Q1/2023

Oma Savings Bank Group
Interim Report 31 March 2023

Interim Report 31 March 2023 is a translation of the original Finnish version “Osavuosikatsaus 31.3.2023”. If discrepancies occur, the Finnish version is dominant.

Oma Savings Bank Group´s Interim Report Jan-Mar 2023

- Net interest income grew strongly by 56.9% in January-March compared to the same period last year. Net interest income was increased especially by the rise of market interest rates, and in addition, the volumes increased as a result of the acquisition in March.
- The acquisition of Liedon Savings Bank's business was carried out as planned at the beginning of March. The acquisition increased the Company's balance sheet by a total of EUR 1.4 billion. The number of customers grew to more than 200,000 customers.
- Home mortgage portfolio increased by a total of 31.6% over the previous 12 months. Corporate loan portfolio increased by 37.0% over the previous 12 months.
- Deposit base grew by 30.0% over the previous 12 months.
- Fee and commission income and expenses (net) item increased due to volume growth by 2.0% in January-March. The moderate growth in fee and commission income was mainly the result of a slowdown in new lending due to uncertainty in the market.
- Total operating income grew by 46.8% compared to the previous year.
- Total operating expenses grew by 35.3% due to increased authority fees, corporate reorganization costs and the expansion of the branch network.
- Impairment losses on financial assets remained at a moderate level and were in total EUR -1.6 (2.5) million. In the comparison period, a positive profit impact due to model changes was recorded as ECL decreased, which explains the change from the previous year.
- For the first quarter, profit before taxes grew and was in total EUR 23.3 (18.2) million. The growth was 27.8% compared to the previous year.
- For the first quarter, comparable profit before taxes grew 20.7% compared to the previous year and was in total EUR 24.2 (20.0) million.
- For the first quarter, cost/income ratio improved and was 50.7% (54.6%). Comparable cost/income ratio also improved and was 47.9% (51.9%).
- Comparable return on equity (ROE) improved and was 19.3% (16.8%) in the first quarter.

Outlook for the financial year 2023

The Company estimates that profitable growth will continue to be strong. The Group's 2023 comparable profit before taxes will increase significantly compared to the previous financial year and will exceed EUR 100 million.
More about the outlook in the Interim Report on page 21.

The Group's key figures (1,000 euros)	1-3/2023	1-3/2022	Δ %	1-12/2022
Net interest income	36,224	23,086	57%	104,930
Fee and commission income and expenses, net	10,453	10,251	2%	39,396
Total operating expenses	-25,568	-18,903	35%	-73,062
Impairment losses on financial assets, net	-1,595	2,498	-164%	-1,747
Profit before taxes	23,296	18,227	28%	69,226
Cost/income ratio, %	50.7%	54.6%	-7%	50.7%
Balance sheet total	7,298,953	5,518,011	32%	5,941,766
Equity	437,357	371,118	18%	364,961
Return on assets (ROA) %	1.1%	1.1%	3%	1.0%
Return on equity (ROE) %	18.6%	15.3%	22%	14.5%
Earnings per share (EPS), EUR	0.59	0.49	19%	1.85
Total capital (TC) ratio %	15.5%	14.7%	5%	14.9%
Common Equity Tier 1 (CET1) capital ratio %	13.6%	14.6%	-7%	13.3%
Comparable profit before taxes	24,157	20,013	21%	75,850
Comparable cost/income ratio, %	47.9%	51.9%	-8%	48.0%
Comparable return on equity (ROE) %	19.3%	16.8%	15%	15.8%

Comparable profit before taxes EUR 24.2 million

CEO’s review

Best quarter in history – Comparable profit before taxes increased 21%

The record result last year was followed by the best quarter in the company's history. The profit trend has improved month by month, with March being the single best month ever. In the first quarter, the business arrangement with Liedon Savings Bank was completed. The integration of the transitioning business has progressed as planned and it has increased OmaSp's profit accumulation as expected since the beginning of March.

Net interest income increased by 57% during the beginning of the year and was EUR 36.2 million. The development of net interest income was accelerated by the general rise in interest rates in addition to strong volume growth. Due to the challenging economic situation, fee and commission income and expenses increased by only 2% compared to the previous year. Total operating income increased by 47%.

Net interest income increased 57%

Comparable cost/income ratio was 48% for the beginning of the year. The bank's first-quarter result is weighed down by annually recorded authority fees, which almost doubled from the previous year as the bank's business grew. The comparable cost/income ratio without authority fees was 39%, which is clearly one of the best in the industry.

The quality of the loan portfolio has remained at a good level, and the accumulation of credit losses has remained at a low level. During the first quarter, we recorded impairment losses only EUR 1.6 million. Our loan portfolio is well diversified geographically and by industry. The deposits increased by almost one billion euros due to the acquisition during the first quarter. Otherwise, the development of the deposit base has been stable.

For the first quarter, profit before taxes was EUR 23.3 million, an increase of 28% on the comparative period. Comparable profit before taxes increased by 21% to EUR 24.2 million. OmaSp's unique combination of growth and profitability materializes as a strong return on equity. For the beginning of the year, the comparable return on equity (ROE%) rose to as much as 19.3% and without authority fees up to 21.4%.

Comparable cost/income ratio 48% and ROE 19.3%

OmaSp continues the financial year from an excellent situation

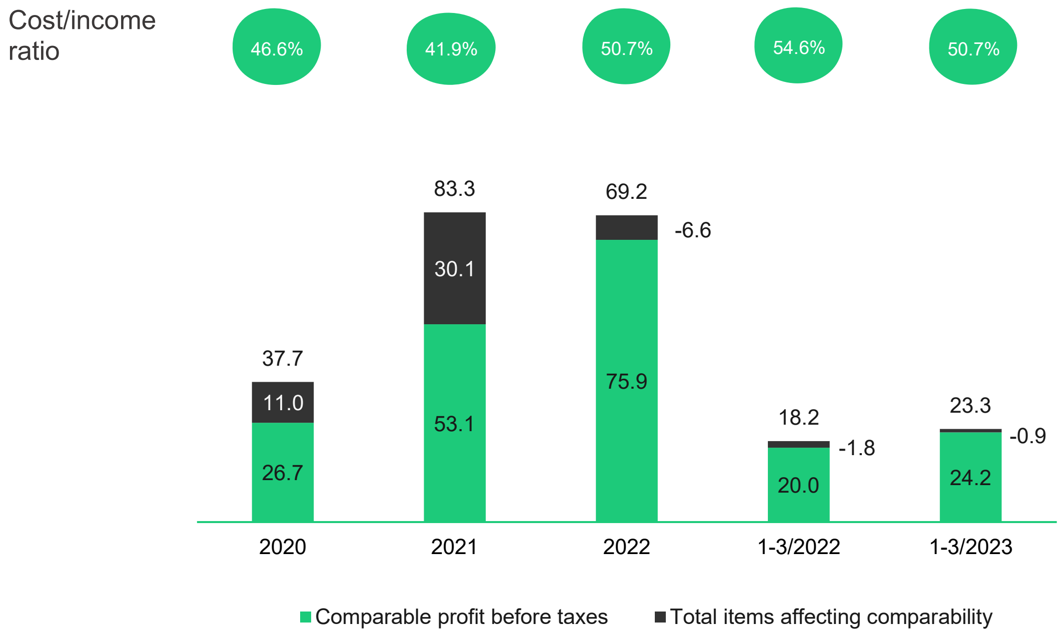
OmaSp is a reliable banking partner for customers even in uncertain times. The company began to prepare for changes in the operating environment well in advance, as growing uncertainty about the future economic development could be seen. The bank's capital and liquidity buffers have been further strengthened during the beginning of the year. The problems of banks observed in United States and Switzerland have been seen in Finland so far mainly as nervousness of the capital market. The market's strong trust in the bank enabled successful issues in a challenging market environment.

We continue the financial year from excellent starting points. According to our profit guidelines, comparable profit before taxes will exceed EUR 100 million for the first time in the company's history.

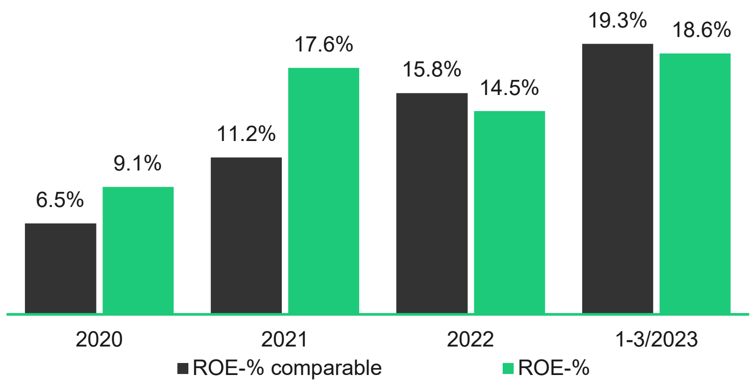
Pasi Sydänlammi
CEO

A profitably growing Finnish bank

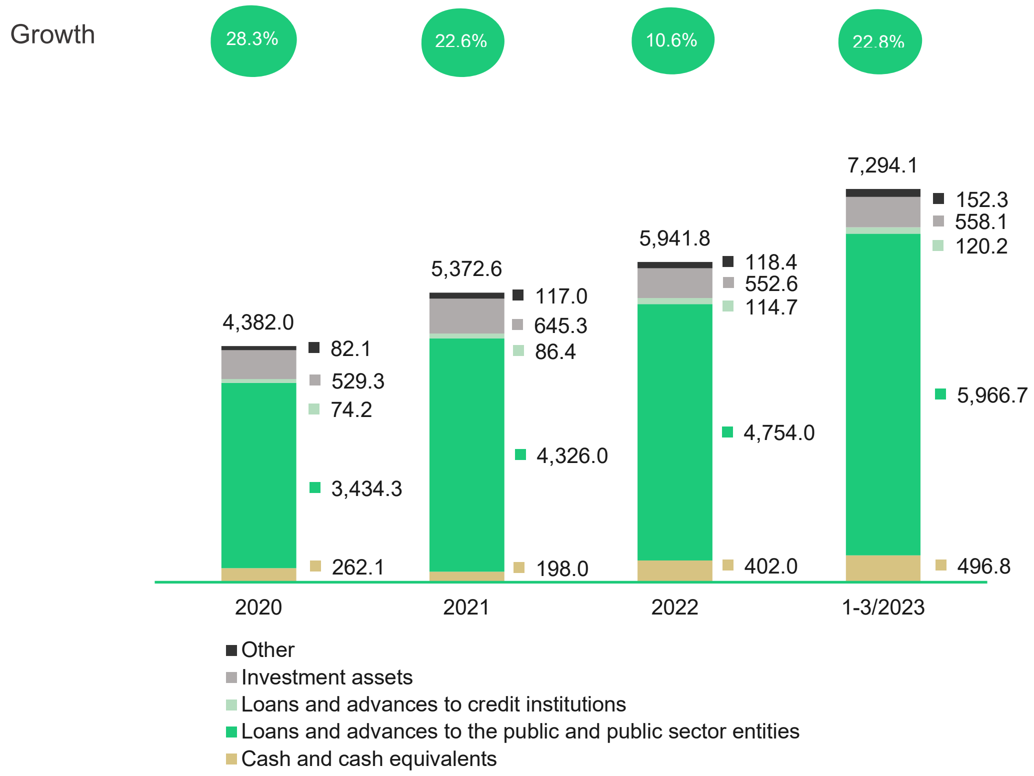
Profit before taxes, EUR mill.



