
- SAV-Rahoitus Oyj holding 48.2%

### Joint operations

- Housing company Seinäjoen Oma Savings Bank house holding 30.5%

The Financial Statements Release is drawn up in accordance with the IAS 34 *Interim Financial Reporting* standard. The accounting principles for Financial Statements Release are the same as for the 2022 Financial Statements.

The figures of the Financial Statements Release 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 Board of Directors has approved the Financial Statements Release 1 January – 31 December 2023 in its meeting on 5 February 2024.

## 2. Changes to the accounting principles

Future new standards, changes to standards or interpretations effective or published on 1 January 2023 have not a material impact on the consolidated financial statements. Furthermore, future new standards or changes to standards published by the IASB are not expected to have a material impact on the consolidated financial statements.

## 3. Accounting principles and uncertainties related to estimates requiring management's judgement

The preparation of this Financial Statements Release in accordance with IFRS has required certain estimates and assumptions from the Group's management that affects the number of items presented in the Financial Statements Release and the information provided in the notes. The management's key estimates concern the future and key uncertainties about the reporting date. They relate to, among other things, fair value assessment, impairment of financial assets, loans and other assets, investment assets and tangible and intangible assets. Although the estimates are based on the management's current best view, it is possible that the realisations differ from the estimates used in the Financial Statements Release.

The uncertainties contained in the accounting principles that require management's judgement and those contained in the estimates are described in the 2022 Financial Statements. Uncertainty in the economic environment due to the effects of inflation and the continuing increase in interest rates may bring changes to the estimates presented in the Financial Statements that require management judgement.

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 considered in the recognition of on-demand credit losses.

The Company has not made any significant changes to the calculation model during the financial year, but the calculation parameters used as input data for the model have been updated as part of the development of the ECL model during the fourth quarter. The calculation of expected credit losses is based on coherent calculation rules and on calculation portfolio-based credit risk models, which are used to define the calculation parameters. The Group's loan portfolio is divided into following calculation portfolios:

- Private customers
- SME customers
- Other housing associations
- Other agricultural customers
- Other customers

The portfolios of private customers and the SME customers form the two clearly largest calculation portfolios. Calculation of the expected credit loss on each portfolio is based on the amount of the liability at the time of the Exposure at Default (EAD), the Probability of Default (PD) and the Loss Given Default (LGD). As a basis in the determination of the parameters, the Company uses the historical payment behavior of the customer and customer data as well as the liability and the collateral value. The forward-looking determination on values of the PD variables and the LGD variables makes use of macroeconomic forecasts for the future development of the Finnish economy, i.e. the change in GDP, housing price development and the number of employed.

Determining fair values in a business combination requires judgement on the part of the Company's management regarding the recording of the transferred consideration and identifiable assets, liabilities and contingent liabilities and valuing them at fair value. The receivables transferred in connection with the acquisition of Liedon Savings Bank's business were valued at fair value in connection with the acquisition. The fair value adjustment based on management's judgement amounts to a total of EUR 7.3 million at the time of reporting. In addition, in connection with the acquisition, the Company recognised a liability of EUR 15.0 million at fair value through profit or loss for the

five-year periodic concerning the liability of Liedon Savings Bank as a credit institution member leaving the consortium of Savings Banks. The amount of the liability at fair value through profit and loss is unchanged in the review period. During the reporting period, the amount of liability at fair value through profit and loss in connection with Eurajoen Savings Bank's business transaction has been reassessed and the amount of debt has been reduced by EUR 0.7 million.

## Note 2 Risk management

### 1. Liquidity risk

During 2023, strongly rising interest rates turned to decline in the last quarter of the year. However, inflationary pressures will remain at a higher level than normal as a result of low unemployment and higher wage levels, when interest rates will presumably continue to show large swings during 2024. The new interest environment is also reflected in the competitive bidding of deposits, as banks offer an even higher deposit rate. At the same time, households' overall savings development in Finland is on the decline, as the vast majority of available funds go to consumption instead of saving as a result of the increased cost of living for consumption. Despite the general uncertainty in the economy, the Company's liquidity has remained stable thanks to a broad financing base. The Company further strengthened its liquidity by issuing a covered bond in November 2023. With the issuance, the Company will refinance the EUR 300 million covered bond maturing at the beginning of April 2024.

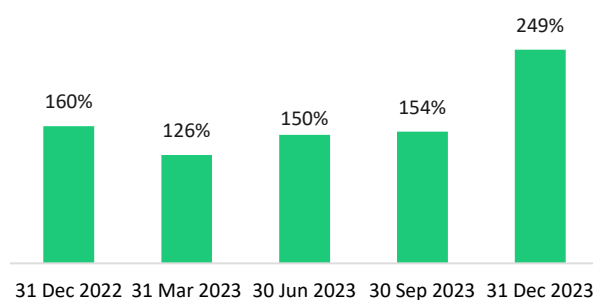
The management of Oma Savings Bank Plc's liquidity risk is based on the Company's ability to procure sufficient cash that is competitive in price in both the short and long term. A key component of liquidity risk management is the planning of the liquidity position in both the short and long term. Additionally, the planning of the liquidity reserve prepares for deteriorating economic conditions in the market and possible changes in 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 Company's liquidity is monitored daily by the Company's Treasury unit. The main objective of the Treasury unit is to ensure that the liquidity position always remains above the regulated and internally set threshold values. The function monitors and measures the amounts of incoming and outgoing cash flows and assesses the possible occurrence of liquidity shortfalls over the course of the day.

The Group's liquidity ratio (LCR), which describes short-term liquidity, was 248.9% on 31 December

2023. The Company's liquidity has remained strong despite uncertain market situation.

The Company has increased buffers in response to a weakening economic cycle and continues to maintain and strengthen liquidity and capital buffers. During the first quarter of the year, the Company issued a debenture loan, with which it increased capital buffers. The bonds issued in spring and in November, in turn, strengthened the liquidity position and reduced refinancing risk. In addition, the Company has implemented hedging operations against interest rate risk.

