Q4/2022

Oma Savings Bank Group

Financial Statements Release
31 December 2022

Financial Statements Release 31 December 2022 is a translation of the original Finnish version "Tilinpäätöstiedote 31.12.2022". If discrepancies occur, the Finnish version is dominant.

Oma Savings Bank Group´s Financial Statements Release Jan-Dec 2022

- Net interest income grew strongly by 31.0% in January-December compared to the same period last year. In addition to volume growth, net interest income was increased by increased market interest rates, the effect of which is reflected in interest margin from the third quarter onwards. In the fourth quarter, net interest income increased by 40.1%.
- Home mortgage portfolio increased by a total of 7.8% over the previous 12 months. Corporate loan portfolio increased by 23.9% over the previous 12 months.
- Deposit stocks grew by 7.5% over the previous 12 months.
- Fee and commission income and expenses (net) item increased due to volume growth by 17.0% in January-December. In the fourth quarter, fee and commission income and expenses (net) item decreased by 9.4% due to lower lending fee income as lending slowed down in the last quarter of the year.
- Impairment losses on financial assets decreased compared to the previous year and the impairment losses totalled EUR 1.7 (7.3) million. During the last quarter, impairment losses on financial assets were EUR 1.3 (1.6) million.
- In January-December, profit before taxes decreased due to a significant positive single item recorded in the comparative period 2021 (EUR 22.3 million). Profit before taxes totalled EUR 69.2 (83.3) million.
- For January-December, comparable profit before taxes increased significantly compared with the comparative period and was EUR 75.9 (53.1) million.
- For the last quarter, profit before taxes increased 7.3% and was EUR 19.3 (18.0) million, despite one-off items recorded for the comparative period, totalling EUR 2.8 million.
- For October-December, comparable profit before taxes increased significantly compared to the previous year and was EUR 20.8 (14.4) million. Comparable profit before taxes increased by 43.7 %.
- For the whole year, cost/income ratio weakened due to one-off items in the comparative period and was 50.7% (41.9%). Comparable cost/income ratio was at the same level as last year 48.0% (48.0%).
- For the last quarter, cost/income ratio improved and was 47.6% (49.9%). Also comparable cost/income ratio improved and was 44.1% (47.9%).
- Comparable return on equity (ROE) improved and was 15.8% (11.2%) for the whole year. For the last quarter, comparable return on equity (ROE) was 18.4% (11.6)%.

Outlook for the financial year 2023

The Company estimates that profitable growth will continue to be strong. The Group's 2023 comparable profit before taxes will increase significantly compared to the previous financial year and will exceed EUR 100 million.
More about the outlook on page 25 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 2022, a dividend of EUR 0.40 to be paid from the Parent Company's distributable profits for each share entitled to a dividend for 2022.

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)	1-12/2022	1-12/2021	Δ%	2022 Q4	2021 Q4	Δ%
Net interest income	104,930	80,130	31%	30,634	21,873	40%
Fee and commission income and expenses, net	39,396	33,686	17%	8,242	9,094	-9%
Total operating expenses	-73,062	-65,294	12%	-18,709	-19,518	-4%
Impairment losses on financial assets, net	-1,747	-7,294	-76%	-1,315	-1,632	-19%
Profit before taxes	69,226	83,271	-17%	19,285	17,967	7%
Cost/income ratio, %	50.7%	41.9%	21%	47.6%	49.9%	-5%
Balance sheet total	5,941,766	5,372,633	11%	5,941,766	5,372,633	11%
Equity	364,961	401,294	-9%	364,961	401,294	-9%
Return on assets (ROA) %	1.0%	1.4%	-30%	1.0%	1.1%	-6%
Return on equity (ROE) %	14.5%	17.6%	-18%	17.1%	14.5%	18%
Earnings per share (EPS), EUR	1.85	2.22	-17%	0.51	0.48	6%
Total capital (TC) ratio %	14.9%	15.6%	-5%	14.9%	15.6%	-5%
Common Equity Tier 1 (CET1) capital ratio %	13.3%	15.5%	-14%	13.3%	15.5%	-14%
Comparable profit before taxes	75,850	53,142	43%	20,758	14,448	44%
Comparable cost/income ratio, %	48.0%	48.0%	0%	44.1%	47.9%	-8%
Comparable return on equity (ROE) %	15.8%	11.2%	42%	18.4%	11.6%	58%

Year 2022 comparable profit before taxes + 43%

CEO's review

Profitable growth continues - comparable profit before taxes increased by 43% for the 2022 financial year

OmaSp's business development has continued to be excellent. OmaSp's unique combination of growth and profitability can be seen in the strong accumulation of equity, which enables increasing profit distribution to the owners, as well as investments to enable success also in the future.

The general rise in interest rates, in addition to volume growth, has further accelerated the development of net interest income. Net interest income grew by as much as 40% in the last quarter of the year and by 31% for the whole year. Throughout the year, fee and commission income grew strongly, and the growth was 17% compared to the previous year. Development of fee and commission income slowed towards the end of the year as credit demand moderated due to general economic uncertainty. Balance sheet total increased by almost 600 million euros during the financial year.

Year 2022 net interest income + 31%

The fourth quarter's comparable return on equity (ROE%) rose to a record level and was 18.4%. For the whole year, the comparable return on equity (ROE%) rose to 15.8%.

For the full year, profit before taxes was EUR 69.2 million. Full year comparable profit before taxes increased 43% to EUR 75.9 million, an increase of nearly EUR 23 million from the comparative period. Comparable profit before taxes for the fourth quarter grew by a whopping 44% ending up at EUR 20.8 million, making it the best quarter in the Company's history evaluated by comparable figures.

OmaSp is well prepared for the uncertainty in the operating environment

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

Prospects for growth and increasing dividend

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

Year 2022 comparable ROE 15.8%

OmaSp starts from excellent starting points the year 2023. The foundation for profitable growth is created by excellent customer and personnel satisfaction. Preparations for the application of the IRB method in capital adequacy calculation continue as planned, and it will enable capital utilization to be enhanced in the coming years. The largest business arrangement in the Company's history with Liedon Savings Bank will take place at the beginning of March 2023. With the business arrangement, OmaSp's position will be significantly strengthened in the Turku economic area and in Southwest Finland.

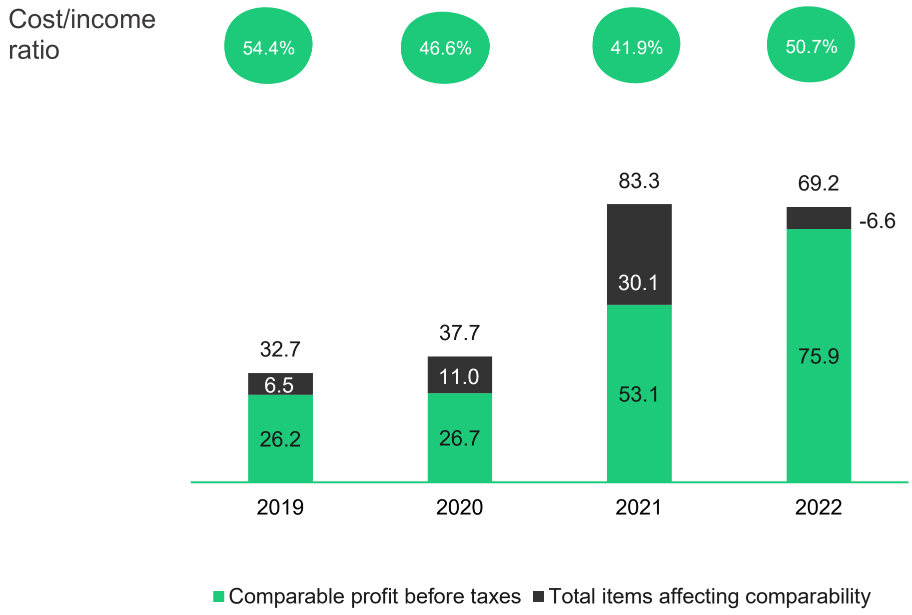
In line with our earnings guidance, we expect OmaSp's profitable growth to remain strong and for 2023, the goal is to achieve EUR 100 million mark for comparable profit before taxes.

