



# Q3/2021

Oma Savings Bank Group

Interim Report 30 September 2021



Interim Report 30 September 2021 is a translation of the original Finnish version "Osavuositarkastus 30.9.2021". If discrepancies occur, the Finnish version is dominant.


## Oma Savings Bank Group's Interim Report January-September 2021

- Net interest income continued to increase strongly by 17.4% in the third quarter and in January-September by 19.1% compared to the same period last year.
- The home mortgage portfolio increased by a total of 22.0% over the previous 12 months. At the same time, the corporate loan portfolio increased by 25.7%.
- The deposit stocks grew by 18.1% over the previous 12 months.
- The 'Fee and commission income and expenses (net)' item increased in July-September by 17.8% and in January-September by 17.5% compared to the same period last year.
- In June, the company announced that it had agreed with Cognizant to terminate the contract for the core banking project. As part of the agreement Cognizant paid the company a financial compensation, which had a positive impact of approximately EUR 22 million on the company's profit before taxes. The compensation was recorded in the second quarter.
- The total operating income grew by 15.0% during the third quarter and came to a total of EUR 30.3 million. For January-September, the total operating income grew by 46.4% to EUR 117.1 (80.0) million.
- The impairment losses on financial assets increased compared to the comparison period and were EUR 2.1 (1.5) million in July-September. For January-September, impairment losses on financial assets decreased compared to the previous year and amounted to EUR 5.7 (14.0) million.
- The cost/income ratio improved in the third quarter and was 42.6 (43.2)%. The comparable cost/income ratio improved to 44.3 (48.0)%.
- In August, the company issued a positive profit warning and revised its earnings outlook for the financial year 2021.
- For July-September, the profit before taxes increased compared to the previous financial year and was EUR 15.3 (13.5) million. For the beginning of the year, the profit before taxes increased compared to the previous financial year and was EUR 65.3 (27.2) million.
- The comparable profit before taxes for the third quarter increased compared with the comparative period and was EUR 14.0 (10.9) million. For January-September, the comparable profit before taxes was EUR 38.7 (19.8) million.

## Outlook for 2021 (updated 2 August 2021)

The company's business volumes will continue strong growth during financial year 2021. The Group's 2021 profit before taxes and comparable profit before taxes will increase significantly compared to the previous financial year.

The Group's key figures (1,000 euros)	1-9/2021	1-9/2020	Δ %	2021 Q3	2020 Q3	Δ %
Net interest income	58,257	48,929	19%	20,588	17,539	17%
Fee and commission income and expenses, net	24,592	20,925	18%	8,107	6,883	18%
Total operating expenses	-45,776	-38,918	18%	-12,942	-11,394	14%
Impairment losses on financial assets, net	-5,661	-13,984	-60%	-2,058	-1,531	34%
Profit before taxes	65,304	27,166	140%	15,348	13,488	14%
Cost/income ratio, %	39.2%	48.6%	-19%	42.6%	43.2%	-1%
Balance sheet total	4,902,204	3,952,766	24%	4,902,204	3,952,766	24%
Equity	384,963	343,208	12%	384,963	343,208	12%
Return on assets (ROA) %	1.5%	0.8%	87%	1.0%	1.1%	-8%
Return on equity (ROE) %	18.8%	8.7%	116%	12.7%	12.5%	2%
Earnings per share (EPS), EUR	1.76	0.73	139%	0.41	0.36	15%
Common Equity Tier 1 (CET1) capital ratio %	16.5%	16.5%	0%	16.5%	16.5%	0%
Comparable profit before taxes	38,695	19,819	95%	14,015	10,853	29%
Comparable cost/income ratio, %	47.8%	53.1%	-10%	44.3%	48.0%	-8%
Comparable return on equity (ROE) %	11.1%	6.3%	76%	11.6%	10.0%	16%



**Profit before taxes  
EUR 65.3 million for  
the beginning of the  
year**

## CEO's review

# Accelerated by an excellent quarter, we already exceeded last year's record result

**The development of OmaSp's earnings and the growth of business volumes have remained strong. All key indicators have improved compared to the comparison period. After nine months, we have already surpassed last year's record earnings.**

Demand for home mortgages and corporate loans has continued to be excellent and the loan portfolio has grown rapidly throughout the year. The quality of the loan portfolio is at a good level and the level of credit losses is very low. For the third quarter, profit before taxes was EUR 15.3 million. Comparable profit before taxes increased by 29% to EUR 14 million.

Both main sources of income have developed strongly throughout the year, net interest income increased by 19% and fee and commission income by 18%. The comparable

cost/income ratio continued to improve and was 47.8% from January to September. Comparable return on equity (ROE) rose to 11.1%. For the beginning of the year, the profit is EUR 65.3 million, an increase of a whopping 140%. Comparable profit before taxes almost doubled to EUR 38.7 million.



**Comparable cost/income  
ratio 47.8% for January-  
September**

### **Investments in digital services**

The changing operating environment offers us new opportunities in the field of digital services. Significant investments have been made in, among other things, cloud and data security capabilities, mobile development and extensively to system development. The investments made will improve the customer experience, bring immediate efficiency to our operations and strengthen our competitiveness even in the future.

## Strong growth continues

We raised our earnings guidance in early August and issued a positive profit warning again. From the beginning of October, we raised our medium-term strategical profitability target by 10 percentage points. The target level for the cost/income ratio is now less than 45%, which is exceptionally ambitious in the industry. The number tells about the efficiency of our operations.

The acquisition with Eurajoen Savings Bank will take place at the beginning of December and our foothold will

expand in the region of Satakunta. According to the current estimate, the positive profit impact of the acquisition on OmaSp is approximately EUR 14-16 million, and in the coming years we estimate the effect on the profit to be EUR 3-5 million.

We welcome the structural arrangements that are taking place within the industry with pleasure. As an agile operator, we have always benefited from changes in the operating environment and we are confident that this will continue to happen.

**Net interest income  
grew by 19% and fee  
and commission  
income by 18%**

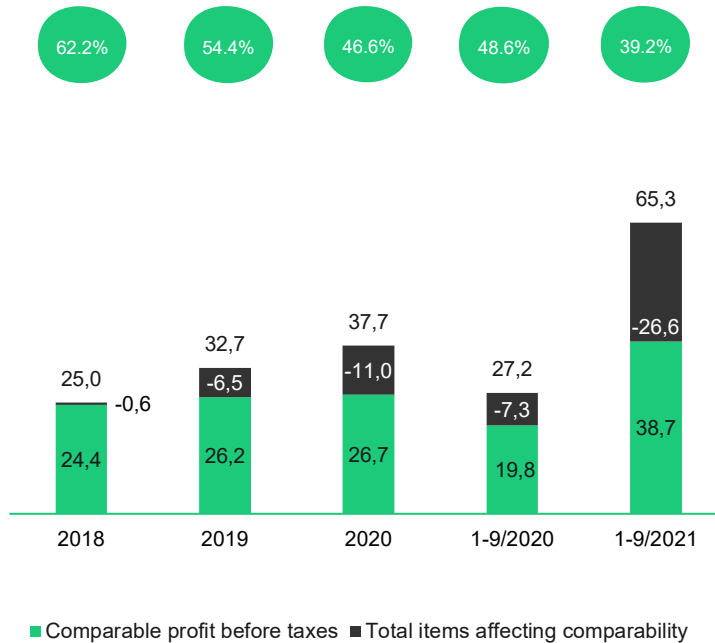


Pasi Sydänlammi  
CEO

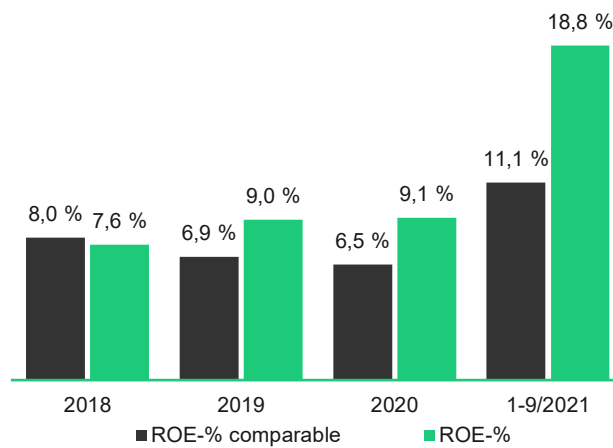
# A profitably growing Finnish bank

Profit before taxes, EUR mill.

Cost/income  
ratio



Return on equity (ROE) %



## Balance sheet total, EUR mill.

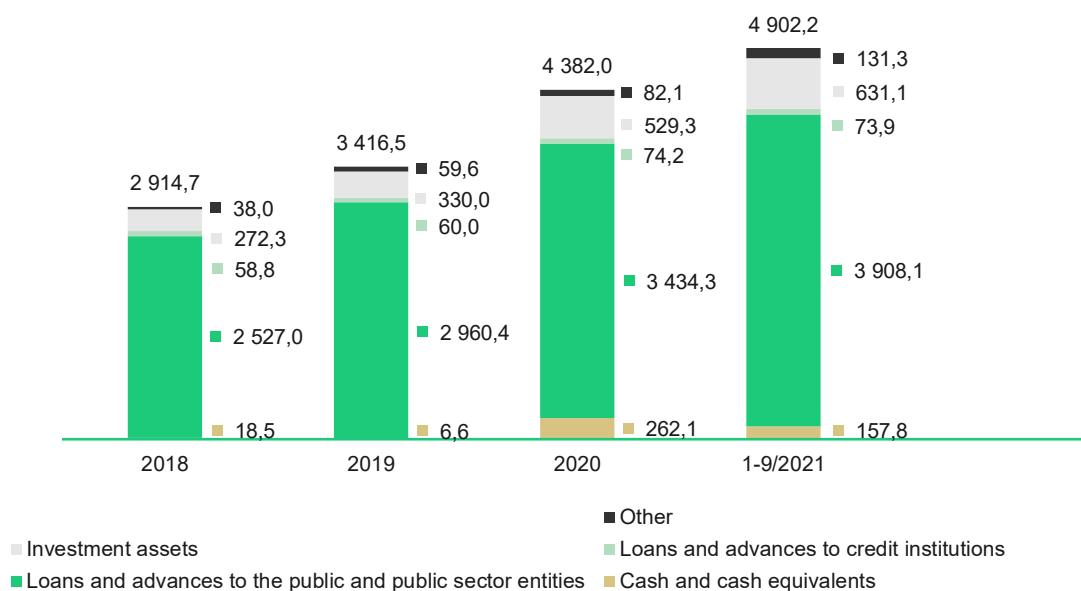
Growth

6.9%

17.2%

28.3%

11.9%



## Total operating income, EUR mill.

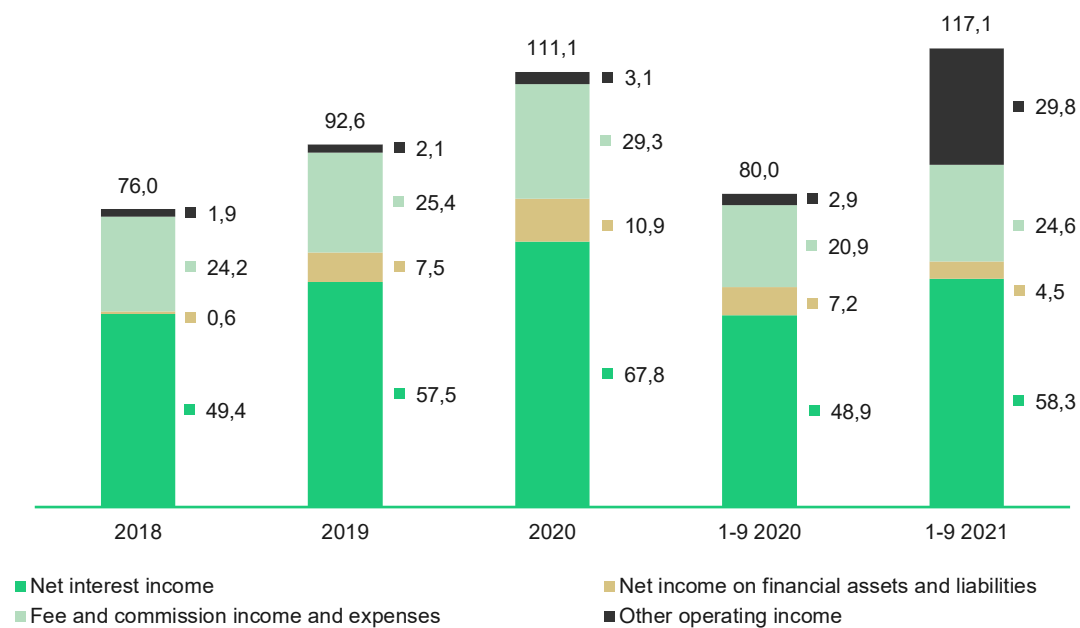
Growth

2.5%

21.8%

20.0%

46.4%



# Significant events during 1-9/2021

- On 29 September 2021, the company announced the decision to acquire the business of Eurajoen Savings Bank in accordance with the acquisition plan. According to estimates, the positive impact of the acquisition on the company will be EUR 14-16 million of which EUR 8-9 million will be recognised in the company's profit before taxes for the financial year 2021. The rest of the profit impact is expected to be recognised over the next five years. The final profit impact of the business transfer will be specified on 30 November 2021 based on the balance sheet and transferring assets and liabilities. The purchase price will be paid partly in cash and partly by issuing new shares. The total cost of the business transfer is estimated at approximately EUR 3 million and the costs will be targeted for 2021 and early 2022. The business transfer is expected to increase the company's profit before taxes by EUR 3-5 million per year in the future. The business transfer will increase the balance sheet of the company by approximately EUR 300 million and increase the number of private and corporate customers by about 12,000.
- Based on the authorisation of the Annual General Meeting, the Board of Directors decided on the share issue against payment directed to Eurajoen Savings Bank. The shares shall be subscribed and paid as contribution in kind Eurajoen Savings Bank disposes to the company for the payment of shares, half of the assets allocated to its business, the liabilities related to the assets to be transferred and reserves for the business to be transferred.
- In September, the company's Board of Directors updated its financial goal for the profitability target. The company raised its medium-term cost/income ratio target to less than 45% instead of the previous 55%. The new target level went into effect on 1 October 2021.
- In September, the company announced the payment of a dividend for the financial years 2019 and 2020. The authority's profit-sharing restrictions ended on 30 September 2021. In accordance with the authorisation of the Annual General Meeting, the company's Board of Directors decided to pay an unpaid dividend of EUR 0.06 per share for the financial year 2019 and a dividend of EUR 0.24 per share for the financial year 2020. The record date for the dividends was 1 October 2021 and the payment date 8 October 2021.
- In September, the company announced that it would commence a repurchase programme related to the acquisition of the company's own shares. The company will repurchase a maximum of 198,300 shares in one or more tranches, corresponding to approximately 0.7% of the company's shares and votes. The shares to be acquired will be used in connection with the implementation of the share-based incentive scheme for key personnel.
- The company issued a positive profit warning and updated its outlook for 2021 in June and again in the beginning of August. The company's 2021 profit before taxes and comparable profit before taxes will grow significantly compared to the previous financial year.
- In June, the company announced the termination of the contract for the core banking project. The company and Cognizant mutually agreed to cancel the project and terminate the contract regarding the renewal of the core banking platform. Cognizant paid the company a significant financial compensation, which had a positive impact of approximately EUR 22 million on the company's profit before taxes for the financial year 2021 taking into account the recorded impairment on the project. Samlink will continue as an essential IT services provider for the company. The termination of the contract will not affect the services provided by the bank and the company will continue to develop digital services in a determined manner.

