



INTERIM REPORT JANUARY-JUNE 2015

S=Bank

CONTENTS

REPORT ON OPERATIONS	3
BALANCE SHEET	11
INCOME STATEMENT	13
CASH FLOW STATEMENT	14
NOTES TO THE INTERIM REPORT.....	15

EXECUTIVE BOARD

REPORT JANUARY—JUNE 2015

The most important events in the first half of the year for S-Bank are related to the merger with LocalTapiola Bank, completed in May 2014, and the acquisition of the majority holding in FIM Corporation a year earlier.

As a result of the bank merger, the new S-Bank has been serving customers through several different systems, such as having two different online banks. The first half of 2015 saw preparations taking place for the integration of the systems. The intention is for concrete results of the integration to be visible to customers in October 2015, when the account systems will merge, the terms and conditions of demand-deposit accounts will be harmonised and a unified online bank will be deployed. The upcoming change was communicated to customers at the end of May.

FIM's banking operations were transferred to S-Bank in spring 2014, as a result of the reorganisations related to FIM. FIM Bank Ltd. cancelled its credit institution licence and has continued with its operations as an investment service company, known as FIM Investment Services Ltd. The investment service licence was accepted by the Finnish Financial Supervisory Authority and the change took effect in February 2015. The transfer of FIM accounts and credit to S-Bank's systems was completed in March 2015.

S-Bank's objective is to produce banking services with unparalleled convenience and usefulness. This is particularly emphasised in the development of digital services, of which S-mobiili, the S Group's smartphone application integrating retail and banking services, is an excellent example. The application has received accolades internationally as well, and it is being continuously developed with a keen ear for customers' wishes. For example, since January 2015, S-mobiili has included a feature for transferring the Bonus payable on purchases made in S Group to a savings fund. S-Bank's online bank is also being continuously developed – for example, trading in shares and subscribing to funds both became possible in April.

FIM's online service was revamped in mid-June. This also marked the deployment of a new service model in which S-Bank serves customers whose investable assets are less

than EUR 100,000 while FIM focuses on customers whose investable assets are more than EUR 100,000. This change gave FIM's customers access to S-Bank's banking services, and customers served in S-Bank could start using the nationwide S-Banker service network.

S-Bank and its products and services again received recognition. In March, customers ranked S-Bank as the most responsible bank in Finland in the Sustainable Brand Index, Scandinavia's largest brand study on sustainability. In April, S-mobiili and the contactless payment option of the S-Etukortti Visa card won the Loyalty category of the international Contactless & Mobile Awards. The customer service of S-Bank's credit control was also selected as the best customer service centre in the country in the Customer's Voice competition in April as well. It also received the award for the best individual customer service agent.

FUND SAVINGS FOR EVERYONE

At the end of June, S-Bank had nearly 2.8 million customers, and they had 1.7 million S-Bank international debit cards. Around 1.6 million customers had acquired IDs for online and mobile banking. By the end of June 2015, S-mobiili had been downloaded to over 450,000 smartphones or tablets.

At the end of June, S-Bank's total funds on deposit were EUR 4,088.0 million, including EUR 3,428.8 million in private deposits and EUR 659.2 million in corporate deposits. Lending to private customers totalled EUR 2,212.5 million at the end of June, and lending to corporate customers amounted to EUR 505.1 million. Lending totalled EUR 2,717.6 million at the end of June.

Services related to investing and asset management at S-Bank Group are centralised at its subsidiary FIM. FIM's assets under management were EUR 6,193.9 million at the end of June, including EUR 5,430.5 million in fund-managed capital. The widely popular feature for transferring the Bonus payable on purchases made in S Group to a savings fund led to unprecedented growth in the number of fund unit holders. At the end of June, there were nearly 200,000 unit holders in funds managed by FIM.

FINANCIAL STANDING

OPERATING ENVIRONMENT

The slight recovery of the economy in the eurozone continued in the first half of 2015. Growth is expected to continue in the remainder of the year, although GDP growth is expected to be quite modest. The eurozone economy was, in particular, supported by the weakening of the external value of the euro and the reduced price of oil. The European debt crisis has been curbed for the time being, and the bond markets have remained calm despite the further weakening of the situation in Greece.