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

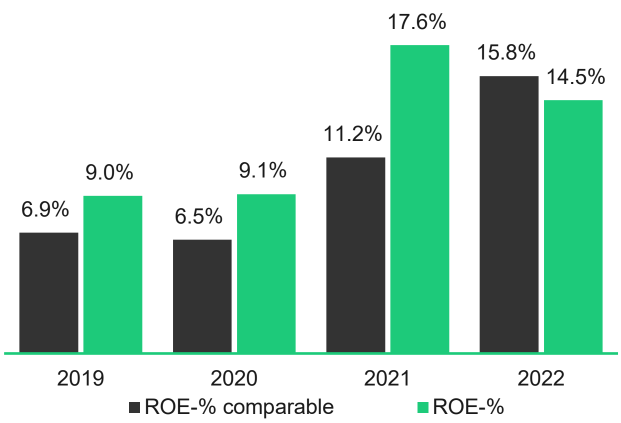
Pasi Sydänlammi
CEO

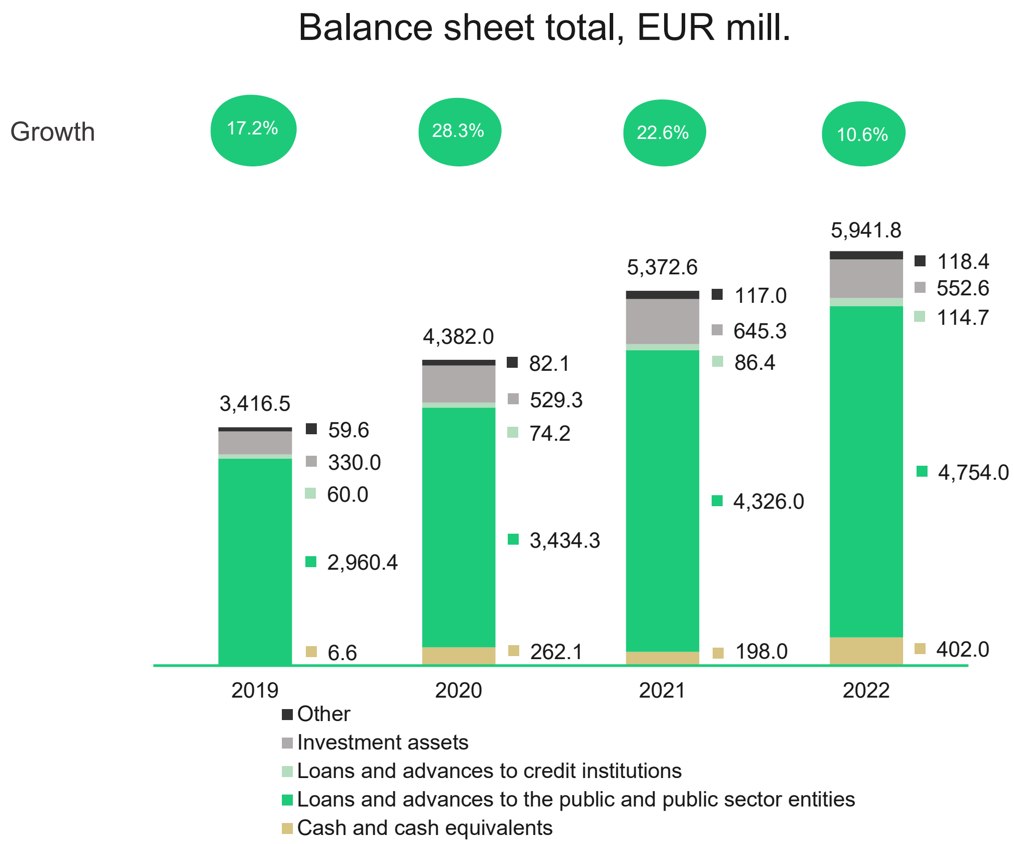
A profitably growing Finnish bank

Profit before taxes, EUR mill.

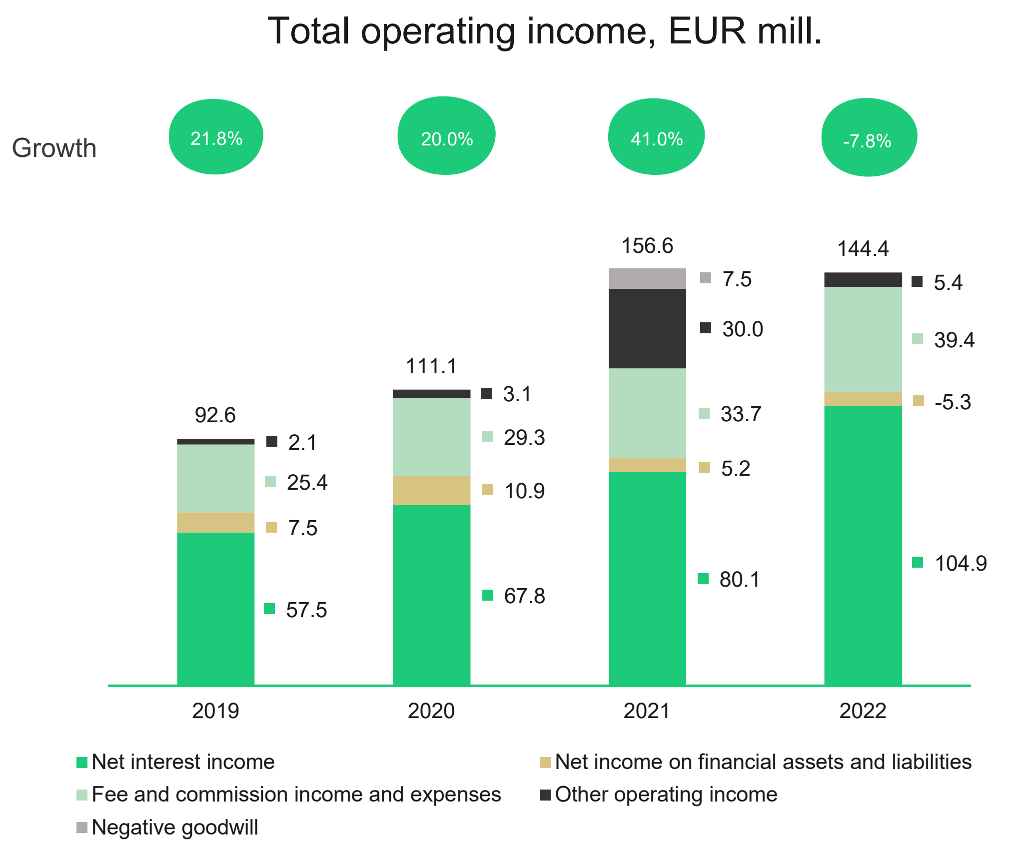


Return on equity (ROE) %





Balance sheet total, EUR mill.
Growth
17.2%
28.3%
22.6%
10.6%
3,416.5
59.6
330.0
60.0
2,960.4
6.6
4,382.0
82.1
529.3
74.2
3,434.3
262.1
5,372.6
117.0
645.3
86.4
4,326.0
198.0
5,941.8
118.4
552.6
114.7
4,754.0
402.0
2019
2020
2021
2022
Other
Investment assets
Loans and advances to credit institutions
Loans and advances to the public and public sector entities
Cash and cash equivalents



Total operating income, EUR mill.
Growth
21.8%
20.0%
41.0%
-7.8%
92.6
2.1
25.4
7.5
57.5
111.1
3.1
29.3
10.9
67.8
156.6
7.5
30.0
33.7
5.2
80.1
144.4
5.4
39.4
-5.3
104.9
2019
2020
2021
2022
Net interest income
Net income on financial assets and liabilities
Fee and commission income and expenses
Other operating income
Negative goodwill

Significant events during the period

- In May 2022, the Company launched negotiations to merge Liedon Savings Bank's banking business into its business. The acquisition plan was registered in the Trade Register in June. In September 2022, the Company's board and the governing body of Liedon Savings Bank decided on the implementation of the transfer of the business in accordance with the acquisition plan. The goal is to complete the acquisition of the business on 28 February 2023. The acquisition of the business is estimated to have a significant positive impact on the Company's annual profitability. In the next few years, it is estimated to increase the Company's profit before taxes by approximately EUR 15-20 million annually in the coming years. In the longer term, business in the Turku economic area is expected to significantly increase the Company's earnings. The merger will increase the Company's balance sheet by approximately EUR 1.4 billion. The arrangement will significantly strengthen the Company's market position and service network in the Turku economic area and throughout Southwest Finland. The number of the Company's private and corporate customers will increase to more than 200,000 after the merger. The growing volumes will further improve the Company's cost efficiency and business profitability. More about the effects of the merger is described on page 23 of the Financial Statements Release.

- Based on the authorisation of the 2022 Annual General Meeting, the Board of Directors of the Company decided on the share issue against payment directed to Liedon Savings Bank. In the directed share issue against payment, 3,125,049 shares of Oma Savings Bank will be given for subscription. The subscription price per share is the closing price of the share on Helsinki Stock Exchange on the transfer day of the business.

  In December, the Company announced that it would begin to apply the Mortgage Credit Bank and Covered Bonds Act (151/2022), effective 8 July 2022, on its already issued bonds and initiated a consent solicitation procedure for its investors. According to the Company's announcement, the necessary consents were received in January and the Company began applying the new law on 20 January 2023.

- In December, the Company announced that its EUR 20 million debenture loan issued in November has been fully subscribed and the sale was suspended before the end of the sale period. Similarly, a EUR 20 million debenture loan issued in September was fully subscribed before the end of the sale period. Both debenture loans will be fully credited to the Company's Tier 2 capital.

- In November, the Company announced that it has signed an agreement with Sp Mortgage Bank Plc on the transfer of mortgage credit bank loans (mortgage loans) brokered by Liedon Savings Bank. The Company purchases traded mortgage loans from SpKLP with all rights and obligations. The loan portfolio transferring to the Company on 5 March 2023 will amount to approximately EUR 250 million in the situation of 22 November 2022. The final size of the loan portfolio becomes more specific at the time of transfer.

- In October, the Company updated its Disclosure Policy. The most key change in Disclosure Policy relates to the silent period, which has been reduced from an earlier 30 days to 14 days.

- In September, the Company upgraded its previous profit guidance for year 2022. The Company's year 2022 comparable profit before taxes will increase significantly compared to the previous financial year. The result for the financial year is boosted by continued strong business development and excellent cost efficiency. At the same time, the Company announced the increase of capital adequacy buffers with the issuance of debenture loans.

- The Company issued a tap issue increase of EUR 250 million in November and a covered bond of EUR 350 million in May. In addition, a EUR 150 million unsecured senior-term bond was issued in September. The loans were issued under the Company's EUR 3 billion bond program.

- In February, the Company submitted an application to the Finnish Financial Supervisory Authority (FIN-FSA) for the application of the IRB approach in capital adequacy, and the application process is progressing based on the dialogue with the supervisor.

- At the end of the year, the Company opened another full-service branch in Tampere Lielahti. In autumn, a new branch was opened in Espoo, which is a major growth centre as Finland's second largest city. The Company's investment decisions have arisen from rising demand.