LCR quarterly



### 2. Credit risk

Credit risk refers to the risk that a contracting party to a financial instrument will not be able to meet its obligations, thereby causing the other party a financial loss. Oma Savings Bank Plc's credit risk primarily consists of exposures secured by immovable property, retail exposures and corporate loans. 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 risk management and procedures have been described in Note G2 of the 2022 Financial Statements.

The rise in interest rates and costs, as well as the waning of economic growth, have increased customers' payment difficulties, and this is reflected in the increase in insolvent loans and expected credit losses. The share of short arrears, on the other hand, has remained at a low level.

Share of insolvent responsibilities of total loan portfolio was 2.1 (1.6)% in the end of the review period. At the same time matured and non-performing receivables from the loan portfolio rose and were 2.9 (2.2)%. The Company monitors the development of possible payment delays and repayment exemption applications as well as the development of values of collaterals.

### **2.1 Allowances based on the management's judgement**

During the review period, the company released a fair value adjustment of EUR 0.7 million related to Liedon Savings Bank's corporate restructuring and an additional LGD allowance of EUR 0.7 million related to the correction of ECL model for private customers. As a result of the final credit loss write-offs, additional allowances that had been made in anticipation of credit losses were released in the last quarter by EUR 12.5 million. In addition, an additional allowance of EUR 1.0 million was made due to uncertainties in the economic environment.

### **2.2 Distribution by risk class**

The Company classifies its customers into risk classes based on information available on the counterparty. The classification uses its own internal assessment and external credit rating data. Monitoring is continuous and can lead to a transfer from one risk class to another.

In lending, risk concentration may occur, 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.

## Matured and non-performing exposures and forbearances

(1,000 euros)	31 Dec 2023	% of credit portfolio	31 Dec 2022	% of credit portfolio
Matured exposures, 30-90 days	31,253	0.5%	18,509	0.4%
Non-matured or matured less than 90 days, non-repayment likely	89,842	1.5%	47,497	1.0%
Non-performing exposures, 90-180 days	16,950	0.3%	5,635	0.1%
Non-performing exposures, 181 days - 1 year	14,374	0.2%	6,186	0.1%
Non-performing exposures, > 1 year	21,882	0.4%	28,252	0.6%
<b>Matured and non-performing exposures total</b>	<b>174,301</b>	<b>2.9%</b>	<b>106,080</b>	<b>2.2%</b>
Performing exposures and matured exposures with forbearances	74,099	1.2%	62,011	1.3%
Non-performing exposures with forbearances	57,593	1.0%	33,376	0.7%
<b>Forbearances total</b>	<b>131,692</b>	<b>2.2%</b>	<b>95,387</b>	<b>2.0%</b>

Figures include interest due on items.

## Geographic breakdown of collaterals

31 Dec 2023 (1 000 euros)

Region	Collateral value	Share (%)
Southwest Finland	2,045,862,166	27.0%
South Ostrobothnia	1,077,114,988	14.2%
Uusimaa	908,331,623	12.0%
Pirkanmaa	759,812,469	10.0%
Satakunta	511,233,175	6.7%
South Karelia	482,921,258	6.4%
Kymenlaakso	269,011,809	3.5%
Kanta-Häme	260,446,757	3.4%
Central Finland	242,616,583	3.2%
South Savo	201,810,725	2.7%
North Ostrobothnia	183,107,066	2.4%
Päijät-Häme	172,003,294	2.3%
North Karelia	161,412,863	2.1%
Other regions	306,137,487	4.0%
<b>Total</b>	<b>7,581,822,263</b>	<b>100.0%</b>

## Loans and receivables and off-balance sheet commitments by risk rating and credit risk concentrations

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

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

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

Other customers are based on the Company'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.

During the third quarter of the year the Company updated its internal credit risk models and due to this the comparison is not fully comparable. The update has increased the number of risk grades for private and corporate customers which is why the risk ratings shown in the below tables have been redefined. Risk grades have not been calculated retroactively for the customers and due to this the comparison figures are not updated. Comparison figures per risk rating are the same as has been previously reported.

### Private customers

Loans and receivables and off-balance sheet commitments	31 Dec 2023	31 Dec 2022
Risk rating 1	1,491,431	1,562,267
Risk rating 2	2,040,053	1,206,970
Risk rating 3	132,059	117,572
Risk rating 4	84,935	101,218
No rating	2,671	4,130
<b>Capital items by risk category, total</b>	<b>3,751,150</b>	<b>2,992,157</b>
Loss allowance	19,495	10,102
<b>Total</b>	<b>3,731,655</b>	<b>2,982,055</b>

### Corporates

Loans and receivables and off-balance sheet commitments	31 Dec 2023	31 Dec 2022
Risk rating 1	479,239	432,174
Risk rating 2	614,543	535,879
Risk rating 3	196,319	124,924
Risk rating 4	60,964	104,505
No rating	405	-
<b>Capital items by risk category, total</b>	<b>1,351,470</b>	<b>1,197,482</b>
Loss allowance	11,964	13,882
<b>Total</b>	<b>1,339,506</b>	<b>1,183,601</b>

### Housing associations

Loans and receivables and off-balance sheet commitments	31 Dec 2023	31 Dec 2022
Risk rating 1	651,897	328,309
Risk rating 2	73,089	125,284
Risk rating 3	29,462	20,208
Risk rating 4	2,817	6,934
<b>Capital items by risk category, total</b>	<b>757,264</b>	<b>480,734</b>
Loss allowance	449	255
<b>Total</b>	<b>756,815</b>	<b>480,480</b>

## Agriculture

Loans and receivables and off-balance sheet commitments	31 Dec 2023	31 Dec 2022
Risk rating 1	109,179	55,670
Risk rating 2	159,145	162,555
Risk rating 3	22,332	50,930
Risk rating 4	17,331	10,024
No rating	6,454	157
<b>Capital items by risk category, total</b>	<b>314,442</b>	<b>279,336</b>
Loss allowance	3,146	824
<b>Total</b>	<b>311,296</b>	<b>278,512</b>