At the beginning of 2015, the expected launch of quantitative revival measures from the European Central Bank supported shares, weakened the euro and also further decreased long-term interest rates in the core eurozone countries. Long-term interest rates in the eurozone continued to decline until the latter half of April. Thereafter, realism gradually returned to the markets, and, for example, the ten-year interest rate in Germany quickly increased from its lowest point of 0.05 per cent to approximately one per cent. Nevertheless, the interest rates of government bonds took a downward turn again over the summer. This was, above all, due to the launch of the negotiations concerning a third economic bailout for Greece.

Despite the economic recovery in the eurozone, the weaker external value of the euro and lower oil prices, growth has been modest in the Finnish economy. In recent years, Finland has been among the economies with the weakest growth or the steepest recession in the eurozone, and this is not expected to change in 2015.

FINANCIAL PERFORMANCE AND PROFITABILITY

S-Bank Group's operating result for January–June was EUR 12.2 million (-0.4 million) and the profit for the financial period after the minority share was EUR 11.8 million (-1.6 million). The capital adequacy ratio was 14.3 per cent (14.8). Its cost/income ratio was 0.83 (0.96), and the return on equity was 6.9 per cent (1.4). The return on assets was 0.6 per cent (0.1). When comparing the reported figures to the corresponding figures in the previous year, the merger with LocalTapiola Bank in May 2014 should be taken into consideration. Because of the merger, the comparison figures contain S-Bank's result over four months and the result of the new, post-merger S-Bank over two months.

KEY FINANCIAL INDICATORS (EUR MILLION)	6/2015	6/2014	12/2014
Operating result	12.2	-0.4	14.6
Net income	77.6	60.2	147.6
Deposits	4 088.0	4 109.1	4 057.2
Lending	2 717.6	2 506.9	2 571.1
Debt securities	1 650.1	2 103.4	1 834.8
Capital adequacy ratio	14.3%	14.8%	16.1%
Cost/income ratio	0.83	0.96	0.87
Return on equity (rolling 12 months)	6.9%	1.4%	4.2%
Return on assets (rolling 12 months)	0.6%	0.1%	0.3%
Equity ratio	8.4%	7.6%	8.3%

NET INCOME

Net income increased year-on-year, totalling EUR 77.6 million in the first half of the year (60.2). Net interest income was EUR 35.9 million (30.8), and net fee and commission income was EUR 27.2 million (19.5). Other income consisted of net income from financial assets available for sale, net income from securities and currency trading, net income from hedge accounting, net income from investment properties, income from equity investments and other operating income.

EXPENSES

Operating expenses for the review period totalled EUR 64.0 million (57.8), of which EUR 23.2 million (18.3) were personnel expenses. Other administrative expenses amounted to EUR 32.0 million (31.0). Depreciation on goodwill and tangible and intangible assets totalled EUR 5.5 million (3.9). Other operating expenses were EUR 3.3 million (4.6). During the review period, S-Bank recognised a net total of EUR 1.4 million (2.9) in impairment and credit losses from lending to customers. Impairment is estimated specific to group and, with regard to considerable receivables, specific to a single receivable. S-Bank recognised impairment and credit losses if there was objective proof of uncertainty related to the repayment of receivables.

DEPOSITS

Demand deposits totalled EUR 3,964.4 million (3,795.2) at the end of the review period, while they had totalled EUR 3,817.2 million at the turn of the year. Fixed-term deposits totalled EUR 123.6 million (313.9), while they had totalled EUR 240.0 million at the turn of the year. On the closing date, the total funds on deposit totalled EUR 4,088.0 million (4,109.1). The total funds on deposit amounted to EUR 4,057.2 million at the turn of the year.

LENDING AND INVESTMENT OPERATIONS

Lending totalled EUR 2,717.8 million at the end of the review period (2,506.9). At the turn of the year, lending amounted to EUR 2,571.1 million. In addition to lending, S-Bank invested in the financial and capital markets. Debt securities totalled EUR 1,650.1 million (2,103.4) at the end of the review period, while they had totalled EUR 1,834.8 million at the turn of the year.

EQUITY

S-Bank's equity totalled EUR 396.6 million (388.7) at the end of the review period. At the turn of the year, its equity had totalled EUR 393.0 million. Equity ratio was 8.4 per cent (7.6), while it had been 8.3 per cent at the turn of the year.