- In June, the Finnish Financial Supervisory Authority (FIN-FSA) granted the Company a new business license in accordance with the Mortgage Credit Bank and Covered Bonds Act (151/2022).

- The cooperation between the Company and the Nordic Investment Bank (NIB) continues and the banks signed a new loan agreement of EUR 50 million in May. The loan funds small and medium-sized companies and small midcap companies operating in Finland.

- The Company agreed with Mandatum on cooperation related to securities trading. In the future, the Company will recommend Mandatum Trader trading service to its customers, which offers extensive securities trading services. As part of the cooperation, the Company gave up offering its own value share accounts. The cooperation model has no financial impact and does not affect the fund and insurance investment services offered by the Company, which remain unchanged.

- In February, the Company agreed on a long-term partnership with Kyndryl-Samlink. Samlink went into ownership of Kyndryl in early 2022. The Company will develop its IT systems as reasonable entities and from the business needs. Through long-term cooperation, the Company aims for an even more modern and cost-effective IT environment.

- In February, the Company's Board of Directors confirmed the fulfilment of the 2020-2021 share-based incentive scheme's earning criteria and the payment of 336,150 shares, including the amount to be paid in cash. The share rewards will be paid in four installments within three years.

- In February 2022, the Company's Board of Directors decided on a new share-based incentive scheme for its key persons. The aim of the scheme is to combine the interests of owners and key persons in order to increase the value of the Company in the long term, and to commit the key persons to implement the Company's strategy, objectives and long-term interest and to provide them with competitive earnings of the Company's shares and a remuneration scheme based on accrual. The incentive scheme 2022-2023 has one two-year earning period and a commitment period of 1-5 years. The fees payable under the scheme corresponds to a maximum value of 400,000 shares of Oma Savings Bank Plc, including the amount to be paid in cash.

- The Company completed the repurchase programme of its own shares, which started on 17 September 2021 and ended on 24 February 2022. During this period, a total of 198,300 own shares were repurchased for an average price of EUR 16.2543 per share. The amount corresponds to approximately 0.7% of the Company's total share amount. The shares were repurchased on the basis of the authorisation given by the Annual General Meeting on 30 March 2021. The shares were acquired to implement a share-based incentive scheme for key persons.

Oma Savings Bank Group's key figures

(1,000 euros)	1-12/2022	1-12/2021	Δ %	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Net interest income	104,930	80,130	31%	30,634	26,981	24,229	23,086	21,873
Total operating income	144,392	156,565	-8%	39,719	36,287	33,843	34,543	39,452
Total operating expenses	-73,062	-65,294	12%	-18,709	-16,930	-18,521	-18,903	-19,518
[1] Cost/income ratio, %	50.7%	41.9%	21%	47.6%	46.7%	54.7%	54.6%	49.9%
Impairment losses on financial assets, net	-1,747	-7,294	76%	-1,315	-1,557	-1,372	2,498	-1,632
Profit before taxes	69,226	83,271	-17%	19,285	17,772	13,942	18,227	17,967
Profit/loss for the accounting period	55,379	66,252	-16%	15,262	14,186	11,114	14,818	14,244
Balance sheet total	5,941,766	5,372,633	11%	5,941,766	5,849,001	5,890,317	5,518,011	5,372,633
Equity	364,961	401,294	-9%	364,961	350,730	355,874	371,118	401,294
[1] Return on assets (ROA) %	1.0%	1.4%	-30%	1.0%	1.0%	0.8%	1.1%	1.1%
[1] Return on equity (ROE) %	14.5%	17.6%	-18%	17.1%	16.1%	12.2%	15.3%	14.5%
[1] Earnings per share (EPS), EUR	1.85	2.22	-17%	0.51	0.47	0.37	0.49	0.48
[1] Equity ratio %	6.1%	7.5%	-18%	6.1%	6.0%	6.0%	6.7%	7.5%
[1] Total capital (TC) ratio %	14.9%	15.6%	-5%	14.9%	13.8%	13.2%	14.7%	15.6%
[1] Common Equity Tier 1 (CET1) capital ratio %	13.3%	15.5%	-14%	13.3%	13.0%	13.2%	14.6%	15.5%
[1] Tier 1 (T1) capital ratio %	13.3%	15.5%	-14%	13.3%	13.0%	13.2%	14.6%	15.5%
[1] Liquidity coverage ratio (LCR) %	166.4%	133.0%	25%	166.4%	153.3%	151.4%	123.1%	133.0%
[1] Net Stable Funding Ratio (NSFR) %	115.3%	115.2%	0%	115.3%	110.6%	109.9%	115.8%	115.2%
Average number of employees	352	315	12%	359	359	362	331	323
Employees at the end of the period	357	344	4%	351	351	366	335	344

Alternative performance measures excluding items affecting comparability:

[1] Comparable profit before taxes	75,850	53,142	43%	20,758	18,921	16,158	20,013	14,448
[1] Comparable cost/income ratio, %	48.0%	48.0%	0%	44.1%	45.3%	51.4%	51.9%	47.9%
[1] Comparable earnings per share (EPS), EUR	2.02	1.41	43%	0.55	0.50	0.43	0.54	0.38
[1] Comparable return on equity (ROE) %	15.8%	11.2%	42%	18.4%	17.1%	14.2%	16.8%	11.6%

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

Operating environment

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

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

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

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

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

In December, the consumer confidence indicator dropped sharply to freezing compared to the previous year. The components of the confidence indicator are: assessment of one's own finances now, expectations of one's own and Finland's economy 12 months from now, and intentions to spend money on durable goods in the next 12 months. Expectations about the current state of the consumer's own finances weakened and compared to a year ago, expectations about the current state of the Finnish economy were clearly darker. (11

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

In November, 1.2 billion euros worth of mortgage loans were raised, which is EUR 750 million less than the previous year. The average interest rate for new mortgage loans was 3.18% in November. In November 2022, the annual growth of all loans to households was 1.2%. The annual growth rate of mortgage lending was 1%. The volume of corporate loans rose 10% over the same period. Over the 12-month period, the number of household deposits increased by a total of 2.7% but has clearly slowed down from the same period last year. (7

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

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

1) Bank of Finland, Finland's economy slips into recession. Published on 16 December 2022.

2) Bank of Finland, ECB monetary policy decisions. Published on 15 December 2022.

3) Statistics Finland, Inflation 9.1% in December 2022. Published on 13 January 2023.

4) Statistics Finland, Households' saving rate decreased in 2022 in the third quarter. Published on 16 December 2022.

5) Statistics Finland, Number of employed persons increased and the number of unemployed decreased in 2022. Published on 27 January 2023.

6) Statistics Finland, Prices of old dwellings in housing companies fell in November 2022, especially in the metropolitan area. Published on 29 December 2022.

7) Bank of Finland, MFI balance sheet (loans and deposits) and interest rates, Amount of funds in current accounts decreased and the popularity of term deposits increased. Published on 3 January 2023.

8) Statistics Finland, 222 bankruptcies were initiated in December 2022. Published on 16 November 2022.

9) Statistics Finland, Number of cubes issued for building permits decreased further in September-November 2022 from one year ago. Published on 25 January 2023.

10) Bank of Finland, Euribor interest rates tables. Published on 3 January 2023.

11) Statistic Finland, Consumers' estimates of their own finances increasingly gloomy in December 2022. Published on 27 December 2022.

Impacts of the Russian invasion war on the Company

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

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

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

The quality of the Company's loan portfolio has remained at a good level. However, the Russian invasion war, inflation and the rise in interest rates have further increased uncertainty in the financial market and the operating environment, and it has increased the credit risk as customers' potential payment difficulties may increase. In addition to the allowances generated by ECL models, additional allowances based on management's judgement has been made for payment difficulties by individual customers already during the corona pandemic. In the last quarter of the year, the Company updated the ECL model macro variables to better account for the weak economic cycle as part of the model. In the last quarter of the year, the Company released additional allowances based on the management's judgement by two million euros. On 31 December 2022, the Company has a total of EUR 0.9 million (2.9 million) additional allowances left. The Company continues to monitor the situation and assess the situation on a monthly basis.

The impacts of the crises 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 2022, as well as a rating of A-2 for short-term borrowing. The outlook for a long-term credit rating has been confirmed as stable.

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

The Group's Liquidity Coverage Ratio (LCR) remained at a good level, standing at 166.4% at the end of 2022. The Net Stable Funding Ratio (NSFR) was 115.3%.

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

Related party disclosures

Related party is defined as key persons in a leading position at Oma Savings Bank Plc and their family members, subsidiaries, associated companies and joint ventures, joint operations and companies in which a key person in a leading position has control or significant influence, and organizations that have significant influence in Oma Savings Bank Plc. Key persons are members of the Board of Directors, the CEO and deputy to the CEO and the rest of the management team. Loans and guarantees have been granted with conditions that are applied to similar loans and guarantees granted to customers.

More detailed information on related parties is given in Note G31 of the 2021 Financial Statements.

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

Financial statements

The corresponding period last year has been used as the year under comparison in income statement items, and the date 31 December 2021 as the comparative period for the balance sheet and capital adequacy.

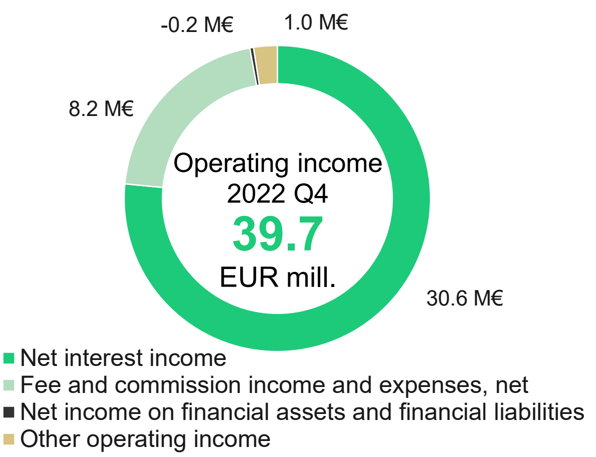
Result 10–12 / 2022

For the last quarter, the Group's profit before taxes was EUR 19.3 (18.0) million and the profit for the period was EUR 15.3 (14.2) million. The cost/income ratio was 47.6 (49.9)%.