## Others

Loans and receivables and off-balance sheet commitments	31 Dec 2023	31 Dec 2022
Risk rating 1	96,123	73,979
Risk rating 2	76,829	29,146
Risk rating 3	932	1,157
Risk rating 4	42	22
<b>Capital items by risk category, total</b>	<b>173,926</b>	<b>104,304</b>
Loss allowance	674	68
<b>Total</b>	<b>173,252</b>	<b>104,236</b>

## Debt securities

	31 Dec 2023	31 Dec 2022
Risk rating 1	476,133	471,772
Risk rating 2	1,366	371
Risk rating 3	252	-
Risk rating 4	-	83
No rating	68,425	68,055
<b>Capital items by risk category, total</b>	<b>546,177</b>	<b>540,281</b>
Loss allowance	478	438
<b>Total</b>	<b>545,699</b>	<b>539,843</b>

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 2023	31 Dec 2022
Enterprises	1,150,587	726,995	223,868	63,856	6,406	2,171,713	1,708,929
Real estate	789,653	321,255	124,932	15,127	-	1,250,967	888,856
Agriculture	2,341	50,673	1,323	1,268	6,002	61,607	48,015
Construction	61,997	42,817	14,809	6,022	-	125,645	120,465
Accommodation and food service activities	25,546	37,440	17,813	3,956	-	84,755	74,663
Wholesale and retail	80,829	76,636	19,660	5,570	-	182,695	188,307
Finance and insurance	16,143	24,115	4,230	12	-	44,500	55,607
Others	174,078	174,058	41,101	31,901	405	421,542	333,016
Public entities	1,276	15,209	-	-	-	16,486	3,617
Non-profit communities	15,929	18,812	91	-	-	34,832	29,383
Financial and insurance institutions	60,460	42,633	842	42	-	103,977	70,918
Households	1,599,617	2,160,010	156,304	102,191	3,124	4,021,245	3,241,167
<b>Total</b>	<b>2,827,870</b>	<b>2,963,659</b>	<b>381,105</b>	<b>166,089</b>	<b>9,530</b>	<b>6,348,252</b>	<b>5,054,014</b>



### 3. Operational risk

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Oma Savings Bank Plc's most significant source of operational risk is cyber risks. The operational environment has changed with the Russian invasion war and the likelihood of a cyberattack has increased.

The IT-risk is protected with many different methods and protection against cyberattacks applies not only to the IT environment but also to the entire personnel. Cyber threats and other risks, such as interruptions of electricity supply, 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 by assessing various threat scenarios and their probabilities and impacts. The authorities have also developed their own precautionary measures.

## Note 3 Classification of financial assets and liabilities

Assets (1,000 euros)		Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	Carrying value, total	Fair value
31 Dec 2023	Amortised cost					
Cash and cash equivalents	682,117	-	-	-	682,117	682,117
Loans and advances to credit institutions	192,305	-	-	-	192,305	192,305
Loans and advances to customers	5,997,074	-	-	-	5,997,074	5,997,074
Derivatives, hedge accounting	-	-	-	44,924	44,924	44,924
Debt instruments	-	545,699	1,030	-	546,729	546,729
Equity instruments	-	-	13,519	-	13,519	13,519
<b>Financial assets, total</b>	<b>6,871,497</b>	<b>545,699</b>	<b>14,549</b>	<b>44,924</b>	<b>7,476,669</b>	<b>7,476,669</b>
Investments in associated companies					24,131	24,131
Investment properties					1,167	1,167
Other assets					140,939	140,939
<b>Assets, total</b>	<b>6,871,497</b>	<b>545,699</b>	<b>14,549</b>	<b>44,924</b>	<b>7,642,906</b>	<b>7,642,906</b>

Liabilities (1,000 euros)		Hedging derivatives	Carrying value, total	Fair value
31 Dec 2023	Other liabilities			
Liabilities to credit institutions	165,255	-	165,255	165,255
Liabilities to customers	3,778,310	-	3,778,310	3,778,310
Derivatives, hedge accounting	-	9,455	9,455	9,455
Debt securities issued to the public	2,930,058	-	2,930,058	2,930,058
Subordinated liabilities	60,000	-	60,000	60,000
<b>Financial liabilities, total</b>	<b>6,933,623</b>	<b>9,455</b>	<b>6,943,078</b>	<b>6,943,078</b>
Non-financial liabilities			158,776	158,776
<b>Liabilities, total</b>	<b>6,933,623</b>	<b>9,455</b>	<b>7,101,854</b>	<b>7,101,854</b>

Assets (1,000 euros)		Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	Carrying value, total	Fair value
31 Dec 2022	Amortised cost					
Cash and cash equivalents	402,030	-	-	-	402,030	402,030
Loans and advances to credit institutions	114,655	-	-	-	114,655	114,655
Loans and advances to 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
<b>Financial assets, total</b>	<b>5,270,721</b>	<b>539,843</b>	<b>11,463</b>	<b>1,931</b>	<b>5,823,958</b>	<b>5,823,958</b>
Investments in associated companies					25,351	25,351
Investment properties					1,328	1,431
Other assets					91,130	91,130
<b>Assets, total</b>	<b>5,270,721</b>	<b>539,843</b>	<b>11,463</b>	<b>1,931</b>	<b>5,941,766</b>	<b>5,941,870</b>

Liabilities (1,000 euros)		Hedging derivatives	Carrying value, total	Fair value
31 Dec 2022	Other liabilities			
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
<b>Financial liabilities, total</b>	<b>5,481,957</b>	<b>4,184</b>	<b>5,486,141</b>	<b>5,486,141</b>
Non-financial liabilities			90,665	90,665
<b>Liabilities, total</b>	<b>5,481,957</b>	<b>-</b>	<b>5,576,806</b>	<b>5,576,806</b>

## Note 4 Loans and advances

(1,000 euros)	31 Dec 2023	31 Dec 2022
<b>Loans and advances to credit institutions</b>		
Deposits	191,805	82,630
Other	500	32,026
<b>Loans and advances to credit institutions, total</b>	<b>192,305</b>	<b>114,655</b>
<b>Loans and advances to the public and public sector entities</b>		
Loans	5,871,747	4,656,941
Utilised overdraft facilities	65,637	53,670
Loans intermediated through the State's assets	20	29
Credit cards	58,929	43,029
Bank guarantee receivables	741	367
<b>Loans and advances to the public and public sector entities, total</b>	<b>5,997,074</b>	<b>4,754,036</b>
<b>Loans and advances, total</b>	<b>6,189,379</b>	<b>4,868,691</b>

Loans and advances to credit institutions, item Other includes the minimum reserve deposit with the Bank of Finland. The recording policy for the minimum reserve deposit has been changed, and from 30 June 2023, the deposit will be presented as the amount of the balance requirement on the last day of the reporting period.