- In June, the company issued a EUR 150 million covered bond on same terms as the covered bond maturing on 25 November 2027.
- In June, the company sold the shares of real estate company Sofian Tupa. It was an investment property and the sale had no effect on the company's result for the financial year.
- In April, the company announced the progress of merger negotiations with Eurajoen Savings Bank and the goal to complete the transfer of Eurajoen Savings Bank's business to the company by the end of 2021. The acquisition plans were approved by the governing bodies of the company and Eurajoen Savings Bank and registered in the Trade Register during the second quarter.
- The Annual General Meeting held in March elected the following as members of the Board: Aila Hemminki, Aki Jaskari, Timo Kokkala, Jyrki Mäkynen, Jarmo Salmi, Jaana Sandström and Jarmo Partanen. The organizing meeting of the Board elected Jarmo Salmi to continue as Chairman of the Board and Jyrki Mäkynen as Vice-Chairman. The Board of Directors decided to carry out the tasks of the Audit Committee. The Board of Directors appointed one permanent committee, the Remuneration Committee. Jarmo Salmi, Jyrki Mäkynen and Aila Hemminki were confirmed as members of the Remuneration Committee.
- In January, the company's Board of Directors decided to pay a dividend for the 2019 financial year. In its decision-making, the Board of Directors took into account the authorities' recommendations on profit-sharing restrictions and decided to distribute a dividend of EUR 0.13 on each share entitling to a dividend for the 2019 financial year. Due to the profit-sharing restrictions, the dividend to be distributed fell short of the authorisation of the 2020 Annual General Meeting, which was EUR 0.19 per share.



## Oma Savings Bank Group's key figures

(1,000 euros)	1-9/2021	1-9/2020	Δ %	1-12/2020	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
Net interest income	58,257	48,929	19%	67,819	20,588	19,669	17,999	18,890	17,539
Total operating income	117,113	79,989	46%	111,073	30,343	57,628	29,142	31,084	26,386
Total operating expenses	-45,776	-38,918	18%	-51,676	-12,942	-18,422	-14,412	-12,758	-11,394
<sup>1)</sup> Cost/income ratio, %	39.2%	48.6%	-19%	46.6%	42.6%	32.0%	49.9%	41.3%	43.2%
Impairment losses on financial assets, net	-5,661	-13,984	-60%	-21,587	-2,058	-813	-2,791	-7,602	-1,531
Profit before taxes	65,304	27,166	140%	37,707	15,348	38,284	11,672	10,541	13,488
Profit/loss for the accounting period	52,009	21,627	140%	30,653	12,239	30,528	9,241	9,027	10,523
Balance sheet total	4,902,204	3,952,766	24%	4,381,999	4,902,204	4,776,891	4,459,307	4,381,999	3,952,766
Equity	384,963	343,208	12%	353,493	384,963	383,434	353,859	353,493	343,208
<sup>1)</sup> Return on assets (ROA) %	1.5%	0.8%	87%	0.8%	1.0%	2.6%	0.8%	0.9%	1.1%
<sup>1)</sup> Return on equity (ROE) %	18.8%	8.7%	116%	9.1%	12.7%	33.1%	10.5%	10.4%	12.5%
<sup>1)</sup> Earnings per share (EPS), EUR	1.76	0.73	139%	1.04	0.41	1.03	0.32	0.31	0.36
<sup>1)</sup> Equity ratio %	7.9%	8.7%	-10%	8.1%	7.9%	8.0%	7.9%	8.1%	8.7%
<sup>1)</sup> Total capital (TC) ratio %	16.7%	16.8%	-1%	16.2%	16.7%	16.7%	15.3%	16.2%	16.8%
<sup>1)</sup> Common Equity Tier 1 (CET1) capital ratio %	16.5%	16.5%	0%	15.9%	16.5%	16.4%	15.0%	15.9%	16.5%
<sup>1)</sup> Tier 1 (T1) capital ratio %	16.5%	16.5%	0%	15.9%	16.5%	16.4%	15.0%	15.9%	16.5%
<sup>1)</sup> Liquidity coverage ratio (LCR) %	139.3%	134.0%	4%	184.9%	139.3%	160.6%	139.4%	184.9%	134.0%
Average number of employees	312	298	5%	299	312	317	299	300	306
Employees at the end of the period	315	296	6%	298	315	329	301	298	296
<b>Alternative performance measures excluding items affecting comparability:</b>									
<sup>1)</sup> Comparable profit before taxes	38,695	19,819	95%	26,729	14,015	14,636	10,043	6,910	10,853
<sup>1)</sup> Comparable cost/income ratio, %	47.8%	53.1%	-10%	51.2%	44.3%	47.0%	52.4%	46.5%	48.0%
<sup>1)</sup> Comparable earnings per share (EPS), EUR	1.04	0.53	96%	0.73	0.37	0.40	0.26	0.20	0.28
<sup>1)</sup> Comparable return on equity (ROE) %	11.1%	6.3%	76%	6.5%	11.6%	12.6%	9.0%	7.0%	10.0%

1) The calculation principles of the key figures are presented in note 16 of the Interim Report. Comparable profit is presented in the income statement.

# Operating environment

The Finnish economy's rapid recovery from the corona crisis continues. Strong consumer confidence and the unwinding of pent-up demand are expected to continue to support household consumption, even as the pandemic still impacts the economic outlook. Finnish exports are expected to return rapidly to pre-crisis levels as export markets recover. There is still uncertainty about the economic outlook. Finland's GDP growth is forecasted to accelerate in the latter part of 2021, supported by private consumption, and to remain strong in 2022. After that, growth is forecasted to a level of close to the long-term growth rate. The Bank of Finland forecasts a GDP growth of 2.9% in 2021 and as high as 3.0% in 2022. <sup>(1)</sup>

The seasonally adjusted household savings rate decreased clearly in April-June compared to the previous quarter and was 2.9%. The household investment rate remained at the previous quarter's level. The majority of household investment is in housing investment. The investment rate in the corporate sector decreased. <sup>(2)</sup>

According to Statistics Finland, there were 104,000 more employed and 33,000 fewer unemployed in August than in the corresponding period of the previous year. In August 2021, the employment rate was 73.4% (aged 15-64) and the average unemployment rate was 6.5%. <sup>(3)</sup>

The consumer confidence indicator was strong in September for all four components. The confidence indicators are an estimate of the own economy now, expectations of their own economy and the Finnish economy in 12 months, and the intentions of spending on durable goods in the next 12 months. The estimate of the current state of the consumer's own economy was the brightest in the entire measurement history 1995-2021. In particular, the expectation of Finland's economic development improved in September. <sup>(4)</sup>

According to Statistics Finland's preliminary data, the prices of old share dwellings rose in August 2021 compared to last year in the largest cities and all major regions except Eastern Finland. The rise in house prices

was strong across Finland in both apartments and terraced houses. Prices increased by 4.4% throughout Finland. The number of home transactions rose across the country in the second quarter from the same time last year by 43%. <sup>(5)</sup> In the company's view, the business environment in Finland is still stable in terms of household indebtedness and house prices, but the uncertainty brought by the corona pandemic has not disappeared from the market.

In August 2021, total number of loans to households had increased by 4.2% over the previous 12 months. The mortgage loan portfolio growth was 4.3%. For the first time, the loan portfolio of student loans exceeded EUR 5 billion. The volume of corporate loans decreased 1.2% in the same period. The volume of households' deposits grew a total of 6.7% over a 12-month period. <sup>(6)</sup>

The number of bankruptcies filed in January-August 2021 increased by 0.5% compared to the previous year. The number of personnel in the companies filing for bankruptcy came to 8,004, i.e. 7.2% less than in the corresponding period in 2020. <sup>(7)</sup> The number of new building permits granted increased by 6.8% in May-July compared to the previous year and was 11.1 million cubic meters. <sup>(8)</sup>

1) Bank of Finland, *Euro & Economy 4/2021*. Published on 16 September 2021. And *Euro & Economy 3/2021*. Published 15 June 2021.

2) Statistics Finland, *Household savings rate decline in the second quarter*. Published on 17 September 2021.

3) Statistics Finland, *Employment increased, and unemployment decreased clearly*. Published on 21 September 2021.

4) Statistics Finland, *Consumer confidence almost the strongest ever in September*. Published on 27 September 2021.

5) Statistics Finland, *Prices of old share dwellings and deal numbers continued to rise in August*. Published on 29 September 2021.

6) Bank of Finland, *MFI balance sheet (loans and deposits) and interest rates*, Average interest rate on new student loans was close to zero - the student loan portfolio exceeded EUR 5 billion. Published on 30 September 2021.

7) Statistics Finland, *In January-August 2021, the number of bankruptcies increased by one percent from the previous year*. Published on 22 September 2021.

8) Statistic Finland, *Cubic volume of building permits issued is higher than a year earlier*. Published on 28 September 2021.

# Impacts of the corona pandemic on business

The company has closely monitored the development of the corona pandemic situation and made the necessary changes to its operating models. During the late summer and early autumn, progress in vaccine coverage has led to the lifting of corona restrictions. The guidelines and recommendations of the government and other authorities have been applied to customer service and to the personnel's work. The precautionary measures undertaken are intended to secure well-being of personnel and customers and guarantee safe banking. In customer service, remote banking opportunities and guidance for customers have been increased. Customers have been served throughout the pandemic, both in branches and through digital channels during extensive opening hours.

Due to the corona pandemic, customer requests for grace periods grew significantly in spring 2020, but demand returned within a few months to previous levels. The main part of the grace periods granted has already expired as customers continue to service loans under normal shortening plans.

During 2020 and the beginning of 2021, the company made additional credit loss allowances based on management's judgement, totalling EUR 5.9 million, which predicted growth in credit risk in specific sectors. The sectors were selected based on both their significance and the estimated size of the pandemic's impact. In September, the company decided to release its previous additional allowance of corona by EUR 2.0 million. The quality of the company's loan portfolio has remained at a good level throughout the pandemic. The company is releasing its loss allowance on corona in stages, as the restriction measures have been dismantled by region and gradually, so their impact on the financial situation will be reflected in stages. In connection with the corona pandemic, loss allowances are still available for EUR 3.9 million. The allowances anticipate the effects of the prolongation of the corona pandemic on company's loan portfolio and seeks to cover potential credit losses to the extent that the expected credit loss calculation model does not recognise them. The company continues monitoring the situation monthly.

The impacts of the corona pandemic are described in more detail in note 2.

## Credit rating and liquidity

Standard & Poor's confirmed a credit rating of BBB+ for Oma Savings Bank's long-term borrowing in June 2021, as well as a rating of A-2 for short-term borrowing. The long-term credit rating is confirmed as stable.

	30 Sep 2021	31 Dec 2020
LCR	139.3%	184.9%
NSFR*	118.7%	125.5%

\*As of 30 September 2020, the requirements in accordance with CRR2 regulation have been taken into account for the calculation of the NSFR key figures and the calculation principles have been corrected as of 31 March 2021. The figure for the comparative period has been changed retroactively.

The Group's Liquidity Coverage Ratio (LCR) remained at a good level of 139.3% at the end of the third quarter of 2021. The Net Stable Funding Ratio (NSFR) was 118.7%. The CRR2 regulation obliges to keep the permanent fundraising requirement at least 100%. Binding application of the requirement began on 28 June 2021.

The investment certificate market has normalised and returned to pre-corona levels. The deposit stock has continued to grow during the third quarter of 2021, keeping the loan-deposit ratio stable.

## 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 G32 of the 2020 Financial Statements Release. More detailed information on the share-based remuneration scheme for the management is given in note G33 of the Financial Statements Release. No significant changes have occurred in related party transactions after 31 December 2020.

# Financial statements

The corresponding period last year has been used as the comparison in income statement items, and the date 31 December 2020 as the comparative period for the balance sheet and capital adequacy.

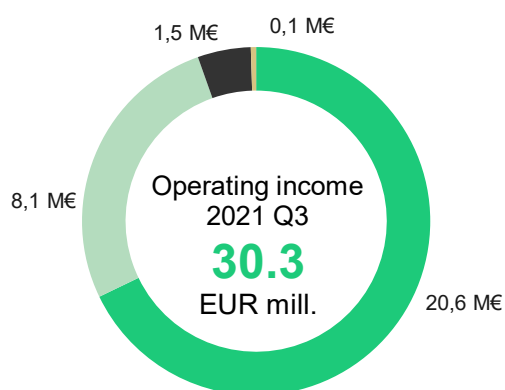
## Result 7–9 / 2021

The Group's profit before taxes for the third quarter was EUR 15.3 (13.5) million and the profit for the period was EUR 12.2 (10.5) million. The cost/income ratio was 42.6 (43.2)%.

Comparable profit before taxes in the third quarter amounted to EUR 14.0 (10.9) million and the comparable cost/income ratio was 44.3 (48.0)%. The comparable profit has been adjusted for the net income on financial assets and liabilities as well the expenses related to the acquisition of Eurajoen Savings Bank's business.

### Income

Total operating income was EUR 30.3 (26.4) million. Total operating income increased 15.0% year-on-year.



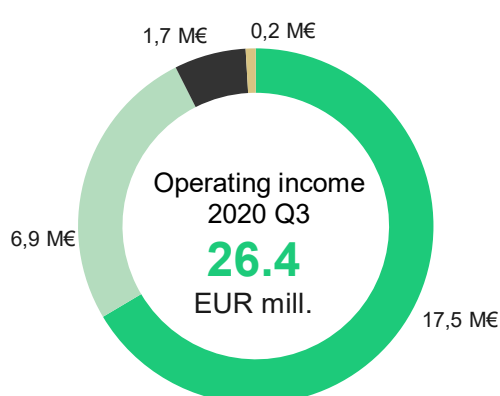
- Net interest income
- Fee and commission income and expenses, net
- Net income on financial assets and financial liabilities
- Other operating income

Comparable total operating income was EUR 28.8 million and increased by 21.4%.