Comparable profit before taxes amounted to EUR 20.8 (14.4) million in the fourth quarter and the comparable cost/income ratio was 44.1 (47.9)%. The comparable profit has been adjusted for the net income on financial assets and liabilities.

Income

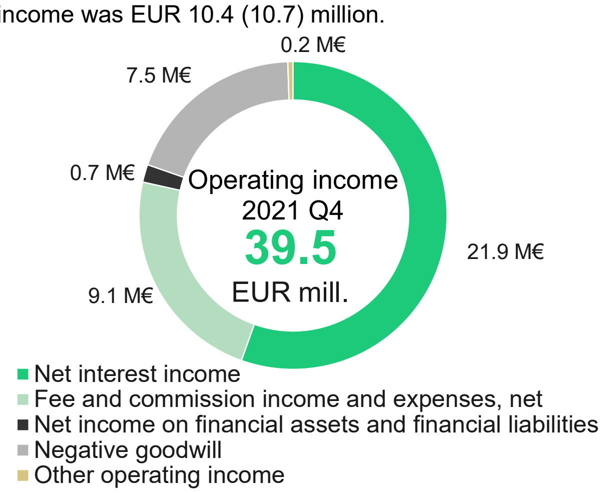
Total operating income was EUR 39.7 (39.5) million. Total operating income increased 0.7% year-on-year. In the comparative period, a negative goodwill of EUR 7.5 million was recorded on the acquisition of Eurajoen Savings Bank's business as a positive single item. Comparable operating income was EUR 39.9 (31.2) million, an increase of 27.9% compared to the previous year.



Net interest income grew by 40.1%, totalling EUR 30.6 (21.9) million. During the review period, interest income grew by 77.6%, totalling EUR 41.2 (23.2) million. The growth in interest income can be explained by the impact of the increase in market interest rates as well as the increase in the loan portfolio of EUR 456 million as of 31 December 2021. In addition, hedges related to interest rate risk management have increased interest income. During the reporting period, the average margin of the loan portfolio has remained almost unchanged.

Interest expenses were EUR 10.6 (1.3) million in the fourth quarter. A large part of the increase in interest expenses can be explained by the interest rates on new bonds issued during 2022 and the rise in market interest rates. The average interest on deposits paid to the Company's customers was 0.20% (0.01%) at the end of the period. During the third quarter, the Company revised the interest treatment of the TLTRO loan, as a result of which the interest expenses on the loan increased relative to the comparative period.

Fee and commission income and expenses (net) decreased by 9.4% to EUR 8.2 (9.1) million. The decrease in fee and commission income was due to lower lending fee income as new lending slowed down in the fourth quarter. Uncertainty of the economic environment weakened credit demand, in addition, the Company reduced new lending in preparation for a weakening economic cycle. The total amount of fee and commission income was EUR 10.4 (10.7) million.



Net fee and commission income from cards and payment transactions was EUR 6.4 (5.3) million. The item increased by 20.7%. The increase is mainly explained by the increase in customer volume and the improvement in pricing power. The amount of commission income from lending was EUR 1.8 (3.1) million.

The net income on financial assets and liabilities were during the period EUR -0.2 (0.7) million. Losses recorded on financial assets are due to changes in the market prices.

Other operating income was EUR 1.0 (0.2) million.

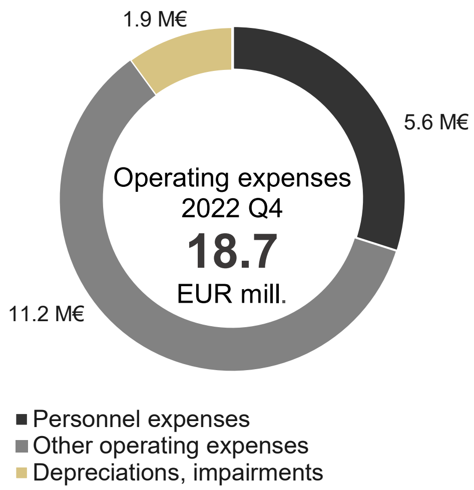
Expenses

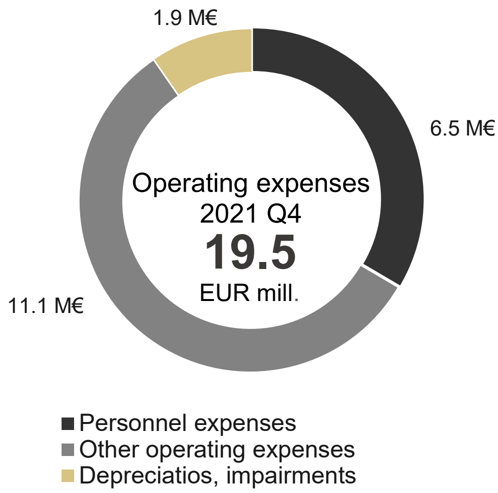
Operating expenses came to a total of EUR 18.7 (19.5) million and decreased 4.1% compared to the previous year's corresponding period. The increase in comparable operating expenses was 17.8%. Expenses affecting comparability were recorded for the reporting period from Liedon Savings Bank's acquisition EUR 1.3 million, and correspondingly, for the comparison period, expenses of EUR 4.3 million related to the acquisition of Eurajoen Savings Bank's business were recorded.

Personnel expenses decreased 14.3%, totalling EUR 5.6 (6.5) million. The number of employees at the end of the period was 357 (344), of which 62 (55) were fixed-term.

Other operating expenses increased 1.1% to EUR 11.2 (11.1) million. The item includes authority fees, office, IT, PR and marketing costs and those stemming from the business premises in own use. Towards the end of the year, expenses related to the opening of new units have increased. In addition, project costs related to the acquisition of Liedon Savings Bank have increased costs.

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





Impairment losses on financial assets

During the fourth quarter, impairment losses on financial assets (net) were EUR 1.3 (1.6) million.

The net amount of realised credit losses decreased compared to the comparison period and was EUR 0.8 (1.3) million during October-December.

During the fourth quarter, the provision for expected credit losses increased EUR 0.5 (0.4) million. Of the change in expected credit losses, EUR 0.5 million was allocated to receivables from customers and off-balance sheet items. There have been minor changes in the amount of expected credit losses in the investment portfolio.

In the fourth quarter, the Company released EUR 2.0 million of additional loss allowance based on the management's judgement elated to the corona pandemic and the Russian invasion war, as the effects of the corona pandemic and the invasion war have still remained limited. After releasing, allowances based on management's judgement of EUR 0.9 million remain for use by the Company, of which a total of EUR 0.5 million has been allocated to corporate customers and EUR 0.4 million to private customers. Additional allowances made are targeted to stage 2. In addition to the available additional loss allowances, the Company has prepared for a weakening economic cycle by updating the macro variables of the ECL model. The macro variable update increased the expected credit losses by a total of EUR 0.7 million.

Result 1–12 / 2022

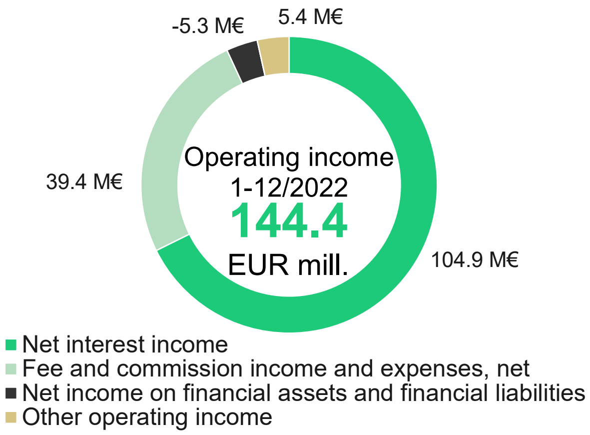
The Group's profit before taxes for January-December was EUR 69.2 (83.3) million and the profit for the period was EUR 55.4 (66.3) million. The cost/income ratio was 50.7 (41.9)%.

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

Income

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

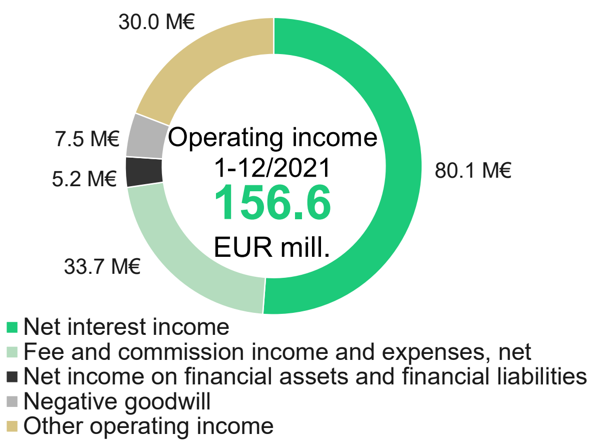
Comparable total operating income was EUR 149.7 (116.9) million and the increase of comparable total operating income was 28.1%. During the reporting period, net income on financial assets and liabilities of EUR -5.3 (5.2) million has been eliminated from operating income as an item affecting comparability.