Reconciliations from the opening and the closing balances of the expected credit losses are presented in Note 12 Impairment losses on financial assets.

## Note 5 Financial derivatives

Assets (1,000 euros)	31 Dec 2023	31 Dec 2022
<b>Fair value hedge</b>		
Interest rate derivatives	44,924	1,929
<b>Other hedging derivatives</b>		
Share and share index derivatives	-	2
<b>Derivative assets, total</b>	<b>44,924</b>	<b>1,931</b>

Liabilities (1,000 euros)	31 Dec 2023	31 Dec 2022
<b>Fair value hedge</b>		
Interest rate derivatives	9,455	4,184
<b>Derivative liabilities, total</b>	<b>9,455</b>	<b>4,184</b>

### Fair value of hedge items on hedge accounting (1,000 euros)

	31 Dec 2023		31 Dec 2022	
	Book value on hedge item	of which the change in the fair value of the hedged item	Book value on hedge item	of which the change in the fair value of the hedged item
<b>Fair value portfolio hedge</b>				
Loans and advances to credit institutions	227,523	9,523	218,318	318
<b>Assets, total</b>	<b>227,523</b>	<b>9,523</b>	<b>218,318</b>	<b>318</b>
Liabilities to the public and public sector entities	1,345,014	45,014	408,554	-1,446
<b>Liabilities, total</b>	<b>1,345,014</b>	<b>45,014</b>	<b>408,554</b>	<b>-1,446</b>

### Nominal values of underlying items and fair values of derivatives (1,000 euros)

31 Dec 2023	Remaining maturity			Total	Fair values	
	Less than 1	1-5 years	Over 5 years		Assets	Liabilities
<b>Fair value hedge</b>	-	<b>891,000</b>	<b>627,000</b>	<b>1,518,000</b>	<b>44,924</b>	<b>9,455</b>
Interest rate swaps	-	891,000	627,000	1,518,000	44,924	9,455
<b>Other hedging derivatives</b>	<b>12,553</b>	-	-	<b>12,553</b>	-	-
Share and share index derivatives	12,553	-	-	12,553	-	-
<b>Derivatives, total</b>	<b>12,553</b>	<b>891,000</b>	<b>627,000</b>	<b>1,530,553</b>	<b>44,924</b>	<b>9,455</b>

### Nominal values of underlying items and fair values of derivatives (1,000 euros)

31 Dec 2022	Remaining maturity			Total	Fair values	
	Less than 1	1-5 years	Over 5 years		Assets	Liabilities
<b>Fair value hedge</b>	<b>10,000</b>	<b>291,000</b>	<b>327,000</b>	<b>628,000</b>	<b>1,929</b>	<b>4,184</b>
Interest rate swaps	10,000	291,000	327,000	628,000	1,929	4,184
<b>Other hedging derivatives</b>	<b>31,328</b>	<b>12,553</b>	-	<b>43,880</b>	<b>2</b>	-
Share and share index derivatives	31,328	12,553	-	43,880	2	-
<b>Derivatives, total</b>	<b>41,328</b>	<b>303,553</b>	<b>327,000</b>	<b>671,880</b>	<b>1,931</b>	<b>4,184</b>

## Note 6 Investment assets

Investment assets (1,000 euros)	31 Dec 2023	31 Dec 2022
<b>Measured at fair value through profit or loss</b>		
Debt securities	1,030	859
Shares and other equity instruments	13,519	10,604
<b>Assets measured at fair value through profit or loss, total</b>	<b>14,549</b>	<b>11,463</b>
<b>Measured at fair value through other comprehensive income</b>		
Debt securities	545,699	539,843
Shares and other equity instruments	-	-
<b>Measured at fair value through other comprehensive income, total</b>	<b>545,699</b>	<b>539,843</b>
<b>Investment properties</b>	<b>1,167</b>	<b>1,328</b>
<b>Investment assets, total</b>	<b>561,414</b>	<b>552,633</b>

Reconciliations from the opening and the closing balances of the expected credit losses are presented in Note 12 Impairment losses on financial assets.

Changes in investment properties (1,000 euros)	31 Dec 2023	31 Dec 2022
<b>Cost January 1</b>	<b>4,199</b>	<b>4,544</b>
+ Increases	22	-
- Decreases	-	-345
+/- Transfers	-163	-
<b>Cost at the end of the period</b>	<b>4,058</b>	<b>4,199</b>
<b>Accumulated depreciation and impairment losses January 1</b>	<b>-2,871</b>	<b>-2,830</b>
+/- Accumulated depreciation of decreases and transfers	40	-
- Depreciation	-59	-41
+/- Other changes	-1	-
<b>Accumulated depreciation and impairment at the end of the period</b>	<b>-2,892</b>	<b>-2,871</b>
<b>Opening balance January 1</b>	<b>1,328</b>	<b>1,713</b>
<b>Closing balance</b>	<b>1,167</b>	<b>1,328</b>