Net interest income grew by 17.4%, totalling EUR 20.6 (17.5) million. During the review period, interest income grew 16.8%, totalling EUR 21.9 (18.7) million. The growth in interest income is largely explained by the increase in the loan stock of EUR 648 million as of 30 September 2020. During the year, the average margin of the company's loan stock has remained almost unchanged.

Interest expenses were in the third quarter EUR 1.3 (1.2) million. The average interest on deposits paid to the company's customers was 0.01% (0.02%) at the end of the period.

Fee and commission income and expenses (net) grew by 17.8% to EUR 8.1 (6.9) million. The total amount of fee and commission income was EUR 9.6 (8.3) million.



- Net interest income
- Fee and commission income and expenses, net
- Net income on financial assets and financial liabilities
- Other operating income

Commissions from cards and payment transactions net increased by 15.6%. The increase is the result of higher customer volumes. The amount of commission income on lending was EUR 2.7 (2.5) million.

The net income on financial assets and liabilities was EUR 1.5 (1.7) million during the period. Other operating income was EUR 0.1 (0.2) million.

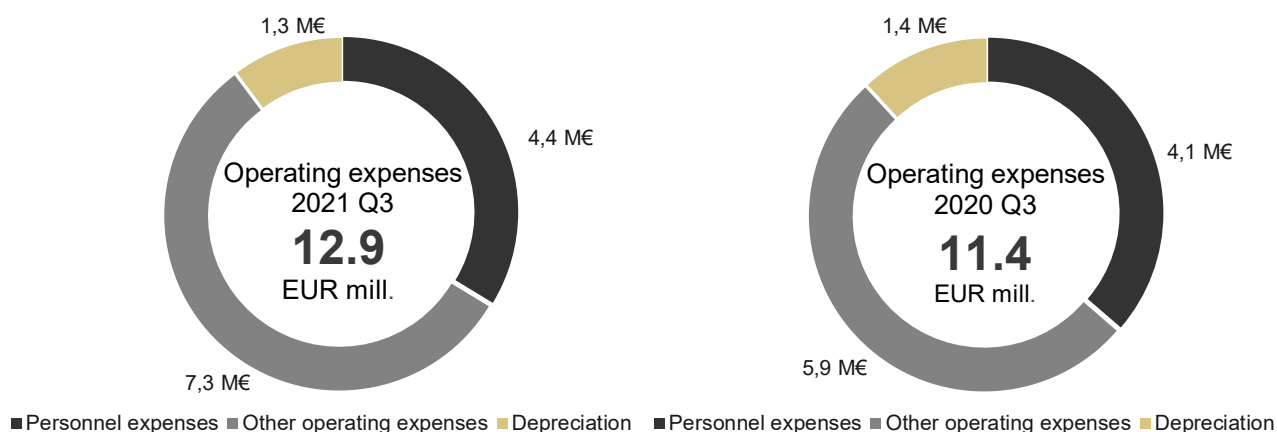
## Expenses

Operating expenses came to a total of EUR 12.9 (11.4) million and increased 13.6% compared to the previous year's corresponding period.

Personnel expenses increased 5.3%, totalling EUR 4.4 (4.1) million. The number of employees at the end of the period was 315 (296), of which 51 (40) were fixed-term.

Other operating expenses increased 23.0% to EUR 7.3 (5.9) million. The item includes office, IT, PR and marketing costs and those stemming from the business premises in own use. The increase in operating expenses was mainly due to development expenses of IT systems. Project expenses related to the acquisition of the Eurajoen Savings Bank's business are included in the period for EUR 0.2 million.

Depreciation, amortisation and impairments on tangible and intangible assets were EUR 1.3 (1.4) million.



## Impairment losses on financial assets

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During the third quarter, impairment losses on financial assets (net) were EUR 2.1 (1.5) million.

The net amount of realised credit losses decreased compared to the comparison period and was EUR 1.0 (1.5) million during July-September. Credit losses recorded during the period are mainly related to corporate customers.

During the third quarter, the provision for expected credit losses increased by EUR 1.0 (0.0) million. Of the change in expected credit losses, EUR 0.9 million was allocated to receivables from customers and off-balance sheet items. The change in the investment portfolio was EUR 0.1 million. An additional loss allowance of EUR 3.0 million was recorded for the increase in the credit risk of an individual customer targeted to stage 3.

During the period, the company released additional loss allowances related to the corona pandemic EUR 2.0 million. Additional loss allowance of EUR 3.9 million remain for use by the company. A total of EUR 2.0 million of these additional loss allowances has been allocated to corporate customers and EUR 1.9 million to private customers. With the additional loss allowances the company is prepared for the possible consequences of the corona pandemic in the quality of the loan portfolio which cannot be predicted by the calculation rules. Additional allowances made are targeted to stage 2.

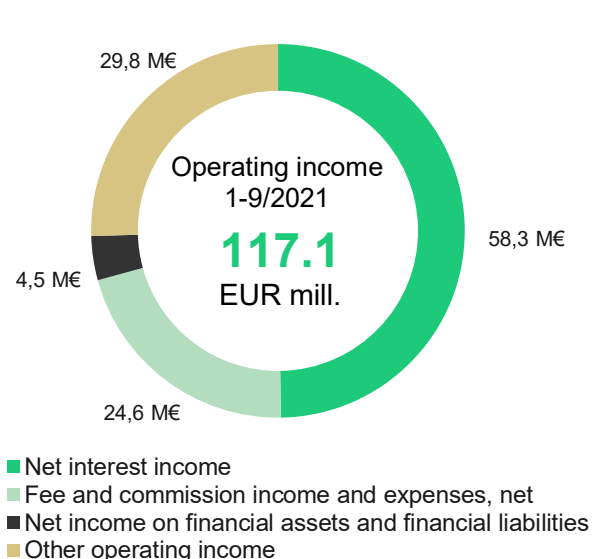
# Result 1–9 / 2021

The Group's profit before taxes for January-September was EUR 65.3 (27.2) million and the profit for the period was EUR 52.0 (21.6) million. The cost/income ratio was 39.2 (48.6)%.

Comparable profit before taxes in January-September amounted to EUR 38.7 (19.8) million and the comparable cost/income ratio was 47.8 (53.1)%. The comparable profit before taxes has been adjusted for the net income on financial assets and liabilities, the items recorded for the termination of the contract regarding the core banking project as well the expenses related to the acquisition of Eurajoen Savings Bank's business.

## Income

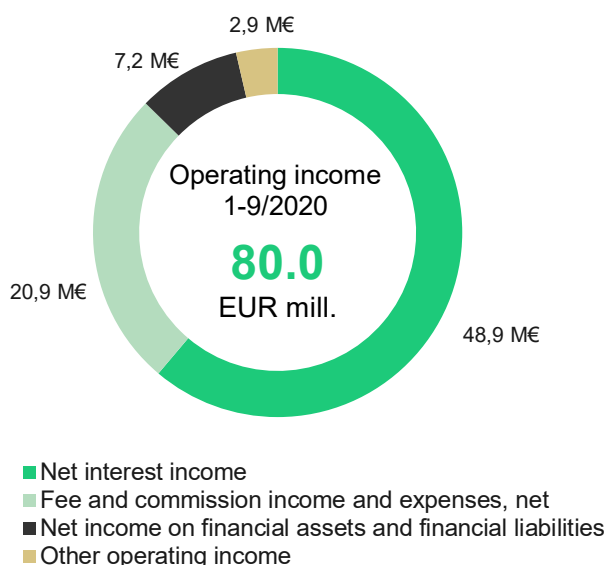
Total operating income was EUR 117.1 (80.0) million. Total operating income increased 46.4% year-on-year. Total operating income increased by EUR 26.9 million from the one-off item received for the termination of the project regarding the core banking platform during the second quarter.



Net interest income grew 19.1%, totalling EUR 58.3 (48.9) million. During the review period, interest income grew 17.1% and was EUR 61.7 (52.7) million. The growth in interest income can be largely attributed to a growth in the loan stock of EUR 648 million as of 30 September 2020. During the period, the average margin of the company's loan stock has remained almost unchanged.

Interest expenses decreased year-on-year and was EUR 3.5 (3.8) million. The average interest on deposits paid to the company's customers was 0.01% (0.02%) at the end of the review period.

Fee and commission income and expenses (net) grew by 17.5% and was EUR 24.6 (20.9) million. The total amount of fee and commission income was EUR 28.7 (24.6) million.





Commissions from cards and payment transactions net grew 13.1% compared on the comparative period. The increase is mainly explained by volume growth. The amount of commission income on lending was EUR 8.8 (7.6) million.

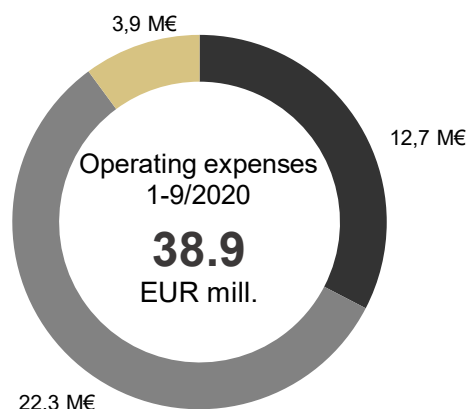
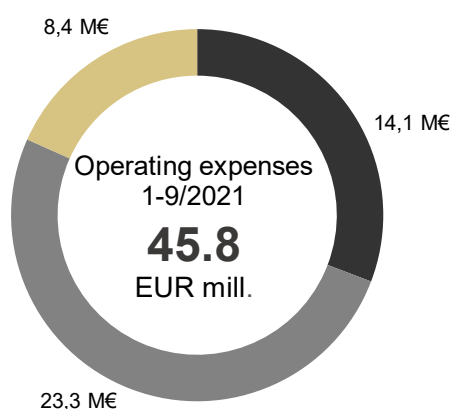
The net income on financial assets and liabilities was EUR 4.5 (7.2) million during the period. In February 2020, the company eased its investment portfolio, which was reflected in return of EUR 8 million in financial assets in the comparative period. Other operating income was EUR 29.8 (2.9) million. The impact of the contract termination regarding the core banking platform is reflected in operating income during the reporting period.

## Expenses

Operating expenses increased 17.6% compared to the previous year's corresponding period. Operating expenses came to a total of EUR 45.8 (38.9) million. Personnel expenses increased 11.1%, totalling EUR 14.1 (12.7) million. The number of employees at the end of the period was 315 (296), of which 51 (40) were fixed-term.

Other operating expenses increased 4.5% to EUR 23.3 (22.3) million. The item includes office, IT, PR and marketing costs and those stemming from the business premises in own use. The increase in operating expenses was mainly in authority fees and system development expenses.

Depreciation, amortisation and impairment on tangible and intangible assets were EUR 8.4 (3.9) million. During the second quarter, items recorded as impairment for the core banking project were in total EUR 4.6 million.



■ Personnel expenses ■ Other operating expenses ■ Depreciation ■ Personnel expenses ■ Other operating expenses ■ Depreciation

## Impairment losses on financial assets

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During the first three quarters, impairment losses on financial assets (net) were EUR 5.7 (14.0) million. In the comparative period, the impairment losses on financial assets were highlighted by the provision for individual customer insolvency as well as the additional loss allowance based on management's judgement for the corona pandemic.

The net impact of final credit losses during January-September was EUR 3.2 (9.1) million. Credit losses recorded during the period are mostly targeted at corporate customers.

During January-September, the expected credit losses decreased compared to the comparison period and was EUR 2.5 (4.9) million. Of the change in expected credit losses, EUR 1.7 million was allocated to receivables from customers and off-balance sheet items. The change in the investment portfolio was EUR 0.8 million.

Related to corona pandemic, the company increased its additional loss allowance based on management's judgement from EUR 1.5 million to EUR 5.9 million. With the additional loss allowances the company is prepared for the possible consequences of the corona pandemic in the quality of the loan portfolio. The quality of the loan portfolio has remained at a good level throughout the pandemic. Vaccine coverage has improved during the early autumn and restrictions related to the corona pandemic have been eased and lifted in the early autumn. However, the effects of easing restrictions on the pace of economic recovery remain largely uncertain, due to which the additional loss allowance on corona will be released in stages. During the third quarter, the company decided to release additional loss allowances of corona EUR 2.0 million. Additional loss allowances remain for use EUR 3.9 million. A total of EUR 2.0 million of the additional loss allowance has been allocated to corporate customers and EUR 1.9 million to private customers. Additional allowances made are targeted to stage 2.

An additional loss allowance of EUR 4.8 million was recorded in the second and third quarter as anticipated for the increase in the credit risk of an individual customer. Accounting made are targeted to stage 3.

The company prepared for the introduction of the new definition of insolvency at the end of the financial year 2020 with an additional loss allowance of EUR 1.4 million. This additional allowance the company has offloaded during the first two quarters of financial year 2021.

# Balance sheet

The Group's balance sheet total grew during January-September 2021 by 11.9% to EUR 4,902.2 (4,382.0) million.

## Loans and other receivables

In total, loans and other receivables grew 13.5% to EUR 3,982.1 (3,508.5) million in January-September.

The average size of loans issued over the past 12 months has been approximately EUR 121 thousand.

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

Credit balance (1,000 euros)	30 Sep 2021	31 Dec 2020	30 Sep 2020
Private customers	2,356,211	2,074,984	1,969,839
Business customers	845,091	742,629	672,092
Housing associations	360,090	321,913	330,303
Agriculture, forestry, fishing industry	280,760	268,141	271,840
Other	93,751	52,507	57,212
<b>Total</b>	<b>3,935,903</b>	<b>3,460,173</b>	<b>3,301,285</b>

## Investment assets

The Group's investment assets grew 19.2% during the period, totalling EUR 631.1 (529.3) million. The growth was made up of investments made in the liquidity portfolio. The primary purpose of managing investment assets is securing the company's liquidity position.

## Intangible assets

At the end of the third quarter, intangible assets totalled EUR 9.4 (11.2) million. The company terminated the core banking project during the second quarter and recognised an impairment of intangible assets, totalling EUR 4.6 million.

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

Liabilities to credit institutions and to the public and public sector entities grew during the period by 9.8% to EUR 2,854.7 (2,600.3) million.

The item consists mostly of deposits received from the public, which came to EUR 2,637.8 (2,376.7) million at the end of September. Liabilities to the credit institutions were EUR 223.5 million (EUR 216.8 million).

## Debt securities issued to the public

Total debt securities issued to the public grew during the period by 15.7% to EUR 1,558.7 (1,346.8) million. The company issued a EUR 150 million covered bond increase in June. The covered bond was issued on same terms as the bond issued by the company on 18 November 2020. The debt securities issued to the public are shown in more detail in note 8.

Covered bonds are secured by loans to the value of EUR 1,690.05 (1,500.1) million.

## Equity

The Group's equity EUR 385.0 (353.5) million grew by 8.9% during the period. The change mainly results from the strong profit for reviewing period, the payment of dividends and the decrease in the value of the fair value reserve. The fair value reserve decreased by EUR 7.2 million during the period as a result of changes in market prices.