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

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

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



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

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

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

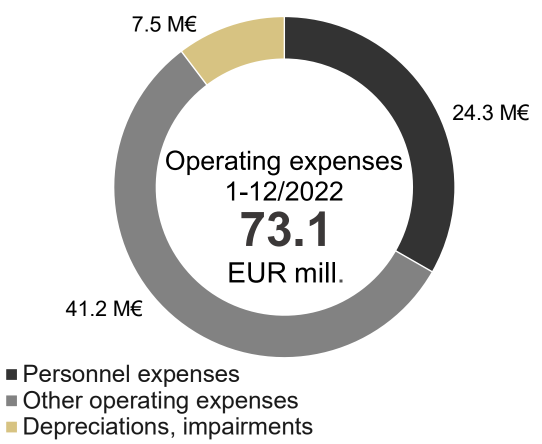
Expenses

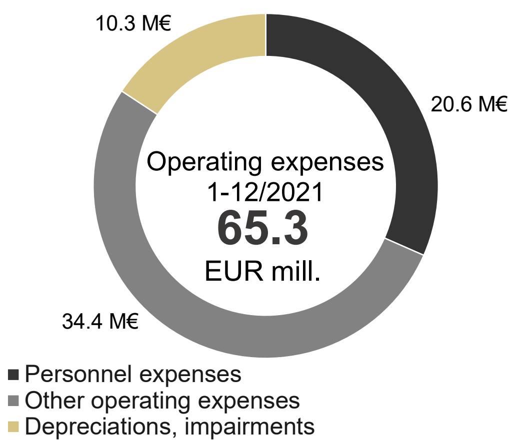
Operating expenses increased 11.9% compared to the previous year's corresponding period. Operating expenses came to a total of EUR 73.1 (65.3) million. For the reporting period, expenses affecting comparability have been recorded in relation to the future acquisition of the Liedon Savings Bank business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

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

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

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





Impairment losses on financial assets

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

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

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

During the first quarter, the Company released EUR 2.0 million of the additional loss allowances related to the corona pandemic. However, the Russian invasion war that began in February added economic uncertainty, which is why the Company made an additional loss allowance of EUR 2.0 million based on management's judgement. In the second quarter, based on the Company's assessment, the effects of the invasion war and the corona pandemic on the Company's credit base remained limited, which is why the Company released EUR 2.0 million of the additional loss allowances. In the third quarter, the Company's management decided to make an additional loss allowance based on the management's judgement of EUR 1.0 million to prepare for a weakening economic cycle and increasing payment difficulties that may come with it. During the last quarter, the company updated the macro variables of the ECL calculation model, that consider the effects of the weakening economic cycle in the calculation model. The change increased the amount of ECL by EUR 0.7 million. During the last quarter, the Company released EUR 2.0 million of the additional loss allowances. After the fourth quarter, additional loss allowances of EUR 0.9 million remain for use by the Company. A total of EUR 0.5 million of these additional loss allowances has been allocated to corporate customers and EUR 0.4 million to private customers. Additional allowances made are targeted to stage 2. In addition to the allowances generated by ECL models, allowances based on management's judgement has been made for the payment difficulties of individual customers.

Balance sheet

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

Loans and other receivables

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

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

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

Credit balance (1,000 euros)	31 Dec 2022	31 Dec 2021
Private customers	2,858,099	2,705,643
Corporate customers	1,093,700	882,817
Housing associations	461,339	388,306
Agricultural customers	271,112	277,743
Other	94,618	100,040
Total	**4,778,869**	**4,354,549**

Investment assets

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

Intangible assets

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

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

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

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

Debt securities issued to the public

Total debt securities issued to the public grew during the period by 18.4% to EUR 2,087.0 (1,762.3) million. The Company issued a covered bond of EUR 350 million in May and EUR 250 million in November, and EUR 150 million senior-term bond in September. A EUR 350 million covered bond matured in December, the repayment of which reduced the number of bonds in the fourth quarter. The debt securities issued to the public are shown in more detail in Note 8.

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

Equity

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

Own shares

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

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

Off-balance-sheet commitments

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

Progress of key development projects

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

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

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

Merger negotiations with Liedon Savings Bank

In May 2022, the Company launched negotiations to merge Liedon Savings Bank's banking business into its business. The acquisition plan of the merger has been approved by the Boards of both banks and the acquisition plan was registered in the Trade Register in June. At its meeting on 22 September 2022, the Board of Directors of the Company decided on the implementation of the transfer of the business of Liedon Savings Bank in accordance with the acquisition plan. According to the acquisition plan, Liedon Savings Bank will transfer its entire business to OmaSp in accordance with Chapter 6 of the Savings Banks Act, except for the minor assets mentioned in the acquisition plan. The planned registration date for the execution of the business transfer is 28 February 2023.

The acquisition of the business will have a significant positive impact on the Company's annual profitability. In the next few years, it is estimated to increase the Company's profit before taxes by approximately EUR 15-20 million annually in the coming years. In the longer term, business in the Turku economic area is expected to significantly increase the Company's earnings. The merger will increase the Company’s balance sheet by approximately EUR 1.4 billion. The effects of the arrangement on the Company's balance sheet items will be specified at the time of the transaction. The arrangement will significantly strengthen the Company's market position and service network in the Turku economic area and throughout Southwest Finland. The number of the Company's private and corporate customers will increase to more than 200,000 after the merger. The growing volumes will further improve the Company's cost efficiency and business profitability.

The acquisition of the business is planned to be carried out through a directed share issue to Liedon Savings Bank, where it will receive 3,125,049 shares in Oma Savings Bank Plc. The Board of Directors decided on the implementation of the directed issue in September 2022. The subscription price per share is the closing price of the share on the Helsinki Stock Exchange on the day of the transfer of the business, and the recorded effect of the directed issue on the Company's equity is specified on the day of the transfer. The additional purchase price will be paid in cash based on Liedon Savings Bank's customer business results for the period 1 May 2022 to 28 February 2023. Following the transfer of the banking business, Liedon Savings Bank is to become a regional Savings Bank Foundation.

Significant events after the period

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

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

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 2022, a dividend of EUR 0.40 to be paid from the Parent Company's distributable profits for each share entitled to a dividend for 2022.

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

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

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 2023

The Company will publish financial information in 2023 as follows:

2 May 2023 Interim Report Jan-Mar 2023
31 Jul 2023 Interim Report Jan-Jun 2023
30 Oct 2023 Interim Report Jan-Sep 2023

The Company's 2022 Financial Statements, Report of the Board of Directors and Auditor's Report will be published in week 10.

The actual general meeting is planned to be held on 30 March 2023. The Company's Board of Directors will convene the general meeting later.

Outlook for the 2023 accounting period

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

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

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

Capital adequacy

The total capital (TC) ratio of Oma Savings Bank Group decreased and was 14.9 (15.6)% at the end of the period. The Common Equity Tier 1 capital (CET1) ratio was 13.3 (15.5)%, being below the minimum level of the medium-term financial goal set by the Company's Board (14%). Risk-weighted assets grew 6.2% to EUR 2,546.5 (2,398.1) million. Risk-weighted assets grew most significantly due to growth in the loan portfolio for private and corporate customers. Oma Savings Bank Group applies in the capital requirement calculation for credit risk calculation the standardised approach and for operational risk the basic indicator approach. The basic method is applied when calculating the capital requirement for market risk for the foreign exchange position. The Company's transition project to the application of the IRB approach is proceeding as planned.

At the end of the review period, the capital structure of the Group remained sufficient and consisted mostly of Common Equity Tier 1 capital (CET1).

The Group's own funds (TC) of EUR 379.0 (375.2) million exceeded by EUR 73.2 million the total capital requirement for own funds EUR 305.8 (287.9) million. Own funds were most significantly increased by retained earnings for the financial year 2022, which have been included in the Common Equity Tier 1 capital with the permission granted by the Finnish Financial Supervisory Authority (FIN-FSA) as well as the total of EUR 40 million debenture loans issued in September and November. Decrease in fair value reserve EUR 76.0 million significantly reduced own funds. In the fourth quarter, the Company launched liquidity portfolio interest rate hedging to reduce changes in the fair value reserve when the interest rate environment changes. In addition, the Company has readiness for the issuance of a debenture loan in early 2023. The Group´s leverage ratio was 5.6 (6.7)% at the end of the period, while the binding leverage ratio requirement of Solvency regulation was 3%.

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

Leverage ratio (1,000 euros)	31 Dec 2022	31 Dec 2021
Tier 1 capital	339,488	371,923
Total amount of exposures	6,093,644	5,527,533
Leverage ratio	**5.57%**	**6.73%**

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

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

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

Group`s total capital requirement
31 Dec 2022
(1,000 euros)

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

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

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

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

Tables and notes to the Financial Statements

Consolidated condensed income statement

Note	(1,000 euros)	1-12/2022	1-12/2021	2022 Q4	2021 Q4
	Interest income	121,876	84,908	41,216	23,201
	Interest expenses	-16,946	-4,778	-10,582	-1,328
9	**Net interest income**	**104,930**	**80,130**	**30,634**	**21,873**
	Fee and commission income	46,270	39,438	10,429	10,730
	Fee and commission expenses	-6,873	-5,752	-2,187	-1,636
10	**Fee and commission income and expenses, net**	**39,396**	**33,686**	**8,242**	**9,094**
11	Net income on financial assets and financial liabilities	-5,306	5,203	-154	735
	Negative goodwill	-	7,535	-	7,535
	Other operating income	5,371	30,012	997	215
	Total operating income	**144,392**	**156,565**	**39,719**	**39,452**
	Personnel expenses	-24,316	-20,631	-5,601	-6,532
	Other operating expenses	-41,203	-34,396	-11,236	-11,110
	Depreciation, amortisation and impairment losses on tangible and intangible assets	-7,543	-10,267	-1,872	-1,876
	Total operating expenses	**-73,062**	**-65,294**	**-18,709**	**-19,518**
12	Impairment losses on financial assets, net	-1,747	-7,294	-1,315	-1,632
	Share of profit of equity accounted entities	-357	-706	-410	-334
	Profit before taxes	**69,226**	**83,271**	**19,285**	**17,967**
	Income taxes	-13,847	-17,019	-4,024	-3,723
	Profit for the accounting period	**55,379**	**66,252**	**15,262**	**14,244**
	Of which:				
	Shareholders of Oma Savings Bank Plc	55,382	66,158	15,262	14,258
	Non-controlling interest	-2	95	-	-14
	Total	**55,379**	**66,252**	**15,262**	**14,244**
	Earnings per share (EPS), EUR	**1.85**	**2.22**	**0.51**	**0.48**
	Earnings per share (EPS) after dilution, EUR	**1.83**	**2.20**	**0.51**	**0.47**

