



Q4/2021

Oma Savings Bank Group
Financial Statements Release
31 December 2021

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Oma Savings Bank Group's Financial Statements Release Jan-Dec 2021

- Net interest income continued to increase strongly by 15.8% in October-December and by 18.2% throughout the year.
- Home mortgage portfolio increased by a total of 29.8% over the previous 12 months. At the same time, corporate loan portfolio increased by 27.4%.
- Deposit stocks grew by 21.9% over the previous 12 months.
- Fee and commission income and expenses (net) item increased in October-December by 9.1% and by 15.1% for the whole year.
- In accordance with the plan, the company completed the acquisition of Eurajoen Savings Bank's business in December. The acquisition increased the company's balance sheet by approximately EUR 335 million and increased the number of private and corporate customers by approximately 12,000. The positive profit impact of the acquisition on the company is estimated to be approximately EUR 14 million, of which EUR 7.5 million has been recognised in the company's profit before taxes for the financial year 2021. Costs related to the acquisition of the business were approximately EUR 4.4 million. Costs have mainly been recorded in the last quarter of 2021.
- 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. Compensation was recorded in the second quarter.
- Total operating income grew by 26.9% during the last quarter and came to a total of EUR 39.5 million. During the financial year the total operating income grew by 41.0% to EUR 156.6 (111.1) million.
- Impairment losses on financial assets decreased significantly compared to the comparison period and were EUR 1.6 (7.6) million in October-December. For the whole of the year, impairment losses on financial assets decreased compared to the previous year and amounted to EUR 7.3 (21.6) million.
- Cost/income ratio for the last quarter increased and was 49.9 (41.3)%. The comparable cost/income ratio increased slightly and was 47.9 (46.5)%.
- Cost/income ratio for the whole financial year improved and was 41.9 (46.6)%. Also the comparable cost/income ratio improved and was 48.0 (51.2)%.
- For October-December, profit before taxes increased significantly compared to the previous financial year and was EUR 18.0 (10.5) million. Also for the whole financial year, profit before taxes increased significantly compared to the previous financial year and was EUR 83.3 (37.7) million.
- For October-December, comparable profit before taxes increased significantly compared with the comparative period and was EUR 14.4 (6.9) million. For the whole of the year, comparable profit before taxes was EUR 53.1 (26.7) million.

Outlook for the financial year 2022

The company estimates that profitable growth will continue to be strong. The Group's 2022 comparable profit before taxes will increase compared to the previous financial year. More about the outlook on page 23 of the Financial Statements Release.

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

The Board of Directors proposes that, based on the financial statements to be approved for 2021, a dividend of EUR 0.30 to be paid from the parent company's distributable profits for each share entitling the shareholder to dividend for 2021. In addition, the Board of Directors proposes to pay an additional dividend due to the strong earnings and

significant one-off items for the financial year 2021. An additional dividend of EUR 0.20 is proposed for each share entitling to a dividend for 2021. For 2021, a total dividend of EUR 0.50 per share would be paid for the financial year 2021.

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

The Group's key figures (1,000 euros)	1-12/2021	1-12/2020	Δ%	2021 Q4	2020 Q4	Δ%
Net interest income	80,130	67,819	18%	21,873	18,890	16%
Fee and commission income and expenses, net	33,686	29,257	15%	9,094	8,332	9%
Total operating expenses	-65,294	-51,676	26%	-19,518	-12,758	53%
Impairment losses on financial assets, net	-7,294	-21,587	-66%	-1,632	-7,602	-79%
Profit before taxes	83,271	37,707	121%	17,967	10,541	70%
Cost/income ratio, %	41.9%	46.6%	-10%	49.9%	41.3%	21%
Balance sheet total	5,372,633	4,381,999	23%	5,372,633	4,381,999	23%
Equity	401,294	353,493	14%	401,294	353,493	14%
Return on assets (ROA) %	1.4%	0.8%	70%	1.1%	0.9%	23%
Return on equity (ROE) %	17.6%	9.1%	93%	14.5%	10.4%	39%
Earnings per share (EPS), EUR	2.22	1.04	113%	0.48	0.31	55%
Common Equity Tier 1 (CET1) capital ratio %	15.5%	15.9%	-2%	15.5%	15.9%	-2%
Comparable profit before taxes	53,142	26,729	99%	14,448	6,910	109%
Comparable cost/income ratio, %	48.0%	51.2%	-6%	47.9%	46.5%	3%
Comparable return on equity (ROE) %	11.2%	6.5%	72%	11.6%	7.0%	66%



**For the year 2021,
Profit before taxes
EUR 83.3 million**

CEO's review

Record year on all key figures

Overall, 2021 was a year of strong growth for OmaSp and all key figures rose to new record levels. The profitable growth that has continued from year to year is reflected in the accumulation of equity, which enables future investments and an even greater distribution of profit to owners.

Continued earnings and business performance throughout the early year continued also in the fourth quarter of the year. In addition, the acquisition of Eurajoen Savings Bank's business was completed in December, which will have a positive profit impact of approximately EUR 14 million in total. Of this, EUR 7.5 million was recorded for the financial year 2021. Comparable profit before taxes for the last quarter increased by almost 110% compared to the comparison period and was EUR 14.5 million. Comparable return on equity was at a good level of 12%.

**Net interest income
grew by 18% and
Fee and commission
income by 15%**

The year 2021 as a whole was excellent and we broke all previous earnings records. Demand for home mortgage loans and corporate loans was strong, and the quality of the loan portfolio improved further. Home mortgage loan portfolio grew by almost 30% compared to the previous year, and the growth rate was about seven times the market. Excluding the acquisition of Eurajoen Savings Bank's business, the growth of home mortgage loan portfolio was 20%. Both main sources of income developed strongly throughout the year; Net interest income increased by 18% and Fee and commission income and expenses by 15%. Comparable cost/income ratio reached an excellent level of 48%. Compensation received from the core banking project, approximately EUR 22 million, was recorded as a significant one-off item for the financial year. Balance sheet grew by almost one billion during the financial year, exceeding EUR 5 billion for the first time, reaching EUR 5.4 billion. For January-December, profit

before taxes increased by a whopping 121% to EUR 83.3 million. Comparable profit before taxes also doubled to EUR 53.1 million.

Increasing dividend for the sixth year in a row

The ever-strengthening profitability enables a growing dividend to owners. Dividend proposal to Annual General Meeting is record high, totalling EUR 0.50 per share. In accordance with the Board's profit distribution proposal, an actual dividend of EUR 0.30 per share is proposed based on the result of continuing operations for the last financial year, and an additional dividend of EUR 0.20 per share is proposed due to significant one-off items last year.

In the coming years, the company's use of capital will become even more efficient with IRB methods. OmaSp has been preparing the application of the IRB method in

capital adequacy calculations for a long time, and we submitted an application for a permit to the Finnish Financial Supervisory Authority in early February. It is also important to us that the application of the IRB method improves risk management and raises OmaSp to a comparable position with benchmark banks.

**For the year 2021,
Comparable
cost/income ratio
48% and ROE 11.2%**

Excellent customer and personnel experience as the basis for profitable growth

Our operations are based on excellent personnel and customer experience, and both components are at record highs as studied. OmaSp has been one of the most profitable and efficient banks in the Nordic countries in recent years, and we want to cherish it in the future as well. We are following with great interest the ongoing changes and possible restructuring in the financial sector. In line with our earnings guidance, we expect OmaSp's profitable growth to remain strong in 2022.

Warm thanks to customers, personnel, owners and partners for 2021!

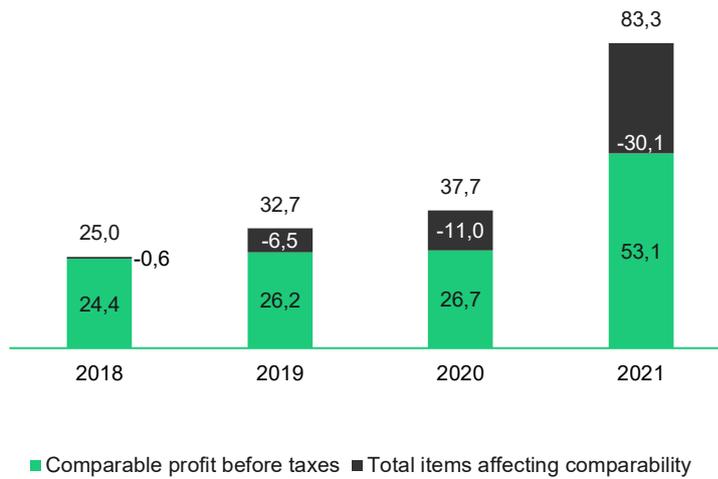


Pasi Sydänlammi
CEO

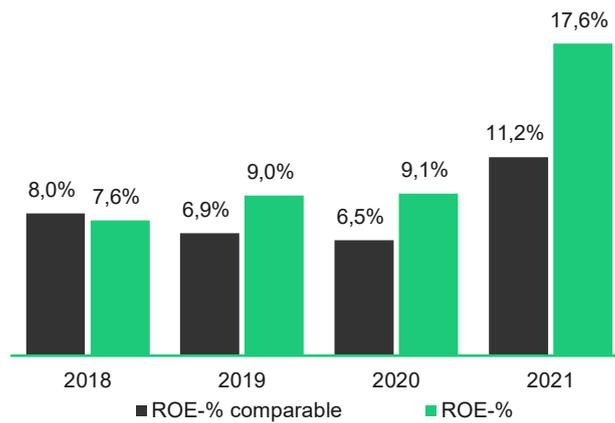
A profitably growing Finnish bank

Profit before taxes, EUR mill.

