

A man and a young child are sitting on a wooden pier or dock. The man is wearing a grey t-shirt and is holding the child. The child is wearing a white long-sleeved shirt and blue polka-dot pants. They are both looking down at something in the water. The background shows a body of water with tall reeds or grasses. The scene is lit with warm, golden light, suggesting sunset or sunrise. The overall mood is peaceful and intimate.

# **S-BANK PLC HALF-YEAR REPORT**

## **1 JANUARY– 30 JUNE 2025**





# GROWTH IN NUMBER OF ACTIVE CUSTOMERS SUPPORTED STABLE RESULT DEVELOPMENT

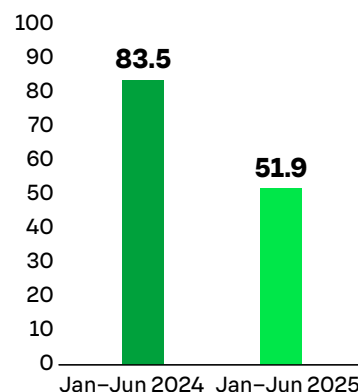
## JANUARY-JUNE 2025

As expected, the S-Bank Group's operating profit decreased to a lower level than in the comparison period and amounted to EUR 51.9 million (83.5), a decrease of 37.8 per cent. The result development was affected by the decrease in net interest income due to changes in interest rates and the increase in personnel and other administrative expenses due to the business transaction and other development activities. Cost-to-income ratio was 0.60 (0.49) and return on equity was 12.3 per cent (21.7 \*).

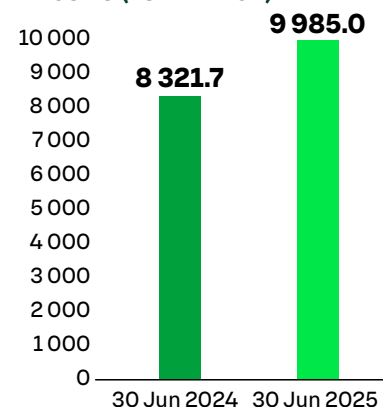
- Operating profit decreased to EUR 51.9 million (83.5)
- Deposits increased to EUR 10.0 billion (8.3 \*)
- Lending increased to EUR 9.4 billion (7.0 \*)
- Assets under management increased to EUR 8.4 billion (6.2 \*)
- Number of active customers increased to 822 000 (699 000 \*)
- Capital adequacy ratio increased to 25.3 per cent (20.5 \*)

\* Figures for the corresponding period of 2024 are used in comparisons.

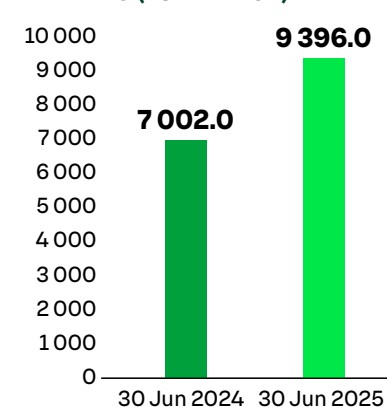
### OPERATING PROFIT (EUR MILLION)



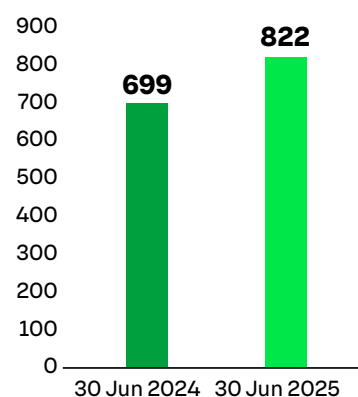
### DEPOSITS (EUR MILLION)



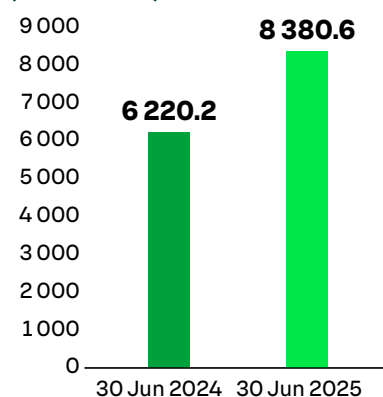
### LENDING (EUR MILLION)



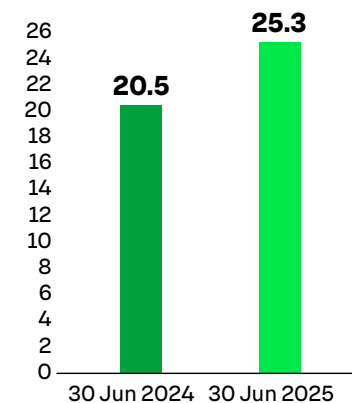
### ACTIVE CUSTOMERS ('000)



### ASSETS UNDER MANAGEMENT (EUR MILLION)



### CAPITAL ADEQUACY RATIO (%)





# SUMMARY

## OUTLOOK FOR 2025 (UPDATED 23 MAY 2025)

We expect operating profit for the whole year to decline to under EUR 100 million (165.2). Previously, the bank expected the operating profit for the whole year to decline to approximately EUR 100 million (EUR 165.2). The reason for the lowering of the profit guidance is the combined penalty payment of EUR 7.67 million imposed on S-Bank by the Financial Supervisory Authority (FIN-FSA).

Declining interest rates and the penalty payment imposed on the bank have a negative impact on the bank's performance, even though the Handelsbanken transaction will increase the bank's earnings. In addition, the investments related to implementing our strategy will remain at a high level. The outlook for 2025 is still subject to uncertainties regarding the operating environment, geopolitical tensions, the economy, employment and the real estate market. The scale of the change is impacted by the one-off negative goodwill related to the Handelsbanken transaction, which was recognised as income in 2024.

## KEY FIGURES

	Jan-Jun 2025	Jan-Jun 2024	Change	Q2 2025	Q2 2024	Change
Net interest income (MEUR)	144.7	157.6	-8.2%	71.7	78.0	-8.0%
Net fee and commission income (MEUR)	47.8	44.7	6.8%	24.2	23.0	5.2%
Total income (MEUR)	198.1	206.3	-4.0%	98.0	102.3	-4.2%
Operating profit (MEUR)	51.9	83.5	-37.8%	28.0	40.8	-31.2%
Cost-to-income ratio	0.60	0.49	0.11	0.60	0.49	0.11

	30 Jun 2025	31 Dec 2024	Change
Liabilities to customers, deposits (MEUR)	9 985.0	9 381.4	6.4%
Receivables from customers, lending (MEUR)	9 396.0	9 466.8	-0.7%
Debt securities (MEUR)	870.3	622.8	39.7%
Equity (MEUR)	999.8	977.6	2.3%
Expected credit losses (ECL) (MEUR)	50.6	52.3	-3.3%
Assets under management (MEUR)	8 380.6	8 342.3	0.5%
Return on equity (%)	12.3	16.2	-3.9
Return on assets (%)	0.9	1.1	-0.3
Equity ratio (%)	7.7	7.4	0.3
Capital adequacy ratio (%) *	25.3	21.4	3.9

\* The figure of comparison period 31 December 2024 is not comparable to 30 June 2025 half-year report due the changes to the Capital Requirement Regulation (CRR3).



# CEO'S REVIEW



**Riikka Laine-Tolonen**  
CEO

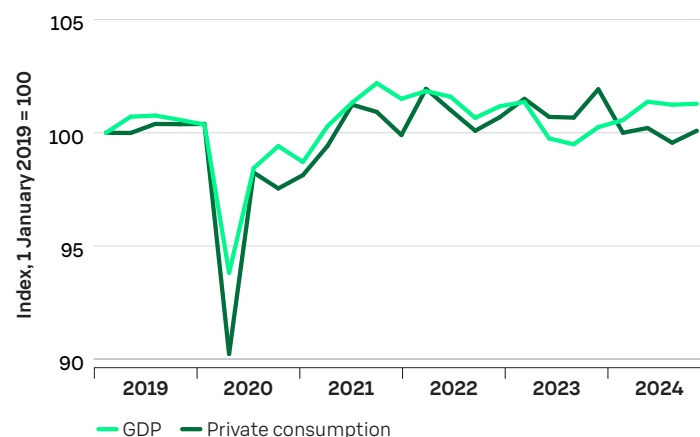
There was a brief pause in the Finnish economy's cautious recovery in early 2025, but there were signs of a slight upturn in domestic demand. Finnish businesses' confidence in the economy has now strengthened, even though it was still subdued at the beginning of the year. More positive developments were also evident in the labour market towards the end of the first half of the year, and

there was an improvement in the employment situation, especially in the private sector. At the same time, households' purchasing power continued to recover gradually. The housing market was still quiet in early 2025, but a significant fall in interest rates increased sales during the spring.

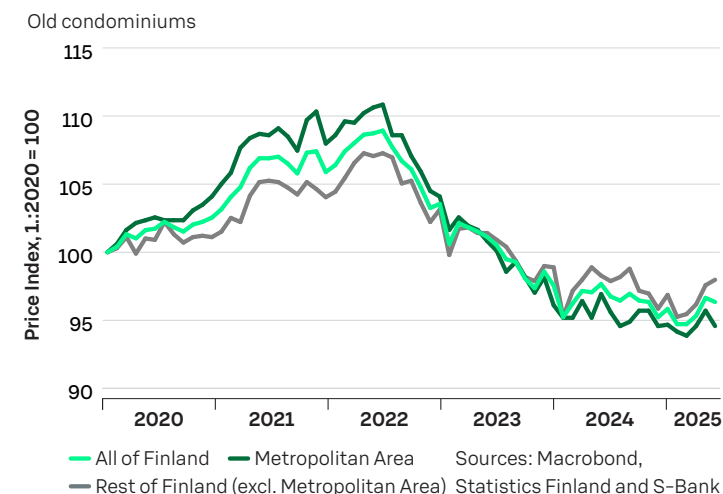
## JANUARY-JUNE RESULT WAS IN LINE WITH EXPECTATIONS

Our operating profit for the first half of 2025 was EUR 51.9 (83.5) million. The result was in line with our expectations, despite our continued significant investments in the implementation of our strategy, the development of our digital services and the strengthening of our risk management.

### FINLAND'S GDP AND PRIVATE CONSUMPTION



### HOUSING PRICES IN FINLAND





In Banking, total deposits grew to EUR 10.0 (8.3) billion and lending to EUR 9.4 (7.0) billion. The strong growth in card payments continued: in January–June, euro-denominated purchases made with S-Bank Visa cards increased by 17.8 per cent year on year.

In Wealth Management, the total number of unit holders in the S-Bank funds increased to approximately 472 000 from 417 000 in the comparison period. At the same time, net subscriptions to S-Bank funds increased fivefold. Our balanced funds performed excellently in a fund comparison published in June: The S-Pankki Varainhoito 100 Sijoitusrahasto fund was the best in its category based on a 10-year return and the S-Pankki Varainhoito Säästäjä 100 Sijoitusrahasto fund was the second best in its category based on a 5-year return. At the end of June, our assets under management were EUR 8.4 (6.2) billion.

### GOAL OF ONE MILLION ACTIVE CUSTOMERS IS APPROACHING

We are steadily approaching our strategic goal of one million active customers: The 800 000 active customer mark was achieved in April, and by the end of June this had already increased to 822 000 (699 000). Our entire customer base is using our services more actively, but the customers who migrated from Handelsbanken and who are now well integrated have, of course, also contributed to this growth.

In addition to active customers, we would also like more of our customers to consolidate all their banking with S-Bank. The number of high-value customers who have consolidated their banking with S-Bank has been growing for 1.5 years, and at the end of June 2025, there were already 142 000.

We are very pleased with the positive feedback from our customers. In surveys conducted in the first half of the year, the likelihood of active customers recommending S-Bank to others (NPS) was 54. We are praised for our excellent digital services, especially the S-mobiili app that combines our retail and banking services, and for the functionality and convenience of our everyday banking services.

We want to enhance our customer experience. We have defined our ambition for the customer experience. Our goal is to be the most convenient bank in Finland.

### THE S-MOBILI APP HAS A SATISFIED AND GROWING USER BASE

During the strategy period, we are creating an even more customer-oriented and digital S-Bank. Our development work focuses on the S-mobiili app, which will be the main point of contact with our customers in the future.

The number of S-mobiili users continued to grow in the second quarter, and in May we set records for the numbers of weekly unique users and active users of the app's banking services. At the end of June, the S-mobiili app already had over 2.4 million individual users, and more than 1.5 million of these use the app every week. The users are also very satisfied with the app, which is one of the most popular in its category in the app stores.

We are constantly developing our digital services with new, easy-to-use features. Last year, we launched over 30 new digital services and features that have rapidly gained popularity. For example, since June last year, our customers have been able to sign monthly savings contracts for S-Bank funds via the S-mobiili app, and during the first half of the year, more than 75 per cent of these contracts were signed via the app.



## OUTLOOK FOR 2025

We lowered our profit guidance for 2025 in the second quarter. We now estimate that operating profit for the entire year will decline to under EUR 100 million.

The profit guidance was lowered due to the combined penalty payment imposed on S-Bank by the Finnish Financial Supervisory Authority related to a software malfunction that occurred in a software update by the system provider three years ago. S-Bank has appealed the decision to the Helsinki Administrative Court.

## PARTNER FOR A BETTER EVERYDAY LIFE

Our growth continued during the second quarter of the year. We are particularly pleased with the growth in customer numbers and strong customer satisfaction.

During the first half of 2025, we also worked hard to ensure that the customers who transferred from Handelsbanken are successfully integrated into S-Bank and that we are able to combine our services into one seamless service. We can now offer the combined strengths and expertise of two banks to our customers.

In the second half of 2025, we will continue to develop our services so that we continue to be a partner for a better everyday life for our customers.

My heartfelt thanks to our customers, our personnel, our owners and our investors.

**RIIKKA LAINE-TOLONEN**

CEO



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# OPERATIONS IN THE REVIEW PERIOD

## KEY EVENTS

### **Finnish Financial Supervisory Authority issued a combined penalty payment and public warning**

On 23 May 2025, S-Bank received a combined penalty payment of EUR 7.67 million from the Finnish Financial Supervisory Authority for omissions in operational risk management and a public warning (hereinafter "penalty payment") for omissions concerning strong identification and payer consent required for implementing payment transactions. The penalties concern an exceptional and very difficult-to-detect malfunction generated in a software update of S-Bank's system provider in 2022. The system malfunction was corrected as soon as it was detected. S-Bank has compensated all direct damage caused to customers. S-Bank takes the Financial Supervisory Authority's decision seriously and is continuously improving its operating practices and risk manage-

ment to ensure the security of its services. S-Bank has appealed the decision of the Finnish Financial Supervisory Authority to the Helsinki Administrative Court on 23 June 2025. Related to the same incident, S-Bank received a hearing letter from the Office of the Data Protection Ombudsman in April, and the Bank's response to that was given in May.

### **Reference rate was lowered**

On 15 January 2025, S-Bank announced that it would lower its S-Prime interest rate by 0.25 percentage points to 2.25 per cent as of 30 January 2025.

On 16 April 2025, S-Bank announced that it would lower its S-Prime interest rate by 0.15 percentage points to 2.1 per cent as of 30 April 2025.

