

# S-Pankki

S-Bank Ltd.

Interim Report

1 January – 30 June 2009



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# Executive Board Report, January – June 2009

## The company's operations during the report period

S-Bank, the banking arm of the biggest retailer in Finland, S Group, continued to grow during the first half of 2009.

At the beginning of the year, S-Bank had 2.034 million customers. S-Bank gained an average of 11,000 new customers every month during January–June, and the number of customers totalled 2.098 million at the end of June.

The deposits in S-Bank increased with slightly slower pace than the previous year. The deposits made to current accounts by retail customers increased by over 30%. The amount of term deposits decreased. On average the retail deposits increased by over EUR 20 million monthly. Total deposits amounted to approximately EUR 2 billion at the end of June.

The number of Visa Credit and Visa Debit cards issued by S-Bank increased by over 60% during the first half of the year. Approximately 230,000 S-Bank customers had obtained the S-Etukortti Visa by the end of June.

During the period under review, S-Bank was reorganised in terms of services offered to customers and its ownership structure.

In April, S-Bank extended its operations by acquiring the gift card operations from the SOK Corporation.

During May–June (15 May–30 June), S-Bank carried out a directed rights issue through which the S Group's regional co-operatives and one local co-operative enterprise gained a 50% ownership of the bank. The new owners subscribed the issue in full. The expansion of the ownership base was part of S-Bank's long-term plans even before launching the deposit bank operations. The share issue increased S-Bank's equity by EUR 79.6 million.

In June, S-Bank expanded its electronic service offering by adding Itella's electronic NetPosti to its online bank.

During the first half of the year, S-Bank got recognition for the work it has done. In March, S-Bank's banking system received an award for the ICT project of the year. According to research published in June, S-Bank has the third most loyal customers amongst all nationally known service companies in Finland.

The first half of 2009 was a success for S-Bank ■

## Financial Standing

### RESULT AND PROFITABILITY OF OPERATIONS

S-Bank's result was better than anticipated. Operating profit, EUR 2.2 million, was EUR 6.9 million higher than in the corresponding period last year. Most of all, the result reflected the positive development of the net interest income resulting from the increase in the balance sheet and the favourable demand for the products offered by the bank.

Due to the positive result, the cost/income ratio was 0.8 (1.4). Profitability improved as well, and the return on equity was 2.1% (-9.9%). Return on assets was 0.1% (-0.3%).

#### Income

Net income during the period under review totalled EUR 22.9 million (12.1), of which net interest income accounted for EUR 20.5 million (10.5). The favourable development of the net interest income was attributable to the strong growth in the balance sheet, despite the fact that it was slower than in the previous year. Furthermore, treasury operations were successful despite the difficult market situation.

The share of net fee and commission income generated by the card business, borrowing and payment transactions totalled EUR 2.0 million (1.4) and the share of other operating income was EUR 0.6 million (0.4). As a result of derivatives recognised at fair value through profit and loss, the net income of securities trading totalled EUR -1.7 million (0). The realised net income from the available-for-sale financial assets amounted to EUR 1.6 million (-0.2) in the period under review.

#### Expenses

The operating expenses during the period under review totalled EUR 20.6 million (16.9). Personnel expenses grew due to the increase in the number of personnel compared to the previous year, totalling EUR 3.0 million (2.0). In comparison, other administrative costs decreased slightly to EUR 11.5 million (12.0). Depreciations amounted to EUR 1.8 million (1.8) and other operating costs were EUR 1.3 million (0.9).

During the period under review, S-Bank posted a total of EUR 2.4 million (0.2) in impairment losses from lending to customers. The impairment losses are group-specific by nature and are carried out if there is objective evidence of uncertainty regarding the repayment of receivables. The bank posted EUR 0.6 million (0) in final credit losses.