31 Dec 2023	Equity instruments				Debt-based				All total
	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	
Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)									
Quoted									
Public sector entities	-	-	-	-	161,872	-	-	161,872	161,872
From others	-	4,214	-	4,214	383,827	115	-	383,942	388,156
Non-quoted									
From others	-	9,305	-	9,305	-	915	-	915	10,220
<b>Total</b>	-	<b>13,519</b>	-	<b>13,519</b>	<b>545,699</b>	<b>1,030</b>	-	<b>546,729</b>	<b>560,248</b>
31 Dec 2022	Equity instruments				Debt-based				All total
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	
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
<b>Total</b>	-	<b>10,604</b>	-	<b>10,604</b>	<b>539,843</b>	<b>859</b>	-	<b>540,702</b>	<b>551,306</b>

## Note 7 Liabilities to the public and public sector entities and liabilities to credit institutions

(1,000 euros)	31 Dec 2023	31 Dec 2022
Liabilities to credit institutions		
Liabilities to Central Banks	30,000	150,000
Repayable on demand	4,420	4,749
Other than repayable on demand	130,835	87,794
<b>Liabilities to credit institutions, total</b>	<b>165,255</b>	<b>242,543</b>
Liabilities to the public and public sector entities		
Deposits	3,733,280	3,113,883
Repayable on demand	3,160,301	2,817,464
Other	572,979	296,420
Other financial liabilities	16	27
Other than repayable on demand	16	27
Changes in fair value in terms of borrowing	45,014	-1,446
<b>Liabilities to the public and public sector entities, total</b>	<b>3,778,310</b>	<b>3,112,464</b>
<b>Liabilities to the public and public sector entities and liabilities to credit institutions, total</b>	<b>3,943,565</b>	<b>3,355,007</b>

The Liabilities to Central Banks item concern the secured LTRO loan taken out in September 2023. In the comparison periods, the item consisted of TLTRO credit raised in June 2020, which matured on 30 June 2023. In accordance with the IFRS 9 standard, the TLTRO loan was treated as a liability and the loan interest was revised after the loan matured.

## Note 8 Debt securities issued to the public

(1,000 euros)	31 Dec 2023	31 Dec 2022
Bonds	2,758,725	1,941,269
Certificates of deposit	171,333	145,681
<b>Debt securities issued to the public, total</b>	<b>2,930,058</b>	<b>2,086,950</b>

Bond	Nominal value		Year of issue	Due date	Closing balance	
	31 Dec 2023	Interest			31 Dec 2023	31 Dec 2022
OmaSp Plc 3.4.2024, covered bond	300,000	0.125%/fixed	2019	4/3/2024	299,914	299,579
OmaSp Plc 6.4.2023, covered bond	250,000	0.125%/fixed	2020	4/6/2023	-	249,883
OmaSp Plc 17.1.2024	55,000	margin 1%/variable	2020	1/17/2024	55,000	54,999
OmaSp Plc 25.11.2027, covered bond	650,000	0.01%/fixed	2020-2023	11/25/2027	622,126	403,908
OmaSp Plc 19.5.2025	200,000	margin 0.2%/variable	2021	5/19/2025	199,782	199,625
OmaSp Plc 18.12.2026, covered bond	600,000	1.5%/fixed	2022	12/18/2026	587,613	583,684
OmaSp Plc 26.9.2024	150,000	5%/fixed	2022	9/26/2024	149,802	149,591
OmaSp Plc 15.6.2028, covered bond	350,000	3.125%/fixed	2023	15/6/2028	347,641	-
OmaSp Plc 15.1.2029, covered bond	500,000	3.5%/fixed	2023	1/15/2029	496,848	-
					<b>2,758,725</b>	<b>1,941,269</b>

Maturity of deposit certificates	Less than 3 months	3-6 months	6-9 months	9-12 months	Closing balance, total
<b>31 Dec 2023</b>	99,464	62,221	-	9,648	<b>171,333</b>
<b>31 Dec 2022</b>	133,777	11,904	-	-	<b>145,681</b>



## Note 9 Net interest income

(1,000 euros)	1-12/2023	1-12/2022
<b>Interest income</b>		
Loans to credit institutions	11,627	1,377
Loans and advances to the public and public sector entities	266,459	108,840
Debt securities	5,102	3,104
Derivatives	37,613	6,947
Other interest income	1,705	1,608
<b>Interest income, total</b>	<b>322,506</b>	<b>121,876</b>
<b>Interest expenses</b>		
Liabilities to credit institutions	-5,099	-1,283
Liabilities to the public and public sector entities	-22,216	-1,524
Debt securities issued to the public	-54,488	-10,907
Derivative contracts	-40,775	-2,742
Subordinated liabilities	-1,754	-354
Other interest expenses	-1,130	-136
<b>Interest expenses, total</b>	<b>-125,461</b>	<b>-16,946</b>
<b>Net interest income</b>	<b>197,045</b>	<b>104,930</b>

## Note 10 Fee and commission income and expenses

(1,000 euros)	1-12/2023	1-12/2022
<b>Fee and commission income</b>		
Lending	10,156	11,925
Deposits	107	77
Card and payment transactions	33,713	24,440
Intermediated securities	-	259
Funds	6,517	4,485
Legal services	483	422
Brokered products	2,469	2,025
Granting of guarantees	2,094	1,865
Other fee and commission income	1,082	771
<b>Fee and commission income, total</b>	<b>56,621</b>	<b>46,270</b>
<b>Fee and commission expenses</b>		
Card and payment transactions	-6,653	-5,455
Securities	-1,442	-246
Other fee and commission expenses	-1,105	-1,172
<b>Fee and commission expenses, total</b>	<b>-9,200</b>	<b>-6,873</b>
<b>Fee and commission income and expenses, net</b>	<b>47,421</b>	<b>39,396</b>