Profit before taxes excluding items affecting comparability

(1,000 euros)	1-12/2022	1-12/2021	2022 Q4	2021 Q4
Profit before taxes	**69,226**	**83,271**	**19,285**	**17,967**
Operating income:				
Net income on financial assets and liabilities	5,306	-5,203	154	-735
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	1,318	4,416	1,318	4,250
Real estate sales and impairment losses	-	500	-	500
Comparable profit before taxes	**75,850**	**53,142**	**20,758**	**14,448**
Income taxes in income statement	-13,847	-17,019	-4,024	-3,723
Change of deferred taxes	-1,325	6,026	-294	704
Comparable profit/loss for the accounting period	**60,679**	**42,149**	**16,440**	**11,428**

Consolidated statement of comprehensive income

(1,000 euros)	1-12/2022	1-12/2021	2022 Q4	2021 Q4
Profit for the accounting period	**55,379**	**66,252**	**15,262**	**14,244**
Other comprehensive income before taxes				
Items that will not be reclassified through profit or loss				
Gains and losses on remeasurements from defined benefit pension plans	364	-359	364	-141
Items that may later be reclassified through profit or loss				
Measured at fair value	-94,917	-14,153	-1,871	-5,132
Transferred to Income Statement as a reclassification change	-97	8	-	-3
Other comprehensive income before taxes	**-94,650**	**-14,504**	**-1,507**	**-5,277**
Income taxes				
For items that will not be reclassified to profit or loss				
Gains and losses on remeasurements from defined benefit pension plans	-73	72	-73	28
Items that may later be reclassified to profit or loss				
Measured at fair value	19,003	2,829	374	1,027
Income taxes	**18,930**	**2,901**	**301**	**1,055**
Other comprehensive income for the accounting period after taxes	**-75,720**	**-11,603**	**-1,206**	**-4,221**
Comprehensive income for the accounting period	**-20,340**	**54,649**	**14,056**	**10,022**
Attributable to:				
Shareholders of Oma Savings Bank Plc	-20,338	54,554	14,056	10,037
Non-controlling interest	-2	95	-	-14
Total	**-20,340**	**54,649**	**14,056**	**10,022**

Consolidated condensed balance sheet

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

Note	Liabilities (1,000 euros)	31 Dec 2022	31 Dec 2021
7	Liabilities to credit institutions	242,543	212,685
7	Liabilities to the public and public sector entities	3,112,464	2,897,865
5	Financial derivatives	4,184	-
8	Debt securities issued to the public	2,086,950	1,762,324
	Subordinated liabilities	40,000	15,500
	Provisions and other liabilities	54,111	42,512
	Deferred tax liabilities	36,072	31,122
	Current income tax liabilities	482	9,331
	Liabilities, total	**5,576,806**	**4,971,339**

Equity	31 Dec 2022	31 Dec 2021
Share capital	24,000	24,000
Reserves	68,822	144,833
Retained earnings	272,139	231,939
Shareholders of Oma Savings Bank Plc	**364,961**	**400,772**
Shareholders of Oma Savings Bank Plc	364,961	400,772
Non-controlling interest	-	522
Equity, total	**364,961**	**401,294**
Liabilities and equity, total	**5,941,766**	**5,372,633**

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

Consolidated statement of changes in equity

(1,000 euros)

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

31 Dec 2021	Share capital	Fair value reserve	Other reserves	Reserves, total	Retained earnings	Shareholders of Oma Savings Bank Plc	Non-controlling interest	Equity, total
Equity, 1 January 2021	**24,000**	**10,824**	**137,530**	**148,354**	**180,712**	**353,066**	**427**	**353,493**
Comprehensive income								
Profit for the accounting period	-	-	-	-	66,158	66,158	95	66,252
Other comprehensive income	-	-11,316	-	-11,316	-288	-11,603	-	-11,603
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**	**-14,642**	**-6,848**	**-**	**-6,848**
Equity total, 31 December 2021	**24,000**	**-492**	**145,324**	**144,833**	**231,939**	**400,772**	**522**	**401,294**

Consolidated condensed cash flow statement

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

Consolidated condensed income statement, quarterly trend

Note	(1 000 euros)	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4
	Interest income	41,216	30,309	26,296	24,055	23,201
	Interest expenses	-10,582	-3,329	-2,066	-969	-1,328
9	**Interest income, net**	**30,634**	**26,981**	**24,229**	**23,086**	**21,873**
	Fee and commission income	10,429	11,757	12,259	11,825	10,730
	Fee and commission expenses	-2,187	-1,584	-1,528	-1,574	-1,636
10	**Fee and commission income and expenses, net**	**8,242**	**10,173**	**10,730**	**10,251**	**9,094**
11	Net income on financial assets and financial liabilities	-154	-1,149	-2,217	-1,786	735
	Negative goodwill	-	-	-	-	7,535
	Other operating income	997	282	1,100	2,992	215
	Operating income, total	**39,719**	**36,287**	**33,843**	**34,543**	**39,452**
	Personnel expenses	-5,601	-5,760	-6,832	-6,122	-6,532
	Other operating expenses	-11,236	-9,285	-9,846	-10,836	-11,110
	Depreciation, amortisation and impairment losses on tangible and intangible assets	-1,872	-1,884	-1,842	-1,945	-1,876
	Operating expenses, total	**-18,709**	**-16,930**	**-18,521**	**-18,903**	**-19,518**
12	Impairment losses on financial assets, net	-1,315	-1,557	-1,372	2,498	-1,632
	Share of profit from joint ventures and associated companies	-410	-28	-9	89	-334
	Profit before taxes	**19,285**	**17,772**	**13,942**	**18,227**	**17,967**
	Income taxes	-4,024	-3,587	-2,827	-3,409	-3,723
	Profit for the accounting period	**15,262**	**14,186**	**11,114**	**14,818**	**14,244**
	Of which:					
	Shareholders of Oma Savings Bank Plc	15,262	14,186	11,103	14,831	14,258
	Non-controlling interest	-	-	11	-14	-14
	Total	**15,262**	**14,186**	**11,114**	**14,818**	**14,244**
	Earnings per share (EPS), EUR	**0.51**	**0.47**	**0.37**	**0.49**	**0.48**
	Earnings per share (EPS) after dilution, EUR	**0.51**	**0.47**	**0.37**	**0.49**	**0.48**

Profit before taxes excluding items affecting comparability:	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Profit before taxes	**19,285**	**17,772**	**13,942**	**18,227**	**17,967**
Operating income:					
Net income on financial assets and liabilities	154	1,149	2,217	1,786	-735
Negative goodwill	-	-	-	-	-7,535
Operating expenses					
Costs relating to business combinations	1,318	-	-	-	4,251
Sales and impairment losses of commercial premises in own use	-	-	-	-	500
Comparable profit before taxes	**20,758**	**18,921**	**16,158**	**20,013**	**14,448**
Income taxes in income statement	-4,024	-3,587	-2,827	-3,409	-3,723
Change of deferred taxes	-294	-230	-443	-357	704
Comparable profit/loss for the accounting period	**16,440**	**15,105**	**12,888**	**16,247**	**11,428**

Note 1 Accounting principles for the Financial Statements Release

1. About the accounting principles

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

Oma Savings Bank Group is formed as follows:

Subsidiaries

- Real estate company Lappeenrannan Säästökeskus holding 100%

Associated companies

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

Joint ventures and joint operations

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

Due to changes in ownership and control of SAV-Rahoitus Oyj, the company will be consolidated into the Group as a joint venture as of 1 June 2022. During the last quarter, the Company increased its shareholding in City Kauppapaikat Oy through a directed share issue by 0.6%.

The Financial Statements Release 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 2021 Financial Statements.

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 1 January - 31 December 2022 in its meeting on 6 February 2023.

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.

The calculation rules for expected credit losses used by the Company (according to IFRS9) are described in the accounting principles for Financial Statements 2021, section 4.5.3 "Expected credit losses - model inputs". In February 2022, the Company applied an IRB application to the Finnish Financial Supervisory Authority (FIN-FSA). As part of the IRB application, the Company has updated the credit risk models of ECL-calculations to reflect the application's internal credit risk models. In the model change the number of scenarios increased and a macroeconomic model based on GDP change, real estate prices, employment and inflation was introduced.

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

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

The uncertainties contained in the accounting principles that require management's judgement and those contained in the estimates are described in the 2021 Financial Statements. The Russian invasion war and the subsequent accelerating inflation and rising interest rates, as well as the uncertainty in the operating environment caused by the corona pandemic, may bring changes to the estimates presented in the Financial Statements that require management judgment. The Company's management has assessed the effects of the Russian invasion war and 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 Russian invasion war and the corona pandemic on the Company's risk position are provided in Note 2.