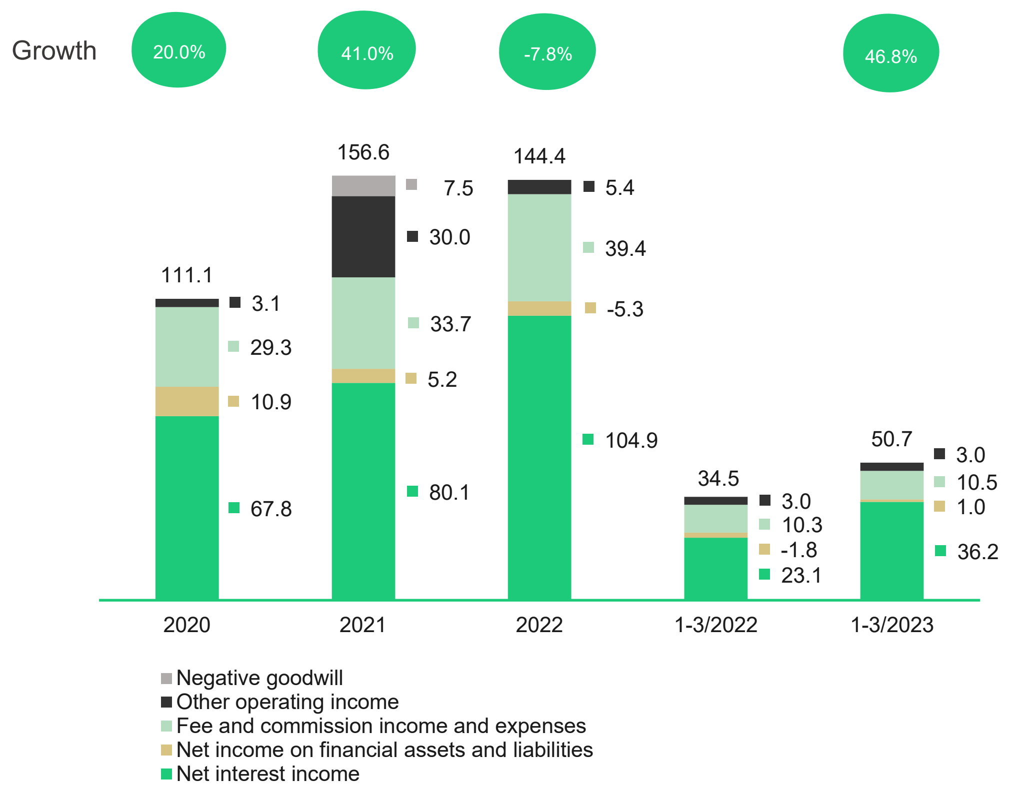
Return on equity (ROE) %



Balance sheet total, EUR mill.



Total operating income, EUR mill.



Significant events during the period

- 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 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. The Company's branch network strengthened with nine new units located in the city of Turku and in Southwest Finland. More about the effects of acquisition of the business on page 56.

- 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, but no later than 30 June 2026.

- On 30 March 2023, The Finnish Financial Supervisory Authority (FIN-FSA) imposed on the Company an additional capital requirement of 1.0% to be covered by common equity (systematic risk buffer requirement), in accordance with Chapter 10 Section 4a and Section b set by the Credit Institution Act. The requirements for Finnish banks will take effect on 1 April 2024. The Company meets the new requirements of the authorities already today.

- In March, the Company announced that its EUR 20 million debenture loan issued in February was fully subscribed and the sale was suspended before the end of the sale period. The debenture loan will be fully credited to the Company's Tier 2 capital at the end of March.

- In February, the Company issued a covered bond of EUR 350 million. The issuance took place within the Company's EUR 3 billion bond program.

- 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 on 20 January 2023.

Oma Savings Bank Group's key figures

(1,000 euros)	1-3/2023	1-3/2022	Δ %	1-12/2022	2022 Q4	2022 Q3	2022 Q2
Net interest income	36,224	23,086	57%	104,930	30,634	26,981	24,229
Total operating income	50,697	34,543	47%	144,392	39,719	36,287	33,843
Total operating expenses	-25,568	-18,903	35%	-73,062	-18,709	-16,930	-18,521
[1] Cost/income ratio, %	50.7%	54.6 %	-7%	50.7%	47.6%	46.7%	54.7%
Impairment losses on financial assets, net	-1,595	2,498	-164%	-1,747	-1,315	-1,557	-1,372
Profit before taxes	23,296	18,227	28%	69,226	19,285	17,772	13,942
Profit/loss for the accounting period	18,671	14,818	26%	55,379	15,262	14,186	11,114
Balance sheet total	7,298,953	5,518,011	32%	5,941,766	5,941,766	5,849,001	5,890,317
Equity	437,357	371,118	18%	364,961	364,961	350,730	355,874
[1] Return on assets (ROA) %	1.1%	1.1%	3%	1.0%	1.0%	1.0%	0.8%
[1] Return on equity (ROE) %	18.6%	15.3%	22%	14.5%	17.1%	16.1%	12.2%
[1] Earnings per share (EPS), EUR	0.59	0.49	19%	1.85	0.51	0.47	0.37
[1] Equity ratio %	6.0%	6.7%	-11%	6.1%	6.1%	6.0%	6.0%
[1] Total capital (TC) ratio %	15.5%	14.7%	5%	14.9%	14.9%	13.8%	13.2%
[1] Common Equity Tier 1 (CET1) capital ratio %	13.6%	14.6%	-7%	13.3%	13.3%	13.0%	13.2%
[1] Tier 1 (T1) capital ratio %	13.6%	14.6%	-7%	13.3%	13.3%	13.0%	13.2%
[1] Liquidity coverage ratio (LCR) %	126.2%	123.1%	3%	166.4%	166.4%	153.3%	151.4%
[1] Net Stable Funding Ratio (NSFR) %	118.0%	115.8%	2%	115.3%	115.3%	110.6%	109.9%
Average number of employees	375	331	13%	352	359	359	362
Employees at the end of the period	428	335	28%	357	351	351	366

Alternative performance measures excluding items affecting comparability:							
[1] Comparable profit before taxes	24,157	20,013	21%	75,850	20,758	18,921	16,158
[1] Comparable cost/income ratio, %	47.9%	51.9%	-8%	48.0%	44.1%	45.3%	51.4%
[1] Comparable earnings per share (EPS), EUR	0.61	0.54	13%	2.02	0.55	0.50	0.43
[1] Comparable return on equity (ROE) %	19.3%	16.8%	15%	15.8%	18.4%	17.1%	14.2%

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

Operating environment

In autumn 2022, Finland slipped into recession as result of the consequences brought on by Russia's invasion war. According to the forecast of the Bank of Finland, the economic development continues to be weak in 2023, as exceptionally rapid inflation and rising interest rates will affect the economy with a delay. However, the recession is likely to be short-lived and slight, and the employment will remain good throughout the economic downturn. The uncertainty of the development of the international economy and its effects on Finland are strong, however. (1 The year-on-year change in consumer prices calculated by Statistics Finland was 7.9% in March. The rise in inflation was influenced, among other things, by the rise in the average interest rate on mortgages, the price of electricity and the interest rates on consumer loans. (3

The European Central Bank aims to keep inflation at the level of 2% over the medium term. As expected, the ECB continued to raise key interest rates in March. Each three key interest rates were raised by 0.5 percentage points so that the return of the inflation rate to its target would not be too far in the future. (2 Financial conditions in Finland have tightened in 2022 and 2023, and interest rates have turned to a rapid growth. In January-March, the quotation of the 12-month Euribor rate has risen approximately by 0.3 percentage points. (10

The banking crisis in the United States and the problems of Credit Suisse in Europe have affected the Oma Savings Bank Plc's operations through the functionality of the refinancing market. According to the authorities that supervise banks, the situation of banks in the euro area is stable despite the crisis. The banks are solvent and are well able to cope with their payment needs. In addition, banks in Finland and the euro area have long followed the Basel regulation, which requires them to have strong capital and liquidity buffers.

Russia's invasion war and energy crisis have affected the growth of the Finnish economy. According to the forecasts, Finland's economic growth will remain modest in the next few years. According to the calculations of the Bank of Finland, the GDP growth in 2022 was 2.1%, and the GDP growth is predicted to decrease 0.2% in 2023. In 2024, the economic growth is expected to return to 0.9% and to 1.5% in 2025. (1

The seasonally adjusted savings rate of households decreased in October-December compared to the previous quarter and was -3.5%. The disposable income of households was lower than the consumption expenditure. High inflation increased consumption expenditures. However, the disposable income of households grew 3.4% compared to the previous quarter one year ago, the income excluded price changes, decreased 2.0%. The investment rate remained at the previous quarter's level. The majority of the investments of households is directed in housing investments. The corporate investment improved slightly compared to the previous quarter and was 29.8%. (4

According to Statistics Finland, there were 12,000 more employed and 2,000 more unemployed in February than year ago. In February 2023, the employment rate was 77.7% and the unemployment rate was 6.7%. (5

According to Statistics Finland's preliminary data, the prices of old share dwellings in the whole country decreased 5.2% in February compared to last year. Of the big cities, Helsinki, Vantaa and Espoo, saw the largest decreases in house prices. The prices of block of flats as well as terraced houses decreased compared to the previous year. In the six largest cities the old share dwellings decreased 5.5% in February and in the rest of Finland by 4.4% compared to last year. At the same time, 32% fewer deals of block and flats and terraced houses were made through real estate agents than a year ago. (6

The annual growth of the household mortgage portfolio slowed to 0.6% in February. In the same period a year ago, the annual growth was still 3.8%. In February, mortgage loans raised totalled EUR 980 million. Fewer mortgage withdrawals were made last time in February 2003. The medium interest rate of new mortgages was 3.80% in February. The annual growth of all loans granted to households was 0.8% in February 2023. The amount of corporate loans rose 5.3% in the same period. The amount of household deposits remained the same compared to the same time last year. (7

In January-February 2023, the number of bankruptcies filed increased significantly compared to the previous year and was 48.3%. In the companies filing for bankruptcy, the number of personnel years was in total 2,570, i.e. 42.6% more than in the corresponding period in 2022. (8 During November 2022 - January 2023, the number of new building permits granted decreased by 35% compared to the previous year and was 7.0 million cubic meters. (9

1) Bank of Finland's interim forecast: Finnish economy in hibernation. Published on 17 March 2023.
2) Bank of Finland, ECB Monetary policy decisions. Published on 16 March 2023.
3) Statistics Finland, Inflation 7.9% in March 2023. Published on 14 April 2023.
4) Statistics Finland, Households' saving rate decreased in the fourth quarter 2022. Published on 15 March 2023.
5) Statistics Finland, Number of employed persons in February 2023 slightly more than a year ago. Published on 21 March 2023.
6) Statistics Finland, Prices of old dwellings in housing companies continued to fall in February 2023. Published on 28 March 2023.
7) Bank of Finland, MFI balance sheet (loans and deposits) and interest rates, the growth rate of the mortgage loan portfolio exceptionally slow. Published on 30 March 2023.
8) Statistics Finland, 303 bankruptcies were instigated in February. Published on 17 March 2023.
9) Statistics Finland, Cubic volume of granted building permits in November 2022 - January 2023 decreased year-on-year. Published on 21 March 2023.
10) Bank of Finland, Euribor interest rates tables. Published on 4 April 2023.

Impacts of the Russian invasion war on the Company

Russian invasion war to Ukraine, which began in 2022, has led to global sanctions on Russia and Belarus. Most significantly, Russia's invasion to Ukraine and the economic uncertainty that it adds, have affected the financial markets in terms of the activities of Oma Savings Bank Plc, and thereby the functioning of the refinancing market in terms of funding availability and pricing. The invasion war and the sanctions against Russia have strongly accelerated the inflation. High inflation has increased the pressure on central banks to raise interest rates, which reflects in the continued rise in interest rates. The increase in interest rates has been reflected in significantly increased interest incomes and, on the other hand, in market-based financing, significantly increased interest costs. The Company is well prepared for the uncertainty in the operating environment by increasing liquidity and capital buffers, among other things. In addition, the Company is running hedging measures regarding interest rate risk management.

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

There have been no peaks in demand of grace periods. However, the need for grace periods and changes to payment programs is expected to increase. At the end of the reporting period, the proportion of the grace periods of the loans from the entire loan stock was 9.2% (9.3%) including the loan portfolio that was transferred in connection with the acquisition of Liedon Savings Bank's business.

The quality of the Company's loan portfolio has remained at a good level although the proportion of defaulted loans has increased. At the end of the reporting period, the proportion of insolvent loans from the entire loan stock was 1.8% (1.6%). The inflation and the rise of the interest rates have increased the uncertainty in the financing markets and in the operating environment, and it has increased the credit risk as customers' potential payment difficulties increase and the real estate market is in a downward trend. The Company has paid attention to the increased uncertainty as part of the expected credit loss calculation models. In the reporting period, based on management's judgement, the Company made an additional credit loss allowance of EUR 0.9 million, i.e. the amount that was left from the corona pandemic and Russia's invasion war, and allocated it at one individual customer. The Company continues to monitor the situation and assess the situation monthly.

The impacts of the crises are described in more detail in Note 2.

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 2022, 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 Mar 2023	31 Dec 2022
LCR	126.2%	166.4%
NSFR	118.0%	115.3%

The Group's Liquidity Coverage Ratio (LCR) remained at a good level, standing at 126.2% at the end of first quarter. The Net Stable Funding Ratio (NSFR) was 118.0%.