ASSETS UNDER MANAGEMENT

The amount assets being managed by FIM Asset Management Ltd. increased to EUR 6,193.9 million (5,400.4) in the review period, while it had been EUR 5,504.7 million at the turn of the year. Of these managed assets, the share of fund capital was EUR 5,430.5 million (4,716.7), and asset management capital accounted for EUR 755.7 million (683.7). At the turn of the year, the share of fund capital had been EUR 4,810.9 million, and asset management capital had accounted for EUR 693.8 million. Net subscriptions in the funds totalled EUR 307.4 million (56.7) at the end of the review period. In 2014, the net subscriptions totalled EUR 101.0 million. The number of unit holders in the funds was nearly 200,000 at the end of June. In addition to its own funds, FIM Asset Management manages the funds of LocalTapiola.

CAPITAL ADEQUACY

DISCLOSURE OF CAPITAL ADEQUACY INFORMATION

S-Bank Group publishes information on its capital adequacy, with regard to its own funds, annually in the notes to its financial statements. Information on various risk types and risk management is also published in the notes to the financial statements. In special situations, capital adequacy information is also published in the Interim Report. Such a special situation occurs if the company is capitalised outside the capital plan. S-Bank Group publishes an Interim Report that covers the first six months of each calendar year.

OWN FUNDS AND CAPITAL ADEQUACY

S-Bank Group's own funds can be divided into Tier 1 and Tier 2 own funds (T1 and T2). Tier 1 own funds consist of common equity (CET1) and additional equity, as well as deductions from common and additional equity. Since S-Bank Group does not have items classified as additional equity, the CET1 own funds are equal to the T1 own funds.

Common equity consists of restricted and unrestricted equity items, minority interest and retained earnings. The unamortised portion of the acquisition costs of intangible assets is deducted from common equity. A negative fair value reserve is deducted from common equity, according to the EU capital requirements regulation (CRR, EU 575/2013), which took effect on 1 January 2014. In addition, since the beginning of 2015, a positive fair value reserve has been included in the common equity, less deferred taxes in accordance with the corporate tax rate. Retained earnings for the current 2015 period are included

in common equity as a result of the permit granted by the Finnish Financial Supervisory Authority in accordance with Article 26 of the EU capital requirements regulation.

Common equity also includes minority interest. Transition regulations have been considered in its calculation. The capital requirements regulation (CRR) specifies the range of variation for the coefficients of minority interest. They are specified in greater detail by the Finnish Financial Supervisory Authority. FIM Corporation's minority interest is calculated in accordance with the transition regulations. A minority interest deduction item is deducted from the minority interest on the balance sheet over the period of 1 January to 31 June 2015.

Tier 1 own funds are freely and immediately available for covering unexpected losses. S-Bank Group's Tier 1 own funds are categorised as non-restricted own funds in full. In other words, S-Bank Group has full power of decision over the repayment of the funds and over the dividends to be distributed on them.

The Tier 2 own funds consist of three loans on debenture terms. S-Bank Group does not have items categorised as deductible from Tier 2 own funds, or jointly from Tier 1 and Tier 2 own funds.

Own funds and capital adequacy on 30 June 2015 are presented in accordance with the EU capital requirements regulation in the financial statements.

CAPITAL ADEQUACY CALCULATION IN ACCORDANCE WITH THE EU'S CAPITAL REQUIREMENTS REGULATION:

OWN FUNDS (EUR MILLION)	06/2015	06/2014
Common equity before deductions	396.1	355.7
Deductions from common equity	45.3	37.6
Common equity (CET 1)	350.8	318.1
Tier 1 capital	350.8	318.1
Tier 2 capital	13.9	56.2
Own funds, total	364.6	374.3
Risk-weighted items, total	2 546.3	2 527.4
of which the credit risk represents	2 242.4	2 232.9
of which the market risk represents	1.1	2.2
of which the operational risk represents	299.3	292.3
of which credit valuation adjustment represents	3.5	
Common equity in relation to risk-weighted items (%)	13.8 %	12.6 %
Tier 1 capital in relation to risk-weighted items (%)	13.8 %	12.6 %
Total capital in relation to risk-weighted items (%)	14.3 %	14.8 %