### **Dividend policy was changed**

On 20 January 2025, S-Bank's Board of Directors decided to change the dividend policy. According to the updated

dividend policy, S-Bank aims to pay shareholders a steady and growing annual dividend of 15 to 25 per cent of profit after tax for the previous financial year. According to the previous dividend policy, the target was to pay a steady and growing annual dividend of 5 to 15 per cent of profit after tax for the previous financial year.

### **Changes in management**

On 6 February 2025, Elina Aartola-Mäkelä was appointed S-Bank's Chief Risk Officer (CRO) and member of the Group Management Team. She took up her role on 8 May 2025.

On 7 April 2025, Leo Niemelä was appointed S-Bank's Head of Information Security, responsible for S-Bank's information security and technology risk management function.

## **S-Bank's services**

In June 2025, S-Bank launched a pilot project to improve its customers' abilities to use digital banking safely and independently. The pilot project was launched in S-Bank's telephone service and selected customer service points. The aim of the digital banking guidance is to support the digital skills of S-Bank's wide range of customers, which will improve the accessibility of digital services.

On 3 February 2025, S-Bank announced that the Board of Directors of S-Bank Fund Management Ltd had decided to restrict the payment of redemptions from S-Pankki Asunto Erikoissijoitusrahasto fund to protect the interests of the fund's unit holders and the fund itself in the long term in the current, exceptional market situation. This restriction applied to redemption orders in excess of EUR 5 000 submitted between 29 February 2024 and 30 August 2024. Redemptions were paid up



to a maximum of EUR 5 000, with around two thirds of redemption orders being fully executed. This restriction applied also to redemption orders in excess of EUR 3 000 submitted between 30 August 2024 and 28 February 2025. Redemptions will be paid up to a maximum of EUR 3 000, which means around half of the redemption orders will be executed in full.

On 30 January 2025, S-Bank announced that it would be acquiring four funds from Handelsbanken: Handelsbanken Varainhoito 25, Handelsbanken Varainhoito 50, Handelsbanken Varainhoito 75 and Handelsbanken Suomalaiset Pienyhtiöt. The funds' total assets under management amount to around EUR 230 million. The aim is to merge the funds into four S-Bank funds by the end of September 2025. Sweden's financial supervisory authority Finansinspektionen approved the fund mergers on 17 June 2025.

### Customer experience and brand

For the thirteenth consecutive time, S-Bank was perceived to be the most sustainable banking brand in Finland in the Sustainable Brand Index survey published in March. The Sustainable Brand Index is Europe's largest independent brand survey focused on sustainability, and it has been conducted annually in Finland since 2013.

T-Media's Reputation & Trust 2024 survey, published in March 2025, surveyed perceptions of the reputation of financial sector operators. Trust and reputation were scored on a scale of one to five for eight dimensions. S-Bank ranked number one among all financial sector operators. S-Bank received an overall reputation score of 3.74, compared to a score of 3.21 for the financial sector as a whole. S-Bank received the highest score for the quality of its products and services.

### OPERATING ENVIRONMENT

In the first half of 2025, the operating environment was to a large extent dominated by trade and geopolitics. In early April, the US announced that it would be imposing substantial import tariffs, but later in the spring and early summer, President Trump adopted a more conciliatory tone. Geopolitics also remained a focus of attention, especially as the military action between Israel and Iran escalated, and the US targeted key facilities in Iran's nuclear programme. At the end of June, the situation in the Middle East was showing signs of easing, and trade negotiations between the US and other countries regarding tariffs were still in progress.

While uncertainty in the global economy remained high because of the back-and-forth over tariffs, the actual global economic impacts were milder than initially predicted. Indicators of global business and consumer confidence remained relatively stable with only minor fluctuations – more notable declines in business and consumer confidence were

seen in the US alone. The US economy was expected to take the biggest hit from the tariffs. Inflation expectations rose, however, and it was feared that this would start crippling US consumers. As the labour market situation remained relatively buoyant, the US Federal Reserve adopted a wait-and-see stance in its interest rate decisions and did not change its policy rate during the first half of the year. Rising US national debt was a major concern for the US economy.

The European economy seems to have avoided the most serious consequences of the trade war so far, and industrial purchasing managers' indices (PMIs) actually strengthened during the spring. The euro area unemployment rate also remained at record low levels. The overall performance of the euro economy continued to be subdued, however. As inflation also neared the central bank's 2% target at the same time, the ECB continued to reduce interest rates at all four of its monetary policy meetings during the first half of the year.



The Finnish economy's moderate recovery paused at the beginning of 2025. On the positive side, however, there was a slight recovery in domestic demand, in the form of increased consumer spending and investment. Finnish businesses' confidence in the economy has recovered from its lows but remained subdued in the first half of the year. By contrast, the labour market showed more positive signs as the unemployment rate finally began to decline towards the summer. Employment in the private sector in particular started to improve.

In Finland, there was a gradual improvement in households' purchasing power as nominal wages continued to increase at a faster rate than consumer prices, while market interest rates continued to fall slightly at the same time. Consumer confidence remained at low levels, however. Household sentiment was being weighed down by a combination of factors including threat of unemployment, high inflation and global security concerns. Similarly, the housing market

also experienced a slowdown at the beginning of 2025. Though the sharp fall in interest rates from their earlier peaks continued to boost transaction volumes during the spring, house price statistics didn't reflect this rise and remained lower than expected.

There was extreme volatility on the equity markets during the spring: the markets initially plummeted in response to the US tariff decisions, but by the summer global equity indices showed strong recovery. Europe in particular became more appealing to investors. Global markets were also supported by a better-than-expected earnings season, but corporate earnings performance was weaker in Finland. Long-term government bond yields fluctuated, but by the end of the first half of the year they finished at around the same levels as they started at, both in Europe and in the US.



# FINANCIAL POSITION

## KEY FIGURES

	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Jan-Jun 2025	Jan-Jun 2024
Net interest income (MEUR)	71.7	73.0	72.5	76.8	78.0	144.7	157.6
Net fee and commission income (MEUR)	24.2	23.5	25.7	22.3	23.0	47.8	44.7
Total income (MEUR)	98.0	100.1	130.5	102.2	102.3	198.1	206.3
Operating profit (MEUR)	28.0	23.9	38.9	42.8	40.8	51.9	83.5
Cost-to-income ratio	0.60	0.56	0.53	0.51	0.49	0.60	0.49

	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Sep 2024	30 Jun 2024	30 Jun 2025	31 Dec 2024
Liabilities to customers, deposits (MEUR)	9 985.0	9 602.5	9 381.4	8 492.9	8 321.7	9 985.0	9 381.4
Receivables from customers, lending (MEUR)	9 396.0	9 410.9	9 466.8	7 024.2	7 002.0	9 396.0	9 466.8
Debt securities (MEUR)	870.3	728.6	622.8	628.9	619.7	870.3	622.8
Equity (MEUR)	999.8	997.5	977.6	746.6	710.2	999.8	977.6
Expected credit losses (ECL) (MEUR)	50.6	52.6	52.3	39.4	41.1	50.6	52.3
Assets under management (MEUR)	8 380.6	8 316.5	8 342.3	6 429.8	6 220.2	8 380.6	8 342.3
Return on equity (%)	12.3	13.9	16.2	20.0	21.7	12.3	16.2
Return on assets (%)	0.9	1.0	1.1	1.3	1.4	0.9	1.1
Equity ratio (%)	7.7	7.6	7.4	6.6	6.5	7.7	7.4



## RESULT APRIL-JUNE 2025

S-Bank Group's operating profit for April-June decreased year on year and was EUR 28.0 million (40.8).

### Income

Total income was EUR 98.0 million (102.3) which represents a decrease of 4.2 per cent on the comparison period. Net interest income totalled EUR 71.7 million (78.0). The change was due to decline in the interest rate level that increase in volumes due to the Handelsbanken transaction did not fully compensate. Net fee and commission income was EUR 24.2 million (23.0). Net income from investing activities were EUR 0.1 million (-0.5). Other operating income totalled EUR 1.9 million (1.7).

### Expenses

Operating expenses totalled EUR 65.6 million (50.8). This represents an increase of 29.0 per cent on the comparison period. Expenses include the increased costs related to the staff and business that were transferred from Handelsbanken. Personnel expenses accounted for EUR 23.7 million (18.5) of operating expenses. The change was due to an increase in the number of personnel.

Other administrative expenses were EUR 33.1 million (29.5). The change was mainly due to an increase in IT costs. Depreciation and impairment of tangible and intangible assets amounted to EUR 5.0 million (4.2). Other operating expenses totalled EUR 3.7 million (-1.4). The increase was affected by the net increase in the authority expenses. The EUR 7.67 million penalty payment imposed on the bank increased the expenses. However, during the second quarter EUR 5.4 million of the provisions for the deposit guarantee fund that were recognised on the first quarter were reversed. The reversal was due to substantially lower level of confirmed fund fees compared to previous year.

### Expected and final credit losses

In the second quarter, expected and final credit losses of EUR 7.2 million (12.9) were recognised in the consolidated income statement. Reversals, or recovered credit losses, amounted to EUR 2.8 million (2.2). Consequently, the total net effect on profit of expected and final credit losses was EUR 4.4 million (10.7). The development was affected by decreased ECL-provisions during the reporting period and model changes made during the comparison period (2.0).

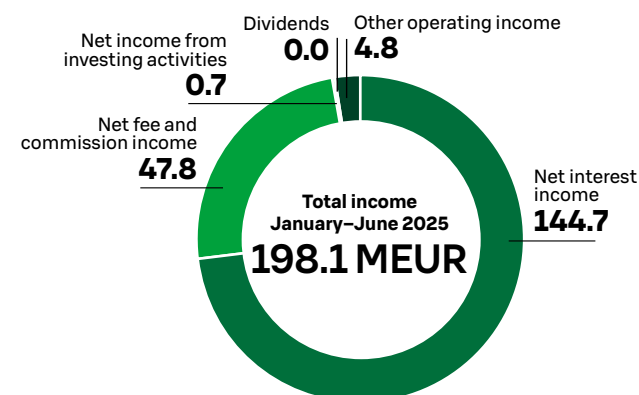
## RESULT AND BALANCE SHEET JANUARY-JUNE 2025

S-Bank Group's operating profit was EUR 51.9 million (83.5). Profit for the period after taxes was EUR 40.0 million (66.9). Return on equity decreased to 12.3 per cent (21.7).

### Income

Total income amounted to EUR 198.1 million (206.3), a decrease of 4.0 per cent.

Net interest income decreased by 8.2 per cent, totalling EUR 144.7 million (157.6). The change was mainly due to decline in the interest rate level. Net fee and commission income was EUR 47.8 million (44.7). Net income from investing activities was EUR 0.7 million (-0.2). Other operating income was EUR 4.8 million (4.2).

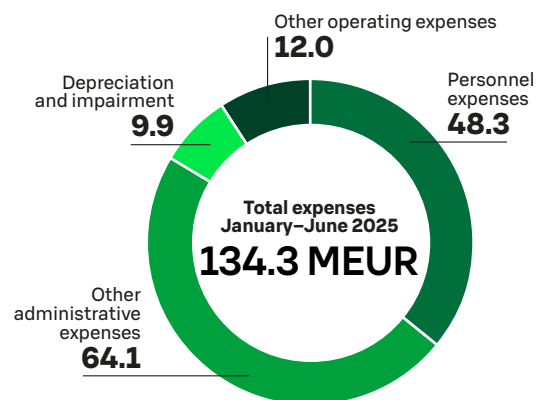




## Expenses

Operating expenses totalled EUR 134.3 million (106.2) during the review period. This is 26.5 per cent more than during the comparison period, mainly due to an increase in personnel expenses and IT costs. Personnel expenses accounted for EUR 48.3 million (36.2) of operating expenses. The change was affected by growth in operations and by the increased number of personnel due to the completed Handelsbanken transaction.

Other administrative expenses totalled EUR 64.1 million (52.8). The change was mainly due to IT and connection costs. Depreciation and impairment of tangible and intangible assets amounted to EUR 9.9 million (8.4). Other operating expenses totalled EUR 12.0 million (8.8), which included EUR 8.9 million (6.5) authority fees. In addition to the penalty payment imposed on the bank, the growth was affected by decrease of the payment related to the deposit guarantee scheme to EUR 1.1 million (6.3).



## Expected and final credit losses

Expected and final credit losses of EUR 17.3 million (20.9) were recognised in the consolidated income statement during the review period. Reversals, or recovered credit losses, amounted to EUR 5.4 million (4.3). Consequently, the total net effect on profit of expected and final credit losses was EUR 11.8 million (16.6). The development was affected by the decrease of ECL provisions since the end of the year.

## Deposits

Total deposits were EUR 9 985.0 million (9 381.4) at the end of the review period. Deposits repayable on demand totalled EUR 9 179.3 million (8 390.1) and time deposits EUR 805.6 million (991.3) at the end of the review period. During the past

12 months, total deposits grew by 20.0 per cent. Household customers' deposit portfolio grew by 18.8 per cent year on year and was EUR 9 177.7 million. The growth was affected by the Handelsbanken transaction completed in the beginning of December 2024 and the growth of deposits that has continued strong during the first half of the year. Corporate customers' deposit portfolio grew by 34.9 per cent year on year and was EUR 807.2 million.

At the end of the review period, the total amount of deposits in S-Bank covered by the deposit guarantee scheme was EUR 8 382.1 million (7 985.9). The comparison amount has been amended to match reporting to The Financial Stability Authority.

## DEPOSITS

(EUR million)	30 Jun 2025	31 Dec 2024	Change	Change year-on-year
Household customers	9 177.7	8 729.1	5.1%	18.8%
Corporate customers	807.2	652.4	23.7%	34.9%
<b>Total</b>	<b>9 985.0</b>	<b>9 381.4</b>	<b>6.4%</b>	<b>20.0%</b>



## Lending

At the end of the review period, the loan portfolio totalled EUR 9 396.0 million (9 466.8). During the past 12 months, the loan portfolio grew by 34.2 per cent. The household loan portfolio grew by 41.0 per cent year on year and was EUR 8 157.3 million. The growth was affected by the Handelsbanken transaction completed in the beginning of December 2024. The corporate loan portfolio grew by 1.9 per cent year on year and was EUR 1 238.7 million.

The loan-to-deposit ratio, which describes the ratio between the loan portfolio and deposits, was 94 per cent (101).

## LENDING

(EUR million)	30 Jun 2025	31 Dec 2024	Change	Change year-on-year
Household customers	8 157.3	8 247.3	-1.1%	41.0%
Corporate customers	1 238.7	1 219.5	1.6%	1.9%
<b>Total</b>	<b>9 396.0</b>	<b>9 466.8</b>	<b>-0.7%</b>	<b>34.2%</b>

## Liquidity portfolio and investing activities

At the end of the review period, the bank's debt securities totalled EUR 870.3 million, compared with EUR 622.8 million at the end of 2024. Deposits in central banks and cash totalled EUR 2 461.3 million (2 906.4). During the review period, the bank repaid in full the bilateral funding, which had been drawn to fund the Handelsbanken transaction. The original amount of bilateral funding was EUR 590.0 million. In addition, the bank paid a remaining purchase price of EUR 148.4 million to Handelsbanken in relation to the transaction. The breakdown of the

liquidity and investment portfolio is illustrated in chapter Risks and Capital Adequacy and their management under section S-Bank Group's risk position in paragraph Liquidity and funding.

## Equity

At the end of the review period, S-Bank's equity was EUR 999.8 million, compared with EUR 977.6 million at the end of 2024. The increase in equity was affected by the performance during the review period and the dividend payment of EUR 20.1 million (10.0). Equity ratio was 7.7 per cent (7.4).