## Own shares

On 30 September 2021, the number of own shares held by Oma Savings Bank was 87,634.

The company announced a repurchase programme related to the acquisition of the company's own shares in the third quarter. Under the repurchase program, a maximum of 198,300 shares will be repurchased in one or more tranches, corresponding to approximately 0.7% of the company's shares and votes. There is a weighty financial reason for the directed acquisition of own shares as they are acquired in relation to the implementation of a share-based incentive scheme for key personnel. During the third quarter, the company repurchased a total of 75,934 of its own shares. The repurchase of own shares will be terminated no later than 28 February 2022.

Share capital	30 Sep 2021	31 Dec 2020
Average number of shares (excluding own shares)	29,547,033	29,585,000
Number of shares at the end of the year (excluding own shares)	29,509,066	29,585,000
Number of own shares	87,634	11,700
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 28.4 (26.1) million, were mostly made up of bank guarantees and other guarantees. Irrevocable commitments given to a customer, which totalled EUR 288.7 (263.7) million at the end of September, consisted mainly of undrawn credit facilities.

## Progress of key IT projects

In June, the company announced the termination of the contract for the core banking platform mutually agreed with Cognizant. Samlink will continue as an essential IT services provider for the company. As part of the agreement Cognizant paid the company a significant financial compensation, which had a positive impact of approximately EUR 22 million on company's profit before taxes. In the third quarter, the company continued to investigate the renewal of the core banking platform. Development of digital services has continued, and the company will introduce a new type of online conferencing service at the end of the year as well as an OmaPostilaatikko mailbox to its customers to facilitate secure communication between the customer and the bank.

The IRBA preliminary study project is progressing as planned and the company aims to submit an application to the Finnish Financial Supervisory Authority (FIN-FSA) for the application of IRBA models in the coming months.

The project to develop functions to prevent money laundering and terrorist financing is progressing according to plan and will be phased in from the end of 2021. In addition, the company has an ongoing project related to the development of data warehousing and data analytics solutions on the basis of which the company will renew amongst other things areas of the regulatory reporting.

## 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.

In September, based on the authorisation of the Annual General Meeting, the company's Board of Directors decided to distribute a dividend of EUR 0.24 per share for the financial year 2020 as well as a dividend of EUR 0.06 per share for the financial year 2019. Dividends paid after the end of the profit-sharing restriction totalled EUR 8.8 million in October.

## Significant events after the period

In addition to the dividend payment made in October, no 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.

## Financial goals

The company has financial goals set by the Board of Directors for growth, profitability, return on equity and capital adequacy solvency. During the third quarter, the company updated its profitability target by raising the target level to less than 45 percent (previously less than 55 percent).

Oma Savings Bank'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 2022

The company will publish financial information in 2022 as follows:

7 February 2022 Financial Statements Release

2 May 2022 Interim Report January-March 2022

1 August 2022 Interim Report January-June 2022

31 October 2022 Interim Report January-September 2022

## Outlook for the 2021 accounting period (updated 2 August 2021)

In August, the company refined its outlook for 2021 and raised its earnings guidance for comparable profit before taxes. The company's profit before taxes and comparable profit before taxes for 2021 will increase significantly compared to the previous financial year. The result for the financial year is boosted by the continued favorable business development.

Outlook and earnings guidance for FY2021 (updated 2 August 2021):

The company's business volumes will continue strong growth FY2021. 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. During the 2021 financial year, the compensation from the termination of a cooperation contract has been recorded as a significant positive one-off item.

Oma Savings Bank Plc provides earnings guidance on the profit before taxes as well as comparable profit before taxes. 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 despite overall economic uncertainty. The Group's 2021 profit before taxes and comparable profit before taxes will increase significantly compared to the previous financial year.**

# Capital adequacy

The total capital (TC) ratio of the Oma Savings Bank Group increased by 3.0% and was 16.7 (16.2)% at the end of the period. The Common Equity Tier 1 capital (CET1) ratio was 16.5 (15.9)% clearly exceeding the minimum level for the financial goals approved by the Board of Directors (14%). Risk-weighted assets grew 7.2% to EUR 2,183.4 (2,037.4) million. Risk-weighted assets grew most significantly due to the strong growth in the loan portfolio for private customers. The corporate loan portfolio also grew strongly during the period, but the impact on risk-weighted assets was mitigated by the application of the provisions of the EU Capital Requirement Regulation Update (CRR2) as of 28 June 2021. Under the new regulation, liabilities related to SMEs will receive a greater reduction in capital requirements. 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.

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 364.4 (330.3) million exceeded by EUR 102.2 million the total capital requirement for own funds EUR 262.1 (244.6) million. Own funds were most significantly increased by retained earnings for the financial year 2021, which have been included in the Common Equity Tier 1 capital with the permission granted by the Finnish Financial Supervisory Authority (FIN-FSA). The binding minimum leverage ratio requirement of 3% entered into force on 28 June 2021 as part of the update of the Solvency Regulation. The Group's leverage ratio was 7.1 (7.3)% at the end of the period.

The main items in the capital adequacy calculation (1,000 euros)	30 Sep 2021	31 Dec 2020	30 Sep 2020
Common Equity Tier 1 capital before regulatory adjustments	370,960	336,252	328,753
Regulatory adjustments on Common Equity Tier 1	-10,594	-12,243	-10,830
<b>Common Equity Tier 1 (CET1) capital, total</b>	<b>360,365</b>	<b>324,009</b>	<b>317,924</b>
Additional Tier 1 capital before regulatory adjustments	-	-	-
Regulatory adjustments on additional Tier 1 capital	-	-	-
<b>Additional Tier 1 (AT1) capital, total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 1 capital (T1 = CET1 + AT1), total</b>	<b>360,365</b>	<b>324,009</b>	<b>317,924</b>
Tier 2 capital before regulatory adjustments	4,017	6,260	7,015
Regulatory adjustments on Tier 2 capital	-	-	-
<b>Tier 2 (T2) capital, total</b>	<b>4,017</b>	<b>6,260</b>	<b>7,015</b>
<b>Total capital (TC = T1 + T2), total</b>	<b>364,382</b>	<b>330,268</b>	<b>324,939</b>
<b>Risk-weighted assets</b>			
Credit and counterparty risk, standardised approach	1,992,669	1,854,561	1,772,476
Credit valuation adjustment risk (CVA)	9,711	2,329	2,712
Market risk (foreign exchange risk)	8,508	7,986	7,352
Operational risk, basic indicator approach	172,536	172,536	147,320
<b>Risk-weighted assets, total</b>	<b>2,183,424</b>	<b>2,037,412</b>	<b>1,929,859</b>
Common Equity Tier 1 (CET1) capital ratio, %	16.50%	15.90%	16.47%
Tier 1 (T1) capital ratio, %	16.50%	15.90%	16.47%
Total capital (TC) ratio, %	16.69%	16.21%	16.84%
<b>Leverage ratio (1,000 euros)</b>	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>	<b>30 Sep 2020</b>
Tier 1 capital	360,365	324,009	317,924
Total amount of exposures	5,040,396	4,466,075	4,027,522
<b>Leverage ratio</b>	<b>7.15%</b>	<b>7.25%</b>	<b>7.89%</b>

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

In December 2019, the Finnish Financial Supervisory Authority (FIN-FSA) placed the first SREP requirement, 1.5%, on Oma Savings Bank Plc based on the authority's assessment. The requirement took effect on 30 June 2020 and is valid until further notice, however not later than 30 June 2023. The amendment to the Credit Institutions Act,

which entered into force in the second quarter, will enable the SREP requirement to be partially covered by the additional Tier 1 capital and Tier 2 capital in addition to Common Equity Tier 1 capital. FIN-FSA decides on the countercyclical buffer requirement quarterly, and a countercyclical buffer requirement has thus far not been imposed on Finnish credit institutions. As the corona pandemic significantly weakens the global economic cyclical outlook and the operating conditions of the financial sector, FIN-FSA decided on 6 April 2020 on the removal of the systematic risk buffer requirement for all credit institutions. The decision became effective immediately.

### Group's total capital requirement

30 Sep 2021

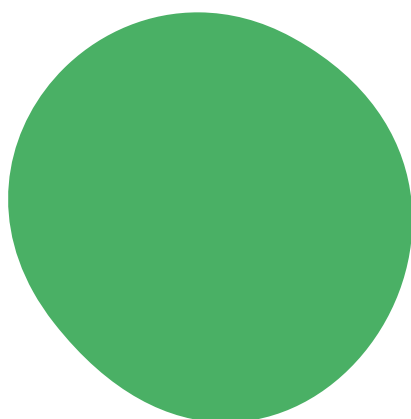
(1,000 euros)

#### 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%	171,319
AT1	1.50%	0.29%					1.79%	38,974
T2	2.00%	0.38%					2.38%	51,856
<b>Total</b>	<b>8.00%</b>	<b>1.50%</b>	<b>2.50%</b>	<b>0.01%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>12.01%</b>	<b>262,150</b>

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

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



The Group will publish 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 II will be published as a separate report alongside the Half-Year Financial Report.



# Interim Report Tables

## Consolidated condensed income statement

Note	(1,000 euros)	1-9/2021	1-9/2020	1-12/2020	2021 Q3	2020 Q3
	Interest income	61,707	52,704	72,813	21,876	18,729
	Interest expenses	-3,450	-3,775	-4,993	-1,287	-1,190
<b>9</b>	<b>Net interest income</b>	<b>58,257</b>	<b>48,929</b>	<b>67,819</b>	<b>20,588</b>	<b>17,539</b>
	Fee and commission income	28,708	24,564	34,248	9,586	8,314
	Fee and commission expenses	-4,116	-3,638	-4,991	-1,479	-1,431
<b>10</b>	<b>Fee and commission income and expenses, net</b>	<b>24,592</b>	<b>20,925</b>	<b>29,257</b>	<b>8,107</b>	<b>6,883</b>
<b>11</b>	<b>Net income on financial assets and financial liabilities</b>	<b>4,468</b>	<b>7,235</b>	<b>10,866</b>	<b>1,498</b>	<b>1,723</b>
	Other operating income	29,796	2,899	3,130	149	241
	<b>Total operating income</b>	<b>117,113</b>	<b>79,989</b>	<b>111,073</b>	<b>30,343</b>	<b>26,386</b>
	Personnel expenses	-14,099	-12,693	-16,866	-4,359	-4,140
	Other operating expenses	-23,286	-22,290	-29,598	-7,263	-5,903
	Depreciation, amortisations and impairment losses on tangible and intangible assets	-8,391	-3,935	-5,213	-1,320	-1,351
	<b>Total operating expenses</b>	<b>-45,776</b>	<b>-38,918</b>	<b>-51,676</b>	<b>-12,942</b>	<b>-11,394</b>
<b>12</b>	<b>Impairment losses on financial assets, net</b>	<b>-5,661</b>	<b>-13,984</b>	<b>-21,587</b>	<b>-2,058</b>	<b>-1,531</b>
	Share of profit of equity accounted entities	-371	79	-103	5	27
	<b>Profit before taxes</b>	<b>65,304</b>	<b>27,166</b>	<b>37,707</b>	<b>15,348</b>	<b>13,488</b>
	Income taxes	-13,296	-5,540	-7,054	-3,109	-2,965
	<b>Profit for the accounting period</b>	<b>52,009</b>	<b>21,627</b>	<b>30,653</b>	<b>12,239</b>	<b>10,523</b>
	<b>Of which:</b>					
	Shareholders of Oma Savings Bank Plc	51,899	21,699	30,824	12,133	10,530
	Non-controlling interest	109	-72	-171	106	-7
	<b>Total</b>	<b>52,009</b>	<b>21,627</b>	<b>30,653</b>	<b>12,239</b>	<b>10,523</b>
	<b>Earnings per share (EPS), EUR</b>	<b>1.76</b>	<b>0.73</b>	<b>1.04</b>	<b>0.41</b>	<b>0.36</b>
	<b>Earnings per share (EPS) after dilution, EUR</b>	<b>1.74</b>	<b>0.73</b>	<b>1.04</b>	<b>0.41</b>	<b>0.36</b>

## Profit before taxes excluding items affecting comparability

(1,000 euros)	1-9/2021	1-9/2020	1-12/2020	2021 Q3	2020 Q3
<b>Profit before taxes</b>	<b>65,304</b>	<b>27,166</b>	<b>37,707</b>	<b>15,348</b>	<b>13,488</b>
<b>Operating income:</b>					
Net income on financial assets and liabilities*	-4,468	-7,235	-10,866	-1,498	-1,723
One-off income related to closing of derivatives		-912	-912		-912
Impact of contract termination regarding core banking project	-26,936	-	-	-	-
<b>Operating expenses</b>					
Impact of contract termination regarding core banking project, impairment losses	4,629	-	-	-	-
Project costs relating to acquisition of Eurajoen Savings Bank's business	165	-	-	165	-
Sales loss of commercial premises in own use	-	800	800	-	-
<b>Comparable profit before taxes</b>	<b>38,695</b>	<b>19,819</b>	<b>26,729</b>	<b>14,015</b>	<b>10,853</b>
Income taxes in income statement	-13,296	-5,540	-7,054	-3,109	-2,965
Change of deferred taxes	5,322	1,470	2,196	267	527
<b>Comparable profit/loss for the accounting period</b>	<b>30,721</b>	<b>15,749</b>	<b>21,871</b>	<b>11,173</b>	<b>8,415</b>

\*Net income from financial assets and liabilities includes EUR 1.5 million losses on the sale of investment properties in year 2020.