The Russian invasion war as well as rising interest rates, have appeared as an increase in uncertainty in refinancing markets. The situation has been particularly evident in the investment certificate market, where the price of financing has risen. The increased interest rate can be seen above all in increased costs of market-based financing. In the first quarter of 2023, the banking crisis in the United States and the problems of Credit Suisse in Europe raised the discussion about the sustainability of the banking sector. In addition to falling bank shares, the news was also transmitted to interest rates. Although the European Central Bank raised the key interest rate as expected, the uncertain atmosphere in banking sector was transmitted to the expectations of the interest rates, when in March, great downward pressure was seen regarding the interest rates. The news was particularly evident in the stagnation of the financial market and the difficulty of accessing financing. The situation affects Oma Savings Bank Plc's operations mainly through the functionality of the refinancing markets. Despite the uncertainty, the Company's liquidity has remained on a stable basis, for example with the EUR 350 million covered bond issued in February. In addition, the Company has further strengthened its liquidity buffers by issuing a loan amount increase of EUR 250 million at the beginning of April.

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 Interim Report.

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.

Result 1–3 / 2023

For the first quarter, the Group's profit before taxes was EUR 23.3 (18.2) million and the profit for the period was EUR 18.7 (14.8) million. The cost/income ratio was 50.7 (54.6)%.

Comparable profit before taxes amounted to EUR 24.2 (20.0) million in the first quarter and the comparable cost/income ratio was 47.9 (51.9)%. 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 acquisition of Liedon Savings Bank's business.

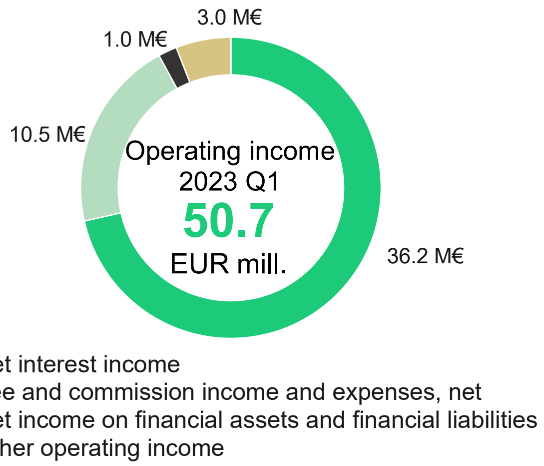
Income

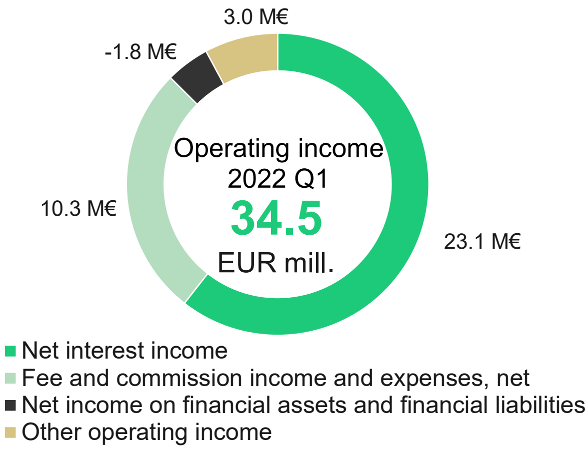
Total operating income was EUR 50.7 (34.5) million. Total operating income increased 46.8% year-on-year. Comparable operating income was EUR 49.7 (36.3) million, an increase of 36.7% compared to the previous year.

Net interest income grew by 56.9%, totalling EUR 36.2 (23.1) million. During the review period, interest income grew by 131.1%, totalling EUR 55.6 (24.1) million. The significant growth in interest income can be explained by the impact of the increase in market interest rates. The growth of the loan portfolio has been influenced by the acquisition of Liedon Savings Bank's business in early March 2023. In addition, hedges related to interest rate risk management have increased interest income. During the reporting period, the average margin of the loan portfolio has remained almost unchanged.

Interest expenses were EUR 19.4 (1.0) million in the first quarter. The increase in interest expenses is mainly explained by the increase in market interest rates, which affected the interest rates of bonds issued during 2022 and early 2023. Interest expenses have also been increased by hedging related to interest rate risk management. The average interest on deposits paid to the Company's customers was 0.49% (0.01%) at the end of the period.

Fee and commission income and expenses (net) increased by 2.0% to EUR 10.5 (10.3) million. Fee and commission income grew moderately mainly due to a slowdown in new lending due to the uncertain market situation. The total amount of fee and commission income was EUR 12.1 (11.8) million.





Net fee and commission income from cards and payment transactions was EUR 7.5 (5.7) million. The item increased by 30.0%. The increase is mainly explained by the increase in customer volume and the improvement of pricing power. The amount of commission income from lending decreased and was EUR 1.9 (3.5) million.

The net income on financial assets and liabilities were during the period EUR 1.0 (-1.8) million. Other operating income was EUR 3.0 (3.0) million. In the first quarter, a deposit guarantee fee of EUR 2.6 million was recorded in other operating income. A corresponding item was recorded as a deposit guarantee fee in other operating expenses.

Expenses

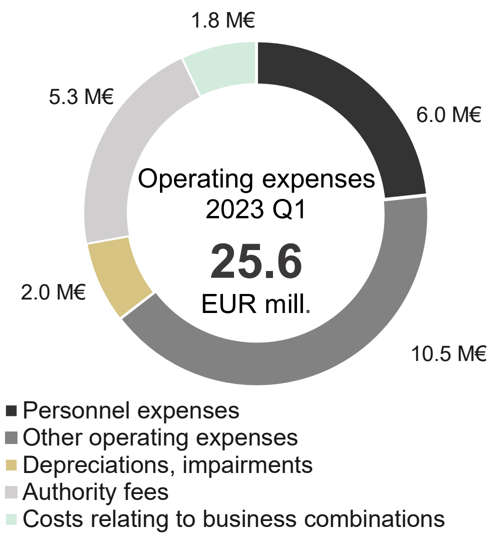
Operating expenses came to a total of EUR 25.6 (18.9) million and they increased 35.3% compared to the previous year's corresponding period. The increase in comparable operating expenses was 25.3%. For the reporting period, expenses affecting comparability were recorded from the acquisition of Liedon Savings Bank EUR 1.8 million.

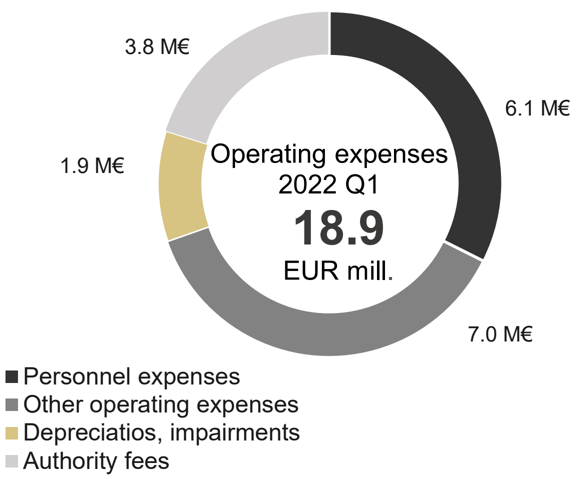
Personnel expenses remained almost unchanged at EUR 6.0 (6.1) million. At the end of the period, the number of employees was 428 (335), of which 57 (47) were fixed-term. At the beginning of March, 93 employees transferred from Liedon Savings Bank.

Other operating expenses increased 62.9% to EUR 17.7 (10.8) 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 influenced by the increase in authority fees, the increase in the number of branches and personnel following the acquisition of Liedon Savings Bank's business, and the project costs related to the merger.

In the first quarter, a total of EUR 2.7 million was recorded as a stabilization fee, an increase of EUR 1.3 million from the previous year. In addition, a deposit guarantee fee totalling EUR 2.6 million was recorded, which will be covered by refunds from the old deposit guarantee fund. A total of EUR 5.3 (3.8) million in authority fees were recorded. One-off expenses related to the acquisition of Liedon Savings Bank's business were recorded in total EUR 1.8 million.

Depreciation, amortisation and impairments on tangible and intangible assets were EUR 2.0 (1.9) million.





Impairment losses on financial assets

Impairment losses on financial assets (net) increased compared to the comparative period to EUR -1.6 million, while the impairment losses on financial assets recorded in the comparative period amounted to EUR 2.5 million.

The net amount of realised credit losses decreased compared to the comparison period and was EUR 0.5 (2.2) million during January-March.

During the first quarter, the amount of expected credit losses (ECL) increased by EUR 1.1 million, while the expected credit losses decreased by EUR 4.7 million in the comparison period. EUR 1.0 million of the change in expected credit losses was allocated to receivables from customers and off-balance sheet items. In the comparison period, the amount of ECL decreased by a total of EUR 2.6 million as a result of model development. The change in the investment portfolio was EUR 0.1 million.

In the first quarter, the Company allocated EUR 0.9 million of additional loss allowance based on the management's judgement related to the corona pandemic and the Russian invasion war to an individual customer. The Company continues to monitor the effects of the Russian invasion war and assess the situation on a monthly basis.

In the first quarter, the receivables transferred in connection with the acquisition of Liedon Savings Bank's business has been valued at fair value in connection with the acquisition and a fair value adjustment of EUR 8.0 million has been recorded based on management's judgement. In addition, a group-specific allowance of EUR 0.7 million was recorded during the period as an additional loss share (LGD) allowance, which was aimed for private customers. At the end of the first quarter, the Company has allowances based on management's judgements and fair value adjustments in total EUR 8.7 million. Additional LGD allowance will be allocated to stage 3 and other additional allowances made will be allocated to stage 2.

Balance sheet

The Group's balance sheet total grew to EUR 7,299.0 (5,941.8) million during January-March 2023. The growth was 22.8%. Of the growth, EUR 1,448.0 million came from the acquisition of Liedon Savings Bank's banking business.

Loans and advances

In total, loans and advances grew 25.0% to EUR 6,086.9 (4,868.7) million in January-March. 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 129 thousand.

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

Credit balance (1,000 euros)	31 Mar 2023	31 Dec 2022	31 Mar 2022
Private customers	3,589,104	2,858,099	2,773,003
Corporate customers	1,299,544	1,093,700	948,883
Housing associations	700,235	461,339	406,563
Agricultural customers	310,451	271,112	278,458
Other	105,614	94,618	96,373
Total	**6,004,948**	**4,778,869**	**4,503,280**

Investment assets

The Group's investment assets increased 1.0% during the period, totalling EUR 558.1 (552.6) million. In order to reduce the interest rate risk, the Company started interest hedging of the liquidity portfolio in the last quarter of 2022. The implemented interest hedging measures balanced the effects of changes in the value of the liquidity portfolio on equity. The primary purpose of managing investment assets is securing the Company's liquidity position.

Intangible assets and goodwill

At the end of the period, intangible assets recorded in the balance sheet totalled EUR 8.3 (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 and public sector entities

During the period, liabilities to credit institutions and to the public and public sector entities grew by 24.9% to EUR 4,189.5 (3,355.0) million.

The item consists mostly of deposits received from the public, which came to EUR 3,925.4 (3,113.9) million at the end of March. 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 262.2 (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 18.0% to EUR 2,462.9 (2,087.0) million. The Company issued a covered bond of EUR 350 million in February. 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 2,470.1 (2,100.1) million.

Equity

The Group's equity EUR 437.4 (365.0) million increased by 19.8% during the period. The change in equity is explained by the strong result of the review period, the payment of dividends and the directed share issue.

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

On 31 March 2023, the number of own shares held by Oma Savings Bank was 101,386. 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.

Share capital	31 Mar 2023	31 Dec 2022
Average number of shares (excluding own shares)	31,596,596	29,990,687
Number of shares at the end of the year (excluding own shares)	33,173,851	30,019,341
Number of own shares	101,386	130,847
Share capital (1,000 euros)	24,000	24,000

Off-balance-sheet commitments

Off-balance-sheet commitments included commitments given to a third party on behalf of a customer and irrevocable commitments given to a customer. Commitments given to a third party on behalf of a customer, EUR 38.6 (34.8) million, were mostly made up of bank guarantees and other guarantees. Irrevocable commitments given to a customer, which totalled EUR 324.4 (291.2) million at the end of March, 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. In the first stage, the Company has applied permission to apply an internal risk classification under the IRB approach to calculate capital requirements for retail credit risk liabilities. Later, the Company will apply for a similar permit for corporate liabilities as well as renewable retail liabilities. In February 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 on the basis of dialogue with the supervisor.

Projects to reform regulatory reporting have started as planned towards the end of 2022.