Cost/income
ratio

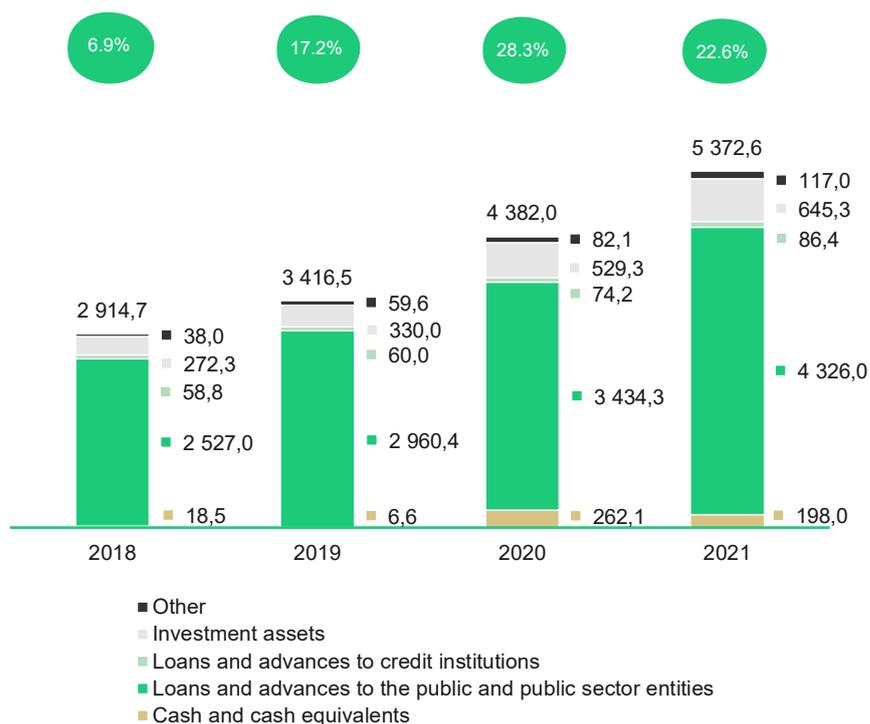


Return on equity (ROE) %



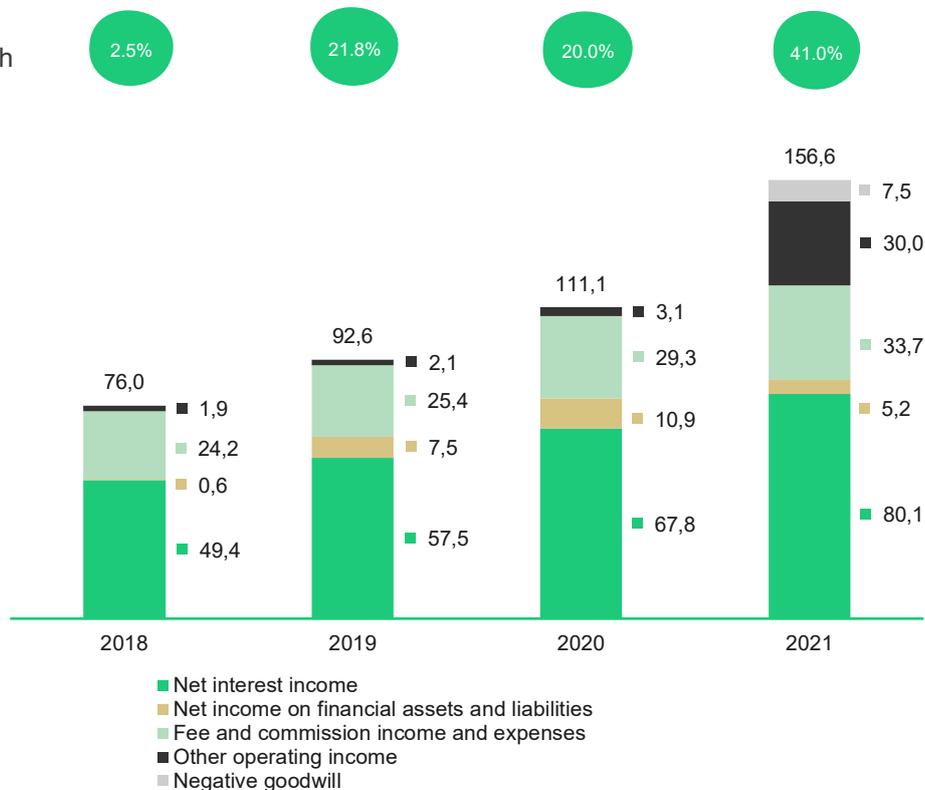
Balance sheet total, EUR mill.

Growth



Total operating income, EUR mill.

Growth



Significant events during year 2021

- In accordance with the plan, the company completed the acquisition of Eurajoen Savings Bank's business in December. The acquisition increased the company's balance sheet by approximately EUR 335 million and increased the number of private and corporate customers by approximately 12,300. The positive profit impact of the acquisition on the company is estimated to be approximately EUR 14 million, of which EUR 7.5 million has been recorded as negative goodwill in the company's profit before taxes for the financial year 2021. As part of the arrangement, a liability of EUR 6.5 million was recognised in the company's balance sheet to cover a payment obligation related to the fixed-term liability of Eurajoen Savings Bank being a credit institution member leaving the consortium of savings banks. The liability is recognised in the balance sheet at other liabilities at fair value through profit or loss and will be measured annually within five years. Costs related to the acquisition of the business, approximately EUR 4.4 million have been recorded as an expense. Effects of the loan portfolio obtained on the acquisition of the business on expected credit losses, EUR -0.5 million is presented in the flow statement, Note 12, under the line "New receivables". More detailed information on the acquisition of the business is provided in Note 15 Business Combinations. The acquisition is expected to increase the company's profit before taxes by EUR 3-5 million annually.
- The company issued two bonds during the year. An unsecured senior bond of EUR 200 million was issued in November. In June, a covered bond of EUR 150 million was issued on same terms as the covered bond maturing on 25 November 2027.
- In September, the Board of Directors decided on the share issue against payment directed to Eurajoen Savings Bank based on the authorisation of the Annual General Meeting. The shares were 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. Record date for the dividends was 1 October 2021 and payment date 8 October 2021.
- In September, the company announced that it would commence a repurchase programme related to the acquisition of 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. During the financial year, the company repurchased a total of 176,455 of its own shares, and the company held a total of 188,155 of its own shares at the balance sheet date.
- 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. As part of the agreement 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 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.
- 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)	1-12/2021	1-12/2020	Δ%	1-12/2020	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Net interest income	80,130	67,819	18%	67,819	21,873	20,588	19,669	17,999	18,890
Total operating income	156,565	111,073	41%	111,073	39,452	30,343	57,628	29,142	31,084
Total operating expenses	-65,294	-51,676	26%	-51,676	-19,518	-12,942	-18,422	-14,412	-12,758
¹⁾ Cost/income ratio, %	41.9%	46.6%	-10%	46.6%	49.9%	42.6%	32.0%	49.9%	41.3%
Impairment losses on financial assets, net	-7,294	-21,587	-66%	-21,587	-1,632	-2,058	-813	-2,791	-7,602
Profit before taxes	83,271	37,707	121%	37,707	17,967	15,348	38,284	11,672	10,541
Profit/loss for the accounting period	66,252	30,653	116%	30,653	14,244	12,239	30,528	9,241	9,027
Balance sheet total	5,372,633	4,381,999	23%	4,381,999	5,372,633	4,902,204	4,776,891	4,459,307	4,381,999
Equity	401,294	353,493	14%	353,493	401,294	384,963	383,434	353,859	353,493
¹⁾ Return on assets (ROA) %	1.4%	0.8%	70%	0.8%	1.1%	1.0%	2.6%	0.8%	0.9%
¹⁾ Return on equity (ROE) %	17.6%	9.1%	93%	9.1%	14.5%	12.7%	33.1%	10.5%	10.4%
¹⁾ Earnings per share (EPS), EUR	2.22	1.04	113%	1.04	0.48	0.41	1.03	0.32	0.31
¹⁾ Equity ratio %	7.5%	8.1%	-7%	8.1%	7.5%	7.9%	8.0%	7.9%	8.1%
¹⁾ Total capital (TC) ratio %	15.6%	16.2%	-4%	16.2%	15.6%	16.7%	16.7%	15.3%	16.2%
¹⁾ Common Equity Tier 1 (CET1) capital ratio %	15.5%	15.9%	-2%	15.9%	15.5%	16.5%	16.4%	15.0%	15.9%
¹⁾ Tier 1 (T1) capital ratio %	15.5%	15.9%	-2%	15.9%	15.5%	16.5%	16.4%	15.0%	15.9%
¹⁾ Liquidity coverage ratio (LCR) %	133.0%	184.9%	-28%	184.9%	133.0%	139.3%	160.6%	139.4%	184.9%
Average number of employees	315	299	5%	299	323	312	317	299	300
Employees at the end of the period	344	298	15%	298	344	315	329	301	298

Alternative performance measures excluding items affecting comparability:

¹⁾ Comparable profit before taxes	53,142	26,729	99%	26,729	14,448	14,015	14,636	10,043	6,910
¹⁾ Comparable cost/income ratio, %	48.0%	51.2%	-6%	51.2%	47.9%	44.3%	47.0%	52.4%	46.5%
¹⁾ Comparable earnings per share (EPS), EUR	1.41	0.73	93%	0.73	0.38	0.37	0.40	0.26	0.20
¹⁾ Comparable return on equity (ROE) %	11.2%	6.5%	72%	6.5%	11.6%	11.6%	12.6%	9.0%	7.0%

1) The calculation principles of the key figures are presented in Note 17 of the Financial Statements Release. Comparable profit is presented in the income statement.

Operating environment

The Finnish economy has recovered rapidly from the deep recession caused by the corona crisis, although the pandemic continues to overshadow the outlook. Private consumption is growing despite inflation. Finnish exports are expected to return rapidly to pre-crisis levels although global disruptions in supply chains and component availability are slowing recovery. The fluctuating disease situation increases economic uncertainty. Finland's GDP growth was strong in 2021 and strong growth will continue in 2022. After that, growth is forecasted to a level of close to the long-term growth rate. The Bank of Finland's estimate for GDP growth is 3.5% in 2021 and another 2.6% in 2022. ⁽¹⁾

The seasonally adjusted savings rate of households decreased still in July-September compared to the previous quarter and was only 0.6%. The investment rate of households increased slightly from the previous quarter. The majority of investments of households are in housing investments. The investment rate in the corporate sector decreased. ⁽²⁾

According to Statistics Finland, there were 62,000 more employed and 24,000 fewer unemployed in November than a year ago. In November 2021, the employment rate was 72.8% (aged 15-64) and the average unemployment rate was 6.9%. ⁽³⁾

The consumer confidence indicator hit frost in December. All four components deteriorated. 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. Expectations about the current state of Finland's and consumers' own finances were quiet. However, the estimate of the current state of the consumer's own economy corresponded to the long-term average. ⁽⁴⁾

According to Statistics Finland's preliminary data, the prices of old share dwellings rose in November 2021 compared to last year in the largest cities but the rise in

prices has calmed down. Of the large cities, Turku and Helsinki saw the largest increases in house prices. There was an increase in both apartments and terraced houses. Prices increased by 3.6% throughout Finland. The number of home transactions rose across the country in the third quarter from the same time last year by 2.6%. ⁽⁵⁾ 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 November 2021, total number of loans to households had increased by 4.1% over the previous 12 months. The mortgage loan portfolio growth was 4.2%. The volume of corporate loans increased 0.4% in the same period. The volume of households' deposits grew a total of 6.1% over a 12-month period. ⁽⁶⁾

The number of bankruptcies filed in January-November 2021 increased by 10.9% compared to the previous year. The number of personnel in the companies filing for bankruptcy came to 10,640, i.e. 0.6% more than in the corresponding period in 2020. ⁽⁷⁾ The number of new building permits granted decreased by 8.7% in August-October compared to the previous year and was 9.1 million cubic meters. ⁽⁸⁾

1) Bank of Finland, Euro & Economy 5/2021. Published on 17 December 2021.