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 has updated calculation models during the first quarter. The Company's management has estimated that the calculation models and scenarios corresponding to the IRB application better reflect the Company's credit risk for housing and consumer loans of private customers and off-balance sheet items. With the updates made to the ECL calculation models, the loan portfolio is divided into calculation portfolios based on the PD (Probability of default) parameter calculated for the customer. With the change, the Group's loan portfolio has been divided into the following calculation portfolios:

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

Private customers' and corporate customers' loans form the two most significant portfolios. The calculation of the expected credit loss for each portfolio is based on the Exposure at Default (EAD), Probability of Default (PD) and the Loss Given Default (LGD). As a basis for determining the parameters, the Company uses customers' historical payment behavior and customer data, as well as liability and collateral values. In the determination of the values of the PD and LGD variables, macroeconomic forecasts concerning the future development of the national economy, the change in GDP, the development of housing prices and the number of employed people are used.

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. In December 2021, in connection with the acquisition of Eurajoen Savings Bank's business, the Company recognised a liability of EUR 6.5 million at fair value through profit or loss for the five-year periodic concerning the liability of Eurajoen Savings Bank as a credit institution member leaving the consortium of Savings Banks. The amount of the debt that can be valued with an impact on profit has been re-assessed and the amount of the debt has been reduced by EUR 1.3 million during the accounting period.

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

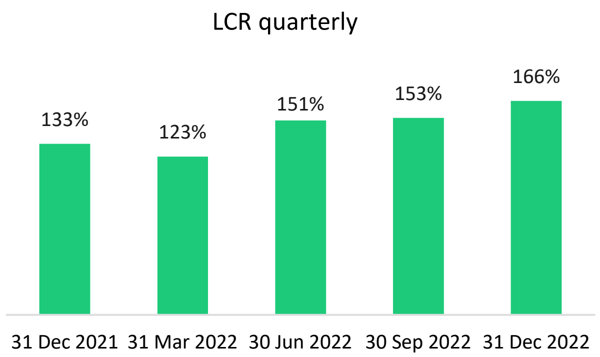
1. Liquidity risk

During the Russian invasion war and 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 and the effects of the Russian invasion war on the Company's liquidity have remained moderate. The Company's liquidity has remained at a good level with, among other things, the covered bonds issued in May and in November 2022 and with the issuance of the senior-term bond in September 2022. The deposit portfolio has increased by 7.5% over the previous 12 months. The sharp rise in interest rates seen in 2022 can be partly seen as a shift in demand deposits, when banks are starting to offer deposit rates again after a long period of negative interest rates. In addition, the prolongation of Russia's invasion war and the inflation caused by the energy crisis weaken the funds available to households.

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 166.4% on 31 December 2022. The Company's liquidity has remained strong despite uncertain market situation. The growth of new lending stopped in the last quarter. With the changed interest rate environment and uncertain market situation continuing, the Company aims for more moderate growth in lending for 2023.

The Company has initiated many measures with which it aims to add buffers to the clearly weakening economic cycle. The Company has issued bonds and debentures to increase liquidity and capital buffers. In addition, the Company has hedging measures in place with regard to interest rate risk management.



2. Credit risk

Credit risk refers to the risk that a contracting party to a financial instrument will not be able to meet its obligations, thereby causing the other party a financial loss. Oma Savings Bank'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 2021 Financial Statements.

2.1 Loan reliefs granted by the Company

Neither the Russian invasion war nor the corona pandemic has caused individual peaks in demand of grace periods during 2022. However, during the review period, the grace periods grew steadily, and at the end of the reporting period, the total grace periods of the loans from the entire loan stock amounted to EUR 439.4 million. All grace periods in force at the end of the 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. Growth stopped in the last quarter as the uncertainty of the economic environment weakened loan demand, and the Company also reduced new lending in preparation for a weakening economic cycle. The quality of the loan portfolio has remained at a good level, but the situation requires active monitoring due to the consequences caused by the Russian invasion war, such as the rise in interest rates and costs and the decline in economic growth. Regarding the corona pandemic, the Company is still monitoring the development of the situation. Overdue and non-performing receivables from the loan portfolio fell from 2.4 percent to 2.2 percent.

The Company has monitored the state and development of credit risk in accordance with credit risk management methods, intensified due to the Russian invasion war and the corona pandemic. The Company has analyzed the largest liability customers, and made additional allowances based on the management's judgement, if necessary, for those customers whose credit risk the Company considers to be higher than the amount generated by the ECL model. The analysis identified only a limited number of customers for whom the credit risk has increased.

The Company monitors the number of possible payment delays and repayment exemption applications as well as the growth of card credit limits in an enhanced manner and analyzes the impact of possible changes.
In the fourth quarter, the Company released ECL allowance made due to the corona pandemic and the Russian invasion war by EUR 2.0 million. The total amount of allowances based on management's judgement now amounts to EUR 0.9 million. The Company continues to evaluate the situation on a monthly basis.

2.3 Distribution by risk class

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

In lending, risk concentration may occur, for example, when the loan portfolio includes large amounts of loans and other liabilities:

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

Matured and non-performing receivables

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

Figures include interest due on items.

Distribution of financial assets by risk rating and credit risk concentrations

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

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

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

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

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

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

Private customers

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

Corporates

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

Housing associations

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

Agriculture

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

Others

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

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

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

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

The Company's customer service has operated without interruption throughout the corona pandemic; the supply of banking services to customers has been continuous. 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. Corona pandemic does not currently affect the Company's service offering or operating models in customer service.

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

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

Note 3 Classification of financial assets and liabilities

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

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

Assets (1,000 euros) 31 Dec 2021	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Hedging derivatives	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**

Note 4 Loans and other receivables

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

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

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

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

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

Note 6 Investment assets

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

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

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

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

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

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

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

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

Note 8 Debt securities issued to the public

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

					Closing balance	
Maturity of bonds	Nominal value	Interest	Year of issue	Due date	31 Dec 2022	31 Dec 2021
OmaSp Plc 12.12.2022, covered bond	350,000	0.125%/fixed	2017-2018	12/12/2022	-	349,520
OmaSp Plc 3.4.2024, covered bond	300,000	0.125%/fixed	2019	4/3/2024	299,579	299,245
OmaSp Plc 6.4.2023, covered bond	250,000	0.125%/fixed	2020	4/6/2023	249,883	249,440
OmaSp Plc 17.1.2024	55,000	margin 1%/variable	2020	17.1.2024	54,999	54,997
OmaSp Plc 25.11.2027, covered bond	400,000	0.01%/fixed	2020-2021	11/25/2027	403,908	404,710
OmaSp Plc 19.5.2025	200,000	margin 0.2%/variable	2021	5/19/2025	199,625	199,468
OmaSp Plc 18.12.2026, covered bond	600,000	1.5%/fixed	2022	12/18/2026	583,684	-
OmaSp Plc 26.9.2024	150,000	5%/fixed	2,022	9/26/2024	149,591	-
					1,941,269	**1,557,380**

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

Note 9 Net interest income

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

Note 10 Fee and commission income and expenses

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

Note 11 Net income on financial assets and financial liabilities

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

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

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

Note 12 Impairment losses on financial assets

(1,000 euros)	1-12/2022	1-12/2021	2022 Q4	2021 Q4
ECL on receivables from customers and off-balance sheet items	1,343	-2,254	-498	-525
ECL from debt instruments	720	-602	5	156
Expected credit losses, total	**2,063**	**-2,856**	**-493**	**-369**
Final credit losses				
Final credit losses	-4,348	-5,476	-1,032	-1,306
Refunds on realised credit losses	538	1,038	210	43
Recognised credit losses, net	**-3,810**	**-4,438**	**-822**	**-1,264**
Impairment on receivables, total	**-1,747**	**-7,294**	**-1,315**	**-1,632**

Reconciliations from the opening and closing balances of the expected credit losses have been formed from 1 January 2022 and 31 December 2022 on the basis of changes in euro denominated loan exposures and expected credit losses.

Expected credit losses, loans and receivables

Receivables crom credit institutions and public and public entities (1,000 euros)	Stage 1	Stage 2	Stage 3	1-12/2022 Total	1-12/2021 Total
Expected credit losses 1 January	**1,981**	**6,535**	**20,083**	**28,599**	**25,858**
Transfer to stage 1	242	-1,310	-153	-1,221	-175
Transfer to stage 2	-265	3,489	-610	2,615	-369
Transfer to stage 3	-14	-271	2,639	2,354	3,810
New debt securities	367	519	229	1,115	3,067
Matured debt securities	-150	-762	-1,414	-2,327	-4,990
Realised credit losses	-	-	-4,114	-4,114	-3,209
Recoveries on previous realised credit losses	-	-	462	462	95
Changes in credit risk	284	-439	2,446	2,291	1,816
Changes in the ECL model parameters	-1,336	1,097	-2,099	-2,338	-
Changes based on management estimates	-391	-3,301	1,089	-2,603	2,696
Expected credit losses period end	**718**	**5,556**	**18,558**	**24,833**	**28,599**

The Company's management has assessed the effects of the corona pandemic and the Russian invasion war on an industry-by-industry basis. During the last quarter, the Company released EUR 2.0 million of the additional loss allowances based on management's judgement. During the last quarter, the Company implemented a macro model update of ECL to prepare for a weakening economic cycle. The change increased the amount of ECL by EUR 0.7 million at the time of change and consider the weakening economic cycle as part of the regular ECL calculation even more strongly. Additional loss allowance based on management's judgement remain for use EUR 0.9 million at the time of the Financial Statements.
Due to the change in the Group structure, ECL of SAV-Rahoitus loan portfolio is no longer included in the Group's balance sheet. After the change, Oma Savings Bank will consider the share of the Company's ECL allowance when combining with the Company's equity method.