Acquisition of Liedon Savings Bank's business

In May 2022, the Company launched negotiations to merge Liedon Savings Bank's banking business into its business. The acquisition plan of the merger was approved by the Boards of both banks and the acquisition plan was registered in the Trade Register in June 2022. At its meeting on 22 September 2022, the Board of Directors of the Company decided on the implementation of the transfer of the business of Liedon Savings Bank in accordance with the acquisition plan. The acquisition of the business was carried out as planned on 28 February 2023. The arrangement increased the Company's balance sheet by a total of EUR 1,448.0 million and the number of customers increased to over 200,000 customers. The branch network expanded with nine new units in Southwest Finland. The acquisition of the business is estimated to have a significant positive impact on the Company's annual profitability, and it is estimated to increase the Company's profit before taxes by approximately EUR 15-20 million annually in the coming years. In the longer term, business in the Turku economic area is expected to significantly increase the Company's earnings. The growing volumes will further improve the Company's cost efficiency and business profitability.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 was carried out through a directed share issue to Liedon Savings Bank, where it received 3,125,049 shares in Oma Savings Bank Plc. From the directed issue, an increase of EUR 65 million was recorded in the Company's equity at the beginning of March. In addition, a purchase price was paid in cash based on Liedon Savings Bank's customer business results for the period 1 May 2022 to 28 February 2023. More about the effects of the business acquisition in Note G16.

Resolutions of the Annual General Meeting

Oma Savings Bank Plc's Annual General Meeting was held on 30 March 2023. The AGM confirmed the Company's financial statements and consolidated financial statements for the 2022 financial year, granted discharge to the members of the Company's Board of Directors and CEO from liability, and approved the Company's remuneration report. In addition, the AGM decided on the following matters:

Use of the profit shown on balance sheet and payment of dividend

In accordance with the Board's proposal, the AGM decided to pay an actual dividend of EUR 0.40 per share for each share entitled to a dividend for the financial year 2022.

Remuneration of the Board of Directors

In accordance with the proposal of the Shareholders' Nomination Committee, the AGM decided to keep the remuneration of the members of the Board unchanged. The following annual remuneration shall be paid to the members of the Board of Directors for the term ending at the AGM 2024: EUR 55,000 per year to the Chairman, EUR 41,250 per year to the Vice Chairman and for other members EUR 27,500 per year. In addition, the meeting fees of EUR 1,000 for each Board meeting and EUR 500 for each single-issue email meeting and committee meeting will be paid.

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

Number and election of the Board of Directors

The number of members of the Board of Directors was confirmed to be seven. Aila Hemminki, Aki Jaskari, Timo Kokkala, Jyrki Mäkynen, Jarmo Salmi and Jaana Sandström were re-elected as Board members and Jaakko Ossa was elected as a new member for a term ending at the end of the 2024 AGM.

Election and remuneration of the auditor

KPMG Oy Ab, a firm of authorised public accountants, was elected to continue as auditor for a term ending at the 2024 AGM. M.Sc (Econ.), APA Tuomas Ilveskoski continues as responsible auditor. The auditor's remuneration is paid against an invoice approved by the Company.

Authorisation of the Board of Directors to resolve on a share issue, the transfer of own shares and the issuance of special rights entitling to shares

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

- Shares and special rights can be issued or disposed of in one or more instalments, either in return for payment or free of charge.
- The total number of shares to be issued under the authorisation, including shares acquired on the basis of special rights, cannot exceed 4,000,000 shares, which corresponds to approximately 12 percent of the Company's total shares on the day of the AGM.
- The Board of Directors decides on all terms and conditions related to the issuance of shares. The authorisation concerns both the issuance of new shares and the transfer of own shares.

The authorisation is valid until the end of the next AGM, but not later than 30 June 2024 and revokes previous authorisations given by the AGM to decide on a share issue, as well as the option rights and the issuance of special rights entitling to shares.

Authorising the Board of Directors to decide on the repurchase of own shares

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

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

- The Board of Directors is authorised to decide how to acquire own shares.

The authorisation is valid until the closing of the next AGM, but not later than 30 June 2024.

Significant events after the period

In April, the Company issued a EUR 250 million bond increase (tap issue). The bond was issued on the same terms as the bond issued by Oma Savings Bank Plc on 18 November 2020 and maturing on 25 November 2027. The loan issued will be combined with the loan on 18 November 2020, and they will form one single bond. The loan issuance took place under the Company's EUR 3 billion bond program.

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

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 solvency requirements and target on an annual basis and makes a proposal on the amount of dividend or capital return to be distributed.

Financial goals

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

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

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

Financial reporting in 2023

The Company will publish financial information in 2023 as follows:

31 Jul 2023 Interim Report Jan-Jun 2023
30 Oct 2023 Interim Report Jan-Sep 2023

Outlook for the 2023 accounting period

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

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

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

Capital adequacy

The total capital (TC) ratio of Oma Savings Bank Group increased and was 15.5 (14.9)% at the end of the period. The Common Equity Tier 1 capital (CET1) ratio was 13.6 (13.3)%, being below the minimum level of the medium-term financial goal set by the Company's Board (14%). Risk-weighted assets grew 20.6% to EUR 3,070.2 (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 475.1 (379.0) million exceeded by EUR 106.4 million the total capital requirement for own funds EUR 368.6 (305.8) million. Own funds were most significantly increased by the share issue to Liedon Savings Bank EUR 65.0 million. In addition, own funds were increased by 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) as well as the EUR 20 million debenture loan issued in February. The Group´s leverage ratio was 5.6 (5.6)% at the end of the period, while the binding leverage ratio requirement of Solvency regulation was 3%.

The main items in the capital adequacy calculation (1,000 euros)	31 Mar 2023	31 Dec 2022	31 Mar 2022
Common Equity Tier 1 capital before regulatory adjustments	430,171	348,692	364,670
Regulatory adjustments on Common Equity Tier 1	-13,769	-9,204	-11,297
Common Equity Tier 1 (CET1) capital, total	**416,402**	**339,488**	**353,374**
Additional Tier 1 capital before regulatory adjustments	-	-	-
Regulatory adjustments on additional Tier 1 capital	-	-	-
Additional Tier 1 (AT1) capital, total	-	-	-
Tier 1 capital (T1 = CET1 + AT1), total	**416,402**	**339,488**	**353,374**
Tier 2 capital before regulatory adjustments	59,179	40,000	2,522
Regulatory adjustments on Tier 2 capital	-500	-500	-
Tier 2 (T2) capital, total	**58,679**	**39,500**	**2,522**
Total capital (TC = T1 + T2), total	**475,081**	**378,988**	**355,896**
Risk-weighted assets			
Credit and counterparty risk, standardised approach	2,809,358	2,281,829	2,211,993
Credit valuation adjustment risk (CVA)	27,764	31,658	6,484
Market risk (foreign exchange risk)	-	-	8,011
Operational risk, basic indicator approach	233,043	233,043	201,272
Risk-weighted assets, total	**3,070,164**	**2,546,530**	**2,427,760**
Common Equity Tier 1 (CET1) capital ratio, %	13.56%	13.33%	14.56%
Tier 1 (T1) capital ratio, %	13.56%	13.33%	14.56%
Total capital (TC) ratio, %	15.47%	14.88%	14.66%

Leverage ratio (1,000 euros)	31 Mar 2023	31 Dec 2022	31 Mar 2022
Tier 1 capital	416,402	339,488	353,374
Total amount of exposures	7,445,280	6,093,644	5,664,657
Leverage ratio	**5.59%**	**5.57%**	**6.24%**

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, 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. In the third quarter of 2022, the Finnish Financial Supervisory Authority (FIN-FSA) introduced a renewed risk indicator to guide the setting of the variable additional capital requirement. The risk indicator does not point to an overheating of the financial cycle in Finland, and thus the variable additional capital requirement remained at its basic level of 0 percent. 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.

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%). On 31 March 2023, Oma Savings Bank Plc meets the set requirement with own funds.

Group`s total capital requirement
31 Mar 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%	7.85%	241,044
AT1	1.50%	0.28%					1.78%	54,687
T2	2.00%	0.38%					2.38%	72,916
Total	**8.00%**	**1.50%**	**2.50%**	**0.01%**	**0.00%**	**0.00%**	**12.01%**	**368,648**

* 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 Interim Report

Consolidated condensed income statement

Note	(1,000 euros)	1-3/2023	1-3/2022	1-12/2022
	Interest income	55,593	24,055	121,876
	Interest expenses	-19,369	-969	-16,946
9	**Net interest income**	**36,224**	**23,086**	**104,930**
	Fee and commission income	12,123	11,825	46,270
	Fee and commission expenses	-1,670	-1,574	-6,873
10	**Fee and commission income and expenses, net**	**10,453**	**10,251**	**39,396**
11	Net income on financial assets and financial liabilities	1,019	-1,786	-5,306
	Other operating income	3,002	2,992	5,371
	Total operating income	**50,697**	**34,543**	**144,392**
	Personnel expenses	-5,962	-6,122	-24,316
	Other operating expenses	-17,652	-10,836	-41,203
	Depreciation, amortisation and impairment losses on tangible and intangible assets	-1,954	-1,945	-7,543
	Total operating expenses	**-25,568**	**-18,903**	**-73,062**
12	Impairment losses on financial assets, net	-1,595	2,498	-1,747
	Share of profit of equity accounted entities	-238	89	-357
	Profit before taxes	**23,296**	**18,227**	**69,226**
	Income taxes	-4,625	-3,409	-13,847
	Profit for the accounting period	**18,671**	**14,818**	**55,379**
	Of which:			
	Shareholders of Oma Savings Bank Plc	18,671	14,831	55,382
	Non-controlling interest	-	-14	-2
	Total	**18,671**	**14,818**	**55,379**
	Earnings per share (EPS), EUR	**0.59**	**0.49**	**1.85**
	Earnings per share (EPS) after dilution, EUR	**0.59**	**0.49**	**1.83**

Profit before taxes excluding items affecting comparability

(1,000 euros)	1-3/2023	1-3/2022	1-12/2022
Profit before taxes	**23,296**	**18,227**	**69,226**
Operating income:			
Net income on financial assets and liabilities	-1,019	1,786	5,306
Costs relating to business combinations	1,879	-	1,318
Comparable profit before taxes	**24,157**	**20,013**	**75,850**
Income taxes in income statement	-4,625	-3,409	-13,847
Change of deferred taxes	-172	-357	-1,325
Comparable profit/loss for the accounting period	**19,360**	**16,247**	**60,679**

Consolidated statement of comprehensive income

(1,000 euros)	1-3/2023	1-3/2022	1-12/2022
Profit for the accounting period	**18,671**	**14,818**	**55,379**
Other comprehensive income before taxes			
Items that will not be reclassified through profit or loss			
Gains and losses on remeasurements from defined benefit pension plans	-	-	364
Items that may later be reclassified through profit or loss			
Measured at fair value, net	2,299	-35,399	-94,917
Transferred to Income Statement as a reclassification change	369	-382	-97
Other comprehensive income before taxes	**2,667**	**-35,781**	**-94,650**
Income taxes			
For items that will not be reclassified to profit or loss			
Gains and losses on remeasurements from defined benefit pension plans	-	-	-73
Items that may later be reclassified to profit or loss			
Measured at fair value	-533	7,156	19,003
Income taxes	**-533**	**7,156**	**18,930**
Other comprehensive income for the accounting period after taxes	**2,134**	**-28,625**	**-75,720**
Comprehensive income for the accounting period	**20,805**	**-13,807**	**-20,340**
Attributable to:			
Shareholders of Oma Savings Bank Plc	20,805	-13,794	-20,338
Non-controlling interest	-	-14	-2
Total	**20,805**	**-13,807**	**-20,340**

Consolidated condensed balance sheet

Note	Assets (1,000 euros)	31 Mar 2023	31 Dec 2022	31 Mar 2022
	Cash and cash equivalents	496,827	402,030	252,925
4	Loans and advances to credit institutions	120,199	114,655	81,609
4	Loans and advances to the public and public sector entities	5,966,671	4,754,036	4,478,360
5	Financial derivatives	5,367	1,931	899
6	Investment assets	558,121	552,633	610,358
	Equity accounted entities	25,113	25,351	22,974
	Intangible assets	8,256	8,174	9,023
	Goodwill	4,837	454	1,054
	Tangible assets	35,670	28,799	29,011
	Other assets	55,869	31,778	18,140
	Deferred tax assets	21,293	21,924	13,018
	Current income tax assets	731	-	642
	Assets, total	**7,298,953**	**5,941,766**	**5,518,011**

Note	Liabilities (1,000 euros)	31 Mar 2023	31 Dec 2022	31 Mar 2022
7	Liabilities to credit institutions	262,249	242,543	215,344
7	Liabilities to the public and public sector entities	3,927,221	3,112,464	3,018,791
5	Financial derivatives	6,292	4,184	-
8	Debt securities issued to the public	2,462,851	2,086,950	1,800,163
	Subordinated liabilities	60,000	40,000	15,500
	Provisions and other liabilities	103,980	54,111	64,726
	Deferred tax liabilities	36,694	36,072	32,370
	Current income tax liabilities	2,309	482	-
	Liabilities, total	**6,861,596**	**5,576,806**	**5,146,893**