## Consolidated statement of comprehensive income

(1,000 euros)	1-9/2021	1-9/2020	1-12/2020	2021 Q3	2020 Q3
<b>Profit for the accounting period</b>	<b>52,009</b>	<b>21,627</b>	<b>30,653</b>	<b>12,239</b>	<b>10,523</b>
<b>Other comprehensive income before taxes</b>					
<b>Items that will not be reclassified through profit or loss</b>					
Gains and losses on remeasurements from defined benefit pension plans	-218	-	-	-	-
<b>Items that may later be reclassified through profit or loss</b>					
Measured at fair value	-9,020	9,470	10,862	-1,066	3,286
Transferred to Income Statement as a reclassification change	12	-8,005	-8,005	-	1
<b>Other comprehensive income before taxes</b>	<b>-9,227</b>	<b>1,465</b>	<b>2,857</b>	<b>-1,066</b>	<b>3,287</b>
<b>Income taxes</b>					
<b>For items that will not be reclassified to profit or loss</b>					
Gains and losses on remeasurements from defined benefit pension plans	44	-	-	-	-
<b>Items that may later be reclassified to profit or loss</b>					
Measured at fair value	1,802	-293	-571	213	-657
<b>Income taxes</b>	<b>1,845</b>	<b>-293</b>	<b>-571</b>	<b>213</b>	<b>-657</b>
<b>Other comprehensive income for the accounting period after taxes</b>	<b>-7,382</b>	<b>1,172</b>	<b>2,286</b>	<b>-853</b>	<b>2,630</b>
<b>Comprehensive income for the accounting period</b>	<b>44,627</b>	<b>22,799</b>	<b>32,939</b>	<b>11,387</b>	<b>13,152</b>
<b>Attributable to:</b>					
Shareholders of Oma Savings Bank Plc	44,518	22,871	33,110	11,281	13,159
Non-controlling interest	109	-72	-171	106	-7
<b>Total</b>	<b>44,627</b>	<b>22,799</b>	<b>32,939</b>	<b>11,387</b>	<b>13,152</b>

## Consolidated condensed balance sheet

Note	Assets (1,000 euros)	30 Sep 2021	31 Dec 2020	30 Sep 2020
	Cash and cash equivalents	157,783	262,087	77,041
4	Loans and advances to credit institutions	73,941	74,206	65,419
4	Loans and advances to the public and public sector entities	3,908,137	3,434,315	3,278,552
5	Financial derivatives	2,212	796	670
6	Investment assets	631,060	529,305	466,538
	Equity accounted entities	23,219	23,787	7,660
	Intangible assets	9,428	11,180	9,923
	Tangible assets	27,179	29,698	29,205
	Other assets	64,227	12,749	13,914
	Deferred tax assets	5,017	3,875	3,844
	<b>Assets, total</b>	<b>4,902,204</b>	<b>4,381,999</b>	<b>3,952,766</b>

Note	Liabilities (1,000 euros)	30 Sep 2021	31 Dec 2020	30 Sep 2020
7	Liabilities to credit institutions	216,823	223,510	220,388
7	Liabilities to the public and public sector entities	2,637,854	2,376,743	2,232,986
8	Debt securities issued to the public	1,558,728	1,346,815	1,076,283
	Subordinated liabilities	15,500	15,500	15,500
	Provisions and other liabilities	50,440	34,188	33,927
	Deferred tax liabilities	29,990	27,948	27,037
	Current income tax liabilities	7,907	3,803	3,437
	<b>Liabilities, total</b>	<b>4,517,241</b>	<b>4,028,506</b>	<b>3,609,558</b>

Equity	30 Sep 2021	31 Dec 2020	30 Sep 2020
Share capital	24,000	24,000	24,000
Reserves	141,141	148,348	147,235
Retained earnings	219,284	180,717	171,447
<b>Shareholders of Oma Savings Bank Plc</b>	<b>384,426</b>	<b>353,066</b>	<b>342,682</b>
Shareholders of Oma Savings Bank Plc	384,426	353,066	342,682
Non-controlling interest	537	427	526
<b>Equity, total</b>	<b>384,963</b>	<b>353,493</b>	<b>343,208</b>

<b>Liabilities and equity, total</b>	<b>4,902,204</b>	<b>4,381,999</b>	<b>3,952,766</b>
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Group's off-balance sheet commitments (1,000 euros)	30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>Off-balance sheet commitments</b>			
Guarantees and pledges	28,266	25,976	20,954
Other commitments given to a third party	142	154	217
<b>Commitments given to a third party on behalf of a customer</b>	<b>28,408</b>	<b>26,130</b>	<b>21,171</b>

Undrawn credit facilities	288,730	263,736	243,479
<b>Irrevocable commitments given in favour of a customer</b>	<b>288,730</b>	<b>263,736</b>	<b>243,479</b>

<b>Group's off-balance sheet commitments, total</b>	<b>317,138</b>	<b>289,867</b>	<b>264,650</b>
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# Consolidated statement of changes in equity

(1,000 euros)

	Share capital	Fair value reserve	Other reserves	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
<b>30 Sep 2021</b>								
Equity, 1 January 2021	24,000	10,824	137,530	148,354	180,712	353,066	427	353,493
<b>Comprehensive income</b>								
Profit for the accounting period	-	-	-	-	51,899	51,899	109	52,009
Other comprehensive income	-	-7,207	-	-7,207	-175	-7,382	-	-7,382
<b>Comprehensive income, total</b>	-	-7,207	-	-7,207	51,725	44,518	109	44,627
<b>Transactions with owners</b>								
Repurchase of own shares	-	-	-	-	-1,192	-1,192	-	-1,192
Distribution of dividends	-	-	-	-	-12,695	-12,695	-	-12,695
Share-based incentive scheme	-	-	-	-	730	730	-	730
Other changes	-	-	-6	-6	6	-	-	1
<b>Transactions with owners, total</b>	-	-	-6	-6	-13,152	-13,157	-	-13,157
<b>Equity total, 30 September 2021</b>	<b>24,000</b>	<b>3,617</b>	<b>137,524</b>	<b>141,141</b>	<b>219,284</b>	<b>384,426</b>	<b>537</b>	<b>384,963</b>
<b>31 Dec 2020</b>								
Equity, 1 January 2020	24,000	8,538	137,396	145,934	149,332	319,266	598	319,865
<b>Comprehensive income</b>								
Profit for the accounting period	-	-	-	-	30,824	30,824	-171	30,653
Other comprehensive income	-	2,286	-	2,286	-	2,286	-	2,286
<b>Comprehensive income, total</b>	-	2,286	-	2,286	30,824	33,110	-171	32,939
<b>Transactions with owners</b>								
Distribution of dividends	-	-	-	-	-	-	-	-
Share-based incentive scheme	-	-	-	-	555	555	-	555
Other changes	-	-	134	134	-	134	-	134
<b>Transactions with owners, total</b>	-	-	134	134	555	689	-	689
<b>Equity total, 31 December 2020</b>	<b>24,000</b>	<b>10,824</b>	<b>137,530</b>	<b>148,354</b>	<b>180,712</b>	<b>353,066</b>	<b>427</b>	<b>353,493</b>
<b>30 Sep 2020</b>								
Equity, 1 January 2020	24,000	8,538	137,396	145,934	149,332	319,266	598	319,865
<b>Comprehensive income</b>								
Profit for the accounting period	-	-	-	-	21,699	21,699	-72	21,627
Other comprehensive income	-	1,172	-	1,172	-	1,172	-	1,172
<b>Comprehensive income, total</b>	-	1,172	-	1,172	21,699	22,871	-72	22,799
<b>Transactions with owners</b>								
Distribution of dividends	-	-	-	-	-	-	-	-
Share-based incentive scheme	-	-	-	-	416	416	-	416
Other changes	-	-	128	128	-	128	-	128
<b>Transactions with owners, total</b>	-	-	128	128	416	545	-	545
<b>Equity total, 30 September 2020</b>	<b>24,000</b>	<b>9,710</b>	<b>137,524</b>	<b>147,235</b>	<b>171,447</b>	<b>342,682</b>	<b>526</b>	<b>343,208</b>

## Consolidated condensed cash flow statement

(1,000 euros)	1-9/2021	1-9/2020	1-12/2020
<b>Cash flow from operating activities</b>			
Profit/loss for the accounting period	52,009	21,627	30,653
Changes in fair value	-	-119	-114
Share of profit of equity accounted entities	371	-79	103
Depreciation and impairment losses on investment properties	35	751	711
Depreciation, amortisation and impairment losses on tangible and intangible assets	8,391	3,935	5,213
Gains and losses on sales of tangible and intangible assets	38	1,826	2,061
Impairment and expected credit losses	5,661	13,984	21,587
Income taxes	13,296	5,540	7,054
Other adjustments	840	2,951	548
Adjustments to the profit/loss of the accounting period	28,632	28,788	37,163
<b>Cash flow from operations before changes in receivables and liabilities</b>	<b>80,640</b>	<b>50,415</b>	<b>67,817</b>
<b>Increase (-) or decrease (+) in operating assets</b>			
Debt securities	-102,484	-157,026	-228,013
Loans and advances to credit institutions	-3,670	-7,631	-8,556
Loans and advances to customers	-482,548	-338,994	-503,352
Derivatives in hedge accounting	27	-13	-13
Investment assets	1,665	17,848	26,513
Other assets	-1,530	-2,071	-1,008
<b>Total</b>	<b>-588,541</b>	<b>-487,887</b>	<b>-714,429</b>
<b>Increase (+) or decrease (-) in operating liabilities</b>			
Liabilities to credit institutions	-6,687	132,343	135,465
Deposits	259,665	233,247	376,881
Provisions and other liabilities	-3,349	7,340	7,109
<b>Total</b>	<b>249,629</b>	<b>372,931</b>	<b>519,455</b>
<b>Paid income taxes</b>	<b>-6,447</b>	<b>-1,927</b>	<b>-2,473</b>
<b>Total cash flow from operating activities</b>	<b>-264,719</b>	<b>-66,468</b>	<b>-129,630</b>
<b>Cash flow from investments</b>			
Investments in tangible and intangible assets	-4,082	-7,634	-12,064
Proceeds from sales of tangible and intangible assets	5,594	5,460	5,468
Acquisition of associated companies and joint ventures	-	-2,000	-18,303
Changes in other investments	-	-	9,752
<b>Total cash flow from investments</b>	<b>1,512</b>	<b>-4,174</b>	<b>-15,147</b>
<b>Cash flows from financing activities</b>			
Other cash increases in equity items	-	128	123
Repurchase of own shares	-1,144	-	-
Debt securities issued to the public	161,490	137,141	407,419
Payments of lease liabilities	-1,445	1,570	-1,659
Dividends paid	-3,846	-	-
<b>Total cash flows from financing activities</b>	<b>155,054</b>	<b>138,839</b>	<b>405,882</b>
<b>Net change in cash and cash equivalents</b>	<b>-108,153</b>	<b>68,198</b>	<b>261,106</b>
<b>Cash and cash equivalents at the beginning of the accounting period</b>	<b>312,994</b>	<b>51,888</b>	<b>51,888</b>
<b>Cash and cash equivalents at the end of the accounting period</b>	<b>204,755</b>	<b>120,085</b>	<b>312,994</b>
<b>Cash and cash equivalents are formed by the following items</b>			
Cash and cash equivalents	157,783	77,041	262,087
Receivables from credit institutions repayable on demand	46,971	43,044	50,907
<b>Total</b>	<b>204,755</b>	<b>120,085</b>	<b>312,994</b>
<b>Received interest</b>	<b>60,740</b>	<b>60,908</b>	<b>81,646</b>
<b>Paid interest</b>	<b>-2,675</b>	<b>-3,609</b>	<b>-5,357</b>
<b>Dividends received</b>	<b>130</b>	<b>182</b>	<b>199</b>

## Consolidated condensed income statement, quarterly trend

Note	(1 000 euros)	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
	Interest income	21,876	20,577	19,255	20,109	18,729
	Interest expenses	-1,287	-907	-1,255	-1,219	-1,190
<b>9</b>	<b>Interest income, net</b>	<b>20,588</b>	<b>19,669</b>	<b>17,999</b>	<b>18,890</b>	<b>17,539</b>
	Fee and commission income	9,586	10,023	9,099	9,684	8,314
	Fee and commission expenses	-1,479	-1,440	-1,197	-1,352	-1,431
<b>10</b>	<b>Fee and commission income and expenses, net</b>	<b>8,107</b>	<b>8,583</b>	<b>7,902</b>	<b>8,332</b>	<b>6,883</b>
<b>11</b>	<b>Net income on financial assets and financial liabilities</b>	<b>1,498</b>	<b>1,341</b>	<b>1,628</b>	<b>3,631</b>	<b>1,723</b>
	Other operating income	149	28,035	1,612	231	241
	<b>Operating income, total</b>	<b>30,343</b>	<b>57,628</b>	<b>29,142</b>	<b>31,084</b>	<b>26,386</b>
	Personnel expenses	-4,359	-5,264	-4,476	-4,172	-4,140
	Other operating expenses	-7,263	-7,279	-8,745	-7,308	-5,903
	Depreciation, amortisations and impairment losses on tangible and intangible assets	-1,320	-5,880	-1,191	-1,278	-1,351
	<b>Operating expenses, total</b>	<b>-12,942</b>	<b>-18,422</b>	<b>-14,412</b>	<b>-12,758</b>	<b>-11,394</b>
<b>12</b>	<b>Impairment losses on financial assets, net</b>	<b>-2,058</b>	<b>-813</b>	<b>-2,791</b>	<b>-7,602</b>	<b>-1,531</b>
	Share of profit from joint ventures and associated companies	5	-109	-268	-183	27
	<b>Profit before taxes</b>	<b>15,348</b>	<b>38,284</b>	<b>11,672</b>	<b>10,541</b>	<b>13,488</b>
	Income taxes	-3,109	-7,756	-2,431	-1,515	-2,965
	<b>Profit for the accounting period</b>	<b>12,239</b>	<b>30,528</b>	<b>9,241</b>	<b>9,027</b>	<b>10,523</b>
<b>Of which:</b>						
	Shareholders of Oma Savings Bank Plc	12,133	30,399	9,367	9,125	10,530
	Non-controlling interest	106	130	-126	-99	-7
	<b>Total</b>	<b>12,239</b>	<b>30,528</b>	<b>9,241</b>	<b>9,027</b>	<b>10,523</b>
	<b>Earnings per share (EPS), EUR</b>	<b>0.41</b>	<b>1.03</b>	<b>0.32</b>	<b>0.31</b>	<b>0.36</b>
	<b>Earnings per share (EPS) after dilution, EUR</b>	<b>0.41</b>	<b>1.02</b>	<b>0.32</b>	<b>0.31</b>	<b>0.36</b>
<b>Profit before taxes excluding items affecting comparability:</b>						
	<b>Profit before taxes</b>	<b>15,348</b>	<b>38,284</b>	<b>11,672</b>	<b>10,541</b>	<b>13,488</b>
<b>Operating income:</b>						
	Net income on financial assets and liabilities	-1,498	-1,341	-1,628	-3,631	-1,723
	Impact of contract termination regarding core banking project	-	-26,936	-	-	-
	One-off income related to closing of derivatives	-	-	-	-	-912
<b>Operating expenses</b>						
	Project costs relating to acquisition of Eurajoen Savings Bank's business	165	-	-	-	-
	Impact of contract termination regarding core banking project	-	4,629	-	-	-
	<b>Comparable profit before taxes</b>	<b>14,015</b>	<b>14,636</b>	<b>10,043</b>	<b>6,910</b>	<b>10,853</b>
	Income taxes in income statement	-3,109	-7,756	-2,431	-1,515	-2,965
	Change of deferred taxes	267	4,730	326	726	527
	<b>Comparable profit/loss for the accounting period</b>	<b>11,173</b>	<b>11,610</b>	<b>7,938</b>	<b>6,122</b>	<b>8,415</b>

# 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 and interim reports are available on the Bank's website [www.omasp.fi](http://www.omasp.fi).