2) Statistics Finland, Household savings rate decline in the third quarter. Published on 17 December 2021.

3) Statistics Finland, Employment increased, and unemployment decreased in November. Published on 21 December 2021.

4) Statistics Finland, Consumer confidence fell into freezing temperatures during Christmas. Published on 27 December 2021.

5) Statistics Finland, Prices of old share dwellings rose in large cities in November. Published on 30 December 2021.

6) Bank of Finland, MFI balance sheet (loans and deposits) and interest rates, Mortgage market still brisk in November 2021. Published on 3 January 2022.

7) Statistics Finland, In January-November 2021, the number of bankruptcies increased by 11 percent from the previous year. Published on 22 December 2021.

8) Statistic Finland, In August-October, cubic volume of building permits issued lower than a year earlier. Published on 21 December 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 early autumn, due to the progress of vaccine coverage, the corona restrictions were lifted, but the restrictions had to be tightened again towards the end of the year due to new virus variants. 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.

The corona pandemic has not affected the growth of grace periods during 2021, and there have been no short-term peaks in demand for them. Nearly all of the pandemic-related grace periods granted in 2020 have 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 restrictive measures had to be tightened again towards the end of the year, so the impact on the financial situation will be seen later. 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. In January 2021, Standard & Poor's changed the outlook for Oma Savings Bank's long-term credit rating from negative to stable with the update of the BICRA (Banking Industry Country Risk Assessment) rating.

	31 Dec 2021	31 Dec 2020
LCR	133.0%	184.9%
NSFR*	115.2%	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 133.0% at the end of the year 2021. The Net Stable Funding Ratio (NSFR) was 115.2%. 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 whole year 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 during the financial year 2021.

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. The figures in the Financial Statements Release are unaudited.

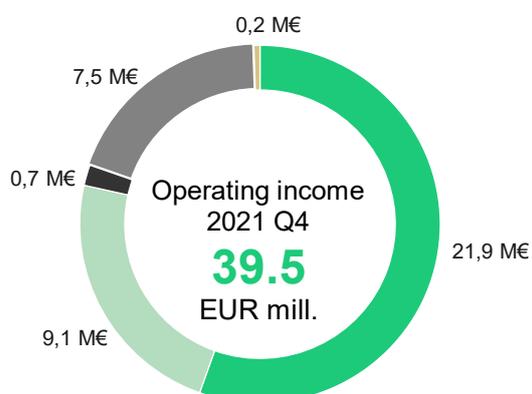
Result 10–12 / 2021

The Group's profit before taxes for the fourth quarter was EUR 18.0 (10.5) million and the profit for the period was EUR 14.2 (9.0) million. The cost/income ratio was 49.9 (41.3)%.

Comparable profit before taxes in the fourth quarter amounted to EUR 14.4 (6.9) million and the comparable cost/income ratio was 47.9 (46.5)%. 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 and negative goodwill recognised on the acquisition.

Income

Total operating income was EUR 39.5 (31.1) million. Total operating income increased 26.9% year-on-year.



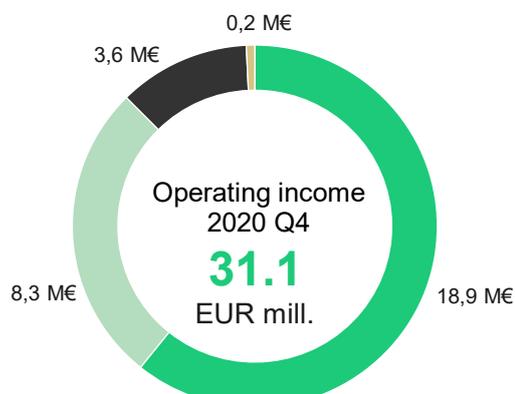
- Net interest income
- Fee and commission income and expenses, net
- Net income on financial assets and financial liabilities
- Negative goodwill
- Other operating income

A negative goodwill of EUR 7.5 million has been recognised in operating income from the acquisition of Eurajoen Savings Bank's business. Comparable total operating income was EUR 31.2 (27.5) million and the increase of comparable total income was 13.6%.

Net interest income grew by 15.8%, totalling EUR 21.9 (18.9) million. During the review period, interest income grew 15.4%, totalling EUR 23.2 (20.1) million. The growth in interest income is largely explained by the increase in the loan stock of EUR 903 million as of 31 December 2020. In connection with the acquisition of Eurajoen Savings Bank's business, a total loan portfolio of EUR 328 million was transferred. During the year, the average margin on the loan portfolio has remained almost unchanged.

Interest expenses were in the fourth 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 9.1% to EUR 9.1 (8.3) million. The total amount of fee and commission income was EUR 10.7 (9.7) million.



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

Net fee and commission income from cards and payment transactions was EUR 5.3 (4.4) million. The item increased by 21.0%. The increase is mainly explained by the increase in customer volume. The amount of commission income from lending was EUR 3.1 (3.5) million.

The net income on financial assets and liabilities was EUR 0.7 (3.6) million during the period. Other operating income was EUR 0.2 (0.2) million.

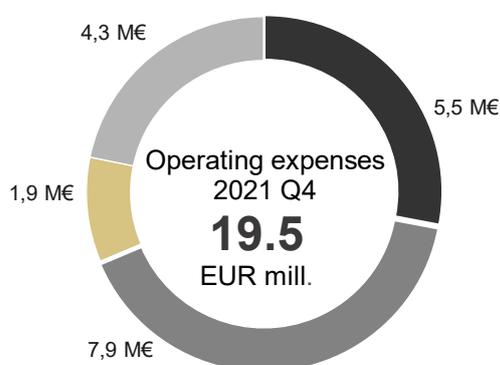
Expenses

Operating expenses came to a total of EUR 19.5 (12.8) million and increased 53.0% compared to the previous year's corresponding period. Comparable operating expenses came to a total of EUR 14.8 (12.8) million and an increase of 15.8% compared to the comparison period.

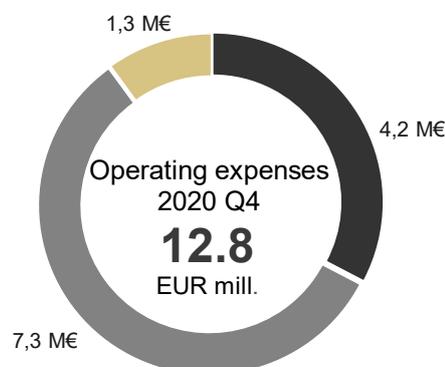
Personnel expenses increased 56.6%, totalling EUR 6.5 (4.2) million. The number of employees at the end of the period was 344 (298), of which 55 (38) were fixed-term. With the acquisition of the business, 33 people transferred from Eurajoen Savings Bank, and at the same time EUR 1.1 million was recorded in personnel expenses as one-off item arrangement costs.

Other operating expenses increased 52.0% to EUR 11.1 (7.3) 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 due to development expenses of IT systems. Project expenses related to the acquisition of Eurajoen Savings Bank's business are included in the period for EUR 3.2 million.

Depreciation, amortisation and impairments on tangible and intangible assets were EUR 1.9 (1.3) million. During the period, an impairment loss of EUR 0.5 million was recorded for an individual branch building.



- Personnel expenses
- Other operating expenses
- Depreciations, impairments
- Costs relating to business combinations



- Personnel expenses
- Other operating expenses
- Depreciations, impairments

Impairment losses on financial assets

During the fourth quarter, impairment losses on financial assets (net) were EUR 1.6 (7.6) million.

The net amount of realised credit losses decreased compared to the comparison period and was EUR 1.3 (4.7) million during October-December. Credit losses recorded during the period are mainly related to corporate customers.

During the fourth quarter, the provision for expected credit losses decreased and was EUR 0.4 (2.9) million. Of the change in expected credit losses, EUR 0.5 million was allocated to receivables from customers and off-balance sheet items. The change in the investment portfolio was EUR -0.2 million.

The corona situation remained uncertain, and the company did not release additional loss allowances related to the corona pandemic during the fourth quarter. Additional loss allowances 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 1–12 / 2021

The Group's profit before taxes for January-December was EUR 83.3 (37.7) million and the profit for the period was EUR 66.3 (30.7) million. The cost/income ratio was 41.9 (46.6)%.

Comparable profit before taxes in January-December amounted to EUR 53.1 (26.7) million and the comparable cost/income ratio was 48.0 (51.2)%. 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 and negative goodwill recognised on the acquisition.

Income

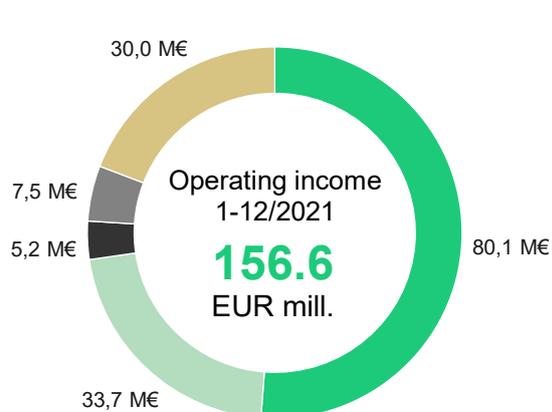
Total operating income was EUR 156.6 (111.1) million. Total operating income increased 41.0% year-on-year. Other operating income increased by EUR 26.9 million from the one-off item received for the termination of the project regarding the core banking platform during the second

quarter and the negative goodwill of EUR 7.5 million recorded in the fourth quarter from the acquisition of Eurajoen Saving Bank's business. Comparable total operating income was EUR 116.9 (99.3) million and the increase of comparable total operating income was 17.7%.

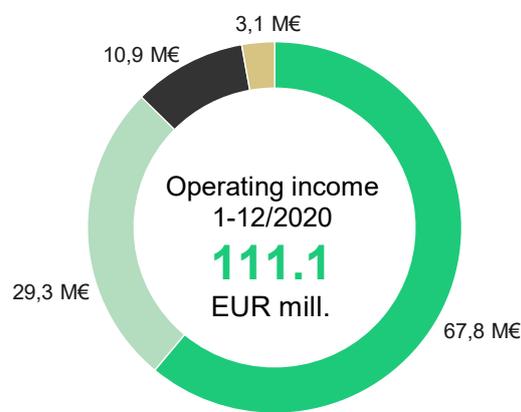
Net interest income grew 18.2%, totalling EUR 80.1 (67.8) million. During the financial period, interest income grew 16.6% and was EUR 84.9 (72.8) million. The growth in interest income is largely explained by the increase in the loan stock of EUR 903 million as of 31 December 2020. In connection with the acquisition of Eurajoen Savings Bank's business, a total loan portfolio of EUR 328 million was transferred. 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 4.8 (5.0) 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 15.1% and was EUR 33.7 (29.3) million. The total amount of fee and commission income was EUR 39.4 (34.2) million.



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



- 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 grew 15.3% compared on the comparative period and was EUR 19.0 (16.4) million. The increase is mainly explained by volume growth. The amount of commission income on lending was EUR 12.0 (11.1) million.