Equity	31 Mar 2023	31 Dec 2022	31 Mar 2022
Share capital	24,000	24,000	24,000
Reserves	135,957	68,822	116,208
Retained earnings	277,401	272,139	230,402
Shareholders of Oma Savings Bank Plc	**437,357**	**364,961**	**370,610**
Shareholders of Oma Savings Bank Plc	437,357	364,961	370,610
Non-controlling interest	-	-	508
Equity, total	**437,357**	**364,961**	**371,118**
Liabilities and equity, total	**7,298,953**	**5,941,766**	**5,518,011**

Group's off-balance sheet commitments (1,000 euros)	31 Mar 2023	31 Dec 2022	31 Mar 2022
Off-balance sheet commitments			
Guarantees and pledges	38,626	34,774	33,016
Other commitments given to a third party	-	-	204
Commitments given to a third party on behalf of a customer	**38,626**	**34,774**	**33,220**
Undrawn credit facilities	324,391	291,184	340,854
Irrevocable commitments given in favour of a customer	**324,391**	**291,184**	**340,854**
Group's off-balance sheet commitments, total	**363,017**	**325,958**	**374,074**

Consolidated statement of changes in equity

(1,000 euros)

31 Mar 2023	Share capital	Fair value reserve	Other reserves	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
Equity, 1 January 2023	**24,000**	**-76,503**	**145,324**	**68,822**	**272,139**	**364,961**	**-**	**364,961**
Comprehensive income								
Profit for the accounting period	-	-	-	-	18,671	18,671	-	18,671
Other comprehensive income	-	2,134	-	2,134	-	2,134	-	2,134
Comprehensive income, total	**-**	**2,134**	**-**	**2,134**	**18,671**	**20,805**	**-**	**20,805**
Transactions with owners								
Emission of new shares	-	-	65,001	65,001	-	65,001	-	65,001
Repurchase of own shares	-	-	-	-	498	498	-	498
Distribution of dividends	-	-	-	-	-13,270	-13,270	-	-13,270
Share-based incentive scheme	-	-	-	-	-596	-596	-	-596
Loss of control in a partially owned subsidiary	-	-	-	-	-42	-42	-	-42
Transactions with owners, total	**-**	**-**	**65,001**	**65,001**	**-13,410**	**51,591**	**-**	**51,591**
Equity total, 31 March 2023	**24,000**	**-74,369**	**210,326**	**135,957**	**277,401**	**437,357**	**-**	**437,357**

31 Dec 2022	Share capital	Fair value reserve	Other reserves	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
Equity, 1 January 2022	**24,000**	**-492**	**145,324**	**144,833**	**231,939**	**400,772**	**522**	**401,294**
Comprehensive income								
Profit for the accounting period	-	-	-	-	55,382	55,382	-2	55,379
Other comprehensive income	-	-76,011	-	-76,011	291	-75,720	-	-75,720
Comprehensive income, total	**-**	**-76,011**	**-**	**-76,011**	**55,673**	**-20,338**	**-2**	**-20,340**
Transactions with owners								
Emission of new shares	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	-	880	880	-	880
Distribution of dividends	-	-	-	-	-15,010	-15,010	-	-15,010
Share-based incentive scheme	-	-	-	-	-1,381	-1,381	-	-1,381
Other changes	-	-	-	-	37	37	-520	-482
Transactions with owners, total	**-**	**-**	**-**	**-**	**-15,473**	**-15,473**	**-520**	**-15,993**
Equity total, 31 December 2022	**24,000**	**-76,503**	**145,324**	**68,822**	**272,139**	**364,961**	**-**	**364,961**

31 Mar 2022	Share capital	Fair value reserve	Other reserves	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
Equity, 1 January 2022	**24,000**	**-492**	**145,324**	**144,833**	**231,939**	**400,772**	**522**	**401,294**
Comprehensive income								
Profit for the accounting period	-	-	-	-	14,831	14,831	-14	14,818
Other comprehensive income	-	-28,625	-	-28,625	-	-28,625	-	-28,625
Comprehensive income, total	**-**	**-28,625**	**-**	**-28,625**	**14,831**	**-13,794**	**-14**	**-13,807**
Transactions with owners								
Emission of new shares	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	-	-367	-367	-	-367
Distribution of dividends	-	-	-	-	-15,016	-15,016	-	-15,016
Share-based incentive scheme	-	-	-	-	-986	-986	-	-986
Other changes	-	-	-	-	-	-	-	-
Transactions with owners, total	**-**	**-**	**-**	**-**	**-16,369**	**-16,369**	**-**	**-16,369**
Equity total, 31 March 2022	**24,000**	**-29,117**	**145,324**	**116,208**	**230,402**	**370,610**	**508**	**371,118**

Consolidated condensed cash flow statement

Note	(1,000 euros)	1-3/2023	1-3/2022	1-12/2022
	Cash flow from operating activities			
	Profit/loss for the accounting period	18,671	14,818	55,379
	Changes in fair value	-563	1	414
	Share of profit of equity accounted entities	238	-89	357
11	Depreciation and impairment losses on investment properties	10	10	41
	Depreciation, amortisation and impairment losses on tangible and intangible assets	1,954	1,945	7,543
	Gains and losses on sales of tangible and intangible assets	-	-276	-273
12	Impairment and expected credit losses	1,595	-2,498	1,747
	Income taxes	4,625	3,409	13,847
	Other adjustments	595	2,636	-21,329
	Adjustments to the profit/loss of the accounting period	8,455	5,137	2,346
	Cash flow from operations before changes in receivables and liabilities	**27,126**	**19,955**	**57,725**
	Increase (-) or decrease (+) in operating assets			
	Debt securities	39,303	-2,283	-17,330
	Loans and advances to credit institutions	3,504	-205	-1,391
	Loans and advances to customers	-209,594	-152,760	-460,913
	Derivatives in hedge accounting	108	-	114
	Investment assets	-1,016	-	10,463
	Other assets	-7,763	28,879	14,502
	Total	**-175,458**	**-126,369**	**-454,556**
	Increase (+) or decrease (-) in operating liabilities			
	Liabilities to credit institutions	-194,678	2,659	57,953
	Deposits	-97,054	122,305	218,242
	Provisions and other liabilities	6,695	6,016	11,131
	Total	**-285,037**	**130,979**	**287,326**
	Paid income taxes	**-2,071**	**-10,919**	**-15,679**
	Total cash flow from operating activities	**-435,439**	**13,646**	**-125,184**
	Cash flow from investments			
	Investments in tangible and intangible assets	-2,233	-842	-3,554
	Proceeds from sales of tangible and intangible assets	-	400	742
	Acquisition of associated companies and joint ventures	-	-	-1,500
	Changes in other investments	-	-	246
	Total cash flow from investments	**-2,233**	**-442**	**-4,066**
	Cash flows from financing activities			
	Repurchase of own shares	-	-367	-367
	Subordinated liabilities, changes	20,000	-	25,000
	Debt securities issued to the public	364,548	37,681	353,049
	Acquisition or sale of business	143,071	-	-28
	Payments of lease liabilities	-778	-605	-2,517
	Dividends paid	-	-	-15,010
	Total cash flows from financing activities	**526,840**	**36,709**	**360,128**
	Net change in cash and cash equivalents	**89,168**	**49,913**	**230,878**
	Cash and cash equivalents at the beginning of the accounting period	**484,660**	**253,782**	**253,782**
	Cash and cash equivalents at the end of the accounting period	**573,828**	**303,695**	**484,660**
	Cash and cash equivalents are formed by the following items			
3	Cash and cash equivalents	496,827	252,925	402,030
4	Receivables from credit institutions repayable on demand	77,002	50,770	82,630
	Total	**573,828**	**303,695**	**484,660**
	Received interest	**49,288**	**25,883**	**110,342**
	Paid interest	**-8,198**	**-1,326**	**-10,848**
	Dividends received	**82**	**28**	**449**

Consolidated condensed income statement, quarterly trend

Note	(1 000 euros)	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
	Interest income	55,593	41,216	30,309	26,296	24,055
	Interest expenses	-19,369	-10,582	-3,329	-2,066	-969
9	**Interest income, net**	**36,224**	**30,634**	**26,981**	**24,229**	**23,086**
	Fee and commission income	12,123	10,429	11,757	12,259	11,825
	Fee and commission expenses	-1,670	-2,187	-1,584	-1,528	-1,574
10	**Fee and commission income and expenses, net**	**10,453**	**8,242**	**10,173**	**10,730**	**10,251**
11	Net income on financial assets and financial liabilities	1,019	-154	-1,149	-2,217	-1,786
	Other operating income	3,002	997	282	1,100	2,992
	Operating income, total	**50,697**	**39,719**	**36,287**	**33,843**	**34,543**
	Personnel expenses	-5,962	-5,601	-5,760	-6,832	-6,122
	Other operating expenses	-17,652	-11,236	-9,285	-9,846	-10,836
	Depreciation, amortisation and impairment losses on tangible and intangible assets	-1,954	-1,872	-1,884	-1,842	-1,945
	Operating expenses, total	**-25,568**	**-18,709**	**-16,930**	**-18,521**	**-18,903**
12	Impairment losses on financial assets, net	-1,595	-1,315	-1,557	-1,372	2,498
	Share of profit from joint ventures and associated companies	-238	-410	-28	-9	89
	Profit before taxes	**23,296**	**19,285**	**17,772**	**13,942**	**18,227**
	Income taxes	-4,625	-4,024	-3,587	-2,827	-3,409
	Profit for the accounting period	**18,671**	**15,262**	**14,186**	**11,114**	**14,818**
	Of which:					
	Shareholders of Oma Savings Bank Plc	18,671	15,262	14,186	11,103	14,831
	Non-controlling interest	-	-	-	11	-14
	Total	**18,671**	**15,262**	**14,186**	**11,114**	**14,818**
	Earnings per share (EPS), EUR	**0.59**	**0.51**	**0.47**	**0.37**	**0.49**
	Earnings per share (EPS) after dilution, EUR	**0.59**	**0.51**	**0.47**	**0.37**	**0.49**

Profit before taxes excluding items affecting comparability:	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Profit before taxes	**23,296**	**19,285**	**17,772**	**13,942**	**18,227**
Operating income:					
Net income on financial assets and liabilities	-1,019	154	1,149	2,217	1,786
Operating expenses					
Costs relating to business combinations	1,879	1,318	-	-	-
Comparable profit before taxes	**24,157**	**20,758**	**18,921**	**16,158**	**20,013**
Income taxes in income statement	-4,625	-4,024	-3,587	-2,827	-3,409
Change of deferred taxes	-172	-294	-230	-443	-357
Comparable profit/loss for the accounting period	**19,360**	**16,440**	**15,105**	**12,888**	**16,247**

Note 1 Accounting principles for the Interim Report

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.

Oma Savings Bank Group is formed as follows:

Subsidiaries

- Real estate company Lappeenrannan Säästökeskus holding 100%

Associated companies

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

Joint ventures and joint operations

- Figure Taloushallinto Oy holding 25%
- Deleway Projects Oy holding 49%
- SAV-Rahoitus Oyj holding 48.2%
- Housing company Seinäjoen Oma Savings Bank house holding 30.5%

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

The figures of Interim Report 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 Interim Report 1 January - 31 March 2023 in its meeting on 2 May 2023.

2. Changes to the accounting principles

The changes to standards that took effect at the beginning of the financial year have not had a material impact on the Group's 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 Interim Report in accordance with IFRS has required certain estimates and assumptions from the Group's management that affects the number of items presented in the Interim Report 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 Interim Report.

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. The Russian invasion war and the subsequent accelerating inflation, as well as the uncertainty in the operating environment caused by the rising interest rates, may bring changes to the estimates presented in the Interim Report that require management judgment.

The application of the impairment losses on financial assets model under IFRS 9 requires the management to make estimates and assumptions about whether the credit risk associated with the financial instrument has increased significantly since the initial recognition and requires forward-looking information to be taken into account in the recognition of on-demand credit losses.

Determining fair values in a business combination requires judgment 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 has been valued at fair value in connection with the acquisition and a fair value adjustment of EUR 8.0 million has been recorded based on management's judgement.

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 debt valued with profit is unchanged in the review period. More detailed information on the business acquisition is presented in Note 16.