Oma Savings Bank Group is formed as follows:

### Subsidiaries

- Real estate company Lappeenrannan Säästökeskus holding 100%
- SAV-Rahoitus Oyj holding 50.7%

### Associated companies

- GT Invest Oy holding 48.7%
- City Kauppapaikat Oy holding 42.1%

### Joint ventures and joint operations

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

In June 2021, the shares of real estate company Sofian Tupa were sold, and thus the company is no longer part of the Group.

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 2020 Financial Statements Release.

The Interim Report figures 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 for 1 January - 30 September 2021 in its meeting on 1 November 2021.

## 2. Changes to the accounting principles

No standard changes took effect at the beginning of the financial year which would have had impact on the Group's financial statements. Nor are future new standards or changes in standards published by IASB expected to have a material impact on the consolidated financial statements.

In April 2021, the IFRS Interpretations Committee issued a final agenda decision on the accounting for configuration and customization costs for cloud services (IAS 38 Intangible Assets). In this agenda decision IFRS IC considered, whether, applying IAS 38, the customer recognises an intangible asset in relation to configuration or customisation of the application software, and if an intangible asset is not recognised, how the customer accounts for the configuration or customisation costs. The company has taken into account the effects of the agenda decision on the handling of cloud services during the third quarter and stated that the decision has not had a significant impact on the company's financial reporting.

## 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 2020 financial statements. Uncertainty in the operating environment caused by the corona pandemic may bring changes to management's judgement estimates presented in the financial statements relative to the current financial statements. The application of the impairment losses on financial assets model under IFRS 9 requires the management to make estimates and assumptions about whether the credit risk associated with the financial instrument has increased significantly since the initial recognition and requires forward-looking information to be taken into account in the recognition of on-demand credit losses. The company's management has assessed the effects of the ongoing corona pandemic on an industry-by-industry basis and made a group-specific additional loss allowance to the corporate loan portfolio as well as for households. Further details of the impact of the corona pandemic on the company's risk position are provided in note 2.

Positive income items from the contract termination of the core banking project, EUR 26.9 million, has been recognised in other operating income. Impairment losses on intangible assets, EUR 4.6 million, is presented in other operating expenses.

## Note 2 Impacts of the corona pandemic on the risk position

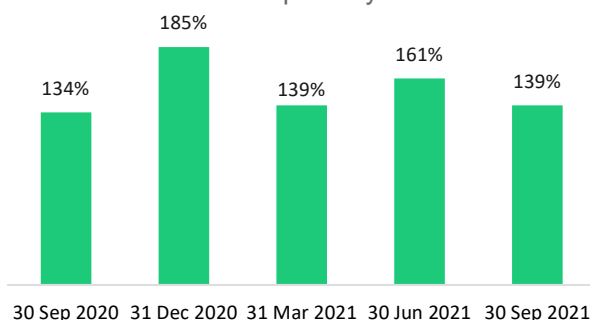
### 1. Liquidity risk

During the corona pandemic, the company has been monitoring changes in liquidity risk more effectively. In terms of liquidity, the company's situation has been stable throughout the pandemic. The company's liquidity has remained strong with the issuance of bonds in year 2020 as well as in year 2021.

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 139.3% on 30 September 2021. The company's liquidity strengthened with the issuance of bonds in summer 2021 and has remained at a good level. In addition, the company's deposit portfolio has continued to grow for the third quarter of 2021, maintaining a stable credit-deposit ratio. New lending has also continued to grow strongly during the third quarter. No bonds are maturing in year 2021.

LCR quarterly



### 2. Credit risk

Credit risk refers to the risk that a contracting party to a financial instrument is not to fulfil its obligations, thereby causing a financial loss to the other party. 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 2020 Financial Statements Release.

#### 2.1 Loan reliefs granted by the company

Due to the corona pandemic, requests by customers for grace periods grew significantly in March 2020 but demand returned in a few months. Most of the grace periods granted have already expired as customers continue to service loans under normal shortening plans. At the end of the reporting period, the total grace periods of the loans from the entire loan stock amounted to EUR 205.3 million. 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 strongly during the financial year, and the quality of the loan portfolio has remained at a good level despite the corona pandemic. However, the pandemic continues, which may lead to a weakening in the quality of the loan portfolio in the future.

The company has intensified its monitoring of the credit risk situation and its development based on credit risk management methods during the corona pandemic. During 2020, the company made two additional loss allowances based on management's judgement, totalling EUR 4.4 million, which predicted growth in credit risk in specific sectors. The sectors were selected based on both their significance and the estimated size of the pandemic's impact. The company increased further its loss allowance based on management's judgement by EUR 1.5 million in the first quarter. At the end of the first quarter, allowances related to corona pandemic totalled EUR 5.9 million.

The quality of the company's credit portfolio has remained at a good level throughout the pandemic. In addition, vaccine coverage has improved during the early autumn and restriction measures may have been eased in many respects. The company will release its additional loss allowances on corona in stages, as the restriction measures will be eased by region and gradually, so their impact on the economic situation will occur in stages. During the third quarter, the company decided to release additional loss allowances of corona by EUR 2.0 million. Additional loss allowances related to corona are still available for EUR 3.9 million. The allowances anticipate the effects of the prolongation of the corona pandemic on Oma Savings Bank's loan portfolio and seeks to cover potential credit losses to the extent that the expected credit loss calculation model does not recognize them. The company continues monitoring the situation monthly.

## 2.3 Distribution by risk class

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

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

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

## Distribution of financial assets by risk class and credit risk concentrations

Risk rating 1: Customers with an A level rating in the bank's internal credit rating system and external credit ratings of AAA–Baa3 are considered to be low risk items.

Risk rating 2: Customers with a B level rating in the bank's internal credit rating system and external credit ratings of Ba1–Ba3 are considered to be medium risk items.

Risk rating 3: Customers with a C level rating in the bank's internal credit rating system and external credit ratings of B1–Caa3 are considered to be higher risk items.

Risk rating 4: Customers with a D level rating in the bank's internal credit rating system and external credit ratings of Ca–bankruptcy are considered to be higher risk items.

The 'No rating' item includes loans and debt securities for which the bank has not defined credit ratings or for which there are no external credit ratings available. The loans belonging to the group are mainly card or consumer credits.

Loans and receivables and off-balance sheet commitments (1,000 euros)	Stage 1	Stage 2	Stage 3	30 Sep 2021	31 Dec 2020
Risk rating 1	2,402,452	118,576	14,663	2,535,690	2,224,360
Risk rating 2	1,094,623	120,778	8,319	1,223,721	1,043,172
Risk rating 3	162,548	64,384	7,319	234,252	227,703
Risk rating 4	14,163	42,760	35,435	92,357	106,583
No rating	37,039	4,063	11,179	52,281	45,786
<b>Capital items by risk category, total</b>	<b>3,710,825</b>	<b>350,561</b>	<b>76,915</b>	<b>4,138,301</b>	<b>3,647,604</b>
Loss allowance	2,004	6,566	19,991	28,561	26,832
<b>Total</b>	<b>3,708,821</b>	<b>343,995</b>	<b>56,923</b>	<b>4,109,740</b>	<b>3,620,772</b>

Debt securities	Stage 1	Stage 2	Stage 3	30 Sep 2021	31 Dec 2020
Risk rating 1	477,091	-	-	477,091	387,121
Risk rating 2	14,837	-	-	14,837	11,450
Risk rating 3	-	-	-	-	-
Risk rating 4	-	-	-	-	-
No rating	110,855	2,655	-	113,510	101,323
<b>Capital items by risk category, total</b>	<b>602,783</b>	<b>2,655</b>	<b>-</b>	<b>605,438</b>	<b>499,894</b>
Loss allowance	1,227	24	-	1,251	493
<b>Total</b>	<b>601,556</b>	<b>2,631</b>	<b>-</b>	<b>604,187</b>	<b>499,401</b>

Loans and receivables and off-balance sheet commitments by industry	Risk rating 1	Risk rating 2	Risk rating 3	Risk rating 4	No rating	30 Sep 2021	31 Dec 2020
Enterprises	1,011,159	202,265	36,599	37,246	9,763	1,297,032	1,144,739
Agriculture	37,668	1,911	1,581	793	67	42,020	32,757
Real estate	600,720	114,039	8,444	18,377	5,278	746,857	646,954
Construction	64,519	14,123	1,301	5,039	887	85,868	78,231
Wholesale and retail	57,948	18,547	3,260	2,399	741	82,895	86,178
Industry	39,442	7,293	4,893	5,424	921	57,973	58,058
Transportation and storage	26,171	2,141	278	1,281	944	30,815	29,582
Other	184,691	44,213	16,842	3,934	926	250,605	212,978
General government	3,358				650	4,008	3,239
Non-profit communities	13,927	3,114	58	20	526	17,644	17,385
Financial and insurance institutions	78,280	1,158	10	-	13	79,461	37,936
Households	1,428,966	1,017,184	197,585	55,091	41,329	2,740,156	2,444,305
<b>Total</b>	<b>2,535,690</b>	<b>1,223,721</b>	<b>234,252</b>	<b>92,357</b>	<b>52,281</b>	<b>4,138,301</b>	<b>3,647,604</b>

## Note 3 Classification of financial assets and liabilities

### Assets (1,000 euros)

30 Sep 2021	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	157,783	-	-	-	157,783	157,783
Loans and advances to credit institutions	73,941	-	-	-	73,941	73,941
Loans and advances to customers	3,908,137	-	-	-	3,908,137	3,908,137
Derivatives, hedge accounting	-	-	-	2,212	2,212	2,212
Debt instruments	-	604,187	84	-	604,271	604,271
Equity instruments	-	-	24,988	-	24,988	24,988
<b>Financial assets, total</b>	<b>4,139,861</b>	<b>604,187</b>	<b>25,072</b>	<b>2,212</b>	<b>4,771,333</b>	<b>4,771,333</b>
Investments in associated companies					23,219	23,219
Investment properties					1,800	1,866
Other assets					105,853	105,853
<b>Assets, total</b>	<b>4,139,861</b>	<b>604,187</b>	<b>25,072</b>	<b>2,212</b>	<b>4,902,204</b>	<b>4,902,270</b>

### Liabilities (1,000 euros)

30 Sep 2021	Other liabilities	Hedging derivatives	Carrying value, total	Fair value
Liabilities to credit institutions	216,823	-	216,823	216,823
Liabilities to customers	2,637,854	-	2,637,854	2,637,854
Debt securities issued to the public	1,558,728	-	1,558,728	1,558,728
Subordinated liabilities	15,500	-	15,500	15,500
<b>Financial liabilities, total</b>	<b>4,428,905</b>	<b>-</b>	<b>4,428,905</b>	<b>4,428,905</b>
Non-financial liabilities			88,337	88,337
<b>Liabilities, total</b>	<b>4,428,905</b>	<b>-</b>	<b>4,517,241</b>	<b>4,517,241</b>

### Assets (1,000 euros)

31 Dec 2020	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	262,087	-	-	-	262,087	262,087
Loans and advances to credit institutions	74,206	-	-	-	74,206	74,206
Loans and advances to customers	3,434,315	-	-	-	3,434,315	3,434,315
Derivatives, hedge accounting	-	-	-	796	796	796
Debt instruments	-	499,401	171	-	499,572	499,572
Equity instruments	-	-	22,463	-	22,463	22,463
<b>Financial assets, total</b>	<b>3,770,608</b>	<b>499,401</b>	<b>22,634</b>	<b>796</b>	<b>4,293,439</b>	<b>4,293,439</b>
Investments in associated companies					23,787	23,787
Investment properties					7,270	7,307
Other assets					57,503	57,503
<b>Assets, total</b>	<b>3,770,608</b>	<b>499,401</b>	<b>22,634</b>	<b>796</b>	<b>4,381,999</b>	<b>4,382,036</b>

### Liabilities (1,000 euros)

31 Dec 2020	Other liabilities	Hedging derivatives	Carrying value, total	Fair value
Liabilities to credit institutions	223,510	-	223,510	223,510
Liabilities to customers	2,376,743	-	2,376,743	2,376,743
Debt securities issued to the public	1,346,815	-	1,346,815	1,346,815
Subordinated liabilities	15,500	-	15,500	15,500
<b>Financial liabilities, total</b>	<b>3,962,567</b>	<b>-</b>	<b>3,962,567</b>	<b>3,962,567</b>
Non-financial liabilities			65,938	65,938
<b>Liabilities, total</b>	<b>3,962,567</b>	<b>-</b>	<b>4,028,506</b>	<b>4,028,506</b>

Assets (1,000 euros)					Carrying value, total	Fair value
30 Sep 2020	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives		
Cash and cash equivalents	77,041	-	-	-	77,041	77,041
Loans and advances to credit institutions	65,419	-	-	-	65,419	65,419
Loans and advances to customers	3,278,552	-	-	-	3,278,552	3,278,552
Derivatives, hedge accounting	-	-	-	670	670	670
Debt instruments	-	426,807	124	-	426,931	426,931
Equity instruments	-	-	37,175	-	37,175	37,175
<b>Financial assets, total</b>	<b>3,421,012</b>	<b>426,807</b>	<b>37,299</b>	<b>670</b>	<b>3,885,789</b>	<b>3,885,789</b>
Investments in associated companies					7,660	7,660
Investment properties					2,431	2,567
Other assets					56,886	56,886
<b>Assets, total</b>	<b>3,421,012</b>	<b>426,807</b>	<b>37,299</b>	<b>670</b>	<b>3,952,766</b>	<b>3,952,902</b>

Liabilities (1,000 euros)					Carrying value, total	Fair value
30 Sep 2020	Other liabilities	Hedging derivatives				
Liabilities to credit institutions	220,388	-			220,388	220,388
Liabilities to customers	2,232,986	-			2,232,986	2,232,986
Debt securities issued to the public	1,076,283	-			1,076,283	1,076,283
Subordinated liabilities	15,500	-			15,500	15,500
<b>Financial liabilities, total</b>	<b>3,545,158</b>	<b>-</b>			<b>3,545,158</b>	<b>3,545,158</b>
Non-financial liabilities					64,400	64,400
<b>Liabilities, total</b>	<b>3,545,158</b>	<b>-</b>			<b>3,609,558</b>	<b>3,609,558</b>

## Note 4 Loans and other receivables

(1,000 euros)	30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>Loans and advances to credit institutions</b>			
Deposits	46,971	50,907	43,044
Other	26,970	23,299	22,375
<b>Loans and advances to credit institutions, total</b>	<b>73,941</b>	<b>74,206</b>	<b>65,419</b>
<b>Loans and advances to the public and public sector entities</b>			
Loans	3,803,486	3,332,952	3,179,445
Utilised overdraft facilities	73,473	72,894	71,982
Loans intermediated through the State's assets	54	66	98
Credit cards	30,946	28,064	26,731
Bank guarantee receivables	177	339	297
<b>Loans and advances to the public and public sector entities, total</b>	<b>3,908,137</b>	<b>3,434,315</b>	<b>3,278,552</b>
<b>Loans and advances, total</b>	<b>3,982,078</b>	<b>3,508,521</b>	<b>3,343,971</b>