## Note 11 Net income on financial assets and financial

(1,000 euros)	1-12/2023	1-12/2022
<b>Net income on financial assets measured at fair value through profit or loss</b>		
Debt securities		
Valuation gains and losses	25	-136
<b>Debt securities, total</b>	<b>25</b>	<b>-136</b>
Shares and other equity instruments		
Dividend income	217	449
Capital gains and losses	-	-203
Valuation gains and losses	-2,782	-4,828
<b>Shares and other equity instruments, total</b>	<b>-2,564</b>	<b>-4,582</b>
<b>Net income on financial assets measured at fair value through profit or loss, total</b>	<b>-2,540</b>	<b>-4,718</b>
<b>Net income on financial assets measured at fair value through other comprehensive income</b>		
Debt securities		
Capital gains and losses	610	-500
Difference in valuation reclassified from the fair value reserve to the income statement	-422	97
<b>Debt securities, total</b>	<b>188</b>	<b>-403</b>
<b>Net income on financial assets measured at fair value through other comprehensive income, total</b>	<b>188</b>	<b>-403</b>
<b>Net income from investment properties (1,000 euros)</b>		
Rent and dividend income	235	202
Capital gains and losses	-	-3
Other gains from investment properties	11	7
Maintenance expenses	-90	-53
Depreciation and impairment on investment properties	-59	-41
Rent expenses on investment properties	-10	-10
<b>Net income from investment properties, total</b>	<b>87</b>	<b>103</b>
<b>Net income on trading in foreign currencies</b>	<b>-83</b>	<b>130</b>
<b>Net income from hedge accounting</b>	<b>779</b>	<b>-414</b>
<b>Net income from trading</b>	<b>-306</b>	<b>-4</b>
<b>Net income on financial assets and financial liabilities, total</b>	<b>-1,875</b>	<b>-5,306</b>

## Note 12 Impairment losses on financial assets

(1,000 euros)	1-12/2023	1-12/2022	2023 Q4	2022 Q4
ECL on receivables from customers and off-balance sheet items	1,926	1,343	9,032	-498
ECL from debt instruments	-40	720	62	5
<b>Expected credit losses, total</b>	<b>1,885</b>	<b>2,063</b>	<b>9,094</b>	<b>-493</b>
<b>Final credit losses</b>				
Final credit losses	-20,760	-4,348	-17,127	-1,032
Refunds on realised credit losses	1,748	538	764	210
<b>Recognised credit losses, net</b>	<b>-19,012</b>	<b>-3,810</b>	<b>-16,363</b>	<b>-822</b>
<b>Impairment on financial assets, total</b>	<b>-17,126</b>	<b>-1,747</b>	<b>-7,269</b>	<b>-1,315</b>

Reconciliations from the opening and closing balances of the expected credit losses have been formed from 1 January 2023 and 31 December 2023 on the basis of changes in euro denominated loan exposures and expected credit losses.

### Expected credit losses, loans and receivables

Receivables from credit institutions and public and public entities (1,000 euros)	Stage 1	Stage 2	Stage 3	1-12/2023	1-12/2022
				Total	Total
<b>Expected credit losses 1 January</b>	<b>1,300</b>	<b>4,974</b>	<b>18,558</b>	<b>24,833</b>	<b>28,599</b>
Transfer to stage 1	-1	-483	-98	-583	-1,221
Transfer to stage 2	-128	840	-390	321	2,615
Transfer to stage 3	-27	-610	6,110	5,473	2,354
New debt securities	586	1,220	5,689	7,496	1,115
Instalments and matured debt securities	-176	-417	8,583	7,990	-2,327
Realised credit losses	-	-	-20,760	-20,760	-4,114
Recoveries on previous realised credit losses	-	-	1,748	1,748	462
Changes in credit risk	369	567	942	1,878	2,291
Changes in the ECL model parameters	-597	87	410	-100	-2,338
Changes based on management estimates	328	8,002	-1,169	7,161	-2,603
<b>Expected credit losses period end</b>	<b>1,655</b>	<b>14,180</b>	<b>19,624</b>	<b>35,458</b>	<b>24,833</b>

The Company's management has assessed the effects of the corona pandemic and the Russian invasion war on an industry-by-industry basis. In the first quarter, an additional ECL allowance based on management's judgement was released by EUR 0.9 million. During the reporting period, an additional allowance of EUR 0.7 million for LGD was released. The fair value adjustment recorded in connection with the acquisition of Liedon Savings Bank based on management's judgement has been allocated in the second quarter of EUR 0.7 million. In the last quarter, an additional allowance of EUR 1.0 million was recorded, based on management's judgement, to prepare the Company for the uncertainty of the economic environment. During the first quarter, the Company has refined the allocation of expected credit losses between levels using the flow calculation, and this has caused changes to the allocation of the initial balances at the time of reporting between levels 1 and 2. The total amount of expected credit losses has not changed with the change.

Off-balance sheet commitments (1,000 euros)	Stage 1	Stage 2	Stage 3	1-12/2023	1-12/2022
				Total	Total
<b>Expected credit losses 1 January</b>	<b>141</b>	<b>156</b>	-	<b>297</b>	<b>926</b>
Transfer to stage 1	-3	159	-	156	-63
Transfer to stage 2	13	66	-	79	160
Transfer to stage 3	-1	-8	-	-9	-3
New debt securities	58	82	-	140	304
Matured debt securities	-14	79	-	65	-287
Realised credit losses	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-
Changes in credit risk	52	162	-	214	-33
Changes in the ECL model parameters	-172	-554	-	-726	-659
Changes based on management estimates	2	50	-	53	-49
<b>Expected credit losses period end</b>	<b>78</b>	<b>192</b>	-	<b>269</b>	<b>297</b>

Expected credit losses, investment assets

Debt securities, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	1-12/2023	1-12/2022
				Total	Total
<b>Expected credit losses 1 January</b>	<b>415</b>	<b>23</b>	-	<b>438</b>	<b>1,158</b>
Transfer to stage 1	-	-	-	-	-13
Transfer to stage 2	-6	29	-	23	9
Transfer to stage 3	-	-	-	-	-
New debt securities	280	333	-	613	33
Matured debt securities	-296	-333	-	-629	-127
Realised credit losses	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-
Changes in credit risk	38	-4	-	34	-622
Changes in the ECL model parameters	-	-	-	-	-
Changes based on management estimates	-	-	-	-	-
<b>Expected credit losses period end</b>	<b>430</b>	<b>48</b>	-	<b>478</b>	<b>438</b>