MINIMUM AMOUNT OF OWN FUNDS (EUR MILLION)	06/2015		06/2014	
	Exposure value	Own funds	Exposure value	Own funds
Minimum capital adequacy requirement for credit risk				
Claims or contingent claims on central governments or central banks	295.1	0.0	372.9	0.2
Claims or contingent claims on regional governments or local authorities	51.2	0.0	26.1	0.0
Claims or contingent claims on administrative bodies and non-commercial undertakings	10.0	0.2	0.0	0.0
Claims or contingent claims on multilateral development banks	0.0	0.0	0.0	0.0
Claims or contingent claims on multilateral organisations	9.0	0.0	5.3	0.0
Claims or contingent claims on institutions	1 113.0	40.5	1 707.5	56.1
Claims or contingent claims on corporates	489.0	38.1	339.7	26.7
Retail claims or contingent retail claims	620.1	37.2	593.9	35.6
Claims or contingent claims secured on real estate property	1 777.8	49.8	1 573.7	44.1
Past due items	10.9	1.1	10.9	1.2
Claims in the form of covered bonds	216.1	1.7	336.4	3.2
Claims in the form of collective investment undertakings	33.2	2.7	55.3	4.4
Other items	49.2	3.1	60.8	3.6
Off-balance sheet liabilities	1 108.4	4.9	920.0	3.6
Total	5 782.9	179.4	6 002.4	178.6
Minimum capital adequacy requirement for credit risk, total		179.4		178.6
Minimum capital adequacy requirement for market risk		0.1		0.1
Minimum capital adequacy requirement for operational risks		23.9		23.4
Minimum capital adequacy requirement related to credit valuation adjustment		0.3		
Minimum amount of own funds, total		203.7		202.1

ADMINISTRATION

EXECUTIVE BOARD

At S-Bank's Annual General Meeting, the following members were elected to the Executive Board of S-Bank: Jari Annala, CFO of SOK; Juha Ahola, Financial Manager of SOK; Matti Niemi, Managing Director of Helsinki Cooperative Society Elanto (HOK-Elanto); Veli-Matti Puutio, Managing Director of Arina Cooperative Society; Harri Lauslahti, Group Director of the LocalTapiola Group; and Jari Eklund, Group Director of the LocalTapiola Group. In addition, Heli Arantola, Senior Vice President of Strategy and Business Development of the Fazer Group, was elected to the Executive Board as an independent member.

The Chairman of the Board is Jari Annala, and the vice chairman is Harri Lauslahti.

Timo Mäki-Ullakko, Managing Director of Pirkanmaa Cooperative Society, Hannu Krook, Managing Director of Cooperative Society Varuboden-Osla Handelslag, and Erik Valros, Managing Director of LocalTapiola Uusimaa were appointed as deputy members the Executive Board of S-Bank.

MANAGING DIRECTOR

Pekka Ylihurula serves as Managing Director of S-Bank Ltd. Marja Pajulahti, head of private customer operations, serves as Deputy Managing Director.

PERSONNEL

The S-Bank Group employed 726 people (728) at the end of the review period. Of all employees, 477 (457) worked for S-Bank Ltd., 144 (152) worked for the FIM Group, and 105 (119) worked for S-Asiakaspalvelu Oy. Wages, salaries and remuneration paid by the Group during the review period totalled EUR 19.1 million (14.9).

FIM GROUP

S-Bank owns 51 per cent of the share capital of FIM Corporation. FIM Corporation owns 100 per cent of the share capital of FIM Asset Management and FIM Investment Services, as well as 80 per cent of the share capital of FIM Real Estate Ltd. FIM Group's operating profit amounted to EUR 0.9 million (1.7) in the review period. When comparing the operating result of the review period to the corresponding period in the previous year, the transfer of FIM's banking operations to S-Bank in spring 2014 should be taken into consideration.

S-ASIAKASPALVELU OY

S-Asiakaspalvelu Oy is a wholly owned subsidiary of S-Bank that provides data processing and other services that relate

to a credit institution's core operations as a service company in accordance with the Finnish Act on Credit Institutions 9 February 2007/121).

The revenue of S-Asiakaspalvelu for the review period was EUR 3.7 million (3.2). Of this, EUR 2.9 million was intra-Group revenue (2.0). Other revenue consisted of telephone services for co-op members offered to the cooperative enterprises. Expenses were mainly related to personnel. S-Asiakaspalvelu's operating result was EUR 0.5 million (0.2).

PROPERTY COMPANIES

During the financial year 2011, S-Bank acquired the entire share capital of two mutual property companies: Kiinteistö Oy Limingan Terminaali and Kiinteistö Oy Lempäälän Terminaali. In accordance with their articles of association, these companies own and manage facilities, as well as land areas and the industrial and terminal properties built thereon.