## Assets under management

Assets under management were EUR 8 380.6 million (8 342.3) at the end of the review period. Of assets under management, S-Bank's mutual fund capital accounted for EUR 5 070.9 million (4 721.4), wealth management capital accounted for EUR 2 461.7 million (2 711.0) and funds issued by other than Group

companies accounted for EUR 847.9 million (910.0). The effects of the Handelsbanken transaction are described in the 2024 annual report. In addition, S-Bank Properties Ltd managed EUR 366.5 million in customer assets, consisting of real estate and joint ventures (379.6). Net subscriptions to S-Bank's mutual funds amounted to EUR 365.8 million in the review period compared with EUR 70.5 million a year earlier.



## BUSINESS OPERATIONS AND RESULT BY SEGMENT

The S-Bank Group's segments are Banking and Wealth Management. Operations that do not fall under these business segments are reported under 'Other activities'. The reporting of business segments is identical to the internal reporting provided to company management.

### Banking

Banking is responsible for producing S-Bank's banking services for household and selected corporate customers. The products and services offered by Banking include those required for daily banking and the financing of purchases. Banking also includes the Group's treasury.

Operating profit was EUR 57.3 million (87.1). Total income decreased by 5.7 per cent to EUR 180.3 million (191.2). Expenses increased by 27.0 per cent to EUR 111.2 million (87.6). Impairment of receivables was EUR 11.8 million (16.6). Impairment of receivables is described in the section Expected and final credit losses.

According to the latest available information, at the end of May 2025, housing loan volume for financial institutions operating in Finland had decreased by 0.4 per cent for the preceding 12-month period, while S-Bank's housing loan volume grew by 45.6 per cent in the same period. The growth was affected by the Handelsbanken transaction completed in December 2024 described in more detail in the 2024 annual report. In January–June 2025, the number of

housing loan applications in S-Bank grew by 23 per cent year on year.

The use of S-Etukortti Visa cards developed positively during the review period. Total card purchases in Euros increased by 17.8 per cent year on year, and number of card purchases increased by 18.5 per cent year on year.

In June, co-op members of S Group's regional cooperatives paid 27.8 per cent of their bonus purchases with an S-Bank card.

### Wealth Management

Wealth Management is responsible for producing S-Bank's asset management services, customer relationships and business development. The segment offers saving and investing services to

household customers, private banking services as well as services for institutional investors.

Operating profit was EUR –1.0 million (–0.6). Total income was EUR 23.5 million (20.0). Expenses increased by 18.6 per cent to EUR 24.5 million (20.6).

Net subscriptions to the S-Bank mutual funds amounted to EUR 365.8 million in the review period compared with EUR 70.5 million a year earlier.

Total number of unit holders in the S-Bank funds grew to approximately 472 000 from approximately 417 000 a year earlier. On the Finnish market as a whole, the number of unit holders rose to approximately 4.7 million from 4.4 million a year earlier.

### BANKING

(EUR million)	Jan–Jun 2025	Jan–Jun 2024	Change
Operating income	180.3	191.2	–5.7%
Operating expenses	–111.2	–87.6	27.0%
Impairment of receivables	–11.8	–16.6	–28.9%
<b>Operating profit (loss)</b>	<b>57.3</b>	<b>87.1</b>	<b>–34.2%</b>

### WEALTH MANAGEMENT

(EUR million)	Jan–Jun 2025	Jan–Jun 2024	Change
Operating income	23.5	20.0	17.4%
Operating expenses	–24.5	–20.6	18.6%
<b>Operating profit (loss)</b>	<b>–1.0</b>	<b>–0.6</b>	<b>57.3%</b>



## CALCULATION OF KEY PERFORMANCE INDICATORS

### Total income:

Net interest income + Net fee and commission income + Other income

### Net interest income:

Interest income – Interest expenses

### Net fee and commission income:

Fee and commission income – Fee and commission expenses

### Other income:

Net income from investing activities + Dividends + Other operating income

### Cost-to-income ratio:

Personnel expenses + Other administrative expenses + Depreciation and impairment + Other operating expenses (excl. impairment losses)

Net interest income + Net fee and commission income + Net income from investing activities + Dividends + Other operating income + Share of the profits of associated companies (net)

### Return on equity (ROE), %:

Profit (loss) for the period  
Average equity

x 100

### Return on assets (ROA), %:

Profit (loss) for the period  
Balance sheet total, average

x 100

### Equity ratio, %:

Total equity  
Balance sheet total

x 100

## Key performance indicators based on separate calculation

### Capital adequacy ratio, %:

Total capital  
Total risk exposure amount

x 100

### Tier 1 capital adequacy ratio, %:

Tier 1 (T1) capital  
Total risk exposure amount

x 100

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

Common Equity Tier 1 (CET1) capital  
Total risk exposure amount

x 100

### Leverage ratio, %:

Tier 1 (T1) capital  
Exposure amount

x 100

### Liquidity Coverage Ratio (LCR), %:

Liquidity Buffer  
Net Liquidity Outflows over a 30 calendar day stress period

x 100

### Net Stable Funding Ratio (NSFR), %:

Available Stable Funding  
Required Stable Funding

x 100

### Non-performing loan (NPL) ratio, %:

Non-performing loans, gross amount  
Loans and advances

x 100



# RISKS AND CAPITAL ADEQUACY AND THEIR MANAGEMENT

## S-BANK GROUP'S RISK POSITION

The most significant risks that can potentially affect profitability, capital adequacy and liquidity are related to unfavourable development of business volumes, lending and borrowing margins, general interest rates, economic environment, and credit losses.

During the first half of 2025, the operating environment has been characterised by both economic and geopolitical uncertainty. The development of Finland's economy has been cautious, and the recovery has been more moderate than expected. Consumers' purchasing power has strengthened as wage growth has surpassed inflation and market interest rates declined slightly. Nevertheless, consumer confidence has remained low, and the housing market has also been more subdued than anticipated.

The changes in the Capital Requirements Regulation (CRR3) that came into effect at the beginning of the year strengthened the bank's capital adequacy. As a result of these regulatory changes, the bank's total risk exposure amount decreased compared to the end of 2024. After this, during the first half of the year the total risk exposure amount decreased slightly. Own funds were strengthened by profit performance development. The comparison period's capital ratios and risk exposure amounts are presented in accordance with the CRR2 regulation.

Due to weak economic development, S-Bank's loan portfolio decreased slightly during the first half of the year. There were no significant changes in the credit quality of the loan portfolio. Deposit portfolio strengthened during the review period, especially with household customer deposits. At the end of the review period, liquidity and the amount of stable funding were still at a strong level.

## THE S-BANK GROUP'S KEY RISK INDICATORS

EUR million	30 Jun 2025	31 Dec 2024
<b>Total risk exposure amount</b>	<b>4 036.6</b>	<b>4 608.6</b>
Credit and Counterparty Credit risk	3 425.7	3 881.9
Operational risk	599.7	716.1
Credit valuation adjustment (CVA)	11.3	10.7
<b>Own funds, total</b>	<b>1 021.3</b>	<b>988.3</b>
Common Equity Tier 1 (CET1) capital	928.0	894.1
Tier 2 (T2) capital	93.3	94.2
<b>Total capital requirement (Pillar 1)</b>	<b>13.52%</b>	<b>13.52%</b>
<b>Capital adequacy ratio</b>	<b>25.3%</b>	<b>21.4%</b>
<b>Common Equity Tier 1 (CET1) ratio</b>	<b>23.0%</b>	<b>19.4%</b>
<b>Non-performing loan (NPL) ratio</b>	<b>1.8%</b>	<b>1.7%</b>
<b>Leverage ratio</b>	<b>7.0%</b>	<b>6.7%</b>
<b>Liquidity Coverage Ratio (LCR)</b>	<b>267.2%</b>	<b>285.4%</b>
<b>Net Stable Funding Ratio (NSFR)</b>	<b>159.4%</b>	<b>155.9%</b>



### Credit risk

Loan portfolio started to decrease during the first half of the year, primarily due to a decrease in household customer loans. Of the total loan portfolio, 82.5 per cent (83.1) were loans secured by real estate, primarily to household customers and housing companies in Finland. S-Bank sustains a low credit risk profile in accordance with its conservative risk appetite, supported by prudent risk management and monitoring measures.

The total amount of ECL provision decreased by EUR 1.7 million to EUR 50.6 million (52.3) during the review period. The ECL provision relative to credit risk exposures was 0.39 per cent (0.42). Expected and final credit losses are discussed under section Result and balance sheet January–June 2025 and in Note 7.

The volume of household customer loans subject to repayment holidays was EUR 430.4 million (482.6), representing 5.2 per cent (5.8) of total household customer exposures. Repayment holi-

days deviating from the original payment plan have primarily been granted to household customers.

Gross forborne exposures in the balance sheet totalled EUR 291.7 million (275.9). The carrying amount of performing forborne exposures in relation to loans and advances was at the level of 2.4 per cent (2.3). The corresponding ratio of non-performing forborne exposures was 0.7 per cent (0.6).

During the review period, the amount of non-performing loans (NPL) in the balance sheet increased by EUR 8.4 million to EUR 172.7 million (164.3) of which corporate customers amounted to EUR 8.8 million (9.0). The NPL ratio, which describes non-performing exposures in relation to loans and advances, was 1.8 per cent (1.7).

### Own funds and capital adequacy

At the end of the review period, total capital ratio was 25.3 per cent (21.4) and CET1 ratio 23.0 per cent (19.4). The strengthening of the capital adequacy

ratios was particularly affected by the changes to the Capital Requirements Regulation (CRR3) that came into effect on 1 January 2025. Total own funds were EUR 1 021.3 million (988.3). Own funds were positively affected especially by profit performance due to net interest income.

S-Bank's risk exposure amount (REA) decreased by EUR 572.0 million during the review period and totalled to EUR 4 036.6 million (4 608.6). The implementation of CRR3 regulation reduced risk exposure amount by EUR 568.9 million, mainly due to the revised calculation of risk-weighted assets for exposures secured by mortgages on immovable property and the adoption of a new standardised approach for operational risk. During the first half of the year, risk-weighted assets for credit risk decreased by EUR 0.9 million, especially due to a decrease in household customer loans. Simultaneously, the decline in the market values of residential real estate collaterals increased risk-weighted assets for exposures secured by mort-

gages on immovable property. The credit valuation adjustment (CVA) risk calculated using basic approach decreased by EUR 2.2 million during the first half of the year.

The capital adequacy information for the comparison period is presented in accordance with the CRR2 regulation.

S-Bank is adequately capitalised to ensure the continuity of its operations even in circumstances portrayed in stress tests.

### Leverage ratio

S-Bank's leverage ratio (LR) of 7.0 per cent (6.7) was strong, exceeding both the regulatory and internally set risk appetite minimum level.



### Liquidity and funding

At the end of the review period, S-Bank's liquidity position and funding were still at a strong level. The liquidity coverage ratio (LCR) was 267 per cent (285) and the net stable funding ratio (NSFR), which describes the sufficiency of stable funding, was 159 per cent (156).

The Treasury portfolio consists of the liquidity portfolio (LCR liquidity buffer) and the investment portfolio. The total amount of the portfolio decreased and totalled to EUR 3 269.2 million (3 457.3). The decrease in the total portfolio concentrated in the amount of central

bank deposit, which was affected by the repayment of funding related to the Handelsbanken transaction.

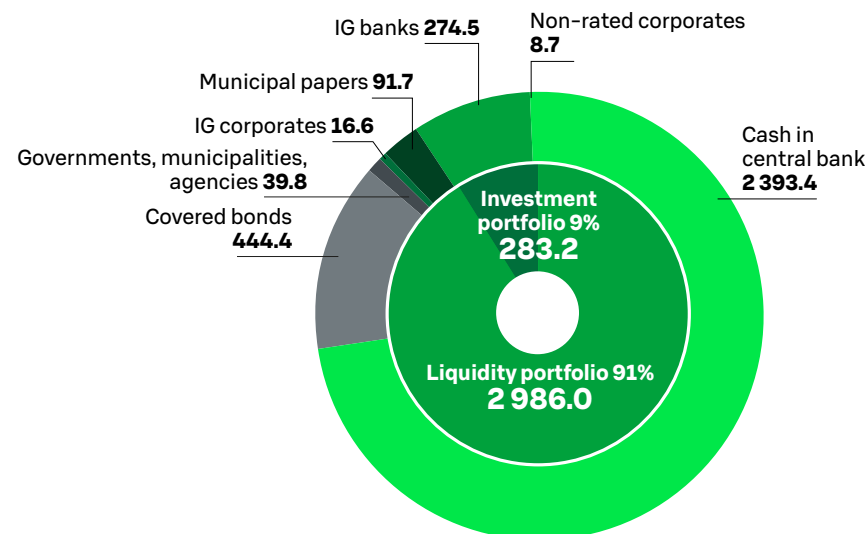
S-Bank did not raise market-based wholesale funding during the review period, and the deposit base strengthened. During the review period, the bank paid back the bilateral funding in full, which was raised in November 2024 for total amount of EUR 590.0 million to fund the Handelsbanken transaction. In addition, during the review period, the bank paid a remaining purchase price of EUR 148.4 million to Handelsbanken in relation to the transaction.

### S-BANK'S LIQUIDITY PORTFOLIO

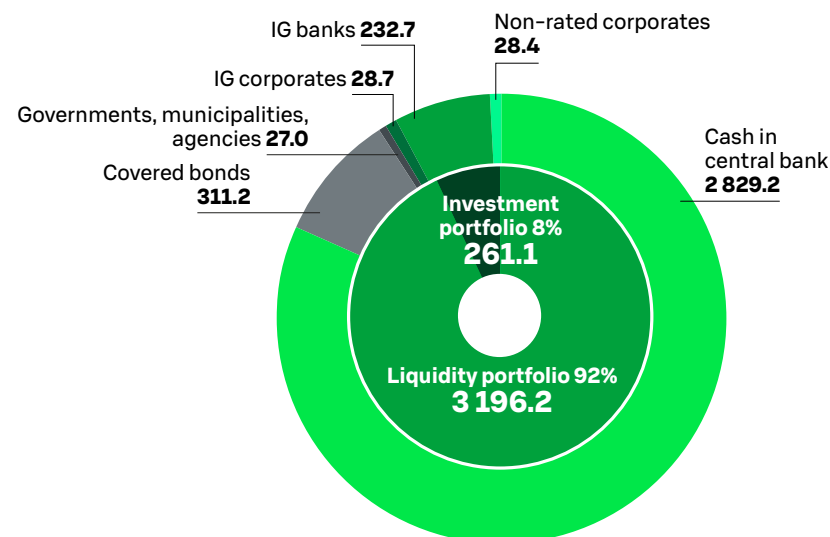
(EUR million)	30 Jun 2025		31 Dec 2024	
	Market value	Buffer value	Market value	Buffer value
Central bank deposit	2 393.4	2 393.4	2 829.2	2 829.2
Government, municipal or other public sector bonds	39.8	39.8	27.0	27.0
Covered bonds	444.4	402.0	311.2	277.1
Municipal papers	91.7	91.7	–	–
IG corporates	16.6	8.3	28.7	14.4
<b>Total</b>	<b>2 986.0</b>	<b>2 935.3</b>	<b>3 196.2</b>	<b>3 147.7</b>

### BREAKDOWN OF THE LIQUIDITY AND INVESTMENT PORTFOLIO (EUR MILLION)

30 Jun 2025



31 Dec 2024





## Market risk

S-Bank's market risks mainly consist of the interest rate risk in the banking book and the spread risk of debt securities. The interest rate risk in the banking book consists of lending and borrowing, investments and funding. S-Bank uses derivatives to hedge the interest rate risk in the banking book. Market risks are assessed from the perspective of the economic value and interest income risk of the banking book and the spread risk. S-Bank is not significantly exposed to other direct market risks, such as equity, currency, or real estate risks.

