# S-Bank Plc’s Half-Year Report 1 January–30 June 2025

31.7.2025 09:00:00 EEST | S-Bank Plc | Half Year financial report

S-Bank Plc
Half-Year Report
31 July 2025 at 9:00 am EEST

**S-Bank Plc’s Half-Year Report 1 January–30 June 2025**

**Growth in number of active customers supported stable result development**

- 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*)

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*).

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

**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.

**Comments by 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.

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-mobiili 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.

**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).

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).

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, IT and development 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 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.

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.

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).

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 EUR 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.

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 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). 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.

**Key figures**

| (EUR million) | Jan–Jun 2025 | Jan–Jun 2024 | Change | Q2 2025 | Q2 2024 | Change |
|---|---|---|---|---|---|---|
| Net interest income | 144.7 | 157.6 | -8.2% | 71.7 | 78.0 | -8.0% |
| Net fee and commission income | 47.8 | 44.7 | 6.8% | 24.2 | 23.0 | 5.2% |
| Total income | 198.1 | 206.3 | -4.0% | 98.0 | 102.3 | -4.2% |
| Operating profit | 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 |

| (EUR million) | 30 Jun 2025 | 31 Dec 2024 | Change |
|---|---|---|---|
| Liabilities to customers, deposits | 9 985.0 | 9 381.4 | 6.4% |
| Receivables from customers, lending | 9 396.0 | 9 466.8 | -0.7% |
| Debt securities | 870.3 | 622.8 | 39.7% |
| Equity | 999.8 | 977.6 | 2.3% |
| Expected credit losses (ECL) | 50.6 | 52.3 | -3.3% |
| Assets under management | 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 with 30 June 2025 half-year report due to the changes in the Capital Requirements Regulation (CRR3).

**Webcast on the results**
S-Bank's financial results will be presented by CEO Riikka Laine-Tolonen and CFO Mika Heikkilä in a webcast today, on 31 July 2025, from 10:00 a.m. to 11:00 a.m. EEST. The event will be held in English. You can follow the webcast via this link.

## Contacts


- Riikka Laine-Tolonen, S-Bank's CEO, 010 767 9500, riikka.laine-tolonen@s-pankki.fi
- S-Pankin viestintä, S-Bank Communications, +358 10 767 9300, viestinta@s-pankki.fi


## About S-Bank Plc
S-Bank is a Finnish bank and part of S Group. We exist to give everyone the possibility of a little more wealth. We have more than three million customers and we know their day-to-day life. We bring convenience and value to our customers through our easy-to-use digital services, for example. Being a full-service bank, we offer support to our customers every day and at the turning points in their lives. s-pankki.fi

## Attachments

- Download announcement as PDF.pdf
- S-Bank Plc Half-Year Report 1 January-31 March 2025.pdf
- S-Bank, Capital Adequacy Tables 30 June 2025.xlsx