#### BALANCE SHEET

At the end of the period under review, the balance sheet total was EUR 2,205.7 million. The balance sheet grew by EUR 139.6 million from the beginning of the year. Retail deposits continued to grow but the deposit structure changed. Deposits to current accounts increased by EUR 357.7 million during the first half of the year, totalling EUR 1,508.3 million at the end of the period under review. At the same time, term deposits decreased by EUR 233.3 million, amounting to EUR 393.1 million. Corporate deposits amounted to EUR 77.0 million. This showed a decrease of EUR 91.0 million from the turn of the year.

The bank's equity increased by EUR 94.0 million during the period under review,

amounting to EUR 149.6 million. The growth was attributable to the rights issue and the fair value reserve, which was EUR 4.5 million positive at the end of the period under review. At the turn of the year, the fair value reserve was EUR 7.7 million negative.

S-Banks assets are mainly placed in the money and capital markets. At the end of the period under review, debt securities amounted to EUR 1,871.0 million, of which EUR 1,522.9 million were debt securities eligible for refinancing with central bank. This showed an increase of EUR 104.9 million from the turn of the year. All debt securities were categorised as available-for-sale financial assets. Lending operations, mainly consisting of credit card receivables as well as account receivables and working capital limit receivables, totalled EUR 140.4 at the end of the period under review. This showed an increase of EUR 40.6 million from the turn of the year. Receivables from the central bank totalled EUR 112.5 million and those from other credit institutions EUR 1.4 million.

The bank's equity ratio increased to 6.9% (2.9%) due to the positive financial result ■

Key financial indicators (EUR million)

	6/2009	12/2008	6/2008
Net interest income	20.5	25.6	10.5
Net fee and commission income	2.0	3.1	1.4
Other income	0.4	2.1	0.2
<b>Net income</b>	<b>22.9</b>	<b>30.7</b>	<b>12.1</b>
Personnel expenses	-3.0	-5.0	-2.0
Other administrative expenses	-11.5	-24.2	-12.0
Depreciations and impairment losses	-1.8	-3.6	-1.8
Other expenses	-4.3	-4.0	-1.1
<b>Operating profit/loss</b>	<b>2.2</b>	<b>-6.1</b>	<b>-4.7</b>
Private customer deposits			
Demand deposits	1,508.3	1,150.6	952.7
Fixed-term deposits	393.1	626.1	411.7
Corporate deposits	77.0	168.0	59.1
<b>Deposits total</b>	<b>1,978.5</b>	<b>1,944.7</b>	<b>1,423.5</b>
Debt securities	1,871.0	1,766.1	1,351.3
Central bank / credit institution receivables	113.9	163.8	66.8
Lending to the public	140.4	99.8	76.3
<b>Receivables total</b>	<b>2,125.3</b>	<b>2,029.8</b>	<b>1,494.5</b>
Cost/income ratio	0.8	1.1	1.4
Return on equity	2.1%	-11.2%	-9.9%
Return on assets	0.1%	-0.4%	-0.3%
Equity ratio	6.9%	2.8%	2.9%

## Capital adequacy

### DISCLOSURE OF CAPITAL ADEQUACY INFORMATION

Banking operations and risk taking thereof are regulated by means of, among other things, the supervision of capital adequacy. The renewed capital adequacy framework consists of three pillars that are closely connected. Pillar I defines the minimum requirement for capital adequacy; Pillar II obligates the bank to draw up an overall evaluation of its risk profile and adequacy of its own funds in relation to the risks; and Pillar III contains the information on the bank's risks that is disclosed to the public. In accordance with Pillar III, capital adequacy information should be disclosed at least once per year, taking the principle of materiality into consideration. S-Bank follows the information disclosure requirement by publishing the own funds information on its capital adequacy once per year in the Report of the Executive Board. Risk Management information and information on different types of risk is published in the Notes to the Financial Statements.

In special situations, the information on capital adequacy is also published in the Interim Report. Such a special situation would arise, for example, if the company is capitalised outside the capital plan. The Interim Report is published once per year, mostly for the period of the first six months.

At the time of this review there is no such capital adequacy-related information that will not be disclosed. S-Bank does not disclose information relating to the capital adequacy requirement of market risk since S-Bank does

not hold a trading portfolio in accordance with the minimum capital adequacy requirements.