## Note 13 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

	31 Dec 2023			Total
	Level 1	Level 2	Level 3	
<b>Financial assets (1,000 euros)</b>				
<b>At fair value through profit or loss</b>				
Equity securities	4,214	2,439	6,866	13,519
Debt securities	685	-	345	1,030
<b>Derivatives</b>	-	44,924	-	44,924
<b>At fair value through other comprehensive income</b>				
Debt securities	545,465	-	234	545,699
<b>Financial assets, total</b>	<b>550,364</b>	<b>47,363</b>	<b>7,445</b>	<b>605,172</b>

	31 Dec 2023			Total
	Level 1	Level 2	Level 3	
<b>Financial liabilities (1,000 euros)</b>				
<b>Derivatives</b>	-	9,455	-	9,455
<b>Financial liabilities, total</b>	-	<b>9,455</b>	-	<b>9,455</b>

	31 Dec 2023			Total
	Level 1	Level 2	Level 3	
<b>Other liabilities (1,000 euros)</b>				
<b>At fair value through profit or loss</b>				
Payment liability, consortium of Savings Banks	-	-	19,550	19,550
<b>Total</b>	-	-	<b>19,550</b>	<b>19,550</b>

	31 Dec 2022			Total
	Level 1	Level 2	Level 3	
<b>Financial assets (1,000 euros)</b>				
<b>Measured at fair value through profit or loss</b>				
Equity securities	2,375	2,018	6,211	10,604
Debt securities	660	-	199	859
<b>Derivatives</b>	-	1,931	-	1,931
<b>Measured at fair value through other comprehensive income</b>				
Debt securities	539,843	-	-	539,843
<b>Financial assets, total</b>	<b>542,878</b>	<b>3,948</b>	<b>6,410</b>	<b>553,236</b>

	31 Dec 2022			Total
	Level 1	Level 2	Level 3	
<b>Financial liabilities (1,000 euros)</b>				
<b>Derivatives</b>	-	4,184	-	4,184
<b>Financial liabilities, total</b>	-	<b>4,184</b>	-	<b>4,184</b>

	31 Dec 2022			Total
	Level 1	Level 2	Level 3	
<b>Other liabilities (1,000 euros)</b>				
<b>At fair value through profit or loss</b>				
Payment liability, consortium of Savings Banks	-	-	5,200	5,200
<b>Total</b>	-	-	<b>5,200</b>	<b>5,200</b>

### Investment transactions, categorised to Level 3

Financial assets at fair value through profit or loss (1,000 euros)	31 Dec 2023			31 Dec 2022	
	Equity securities	Debt securities	Total	Equity securities	Debt securities
<b>Opening balance</b>	<b>6,211</b>	<b>199</b>	<b>6,410</b>	<b>7,277</b>	<b>269</b>
+ Acquisitions	743	146	888	-	-
- Sales	-	-	-	-1,252	-
- Matured during the year	-	-	-	-	-
Realised changes in value +/- recognised on the income statement	-	-	-	103	-
Unrealised changes in value +/- recognised on the income statement	-88	-	-88	83	-70
+ Transfers to Level 3	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-
<b>Closing balance</b>	<b>6,866</b>	<b>345</b>	<b>7,211</b>	<b>6,211</b>	<b>199</b>

At fair value through other comprehensive income (1,000 euros)	31 Dec 2023			31 Dec 2022	
	Equity securities	Debt securities	Total	Equity securities	Debt securities
<b>Opening balance</b>	-	-	-	-	-
+ Acquisitions	-	-	-	-	-
- Sales	-	-	-	-	-
- Matured during the year	-	-	-	-	-
Realised changes in value +/- recognised on the income statement	-	-	-	-	-
Unrealised changes in value +/- recognised on the income statement	-	-	-	-	-
Changes in value recognised +/- in other comprehensive income	-	-69	-69	-	-
+ Transfers to Level 3	-	303	303	-	-
- Transfers to Level 1 and 2	-	-	-	-	-
<b>Closing balance</b>	-	<b>234</b>	<b>234</b>	-	-

### Transactions in other liabilities, categorised to Level 3

Other liabilities at fair value through profit or loss (1,000 euros)	31 Dec 2023			31 Dec 2022	
	Equity securities	Debt securities	Total	Equity securities	Debt securities
<b>Opening balance</b>	-	<b>5,200</b>	<b>5,200</b>	-	<b>6,500</b>
+ Acquisitions	-	15,000	15,000	-	-
- Sales	-	-	-	-	-
- Matured during the year	-	-	-	-	-
Realised changes in value +/- recognised on the income statement	-	-	-	-	-
Unrealised changes in value +/- recognised on the income statement	-	-650	-650	-	-1,300
+ Transfers to Level 3	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-
<b>Closing balance</b>	-	<b>19,550</b>	<b>19,550</b>	-	<b>5,200</b>

## Sensitivity analysis for financial assets on Level 3

(1,000 euros)	31 Dec 2023				31 Dec 2022		
	Potential impact on equity				Potential impact on equity		
	Hypo- thetical change	Market value	Positive	Negative	Market value	Positive	Negative
<b>Equity securities</b>							
At fair value through profit or loss	+/- 15%	6,866	1,030	-1,030	6,211	932	-932
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-
<b>Total</b>		<b>6,866</b>	<b>1,030</b>	<b>-1,030</b>	<b>6,211</b>	<b>932</b>	<b>-932</b>

(1,000 euros)	31 Dec 2023				31 Dec 2022		
	Potential impact on equity				Potential impact on equity		
	Hypo- thetical change	Market value	Positive	Negative	Market value	Positive	Negative
<b>Debt securities</b>							
At fair value through profit or loss	+/- 15%	345	52	-52	199	30	-30
At fair value through other comprehensive income	+/- 15%	234	35	-35	-	-	-
<b>Total</b>		<b>579</b>	<b>87</b>	<b>-87</b>	<b>199</b>	<b>30</b>	<b>-30</b>