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)	30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>Fair value hedge</b>			
Interest rate derivatives	-	-	67
<b>Other hedging derivatives</b>			
Share and share index derivatives	2,212	796	603
<b>Derivative assets, total</b>	<b>2,212</b>	<b>796</b>	<b>670</b>
<b>Liabilities (1,000 euros)</b>	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>	<b>30 Sep 2020</b>
<b>Fair value hedge</b>			
Interest rate derivatives	-	-	-
Share and share index derivatives	-	-	-
<b>Derivative liabilities, total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in the value of hedged object / Fair value hedge</b>	<b>-</b>	<b>-</b>	<b>-69</b>
<b>Change in the value of hedged object / Other hedging derivatives</b>	<b>-1,699</b>	<b>-253</b>	<b>-63</b>

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

30 Sep 2021	Remaining maturity			Fair values		
	Less than 1 year	1-5 years	Over 5 years	Total	Assets	Liabilities
<b>Fair value hedge</b>	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-
Cva and Dva adjustments	-	-	-	-	-	-
<b>Other hedging derivatives</b>	<b>35,302</b>	<b>44,130</b>	<b>-</b>	<b>79,432</b>	<b>2,212</b>	<b>-</b>
Share and share index derivatives	35,302	44,130	-	79,432	2,271	-
Cva and Dva adjustments	-	-	-	-	-59	-
<b>Derivatives, total</b>	<b>35,302</b>	<b>44,130</b>	<b>-</b>	<b>79,432</b>	<b>2,212</b>	<b>-</b>

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

31 Dec 2020	Remaining maturity			Fair values		
	Less than 1 year	1-5 years	Over 5 years	Total	Assets	Liabilities
<b>Fair value hedge</b>	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-
Cva and Dva adjustments	-	-	-	-	-	-
<b>Other hedging derivatives</b>	<b>32,948</b>	<b>48,274</b>	<b>-</b>	<b>81,222</b>	<b>796</b>	<b>-</b>
Share and share index derivatives	32,948	48,274	-	81,222	853	-
Cva and Dva adjustments	-	-	-	-	-57	-
<b>Derivatives, total</b>	<b>32,948</b>	<b>48,274</b>	<b>-</b>	<b>81,222</b>	<b>796</b>	<b>-</b>

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

30 Sep 2020	Remaining maturity			Fair values		
	Less than 1 year	1-5 years	Over 5 years	Total	Assets	Liabilities
<b>Fair value hedge</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>67</b>	<b>-</b>
Interest rate swaps	15,000	-	-	15,000	69	-
Cva and Dva adjustments	-	-	-	-	-1	-
<b>Other hedging derivatives</b>	<b>14,342</b>	<b>66,880</b>	<b>-</b>	<b>81,222</b>	<b>603</b>	<b>-</b>
Share and share index derivatives	14,342	66,880	-	81,222	663	-
Cva and Dva adjustments	-	-	-	-	-60	-
<b>Derivatives, total</b>	<b>29,342</b>	<b>66,880</b>	<b>-</b>	<b>96,222</b>	<b>670</b>	<b>-</b>



## Note 6 Investment assets

Investment assets (1,000 euros)	30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>Measured at fair value through profit or loss</b>			
Debt securities	84	171	124
Shares and other equity instruments	24,988	22,463	37,175
<b>Assets measured at fair value through profit or loss, total</b>	<b>25,072</b>	<b>22,634</b>	<b>37,299</b>
<b>Measured at fair value through other comprehensive income</b>			
Debt securities	604,187	499,401	426,807
Shares and other equity instruments	-	-	-
<b>Measured at fair value through other comprehensive income, total</b>	<b>604,187</b>	<b>499,401</b>	<b>426,807</b>
<b>Investment properties</b>	<b>1,800</b>	<b>7,270</b>	<b>2,431</b>
<b>Investment assets, total</b>	<b>631,060</b>	<b>529,305</b>	<b>466,538</b>

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

Changes in investment properties (1,000 euros)	30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>Cost January 1</b>	<b>10,491</b>	<b>12,634</b>	<b>12,634</b>
+ Increases	5,395	5,650	306
- Decreases	-11,266	-7,380	-6,799
+/- Transfers	-	-414	-
<b>Cost at the end of the period</b>	<b>4,620</b>	<b>10,491</b>	<b>6,141</b>
<b>Accumulated depreciation and impairment losses</b>	<b>-3,221</b>	<b>-5,806</b>	<b>-5,806</b>
+/- Accumulated depreciation of decreases and transfers	410	1,987	1,475
- Depreciation	-35	-201	-178
+/- Impairment loss and their return	25	800	800
<b>Accumulated depreciation and impairment at the end of the period</b>	<b>-2,819</b>	<b>-3,221</b>	<b>-3,709</b>
<b>Opening balance</b>	<b>7,270</b>	<b>6,828</b>	<b>6,828</b>
<b>Closing balance</b>	<b>1,800</b>	<b>7,270</b>	<b>2,431</b>

30 Sep 2021	Equity instruments				Debt-based				
Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	All total
Quoted									
Public sector entities	-	-	-	-	173,931	-	-	173,931	173,931
From others	-	16,620	-	16,620	430,047	-	-	430,047	446,667
Non-quoted									
From others	-	8,368	-	8,368	209	84	-	293	8,661
<b>Total</b>	-	<b>24,988</b>	-	<b>24,988</b>	<b>604,187</b>	<b>84</b>	-	<b>604,271</b>	<b>629,259</b>

31 Dec 2020	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	-	-	-	-	170,628	-	-	170,628	170,628
From others	-	13,837	-	13,837	328,560	-	-	328,560	342,397
Non-quoted									
From others	-	8,626	-	8,626	212	171	-	383	9,009
<b>Total</b>	-	<b>22,463</b>	-	<b>22,463</b>	<b>499,401</b>	<b>171</b>	-	<b>499,572</b>	<b>522,035</b>

30 Sep 2020	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	-	-	-	-	126,743	-	-	126,743	126,743
From others	-	11,882	-	11,882	298,358	-	-	298,358	310,240
Non-quoted									
From others	-	25,293	-	25,293	1,706	124	-	1,830	27,124
<b>Total</b>	-	<b>37,175</b>	-	<b>37,175</b>	<b>426,807</b>	<b>124</b>	-	<b>426,931</b>	<b>464,106</b>

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

(1,000 euros)	30 Sep 2021	31 Dec 2020	30 Sep 2020
Liabilities to credit institutions			
Liabilities to Central Banks	150,000	150,000	150,000
Repayable on demand	8,815	10,768	5,428
Other than repayable on demand	58,008	62,742	64,961
<b>Liabilities to credit institutions, total</b>	<b>216,823</b>	<b>223,510</b>	<b>220,388</b>
Liabilities to the public and public sector entities			
Deposits	2,637,812	2,376,687	2,232,837
Repayable on demand	2,494,885	2,187,809	2,010,810
Other	142,927	188,878	222,027
Other financial liabilities	41	56	81
Other than repayable on demand	41	56	81
Changes in fair value in terms of borrowing	-	-	69
<b>Liabilities to the public and public sector entities, total</b>	<b>2,637,854</b>	<b>2,376,743</b>	<b>2,232,986</b>
<b>Liabilities to the public and public sector entities and liabilities to credit institutions, total</b>	<b>2,854,677</b>	<b>2,600,253</b>	<b>2,453,374</b>

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 is 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 OmaSp's credit 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. During the second quarter, the company has reviewed the interest rate estimates with prudence and increased interest level.

## Note 8 Debt securities issued to the public

(1,000 euros)	30 Sep 2021	31 Dec 2020	30 Sep 2020
Bonds	1,357,792	1,206,522	951,598
Certificates of deposit	200,936	140,293	124,685
<b>Debt securities issued to the public, total</b>	<b>1,558,728</b>	<b>1,346,815</b>	<b>1,076,283</b>

					Closing balance		
Maturity of bonds	Nominal value	Interest	Year of issue	Due date	30 Sep 2021	31 Dec 2020	30 Sep 2020
OmaSp Plc 12.12.2022, covered bond	350,000	0,125 %/fixed	2017-2018	12/12/2022	349,393	349,015	348,888
OmaSp Plc 3.4.2024, covered bond	300,000	0,125 %/fixed	2019	4/3/2024	299,161	298,912	298,828
OmaSp Plc 6.4.2023, covered bond	250,000	0,125 %/fixed	2020	4/6/2023	249,328	248,998	248,887
OmaSp Plc 17.1.2024	55,000	margin 1 % / variable	2020	17.1.2024	54,997	54,996	54,995
OmaSp Plc 25.11.2027, covered bond	400,000	0,01 %/fixed	2020-2021	11/25/2027	404,913	254,601	-
					<b>1,357,792</b>	<b>1,206,522</b>	<b>951,598</b>
Maturity of deposit certificates	Less than 3 months	3-6 months	6-9 months	9-12 months	Closing balance, total		
<b>30 Sep 2021</b>	60,992	64,986	59,974	14,985	<b>200,936</b>		
<b>31 Dec 2020</b>	70,991	53,320	-	15,981	<b>140,293</b>		
<b>30 Sep 2020</b>	27,994	55,979	40,712	-	<b>124,685</b>		

## Note 9 Net interest income

(1,000 euros)	1-9/2021	1-9/2020	1-12/2020
<b>Interest income</b>			
Loans and advances to the public and public sector entities	56,021	47,650	66,058
Debt securities	2,055	1,423	2,031
Derivatives	2,232	2,959	3,785
Other interest income	1,398	673	939
<b>Interest income, total</b>	<b>61,707</b>	<b>52,704</b>	<b>72,813</b>
<b>Interest expenses</b>			
Liabilities to credit institutions	-519	-214	-335
Liabilities to the public and public sector entities	-495	-709	-820
Debt securities issued to the public	-1,925	-2,059	-2,752
Subordinated liabilities	-141	-140	-187
Other interest expenses	-370	-653	-900
<b>Interest expenses, total</b>	<b>-3,450</b>	<b>-3,775</b>	<b>-4,993</b>
<b>Net interest income</b>	<b>58,257</b>	<b>48,929</b>	<b>67,819</b>

## Note 10 Fee and commission income and expenses

(1,000 euros)	1-9/2021	1-9/2020	1-12/2020
<b>Fee and commission income</b>			
Lending	8,836	7,603	11,124
Deposits	52	46	62
Card and payment transactions	13,645	12,058	16,472
Intermediated securities	158	111	158
Funds	2,870	2,070	2,825
Legal services	385	359	504
Brokered products	1,254	1,126	1,485
Granting of guarantees	951	673	923
Other fee and commission income	558	517	695
<b>Fee and commission income, total</b>	<b>28,708</b>	<b>24,564</b>	<b>34,248</b>
<b>Fee and commission expenses</b>			
Card and payment transactions	-3,335	-2,941	-4,043
Securities	-56	-32	-41
Other fee and commission expenses	-725	-665	-906
<b>Fee and commission expenses, total</b>	<b>-4,116</b>	<b>-3,638</b>	<b>-4,991</b>
<b>Fee and commission income and expenses, net</b>	<b>24,592</b>	<b>20,925</b>	<b>29,257</b>

## Note 11 Net income on financial assets and financial liabilities

(1,000 euros)	1-9/2021	1-9/2020	1-12/2020
<b>Net income on financial assets measured at fair value through profit or loss</b>			
Debt securities			
Capital gains and losses	-43	-	-
Valuation gains and losses	56	-139	-92
<b>Debt securities, total</b>	<b>13</b>	<b>-139</b>	<b>-92</b>
Shares and other equity instruments			
Dividend income	130	182	199
Capital gains and losses	202	-118	1,597
Valuation gains and losses	3,872	622	2,704
<b>Shares and other equity instruments, total</b>	<b>4,203</b>	<b>685</b>	<b>4,499</b>
<b>Net income on financial assets measured at fair value through profit or loss, total</b>	<b>4,216</b>	<b>546</b>	<b>4,407</b>
<b>Net income on financial assets measured at fair value through other comprehensive income</b>			
Debt securities			
Capital gains and losses	29	39	39
Difference in valuation reclassified from the fair value reserve to the income statement	-12	8,005	8,005
<b>Debt securities, total</b>	<b>17</b>	<b>8,044</b>	<b>8,044</b>
<b>Net income on financial assets measured at fair value through other comprehensive income, total</b>	<b>17</b>	<b>8,044</b>	<b>8,044</b>

Net income from investment properties (1,000 euros)	1-9/2021	1-9/2020	1-12/2020
Rent and dividend income	230	304	383
Capital gains and losses	1	-1,238	-1,473
Other gains from investment properties	6	6	8
Maintenance expenses	-81	-513	-534
Depreciation and impairment on investment properties	-35	-751	-711
Rent expenses on investment properties	-	-	-10
<b>Net income from investment properties, total</b>	<b>121</b>	<b>-2,193</b>	<b>-2,337</b>
<b>Net gains on trading in foreign currencies</b>	<b>116</b>	<b>-90</b>	<b>-175</b>
<b>Net gains from hedge accounting</b>	<b>-</b>	<b>119</b>	<b>114</b>
<b>Net income from trading</b>	<b>-2</b>	<b>809</b>	<b>814</b>
<b>Net income on financial assets and financial liabilities, total</b>	<b>4,468</b>	<b>7,235</b>	<b>10,866</b>

## Note 12 Impairment losses on financial assets

(1,000 euros)	1-9/2021	1-9/2020	1-12/2020	2021 Q3	2020 Q3
ECL from advances to customers and off-balance sheet items	-1,729	-4,823	-8,012	-903	83
ECL from debt instruments	-758	-94	167	-118	-126
<b>Expected credit losses, total</b>	<b>-2,487</b>	<b>-4,917</b>	<b>-7,846</b>	<b>-1,020</b>	<b>-42</b>
<b>Final credit losses</b>					
Final credit losses	-4,170	-9,225	-13,978	-1,220	-1,583
Refunds on realised credit losses	995	158	237	182	95
<b>Recognised credit losses, net</b>	<b>-3,175</b>	<b>-9,067</b>	<b>-13,741</b>	<b>-1,038</b>	<b>-1,489</b>
<b>Impairment on receivables, total</b>	<b>-5,661</b>	<b>-13,984</b>	<b>-21,587</b>	<b>-2,058</b>	<b>-1,531</b>

Reconciliations from the opening and closing balances of the expected credit losses have been formed from 1 January 2021 and 30 September 2021 on the basis of changes in euro denominated loan exposures and expected credit losses.