### OWN FUNDS AND CAPITAL ADEQUACY

Own funds can be divided into Tier I, Tier II and other own funds. S-Bank's own funds consist of Tier I and Tier II funds and items deducted from Tier I own funds. The bank does not have items categorised as other own funds.

The Tier I own funds are freely and immediately available for covering unexpected losses. S-Bank's Tier I own funds consist of restricted and unrestricted equity items and retained earnings. In terms of the rights issue carried out, only the funds already paid, or EUR 37.2 million, are taken into account.

Restricted equity within Tier I funds consists of share equity and the share premium reserve. In addition, S-Bank's Tier I funds consist of the non-restricted equity reserve and voluntary provisions with the deferred tax liability deducted. S-Bank's Tier I own funds are categorised as non-restricted own funds in full, which means that the bank has full power of decision over the repayment of the funds and over the dividends to be distributed.

Owing to the start-up of operations, the bank's result has shown a loss, with the exception of the period under review. Therefore, the losses from previous financial periods comprise the retained earnings in their entirety and thus they are to be deducted from Tier I own funds. Deferred tax assets resulting from confirmed losses and profit shown in the

Interim Report are not included in own funds. The unamortised portion of the acquisition costs of intangible assets is deducted from Tier I own funds.

S-Bank's Tier II own funds consist of the fair value reserve and issued Lower Tier II Bonds. The fair value reserve is fully included in upper Tier II own funds less deferred taxes in accordance with the corporate tax rate.

S-Bank does not have items categorised as deductible from Tier II own funds or jointly from Tier I and Tier II own funds.

At the end of the period under review, the bank's capital adequacy ratio was 21.3% (10.3%). The bank's own funds totalled EUR 112.5 million (43.5), whereas the minimum requirement of own funds is EUR 42.3 million (33.8). If the share issue had been paid in full, the own funds would have risen to EUR 154.9 million and the capital adequacy ratio to approximately 29%.

The bank's own funds were most significantly tied by the credit risk capital adequacy requirement and the included items of "Receivables from credit institutions and investment firms" and "Receivables from companies". The minimum own fund requirement in operative risks was EUR 2.2 million (1.0) ■

Own funds (EUR million)	06/2009	12/2008	06/2008
<b>Tier I own funds without deduction items</b>	<b>102.6</b>	<b>65.4</b>	<b>46.8</b>
Share capital*	24.6	16.8	16.8
Share premium reserve	21.2	21.2	21.2
Invested non-restricted equity reserve*	71.0	41.6	21.6
Voluntary provisions	2.1	2.1	2.1
Retained earnings			
Profits/losses from previous periods	-16.3	-10.2	-10.2
Profit/loss for the financial period**		-6.1	-4.7
<b>Deduction items</b>			
Intangible assets	13.4	14.6	15.6
<b>Tier I own funds total</b>	<b>89.2</b>	<b>50.7</b>	<b>31.2</b>
<b>Tier II own funds</b>	<b>23.3</b>	<b>12.3</b>	<b>12.3</b>
Fair value reserve	3.3	-7.7	-2.7
Lower Tier II Bonds	20.0	20.0	15.0
<b>Own funds total</b>	<b>112.5</b>	<b>63.0</b>	<b>43.5</b>
<b>Capital adequacy ratio</b>	<b>21.3%</b>	<b>12.7%</b>	<b>10.3%</b>
<b>Capital adequacy ratio for Tier I own funds</b>	<b>16.9%</b>	<b>10.2%</b>	<b>7.4%</b>

\*The figures take into account the funds already paid from the share issue.

\*\* S-Bank does not include the profit shown in the Interim Report in the Tier I own funds in the middle of the financial year.