The net income on financial assets and liabilities was EUR 5.2 (10.9) 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 30.0 (3.1) million. The impact of the contract termination regarding the core banking platform is reflected in other operating income EUR 26.9 million.

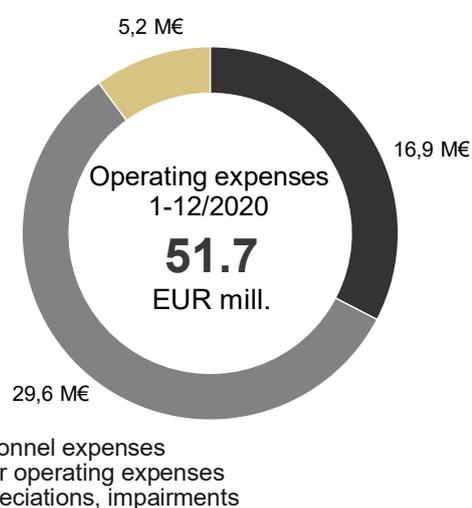
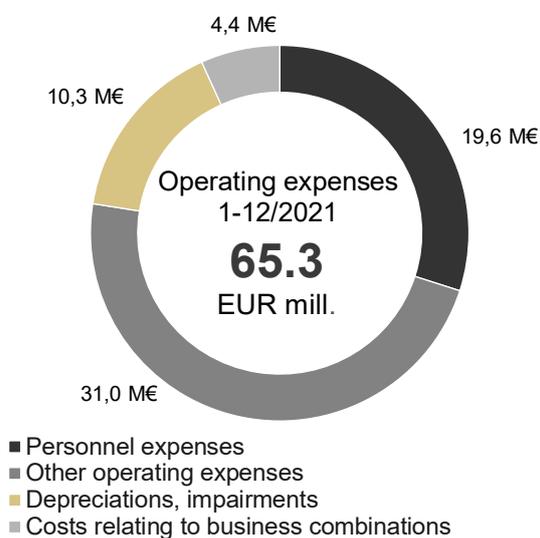
Expenses

Operating expenses increased 26.4% compared to the previous year's corresponding period. Operating expenses came to a total of EUR 65.3 (51.7) million. Comparable operating expenses were EUR 55.7 (50.9) million. The increase of comparable operating expenses was 9.6%.

Personnel expenses increased 22.3%, totalling EUR 20.6 (16.9) million. The number of employees at the end of the period was 344 (298), of which 55 (38) were fixed-term. With the acquisition of the business, 33 people transferred from Eurajoen Savings Bank, and at the same time EUR 1.1 million was recorded in personnel expenses as one-off item arrangement costs in the fourth quarter.

Other operating expenses increased 16.2% to EUR 34.4 (29.6) 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. The item includes costs related to the acquisition of Eurajoki Savings Bank's business of EUR 3.3 million.

Depreciation, amortisation and impairment on tangible and intangible assets were EUR 10.3 (5.2) million. During the second quarter, items recorded as impairment for the core banking project were in total EUR 4.6 million. During the fourth quarter, an impairment loss of EUR 0.5 million was recorded for an individual branch building.



Impairment losses on financial assets

Impairment losses on financial assets (net) decreased compared to the comparison year and were during the year EUR 7.3 (21.6) million. In the comparison year, 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 decreased compared to the comparison year and was in January-December EUR 4.4 (13.7) million. Credit losses recorded during the period are mostly targeted at corporate customers.

During January-December, the expected credit losses decreased compared to the comparison period and was EUR 2.9 (7.8) million. Of the change in expected credit losses, EUR 2.3 million was allocated to receivables from customers and off-balance sheet items. The change in the investment portfolio was EUR 0.6 million.

The company increased during the first quarter its additional loss allowance based on management's judgement related to corona pandemic 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. As vaccine coverage improved, restrictions related to the corona pandemic were lifted in early autumn. During the third quarter, the company released additional loss allowances related to corona pandemic of EUR 2.0 million. As the corona pandemic weakened again towards the end of the year, restrictions had to be tightened in many areas.

As a result, the company did not release additional loss allowances in the fourth quarter.

Additional loss allowances remain for use EUR 3.9 million. A total of EUR 2.0 million of the additional loss allowances 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 to EUR 5,372.6 (4,382.0) million during January-December 2021. The growth was 22.6%. Approximately EUR 335 million of the increase came from the acquisition of Eurajoki Savings Bank's business.

Loans and other receivables

In total, loans and other receivables grew 25.8% to EUR 4,412.3 (3,508.5) million in January-December. With the acquisition of Eurajoen Savings Bank's business, loans and receivables of EUR 328 million were transferred.

The average size of loans issued over the past 12 months has been approximately EUR 119 thousand.

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

Credit balance (1,000 euros)	31 Dec 2021	31 Dec 2020
Private customers	2,705,643	2,126,864
Business customers	882,817	687,367
Housing associations	388,306	321,913
Agricultural customers	277,743	268,141
Other	100,040	55,888
Total	4,354,549	3,460,173

Investment assets

The Group's investment assets grew 21.9% during the period, totalling EUR 645.3 (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 year, intangible assets totalled EUR 10.0 (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.

In the fourth quarter, an impairment loss of EUR 0.5 million was recorded on shares of branch property.

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 19.6% to EUR 3,110.5 (2,600.3) million. About EUR 290 million of the growth came from the acquisition of Eurajoen Savings Bank's business.

The item consists mostly of deposits received from the public, which came to EUR 2,897.1 (2,376.7) million at the end of December. Liabilities to the credit institutions were EUR 212.7 million (EUR 223.5 million).

Debt securities issued to the public

Total debt securities issued to the public grew during the period by 30.9% to EUR 1,762.3 (1,346.8) million. The company issued a EUR 150 million covered bond in June. The covered bond was issued on same terms as the bond issued by the company on 18 November 2020.

In November, the company issued a EUR 200 million unsecured senior bond. 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 1,690.4 (1,500.1) million.

Equity

The Group's equity EUR 401.3 (353.5) million grew by 13.5% during the period. The change mainly results from the strong profit for reviewing period, the payment of dividends, the directed share issue and the decrease in the value of the fair value reserve.

The company implemented a paid, directed share issue to Eurajoen Savings Bank. In the directed share issue 553,488 shares were given for subscription. The weighty reason for the directed issue was the development and expansion of the company's banking operations into a new business area through the business acquisition. The counterpart shares were paid off against the apportionment property formed by 50% of the business being divested. A share issue of EUR 7.8 million was recorded in the reserve for invested non-restricted equity.

The fair value reserve decreased by EUR 11.3 million during the period due to changes in market prices.

Own shares

On 31 December 2021, the number of own shares held by Oma Savings Bank was 188,155.

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 fourth quarter, the company repurchased a total of 100,521 of its own shares. The repurchase of own shares will be terminated no later than 28 February 2022.

Share capital	31 Dec 2021	31 Dec 2020
Average number of shares (excluding own shares)	29,773,517	29,585,000
Number of shares at the end of the year (excluding own shares)	29,962,033	29,585,000
Number of own shares	188,155	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 31.0 (26.1) million, were mostly made up of bank guarantees and other guarantees. Irrevocable commitments given to a customer, which totalled EUR 377.8 (263.7) million at the end of December, consisted mainly of undrawn credit facilities.

Progress of key development projects

In June, the company announced the termination of the contract for the core banking platform mutually agreed with Cognizant. Samlink continues 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. The company has continued to investigate the renewal of the core banking platform.

Development of digital services has continued, and the company introduced a new type of online conferencing service as well as an OmaPostilaatikko mailbox to its customers to facilitate secure communication between the customer and the bank at the end of the year. During the first quarter of 2022, the company will launch new savings and investment services in digital channels.

The IRB preliminary study project has progressed as planned. At the beginning of February 2022, the company submitted an application to the Finnish Financial Supervisory Authority (FIN-FSA) for the application of IRB methods.

The system project to develop functions to prevent money laundering and terrorist financing is progressing according to plan. The system will be put into production in stages and the first operations have been put in place in late 2021. The system will be fully operational during 2022. 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.

Significant events after the period

In early 2022, the company's Board of Directors approved the IRB permit application package and the company decided to initiate a permit process with the Finnish Financial Supervisory Authority (FIN-FSA) on the application of IRB method in capital adequacy. In the first stage, the company applies permission to apply an internal risk classification under the IRB method to calculate capital requirements for retail credit risk liabilities.

At its meeting on 26 January 2022, the Shareholders' Nomination Committee proposed to the company's Annual General Meeting that the number of Board members to be further confirmed at seven. The Shareholders' Nomination Committee proposes that the current Board members Aila Hemminki, Aki Jaskari, Timo Kokkala, Jyrki Mäkynen, Jarmo Partanen, Jarmo Salmi and Jaana Sandström to be re-elected as members of the Board of Directors. All nominees have given their consent to the election and are independent at the time of the election in their relationship with the company and its significant shareholders.

There are 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.

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.

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

The Board of Directors proposes that, based on the financial statements to be approved for 2021, a dividend of EUR 0.30 to be paid from the parent company's distributable profits for each share entitling the shareholder to dividend for 2021. In addition, the Board of Directors proposes to pay an additional dividend due to the strong earnings and significant one-off items for the financial year 2021. An additional dividend of EUR 0.20 is proposed for each share entitling to a dividend for 2021. A total dividend of EUR 0.50 per share for 2021 would be paid for the financial year 2021. Record date for dividends would be 1 April 2022 and payment date 8 April 2022.

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

Financial goals

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

Oma Savings Bank'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

The financial statements and appendices will be published on the company's website on 9 March 2022.

The Annual General Meeting is scheduled to be held on Wednesday 30 March 2022. The company's Board of Directors will convene the Annual General Meeting separately at a later date.

Outlook for the 2021 accounting period

The company's business volumes will continue strong growth in FY2022. 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.

Oma Savings Bank Plc provides earnings guidance on comparable profit before taxes for 2022. A verbal description is used to make a comparison with the comparative period. Earnings guidance is based on the forecast for the entire year, which takes into account the current market and business situation. Forecasts are based on the management's insight into the Group's business development.

The company estimates that profitable growth will continue to be strong. The Group's 2022 comparable profit before taxes will increase compared to the previous financial year.

Capital adequacy

The total capital (TC) ratio of Oma Savings Bank Group remained strong and was 15.6 (16.2)% at the end of the period. The Common Equity Tier 1 capital (CET1) ratio was 15.5 (15.9)% clearly exceeding the minimum level for the financial goals approved by the Board of Directors (14%). Risk-weighted assets grew 17.7% to EUR 2,398.1 (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 375.2 (330.3) million exceeded by EUR 87.3 million the total capital requirement for own funds EUR 287.9 (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 6.7 (7.3)% at the end of the period.