The economic value risk for items measured at fair value (+100 basis points) was EUR -13.3 million (-4.9). The economic value risk has increased as a result of growth in investments during the review period. The interest income risk (-100 basis points) for all interest-bearing instruments on the balance sheet was EUR -15.5 million (-29.1). The interest income risk has decreased due to the hedging activities made during the review period. The interest income risk is calculated as the effect of one percentage point sudden decrease on the net interest

income for the next 12 months including market value changes. The spread risk was EUR -4.5 million (-2.6) at the end of the review period.

## MREL requirement

The Financial Stability Authority is the national resolution authority in Finland. The Financial Stability Authority is responsible of setting the institution specific MREL-requirement for S-Bank. The latest decision and the one in force was given on 25 March 2025. Accordingly, at the end of June, the requirement based on total risk exposure amount was 21.94 (21.91) per cent, and the requirement based on the total amount of exposures used in the calculation of the leverage ratio was 7.80 (7.75) per cent. The Financial Stability Authority has not set a specific subordination requirement for S-Bank.

For the requirement based on total risk exposure amount, an additional CBR (Combined Buffer Requirement) must also be fulfilled. On 30 June 2025, the CBR was equal to 3.52 (3.52) per cent.

S-Bank covers the MREL requirement with instruments qualifying for own funds and eligible liabilities. Eligible liabilities consist of Senior Preferred bonds issued under the bond programme with residual maturity over one year. The MREL ratio based on total risk exposure amount (MREL, TREA) was 39.1 per cent (33.7), and the MREL ratio based on leverage ratio exposure (MREL, LRE) was 12.0 per cent (11.6). The MREL ratio based on total risk exposure amount strengthened as the total risk exposure amount decreased.

## Operational risk

Losses attributable to operational risks realised in the review period were low in relation to the regulatory capital requirement for operational risk. However, during the first half of the year, S-Bank received a combined penalty payment of EUR 7.67 million from the Financial Supervisory Authority (FIN-FSA) for negligence in operational risk management and a public warning for negligence in strong identification and the payer's consent required for the execution of payment transactions.

S-Bank's operational risk profile is materially impacted by system failures and disruptions, fraud and possible deficiencies in services procured from external service providers.

The prolonged tightening of the security situation in Europe has further led to S-Bank's increased preparedness for information security and security threats. At the same time, the security situation in other parts of the world has also deteriorated due to internal instability in the United States and conflicts in the Middle East.

The number of information security attacks has stabilised at a higher level than in previous years, but during the review period, the attacks have not led to significant harm to S-Bank's customers. S-Bank has continued to remind its customers extensively about scam and phishing campaigns targeting them and how to identify and avoid them. As the latest means of influencing, S-Bank has published a campaign to highlight and prevent minors from acting as money mules. Increased attention will continue to be paid to the continuity of operations and preparedness for risks.



## OWN FUNDS REQUIREMENTS

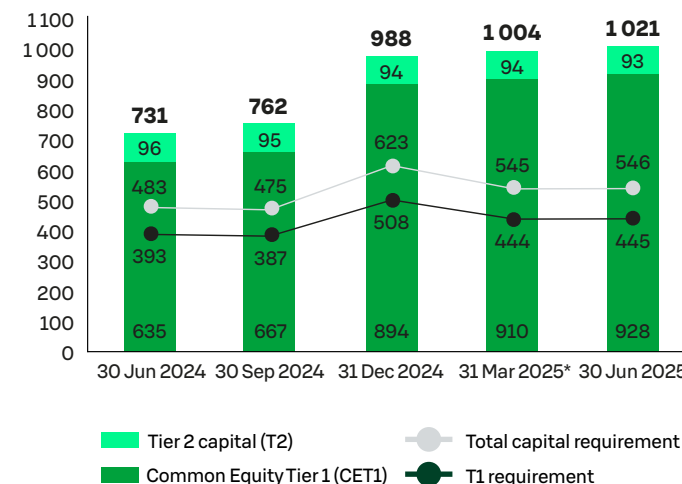
S-Bank's total capital requirement was 13.52 per cent (13.52). The capital requirement consists of the minimum capital requirement, the capital conservation buffer, the countercyclical capital buffer, the systemic risk buffer, and the discretionary, institution-specific Pillar 2 requirement.

The discretionary Pillar 2 requirement imposed on S-Bank is 2.0 per cent of the total risk exposure and will remain in force until 31 December 2026 at most. The Pillar 2 capital requirement comple-

ments the minimum capital requirement laid down in the Capital Requirements Regulation. 75 per cent of the requirement must be covered by Tier 1 capital (T1), of which a further 75 per cent must be covered by Common Equity Tier 1 capital (CET1).

The Pillar 2 Guidance (P2G) imposed by FIN-FSA on S-Bank is 0.75 per cent of the total risk exposure amount. The P2G entered into force on 31 March 2024.

## DEVELOPMENT OF OWN FUNDS AND CAPITAL REQUIREMENTS (EUR MILLION)



\* Total capital requirement and T1 requirement have been amended since the publication of the 31 March 2025 interim report due to the correction of the risk weights for covered bonds.

## S-BANK'S TOTAL CAPITAL REQUIREMENT ON 30 JUN 2025 (PILLAR 1)

Capital	Minimum capital requirement		Capital conservation buffer		Countercyclical capital buffer		Systemic risk buffer		Pillar 2 (SREP) additional capital requirement		Total capital requirement	
	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million
CET1	4.5%	181.6	2.5%	100.9	0.02%	1.0	1.0%	40.4	1.13%	45.4	9.15%	369.3
AT1	1.5%	60.5							0.38%	15.1	1.88%	75.7
T2	2.0%	80.7							0.50%	20.2	2.50%	100.9
<b>Total</b>	<b>8.0%</b>	<b>322.9</b>	<b>2.5%</b>	<b>100.9</b>	<b>0.02%</b>	<b>1.0</b>	<b>1.0%</b>	<b>40.4</b>	<b>2.00%</b>	<b>80.7</b>	<b>13.52%</b>	<b>545.9</b>



## CAPITAL ADEQUACY POSITION

At the end of the review period, S-Bank's CET1 ratio was 23.0 per cent (19.4) and the total capital adequacy ratio was 25.3 per cent (21.4). The strengthening of the capital adequacy ratios was particularly affected by the changes to the Capital Requirements Regulation (CRR3) that came into effect on 1 January 2025. CET1 capital increased by EUR 33.9 million and T2 capital decreased by EUR 0.9 million. The profit-driven increase in CET1 capital as well as the recovery in the fair value reserve strengthened own funds.

S-Bank's Tier 2 capital consists of four debentures. The debentures with a residual maturity of less than five years are being gradually reduced from Tier 2 capital, as required by Capital Requirements Regulation. The amount of foreseeable dividend for 2025 has been deducted from retained earnings, in line with S-Bank's dividend policy and Commission Delegated Regulation (EU) No 241/2014.

S-Bank's risk exposure amount (REA) decreased by EUR 572.0 million, totalling EUR 4 036.6 million (4 608.6) at the end

of the review period. The decrease in risk exposure amount of EUR 568.9 million was due to the entry into force of the CRR3 regulation starting from 1 January 2025. During the first half of the year, risk-weighted assets for credit risk decreased by EUR 0.9 million, especially due to a decrease in household customer loans and the average risk level of investments. The decline in the market values of residential real estate collaterals increased risk-weighted assets for exposures secured by mortgages on immovable property during the review period. Credit risk constitutes 84.9 per cent (84.2) of the risk exposure amount. The most substantial exposure classes are exposures secured by mortgages on immovable property and retail exposures. Risk related to credit valuation adjustment (CVA) decreased by EUR 2.2 million during the first half of the year.

S-Bank uses the standardised approach for calculating Credit and Operational Risk and the basic approach for calculating Credit Valuation Adjustment. During the second quarter of the year, S-Bank changed its method for calculating the Counterparty Credit risk (CCR)

## SUMMARY OF CAPITAL ADEQUACY INFORMATION

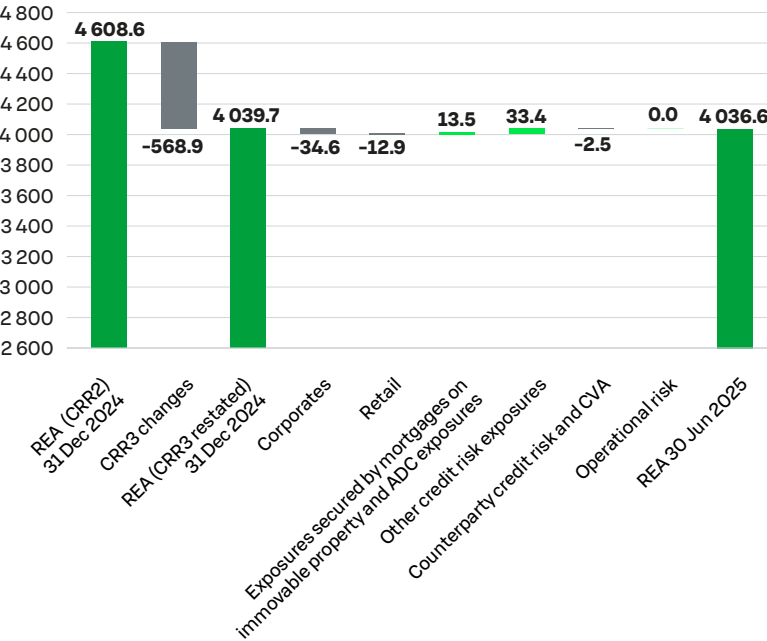
Own funds (EUR million)	30 Jun 2025	31 Dec 2024
<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>989.8</b>	<b>957.5</b>
Share capital	82.9	82.9
Reserve for invested non-restricted equity	483.8	483.8
Retained earnings	423.2	393.2
Fair value reserve	-0.2	-2.4
<b>Regulatory adjustments to Common Equity Tier 1 (CET1) capital</b>	<b>61.7</b>	<b>63.4</b>
Intangible assets	60.0	62.4
Value adjustments due to the requirements for prudent valuation	0.9	0.7
Deduction for non-performing exposures	0.9	0.4
<b>Common Equity Tier 1 (CET1) capital</b>	<b>928.0</b>	<b>894.1</b>
<b>Tier 1 (T1 = CET1 + AT1) capital</b>	<b>928.0</b>	<b>894.1</b>
<b>Tier 2 (T2) capital before adjustments</b>	<b>93.3</b>	<b>94.2</b>
Debentures	93.3	94.2
<b>Tier 2 (T2) capital</b>	<b>93.3</b>	<b>94.2</b>
<b>Own funds in total (TC = T1 + T2)</b>	<b>1 021.3</b>	<b>988.3</b>
<b>Risk exposure amount (EUR million)</b>	<b>30 Jun 2025</b>	<b>31 Dec 2024</b>
Credit and Counterparty Credit risk	3 425.7	3 881.9
Operational risk	599.7	716.1
Credit valuation adjustment (CVA)	11.3	10.7
<b>Total risk exposure amount</b>	<b>4 036.6</b>	<b>4 608.6</b>
<b>Ratios (%)</b>	<b>30 Jun 2025</b>	<b>31 Dec 2024</b>
Common Equity Tier 1 (CET1) ratio	23.0	19.4
Tier 1 (T1) capital adequacy ratio	23.0	19.4
Capital adequacy ratio	25.3	21.4



from the original exposure method to a simplified standardised approach for counterparty credit risk. The change in the calculation method was due to an increase in the S-Bank’s derivative posi-

tion. S-Bank does not have a trading book, in accordance with the Capital Requirements Regulation, and hence the company is not subject to capital requirement for market risk.

**SPLIT OF CHANGES IN RISK EXPOSURE AMOUNT AND RISK-WEIGHTED ASSETS (EUR MILLION)**



**REPORTING OF RISK AND CAPITAL ADEQUACY INFORMATION**

S-Bank complies with its disclosure obligations by publishing information on risks, risk management and capital adequacy in its financial statements. The published information on capital adequacy and risks is always available on S-Bank’s website at s-pankki.fi.

The Pillar 3 report (Capital and Risk Management Report) and tables (S-Bank Capital Adequacy tables) in accordance with the EU Capital Requirements Regulation is published in documents separate from the financial statements. The report and tables as well as information on S-Bank’s governance and management systems and remuneration systems are available on S-Bank’s website.



## SIGNIFICANT EVENTS AFTER THE END OF THE REVIEW PERIOD

No significant events after the end of the review period.

## OUTLOOK FOR 2025

The economic outlook for the rest of the year continues to be heavily influenced by trade policy and geopolitical events. The threat of an escalation of the trade wars started by the US means that economic uncertainty is still high, and this may be reflected as caution in terms of household consumption and businesses' investment decisions. The geopolitical situation also remains tense. On the other hand, positive news on these fronts could significantly boost sentiment, which would also have positive impacts on economic growth expectations.

US economic growth is expected to slow and inflation to pick up slightly towards the autumn, as the impact of the US tariffs start to have an effect. However, the development of the US labour market is likely to be crucial in determining whether the Federal Reserve decides to implement interest rate cuts. A rise in the unemployment rate could lead the Fed to cut rates, even if inflation were to temporarily rise slightly at the same time.

European economic growth is expected to pick up only moderately during the remainder of the year. The outcome of trade negotiations between the US and

the EU will play a big role in the economic outlook. A rise in tariffs from the levels of the summer would undoubtedly be a blow for any hopes of a recovery in the Euro area's economy. On the other hand, the planned investments in both defence and infrastructure in Germany and many other countries have started contributing to a more positive economic outlook already this year. Inflationary pressures in the Euro area are moderate, and it looks like the European Central Bank (ECB) will achieve its inflation target. If the economic outlook for the Euro area does not deteriorate further this autumn, the ECB is likely to keep its deposit rate

unchanged for the rest of the year. The ECB does have the scope for further interest rate cuts, if necessary, to support the economy if the tariffs have negative economic consequences.

A recovery in domestic demand, driven by increased consumer spending and investment, is expected to stimulate economic growth in Finland towards the end of the year. An improvement in household purchasing power and lower interest rates would help to strengthen consumer confidence and fuel the recovery in consumer demand. However, the crucial factors may be whether the



emerging turnaround in the labour market remains permanent, and whether the global political news becomes more positive. On the other hand, the export outlook is largely dependent on the outcome of the trade negotiations between the US and the EU regarding tariffs.

The housing market is still being supported by a marked fall in interest rates from their previous peaks, and the increase in activity is expected to start having a positive impact on housing prices. However, the Euribor rates will stop declining soon and we expect them to level off close to current levels during the remainder of the year. Overall, the housing market is expected to strengthen at a moderate pace during the rest of the year.

The news on the trade negotiations will also strongly determine market sentiment during the second half of the year. Equity valuation levels are still

demanding, which creates challenges for the equity markets in the unpredictable trade and geopolitical environment. Especially in the US, there is also the risk that long-term interest rates could rise further, if inflationary pressures increase and levels of debt accelerate further.

