



## S-Bank Plc: Financial statements bulletin 2021

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S-Bank Plc, Stock exchange release, 3 February 2022 at 10.00 am

### **Earnings improved year-on-year - record-breaking euro amount of card purchases clearly exceeds that of the period before the pandemic**

- Operating profit increased to EUR 24.8 million (21.0)\*
- Lending increased to EUR 6.1 billion (5.4)
- Comparable assets under management increased to EUR 7.7 billion (6.5)

The S-Bank Group's operating profit for January–December increased by 17.8 per cent to EUR 24.8 million (21.0). Profit growth was influenced by a solid 7.6 per cent increase in total income and significantly lower impairment losses. The capital adequacy ratio rose to 16.3 per cent (15.7).

\* In the above, figures for the corresponding period of 2020 are used in the result comparisons.

### **Outlook for 2022**

We expect operating profit for the whole year to exceed the previous year's level.

### **Comments by Pekka Ylihurula, CEO**

The S-Bank Group's operating profit increased in January–December from a year earlier, as we had estimated in July when we raised the outlook for 2021.

In Banking, the total euro amount of the purchases made with the S-Etukortti Visa card in January–September grew by 14.8 per cent on the previous year and was record-high. The sum also clearly exceeds the 2019 level before the Covid-19 pandemic. At the end of 2021, purchases made with S-Bank's payment cards constituted 23.2 per cent (22.4) of all Bonus purchases made in S Group stores. Year-on-year, our lending grew by 11.8 per cent and the deposit portfolio by 9.1 per cent. The Wealth Management business performed excellently, with the result being 2.5 times greater than that of the previous year. The total number of unit holders in all of the S-Bank funds increased by roughly 71 000 to around 340 000 year-on-year.

Similarly to the year 2020, 2021 was also defined particularly by the Covid-19 pandemic and the fight against the disease. As the pandemic has persisted, we at S-Bank have become accustomed to operating in a new environment in which digital banking channels and services are increasingly important. As the disease situation and restrictions varied, we kept adjusting our ways of working and other operations to the new normal. We will continue to do so in the future.

### **January–December 2021**

S-Bank's operating profit was EUR 24.8 million (21.0), an increase of 17.8 per cent on the previous year. The profit for the period after taxes was EUR 19.6 million (15.7). Return on equity rose to 3.9 per cent, compared with 3.3 per cent a year earlier.

The operating profit from Banking was EUR 36.2 million (EUR 34.9 million). The operating profit from Wealth Management was EUR 5.0 million (EUR 2.0 million).

Total income developed positively during the review period. Total income amounted to EUR 187.0 million (173.9), a growth of 7.6 per cent. Net interest income grew by 1.1 per cent, totalling EUR 90.3 million (89.3). Net fee and commission income increased by 20.6 per cent year-on-year to EUR 80.8 million (67.0). Net income from investment operations was EUR 3.1 million (3.2). Other operating income totalled EUR 12.7 million (14.3).

Operating expenses totalled EUR 146.5 million (129.2) during the review period. This represents an increase of 13.4 per cent year-on-year.

Expected and final credit losses of EUR 21.4 million (28.0) were recognised in the consolidated income statement during the review period. Reversals, or recovered credit losses, amounted to EUR 5.7 million (4.4). Consequently, the total net effect on profit of expected and final credit losses was EUR 15.7 million (23.6).

Total deposits continued to grow strongly and amounted to EUR 7 554.9 million at the end of the review period, compared with EUR 6 925.0 million at the end of 2020. During the past 12 months, total deposits grew by 9.1 per cent.

Lending growth continued to be strong. At the end of the review period, the credit portfolio totalled EUR 6 086.0 million, compared with EUR 5 444.4 million at the end of 2020. During the past 12 months, the credit portfolio grew by 11.8 per cent.

The housing loan portfolio increased by 12.5 per cent. According to the latest available information, S-Bank's contribution to the increase in the financial institutions' housing loan volume was 10.4 per cent for the preceding 12-month period in October compared with 14.5 per cent a year earlier. Compared with the market as a whole, the housing loan portfolio's growth was 3.3-fold in the same period. In 2021, the number of housing loan applications grew substantially on the previous year.

At the end of the review period, the bank's debt securities totalled EUR 1 149.1 million, whereas they were EUR 1 228.8 million at the end of 2020.

At the end of the review period, S-Bank's equity was EUR 509.3 million, compared with EUR 488.6 million at the end of 2020. The equity ratio was 6.0 per cent compared with 6.4 per cent a year earlier.

The S-Bank Group's assets under management were EUR 7 697.1 million (10 785.1) at the end of the review period. The fund cooperation between S-Bank and LocalTapiola ended in the fourth quarter of 2021. Comparable assets under management, excluding the LocalTapiola funds, totalled EUR 6 496.5 million at the end of 2020. This year's growth was 18.5 per cent. In addition, S-Bank Properties Ltd managed EUR 442.4 million in customer assets, consisting of real estate and joint ventures (428.5). Net subscriptions to the S-Bank mutual funds amounted to EUR 317.1 million in the review period compared with EUR 119.2 million a year earlier. The increase in net subscriptions to the S-Bank funds was higher than the median for fund management companies. The total number of unit holders in the S-Bank funds increased to around 340 000 from around 270 000 at the end of 2020.

## Key figures

(EUR million)	2021	2020	Change	Q4 2021	Q4 2020	Change
Net interest income	90.3	89.3	1.1%	23.0	21.6	6.7%
Net fee and commission income	80.8	67.0	20.6%	24.5	20.8	17.9%
Total income	187.0	173.9	7.6%	52.9	51.2	3.4%
Operating profit	24.8	21.0	17.8%	4.2	8.3	-49.6%
Cost-to-income ratio	0.78	0.74	0.04	0.78	0.74	0.04

(EUR million)	31 Dec 2021	31 Dec 2020	Change
Liabilities to customers, Deposits	7 554.9	6 925.0	9.1%
Receivables from customers, Lending	6 086.0	5 444.4	11.8%
Debt securities	1 149.1	1 228.8	-6.5%
Equity	509.3	488.6	4.2%
Expected credit losses (ECL)	20.6	19.6	5.5%
Assets under management	7 697.1	10 785.1	28.6%
Return on equity	3.9%	3.3%	0.7
Return on assets	0.2%	0.2%	0.0
Equity ratio	6.0%	6.4%	-0.4
Capital adequacy ratio	16.3%	15.7%	-0.6

## Webcast on results

The results of S-Bank will be presented by Pekka Ylihurula, CEO, and Mika Heikkilä, CFO, in a webcast to be held on 3 February 2022 from 1 pm to 2 pm. The event will be held in English. Further information: S-Bank's communications, [viestinta@s-pankki.fi](mailto:viestinta@s-pankki.fi).

## Contacts

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## About S-Bank Plc

**S-Bank** is a Finnish bank that wants to help everyone achieve a slightly more affluent tomorrow, regardless of the size of their wallet. At S-Bank, expertise means that we understand the economy and people: as part of the S Group, we know the everyday lives of our 3.1 million customers. We are changing the banking sector by offering superior ease and benefits by offering both banking and retail services. [www.s-pankki.fi](http://www.s-pankki.fi)

## Attachments

- [Download announcement as PDF.pdf](#)
- [S-Bank Financial Statements Bulletin 2021.pdf](#)