### Expected credit losses, loans and advances

				1-9/2021	1-9/2020	1-12/2020
Loans and advances to credit institutions and to public and general government, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	Total	Total	Total
<b>Expected credit losses 1 January</b>	<b>1,587</b>	<b>7,955</b>	<b>16,317</b>	<b>25,858</b>	<b>18,205</b>	<b>18,205</b>
Transfer to stage 1	105	-426	102	-220	87	244
Transfer to stage 2	-104	309	-617	-412	181	297
Transfer to stage 3	-14	-156	2,807	2,638	3,596	3,224
New debt securities	692	156	659	1,506	1,803	2,518
Matured debt securities	-1,034	-777	-2,862	-4,673	-4,776	-4,979
Realised credit losses	5	-16	-2,507	-2,518	-2,907	-4,878
Recoveries on previous realised credit losses	-8	121	-21	92	-19	1
Changes in credit risk	647	-234	2,517	2,931	5,975	5,854
Changes in the ECL model parameters	-	-	-	-	-351	241
Changes based on management estimates	-337	-500	3,400	2,563	937	5,131
<b>Expected credit losses period end</b>	<b>1,539</b>	<b>6,432</b>	<b>19,795</b>	<b>27,766</b>	<b>22,733</b>	<b>25,858</b>

The company's management has assessed the effects of the corona pandemic on an industry-by-industry basis. The group-specific additional loss allowance was decreased from EUR 5.9 million to EUR 3.9 million in the third quarter. A total of EUR 2.0 million has been allocated to corporate customers and EUR 1.9 million for private customers of the additional loss allowance based on management's judgement. Allowances made are targeted to stage 2. Additional allowance was made for the new definition of insolvency, which entered into force on 1 January 2021, by recording an additional loss allowance of EUR 1.4 million. The additional allowance has been offloaded through profit or loss during January-June.

				1-9/2021	1-9/2020	1-12/2020
Off-balance sheet commitments (1,000 euros)	Stage 1	Stage 2	Stage 3	Total	Total	Total
<b>Expected credit losses 1 January</b>	<b>480</b>	<b>368</b>	<b>126</b>	<b>974</b>	<b>614</b>	<b>614</b>
Transfer to stage 1	236	-235	-1	-	11	11
Transfer to stage 2	-4	5	-1	-	-	-
Transfer to stage 3	-	-1	1	-	-	-
New debt securities	158	65	91	314	569	625
Matured debt securities	-351	-56	-25	-431	-308	-305
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	-55	-12	5	-62	24	28
Changes in the ECL model parameters	-	-	-	-	-	-
Changes based on management estimates	-	-	-	-	-	-
<b>Expected credit losses period end</b>	<b>465</b>	<b>134</b>	<b>196</b>	<b>795</b>	<b>910</b>	<b>974</b>

# Expected credit losses, investment assets

Debt securities, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	1-9/2021	1-9/2020	1-12/2020
				Total	Total	Total
<b>Expected credit losses 1 January</b>	<b>313</b>	<b>180</b>	-	<b>493</b>	<b>660</b>	<b>660</b>
Transfer to stage 1	16	-130	-	-115	-	-
Transfer to stage 2	-2	-	-	-1	-17	15
Transfer to stage 3	-	-	-	-	-	-
New debt securities	125	-	-	125	563	375
Matured debt securities	-	-11	-	-11	-460	-512
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	241	-15	-	226	1,557	1,760
Changes in the ECL model parameters	-	-	-	-	-415	-
Changes based on management estimates	534	-	-	534	-1,133	-1,805
<b>Expected credit losses period end</b>	<b>1,227</b>	<b>24</b>	-	<b>1,251</b>	<b>754</b>	<b>493</b>

## Note 13 Fair values in accordance with the valuation method

The determination of the fair value of financial instruments is set out in note G1 Accounting principles under “Determining the fair value” of the financial statements for the year 2020.

Equity securities recorded to stage 3 include shares in unlisted companies.

### Financial assets and liabilities measured at fair value

Financial assets (1,000 euros)	30 Sep 2021			Total
	Level 1	Level 2	Level 3	
<b>At fair value through profit or loss</b>				
Equity securities	16,620	1,998	6,370	24,988
Debt securities	-	-	84	84
<b>Derivatives</b>	-	2,212	-	2,212
<b>At fair value through other comprehensive income</b>				
Debt securities	604,187	-	-	604,187
<b>Financial assets, total</b>	<b>620,807</b>	<b>4,210</b>	<b>6,454</b>	<b>631,471</b>

Financial assets (1,000 euros)	31 Dec 2020			Total	30 Sep 2020			Total
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>Measured at fair value through profit or loss</b>								
Equity securities	13,837	1,854	6,772	22,463	11,882	1,778	23,516	37,175
Debt securities	87	-	84	171	40	-	84	124
<b>Derivatives</b>	-	796	-	796	-	670	-	670
<b>Measured at fair value through other comprehensive income</b>								
Debt securities	499,401	-	-	499,401	426,807	-	-	426,807
<b>Financial assets, total</b>	<b>513,325</b>	<b>2,650</b>	<b>6,856</b>	<b>522,831</b>	<b>438,729</b>	<b>2,448</b>	<b>23,600</b>	<b>464,776</b>



## Investment transactions, categorised to Level 3

	30 Sep 2021			31 Dec 2020			30 Sep 2020		
Financial assets at fair value through profit or loss (1,000 euros)	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total
Opening balance	6,772	84	6,856	23,547	84	23,631	23,547	84	23,631
+ Acquisitions	-	-	-	-	-	-	-	-	-
- Sales	-612	-	-612	-18,418	-	-18,418	-2	-	-2
- Matured during the year	-	-	-	-	-	-	-	-	-
+/- Realised changes in value recognised on the income statement	188	-	188	1,644	-	1,644	2	-	2
+/- Unrealised changes in value recognised on the income statement	21	-	21	-	-	-	-31	-	-31
+ Transfers to Level 3	-	-	-	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-	-	-	-
Closing balance	6,370	84	6,454	6,772	84	6,856	23,516	84	23,600

	30 Sep 2021			31 Dec 2020			30 Sep 2020		
At fair value through other comprehensive income (1,000 euros)	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total
Opening balance	-	-	-	-	-	-	-	-	-
+ Acquisitions	-	-	-	-	-	-	-	-	-
- Sales	-	-50	-50	-	-	-	-	-	-
- Matured during the year	-	-226	-226	-	-	-	-	-	-
+/- Realised changes in value recognised on the income statement	-	16	16	-	-	-	-	-	-
+/- Unrealised changes in value recognised on the income statement	-	7	7	-	-	-	-	-	-
+/- Changes in value recognised in other comprehensive income	-	-14	-14	-	-	-	-	-	-
+ Transfers to Level 3	-	268	268	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-

## Sensitivity analysis for financial assets on Level 3

	30 Sep 2021				31 Dec 2020			30 Sep 2020		
(1,000 euros)	Potential impact on equity				Potential impact on equity			Potential impact on equity		
	Hypo- thetical change	Market value	Positive	Negative	Market value	Positive	Negative	Market value	Positive	Negative
Equity securities										
At fair value through profit or loss	+/- 15%	6,370	955	-955	6,772	1,016	-1,016	23,516	3,527	-3,527
At fair value through other comprehensive income	+/- 15 %	-	-	-	-	-	-	-	-	-
Total		6,370	955	-955	6,772	1,016	-1,016	23,516	3,527	-3,527

	30 Sep 2021				31 Dec 2020			30 Sep 2020		
(1,000 euros)	Potential impact on equity				Potential impact on equity			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%	84	13	-13	84	13	-13	84	13	-13
At fair value through other comprehensive income	+/- 15 %	-	-	-	-	-	-	-	-	-
Total		84	13	-13	84	13	-13	84	13	-13

## Note 14 Changes in Group structure and business acquisitions

### Acquisition of Eurajoen Savings Bank's business

In September 2021, the company's Board of Directors decided to complete the acquisition of Eurajoen Savings Bank's business in accordance with the acquisition plan. According to the decision made by the governing body of Eurajoen Savings Bank, Eurajoen Savings Bank will transfer its entire business to the company except for the minor assets mentioned in the acquisition plan. The planned registration date for the implementation of the business transfer is 30 November 2021. The purchase price of the business acquisition will be paid partly in cash and partly by issuing shares.

According to the current estimate, the positive profit impact of the business transfer will be EUR 14-16 million for the company, of which EUR 8-9 million will be recognised in the company's profit before taxes for the financial year 2021. The rest of the profit impact is expected to be recognised over the next five years. The business transfer is expected to increase the company's profit before taxes by EUR 3-5 million per year in the future. The business transfer will increase the balance sheet of the company by approximately EUR 300 million and increase the number of private and corporate customers by about 12,000. The total cost of the business transfer is estimated at approximately EUR 3 million and the costs will be targeted for 2021 and early 2022.

According to an initial assessment, the company will recognise negative goodwill from the acquired business in accordance with IFRS 3 as a difference between the net assets of the acquired business and the transaction price to be completed. The effect of the acquisition on the result for the financial year will be specified based on the acquisition cost calculation to be prepared from the financial statements on 30 November 2021. The basis of the calculation will be current fair values of the transferred assets and liabilities. In connection with the transitioning of the business, the company will recognise a payment obligation related to the fixed-term liability of Eurajoen Savings Bank being a credit institution member leaving the

consortium of savings banks (Law on the consortium of deposit banks 599/2010).

Any obligation to pay following the liability shall be applied for the five years following the acquisition. The company estimates the amount of liability to be transferred, its probability and the amount to be applied to the company at each closing date of the reporting period.

The company will present information in accordance with IFRS 3 regarding the acquisition in connection with the financial statements release.

#### Implementation of a directed issue

Based on the authorisation of the 2021 Annual General Meeting, the Board of Directors of the company decided on the share issue against payment directed to Eurajoen Savings Bank. In the directed share issue against payment, 553,488 shares of the company will be given for subscription. All new shares to be issued will be subscribed by Eurajoen Savings Bank in exchange for the transfer of the business. The share issue deviates from the pre-emptive subscription right pursuant to Chapter 9, Section 3 of the Finnish Companies Act. The weighty financial reason referred to in Chapter 9, Section 4 of the Finnish Companies Act is the development and expansion of company's banking operations into a new business area through the business acquisition.

The subscription price per share is EUR 13.99 and the total subscription price is EUR 7,743,295.00. The shares shall be subscribed and paid as contribution in kind Eurajoen Savings Bank disposes to the company for payment of shares, half of the assets allocated to its business, the liabilities related to the assets to be transferred and reserves for the business to be transferred. The shares shall be paid against apport in kind from the business to be transferred at the moment when the execution of the business transfer in accordance with the acquisition plan is registered in the Trade Register.

## Changes in the group structure for the financial year 2021

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In June, Oma Savings Bank sold the shares of real estate company Sofian Tupa. It was an investment property. The company will no longer be consolidated into Oma Savings Bank Group.

## The 2020 accounting period

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Since June 2020, Housing company Seinäjoen Oma Savings Bank house has been combined as a joint operation. In the property operates Oma Savings Bank's Seinäjoki branch and the shareholding in the company is 25.5%.

In June, Oma Savings Bank made an investment in Deleway Projects Ltd. The industry of the company is real estate investing. The Group's ownership stake in the company is 49%. The shares and the capital investment in the company are recorded as one item on the Group's balance sheet under the item "Equity accounted entities". The total value of the capital investment and share ownership is EUR 2 million.

In October, Oma Savings Bank invested in City Kauppapaikat Oy, which specializes in real estate investment. The Group's holding is 42.1%. The shareholding and the share of the result after the acquisition have been recorded as one item in the consolidated balance sheet under the item 'Shares of companies consolidated by the equity method'. The value of the shareholding is EUR 16.3 million.

In October, Oma Savings Bank invested in the real estate company Sofian Tupa. The company's business area is land management and rental. The Group's holding in the company is 100% and the company is treated as a subsidiary to be consolidated into the Group. The values of the private equity investment and share ownership total EUR 5.4 million. This is an investment property.

## Note 15 Significant events after the period

In addition to the dividend payment made in October, no 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 16 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, %

$$\frac{\text{Total operating expenses}}{\text{Total operating income} + \text{share of profit from joint ventures and associated companies (net)}} \times 100$$

### Comparable cost/income ratio, %

$$\frac{\text{Total operating expenses without items affecting comparability}}{\text{Total operating income without items affecting comparability} + \text{share of profit from joint ventures and associated companies (net)}} \times 100$$

### Comparable profit before taxes

Profit/loss before taxes without items effecting comparability

### Return on equity, ROE %

$$\frac{\text{Profit/loss for the accounting period}}{\text{Equity (average of the beginning and the end of the year)}} \times 100$$

### Comparable return on equity, ROE %

$$\frac{\text{Comparable profit/loss for the accounting period}}{\text{Equity (average of the beginning and the end of the year)}} \times 100$$

### Total return on assets, ROA %

$$\frac{\text{Profit/loss of the accounting period}}{\text{Average balance sheet total (average of the beginning and the end of the year)}} \times 100$$

### Equity ratio, %

$$\frac{\text{Equity}}{\text{Balance sheet total}} \times 100$$

### Total capital (TC), %

$$\frac{\text{Own funds total (TC)}}{\text{Risk-weighted assets (RWA) total}} \times 100$$

### Common Equity Tier 1 (CET1) capital ratio, %

$$\frac{\text{Common Equity Tier 1 (CET1) capital}}{\text{Risk-weighted assets (RWA) total}} \times 100$$

### Tier 1 (T1), capital ratio, %

$$\frac{\text{Tier 1 (T1) capital}}{\text{Risk-weighted assets (RWA) total}} \times 100$$

### Leverage ratio, %

$$\frac{\text{Tier 1 (T1) capital}}{\text{Exposures total}} \times 100$$

### Earnings per share (EPS), EUR

$$\frac{\text{Profit/loss for the accounting period belonging to the parent company owners}}{\text{Average number of shares outstanding}}$$

### Earnings per share after dilution (EPS), EUR

$$\frac{\text{Profit/loss for the accounting period belonging to the parent company}}{\text{Average number of shares outstanding after dilution of share-based rewarding}}$$

### Comparable earnings per share (EPS), EUR

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

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

To the Board of Directors of Oma Savings Bank Plc

## Introduction

We have reviewed the accompanying consolidated Interim Financial Report of Oma Savings Bank Plc which comprise the condensed consolidated balance sheet as at 30 September 2021, condensed consolidated income statement, statement of comprehensive income, changes in equity, and cash flows for the nine-month period ended 30 September 2021 and notes to the condensed Interim Financial report information. The Board of Directors and the CEO are responsible for the preparation and presentation of the condensed consolidated Interim Financial 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 the condensed consolidated Interim Financial Report 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 Financial Report of Oma Savings Bank Plc for the nine-month period ending 30 September 2021 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, 1 November 2021

KPMG OY AB

Fredrik Westerholm  
Authorised Public Accountant, KHT



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