We expect operating profit for the whole year to decline to under EUR 100 million (165.2). Declining interest rates and the penalty payment imposed on the bank have negative impact on banks performance, even though the Handelsbanken transaction will increase the bank's earnings. In addition, the investments related to implementing our strategy will remain at a high level. The outlook for 2025 is still subject to uncertainties regarding the operating environment, geopolitical tensions, the economy, employment and the real estate market. The scale of the change is impacted by the one-off negative goodwill related to the Handelsbanken transaction, which was recognised as income in 2024.



# OTHER INFORMATION

## ANNUAL GENERAL MEETING

S-Bank Plc's Annual General Meeting (AGM) was held on 10 April 2025. The AGM adopted the financial statements for 2024 and discharged from liability the persons who served as the members of the Board of Directors and the company's Chief Executive Officer during the financial period ended on 31 December 2024. The AGM decided that a dividend of EUR 2.20 per share, totalling EUR 20 072 082.80, shall be paid from the parent company's distributable assets.

Authorised Public Accounting firm KPMG Oy Ab was elected as the company's auditor, with Petri Kettunen, APA, as the principally responsible auditor. Authorised sustainability audit firm KPMG Oy Ab was selected as the sustainability reporting assurer, with Petri Kettunen, Authorised Sustainability Auditor, as the key sustainability partner.

## CEO

Riikka Laine-Tolonen is the CEO of S-Bank, and Iikka Kuosa is the Deputy CEO.

## PERSONNEL

At the end of the review period, S-Bank employed a total of 1 206 people (1 172). Of these, 998 persons (991) worked at S-Bank Plc. 38 persons (38) worked at the subsidiaries of the Wealth Management business, and 170 persons (143) at S-Asiakaspalvelu Oy. The salaries and remunerations paid to S-Bank's personnel during the review period totalled EUR 40.2 million (30.4).

## BOARD OF DIRECTORS

At the Annual General Meeting, the following members were elected to S-Bank's Board of Directors:

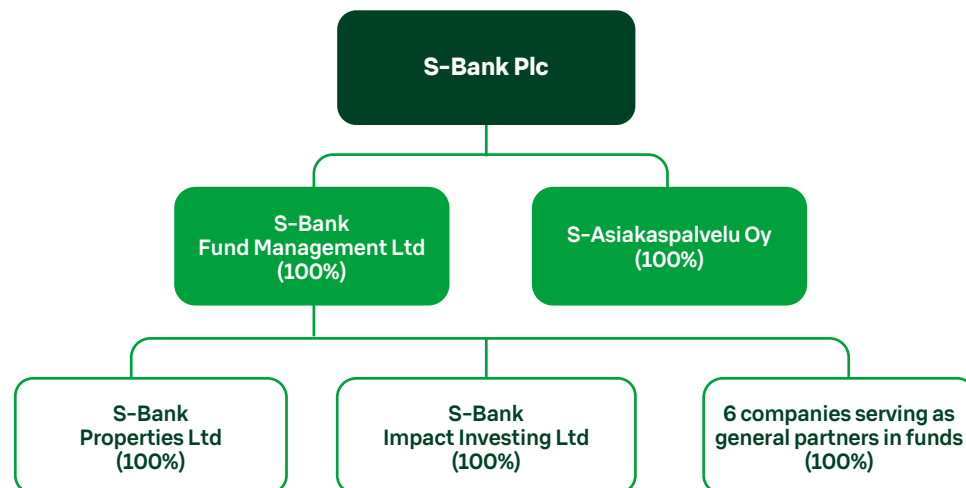
Jari Annala, MSc. (Econ.)	Executive Vice President SOK, CEO of SOK Liiketoiminta Oy
Tom Dahlström, Ph.D. (Doc.Soc.Sc.) (Econ.)	Management Consultant
Kati Hagros, M.Sc. (Engineering), M.Soc.Sc.	Chief Digital Officer at Aalto University
Veli-Matti Liimatainen, M.Sc. (Econ.)	Managing Director of Helsinki Cooperative Society Elanto
Hillevi Mannonen, M.Sc. (Math.), SHV (actuary approved by the Ministry of Social Affairs and Health), Certified Board Member	Board professional
Tarja Tikkanen, LL.M., Trained on the bench, Certified Board Member, TMA trained	Board professional
Jorma Vehviläinen, M.Sc. (Econ.)	CFO of SOK
Niklas Österlund, M.Sc. (Econ.)	Managing Director of Turku Cooperative Society

Mikko Junttila, M.Sc. (Econ.), CEO of PeeÄssä Cooperative Society, was elected as a deputy member. The Board re-elected Jari Annala as Chairman and Jorma Vehviläinen as Vice Chairman.



## CORPORATE STRUCTURE OF S-BANK GROUP

The corporate structure and the Group companies are described in more detail in the 2024 annual report.





# HALF-YEAR REPORT 1 JANUARY–30 JUNE 2025

## CONSOLIDATED INCOME STATEMENT

(EUR '000)	Note	Jan–Jun 2025	Jan–Jun 2024
Interest income		275 377	264 631
Interest expenses		-130 664	-107 008
Net interest income	4	144 713	157 623
Fee and commission income		58 637	53 929
Fee and commission expenses		-10 880	-9 207
Net fee and commission income	5	47 757	44 722
Net income from investing activities	6	749	-210
Dividends		49	48
Other operating income		4 792	4 163
<b>Total income</b>		<b>198 060</b>	<b>206 345</b>
Personnel expenses		-48 334	-36 212
Other administrative expenses		-64 130	-52 847
Depreciation and impairment		-9 900	-8 403
Other operating expenses		-11 955	-8 751
<b>Total expenses</b>		<b>-134 318</b>	<b>-106 213</b>
Impairment of receivables	7	-11 817	-16 609
Share of the profits of associated companies		1	-1
<b>OPERATING PROFIT (LOSS)</b>		<b>51 927</b>	<b>83 522</b>
Income taxes		-11 891	-16 668
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>40 036</b>	<b>66 854</b>
<b>of which:</b>			
to the parent company's shareholders		40 036	66 854

## CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(EUR '000)	Note	Jan–Jun 2025	Jan–Jun 2024
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>40 036</b>	<b>66 854</b>
<b>Other comprehensive income items:</b>			
Items that may be reclassified subsequently to profit or loss			
Profit or loss on financial assets measured at fair value through other comprehensive income	8, 9	2 752	5 099
Tax effect		-553	-1 000
Items that may be reclassified subsequently to profit or loss		2 199	4 099
<b>Other comprehensive income items, after taxes</b>		<b>2 199</b>	<b>4 099</b>
<b>Comprehensive income, total</b>		<b>42 235</b>	<b>70 953</b>
<b>of which:</b>			
to the parent company's shareholders		42 235	70 953



## CONSOLIDATED BALANCE SHEET

(EUR '000)	Note	30 Jun 2025	31 Dec 2024	30 Jun 2024
<b>Assets</b>				
Cash and cash equivalents	8,9	2 461 272	2 906 420	3 135 529
Debt securities eligible for refinancing with central banks	8,9	746 203	564 844	527 526
Receivables from credit institutions	8,9	27 220	21 578	12 255
Receivables from customers *	8,9	9 396 008	9 466 806	7 002 043
Debt securities	8,9,10	124 057	57 966	92 186
Derivatives	8,9,10	51 968	48 981	20 695
Shares and interests	8,9	16 882	19 322	18 458
Holdings in associated companies		6	5	6
Intangible assets		59 978	62 365	64 547
Tangible assets		11 505	13 953	6 846
Tax assets		5 549	3 951	4 642
Prepayments and accrued income		79 954	78 060	64 384
Other assets		7 129	5 373	13 255
<b>Assets, total</b>		<b>12 987 731</b>	<b>13 249 625</b>	<b>10 962 372</b>

(EUR '000)	Note	30 Jun 2025	31 Dec 2024	30 Jun 2024
<b>Liabilities</b>				
Liabilities to credit institutions *	8,9	76 860	655 700	32 095
Liabilities to customers *	8,9,10	10 054 094	9 460 439	8 372 645
Issued bonds	8,9,10,11	1 578 282	1 712 456	1 578 406
Subordinated debts	8,9,12	91 333	95 666	96 999
Derivatives	8,9,10	889	1 717	7 742
Provisions		225	225	200
Tax liabilities		5 744	11 344	11 478
Accrued expenses		95 261	246 679	81 740
Other liabilities		85 264	87 782	70 866
<b>Liabilities, total</b>		<b>11 987 951</b>	<b>12 272 007</b>	<b>10 252 173</b>
<b>Equity</b>				
Share capital		82 880	82 880	82 880
Reserves		483 644	481 445	279 247
Retained earnings		433 257	413 293	348 071
<b>Parent company's shareholders</b>		<b>999 781</b>	<b>977 618</b>	<b>710 198</b>
<b>Equity, total</b>		<b>999 781</b>	<b>977 618</b>	<b>710 198</b>
<b>Liabilities and equity, total</b>		<b>13 138 095</b>	<b>13 249 625</b>	<b>10 288 407</b>

\* The comparability of the 30 June 2024 half-year report is affected by the Handelsbanken transaction completed on 1 December 2024. The transaction is described in more details in 2024 annual report.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Equity attributable to parent company shareholders				
(EUR '000)	Note	Share capital	Reserve for invested non-restricted equity	Other reserves	Retained earnings	Total equity
<b>EQUITY 1 JAN 2024</b>		<b>82 880</b>	<b>283 828</b>	<b>-8 680</b>	<b>291 244</b>	<b>649 272</b>
<b>Comprehensive income</b>						
Profit (loss) for the period					66 854	66 854
Other comprehensive income items:						
Profit or loss on financial assets measured at fair value through other comprehensive income	8,9			4 099		4 099
Other comprehensive income items, total				4 099		4 099
<b>Comprehensive income, total</b>				<b>4 099</b>	<b>66 854</b>	<b>70 953</b>
Transactions with shareholders						
Dividend distribution *					-10 020	-10 020
Transactions with shareholders, total					-10 020	-10 020
Other changes					-7	-7
<b>TOTAL EQUITY 30 JUN 2024</b>		<b>82 880</b>	<b>283 828</b>	<b>-4 581</b>	<b>348 071</b>	<b>710 198</b>

\* Dividend EUR 1.50 per share.



Equity attributable to parent company shareholders						
(EUR '000)	Note	Share capital	Reserve for invested non-restricted equity	Other reserves	Retained earnings	Total equity
<b>EQUITY 1 JAN 2024</b>		<b>82 880</b>	<b>283 828</b>	<b>-8 680</b>	<b>291 244</b>	<b>649 272</b>
<b>Comprehensive income</b>						
Profit (loss) for the period					132 140	132 140
Other comprehensive income items:						
Profit or loss on financial assets measured at fair value through other comprehensive income	8, 9			6 297		6 297
Remeasurements of defined benefit plans					-64	-64
Other comprehensive income items, total				6 297	-64	6 232
<b>Comprehensive income, total</b>				<b>6 297</b>	<b>132 076</b>	<b>138 373</b>
Transactions with shareholders						
Dividend distribution *					-10 020	-10 020
Share issue			200 000			200 000
Transactions with shareholders, total			200 000		-10 020	189 980
Other changes					-7	-7
<b>TOTAL EQUITY 31 DEC 2024</b>		<b>82 880</b>	<b>483 828</b>	<b>-2 384</b>	<b>413 293</b>	<b>977 618</b>

\* Dividend EUR 1.50 per share.



(EUR '000)	Note	Equity attributable to parent company shareholders				Total equity
		Share capital	Reserve for invested non-restricted equity	Other reserves	Retained earnings	
<b>EQUITY 1 JAN 2025</b>		<b>82 880</b>	<b>483 828</b>	<b>-2 384</b>	<b>413 293</b>	<b>977 618</b>
<b>Comprehensive income</b>						
Profit (loss) for the period					40 036	40 036
Other comprehensive income items:						
Profit or loss on financial assets measured at fair value through other comprehensive income	8, 9			2 199		2 199
Other comprehensive income items, total				2 199		2 199
<b>Comprehensive income, total</b>				<b>2 199</b>	<b>40 036</b>	<b>42 235</b>
Transactions with shareholders						
Dividend distribution *					-20 072	-20 072
Transactions with shareholders, total					-20 072	-20 072
<b>TOTAL EQUITY 30 JUN 2025</b>		<b>82 880</b>	<b>483 828</b>	<b>-185</b>	<b>433 257</b>	<b>999 781</b>

\* Dividend EUR 2.20 per share.



## CONSOLIDATED CASH FLOW STATEMENT

(EUR '000)	Note	Jan–Jun 2025	Jan–Jun 2024
<b>Cash flows from operating activities</b>			
<b>Profit (loss) for the period</b>		<b>40 036</b>	<b>66 854</b>
Depreciation and impairment		9 900	8 403
Shares of the profit of companies consolidated with the equity method		-1	1
Credit losses		17 275	20 824
Other non-payment income and expenses		1 166	1 926
Income taxes		11 891	16 668
Other adjustments		102	87
Adjustments for financial income and expenses		-2 494	26 105
<b>Adjustments, total</b>		<b>37 839</b>	<b>74 014</b>
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		<b>77 875</b>	<b>140 868</b>
<b>Increase/decrease in operating assets (-/+)</b>			
Receivables from credit institutions, other than repayable on demand		-6 101	-2 153
Receivables from customers		53 023	-89 119
Investment assets		-242 278	83 822
Other assets		-5 621	7 423
<b>Increase/decrease in operating assets</b>		<b>-200 976</b>	<b>-27</b>
<b>Increase/decrease in operating liabilities (+/-)</b>			
Liabilities to credit institutions		11 160	-2 135
Liabilities to customers		587 444	132 460
Other liabilities		1 589	-10 622
<b>Increase/decrease in operating liabilities</b>		<b>600 193</b>	<b>119 703</b>
Taxes paid		-19 642	-24 055
<b>Cash flows from operating activities</b>		<b>457 449</b>	<b>236 489</b>

(EUR '000)	Note	Jan–Jun 2025	Jan–Jun 2024
<b>Cash flows from investing activities</b>			
Investments in tangible and intangible assets		-5 074	-6 023
Purchase prices paid for acquisitions *		-148 375	—
<b>Cash flows from investing activities</b>		<b>-153 449</b>	<b>-6 023</b>
<b>Cash flows from financing activities</b>			
Increase/decrease in short term loans *		-590 000	—
Payments received from issue of bonds and debentures	11, 12	—	795 981
Repayments of issued bonds and debentures	11, 12	-137 256	-86 100
Repayments of lease liabilities		-2 266	-1162
Dividends paid		-20 072	-10 020
<b>Cash flows from financing activities</b>		<b>-749 594</b>	<b>698 699</b>
<b>Difference in cash and cash equivalents</b>		<b>-445 594</b>	<b>929 164</b>
Cash and cash equivalents, opening balance sheet		2 909 392	2 209 361
Difference in cash and cash equivalents		-445 594	929 164
Impact of changes in exchange rates		-13	7
<b>Cash and cash equivalents consist of the following items:</b>			
Cash and cash equivalents	8, 9	2 461 272	3 135 529
Repayable on demand		2 513	3 003
<b>Cash and cash equivalents</b>		<b>2 463 785</b>	<b>3 138 532</b>
<b>Interests paid</b>		<b>-136 147</b>	<b>-69 957</b>
<b>Dividends received</b>		<b>49</b>	<b>48</b>
<b>Interests received</b>		<b>277 982</b>	<b>253 185</b>

\* The comparability of the 30 June 2024 half-year report is affected by the Handelsbanken transaction completed on 1 December 2024. The transaction is described in more details in 2024 annual report.