The logistics terminals were completed and came into use in 2009 and 2010. The tenant in both logistics terminals is Inex Partners Oy, which belongs to SOK Corporation. The tenant has a long-term lease agreement. Income and expenses allocated to the mutual property companies are mainly recognised in net income from investment properties at S-Bank Group and S-Bank Ltd.

AUDITORS

KPMG Oy Ab, Authorised Public Accountants, was selected as the auditor at the Annual General Meeting.

SIGNIFICANT EVENTS AFTER THE REVIEW PERIOD

There were no significant events.

OUTLOOK FOR THE REMAINDER OF THE YEAR

The integration work ensuing from the merger of S-Bank and LocalTapiola Bank will continue to be reflected in expenses in the second half of the year.

Positive signs can be seen in the global market situation, but they are expected to have a delayed impact on the Finnish economy. Short-term interest rates are likely to remain low for a long time.

The result for the remainder of the year is expected to fall short of the level of the beginning of the year, but the full-year result is expected to be clearly better than last year.

Board of Directors, on 10 August 2015

CALCULATION OF KEY INDICATORS

Net income:

Net interest income + income from equity investments + net fee and commission income + net income from securities trading and currency operations + net income from available-for-sale financial assets + net result from hedge accounting + net income from investment properties + other operating income

Debt securities:

Debt securities eligible for refinancing with central banks + debt securities

Cost/income ratio:

Administrative expenses + depreciation and impairment losses on tangible and intangible assets + other operating expenses (excluding impairment losses)

Net interest income + income from equity investments + net fee and commission income + net income from securities trading and currency operations + net income from available-for-sale financial assets + net result from hedge accounting + net income from investment properties + other operating income + share of equity earnings in associated companies (net)

Return on equity (ROE), %

Operating profit/loss – income taxes
Equity and minority interest + accumulated appropriations less deferred tax liability (the average for the beginning and end of the year) x 100

Return on assets (ROA), %

Operating profit/loss – income taxes
The average sum total on the balance sheet (the average for the beginning and end of year) x 100

Equity ratio, %

Equity and minority interest + accumulated appropriations less deferred tax liability
The sum total on the balance sheet x 100

Capital adequacy ratio, %

Own funds, total
Minimum requirement for own funds, total x 8 %

BALANCE SHEET

ASSETS (EUR MILLION)	30 June 2015	31 December 2014
Cash	187.7	173.6
Debt securities eligible for refinancing with central banks	1 151.8	1 464.1
Receivables from credit institutions	22.4	38.6
Receivables from the public and public sector entities	2 717.6	2 571.1
Leasing objects	3.0	5.3
Debt securities	498.3	370.7
Shares and participations	34.9	40.7
Shares and participations in associated companies	0.0	0.00
Derivative contracts	4.5	1.5
Intangible assets	38.2	36.2
Tangible assets	12.5	12.9
Other assets	3.7	6.3
Accrued income and advances paid	33.9	38.1
Deferred tax assets	2.9	2.9
ASSETS, TOTAL	4 711.3	4 762.0

EQUITY AND LIABILITIES (EUR MILLION)	30 June 2015	31 December 2014
LIABILITIES		
Liabilities to credit institutions	16.0	68.1
Liabilities to the public and public sector entities	4 111.3	4 089.8
Debt securities issued to the public	49.6	57.7
Derivative contracts and other funds held for trading	13.4	14.61
Other liabilities	71.1	66.9
Accruals and deferred income	19.6	23.3
Subordinated liabilities	28.0	41.02
Deferred tax liabilities	5.8	7.6
EQUITY		
Share capital	82.9	82.9
Other restricted reserves	13.5	20.5
Non-restricted reserves	243.8	243.8
Profit (loss) from previous financial periods	32.0	23.8
Profit (loss) for the financial period	11.8	8.2
Equity attributable to minority interest	12.6	13.7
LIABILITIES, TOTAL	4 711.3	4 762.0
OFF-BALANCE SHEET LIABILITIES		
Commitments given in favour of a customer		
Irrevocable	224.2	196.4
Other	884.2	849.7