The main items in the capital adequacy calculation (1,000 euros)	31 Dec 2021	31 Dec 2020
Common Equity Tier 1 capital before regulatory adjustments	383,167	336,252
Regulatory adjustments on Common Equity Tier 1	-11,244	-12,243
Common Equity Tier 1 (CET1) capital, total	371,923	324,009
Additional Tier 1 capital before regulatory adjustments	-	-
Regulatory adjustments on additional Tier 1 capital	-	-
Additional Tier 1 (AT1) capital, total	-	-
Tier 1 capital (T1 = CET1 + AT1), total	371,923	324,009
Tier 2 capital before regulatory adjustments	3,261	6,260
Regulatory adjustments on Tier 2 capital	-	-
Tier 2 (T2) capital, total	3,261	6,260
Total capital (TC = T1 + T2), total	375,184	330,268
Risk-weighted assets		
Credit and counterparty risk, standardised approach	2,179,689	1,854,561
Credit valuation adjustment risk (CVA)	8,513	2,329
Market risk (foreign exchange risk)	8,668	7,986
Operational risk, basic indicator approach	201,272	172,536
Risk-weighted assets, total	2,398,141	2,037,412
Common Equity Tier 1 (CET1) capital ratio, %	15.51%	15.90%
Tier 1 (T1) capital ratio, %	15.51%	15.90%
Total capital (TC) ratio, %	15.64%	16.21%
Leverage ratio (1,000 euros)	31 Dec 2021	31 Dec 2020
Tier 1 capital	371,923	324,009
Total amount of exposures	5,527,533	4,466,075
Leverage ratio	6.73%	7.25%

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

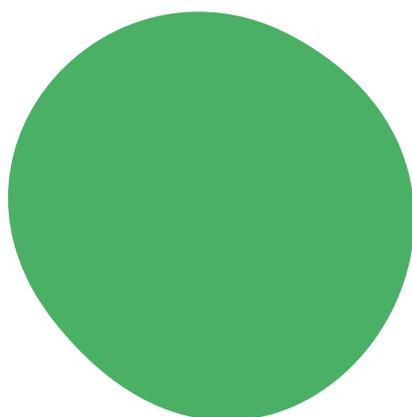
31 Dec 2021
(1,000 euros)

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%	188,154
AT1	1.50%	0.29%					1.79%	42,807
T2	2.00%	0.38%					2.38%	56,956
Total	8.00%	1.50%	2.50%	0.01%	0.00%	0.00%	12.01%	287,917

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

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



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

Tables and notes to the Financial Statements

Consolidated condensed income statement

Note	(1,000 euros)	1-12/2021	1-12/2020	2021 Q4	2020 Q4
	Interest income	84,908	72,813	23,201	20,109
	Interest expenses	-4,778	-4,993	-1,328	-1,219
9	Net interest income	80,130	67,819	21,873	18,890
	Fee and commission income	39,438	34,248	10,730	9,684
	Fee and commission expenses	-5,752	-4,991	-1,636	-1,352
10	Fee and commission income and expenses, net	33,686	29,257	9,094	8,332
11	Net income on financial assets and financial liabilities	5,203	10,866	735	3,631
15	Negative goodwill	7,535	-	7,535	-
	Other operating income	30,012	3,130	215	231
	Total operating income	156,565	111,073	39,452	31,084
	Personnel expenses	-20,631	-16,866	-6,532	-4,172
	Other operating expenses	-34,396	-29,598	-11,110	-7,308
	Depreciation, amortisations and impairment losses on tangible and intangible assets	-10,267	-5,213	-1,876	-1,278
	Total operating expenses	-65,294	-51,676	-19,518	-12,758
12	Impairment losses on financial assets, net	-7,294	-21,587	-1,632	-7,602
	Share of profit of equity accounted entities	-706	-103	-334	-183
	Profit before taxes	83,271	37,707	17,967	10,541
	Income taxes	-17,019	-7,054	-3,723	-1,515
	Profit for the accounting period	66,252	30,653	14,244	9,027
	Of which:				
	Shareholders of Oma Savings Bank Plc	66,158	30,824	14,258	9,125
	Non-controlling interest	95	-171	-14	-99
	Total	66,252	30,653	14,244	9,027
	Earnings per share (EPS), EUR	2.22	1.04	0.48	0.31
	Earnings per share (EPS) after dilution, EUR	2.20	1.04	0.47	0.31

Profit before taxes excluding items affecting comparability

(1,000 euros)	1-12/2021	1-12/2020	2021 Q4	2020 Q4
Profit before taxes	83,271	37,707	17,967	10,541
Operating income:				
Net income on financial assets and liabilities*	-5,203	-10,866	-735	-3,631
One-off income related to closing of derivatives		-912		-
Impact of contract termination regarding core banking project	-26,936	-	-	-
Negative goodwill	-7,535	-	-7,535	-
Operating expenses				
Impact of contract termination regarding core banking project, impairment losses	4,629	-	-	-
Costs relating to business combinations	4,416	-	4,251	-
Real estate sales and impairment losses	500	800	500	-
Comparable profit before taxes	53,142	26,729	14,448	6,910
Income taxes in income statement	-17,019	-7,054	-3,723	-1,515
Change of deferred taxes	6,026	2,196	704	726
Comparable profit/loss for the accounting period	42,149	21,871	11,428	6,122

*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)	1-12/2021	1-12/2020	2021 Q4	2020 Q4
Profit for the accounting period	66,252	30,653	14,244	9,027
Other comprehensive income before taxes				
Items that will not be reclassified through profit or loss				
Gains and losses on remeasurements from defined benefit pension plans	-359	-	-141	-
Items that may later be reclassified through profit or loss				
Measured at fair value	-14,153	10,862	-5,132	1,392
Transferred to Income Statement as a reclassification change	8	-8,005	-3	-
Other comprehensive income before taxes	-14,504	2,857	-5,277	1,392
Income taxes				
For items that will not be reclassified to profit or loss				
Gains and losses on remeasurements from defined benefit pension plans	72	-	28	-
Items that may later be reclassified to profit or loss				
Measured at fair value	2,829	-571	1,027	-278
Income taxes	2,901	-571	1,055	-278
Other comprehensive income for the accounting period after taxes	-11,603	2,286	-4,221	1,114
Comprehensive income for the accounting period	54,649	32,939	10,022	10,140
Attributable to:				
Shareholders of Oma Savings Bank Plc	54,554	33,110	10,037	10,239
Non-controlling interest	95	-171	-14	-99
Total	54,649	32,939	10,022	10,140

Consolidated condensed balance sheet

Note	Assets (1,000 euros)	31 Dec 2021	31 Dec 2020
	Cash and cash equivalents	198,046	262,087
4	Loans and advances to credit institutions	86,371	74,206
4	Loans and advances to the public and public sector entities	4,325,950	3,434,315
5	Financial derivatives	2,240	796
6	Investment assets	645,275	529,305
	Equity accounted entities	22,884	23,787
	Intangible assets	10,025	11,180
	Tangible assets	27,887	29,698
	Other assets	46,880	12,749
	Deferred tax assets	7,077	3,875
	Assets, total	5,372,633	4,381,999

Note	Liabilities (1,000 euros)	31 Dec 2021	31 Dec 2020
7	Liabilities to credit institutions	212,685	223,510
7	Liabilities to the public and public sector entities	2,897,865	2,376,743
8	Debt securities issued to the public	1,762,324	1,346,815
	Subordinated liabilities	15,500	15,500
	Provisions and other liabilities	42,512	34,188
	Deferred tax liabilities	31,122	27,948
	Current income tax liabilities	9,331	3,803
	Liabilities, total	4,971,339	4,028,506

	Equity	31 Dec 2021	31 Dec 2020
	Share capital	24,000	24,000
	Reserves	144,833	148,354
	Retained earnings	231,939	180,712
	Shareholders of Oma Savings Bank Plc	400,772	353,066
	Shareholders of Oma Savings Bank Plc	400,772	353,066
	Non-controlling interest	522	427
	Equity, total	401,294	353,493
	Liabilities and equity, total	5,372,633	4,381,999

	Group's off-balance sheet commitments (1,000 euros)	31 Dec 2021	31 Dec 2020
	Off-balance sheet commitments		
	Guarantees and pledges	30,818	25,976
	Other commitments given to a third party	212	154
	Commitments given to a third party on behalf of a customer	31,030	26,130
	Undrawn credit facilities	377,826	263,736
	Irrevocable commitments given in favour of a customer	377,826	263,736
	Group's off-balance sheet commitments, total	408,855	289,867

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
31 Dec 2021								
Equity, 1 January 2021	24,000	10,824	137,530	148,354	180,712	353,066	427	353,493
Comprehensive income								
Profit for the accounting period	-	-	-	-	66,158	66,158	95	66,252
Other comprehensive income	-	-11,316	-	-11,316	-288	-11,603	-	-11,603
Comprehensive income, total	-	-11,316	-	-11,316	65,870	54,554	95	54,649
Transactions with owners								
Emission of new shares	-	-	7,800	7,800	-	7,800	-	7,800
Repurchase of own shares	-	-	-	-	-2,863	-2,863	-	-2,863
Distribution of dividends	-	-	-	-	-12,699	-12,699	-	-12,699
Share-based incentive scheme	-	-	-	-	913	913	-	913
Other changes	-	-	-6	-6	6	-	-	-
Transactions with owners, total	-	-	7,794	7,794	-14,643	-6,848	-	-6,848
Equity total, 31 December 2021	24,000	-492	145,324	144,833	231,939	400,772	522	401,294
31 Dec 2020								
Equity, 1 January 2020	24,000	8,538	137,396	145,934	149,332	319,266	598	319,865
Comprehensive income								
Profit for the accounting period	-	-	-	-	30,824	30,824	-171	30,653
Other comprehensive income	-	2,286	-	2,286	-	2,286	-	2,286
Comprehensive income, total	-	2,286	-	2,286	30,824	33,110	-171	32,939
Transactions with owners								
Emission of new shares	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-
Share-based incentive scheme	-	-	-	-	555	555	-	555
Other changes	-	-	134	134	-	134	-	134
Transactions with owners, total	-	-	134	134	555	689	-	689
Equity total, 31 December 2020	24,000	10,824	137,530	148,354	180,712	353,066	427	353,493