## GROUP'S QUARTERLY PROFIT PERFORMANCE

### CONSOLIDATED INCOME STATEMENT

(EUR '000)	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Jan–Jun 2025	Jan–Jun 2024
Interest income	130 446	144 931	142 883	144 244	136 941	275 377	264 631
Interest expenses	-58 732	-71 932	-70 365	-67 494	-58 968	-130 664	-107 008
Net interest income	71 714	72 999	72 517	76 751	77 973	144 713	157 623
Fee and commission income	29 513	29 125	28 064	27 439	27 783	58 637	53 929
Fee and commission expenses	-5 272	-5 609	-2 396	-5 106	-4 740	-10 880	-9 207
Net fee and commission income	24 241	23 516	25 668	22 334	23 043	47 757	44 722
Net income from investing activities	78	672	143	-655	-490	749	-210
Dividends	42	7	37	0	42	49	48
Other operating income	1 934	2 858	32 090	3 743	1 719	4 792	4 163
<b>Total income</b>	<b>98 008</b>	<b>100 052</b>	<b>130 455</b>	<b>102 173</b>	<b>102 287</b>	<b>198 060</b>	<b>206 345</b>
Personnel expenses	-23 716	-24 617	-27 866	-20 050	-18 496	-48 334	-36 212
Other administrative expenses	-33 132	-30 997	-36 638	-27 909	-29 494	-64 130	-52 847
Depreciation and impairment	-4 962	-4 937	-4 590	-4 118	-4 247	-9 900	-8 403
Other operating expenses	-3 742	-8 213	-2 274	-1 416	1 415	-11 955	-8 751
<b>Total expenses</b>	<b>-65 552</b>	<b>-68 766</b>	<b>-71 368</b>	<b>-53 494</b>	<b>-50 822</b>	<b>-134 318</b>	<b>-106 213</b>
Impairment of receivables	-4 431	-7 386	-20 182	-5 887	-10 709	-11 817	-16 609
Share of the profits of associated companies	1	–	-1	–	-1	1	-1
<b>OPERATING PROFIT (LOSS)</b>	<b>28 026</b>	<b>23 901</b>	<b>38 904</b>	<b>42 792</b>	<b>40 755</b>	<b>51 927</b>	<b>83 522</b>
Income taxes	-7 132	-4 759	-7 869	-8 541	-8 149	-11 891	-16 668
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>20 894</b>	<b>19 142</b>	<b>31 036</b>	<b>34 251</b>	<b>32 605</b>	<b>40 036</b>	<b>66 854</b>
<b>of which:</b>							
to the parent company's shareholders	20 894	19 142	31 036	34 251	32 605	40 036	66 854



**CONSOLIDATED COMPREHENSIVE INCOME STATEMENT**

(EUR '000)	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Jan–Jun 2025	Jan–Jun 2024
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>20 894</b>	<b>19 142</b>	<b>31 036</b>	<b>34 251</b>	<b>32 605</b>	<b>40 036</b>	<b>66 854</b>
<b>Other comprehensive income items:</b>							
Items that will not be reclassified to profit or loss							
Items due to remeasurements of defined benefit plans	–	–	–80	–	–	–	–
Tax effect	–	–	16	–	–	–	–
Items that will not be reclassified to profit or loss	–	–	–64	–	–	–	–
Items that may be reclassified subsequently to profit or loss							
Profit or loss on financial assets measured at fair value through other comprehensive income	1 877	876	21	2 949	3 091	2 752	5 099
Tax effect	–376	–178	–10	–763	–567	–553	–1 000
Items that may be reclassified subsequently to profit or loss	1 501	698	11	2 186	2 524	2 199	4 099
<b>Other comprehensive income items, after taxes</b>	<b>1 501</b>	<b>698</b>	<b>–53</b>	<b>2 186</b>	<b>2 524</b>	<b>2 199</b>	<b>4 099</b>
<b>Comprehensive income, total</b>	<b>22 395</b>	<b>19 840</b>	<b>30 983</b>	<b>36 437</b>	<b>35 129</b>	<b>42 235</b>	<b>70 953</b>
<b>of which:</b>							
to the parent company's shareholders	22 395	19 840	30 983	36 437	35 129	42 235	70 953



# NOTES TO THE HALF-YEAR REPORT

## NOTE 1: BASIC INFORMATION

The S-Bank Group consists of S-Bank Plc and its subsidiaries. S-Bank is a deposit bank that engages in credit institution operations pursuant to the Finnish Act on Credit Institutions (610/2014). The bank engages in the operations and related activities referred to in Chapter 5, section 1, of the above-mentioned Act. The Bank engages also in mortgage banking activities pursuant to Finnish Act on Mortgage Credit Banks and Covered Bonds (11.3.2022/151). In addition, the Bank is offering investment services pursuant to Chapter 1, section 15, of the Act on Investment Services (747/2012). As the parent company, S-Bank performs such tasks of the Group companies that must be carried out in a centralised manner, such as the Group's administration, guidance and supervision.

S-Bank's headquarters are located at Fleminginkatu 34, FI-00510 Helsinki, Finland.

## NOTE 2: ACCOUNTING POLICIES

### Accounting policies used in the preparation of the half-year report

The half-year report 1 January–30 June 2025 has been prepared in accordance with the IAS 34 Interim Financial Reporting standard. The figures in the tables of the half-year report are presented in thousands of euros unless otherwise is indicated. Since the figures have generally been rounded and do not include decimals, the sums of individual figures in euros may differ from the total figures presented in the report.

S-Bank applies fair value hedges to derivative contracts entered into for the purpose of hedging against changes in the fair value of assets and liabilities exposed to interest rate risk. The risk related to changes in fair value that S-Bank hedges against concerns fixed interest rate securities, issued bonds and a deposit portfolio modelled as fixed rate, which are exposed to interest rate risk.

A credit-adjusted effective interest rate is applied to purchased or originated credit-impaired (POCI) financial assets as of the date on which the financial

asset item measured at amortised cost was initially recognised. These financial assets are only classified under Stage 3 or Stage 2.

Otherwise, the half-year report complies with the accounting policies presented in the financial statements for 2024.

### Accounting policies requiring management judgement and the key uncertainties associated with estimates

IFRS-compliant interim report requires management to exercise judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and other information such as the amounts of income and expense. Although these estimates are based on the management's best knowledge at the time, it is possible that actual results differ from the estimates used in the half-year report.

Accounting policies requiring management judgement and the key uncertainties associated with estimates are included in the 2024 financial statements. Critical items in the half-year report requiring management as well

judgement as estimates and assumptions are included in following notes:

- Note 7 Impairment of receivables: The calculation of expected credit loss in accordance with the IFRS 9 standard is based on internal models that contain assumptions of a change in credit risk. The model-based estimate is complemented with a management judgement, which takes into account the uncertainty related to model parameters and assumptions, as well as model risk. Management judgement is also applied to definition of LGD risk parameter floors.
- Note 8 Fair values and carrying amounts of financial assets and liabilities: The management's judgement is required in circumstances where fair value price information is not available in the market or fair value is not reliable. In these cases, the fair value of a financial instrument needs to be determined using a valuation technique, where input data is based on management's estimation regarding market practices used to measure the value of particular instruments.



### NOTE 3: SEGMENT REPORT

The S-Bank Group's operating segments are Banking and Wealth Management. Operations that do not fall under these business segments are reported under 'Other activities'. The Group reports segment data in accord-

ance with the IFRS 8 Operating Segments standard. The reporting of business segments is identical to the internal reporting provided to company management. The S-Bank's highest executive decision-maker is the Group Management Team.

Banking is responsible for producing S-Bank's banking services for households and selected corporate customers. The products and services offered by Banking include those required for daily banking and the financing of purchases. Banking also includes the Group's treasury.

Wealth Management is responsible for producing the S-Bank's asset management services and for its customer relationships and business development. The segment offers saving and investing services to household customers, private banking services and services to institutional investors.

### INCOME STATEMENT FOR SEGMENTS

Jan-Jun 2025 (EUR '000)	Banking	Wealth Management	Other activities	Eliminations	Group, total
Net interest income	144 559	507	-353		144 713
Net fee and commission income	24 825	22 932	0		47 757
Net income from investing activities	761	-11			749
Dividends	7		42		49
Other operating income	10 180	91	1 886	-7 366	4 792
<b>Total income</b>	<b>180 332</b>	<b>23 519</b>	<b>1 575</b>	<b>-7 366</b>	<b>198 060</b>
<b>Total expenses *</b>	<b>-111 234</b>	<b>-24 474</b>	<b>-5 976</b>	<b>7 366</b>	<b>-134 318</b>
Impairment of receivables	-11 817		0		-11 817
Share of the profits of associated companies				1	1
<b>Operating profit (loss)</b>	<b>57 281</b>	<b>-955</b>	<b>-4 401</b>	<b>1</b>	<b>51 927</b>

External income from Banking was EUR 175 250 thousand and from Wealth Management EUR 22 970 thousand.

Jan-Jun 2024 (EUR '000)	Banking	Wealth Management	Other activities	Eliminations	Group, total
Net interest income	156 926	818	-122		157 623
Net fee and commission income	25 625	19 095	2		44 722
Net income from investing activities	-221	10			-210
Dividends	15		33		48
Other operating income	8 890	112	1 656	-6 494	4 163
<b>Total income</b>	<b>191 235</b>	<b>20 036</b>	<b>1 569</b>	<b>-6 494</b>	<b>206 345</b>
<b>Total expenses *</b>	<b>-87 575</b>	<b>-20 643</b>	<b>-4 489</b>	<b>6 494</b>	<b>-106 213</b>
Impairment of receivables	-16 609		—		-16 609
Share of the profits of associated companies				-1	-1
<b>Operating profit (loss)</b>	<b>87 051</b>	<b>-607</b>	<b>-2 920</b>	<b>-1</b>	<b>83 522</b>

External income from Banking was EUR 187 207 thousand and from Wealth Management EUR 19 225 thousand.

\* The net expenses of support and headquarter functions are allocated from 'Other activities' to the Banking and Wealth Management business segments. This cost allocation is included in the segments' item 'Total expenses'.



Other activities include Group support and headquarter functions. Most of the net expenses of the support and headquarter functions are allocated to the Banking and Wealth Management business segments. This cost allocation is included in the segments' item 'Total

expenses'. The result of 'Other activities' consists of items not allocated to the segments.

'Other activities' include common costs, such as those related to financial statements, auditing, the Board of Directors

and General Meetings, as well as those of the management, including the CEO, in support and headquarter functions. In addition, the income and expenses of functions subject to restructuring are allocated to 'Other activities'.

## BALANCE SHEET FOR SEGMENTS

30 Jun 2025 (EUR '000)	Banking	Wealth Management	Other activities	Group, total
Receivables from customers	9 396 008			9 396 008
Liquid and investment assets of banking	3 427 602			3 427 602
Intangible and tangible assets	8 495	27 580	35 414	71 489
Other assets	60 765	6 213	25 655	92 633
<b>Assets, total</b>	<b>12 892 869</b>	<b>33 794</b>	<b>61 069</b>	<b>12 987 731</b>
Banking liabilities	11 801 457			11 801 457
Provisions and other liabilities	118 327	5 998	62 169	186 494
Equity			999 781	999 781
<b>Liabilities and equity, total</b>	<b>11 919 784</b>	<b>5 998</b>	<b>1 061 949</b>	<b>12 987 731</b>

31 Dec 2024 (EUR '000)	Banking	Wealth Management	Other activities	Group, total
Receivables from customers	9 466 806			9 466 806
Liquid and investment assets of banking	3 619 112			3 619 112
Intangible and tangible assets	12 326	28 281	35 716	76 323
Other assets	62 790	6 047	18 547	87 384
<b>Assets, total</b>	<b>13 161 033</b>	<b>34 329</b>	<b>54 263</b>	<b>13 249 625</b>
Banking liabilities	11 925 978			11 925 978
Provisions and other liabilities	113 585	6 109	226 335	346 029
Equity			977 618	977 618
<b>Liabilities and equity, total</b>	<b>12 039 563</b>	<b>6 109</b>	<b>1 203 953</b>	<b>13 249 625</b>

Material customer business items, as well as the tangible and intangible assets of the business segments together with associated lease liabilities, are allocated to Banking and Wealth Management on the balance sheet. The remaining balance sheet items, including equity, are allocated to 'Other activities'.



## QUARTERLY PROFIT PERFORMANCE BY SEGMENT

<b>Banking (EUR '000)</b>	<b>Q2 2025</b>	<b>Q1 2025</b>	<b>Q4 2024</b>	<b>Q3 2024</b>	<b>Q2 2024</b>	<b>Jan-Jun 2025</b>	<b>Jan-Jun 2024</b>
Net interest income	71 537	73 022	72 592	76 415	77 690	144 559	156 926
Net fee and commission income	12 837	11 987	15 164	12 539	13 652	24 825	25 625
Net income from investing activities	84	677	133	-652	-501	761	-221
Dividends	—	7	37	—	9	7	15
Other operating income	4 562	5 619	4 885	6 122	4 074	10 180	8 890
<b>Total income</b>	<b>89 020</b>	<b>91 312</b>	<b>92 810</b>	<b>94 424</b>	<b>94 923</b>	<b>180 332</b>	<b>191 235</b>
<b>Total expenses</b>	<b>-53 342</b>	<b>-57 892</b>	<b>-54 744</b>	<b>-43 075</b>	<b>-41 194</b>	<b>-111 234</b>	<b>-87 575</b>
Impairment of receivables	-4 431	-7 386	-20 182	-5 887	-10 709	-11 817	-16 609
<b>Operating profit (loss)</b>	<b>31 246</b>	<b>26 035</b>	<b>17 884</b>	<b>45 462</b>	<b>43 021</b>	<b>57 281</b>	<b>87 051</b>

<b>Wealth Management (EUR '000)</b>	<b>Q2 2025</b>	<b>Q1 2025</b>	<b>Q4 2024</b>	<b>Q3 2024</b>	<b>Q2 2024</b>	<b>Jan-Jun 2025</b>	<b>Jan-Jun 2024</b>
Net interest income	234	272	373	396	413	507	818
Net fee and commission income	11 404	11 529	10 504	9 797	9 389	22 932	19 095
Net income from investing activities	-6	-5	9	-3	11	-11	10
Other operating income	60	31	44	40	65	91	112
<b>Total income</b>	<b>11 692</b>	<b>11 826</b>	<b>10 931</b>	<b>10 229</b>	<b>9 878</b>	<b>23 519</b>	<b>20 036</b>
<b>Total expenses</b>	<b>-11 932</b>	<b>-12 542</b>	<b>-13 782</b>	<b>-9 994</b>	<b>-10 856</b>	<b>-24 474</b>	<b>-20 643</b>
<b>Operating profit (loss)</b>	<b>-240</b>	<b>-716</b>	<b>-2 851</b>	<b>236</b>	<b>-978</b>	<b>-955</b>	<b>-607</b>