Minimum amount of own funds (EUR million)	06/2009		12/2008		06/2008	
	Exposure value	Own funds	Exposure value	Own funds	Exposure value	Own funds
<b>Minimum capital adequacy requirement for credit risk</b>						
Receivables from governments and central banks	117.5	0.0	161.6	0.0	9.6	0.0
Receivables from regional administration and local authorities	9.1	0.0	0.0	0.0	0.0	0.0
Receivables from international development banks	10.0	0.0	0.0	0.0	0.0	0.0
Receivables from credit institutions and investment firms*	1,675.9	26.3	1,703.9	26.5	1,347.0	22.1
Receivables from companies	93.5	7.1	96.4	7.5	100.3	7.7
Retail receivables	57.4	3.4	45.3	2.7	36.7	2.2
Overdue receivables	7.3	0.9	4.1	0.5	1.4	0.1
Covered bonds	160.2	1.3	23.0	0.2	0.0	0.0
Investments in investment funds	5.7	0.1	4.2	0.1	0.0	0.0
Other items	13.5	0.1	13.1	0.2	8.0	0.6
Off-balance sheet commitments	290.6	0.9	251.0	1.1	169.7	0.0
<b>Total</b>	<b>2,440.7</b>	<b>40.1</b>	<b>2,302.5</b>	<b>38.8</b>	<b>1,672.6</b>	<b>32.8</b>
<b>Minimum capital adequacy requirement for credit risk, total</b>		<b>40.1</b>		<b>38.8</b>		<b>32.8</b>
<b>Minimum capital adequacy requirement for market risk</b>		Nothing to report		Nothing to report		Nothing to report
<b>Minimum capital adequacy requirement for operational risk</b>		<b>2.2</b>		<b>1.0</b>		<b>1.0</b>
<b>Minimum amount of own funds, total</b>		<b>42.3</b>		<b>39.8</b>		<b>33.8</b>

\*For derivatives, the exposure value takes into account the exposure value of the counterparty credit risk.

## Administration

### ANNUAL GENERAL MEETING

The Annual General Meeting was held on 19 February 2009. The meeting confirmed the financial statements of the previous year and released the Executive Board and Managing Director from liability. A decision was made not to pay dividends. The number of Executive Board members was confirmed as six, and the members were nominated. Tomi Englund, Authorised Public Accountant, of Helsinki, was elected the auditor and Ernst & Young Oy, Authorised Public Accountants, the deputy auditor.

### EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting of 5 May 2009 decided to increase S-Bank's share capital by offering 3,354 shares for subscription with a nominal value of EUR 5,000.00 at the subscription price of EUR 23,733.00. The portion of subscription price exceeding the nominal value will be posted in the invested unrestricted equity reserve. The shares were offered for subscription to S Group's regional cooperative enterprises and one local cooperative enterprise.

### EXECUTIVE BOARD

At the Annual General Meeting, the following persons were elected to S-Bank Executive Board: Jari Annala, Senior Vice President, CFO, SOK Administrative Division; Taavi Heikkilä, Managing Director; Matti Niemi, Managing Director; Folke Lindström, Managing Director; Juha Ahola, Senior Vice President, SOK Treasury; and Veli-Matti Puutio, Managing Director, as a new member. The Executive Board elected Jari Annala the Chairman and Taavi Heikkilä the Vice Chairman. The Board convened nine times during the period under review. The Board members received no meeting compensation.

### MANAGING DIRECTOR

S-Bank Ltd's Managing Director is Pekka Ylihurula. General Counsel Veli-Matti Parmala is the Deputy Managing Director ■

## Personnel

At the end of the period under review, the number of S-Bank's personnel was 103, or 15 more than at the turn of the year. Wages, salaries and remuneration paid during the period under review totalled EUR 2.4 million (1.6) ■

## S-Asiakaspalvelu Oy

S-Asiakaspalvelu Oy is a wholly owned subsidiary of S-Bank. Established on 8 August 2008, S-Asiakaspalvelu provides data processing and other services related to a credit institution's core operations as a service company pursuant to the Credit Institutions Act (9.2.2007/121). The number of personnel at S-Asiakaspalvelu Oy at the end of the period under review was 82, or 9 less than at the turn of the year.