Consolidated condensed cash flow statement

(1,000 euros)	1-12/2021	1-12/2020
Cash flow from operating activities		
Profit/loss for the accounting period	66,252	30,653
Changes in fair value	-9	-114
Share of profit of equity accounted entities	706	103
Depreciation and impairment losses on investment properties	46	711
Depreciation, amortisation and impairment losses on tangible and intangible assets	10,267	5,213
Gains and losses on sales of tangible and intangible assets	54	2,061
Impairment and expected credit losses	7,294	21,587
Negative goodwill	-7,535	-
Income taxes	17,019	7,054
Other adjustments	2,031	548
Adjustments to the profit/loss of the accounting period	29,872	37,163
Cash flow from operations before changes in receivables and liabilities	96,124	67,817
Increase (-) or decrease (+) in operating assets		
Debt securities	-120,976	-228,013
Loans and advances to credit institutions	-5,288	-8,556
Loans and advances to customers	-631,749	-503,352
Derivatives in hedge accounting	138	-13
Investment assets	1,903	26,513
Other assets	-2,413	-1,008
Total	-758,384	-714,429
Increase (+) or decrease (-) in operating liabilities		
Liabilities to credit institutions	-91,094	135,465
Deposits	298,605	376,881
Provisions and other liabilities	-7,721	7,109
Total	199,790	519,455
Paid income taxes	-7,301	-2,473
Total cash flow from operating activities	-469,770	-129,630
Cash flow from investments		
Investments in tangible and intangible assets	-5,976	-12,064
Proceeds from sales of tangible and intangible assets	5,797	5,468
Acquisition of associated companies and joint ventures	-	-18,303
Changes in other investments	-	9,752
Total cash flow from investments	-180	-15,147
Cash flows from financing activities		
Other cash increases in equity items	-	123
Repurchase of own shares	-2,863	-
Debt securities issued to the public	384,937	407,419
Acquisition or sale of business	43,305	-
Payments of lease liabilities	-1,943	-1,659
Dividends paid	-12,699	-
Total cash flows from financing activities	410,738	405,882
Net change in cash and cash equivalents	-59,212	261,106
Cash and cash equivalents at the beginning of the accounting period	312,994	51,888
Cash and cash equivalents at the end of the accounting period	253,782	312,994
Cash and cash equivalents are formed by the following items		
Cash and cash equivalents	198,046	262,087
Receivables from credit institutions repayable on demand	55,736	50,907
Total	253,782	312,994
Received interest	84,177	81,646
Paid interest	-4,146	-5,357
Dividends received	300	199

Consolidated condensed income statement, quarterly trend

Note	(1 000 euros)	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
	Interest income	23,201	21,876	20,577	19,255	20,109
	Interest expenses	-1,328	-1,287	-907	-1,255	-1,219
9	Interest income, net	21,873	20,588	19,669	17,999	18,890
	Fee and commission income	10,730	9,586	10,023	9,099	9,684
	Fee and commission expenses	-1,636	-1,479	-1,440	-1,197	-1,352
10	Fee and commission income and expenses, net	9,094	8,107	8,583	7,902	8,332
11	Net income on financial assets and financial liabilities	735	1,498	1,341	1,628	3,631
15	Negative goodwill	7,535	-	-	-	-
	Other operating income	215	149	28,035	1,612	231
	Operating income, total	39,452	30,343	57,628	29,142	31,084
	Personnel expenses	-6,532	-4,359	-5,264	-4,476	-4,172
	Other operating expenses	-11,110	-7,263	-7,279	-8,745	-7,308
	Depreciation, amortisations and impairment losses on tangible and intangible assets	-1,876	-1,320	-5,880	-1,191	-1,278
	Operating expenses, total	-19,518	-12,942	-18,422	-14,412	-12,758
12	Impairment losses on financial assets, net	-1,632	-2,058	-813	-2,791	-7,602
	Share of profit from joint ventures and associated companies	-334	5	-109	-268	-183
	Profit before taxes	17,967	15,348	38,284	11,672	10,541
	Income taxes	-3,723	-3,109	-7,756	-2,431	-1,515
	Profit for the accounting period	14,244	12,239	30,528	9,241	9,027
	Of which:					
	Shareholders of Oma Savings Bank Plc	14,258	12,133	30,399	9,367	9,125
	Non-controlling interest	-14	106	130	-126	-99
	Total	14,244	12,239	30,528	9,241	9,027
	Earnings per share (EPS), EUR	0.48	0.41	1.03	0.32	0.31
	Earnings per share (EPS) after dilution, EUR	0.47	0.41	1.02	0.32	0.31
	Profit before taxes excluding items affecting comparability:	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
	Profit before taxes	17,967	15,348	38,284	11,672	10,541
	Operating income:					
	Net income on financial assets and liabilities	-735	-1,498	-1,341	-1,628	-3,631
	Impact of contract termination regarding core banking project	-	-	-26,936	-	-
	Negative goodwill	-7,535	-	-	-	-
	Operating expenses					
	Costs relating to business combinations	4,251	165	-	-	-
	Impact of contract termination regarding core banking project	-	-	4,629	-	-
	Sales and impairment losses of commercial premises in own use	500	-	-	-	-
	Comparable profit before taxes	14,448	14,015	14,636	10,043	6,910
	Income taxes in income statement	-3,723	-3,109	-7,756	-2,431	-1,515
	Change of deferred taxes	704	267	4,730	326	726
	Comparable profit/loss for the accounting period	11,428	11,173	11,610	7,938	6,122

Note 1 Accounting principles for the Financial Statements Release

1. About the accounting principles

The Group's parent company is Oma Savings Bank Plc, whose domicile is in Seinäjoki and head office is in Lappeenranta, Valtakatu 32, 53100 Lappeenranta. Copies of the financial statements and interim reports are available on the Bank's website www.omasp.fi.

Oma Savings Bank Group is formed as follows:

Subsidiaries

- Real estate company Lappeenrannan Säästökeskus holding 100%
- 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 Financial Statements Release are the same as for the 2020 Financial Statements Release.

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

The Board of Directors has approved the Financial Statements Release for 1 January - 31 December 2021 in its meeting on 7 February 2022.

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 Financial Statements Release in accordance with IFRS has required certain estimates and assumptions from the Group's management that affects the number of items presented in the 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 Financial Statements Release.

The uncertainties contained in the accounting principles that require management's judgement and those contained in the estimates are described in the 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.

In business consolidation, the determination of fair values requires consideration from the company's management regarding the recognition and valuation at fair value of the consideration given and identifiable assets, liabilities and contingent liabilities. The company recognised in other operating income the negative goodwill of EUR 7.5 million arising in connection with the acquisition of Eurajoen Savings Bank's business in December. As part of the arrangement, a payment obligation related to the fixed-term liability through profit or loss was recorded EUR 6.5 million for the five-year periodic of Eurajoen Savings Bank being a credit institution member leaving the consortium of savings banks. The effect of the valuation of the loan portfolio at the time of acquisition on the expected credit losses was EUR 0.5 million. More detailed information of the business acquisition is presented in Note 15.

Note 2 Impacts of the corona pandemic on the risk position

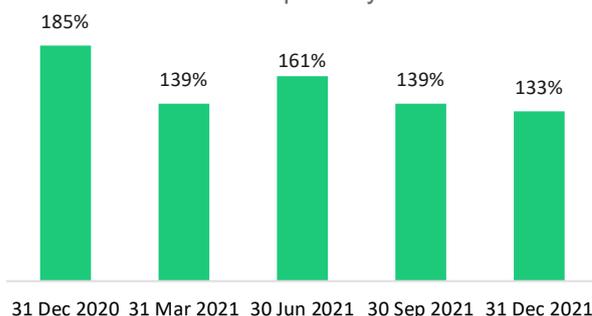
1. Liquidity risk

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 due to, among other things, the issuance of covered and senior bonds.

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 133.0% on 31 December 2021. The company's liquidity has continued to strengthen after the company made a loan amount increase to its covered bond due in the summer of 2027. In addition to this, the company issued a new unsecured senior bond in November. In addition, the company's deposit portfolio has continued to grow for the last fourth quarter of 2021, maintaining a stable credit-deposit ratio. New lending has also continued to grow strongly.

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.

2.1 Loan reliefs granted by the company

The corona pandemic has not affected the growth of grace periods during 2021, and there have been no short-term peaks in demand for them. Almost all of the grace periods granted in 2020 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 259.5 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. Part of the increase is due to the acquisition of Eurajoen Savings Bank's business. The quality of the loan portfolio has remained at a good level despite the corona pandemic, but the situation requires active monitoring due to the continuation of the pandemic.

The company has intensified its monitoring of the credit risk situation and its development based on credit risk management methods during the corona pandemic. The company made during 2020 and early 2021 additional loss allowances based on management's judgement, totalling EUR 5.9 million, which predicted growth in credit risk in specific sectors. The sectors were selected based on both their significance and the estimated size of the pandemic's impact.

The quality of the company's loan portfolio has remained at a good level throughout the pandemic. Vaccine coverage has improved, and restrictive measures were eased during the early autumn. Towards the end of the year, the restrictions had to be tightened again. The company will release its additional loss allowances on corona in stages. During the third quarter, the company released additional loss allowances of corona by EUR 2.0 million. No allowances were released in the fourth quarter. 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 recognise 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 rating and credit risk concentrations

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

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

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

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

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

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

Households

Loans and receivables and off-balance sheet commitments	31 Dec 2021	31 Dec 2020
Risk rating 1	1,173,015	810,847
Risk rating 2	1,108,238	839,829
Risk rating 3	380,596	333,873
Risk rating 4	173,926	161,607
No rating	34,153	29,471
Capital items by risk category, total	2,869,927	2,175,626
Loss allowance	12,279	13,325
Total	2,857,648	2,162,301

Corporates

Loans and receivables and off-balance sheet commitments	31 Dec 2021	31 Dec 2020
Risk rating 1	390,795	224,187
Risk rating 2	428,432	405,272
Risk rating 3	104,111	59,052
Risk rating 4	68,249	70,735
No rating	-	30
Capital items by risk category, total	991,588	759,277
Loss allowance	15,514	11,851
Total	976,073	747,425

Housing association

Loans and receivables and off-balance sheet commitments	31 Dec 2021	31 Dec 2020
Risk rating 1	286,724	198,650
Risk rating 2	151,619	154,545
Risk rating 3	18,643	13,465
Risk rating 4	2,786	7,910
Capital items by risk category, total	459,771	374,571
Loss allowance	106	119
Total	459,665	374,452

Agriculture, forestry, fishing industry

Loans and receivables and off-balance sheet commitments	31 Dec 2021	31 Dec 2020
Risk rating 1	40,372	40,642
Risk rating 2	136,276	120,431
Risk rating 3	85,082	91,664
Risk rating 4	22,894	26,476
No rating	75	5
Capital items by risk category, total	284,699	279,217
Loss allowance	1,390	887
Total	283,310	278,330

Others

Loans and receivables and off-balance sheet commitments	31 Dec 2021	31 Dec 2020
Risk rating 1	40,829	17,588
Risk rating 2	63,716	39,380
Risk rating 3	449	1,314
Risk rating 4	3,697	587
No rating	44	44
Capital items by risk category, total	108,735	58,913
Loss allowance	236	650
Total	108,499	58,263

Debt securities	31 Dec 2021	31 Dec 2020
Risk rating 1	489,539	387,121
Risk rating 2	15,129	11,450
No rating	112,842	101,323
Capital items by risk category, total	617,511	499,894
Loss allowance	1,158	493
Total	616,353	499,401

Loans and receivables and off-balance sheet commitments by industry	Risk rating 1	Risk rating 2	Risk rating 3	Risk rating 4	No rating	31 Dec 2021	31 Dec 2020
Enterprises	677,835	608,143	121,456	70,040	40	1,477,514	1,144,739
Real estate	412,825	334,137	76,728	31,743	-	855,433	646,954
Agriculture	4,374	36,557	1,570	876	40	43,417	32,757
Construction	38,194	46,794	7,236	3,758	-	95,983	78,231
Accommodation and food service	28,916	28,779	3,327	6,241	-	67,263	55,920
Wholesale and retail	28,033	55,734	10,384	5,488	-	99,639	86,178
Finance and insurance	19,184	15,416	1,794	895	-	37,288	21,571
Others	146,309	90,727	20,417	21,038	-	278,492	223,127
General government	629	2,635	-	1,017	-	4,280	3,239
Non-profit communities	10,401	6,213	425	2,680	44	19,764	17,385
Financial and insurance institutions	29,724	54,313	24	-	-	84,061	37,936
Households	1,213,146	1,216,975	466,977	197,815	34,188	3,129,101	2,444,305
Total 31.12.	1,931,735	1,888,280	588,882	271,552	34,271	4,714,720	3,647,604

3. Measures to mitigate the risks caused by the corona pandemic

The company's customer service has operated uninterrupted throughout the exceptional circumstances, and this has ensured necessary banking services to customers. The company has continuously monitored the development of the corona virus situation and personnel has been notified concerning health-related matters, in accordance with the guidelines of the Finnish government and the authorities. Internal operating models have been adapted to the situation.