**NOTE 4: NET INTEREST INCOME**

(EUR '000)	Jan–Jun 2025	Jan–Jun 2024
<b>Interest income</b>		
Cash and cash equivalents	33 237	49 447
Debt securities eligible for refinancing with central banks measured at fair value through other comprehensive income	7 152	5 540
Receivables from credit institutions	230	110
Receivables from customers	199 608	195 647
Debt securities measured at fair value through other comprehensive income	140	469
measured at fair value through profit or loss	169	164
Derivatives	34 822	13 253
Other interest income	20	1
Total interest income using the effective interest method	240 366	251 213
Other interest income	35 011	13 418
<b>Interest income, total</b>	<b>275 377</b>	<b>264 631</b>
Interest income from stage 3 financial assets	2 921	2 096

(EUR '000)	Jan–Jun 2025	Jan–Jun 2024
<b>Interest expenses</b>		
Liabilities to credit institutions	-8 281	-572
Liabilities to customers	-56 584	-60 371
Issued bonds	-31 920	-26 352
Derivatives	-30 730	-13 149
Subordinated debts	-2 275	-3 121
Other interest expenses	-647	-3 298
Interest expenses on leases	-228	-145
Total interest expenses using the effective interest method	-99 060	-90 416
Other interest expenses	-31 604	-16 592
<b>Interest expenses, total</b>	<b>-130 664</b>	<b>-107 008</b>
<b>Net interest income</b>	<b>144 713</b>	<b>157 623</b>



**NOTE 5: NET FEE AND COMMISSION INCOME**

(EUR '000)	Jan–Jun 2025	Jan–Jun 2024
<b>Fee and commission income by segment</b>		
Fee and commission income from Banking		
From lending	5 340	4 759
From borrowing	412	408
From payment transactions	4 595	5 537
From card business	21 399	19 927
From legal duties	390	297
From insurance brokerage	1 367	1 379
From issuance of guarantees	4	9
Total fee and commission income from Banking	33 507	32 315
Fee and commission income from Wealth Management		
From funds	18 578	18 572
From wealth management	2 619	1 138
From property management	1 225	1 254
Total fee and commission income from Wealth Management	22 422	20 964
Fee and commission income from other activities		
From securities brokerage	416	310
Other fee and commission income	2 293	340
Total fee and commission income from other activities	2 708	649
<b>Fee and commission income, total</b>	<b>58 637</b>	<b>53 929</b>

(EUR '000)	Jan–Jun 2025	Jan–Jun 2024
<b>Fee and commission expenses</b>		
From funds	-1 535	-1 627
From wealth management	-23	-66
From securities brokerage	-561	-622
From card business	-8 505	-6 554
From property management	-15	-50
Banking fees	-191	-242
Other expenses	-49	-46
<b>Fee and commission expenses, total</b>	<b>-10 880</b>	<b>-9 207</b>
<b>Net fee and commission income</b>	<b>47 757</b>	<b>44 722</b>



## NOTE 6: NET INCOME FROM INVESTING ACTIVITIES

(EUR '000)	Jan-Jun 2025	Jan-Jun 2024
<b>Net income from financial assets measured at fair value through profit or loss</b>		
Debt securities		
Capital gains and losses	2	3
Changes in fair value	14	-6
Shares and interests		
Capital gains and losses	—	25
Changes in fair value	-1 544	-810
Derivatives		
Changes in fair value	-8	-425
<b>Net income from financial assets measured at fair value through profit or loss, total</b>	<b>-1 536</b>	<b>-1 213</b>
<b>Net income from financial assets measured at fair value through other comprehensive income</b>		
Debt securities eligible for refinancing with central banks		
Capital gains and losses	12	—
Debt securities		
Capital gains and losses	1	95
Shares and interests		
Capital gains and losses	1 665	1 311
Other income and expenses	-7	-8
<b>Net income from financial assets measured at fair value through other comprehensive income, total</b>	<b>1 670</b>	<b>1 398</b>
<b>Net income from currency operations</b>	<b>249</b>	<b>195</b>

(EUR '000)	Jan-Jun 2025	Jan-Jun 2024
<b>Net income from hedge accounting</b>		
Debt securities		
Net result from hedging instruments	-2 236	1 410
Net result from hedged items	2 223	-1 624
Liabilities to customers		
Net result from hedging instruments	6 084	439
Net result from hedged items	-6 211	-521
Issued bonds		
Net result from hedging instruments	-24	-18 992
Net result from hedged items	531	18 697
<b>Net income from hedge accounting</b>	<b>367</b>	<b>-591</b>
<b>Net income from investing activities, total</b>	<b>749</b>	<b>-210</b>

Changes in the fair value of hedged items attributable to the hedged risk are recognised in the income statement under 'Net income from hedge accounting'. Changes in the fair value not attributable to the hedged risk are recognised in the fair value reserve.

Changes in the fair value of the hedging items included in hedge accounting are recognised in the income statement under Net result from hedge accounting. When hedging is effective, the changes in the fair value offset each other and the net result is close to zero.



## NOTE 7: IMPAIRMENT OF RECEIVABLES

S-Bank is exposed to credit risk arising from household and corporate customer exposures, investing activities (debt securities) and off-balance sheet commitments. Credit granted to household customers constitutes the largest exposure to credit risk in the form of expected credit losses. The exposures to household customers include housing loans and consumer loans, the latter of which generate a relatively larger credit risk, as they are unsecured credit products. The corporate loan portfolio focuses on the secured

financing of housing companies. As mortgage-backed loans, these are considered to be less risky, which also reduces the amount of expected credit losses. Corporate exposures and investment activities focus on large companies with good credit ratings.

The total amount of the ECL provision was EUR 50.6 million (52.3) at the end of the review period. The total amount of the ECL provision included provisions based on management judgement totalling EUR 1.4 million (3.8). The

coverage ratio of the entire loan portfolio was 0.39 per cent (0.42) and remained within the risk appetite set by S-Bank's Board of Directors.

The ECL provision decreased by EUR 1.7 million during the review period, primarily due to changes in lending to household customers.

### EXPECTED CREDIT LOSSES AND IMPAIRMENT LOSSES RECOGNIZED DURING THE PERIOD

(EUR '000)

	Jan-Jun 2025	Jan-Jun 2024
Receivables written off as credit and guarantee losses	-18 994	-17 140
Reversal of receivables written off	5 443	4 315
Expected credit losses (ECL) on receivables from customers and off-balance sheet commitments	1 718	-3 684
Expected credit losses (ECL) on investing activities	15	-100
<b>Total</b>	<b>-11 817</b>	<b>-16 609</b>



## RISK EXPOSURE, SUMMARY

	Stage 1		Stage 2		Stage 3		Purchased credit impaired		Exposures and commitments, total	ECL provision, total	Coverage ratio %
	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision			
<b>30 Jun 2025 (EUR '000)</b>											
Lending to household customers *	7 475 415	-4 784	584 140	-22 270	142 822	-17 439	21 581	-2 811	8 223 958	-47 304	-0.58%
Lending to corporate customers *	1 221 951	-1 101	8 042	-106	8 722	-903	—	—	1 238 715	-2 110	-0.17%
Investing activities **	784 281	-111	—	—	—	—	—	—	784 281	-111	-0.01%
Off-balance sheet commitments ***	2 560 140	-132	66 258	-846	1 336	-73	—	—	2 627 734	-1 051	-0.04%
<b>Total</b>	<b>12 041 788</b>	<b>-6 129</b>	<b>658 439</b>	<b>-23 222</b>	<b>152 881</b>	<b>-18 415</b>	<b>21 581</b>	<b>-2 811</b>	<b>12 874 689</b>	<b>-50 577</b>	<b>-0.39 %</b>

	Stage 1		Stage 2		Stage 3		Purchased credit impaired		Exposures and commitments, total	ECL provision, total	Coverage ratio %
	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision			
<b>31 Dec 2024 (EUR '000)</b>											
Lending to household customers *	7 630 621	-6 125	526 860	-21 107	132 083	-18 079	23 108	-3 200	8 312 671	-48 512	-0.58%
Lending to corporate customers *	1 182 675	-510	27 897	-1 027	8 927	-968	—	—	1 219 499	-2 505	-0.21%
Investing activities **	628 072	-126	—	—	—	—	—	—	628 072	-126	-0.02%
Off-balance sheet commitments ***	2 259 030	-160	70 043	-942	1 389	-66	—	—	2 330 462	-1 167	-0.05%
<b>Total</b>	<b>11 700 397</b>	<b>-6 921</b>	<b>624 800</b>	<b>-23 076</b>	<b>142 399</b>	<b>-19 113</b>	<b>23 108</b>	<b>-3 200</b>	<b>12 490 704</b>	<b>-52 310</b>	<b>-0.42%</b>

\* The ECL provision is recognised as a single amount in order to reduce the balance sheet item Receivables from customers.

\*\* The ECL provision is recognised in the fair value reserve under other comprehensive income.

\*\*\* The ECL provision is recognised on the balance sheet under 'Other liabilities'.



**EXPOSURE TO CREDIT RISK (LENDING TO HOUSEHOLD CUSTOMERS)**

30 Jun 2025 (EUR '000)	Lending to household customers				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	
Category 1	3 852 302	5 226	—	74	3 857 602
Category 2	664 745	2 448	—	—	667 192
Category 3	840 266	16 715	—	—	856 981
Category 4	405 881	19 766	—	—	425 647
Category 5	1 574 340	98 338	—	299	1 672 977
Category 6	137 521	220 820	—	39	358 380
Category 7	360	220 828	—	201	221 389
In default	—	—	142 822	20 968	163 790
<b>Gross carrying amount</b>	<b>7 475 415</b>	<b>584 140</b>	<b>142 822</b>	<b>21 581</b>	<b>8 223 958</b>
ECL provision *	-4 784	-22 270	-17 439	-2 811	-47 304
<b>Net carrying amount</b>	<b>7 470 631</b>	<b>561 870</b>	<b>125 383</b>	<b>18 770</b>	<b>8 176 654</b>

\* The ECL provision is recognised as a single amount in order to reduce the balance sheet item 'Receivables from customers'.

31 Dec 2024 (EUR '000)	Lending to household customers				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	
Category 1	2 593 206	3 378	—	—	2 596 583
Category 2	573 724	1 841	—	—	575 565
Category 3	2 499 853	14 505	—	75	2 514 434
Category 4	315 498	17 292	—	—	332 791
Category 5	1 523 627	100 547	—	—	1 624 174
Category 6	119 689	172 712	—	—	292 400
Category 7	5 023	216 585	—	—	221 608
In default	—	—	132 083	23 032	155 115
<b>Gross carrying amount</b>	<b>7 630 621</b>	<b>526 860</b>	<b>132 083</b>	<b>23 108</b>	<b>8 312 671</b>
ECL provision *	-6 125	-21 107	-18 079	-3 200	-48 512
<b>Net carrying amount</b>	<b>7 624 495</b>	<b>505 753</b>	<b>114 004</b>	<b>19 907</b>	<b>8 264 160</b>



**EXPOSURE TO CREDIT RISK (LENDING TO CORPORATE CUSTOMERS, INVESTING ACTIVITIES AND OFF-BALANCE SHEET COMMITMENTS, INCLUDING THE OFF-BALANCE SHEET ACCOUNTS OF HOUSEHOLD CUSTOMERS)**

	Lending to corporate customers, investing activities and off-balance sheet commitments					Lending to corporate customers, investing activities and off-balance sheet commitments				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	
30 Jun 2025 (EUR '000)						31 Dec 2024 (EUR '000)				
Category 1	3 285 575	50	—	—	3 285 624	Category 1	2 783 658	42	—	—
Category 2	275 183	1 828	—	—	277 012	Category 2	640 342	1 659	—	—
Category 3	130 343	11 167	—	—	141 510	Category 3	238 475	15 066	—	—
Category 4	161 778	19 067	—	—	180 845	Category 4	79 211	15 345	—	—
Category 5	635 142	22 867	—	—	658 009	Category 5	207 548	32 464	—	—
Category 6	78 325	15 816	—	—	94 141	Category 6	120 527	30 077	—	—
Category 7	27	3 504	—	—	3 531	Category 7	16	3 287	—	—
In default	—	—	10 059	—	10 059	In default	—	—	10 316	—
Gross carrying amount	4 566 373	74 299	10 059	—	4 650 731	Gross carrying amount	4 069 777	97 940	10 316	—
ECL provision *	-1 345	-952	-976	—	-3 273	ECL provision *	-796	-1 969	-1 034	—

\* The ECL provision for corporate customers is recognised as a single amount in order to reduce the balance sheet item 'Receivables from customers'.

The ECL provision for investment activities is recognised in the fair value reserve under 'Other comprehensive income'.

The ECL provision for off-balance sheet receivables is recognised on the balance sheet under 'Other liabilities'.



**RECONCILIATION OF EXPECTED CREDIT LOSSES (LENDING TO HOUSEHOLD CUSTOMERS)**

(EUR '000)	Lending to household customers				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	
<b>ECL 1 Jan 2025</b>	<b>6 125</b>	<b>21 107</b>	<b>18 079</b>	<b>3 200</b>	<b>48 512</b>
Transfers from Stage 1 to Stage 2	-673	8 068	—	—	7 396
Transfers from Stage 1 to Stage 3	-119	—	2 790	—	2 672
Transfers from Stage 2 to Stage 1	200	-2 806	—	—	-2 605
Transfers from Stage 2 to Stage 3	—	-2 351	4 433	—	2 082
Transfers from Stage 3 to Stage 1	9	—	-286	—	-277
Transfers from Stage 3 to Stage 2	—	754	-1 933	-45	-1 225
Changes in the risk parameters	-851	-1 125	-2 725	-227	-4 928
Increases due to origination and acquisition	548	102	114	—	764
Decreases due to derecognition	-446	-914	-513	-114	-1 988
Decrease in the allowance account due to write-offs	-11	-563	-2 522	-2	-3 098
Net change in ECL	-1 341	1 163	-640	-389	-1 207
<b>ECL 30 Jun 2025</b>	<b>4 784</b>	<b>22 270</b>	<b>17 439</b>	<b>2 811</b>	<b>47 304</b>



**RECONCILIATION OF EXPECTED CREDIT LOSSES (LENDING TO CORPORATE CUSTOMERS, INVESTING ACTIVITIES AND OFF-BALANCE SHEET COMMITMENTS, INCLUDING THE OFF-BALANCE SHEET ACCOUNTS OF HOUSEHOLD CUSTOMERS)**

(EUR '000)	Lending to corporate customers, investing activities and off-balance sheet commitments				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	
<b>ECL 1 Jan 2025</b>	<b>796</b>	<b>1 969</b>	<b>1 034</b>	<b>—</b>	<b>3 799</b>
Transfers from Stage 1 to Stage 2	-14	168	—	—	154
Transfers from Stage 1 to Stage 3	0	—	13	—	13
Transfers from Stage 2 to Stage 1	29	-1 093	—	—	-1 064
Transfers from Stage 2 to Stage 3	—	-31	7	—	-23
Transfers from Stage 3 to Stage 1	0	—	-8	—	-8
Transfers from Stage 3 to Stage 2	—	6	-15	—	-9
Changes in the risk parameters	425	-203	-64	—	159
Increases due to origination and acquisition	175	313	22	—	509
Decreases due to derecognition	-65	-109	-12	—	-186
Decrease in the allowance account due to write-offs	0	-69	-2	—	-71
Net change in ECL	549	-1 017	-58	—	-526
<b>ECL 30 Jun 2025</b>	<b>1 345</b>	<b>952</b>	<b>976</b>	<b>—</b>	<b>3 273</b>