## Note 14 Share-based incentive schemes

As of 31 December 2023, 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 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 correspond 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	1-12/2023	1-12/2023	1-12/2022
	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	1/1/2022	1/1/2020	1/1/2020
Share price at issue, weighted average fair value	16.90	8.79	8.79
Earning period begins	1/1/2022	1/1/2020	1/1/2020
Earning period ends	12/31/2023	12/31/2021	12/31/2021
Persons at the close of the financial year	29	10	11

Events for the financial year (pcs)	1-12/2023	1-12/2023	1-12/2022
	Program 2022-2023	Program 2020-2021	Program 2020-2021
<b>1/1/2023</b>			
Those who were out at the beginning of the period	-	172,190	-
<b>Changes during the period</b>			
Granted during the period	-	-	331,790
Lost during the period	-	-	-
Implemented during the period	-	-57,396	-159,600
Expired during the period	-	-	-
<b>Out at the end of the period</b>	-	114,794	172,190



## Note 15 Changes in Group structure

### The 2023 accounting period

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In February, Oma Savings Bank Plc increased its shareholding in housing Company Seinäjoen Oma Savings Bank house by acquiring more space for its businesses. The Company's shareholding in the Company is after the arrangement 30.5%.

In September, Oma Savings Bank Plc increased its shareholding in City Kauppapaikat Oy through a directed share issue. The Company's shareholding in the Company after the arrangement is 43.3%. The value of the investment in the consolidated balance sheet is EUR 15.5 million.

During the reporting period, Oma Savings Bank Plc estimates the value of the investments of SAV Rahoitus Oy and City Kauppapaikat Oy compiled by the equity method, as well as the receivables from the companies, which have been factually processed as part of a net investment in the associated company.

### The 2022 accounting period

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As a result of the arrangement carried out in June, Oma Savings Bank Plc's control was removed from SAV-Rahoitus Oyj, which had previously been consolidated as a subsidiary. After the arrangement, the Company's ownership in the Company is 48.2% and it will be consolidated as a joint venture based on the shareholders' agreement using the equity method. In this context, the value of the Company's remaining investment was valued at fair value. The effect of the change on the profit was EUR 0.5 million.

In November, Oma Savings Bank Plc increased its shareholding in City Kauppapaikat Oy through a directed share issue. The Company's shareholding in the Company after the arrangement is 42.7%. The value of the shareholding after the change is EUR 17.8 million.

## Note 16 Business combinations

### Acquisition of Liedon Savings Bank's business

In September 2022, the Company's Board of Directors decided to acquire the business of Liedon Savings Bank in accordance with the acquisition plan. In accordance with a decision made by the governing body of Liedon Savings Bank, Liedon Savings Bank transferred its entire business to the Company except for the minor assets mentioned in the acquisition plan. The registration date for the implementation of the business transfer was 28 February 2023. The purchase price of the business acquisition was paid partly by issuing shares and partly in cash.

The values of the assets acquired and liabilities taken to bear were at the time of acquisition:

Acquisition of business	EUR million
Loans and advances to public and credit institutions	1,167.0
Accruals and other assets	45.8
Fixed assets	5.5
Deposits from public and credit institutions	-1,117.8
Accruals and other liabilities	-11.8
Lease liabilities	-5.5
Liability, consortium of saving banks	-15.0
<b>Acquired net assets</b>	<b>68.0</b>
Purchase price, in cash	7.5
Purchase price, equity instruments	65.0
<b>Total cost of combination</b>	<b>72.5</b>
<b>Goodwill</b>	<b>4.4</b>

As a result of the acquisition, EUR 4.4 million was recognised in goodwill. The acquisition of the business is estimated to have a significant positive impact on the Company's annual profitability and is expected to increase the Company's profit before taxes by approximately EUR 15–20 million annually over the next few years. In the longer term, business in the Turku economic area is expected to significantly increase the Company's earnings. Increasing volumes further improve the Company's cost-effectiveness and

business profitability. Goodwill is formed as the difference between the net assets of the acquired business and the purchase price.

In connection with the transitioning of the business, a liability of EUR 15.0 million valued at fair value was recognised in the Company's balance sheet to cover a payment obligation related to the fixed-term liability of Liedon Savings Bank being a credit institution member leaving the consortium of Savings Banks (Act on the Consortium of Deposit Banks 599/2010). The liability is valid for five years.

Assets and liabilities acquired in the business have been measured at fair value. The leases have been valued in accordance with IFRS 16.

The value of the receivables received in the acquisition of the business is approximately EUR 1,167.0 million and a deduction of expected credit losses of EUR 8.0 million has been taken into account for the gross value of the receivables at the time of the acquisition. The effect is presented in Note 12 under "New debt securities".

Cash flow effect of the business acquisition EUR 143.1 million is in the Cash flows from financing activities.

The business income after the acquisition date of the acquired business is included in the Income Statement of the first quarter. According to the management's estimate, Oma Savings Bank Group's operating income would have been EUR 57 million and profit before taxes EUR 27 million in the first quarter of 2023, if the acquired business had been combined in the consolidated financial statements from the beginning of the 2023 financial year.

As part of the acquisition of Liedon Savings Bank's business, the Company carried out the transfer of loans acquired from Sp Mortgage Bank Plc as planned at the beginning of March. The size of the loan portfolio was EUR 233 million. The Company signed an agreement with Sp Mortgage Bank Plc on the transfer of mortgage

credit bank loans (mortgage loans) brokered by Liedon Savings Bank in November 2022.

The acquisition increased the Company's balance sheet by approximately EUR 1.4 billion. Approximately 50,000 private and corporate customers transferred in the acquisition of the business. 93 people transferred as old employees. The total costs of the arrangement were EUR 3.8 million, of which EUR 1.3 million was allocated to year 2022 and EUR 2.5 million for year 2023.

## Note 17 Significant events after the period

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

Other 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.

## Note 18 Alternative Performance Measures (APM) and calculation of the 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 IFRS standards, capital adequacy regulation (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 balance sheets and 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 net income from financial assets and liabilities and other 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

$\frac{\text{Comparable profit/loss - Share of non-controlling interests}}{\text{Average number of shares outstanding}}$



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