INCOME STATEMENT, S-BANK GROUP

EUR MILLION	1 January – 30 June 2015	1 January – 30 June 2014
NET INTEREST INCOME	35.9	30.8
Return from equity investments	0.0	0.3
Fee and commission income	44.8	31.8
Fee and commission expenses	-17.7	-12.3
Net income from securities and currency trading		
Net income from securities trading	1.8	-0.2
Net income from currency trading	0.0	-0.4
Net income from available-for-sale financial assets	7.3	6.4
Net income from hedge accounting	0.6	-0.1
Net income from investment property	0.6	0.5
Other operating income	4.2	3.3
Personnel expenses	-23.2	-18.3
Other administrative expenses	-32.0	-31.0
Depreciation, amortisation and impairment on consolidated goodwill	-1.0	-1.0
Depreciation, amortisation and impairment on tangible and intangible assets	-4.5	-2.9
Other operating expenses	-3.3	-4.6
Impairment losses on loans and other receivables	-1.4	-2.9
Share of results of associated companies	0.0	0.1
OPERATING PROFIT (LOSS)	12.2	-0.4
Income taxes	0.0	-1.2
PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAXES	12.2	-1.6
Profit or loss for the period attributable to minority interest	-0.4	-0.7
PROFIT (LOSS) FOR THE PERIOD	11.8	-2.3

CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT (EUR million)	06/2015	12/2014
CASH FLOW FROM OPERATIONS		
Result for the period	12	13
Adjustments of the result for the period	2	-4
Increase (-) or decrease (+) in operating assets:	-140	-105
Receivables from the public and public sector entities	-144	-115
Other assets	4	10
Increase (+) or decrease (-) in operating liabilities:	-40	-294
Liabilities to credit institutions	-52	-294
Liabilities to the public and public sector entities	22	-137
Other liabilities	-9	138
A. Cash flow from operations, total	-166	-390
CASH FLOW FROM INVESTMENT ACTIVITIES		
Investments in tangible and intangible assets	-7	-12
Shares and participations in associated companies	0	0
B. Cash flow from investment activities, total	-7	-12
CASH FLOW FROM FINANCING ACTIVITIES		
Other monetary deductions of equity items	0	0
Dividends paid and other distribution of profits	-1	0
Change in minority interest	-1	-1
C. Cash flow from financing activities, total	-15	-5
NET CHANGE IN LIQUID ASSETS (A+B+C)	-188	-407
Liquid assets at the start of the period	2 090	2 497
Liquid assets at the end of the period	1 902	2 090
Interest income	41	83
Interest expenses	-5	-13
Net income from hedge accounting	-1	0
Share of results of associated companies	0	0
Impairment losses on loans and other receivables	0	-8
Other	-3	2
Adjustments, total	2	-4
LIQUID ASSETS		
Cash	188	174
Debt securities	1 665	1 837
Shares and participations	26	41
Receivables from credit institutions	22	39
Total	1 902	2 090

NOTES TO THE INTERIM REPORT

BASIC INFORMATION

The S-Bank Group consists of S-Bank Ltd. (S-Bank) 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). In addition, the bank offers investment services pursuant to Chapter 1, section 11 of the Act on Investment Services (747/2012). As the parent company, S-Bank performs those tasks of the Group companies that must be carried out in a centralised manner, for example the Group's administration, guidance and supervision.

S-Bank's headquarters are located at Fleminginkatu 34, 00510 Helsinki, Finland. The bank does not have other branch offices. Pursuant to representative agreements, customer service is also provided by S Group cooperatives and the LocalTapiola Group's regional companies, acting as agents at their outlets.

ACCOUNTING POLICIES

The Interim Report for 1 January – 30 June 2015 has been prepared in accordance with the Accounting Act and, as applicable, with the provisions of the Act on Credit Institutions, the Ministry of Finance decree on financial statements and consolidated financial statements of credit institutions and investment service companies, as well as the Financial Supervisory Authority's new regulations concerning the accounting, financial statements and operating reports in the financial sector, effective as of 1 February 2013. In addition, the EU capital requirements regulation (CRR, EU 575/2013) and the Financial Supervisory Authority's statements were taken into account when preparing the Interim Report. S-Bank complies with its accounting policies in the Interim Report as applicable.

COMPARABILITY

The comparison information (the consolidated financial statements of 30 June 2014) includes the result of the old S-Bank for the period between 1 January and 30 April 2014 and the result of the new S-Bank, which was established in a merger on 1 May 2014, for the period of two months. The other Group companies are included in the comparison information for the entire period under review. The comparison information for the consolidated balance sheet and notes to the balance sheet is the information from S-Bank Group's balance sheet date, 31 December 2014. The Interim Report does not include the tax expense based on the losses of previous financial periods.