Note 2 Impacts of the Russian invasion war on the risk position

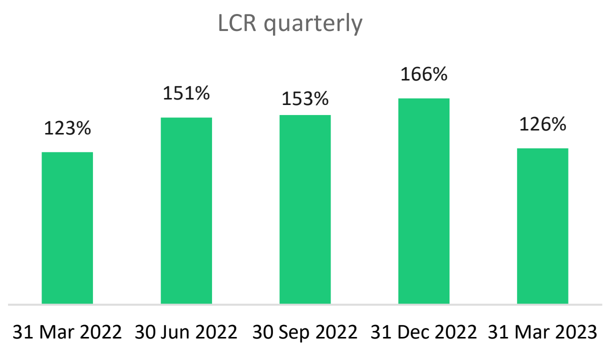
Liquidity risk

During the Russian invasion war, the Company has monitored the changes in liquidity risk more effectively. In terms of liquidity, the Company's situation has been stable throughout and the effects of the invasion war on the Company's liquidity have remained moderate. The Company's liquidity has been maintained at a good level with the issuance of covered and senior bonds. The deposit base has increased by 30.0% during the previous 12 months. The sharp rise in interest rates seen in 2022 is partly reflected in the movement of demand deposits, when banks offer a deposit rate after a long period of negative interest rates. In the first quarter of 2023, the US banking crisis and Credit Suisse's problems in Europe raised the debate about the sustainability of the banking sector. In addition to the decline in bank stocks, the news also spread to interest rates. Although the ECB raised its key interest rate at the beginning of the year as expected, the uncertain mood of the banking sector was transmitted to interest rate expectations, when in March we saw great downward pressure on interest rates. The news was particularly evident in the stagnation of the financial market and the difficulty of accessing financing. The situation affects Oma Savings Bank's operations mainly through the functionality of the refinancing market. Despite the uncertainty, the Company's liquidity has remained on a stable basis due to, among other things, the EUR 350 million covered bond issued in February. In addition, the Company has further strengthened its liquidity buffers by issuing a loan amount increase of EUR 250 million at the beginning of April.

The management of Oma Savings Bank's liquidity risk is based on the Company's ability to procure sufficient cash that is competitive in price in both the short and long term. A key component of liquidity risk management is the planning of the liquidity position in both the short and long term. Additionally, 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 unit monitors and measures the amount 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 126.2% on 31 March 2023. The Company's liquidity has remained strong despite uncertain market situation.

During 2022, the Company initiated many measures to add buffers to the clearly weakening economic cycle. The Company continues to maintain and strengthen liquidity and capital buffers. During the first quarter of the year, the Company issued a debenture loan to increase capital buffers. In addition, the Company has hedging measures in place with regard to interest rate risk management.



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'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.

2.1 Loan reliefs granted by the Company

The Russian invasion war has not caused individual peaks in demand of grace periods during the review period. At the end of the review period, the total grace periods of the loans accounted for 9.2% (9.3%) of the total loan stock, including the loan portfolio transferred in connection with Liedon Savings Bank's merger arrangement. All grace periods in force at the end of the reporting period, regardless of the reason or start date, have been included in the capital.

2.2 Allowances based on the management's judgement

The Company's loan portfolio has grown significantly during the review period as a result of the business arrangement with Liedon Savings Bank. The quality of the loan portfolio has remained at a good level, even though the proportion of defaulted loans has increased. The situation requires active monitoring due to the consequences of the Russian invasion war, such as the rise in interest rates and costs and the decline in economic growth. At the end of the review period, the share of insolvent liabilities in the entire loan portfolio was 1.8% (1.6%). Overdue and non-performing exposures from the loan portfolio increased and were 2.4 (2.2)%.

The Company has monitored the state and development of credit risk in accordance with credit risk management methods, intensified due to the Russian invasion war.

The Company monitors the number of possible payment delays and repayment exemption applications actively and analyzes the impact of possible changes.

In the review period, the Company allocated EUR 0.9 million of the remaining amount of the additional allowance for the corona pandemic and the Russian invasion war based on the management's judgement, to an individual customer.

The receivables transferred in connection with the acquisition of Liedon Savings Bank's business has been valued at fair value in connection with the acquisition and a fair value adjustment of EUR 8.0 million has been recorded based on management's judgement. In addition, the Company recorded an additional allowance of EUR 0.7 million related to the repair of the ECL model. The Company thus has a total of EUR 8.7 million (0.9 million) additional allowances on 31 March 2023. The Company continues to monitor the effects of the Russian invasion war and continues to evaluate the situation on a monthly basis.

2.3 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)	31/03/2023	% of credit portfolio	31/12/2022	% of credit portfolio
Matured exposures, 30-90 days	21,562	0.4%	18,509	0.4%
Non-matured or matured less than 90 days, non-repayment likely	64,721	1.1%	47,497	1.0%
Non-performing exposures, 90-180 days	12,332	0.2%	5,635	0.1%
Non-performing exposures, 181 days - 1 year	10,186	0.2%	6,186	0.1%
Non-performing exposures, > 1 year	36,610	0.6%	28,252	0.6%
Matured and non-performing exposures total	**145,410**	**2.4%**	**106,080**	**2.2%**
Performing exposures and matured exposures with forbearances	79,208	1.3%	62,011	1.3%
Non-performing exposures with forbearances	43,546	0.7%	33,376	0.7%
Forbearances total	**122,755**	**2.0%**	**95,387**	**2.0%**

Figures include interest due on items.

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-AA level private customers, AAA-AA + level corporate, housing association and agricultural customers.

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

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

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

Private customers

Loans and receivables and off-balance sheet commitments	31 Mar 2023	31 Dec 2022
Risk rating 1	1,947,042	1,562,267
Risk rating 2	1,548,497	1,206,970
Risk rating 3	130,032	117,572
Risk rating 4	132,862	101,218
No rating	4,283	4,130
Capital items by risk category, total	3,762,714	2,992,157
Loss allowance	18,098	10,102
Total	3,744,616	2,982,055

Corporates

Loans and receivables and off-balance sheet commitments	31 Mar 2023	31 Dec 2022
Risk rating 1	489,514	432,174
Risk rating 2	600,410	535,879
Risk rating 3	144,980	124,924
Risk rating 4	119,297	104,505
Capital items by risk category, total	1,354,201	1,197,482
Loss allowance	18,632	13,882
Total	1,335,569	1,183,601

Housing associations

Loans and receivables and off-balance sheet commitments	31 Mar 2023	31 Dec 2022
Risk rating 1	536,554	328,309
Risk rating 2	152,096	125,284
Risk rating 3	49,360	20,208
Risk rating 4	11,572	6,934
Capital items by risk category, total	749,582	480,734
Loss allowance	539	255
Total	749,044	480,480

Agriculture

Loans and receivables and off-balance sheet commitments	31 Mar 2023	31 Dec 2022
Risk rating 1	77,439	55,670
Risk rating 2	167,498	162,555
Risk rating 3	55,188	50,930
Risk rating 4	14,588	10,024
No rating	5,950	157
Capital items by risk category, total	320,663	279,336
Loss allowance	1,279	824
Total	319,384	278,512

Others

Loans and receivables and off-balance sheet commitments	31 Mar 2023	31 Dec 2022
Risk rating 1	75,633	73,979
Risk rating 2	42,955	29,146
Risk rating 3	525	1,157
Risk rating 4	57	22
Capital items by risk category, total	119,170	104,304
Loss allowance	71	68
Total	119,099	104,236

Debt securities	31 Mar 2023	31 Dec 2022
Risk rating 1	471,488	471,772
Risk rating 2	783	371
Risk rating 3	438	-
Risk rating 4	283	83
No rating	70,251	68,055
Capital items by risk category, total	543,244	540,281
Loss allowance	544	438
Total	542,699	539,843

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 Mar 2023	31 Dec 2022
Enterprises	1,026,610	785,294	192,168	127,744	5,373	**2,137,188**	**1,708,929**
Real estate	655,995	420,481	112,152	49,730	-	**1,238,358**	**888,856**
Agriculture	2,309	41,964	1,622	808	5,373	**52,076**	**48,015**
Construction	50,654	59,630	7,187	12,849	-	**130,320**	**120,465**
Accommodation and food service activities	24,463	42,979	10,518	4,759	-	**82,719**	**74,663**
Wholesale and retail	89,981	63,923	26,430	8,404	-	**188,737**	**188,307**
Finance and insurance	31,317	17,896	2,266	2,699	-	**54,178**	**55,607**
Others	171,891	138,422	31,993	48,495	-	**390,800**	**333,016**
Public entities	1,032	15,876	-	-	-	**16,908**	**3,617**
Non-profit communities	11,031	19,626	519	5	-	**31,181**	**29,383**
Financial and insurance institutions	62,571	7,292	6	52	-	**69,922**	**70,918**
Households	2,024,938	1,683,367	187,392	150,574	4,861	**4,051,132**	**3,241,167**
Total	**3,126,182**	**2,511,455**	**380,085**	**278,375**	**10,233**	**6,306,331**	**5,054,014**

3. Measures to mitigate the risks caused by Russian invasion war

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

With regard to credit risk, preventive measures have included the above-mentioned grace periods granted to customers, increased monitoring of problem customers and loans in arrears, careful assessment of collateral values and monitoring. Additionally, when granting new loans, the applicant's repayment capacity and the value of collateral are monitored bearing in mind economic uncertainty, falling prices of housing and other real estate, as well as increases in interest rates and costs.

Note 3 Classification of financial assets and liabilities

Assets (1,000 euros) 31 Mar 2023	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	Carrying value, total	Fair value
Cash and cash equivalents	496,827	-	-	-	496,827	496,827
Loans and advances to credit institutions	120,199	-	-	-	120,199	120,199
Loans and advances to customers	5,966,671	-	-	-	5,966,671	5,966,671
Derivatives, hedge accounting	-	-	-	5,367	5,367	5,367
Debt instruments	-	542,699	902	-	543,601	543,601
Equity instruments	-	-	13,201	-	13,201	13,201
Financial assets, total	**6,583,697**	**542,699**	**14,103**	**5,367**	**7,145,866**	**7,145,866**
Investments in associated companies					25,113	25,113
Investment properties					1,319	2,326
Other assets					126,655	126,655
Assets, total	**6,583,697**	**542,699**	**14,103**	**5,367**	**7,298,953**	**7,299,960**

Liabilities (1,000 euros) 31 Mar 2023	Other liabilities	Hedging derivatives	Carrying value, total	Fair value
Liabilities to credit institutions	262,249	-	262,249	262,249
Liabilities to customers	3,927,221	-	3,927,221	3,927,221
Derivatives, hedge accounting	-	6,292	6,292	6,292
Debt securities issued to the public	2,462,851	-	2,462,851	2,462,851
Subordinated liabilities	60,000	-	60,000	60,000
Financial liabilities, total	**6,712,321**	**6,292**	**6,718,613**	**6,718,613**
Non-financial liabilities			142,983	142,983
Liabilities, total	**6,712,321**	**6,292**	**6,861,596**	**6,861,596**

Assets (1,000 euros) 31 Dec 2022	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	Carrying value, total	Fair value
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
Financial assets, total	**5,270,721**	**539,843**	**11,463**	**1,931**	**5,823,958**	**5,823,958**
Investments in associated companies					25,351	25,351
Investment properties					1,328	1,431
Other assets					91,130	91,130
Assets, total	**5,270,721**	**539,843**	**11,463**	**1,931**	**5,941,766**	**5,941,870**

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

Assets (1,000 euros) 31 Mar 2022	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	Carrying value, total	Fair value
Cash and cash equivalents	252,925	-	-	-	252,925	252,925
Loans and advances to credit institutions	81,609	-	-	-	81,609	81,609
Loans and advances to customers	4,478,360	-	-	-	4,478,360	4,478,360
Derivatives, hedge accounting	-	-	-	899	899	899
Debt instruments	-	583,378	907	-	584,285	584,285
Equity instruments	-	-	24,370	-	24,370	24,370
Financial assets, total	**4,812,894**	**583,378**	**25,277**	**899**	**5,422,448**	**5,422,448**
Investments in associated companies					22,974	22,974
Investment properties					1,703	1,784
Other assets					70,887	70,887
Assets, total	**4,812,894**	**583,378**	**25,277**	**899**	**5,518,011**	**5,518,092**

Liabilities (1,000 euros) 31 Mar 2022	Other liabilities	Hedging derivatives	Carrying value, total	Fair value
Liabilities to credit institutions	215,344	-	215,344	215,344
Liabilities to customers	3,018,791	-	3,018,791	3,018,791
Debt securities issued to the public	1,800,163	-	1,800,163	1,800,163
Subordinated liabilities	15,500	-	15,500	15,500
Financial liabilities, total	**5,049,798**	**-**	**5,049,798**	**5,049,798**
Non-financial liabilities			97,095	97,095
Liabilities, total	**5,049,798**	**-**	**5,146,893**	**5,146,893**