In terms of credit risk, preventive measures have included the above-mentioned grace periods granted to customers, increased monitoring of problem customers and loans in arrears and the careful assessment and, if required, reassessment, of collateral values. Additionally, when granting new loans, the applicant's repayment capacity and the value of collateral are monitored bearing in mind the economic uncertainty caused by the pandemic.

Note 3 Classification of financial assets and liabilities

Assets (1,000 euros)

31 Dec 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	198,046	-	-	-	198,046	198,046
Loans and advances to credit institutions	86,371	-	-	-	86,371	86,371
Loans and advances to customers	4,325,950	-	-	-	4,325,950	4,325,950
Derivatives, hedge accounting	-	-	-	2,240	2,240	2,240
Debt instruments	-	616,353	995	-	617,349	617,349
Equity instruments	-	-	26,212	-	26,212	26,212
Financial assets, total	4,610,366	616,353	27,208	2,240	5,256,167	5,256,167
Investments in associated companies					22,884	22,884
Investment properties					1,713	1,787
Other assets					91,868	91,868
Assets, total	4,610,366	616,353	27,208	2,240	5,372,633	5,372,707

Liabilities (1,000 euros)

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

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
Financial assets, total	3,770,608	499,401	22,634	796	4,293,439	4,293,439
Investments in associated companies					23,787	23,787
Investment properties					7,270	7,307
Other assets					57,503	57,503
Assets, total	3,770,608	499,401	22,634	796	4,381,999	4,382,036

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
Financial liabilities, total	3,962,567	-	3,962,567	3,962,567
Non-financial liabilities			65,938	65,938
Liabilities, total	3,962,567	-	4,028,506	4,028,506

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
Financial assets, total	3,770,608	499,401	22,634	796	4,293,439	4,293,439
Investments in associated companies					23,787	23,787
Investment properties					7,270	7,307
Other assets					57,503	57,503
Assets, total	3,770,608	499,401	22,634	796	4,381,999	4,382,036

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
Financial liabilities, total	3,962,567	-	3,962,567	3,962,567
Non-financial liabilities			65,938	65,938
Liabilities, total	3,962,567	-	4,028,506	4,028,506

Note 4 Loans and other receivables

(1,000 euros)	31 Dec 2021	31 Dec 2020
Loans and advances to credit institutions		
Deposits	55,736	50,907
Other	30,634	23,299
Loans and advances to credit institutions, total	86,371	74,206
Loans and advances to the public and public sector entities		
Loans	4,218,377	3,332,952
Utilised overdraft facilities	70,504	72,894
Loans intermediated through the State's assets	48	66
Credit cards	36,813	28,064
Bank guarantee receivables	209	339
Loans and advances to the public and public sector entities, total	4,325,950	3,434,315
Loans and advances, total	4,412,321	3,508,521

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

Note 5 Financial derivatives

Assets (1,000 euros)	31 Dec 2021	31 Dec 2020
Fair value hedge		
Interest rate derivatives	662	-
Other hedging derivatives		
Share and share index derivatives	1,578	796
Derivative assets, total	2,240	796
Liabilities (1,000 euros)	31 Dec 2021	31 Dec 2020
Fair value hedge		
Interest rate derivatives	-	-
Share and share index derivatives	-	-
Derivative liabilities, total	-	-
Change in the value of hedged object / Fair value hedge	-688	-
Change in the value of hedged object / Other hedging derivatives	-1,166	-253

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

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

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
Fair value hedge	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-
Cva and Dva adjustments	-	-	-	-	-	-
Other hedging derivatives	32,948	48,274	-	81,222	796	-
Share and share index derivatives	32,948	48,274	-	81,222	853	-
Cva and Dva adjustments	-	-	-	-	-57	-
Derivatives, total	32,948	48,274	-	81,222	796	-

Note 6 Investment assets

Investment assets (1,000 euros)	31 Dec 2021	31 Dec 2020
Measured at fair value through profit or loss		
Debt securities	995	171
Shares and other equity instruments	26,212	22,463
Assets measured at fair value through profit or loss, total	27,208	22,634
Measured at fair value through other comprehensive income		
Debt securities	616,353	499,401
Shares and other equity instruments	-	-
Measured at fair value through other comprehensive income, total	616,353	499,401
Investment properties	1,713	7,270
Investment assets, total	645,275	529,305

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

Changes in investment properties (1,000 euros)	31 Dec 2021	31 Dec 2020
Cost January 1	10,491	12,634
+ Increases	5,390	5,650
- Decreases	-11,342	-7,380
+/- Transfers	5	-414
Cost at the end of the period	4,544	10,491
Accumulated depreciation and impairment losses	-3,221	-5,806
+/- Accumulated depreciation of decreases and transfers	410	1,987
- Depreciation	-21	-201
+/- Impairment loss and their return	25	800
Accumulated depreciation and impairment at the end of the period	-2,830	-3,221
Opening balance	7,270	6,828
Closing balance	1,713	7,270

31 Dec 2021 Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	Equity instruments				Debt-based				All total
	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	
	Quoted								
Public sector entities	-	-	-	-	171,122	-	-	171,122	171,122
From others	-	16,948	-	16,948	445,023	185	-	445,208	462,157
Non-quoted									
From others	-	9,264	-	9,264	208	638	-	846	10,110
Total	-	26,212	-	26,212	616,353	823	-	617,176	643,389
31 Dec 2020 Measured at fair value through profit or loss and measured at fair value through other comprehensive income (1,000 euros)	Equity instruments				Debt-based				All total
	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	Fair value through other comprehensive income	Fair value through profit or loss	At amortised cost	Total	
	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
Total	-	22,463	-	22,463	499,401	171	-	499,572	522,035

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

(1,000 euros)	31 Dec 2021	31 Dec 2020
Liabilities to credit institutions		
Liabilities to Central Banks	150,000	150,000
Repayable on demand	10,784	10,768
Other than repayable on demand	51,901	62,742
Liabilities to credit institutions, total	212,685	223,510
Liabilities to the public and public sector entities		
Deposits	2,897,144	2,376,687
Repayable on demand	2,770,980	2,187,809
Other	126,164	188,878
Other financial liabilities	33	56
Other than repayable on demand	33	56
Changes in fair value in terms of borrowing	688	-
Liabilities to the public and public sector entities, total	2,897,865	2,376,743
Liabilities to the public and public sector entities and liabilities to credit institutions, total	3,110,550	2,600,253

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 assessed the interest rate of the loan on a prudent basis, raising the interest rate.

Note 8 Debt securities issued to the public

(1,000 euros)	31 Dec 2021	31 Dec 2020
Bonds	1,557,380	1,206,522
Certificates of deposit	204,944	140,293
Debt securities issued to the public, total	1,762,324	1,346,815

Maturity of bonds	Nominal value	Interest	Year of issue	Due date	Closing balance	
					31 Dec 2021	31 Dec 2020
OmaSp Plc 12.12.2022, covered bond	350,000	0,125%/fixed	2017-2018	12/12/2022	349,520	349,015
OmaSp Plc 3.4.2024, covered bond	300,000	0,125%/fixed	2019	4/3/2024	299,245	298,912
OmaSp Plc 6.4.2023, covered bond	250,000	0,125%/fixed	2020	4/6/2023	249,440	248,998
OmaSp Plc 17.1.2024	55,000	margin 1%/variable	2020	17/1/2024	54,997	54,996
OmaSp Plc 25.11.2027, covered bond	400,000	0,01%/fixed	2020-2021	11/25/2027	404,710	254,601
OmaSp Plc 19.5.2025	200,000	margin 0,2%/variable	2021	5/19/2025	199,468	-
					1,557,380	1,206,522

Maturity of deposit certificates	Closing balance, total			
	Less than 3 months	3-6 months	6-9 months	9-12 months
31 Dec 2021	64,996	80,982	28,992	29,974
31 Dec 2020	70,991	53,320	-	15,981

Note 9 Net interest income

(1,000 euros)	1-12/2021	1-12/2020
Interest income		
Loans and advances to the public and public sector entities	76,981	66,058
Debt securities	2,812	2,031
Derivatives	3,039	3,785
Other interest income	2,076	939
Interest income, total	84,908	72,813
Interest expenses		
Liabilities to credit institutions	-761	-335
Liabilities to the public and public sector entities	-692	-820
Debt securities issued to the public	-2,750	-2,752
Subordinated liabilities	-189	-187
Other interest expenses	-387	-900
Interest expenses, total	-4,778	-4,993
Net interest income	80,130	67,819

Note 10 Fee and commission income and expenses

(1,000 euros)	1-12/2021	1-12/2020
Fee and commission income		
Lending	11,969	11,124
Deposits	67	62
Card and payment transactions	18,986	16,472
Intermediated securities	193	158
Funds	3,930	2,825
Legal services	499	504
Brokered products	1,725	1,485
Granting of guarantees	1,301	923
Other fee and commission income	768	695
Fee and commission income, total	39,438	34,248
Fee and commission expenses		
Card and payment transactions	-4,663	-4,043
Securities	-84	-41
Other fee and commission expenses	-1,004	-906
Fee and commission expenses, total	-5,752	-4,991
Fee and commission income and expenses, net	33,686	29,257