DERIVATIVE CONTRACTS (EUR MILLION)	30.6.2015		
	Nominal value	Positive fair value	Negative fair value
For hedging purposes			
Interest rate derivatives			
Interest rate swaps	568	1	-8
Nominal values of derivatives included in hedge accounting in accordance with the remaining maturity distribution			
Less than 1 year	58		
1–5 years	485		
More than 5 years	25		
For non-hedging purposes			
Interest rate derivatives			
Forward contracts	100	0	0
Options, bought	220	2	0
Options, written	295	0	-1
Interest rate swaps	49	0	-1
Foreign exchange derivatives			
Forward contracts	0	0	0
Interest rate swaps and currency swaps	12	0	0
Equity derivatives			
Options, bought	30	2	0
Options, written	30	0	-2
Nominal values of derivatives other than those included in hedge accounting in accordance with the remaining maturity distribution			
Less than 1 year	174		
1–5 years	423		
More than 5 years	139		

The total amount of derivatives with a company belonging to the same group as the counterparty is EUR 0 million.

DERIVATIVE CONTRACTS (EUR MILLION)	31.12.2014		
	Nominal value	Positive fair value	Negative fair value
For hedging purposes			
Interest rate derivatives			
Interest rate swaps	694	0	-11
For non-hedging purposes			
Interest rate derivatives			
Options, bought	30	0	0
Options, written	95	0	0
Interest rate swaps	29	0	-1
Foreign exchange derivatives			
Interest rate swaps and currency swaps	16	1	0
Equity derivatives			
Forward contracts	5	0	0
Options, bought	35	1	0
Options, written	35	0	-1
Nominal values of derivatives in accordance with the remaining maturity distribution			
Less than 1 year	281		
1–5 years	629		
More than 5 years	27		

The total amount of derivatives with a company belonging to the same group as the counterparty is EUR 0 million.

DISTRIBUTION OF MATURITY OF FINANCIAL ASSETS AND LIABILITIES (EUR MILLION)	30.6.2015					Total
	Less than 3 months	3–6 months	6–12 months	1–5 years	More than 5 years	
Cash	187.7	0.0	0.0	0.0	0.0	187.7
Debt securities eligible for refinancing with central banks	209.9	77.7	137.7	940.3	1 351.9	2 717.6
Receivables from credit institutions	22.4	0.0	0.0	0.0	0.0	22.4
Receivables from the public and public sector entities	20.5	30.1	281.2	768.2	51.8	1 151.8
Debt securities	5.8	25.7	32.3	418.6	15.9	498.3
Financial assets, total	446.3	133.5	451.2	2 127.2	1 419.5	4 577.8
Liabilities to credit institutions	11.0	0.0	5.0	0.0	0.0	16.0
Liabilities to the public and public sector entities	4 019.5	27.6	47.4	16.8	0.0	4 111.3
Debt securities issued to the public	6.5	17.0	23.5	2.6	0.0	49.6
Subordinated debt	0.0	0.0	0.0	28.0	0.0	28.0
Financial liabilities, total	4 037.0	44.6	75.9	47.4	0.0	4 204.9
Financial assets and liabilities, total	-3 590.7	88.9	375.3	2 079.8	1 419.5	372.9

Demand deposits are included in the item "Less than 3 months"

DISTRIBUTION OF MATURITY OF FINANCIAL ASSETS AND LIABILITIES (EUR MILLION)	31.12.2014					Total
	Less than 3 months	3–6 months	6–12 months	1–5 years	More than 5 years	
Cash	173.6	0.0	0.0	0.0	0.0	173.6
Debt securities eligible for refinancing with central banks	34.8	89.5	126.9	1 188.0	24.8	1 464.1
Receivables from credit institutions	38.6	0.0	0.0	0.0	0.0	38.6
Receivables from the public and public sector entities	183.6	49.3	123.1	944.5	1 270.7	2 571.1
Debt securities	10.9	55.5	3.3	297.0	7.0	370.7
Financial assets, total	441.6	194.3	253.3	2 426.5	1 302.5	4 618.2
Liabilities to credit institutions	52.1	5.2	10.8	0.0	0.0	68.1
Liabilities to the public and public sector entities	3 956.6	37.3	56.7	39.2	0.0	4 089.8
Debt securities issued to the public	2.5	34.1	18.4	2.6	0.0	57.7
Subordinated debt	0.0	0.0	0.0	41.0	0.0	41.0
Financial liabilities, total	4 011.2	76.6	86.0	82.8	0.0	4 256.7
Financial assets and liabilities, total	-3 569.7	117.7	167.3	2 343.6	1 302.5	361.5