## NOTE 8: FAIR VALUES AND CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES

### CLASSIFICATION OF FINANCIAL INSTRUMENTS ACCORDING TO VALUATION METHOD

Fair values of financial assets 30 Jun 2025 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
<b>Financial assets measured at amortised cost</b>					
Cash and cash equivalents		2 461 272		2 461 272	2 461 272
Receivables from credit institutions		27 490		27 490	27 220
Receivables from customers		10 019 160		10 019 160	9 396 008
<b>Total</b>		<b>12 507 922</b>		<b>12 507 922</b>	<b>11 884 500</b>
<b>Financial assets measured at fair value through profit or loss</b>					
Debt securities		91 737		91 737	91 737
Derivatives		51 968		51 968	51 968
Shares and interests	5 850	10 125		15 975	15 975
<b>Total</b>	<b>5 850</b>	<b>153 829</b>		<b>159 679</b>	<b>159 679</b>
<b>Financial assets measured at fair value through other comprehensive income</b>					
Debt securities eligible for refinancing with central banks	743 789	7 916		751 705	746 203
Debt securities	32 366			32 366	32 320
Shares and interests		840	67	907	907
<b>Total</b>	<b>776 155</b>	<b>8 756</b>	<b>67</b>	<b>784 978</b>	<b>779 430</b>
<b>Fair values of assets, total</b>	<b>782 005</b>	<b>12 670 507</b>	<b>67</b>	<b>13 452 579</b>	<b>12 823 610</b>

Fair values of financial assets 31 Dec 2024 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
<b>Financial assets measured at amortised cost</b>					
Cash and cash equivalents		2 906 420		2 906 420	2 906 420
Receivables from credit institutions		21 809		21 809	21 578
Receivables from customers		9 979 893		9 979 893	9 466 806
<b>Total</b>		<b>12 908 122</b>		<b>12 908 122</b>	<b>12 394 805</b>
<b>Financial assets measured at fair value through profit or loss</b>					
Debt securities		—		—	—
Derivatives		48 981		48 981	48 981
Shares and interests	7 869	10 547		18 416	18 416
<b>Total</b>	<b>7 869</b>	<b>59 527</b>		<b>67 396</b>	<b>67 396</b>
<b>Financial assets measured at fair value through other comprehensive income</b>					
Debt securities eligible for refinancing with central banks	558 927	10 695		569 623	564 844
Debt securities	58 450			58 450	57 966
Shares and interests		840	67	907	907
<b>Total</b>	<b>617 377</b>	<b>11 535</b>	<b>67</b>	<b>628 979</b>	<b>623 717</b>
<b>Fair values of assets, total</b>	<b>625 246</b>	<b>12 979 184</b>	<b>67</b>	<b>13 604 498</b>	<b>13 085 918</b>



<b>Fair values of financial liabilities 30 Jun 2025 (EUR '000)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair value, total</b>	<b>Carrying amount</b>
<b>Financial liabilities measured at amortised cost</b>					
Liabilities to credit institutions		76 860		76 860	76 860
Liabilities to customers		10 019 475		10 019 475	10 054 094
Issued bonds	1 613 691			1 613 691	1 578 282
Subordinated debts		94 136		94 136	91 333
<b>Total</b>	<b>1 613 691</b>	<b>10 190 471</b>		<b>11 804 162</b>	<b>11 800 568</b>
<b>Financial liabilities measured at fair value through profit or loss</b>					
Derivatives		889		889	889
<b>Total</b>		<b>889</b>		<b>889</b>	<b>889</b>

<b>Fair values of financial liabilities 31 Dec 2024 (EUR '000)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair value, total</b>	<b>Carrying amount</b>
<b>Financial liabilities measured at amortised cost</b>					
Liabilities to credit institutions		659 194		659 194	655 700
Liabilities to customers		10 034 634		10 034 634	9 460 439
Issued bonds	1 754 682			1 754 682	1 712 456
Subordinated debts		96 663		96 663	95 666
<b>Total</b>	<b>1 754 682</b>	<b>10 790 490</b>		<b>12 545 172</b>	<b>11 924 260</b>
<b>Financial liabilities measured at fair value through profit or loss</b>					
Derivatives		1 717		1 717	1 717
<b>Total</b>		<b>1 717</b>		<b>1 717</b>	<b>1 717</b>

The fair value of a financial instrument is determined on the basis of prices quoted in active markets, or by using measurement methods that are generally accepted in the markets. The fair values of certificates of deposit, commercial papers and derivatives (excluding futures) are determined by discounting future cash flows to the present value and applying market interest rates on the closing date. Bonds, investment fund units and futures are measured at market value. Financial assets measured at fair value are measured using the bid price, while financial liabilities at fair value are measured using the ask price.

Financial assets and liabilities measured at fair value are divided into three categories according to the method of determining fair value. Level 1 fair values

are determined using the quoted, unadjusted prices of completely identical financial assets and liabilities in an active market. Level 2 fair values are determined using generally accepted valuation models in which the input data is, to a significant extent, based on verifiable market information. Level 3 market prices are based on input data concerning an asset or liability that are not based on verifiable market information but, to a significant extent, on the management's estimates.

### Transfers between Levels 1 and 2

Transfers between levels occur when there is evidence that market assumptions have changed, including when instruments are no longer actively traded. No transfers between Levels 1 and 2 took place during the period.

### CHANGES AT LEVEL 3

<b>(EUR '000)</b>	<b>Shares and interests</b>
Shares and interests, carrying amount 1 Jan 2025	67
<b>Shares and interests, carrying amount 30 Jun 2025</b>	<b>67</b>

The value of Level 3 financial instruments recognised at fair value includes those instruments whose fair value is

estimated by using valuation methods that are entirely or partly based on non-verifiable market values and prices.



## NOTE 9: CLASSES OF FINANCIAL ASSETS AND LIABILITIES

Classes of financial assets 30 Jun 2025 (EUR '000)	Fair value through profit or loss				
	Amortised cost	Measured at fair value through other comprehensive income	Measured at fair value	Derivatives in hedge accounting	Total
Cash and cash equivalents	2 461 272				2 461 272
Debt securities eligible for refinancing with central banks		746 203			746 203
Receivables from credit institutions	27 220				27 220
Receivables from customers	9 396 008				9 396 008
Debt securities		32 320	91 737		124 057
Derivatives			—	51 968	51 968
Shares and interests		907	15 975		16 882
<b>Total</b>	<b>11 884 500</b>	<b>779 430</b>	<b>107 712</b>	<b>51 968</b>	<b>12 823 610</b>

Classes of financial liabilities 30 Jun 2025 (EUR '000)	Fair value through profit or loss: Derivatives in hedge accounting		
	Amortised cost		Total
Liabilities to credit institutions	76 860		76 860
Liabilities to customers	10 054 094		10 054 094
Issued bonds	1 578 282		1 578 282
Subordinated debts	91 333		91 333
Derivatives		889	889
Lease liabilities	11 337		11 337
<b>Total</b>	<b>11 811 905</b>	<b>889</b>	<b>11 812 794</b>

Classes of financial assets 31 Dec 2024 (EUR '000)	Fair value through profit or loss				
	Amortised cost	Measured at fair value through other comprehensive income	Measured at fair value	Derivatives in hedge accounting	Total
Cash and cash equivalents	2 906 420				2 906 420
Debt securities eligible for refinancing with central banks		564 844			564 844
Receivables from credit institutions	21 578				21 578
Receivables from customers	9 466 806				9 466 806
Debt securities		57 966	—		57 966
Derivatives			8	48 973	48 981
Shares and interests		907	18 416		19 322
<b>Total</b>	<b>12 394 805</b>	<b>623 717</b>	<b>18 423</b>	<b>48 973</b>	<b>13 085 918</b>

Classes of financial liabilities 31 Dec 2024 (EUR '000)	Fair value through profit or loss: Derivatives in hedge accounting		
	Amortised cost		Total
Liabilities to credit institutions	655 700		655 700
Liabilities to customers	9 460 439		9 460 439
Issued bonds	1 712 456		1 712 456
Subordinated debts	95 666		95 666
Derivatives		1 717	1 717
Lease liabilities	13 607		13 607
<b>Total</b>	<b>11 937 867</b>	<b>1 717</b>	<b>11 939 585</b>



## NOTE 10: DERIVATIVES AND HEDGE ACCOUNTING

### NOMINAL AND FAIR VALUES OF DERIVATIVES

Interest rate derivatives (EUR '000)	30 Jun 2025			31 Dec 2024		
	Nominal value	Positive fair value	Negative fair value	Nominal value	Positive fair value	Negative fair value
<b>Interest rate swaps</b>						
Designated for hedge accounting						
Debt securities	247 200	5 419	-794	307 200	7 512	-651
Liabilities to customers	1 920 000	14 746	-95	1 140 000	9 634	-1 067
Issued bonds	1 400 000	31 802	—	1 400 000	31 826	—
<b>Total</b>	<b>3 567 200</b>	<b>51 968</b>	<b>-889</b>	<b>2 847 200</b>	<b>48 973</b>	<b>-1 717</b>
For non-hedging purposes	—	—	—	10 000	8	—
<b>Derivatives, total</b>	<b>3 567 200</b>	<b>51 968</b>	<b>-889</b>	<b>2 857 200</b>	<b>48 981</b>	<b>-1 717</b>

### MATURITIES OF DERIVATIVES

Interest rate derivatives (EUR '000)	30 Jun 2025				31 Dec 2024			
	Less than one year	1-5 years	Over 5 years	Total	Less than one year	1-5 years	Over 5 years	Total
Designated for hedge accounting								
Debt securities	40 000	207 200	—	247 200	70 000	237 200	—	307 200
Liabilities to customers	120 000	1 800 000	—	1 920 000	—	1 140 000	—	1 140 000
Issued bonds	—	1 400 000	—	1 400 000	—	900 000	500 000	1 400 000
For non-hedging purposes	—	—	—	—	10 000	—	—	10 000
<b>Derivatives, total</b>	<b>160 000</b>	<b>3 407 200</b>	<b>—</b>	<b>3 567 200</b>	<b>80 000</b>	<b>2 277 200</b>	<b>500 000</b>	<b>2 857 200</b>

Changes in the fair value of hedged items attributable to the hedged risk are recognised in the income statement under 'Net income from hedge accounting'. Changes in the fair value not

attributable to the hedged risk are recognised in the fair value reserve. Changes in the fair value of the hedging items included in hedge accounting are recognised in the income statement

under Net result from hedge accounting. When hedging is effective, the changes in fair value offset each other and the net result is close to zero.

The accounting policies for hedge accounting are described in the 2024 annual report.



## NOTE 11: ISSUED BONDS

Bonds (EUR '000)	30 Jun 2025		31 Dec 2024		Interest	Maturity
	Carrying amount	Nominal value	Carrying amount	Nominal value		
<b>Secured bonds</b>						
S-Bank Plc's Covered Bond	517 383	500 000	518 154	500 000	Fixed 3.75%	26 Sep 2028
S-Bank Plc's Covered Bond	506 356	500 000	506 170	500 000	Fixed 3.00%	16 Apr 2030
<b>Secured bonds, total</b>	<b>1 023 739</b>	<b>1 000 000</b>	<b>1 024 324</b>	<b>1 000 000</b>		
<b>Unsecured bonds</b>						
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2021, Tranche 1	—	—	84 375	83 900	Euribor 3 m + 0.75%	4 Apr 2025
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2021, Tranche 2	—	—	49 324	50 000	Euribor 3 m + 0.75%	4 Apr 2025
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2023	150 000	150 000	150 000	150 000	Euribor 3 m + 2.30%	23 Nov 2026
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2024, Tranche 1	304 543	300 000	304 433	300 000	Fixed 4.875% until 8 Mar 2027 and after that Euribor 3 m + 1.95%	8 Mar 2028
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2024, Tranche 2	100 000	100 000	100 000	100 000	Fixed 4.875% until 8 Mar 2027 and after that Euribor 3 m + 1.95%	8 Mar 2028
<b>Unsecured bonds, total</b>	<b>554 543</b>	<b>550 000</b>	<b>688 132</b>	<b>683 900</b>		
<b>Bonds, total</b>	<b>1 578 282</b>	<b>1 550 000</b>	<b>1 712 456</b>	<b>1 683 900</b>		



## NOTE 12: SUBORDINATED DEBTS

Debentures (EUR '000)	30 Jun 2025		31 Dec 2024		Interest	Maturity
	Carrying amount	Nominal value	Carrying amount	Nominal value		
Debenture I/2016	4 333	4 333	8 667	8 667	Euribor 12 m + 1.8%	30 Jun 2026
Debenture I/2017	3 999	3 999	3 999	3 999	Euribor 12 m + 1.8%	18 Dec 2027
Debenture I/2020	25 500	25 500	25 500	25 500	Euribor 12 m + 2.0%	1 Dec 2030
Debenture I/2021	57 500	57 500	57 500	57 500	Euribor 12 m + 2.0%	8 Oct 2031
<b>Debentures, total</b>	<b>91 333</b>	<b>91 333</b>	<b>95 666</b>	<b>95 666</b>		

## NOTE 13: COLLATERAL GIVEN

(EUR '000)	Other collateral	
	30 Jun 2025	31 Dec 2024
Derivatives	21 607	15 185
<b>Collateral given for own debt, total</b>	<b>21 607</b>	<b>15 185</b>
of which cash	21 607	15 185
<b>Other collateral given on own behalf</b>	<b>557</b>	<b>557</b>
of which cash	557	557

## NOTE 14: OFF-BALANCE SHEET COMMITMENTS

(EUR '000)	30 Jun 2025	31 Dec 2024
Guarantees	1 008	908
Other	33	33
Undrawn credit facilities	114 378	129 512
<b>Off-balance sheet commitments, total</b>	<b>115 419</b>	<b>130 454</b>

Impairment of off-balance sheet items is presented in Note 7. The expected credit loss on off-balance sheet items is EUR 1 051 thousand (1 167).



## NOTE 15: RELATED PARTIES

Related-party information is described in more detail in the 2024 annual report.

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30 July 2025

*S-Bank Plc's Board of Directors*

### Financial calendar

S-Bank publishes financial information regularly. An up-to-date calendar can be found on S-Bank's website at [s-pankki.fi/investors](https://s-pankki.fi/investors).

Interim report January-September: 6 November 2025



This document is an English translation of the Finnish report on review of the interim report. Only the Finnish version of the report is legally binding.

## REPORT ON REVIEW OF THE HALF-YEAR FINANCIAL REPORT OF S-BANK PLC AS OF AND FOR THE SIX MONTHS PERIOD ENDING JUNE 30, 2025

### To the Board of Directors of S-Bank Plc

#### Introduction

We have reviewed the balance sheet as of June 30, 2025 and the related income statement, statement of other comprehensive income, statement of changes in equity capital and cash flow statement of S-Bank Plc Group for the six-month period then ended, as well as other explanatory notes to the consolidated financial statements. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this Half-Year Financial Report in accordance with IAS 34 Interim Financial Reporting and other Finnish rules and regulations governing the preparation of interim reports. We will express our conclusion on the Half-Year Financial Report based on our review.

#### Scope of review

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

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Half-Year Financial Report, in all material respects, is not prepared in accordance with IAS 34 Interim Financial Reporting and other applicable rules and regulations governing Half-Year Financial Report reporting preparation in Finland.

Helsinki 30, July 2025

KPMG OY AB

**Petri Kettunen**

Authorised Public Accountant, KHT





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