Note 4 Loans and advances

(1,000 euros)	31 Mar 2023	31 Dec 2022	31 Mar 2022
Loans and advances to credit institutions			
Deposits	77,002	82,630	50,770
Other	43,198	32,026	30,839
Loans and advances to credit institutions, total	**120,199**	**114,655**	**81,609**
Loans and advances to the public and public sector entities			
Loans	5,839,989	4,656,941	4,366,806
Utilised overdraft facilities	72,106	53,670	74,384
Loans intermediated through the State's assets	23	29	45
Credit cards	53,993	43,029	36,726
Bank guarantee receivables	560	367	399
Loans and advances to the public and public sector entities, total	**5,966,671**	**4,754,036**	**4,478,360**
Loans and advances, total	**6,086,870**	**4,868,691**	**4,559,970**

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 Mar 2023	31 Dec 2022	31 Mar 2022
Fair value hedge			
Interest rate derivatives	5,365	1,929	440
Other hedging derivatives			
Share and share index derivatives	1	2	459
Derivative assets, total	**5,367**	**1,931**	**899**

Liabilities (1,000 euros)	31 Mar 2023	31 Dec 2022	31 Mar 2022
Fair value hedge			
Interest rate derivatives	6,292	4,184	-
Share and share index derivatives	-	-	-
Derivative liabilities, total	**6,292**	**4,184**	**-**
Change in the value of hedged object / Fair value hedge	**-1,805**	**1,446**	**-456**
Change in the value of hedged object / Other hedging derivatives	**238**	**343**	**-20**

Nominal values of underlying items and fair values of derivatives (1,000 euros)	Remaining maturity				Fair values	
31 Mar 2023	Less than 1 year	1-5 years	Over 5 years	Total	Assets	Liabilities
Fair value hedge	**5,000**	**291,000**	**627,000**	**923,000**	**5,365**	**6,292**
Interest rate swaps	5,000	291,000	627,000	923,000	5,387	6,292
Cva and Dva adjustments	-	-	-	-	-21	-
Other hedging derivatives	**27,490**	**-**	**-**	**27,490**	**1**	**-**
Share and share index derivatives	27,490	-	-	27,490	1	-
Cva and Dva adjustments	-	-	-	-	-	-
Derivatives, total	**32,490**	**291,000**	**627,000**	**950,490**	**5,367**	**6,292**

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

Nominal values of underlying items and fair values of derivatives (1,000 euros)	Remaining maturity				Fair values	
31 Mar 2022	Less than 1 year	1-5 years	Over 5 years	Total	Assets	Liabilities
Fair value hedge	**5,000**	**5,000**	**-**	**10,000**	**440**	**-**
Interest rate swaps	5,000	5,000	-	10,000	454	-
Cva and Dva adjustments	-	-	-	-	-14	-
Other hedging derivatives	**32,906**	**27,490**	**-**	**60,396**	**459**	**-**
Share and share index derivatives	32,906	27,490	-	60,396	481	-
Cva and Dva adjustments	-	-	-	-	-22	-
Derivatives, total	**37,906**	**32,490**	**-**	**70,396**	**899**	**-**

Note 6 Investment assets

Investment assets (1,000 euros)	31 Mar 2023	31 Dec 2022	31 Mar 2022
Measured at fair value through profit or loss			
Debt securities	902	859	907
Shares and other equity instruments	13,201	10,604	24,370
Assets measured at fair value through profit or loss, total	**14,103**	**11,463**	**25,277**
Measured at fair value through other comprehensive income			
Debt securities	542,699	539,843	583,378
Shares and other equity instruments	-	-	-
Measured at fair value through other comprehensive income, total	**542,699**	**539,843**	**583,378**
Investment properties	**1,319**	**1,328**	**1,703**
Investment assets, total	**558,121**	**552,633**	**610,358**

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 Mar 2023	31 Dec 2022	31 Mar 2022
Cost January 1		**4,199**	**4,544**	**4,544**
+	Increases	22	-	-
-	Decreases	-	-345	-
+/-	Transfers	-27	-	-
Cost at the end of the period		**4,194**	**4,199**	**4,544**
Accumulated depreciation and impairment losses		**-2,871**	**-2,830**	**-2,830**
+/-	Accumulated depreciation of decreases and transfers	7	-	-
-	Depreciation	-10	-41	-10
+/-	Other changes	-1	-	-
Accumulated depreciation and impairment at the end of the period		**-2,875**	**-2,871**	**-2,841**
Opening balance		**1,328**	**1,713**	**1,713**
Closing balance		**1,319**	**1,328**	**1,703**

31 Mar 2023	Equity instruments				Debt-based				
Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	All total
Quoted									
Public sector entities	-	-	-	-	154,654	-	-	154,654	154,654
From others	-	3,962	-	3,962	387,844	113	-	387,957	391,919
Non-quoted									
From others	-	9,239	-	9,239	202	789	-	990	10,230
Total	**-**	**13,201**	**-**	**13,201**	**542,699**	**902**	**-**	**543,601**	**556,802**

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

31 Mar 2022	Equity instruments				Debt-based				
Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	All total
Quoted									
Public sector entities	-	-	-	-	160,326	-	-	160,326	160,326
From others	-	14,983	-	14,983	422,845	150	-	422,995	437,978
Non-quoted									
From others	-	9,387	-	9,387	206	757	-	963	10,350
Total	**-**	**24,370**	**-**	**24,370**	**583,378**	**907**	**-**	**584,285**	**608,655**

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

(1,000 euros)	31 Mar 2023	31 Dec 2022	31 Mar 2022
Liabilities to credit institutions			
Liabilities to Central Banks	150,000	150,000	150,000
Repayable on demand	8,385	4,749	13,441
Other than repayable on demand	103,865	87,794	51,902
Liabilities to credit institutions, total	**262,249**	**242,543**	**215,344**
Liabilities to the public and public sector entities			
Deposits	3,925,395	3,113,883	3,018,302
Repayable on demand	3,328,618	2,817,464	2,874,659
Other	596,777	296,420	143,643
Other financial liabilities	21	27	33
Other than repayable on demand	21	27	33
Changes in fair value in terms of borrowing	1,805	-1,446	456
Liabilities to the public and public sector entities, total	**3,927,221**	**3,112,464**	**3,018,791**
Liabilities to the public and public sector entities and liabilities to credit institutions, total	**4,189,470**	**3,355,007**	**3,234,135**

The liabilities to Central Banks item is a TLTRO secured credit withdrawn on June 2020. The loan matures 30 June 2023 but repayment of it has been possible as of 29 September 2021. The determination of the interest rate is influenced by the average of the European Central Bank’s deposit rate over the course of the loan, as well as the increase in the Company’s loan portfolio approved for monitoring. The interest rate on the loan will be reviewed after the loan matures. The TLTRO loan has been treated as a debt under IFRS 9 standard. In the third quarter 2022, the Company revised the interest rate treatment of the TLTRO loan due to European Central Bank's increase in interest rate.

Note 8 Debt securities issued to the public

(1,000 euros)	31 Mar 2023	31 Dec 2022	31 Mar 2022
Bonds	2,289,630	1,941,269	1,557,538
Certificates of deposit	173,221	145,681	242,625
Debt securities issued to the public, total	**2,462,851**	**2,086,950**	**1,800,163**

					Closing balance		
Maturity of bonds	Nominal value	Interest	Year of issue	Due date	31 Mar 2023	31 Dec 2022	31 Mar 2022
OmaSp Plc 12.12.2022, covered bond	350,000	0.125%/fixed	2017-2018	12/12/2022	-	-	349,645
OmaSp Plc 3.4.2024, covered bond	300,000	0.125%/fixed	2019	03/04/2024	299,662	299,579	299,328
OmaSp Plc 6.4.2023, covered bond	250,000	0.125%/fixed	2020	06/04/2023	249,993	249,883	249,549
OmaSp Plc 17.1.2024	55,000	margin 1%/variable	2020	17/1/2024	54,999	54,999	54,998
OmaSp Plc 25.11.2027, covered bond	400,000	0.01%/fixed	2020-2021	25/11/2027	403,710	403,908	404,512
OmaSp Plc 19.5.2025	200,000	margin 0.2%/variable	2021	19/05/2025	199,664	199,625	199,506
OmaSp Plc 18.12.2026, covered bond	600,000	1.5%/fixed	2022	18/12/2026	584,625	583,684	-
OmaSp Plc 26.9.2024	150,000	5%/fixed	2022	26/09/2024	149,632	149,591	-
OmaSp Plc 15.6.2028, covered bond	350 000	3.135%/fixed	2023	15/6/2028	347,346	-	-
					2,289,630	**1,941,269**	**1,557,538**

Maturity of deposit certificates	Less than 3 months	3-6 months	6-9 months	9-12 months	Closing balance, total
31 Mar 2023	89,673	41,655	12,738	29,155	**173,221**
31 Dec 2022	133,777	11,904	-	-	**145,681**
31 Mar 2022	125,992	59,970	40,676	15,986	**242,625**

Note 9 Net interest income

(1,000 euros)	1-3/2023	1-3/2022	1-12/2022
Interest income			
Loans to credit institutions	2,383	-	1,377
Loans and advances to the public and public sector entities	46,166	21,764	108,840
Debt securities	1,110	749	3,104
Derivatives	5,630	895	6,947
Other interest income	304	647	1,608
Interest income, total	**55,593**	**24,055**	**121,876**
Interest expenses			
Liabilities to credit institutions	-1,192	-160	-1,283
Liabilities to the public and public sector entities	-2,992	-98	-1,524
Debt securities issued to the public	-9,751	-629	-10,907
Derivative contracts	-4,972	-	-2,742
Subordinated liabilities	-322	-46	-354
Other interest expenses	-140	-35	-136
Interest expenses, total	**-19,369**	**-969**	**-16,946**
Net interest income	**36,224**	**23,086**	**104,930**

Note 10 Fee and commission income and expenses

(1,000 euros)	1-3/2023	1-3/2022	1-12/2022
Fee and commission income			
Lending	1,938	3,489	11,925
Deposits	21	23	77
Card and payment transactions	7,501	5,767	24,440
Intermediated securities	-	62	259
Funds	1,312	1,200	4,485
Legal services	74	108	422
Brokered products	516	556	2,025
Granting of guarantees	519	397	1,865
Other fee and commission income	241	223	771
Fee and commission income, total	**12,123**	**11,825**	**46,270**
Fee and commission expenses			
Card and payment transactions	-1,272	-1,277	-5,455
Securities	-126	-12	-246
Other fee and commission expenses	-271	-285	-1,172
Fee and commission expenses, total	**-1,670**	**-1,574**	**-6,873**
Fee and commission income and expenses, net	**10,453**	**10,251**	**39,396**

Note 11 Net income on financial assets and financial liabilities

(1,000 euros)	1-3/2023	1-3/2022	1-12/2022
Net income on financial assets measured at fair value through profit or loss			
Debt securities			
Valuation gains and losses	42	-88	-136
Debt securities, total	**42**	**-88**	**-136**
Shares and other equity instruments			
Dividend income	82	175	449
Capital gains and losses	-	-	-203
Valuation gains and losses	-37	-1,883	-4,828
Shares and other equity instruments, total	**45**	**-1,708**	**-4,582**
Net income on financial assets measured at fair value through profit or loss, total	**87**	**-1,796**	**-4,718**
Net income on financial assets measured at fair value through other comprehensive income			
Debt securities			
Capital gains and losses	562	-473	-500
Difference in valuation reclassified from the fair value reserve to the income statement	-369	382	97
Debt securities, total	**193**	**-91**	**-403**
Net income on financial assets measured at fair value through other comprehensive income, total	**193**	**-91**	**-403**

Net income from investment properties (1,000 euros)	1-3/2023	1-3/2022	1-12/2022
Rent and dividend income	55	53	202
Capital gains and losses	-	-	-3
Other gains from investment properties	2	2	7
Maintenance expenses	-16	-21	-53
Depreciation and impairment on investment properties	-10	-10	-41
Rent expenses on investment properties	-	-	-10
Net income from investment properties, total	**31**	**23**	**103**

Net income on trading in foreign currencies	**-43**	**41**	**130**
Net income from hedge accounting	**701**	**-1**	**-414**
Net income from trading	**50**	**38**	**-4**
Net income on financial assets and financial liabilities, total	**1,019**	**-1,786**	**-5,306**

Note 12 Impairment losses on financial assets

(1,000 euros)	1-3/2023	1-3/2022	1-12/2022
ECL on receivables from customers and off-balance sheet items	-965	4,294	1,343
ECL from debt instruments	-107	434	720
Expected credit losses, total	**-1,072**	**4,728**	**2,063**
Final credit losses			
Final credit losses	-600	-2,363	-4,348
Refunds on realised credit losses	77	132	538
Recognised credit losses, net	**-522**	**-2,231**	**-3,810**
Impairment on financial assets, total	**-1,595**	**2,498**	**-1,747**

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

Expected credit losses, loans and receivables

				1-3/2023	1-3/2022	1-12/2022
Receivables from credit institutions and public and public entities (1,000 euros)	Stage 1	Stage 2	Stage 3	Total	Total	Total
Expected credit losses 1 January	**1,300**	**4,974**	**18,558**	**24,833**	**28,599**	**28,599**
Transfer to stage 1	244	-475	-57	-289	-115	-1,221
Transfer to stage 2	-97	926	-117	712	589	2,615
Transfer to stage 3	-9	-199	1,086	878	298	2,354
New debt securities	393	702	4,078	5,172	228	1,115
Instalments and matured debt securities	-62	-181	-302	-544	-626	-2,327
Realised credit losses	-	-	-600	-600	-2,360	-4,114
Recoveries on previous realised credit losses	-	-	77	77	259	462
Changes in credit risk	-195	-144	-661	-1,001	37	2,291
Changes in the ECL model parameters	-	-	-	-	-1,988	-2,338
Changes based on management estimates	72	7,135	1,831	9,038	-	-2,603
Expected credit losses period end	**1,647**	**12,737**	**23,893**	**38,277**	**24,920**	**24,833**

The Company's management has assessed the effects of the corona pandemic and the Russian invasion war on an industry-by-industry basis. During the first quarter, the Company released EUR 0.9 million of the additional ECL allowance based on management's judgement. During the first quarter, the Company made an additional LGD allowance of EUR 0.7 million. The amount of expected credit losses is increased by the fair value adjustment recorded in connection with the acquisition of Liedon Savings Bank on the basis of management's judgement, totalling EUR 8 million. Due to the change in the Group structure in 2022, ECL of SAV-Rahoitus loan portfolio is no longer included in the Group's balance sheet. After the change, Oma Savings Bank considers the share of the Company's ECL allowance when combining with the Company's equity method. 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.