Demand deposits are included in the item "Less than 3 months"

BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES BY MATURITY (EUR MILLION)	30.6.2015					Total
	Less than 3 months	3–6 months	6–12 months	1–5 years	More than 5 years	
Cash	187.7	0.0	0.0	0.0	0.0	187.7
Debt securities eligible for refinancing with central banks	517.2	15.5	202.4	369.9	46.8	1 151.8
Receivables from credit institutions	22.4	0.0	0.0	0.0	0.0	22.4
Receivables from the public and public sector entities	1 544.8	498.1	513.4	146.8	14.5	2 717.6
Debt securities	125.9	78.5	5.6	272.5	15.9	498.3
Financial assets, total	2398.0	592.1	721.4	789.2	77.1	4577.8
Liabilities to credit institutions	11.0	0.0	5.0	0.0	0.0	16.0
Liabilities to the public and public sector entities	4 019.5	27.6	47.4	16.8	0.0	4 111.3
Debt securities issued to the public	6.5	17.0	23.5	2.6	0.0	49.6
Subordinated debt	28.0	0.0	0.0	0.0	0.0	28.0
Financial liabilities, total	4 065.0	44.6	75.9	19.4	0.0	4 204.9
Financial assets and liabilities, total	-1 667.0	547.5	645.5	769.8	77.1	372.9

BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES BY MATURITY (EUR MILLION)	31.12.2014					Total
	Less than 3 months	3–6 months	6–12 months	1–5 years	More than 5 years	
Cash	173.6	0.0	0.0	0.0	0.0	173.6
Debt securities eligible for refinancing with central banks	572.7	35.8	96.6	739.0	19.8	1 464.1
Receivables from credit institutions	38.6	0.0	0.0	0.0	0.0	38.6
Receivables from the public and public sector entities	1 390.1	511.6	526.5	128.6	14.4	2 571.1
Debt securities	139.0	99.0	3.2	124.5	4.9	370.7
Financial assets, total	2 314.1	646.4	626.4	992.1	39.2	4 618.2
Liabilities to credit institutions	68.1	0.0	0.0	0.0	0.0	68.1
Liabilities to the public and public sector entities	3 956.6	37.3	56.7	39.2	0.0	4 089.8
Debt securities issued to the public	2.5	34.1	21.0	0.0	0.0	57.7
Subordinated debt	16.0	25.0	0.0	0.0	0.0	41.0
Financial liabilities, total	4 043.2	96.4	77.8	39.2	0.0	4 256.6
Financial assets and liabilities, total	-1 729.1	550.0	548.6	952.9	39.2	361.5

NOTES ON COLLATERAL AND CONTINGENT LIABILITIES**30 June 2015 31 December 2014****COLLATERAL PROVIDED (EUR MILLION)****Other collateral Other collateral****Collateral provided on own debt, balance sheet item:**

Liabilities to credit institutions	0.0	346.5
Derivatives and other liabilities held for trading	10.0	12.9
Collateral provided on own debt, total	10.0	359.3
Other collateral provided on own behalf	14.5	20.0
Collateral provided for others	0.0	0.0

Pension liabilities

The statutory pension security for the personnel has been arranged through Elo Mutual Pension Insurance.

Leasing and other rental liabilities

Within one year	0.4	1.7
Due in 1–5 years	0.3	4.1
Due in more than five years	0.0	0.0
Total	0.7	5.7

The lease liabilities relate to vehicles, equipment, telephones and facilities. The agreements are not cancellable mid-term.

Deferred tax receivables and liabilities

Deferred tax assets attributable to losses	2.9	2.9
Deferred tax assets / liabilities arising from the fair value reserve	3.4	5.1
Deferred tax liability from appropriations	1.9	1.9
Deferred tax liability from consolidation measures	0.5	0.5



S=Bank

S-BANK LTD, P.O. BOX 77, FI-00088 S-GROUP, S-PANKKI.FI