Note 11 Net income on financial assets and financial

(1,000 euros)	1-12/2021	1-12/2020
Net income on financial assets measured at fair value through profit or loss		
Debt securities		
Capital gains and losses	-43	-
Valuation gains and losses	66	-92
Debt securities, total	23	-92
Shares and other equity instruments		
Dividend income	300	199
Capital gains and losses	226	1,597
Valuation gains and losses	4,331	2,704
Shares and other equity instruments, total	4,856	4,499
Net income on financial assets measured at fair value through profit or loss, total	4,879	4,407
Net income on financial assets measured at fair value through other comprehensive income		
Debt securities		
Capital gains and losses	29	39
Difference in valuation reclassified from the fair value reserve to the income statement	-8	8,005
Debt securities, total	21	8,044
Net income on financial assets measured at fair value through other comprehensive income, total	21	8,044
Net income from investment properties (1,000 euros)		
Rent and dividend income	280	383
Capital gains and losses	-15	-1,473
Other gains from investment properties	8	8
Maintenance expenses	-96	-534
Depreciation and impairment on investment properties	-46	-711
Rent expenses on investment properties	-9	-10
Net income from investment properties, total	123	-2,337
Net gains on trading in foreign currencies	160	-175
Net gains from hedge accounting	8	114
Net income from trading	12	814
Net income on financial assets and financial liabilities, total	5,203	10,866

Note 12 Impairment losses on financial assets

(1,000 euros)	1-12/2021	1-12/2020	1-12/2020	2021 Q4	2020 Q4
ECL from advances to customers and off-balance sheet items	-2,254	-8,012	-8,012	-525	-3,189
ECL from debt instruments	-602	167	167	156	261
Expected credit losses, total	-2,856	-7,846	-7,846	-369	-2,928
Final credit losses					
Final credit losses	-5,476	-13,978	-13,978	-1,306	-4,753
Refunds on realised credit losses	1,038	237	237	43	79
Recognised credit losses, net	-4,438	-13,741	-13,741	-1,264	-4,674
Impairment on receivables, total	-7,294	-21,587	-21,587	-1,632	-7,602

Reconciliations from the opening and closing balances of the expected credit losses have been formed from 1 January 2021 and 31 December 2021 on the basis of changes in euro denominated loan exposures and expected credit losses.

Expected credit losses, loans and advances

Loans and advances to credit institutions and to public and general government, at amortised cost (1,000 euros)				1-12/2021	1-12/2020	1-12/2020
	Stage 1	Stage 2	Stage 3	Total	Total	Total
Expected credit losses 1 January	1,587	7,955	16,317	25,858	18,205	18,205
Transfer to stage 1	182	-524	166	-175	244	244
Transfer to stage 2	-134	550	-784	-369	297	297
Transfer to stage 3	-11	-243	4,064	3,810	3,224	3,224
New debt securities	1,363	470	1,234	3,067	2,518	2,518
Matured debt securities	-705	-803	-3,482	-4,990	-4,979	-4,979
Realised credit losses	3	-13	-3,200	-3,209	-4,878	-4,878
Recoveries on previous realised credit losses	-9	129	-25	95	1	1
Changes in credit risk	-90	-486	2,392	1,816	5,854	5,854
Changes in the ECL model parameters	-	-	-	-	241	241
Changes based on management estimates	-205	-500	3,401	2,696	5,131	5,131
Expected credit losses period end	1,981	6,535	20,083	28,599	25,858	25,858

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 allowances 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. The expected credit losses from the acquisition of Eurajoen Savings Bank's business at the time of the acquisition are EUR 0.5 million and presented in New debt securities.

Off-balance sheet commitments (1,000 euros)				1-12/2021	1-12/2020	1-12/2020
	Stage 1	Stage 2	Stage 3	Total	Total	Total
Expected credit losses 1 January	480	368	126	974	614	614
Transfer to stage 1	16	-223	-4	-211	11	11
Transfer to stage 2	-3	43	-1	38	-	-
Transfer to stage 3	-	-2	43	40	-	-
New debt securities	287	104	86	477	625	625
Matured debt securities	-381	-54	-29	-464	-305	-305
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	162	-55	-35	73	28	28
Changes in the ECL model parameters	-	-	-	-	-	-
Changes based on management estimates	-	-	-	-	-	-
Expected credit losses period end	561	180	184	926	974	974

Expected credit losses, investment assets

Debt securities, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	1-12/2021	1-12/2020	1-12/2020
				Total	Total	Total
Expected credit losses 1 January	313	180	-	493	660	660
Transfer to stage 1	12	-130	-	-118	-	-
Transfer to stage 2	-2	-	-	-1	15	15
Transfer to stage 3	-	-	-	-	-	-
New debt securities	194	31	-	225	375	375
Matured debt securities	-71	-41	-	-112	-512	-512
Realised credit losses	-	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-	-
Changes in credit risk	156	-21	-	135	1,760	1,760
Changes in the ECL model parameters	-	-	-	-	-	-
Changes based on management estimates	536	-	-	536	-1,805	-1,805
Expected credit losses period end	1,138	19	-	1,158	493	493

Note 13 Fair values in accordance with the valuation

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)	31 Dec 2021			Total
	Level 1	Level 2	Level 3	
At fair value through profit or loss				
Equity securities	16,948	1,987	7,277	26,212
Debt securities	726	-	96	823
Derivatives	-	2,240	-	2,240
At fair value through other comprehensive income				
Debt securities	616,353	-	-	616,353
Financial assets, total	634,028	4,227	7,374	645,628

Financial assets (1,000 euros)	31 Dec 2020			Total
	Level 1	Level 2	Level 3	
Measured at fair value through profit or loss				
Equity securities	13,837	1,854	6,772	22,463
Debt securities	87	-	84	171
Derivatives	-	796	-	796
Measured at fair value through other comprehensive income				
Debt securities	499,401	-	-	499,401
Financial assets, total	513,325	2,650	6,856	522,831

Investment transactions, categorised to Level 3

Financial assets at fair value through profit or loss (1,000 euros)	31 Dec 2021			31 Dec 2020		
	Equity securities	Debt securities	Total	Equity securities	Debt securities	Total
Opening balance	6,772	84	6,856	23,547	84	23,631
+ Acquisitions	926	12	938	-	-	-
- Sales	-612	-	-612	-18,418	-	-18,418
- Matured during the year	-	-	-	-	-	-
Realised changes in value						
+/- recognised on the income statement	188	-	188	1,644	-	1,644
Unrealised changes in value						
+/- recognised on the income statement	2	-	2	-	-	-
+ Transfers to Level 3	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-
Closing balance	7,277	96	7,374	6,772	84	6,856

At fair value through other comprehensive income (1,000 euros)	31 Dec 2021			31 Dec 2020		
	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

(1,000 euros)	31 Dec 2021				31 Dec 2020		
	Potential impact on equity				Potential impact on equity		
	Hypothetical change	Market value	Positive	Negative	Market value	Positive	Negative
Equity securities							
At fair value through profit or loss	+/- 15%	7,277	1,092	-1,092	6,772	1,016	-1,016
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-
Total		7,277	1,092	-1,092	6,772	1,016	-1,016

(1,000 euros)	31 Dec 2021				31 Dec 2020		
	Potential impact on equity				Potential impact on equity		
	Hypothetical change	Market value	Positive	Negative	Market value	Positive	Negative
Debt securities							
At fair value through profit or loss	+/- 15%	96	14	-14	84	13	-13
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-
Total		96	14	-14	84	13	-13

Note 14 Changes in Group structure

Changes in the group structure for the financial year 2021

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

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 Business combinations

Acquisition of Eurajoen Savings Bank's business

Company's Board of Directors decided to acquire the business of Eurajoen Savings Bank in accordance with the acquisition plan. In September, in accordance with a decision made by the governing body of Eurajoen Savings Bank, Eurajoen Savings Bank transferred its entire business to the company except for the minor assets mentioned in the acquisition plan. The registration date for the implementation of the business transfer was 30 November 2021. The purchase price of the business acquisition was paid half in cash and half by issuing shares.

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

Business combination	EUR million
Loans and advances to public and credit institutions	328.3
Accruals and other assets	6.3
Deposits from public and credit institutions	-294.2
Accruals and other liabilities	-10.9
Liability, consortium of saving banks	-6.5
Acquired net assets	23.0
Purchase price, settled in cash	7.7
Purchase price, settled in share issue	7.7
Cost of combination	15.5
Negative goodwill	7.5

According to estimates, the positive profit impact of the business transfer will be EUR 14.0 million for the company. Of this profit impact, EUR 7.5 million is negative goodwill, which has been recognised in the company's results for the financial year 2021. Negative goodwill has been formed as the difference between the net assets of the acquired business and the purchase price. The formation of negative goodwill was facilitated by market conditions at the time of the agreement and favorable terms for the company. The net assets acquired in the acquisition of the business

exceeded the acquisition price. Assets and liabilities are measured at fair value. Leases have been valued in accordance with IFRS 16.

In connection with the transitioning of the business, a liability of EUR 6.5 million was recognised in the company's balance sheet to cover 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). The amount of liability will be estimated annually, and the liability item is estimated to be recognised as income over the next five years.

The value of receivables received in the acquisition of the business is approx. EUR 328.3 million and in this at the time of the acquisition has been taken into account the gross value of receivables of EUR 0.5 million as a reduction in expected credit losses. The effect is presented in Note 12 under "New debt securities".

Negative goodwill recognised from the acquisition is presented in the cash flow statement in cash flow adjustments. The cash payment paid for the acquisition and the net effect of the merging bank on balance sheet items is EUR 43.3 million presented in the cash flow statement is line Acquisition or sale of business, in Cash flows from financing activities.

Operating income after the acquisition, EUR 0.5 million are included in the income statement for 2021. According to the management's estimate, Oma Savings Bank Group's operating income in 2021 would have been EUR 163 million and profit before taxes EUR 86.3 million, if the acquired business had been consolidated in the consolidated financial statements from the beginning of the financial year 2021.

The acquisition increased the company's balance sheet by approximately EUR 335 million. Approximately 12,000 private and corporate customers transferred in the acquisition of the business. 33 people transferred as former employees. The total cost of the arrangement was EUR 4.4 million and will mainly be for 2021.

Note 16 Significant events after the period

In early 2022, the company's Board of Directors approved the IRB permit application package and the company decided to initiate a permit process with the Finnish Financial Supervisory Authority (FIN-FSA) on the application of IRB method in capital adequacy. In the first stage, the company applies permission to apply an internal risk classification under the IRB method to calculate capital requirements for retail credit risk liabilities.

At its meeting on 26 January 2022, the Shareholders' Nomination Committee proposed to the company's Annual General Meeting that the number of Board members to be further confirmed at seven. The Shareholders' Nomination Committee proposes that the current Board members Aila Hemminki, Aki Jaskari, Timo Kokkala, Jyrki Mäkynen, Jarmo, Partanen, Jarmo Salmi and Jaana Sandström to be re-elected as members of the Board of Directors. All

nominees have given their consent to the election and are independent at the time of the election in their relationship with the company and its significant shareholders.

There are 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 17 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

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

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