				1-3/2023	1-3/2022	1-12/2022
Off-balance sheet commitments (1,000 euros)	Stage 1	Stage 2	Stage 3	Total	Total	Total
Expected credit losses 1 January	**141**	**156**	**-**	**297**	**926**	**926**
Transfer to stage 1	4	-75	-	-71	-14	-63
Transfer to stage 2	-3	27	-	24	46	160
Transfer to stage 3	-	-3	-	-3	-1	-3
New debt securities	85	61	-	146	94	304
Matured debt securities	-27	-45	-	-72	-71	-287
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	-8	-17	-	-24	-22	-33
Changes in the ECL model parameters	-	-	-	-	-649	-659
Changes based on management estimates	4	41	-	45	-	-49
Expected credit losses period end	**196**	**146**	**-**	**342**	**310**	**297**

Expected credit losses, investment assets

Debt securities, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	1-3/2023 Total	1-3/2022 Total	1-12/2022 Total
Expected credit losses 1 January	**415**	**23**	**-**	**438**	**1,158**	**1,158**
Transfer to stage 1	1	-12	-	-11	-1	-13
Transfer to stage 2	-	-	-	-	5	9
Transfer to stage 3	-	-	-	-	-	-
New debt securities	307	333	-	639	10	33
Matured debt securities	-276	-333	-	-609	-124	-127
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	87	-	-	87	-324	-622
Changes in the ECL model parameters	-	-	-	-	-	-
Changes based on management estimates	-	-	-	-	-	-
Expected credit losses period end	**534**	**11**	**-**	**544**	**723**	**438**

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 Mar 2023			
Financial assets (1,000 euros)	Level 1	Level 2	Level 3	Total
At fair value through profit or loss				
Equity securities	3,962	2,147	7,092	13,201
Debt securities	705	-	197	902
Derivatives	-	5,367	-	5,367
At fair value through other comprehensive income				
Debt securities	542,699	-	-	542,699
Financial assets, total	**547,366**	**7,514**	**7,289**	**562,169**

	31 Mar 2023			
Financial liabilities (1, 000 euros)	Level 1	Level 2	Level 3	Total
Derivatives	-	6,292	-	6,292
Financial liabilities, total	**-**	**6,292**	**-**	**6,292**

	31 Mar 2023			
Other liabilities (1,000 euros)	Level 1	Level 2	Level 3	Total
At fair value through profit or loss				
Payment liability, consortium of Savings Banks	-	-	20,200	20,200
Total	**-**	**-**	**20,200**	**20,200**

	31 Dec 2022				31 Mar 2022			
Financial assets (1,000 euros)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Measured at fair value through profit or loss								
Equity securities	2,375	2,018	6,211	**10,604**	14,983	2,074	7,313	24,370
Debt securities	660	-	199	**859**	673	-	234	907
Derivatives	-	1931	-	**1,931**	-	899	-	899
Measured at fair value through other comprehensive income								
Debt securities	539,843	-	-	539,843	583,378	-	-	583,378
Financial assets, total	**542,878**	**3,948**	**6,410**	**553,236**	**599,034**	**2,973**	**7,547**	**609,554**

	31 Dec 2022				31 Mar 2022			
Financial liabilities (1,000 euros)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivatives	-	4,184	-	4,184	-	-	-	-
Financial liabilities, total	**-**	**4,184**	**-**	**4,184**	**-**	**-**	**-**	**-**

	31 Dec 2022				31 Mar 2022			
Other liabilities (1,000 euros)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
At fair value through profit or loss								
Payment liability, consortium of Savings Banks	-	-	5,200	5,200	-	-	6,500	6,500
Total	**-**	**-**	**5,200**	**5,200**	**-**	**-**	**6,500**	**6,500**

Investment transactions, categorised to Level 3

Financial assets at fair value through profit or loss (1,000 euros)	31 Mar 2023 Equity securities	Debt securities	Total	31 Dec 2022 Equity securities	Debt securities	Total	31 Mar 2022 Equity securities	Debt securities	Total
Opening balance	**6,211**	**199**	**6,410**	**7,277**	**269**	**7,546**	**7,277**	**269**	**7,546**
+ Acquisitions	1,000	-	1,000	-	-	-	-	-	-
- Sales	-	-	-	-1,252	-	-1,252	-	-	-
- Matured during the year	-	-	-	-	-	-	-	-	-
+/- Realised changes in value recognised on the income statement	-	-	-	103	-	103	-	-	-
+/- Unrealised changes in value recognised on the income statement	-119	-2	-121	83	-70	13	35	-35	-
+ Transfers to Level 3	-	-	-	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-	-	-	-
Closing balance	**7,092**	**197**	**7,289**	**6,211**	**199**	**6,410**	**7,313**	**234**	**7,547**

At fair value through other comprehensive income (1,000 euros)	31 Mar 2023 Equity securities	Debt securities	Total	31 Dec 2022 Equity securities	Debt securities	Total	31 Mar 2022 Equity securities	Debt securities	Total
Opening balance	-	-	-	-	-	-	-	-	-
+ 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	-	-	-	-	-	-	-	-	-
+ Transfers to Level 3	-	-	-	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-	-	-	-
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Transactions in other liabilities, categorised to Level 3

Other liabilities at fair value through profit or loss (1,000 euros)	31 Mar 2023 Equity securities	Debt securities	Total	31 Dec 2022 Equity securities	Debt securities	Total	31 Mar 2022 Equity securities	Debt securities	Total
Opening balance	**-**	**5,200**	**5,200**	**-**	**6,500**	**6,500**	**-**	**6,500**	**6,500**
+ 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	-	-	-	-	-1,300	-1,300	-	-	-
+ Transfers to Level 3	-	-	-	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-	-	-	-
Closing balance	**-**	**20,200**	**20,200**	**-**	**5,200**	**5,200**	**-**	**6,500**	**6,500**

Sensitivity analysis for financial assets on Level 3

(1,000 euros)		31 Mar 2023 Potential impact on equity			31 Dec 2022 Potential impact on equity			31 Mar 2022 Potential impact on equity		
Equity securities	Hypo-thetical change	Market value	Positive	Negative	Market value	Positive	Negative	Market value	Positive	Negative
At fair value through profit or loss	+/- 15%	7,092	1,064	-1,064	6,211	932	-932	7,313	1,097	-1,097
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-	-	-	-
Total		**7,092**	**1,064**	**-1,064**	**6,211**	**932**	**-932**	**7,313**	**1,097**	**-1,097**

(1,000 euros)		31 Mar 2023 Potential impact on equity			31 Dec 2022 Potential impact on equity			31 Mar 2022 Potential impact on equity		
Debt securities	Hypo-thetical change	Market value	Positive	Negative	Market value	Positive	Negative	Market value	Positive	Negative
At fair value through profit or loss	+/- 15%	197	30	-30	199	30	-30	234	35	-35
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-	-	-	-
Total		**197**	**30**	**-30**	**199**	**30**	**-30**	**234**	**35**	**-35**

Note 14 Share-based incentive schemes

As of 31 March 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 possible reward is based on a comparable cost-income ratio, an increase in operating income (by comparable figures), and customer and employee satisfaction. The program includes a two-year long earning period, 2022-2023 and subsequent commitment periods, during which the shares will be disposed in approximately six instalments within five years. The reward is paid partly in shares of the Company and partly in cash. The cash portion is used to cover taxes and tax charges incurred by the reward to the person. If a person's employment or employment relationship ends before the payment of the commission, the remuneration, as a rule, is not paid. The fees payable under the scheme corresponds to a maximum value of 400,000 shares of Oma Savings Bank Plc, including the amount to be paid in cash. The target group of the scheme includes a maximum of 30 key persons, including the Company's CEO and members of the Group's Management Team.

Share-based incentive scheme	1-3/2023	1-3/2023	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	01/01/2022	01/01/2020	01/01/2020
Share price at issue, weighted average fair value	16.90	8.79	8.79
Earning period begins	01/01/2022	01/01/2020	01/01/2020
Earning period ends	31/12/2023	31/12/2021	31/12/2021
Persons at the close of the financial year	30	10	11

Events for the financial year (pcs)	1-3/2023	1-3/2023	1-12/2022
01/01/2023	Program 2022-2023	Program 2020-2021	Program 2020-2021
Those who were out at the beginning of the period	-	-	-
Changes during the period			
Granted during the period	-	-	331,790
Lost during the period	-	-	-
Implemented during the period	-	57,396	159,600
Expired during the period	-	-	-
Out at the end of the period	**-**	**-57,396**	**172,190**

Note 15 Changes in Group structure

The 2023 accounting period

In February, Oma Savings Bank Plc grew 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 30.47%.

The 2022 accounting period

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
Acquired net assets	**68.0**
Purchase price, in cash	7.5
Purchase price, equity instruments	65.0
Total cost of combination	**72.5**
Goodwill	**4.4**

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 receivables received in the acquisition of the business is approx. EUR 1,167.0 million and at the time of the acquisition has been taken into account the gross value of receivables of EUR 8.0 million as a reduction in expected credit losses. 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 former employees. The total costs of the arrangement were EUR 3.2 million, of which EUR 1.3 million was allocated to 2022 and EUR 1.9 million for the first quarter of 2023.

Note 17 Significant events after the period

In April, the Company issued a EUR 250 million bond increase (tap issue). The bond was issued on the same terms as the bond issued by Oma Savings Bank Plc on 18 November 2020 and maturing on 25 November 2027. The loan issued will be combined with the loan on 18 November 2020, and they will form one single bond. The loan issuance took place under the Company's EUR 3 billion bond program.

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 compliance with IFRS standards, solvency, regulations (CRD/CRR) or Solvency II (SII) regulations. The Company presents APMs as supplementary information to the key figures that are presented in the Group's IFRS-compliant income statement, Group 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 %

$$\frac{\text{Profit/loss of the accounting period}}{\text{Average balance sheet total}} \times 100$$

(average of the beginning and the end of the year)

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

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

The document is an English translation of the Finnish auditor’s report. Only the Finnish version of the report is legally binding

Independent Auditor's Report on Review of Consolidated Interim Report of Oma Savings Bank Plc

To the Board of Directors of Oma Savings Bank Plc

Introduction

We have reviewed the accompanying consolidated interim report of Oma Savings Bank Plc which comprise the condensed consolidated balance sheet as at 31 March 2023, condensed consolidated income statement, statement of comprehensive income, changes in equity, and cash flows for the three months ended 31 March 2023 and notes to the condensed interim information. The Board of Directors and the CEO are responsible for the preparation and presentation of the condensed consolidated interim report in accordance with IAS 34 "Interim Financial Reporting" standard and other regulations governing the preparation of interim financial statements in Finland. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements ISRE 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity".* A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim report of Oma Savings Bank Plc as at 31 March 2023 and for the three month period ended 31 March 2023 has not been prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting standard and other regulations governing the preparation of interim financial statements in Finland.

In Helsinki, 2 May 2023

KPMG OY AB

Tuomas Ilveskoski
Authorised Public Accountant, KHT

omasp.fi

Oma Savings Bank Plc
tel. +358 20 764 0600
Business ID 2231936-2