Off-balance sheet commitments (1,000 euros)	Stage 1	Stage 2	Stage 3	1-12/2022 Total	1-12/2021 Total
Expected credit losses 1 January	**561**	**180**	**184**	**926**	**974**
Transfer to stage 1	6	-69	-	-63	-211
Transfer to stage 2	-13	173	-	160	38
Transfer to stage 3	-	-3	-	-3	40
New debt securities	151	153	-	304	477
Matured debt securities	-147	-140	-	-287	-464
Realised credit losses	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-
Changes in credit risk	-19	-14	-	-33	73
Changes in the ECL model parameters	-427	-47	-184	-659	-
Changes based on management estimates	1	-50	-	-49	-
Expected credit losses period end	**114**	**183**	**-**	**297**	**926**

Expected credit losses, investment assets

Debt securities, at amortised cost (1,000 euros)	Stage 1	Stage 2	Stage 3	1-12/2022 Total	1-12/2021 Total
Expected credit losses 1 January	**1,138**	**19**	**-**	**1,158**	**493**
Transfer to stage 1	5	-17	-	-13	-118
Transfer to stage 2	-1	10	-	9	-1
Transfer to stage 3	-	-	-	-	-
New debt securities	20	12	-	33	225
Matured debt securities	-126	-1	-	-127	-112
Realised credit losses	-	-	-	-	-
Recoveries on previous realised credit losses	-	-	-	-	-
Changes in credit risk	-622	-	-	-622	135
Changes in the ECL model parameters	-	-	-	-	-
Changes based on management estimates	-	-	-	-	536
Expected credit losses period end	**415**	**23**	**-**	**438**	**1,158**

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 2021.

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

Financial assets and liabilities measured at fair value

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

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

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

	31 Dec 2021			
Financial assets (1,000 euros)	**Level 1**	**Level 2**	**Level 3**	**Total**
Measured at fair value through profit or loss				
Equity securities	16,948	1,987	7,277	**26,212**
Debt securities	726	-	269	**995**
Derivatives	-	2240	-	**2,240**
Measured at fair value through other comprehensive income				
Debt securities	616,353	-	-	616,353
Financial assets, total	**634,028**	**4,227**	**7,546**	**645,801**

	31 Dec 2021			
Financial liabilities (1,000 euros)	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives	-	-	-	-
Financial liabilities, total	**-**	**-**	**-**	**-**

	31 Dec 2021			
Other liabilities (1,000 euros)	**Level 1**	**Level 2**	**Level 3**	**Total**
At fair value through profit or loss				
Payment liability, consortium of Savings Banks	-	-	6,500	6,500
Total	**-**	**-**	**6,500**	**6,500**

Investment transactions, categorised to Level 3

Financial assets at fair value through profit or loss (1,000 euros)	31 Dec 2022 Equity securities	Debt securities	Total	31 Dec 2021 Equity securities	Debt securities	Total
Opening balance	**7,277**	**269**	**7,546**	**6,772**	**84**	**6,856**
+ Acquisitions	-	-	-	926	185	1,111
- Sales	-1,252	-	-1,252	-612	-	-612
- Matured during the year	-	-	-	-	-	-
+/- Realised changes in value recognised on the income statement	103	-	103	188	-	188
+/- Unrealised changes in value recognised on the income statement	83	-70	13	2	-	2
+ Transfers to Level 3	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-
Closing balance	**6,211**	**199**	**6,410**	**7,277**	**269**	**7,546**

At fair value through other comprehensive income (1,000 euros)	31 Dec 2022 Equity securities	Debt securities	Total	31 Dec 2021 Equity securities	Debt securities	Total
Opening balance	**-**	**-**	**-**	**-**	**-**	**-**
+ Acquisitions	-	-	-	-	-	-
- Sales	-	-	-	-	-50	-50
- Matured during the year	-	-	-	-	-226	-226
+/- Realised changes in value recognised on the income statement	-	-	-	-	16	16
+/- Unrealised changes in value recognised on the income statement	-	-	-	-	7	7
+/- Changes in value recognised in other comprehensive income	-	-	-	-	-14	-14
+ Transfers to Level 3	-	-	-	-	268	268
- Transfers to Level 1 and 2	-	-	-	-	-	-
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**

Transactions in other liabilities, categorised to Level 3

Other liabilities at fair value through profit or loss (1,000 euros)	31 Dec 2022 Equity securities	Debt securities	Total	31 Dec 2021 Equity securities	Debt securities	Total
Opening balance	**-**	**6,500**	**6,500**	**-**	**-**	**-**
+ Acquisitions	-	-	-	-	6,500	6,500
- Sales	-	-	-	-	-	-
- Matured during the year	-	-	-	-	-	-
+/- Realised changes in value recognised on the income statement	-	-	-	-	-	-
+/- Unrealised changes in value recognised on the income statement	-	-1,300	-1,300	-	-	-
+ Transfers to Level 3	-	-	-	-	-	-
- Transfers to Level 1 and 2	-	-	-	-	-	-
Closing balance	**-**	**5,200**	**5,200**	**-**	**6,500**	**6,500**

Sensitivity analysis for financial assets on Level 3

(1,000 euros)		31 Dec 2022 Potential impact on equity			31 Dec 2021 Potential impact on equity		
Equity securities	**Hypo-thetical change**	**Market value**	**Positive**	**Negative**	**Market value**	**Positive**	**Negative**
At fair value through profit or loss	+/- 15%	6,211	932	-932	7,277	1,092	-1,092
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-
Total		**6,211**	**932**	**-932**	**7,277**	**1,092**	**-1,092**

(1,000 euros)		31 Dec 2022 Potential impact on equity			31 Dec 2021 Potential impact on equity		
Debt securities	**Hypo-thetical change**	**Market value**	**Positive**	**Negative**	**Market value**	**Positive**	**Negative**
At fair value through profit or loss	+/- 15%	199	30	-30	269	40	-40
At fair value through other comprehensive income	+/- 15%	-	-	-	-	-	-
Total		**199**	**30**	**-30**	**269**	**40**	**-40**

Note 14 Share-based incentive schemes

As of 31 December 2022, the Company has the following existing share-based incentive programs:

Program 2020-2021
On 17 February 2020, Oma Savings Bank's Board of Directors decided to set up a share-based incentive scheme for the Group's management. The remuneration is based on comparable cost-income ratio, an increase in operating income (in comparable figures) and customer and employee satisfaction. The program includes the earning period 2020-2021 and subsequent commitment periods, during which the shares will be disposed approximately in four installments within three years. The reward is paid partly in shares of the Company and partly in cash. The cash portion is used to cover taxes and tax charges incurred by the reward to the person. If a person's employment or employment relationship ends before the payment of the commission, the remuneration, as a rule, is not paid. The fees payable under the scheme correspond to a total of up to 420,000 Oma Savings Bank Plc shares. The target group of the scheme includes a maximum of 10 persons.

Program 2022-2023
On 24 February 2022, Oma Savings Bank's Board of Directors decided to set up a new share-based incentive scheme for key persons of the Group. The remuneration is based on comparable cost-income ratio, an increase in operating income (in comparable figures) and customer and employee satisfaction. The possible reward is based on a comparable cost-income ratio, an increase in operating income (by comparable figures), and customer and employee satisfaction. The program includes a two-year long earning period, 2022-2023 and subsequent commitment periods, during which the shares will be disposed in approximately six instalments within five years. The reward is paid partly in shares of the Company and partly in cash. The cash portion is used to cover taxes and tax charges incurred by the reward to the person. If a person's employment or employment relationship ends before the payment of the commission, the remuneration, as a rule, is not paid. The fees payable under the scheme corresponds to a maximum value of 400,000 shares of Oma Savings Bank Plc, including the amount to be paid in cash. The target group of the scheme includes a maximum of 30 key persons, including the Company's CEO and members of the Group's Management Team.

Share-based incentive scheme	1-12/2022	1-12/2022	1-12/2021
	Program 2022-2023	Program 2020-2021	Program 2020-2021
Maximum estimated number of gross shares at the start of the scheme	400,000	420,000	420,000
Date of issue	1/1/2022	1/1/2020	1/1/2020
Share price at issue, weighted average fair value	16.90	8.79	8.79
Earning period begins	1/1/2022	1/1/2020	1/1/2020
Earning period ends	12/31/2023	12/31/2021	12/31/2021
Persons at the close of the financial year	27	10	11

Events for the financial year (pcs)	1-12/2022	1-12/2022	1-12/2021
1/1/2022	Program 2022-2023	Program 2020-2021	Program 2020-2021
Those who were out at the beginning of the period	-	-	-
Changes during the period			
Granted during the period	-	336,150	-
Lost during the period	-	-	-
Implemented during the period	-	159,600	-
Expired during the period	-	-	-
Out at the end of the period	**-**	**176,550**	**-**

Note 15 Changes in Group structure

The 2022 accounting period

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

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

The 2021 accounting period

In June, Oma Savings Bank Plc 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.

Note 16 Significant events after the period

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

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

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, %

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

Comparable cost/income ratio, %

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

Comparable profit before taxes

Profit/loss before taxes without net income from financial assets and liabilities and other items effecting comparability

Return on equity, ROE %

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

Comparable return on equity, ROE %

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

Total return on assets, ROA %

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

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

Equity ratio, %

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

Total capital (TC), %

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

Common Equity Tier 1 (CET1) capital ratio, %

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

Tier 1 (T1), capital ratio, %

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

Leverage ratio, %

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

Earnings per share (EPS), EUR

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

Earnings per share after dilution (EPS), EUR

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

Comparable earnings per share (EPS), EUR

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

omasp.fi

Oma Savings Bank Plc

tel. +358 20 764 0600