During the period under review, the revenue of S-Asiakaspalvelu amounted to EUR 2.0 million (2.8), of which EUR 1.4 million (2.2) was intra-group revenue. Other revenue consisted of telephone services for customer-owners offered to the S Group co-operatives. The expenses were mainly personnel-related. The operating profit of S-Asiakaspalvelu was EUR 0.0 million.

Because of the limited extent of S-Asiakaspalvelu's operations, S-Bank does not consolidate the company in its financial statements. S-Bank Ltd and S-Asiakaspalvelu Oy are consolidated in the Group called SOK Corporation ■

## Significant events after the close of the period under review

The increase in the share capital was entered in the Trade Register on 13 July 2009, as of which the subscribers' rights as shareholders are valid ■

## Outlook for the rest of the year

The bank's total funds on deposit are expected to grow in the latter half of 2009 in a similar manner as in the first half of the year. However, the overall economic situation and low market rate level pose challenges for the operations during the rest of the year, and the result of the entire year is expected to be at the first half's level. The strong capital structure ensures the bank's long-term development ■

*Executive Board 21 August 2009*



## Calculation formulae for key financial indicators

### 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 securities trading and currency operations  
+ net income from available-for-sale financial assets + other operating income

### Other expenses:

Other operating expenses + impairment losses from credits and other receivables

### 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

x 100

Equity and minority interest + accumulated appropriations less deferred tax liability  
(the average of the beginning and end of year)

### Return on assets (ROA), %

Operating profit/loss – income taxes

x 100

Balance sheet sum total on average (the average of the beginning and end of year)

### Equity ratio, %

Equity and minority interest + accumulated appropriations less deferred tax liability

x 100

Balance sheet sum total

### Capital adequacy ratio, %

Own funds total

x 8 %

Minimum requirement for own funds, total

### Capital adequacy ratio for Tier I own funds, %

Tier I own funds total

x 8 %

Minimum requirement for own funds, total

## Balance Sheet

(EUR million)

ASSETS	30 June 2009	30 June 2008	31 Dec. 2008
Liquid assets	2.5	9.4	28.5
Debt securities eligible for refinancing with central banks	1,522.9	688.5	1,145.4
Receivables from credit institutions	111.4	57.4	135.4
Receivables from the public and public sector entities	140.4	76.3	99.8
Debt securities	348.2	662.8	620.7
Shares and participations	5.7	0.0	4.2
Shares and participations in associated companies	0.0	0.0	0.0
Shares and participations in companies belonging to the same Group	0.1	0.1	0.1
Derivative contracts	0.7	0.0	2.3
Intangible assets	13.4	15.6	14.6
Share issue receivables	42.4	0.0	0.0
Other assets	1.1	0.9	0.4
Prepayments and accrued income	17.1	7.5	14.8
<b>ASSETS, TOTAL</b>	<b>2,205.7</b>	<b>1,518.5</b>	<b>2,066.1</b>

<b>LIABILITIES</b>	<b>30 June 2009</b>	<b>30 June 2008</b>	<b>31 Dec. 2008</b>
<b>LIABILITIES</b>			
<b>Liabilities to the public and public sector entities</b>	2,004.6	1,433.2	1,957.8
<b>Derivative contracts and other funds held for trading</b>	1.0	0.0	0.8
<b>Other liabilities</b>	12.9	24.3	16.7
<b>Accruals, deferred income and advances received</b>	14.7	16.1	12.4
<b>Subordinated liabilities</b>	20.0	0.0	20.0
<b>ACCUMULATED APPROPRIATIONS</b>			
<b>Accelerated depreciation</b>	2.9	2.8	2.9
<b>EQUITY</b>			
<b>Share capital</b>	16.8	16.8	16.8
Increase of share capital	16.8		
<b>Share premium reserve</b>	21.2	21.2	21.2
<b>Non-restricted reserves</b>	109.0	18.9	33.9
<b>Profit (loss) from previous financial periods</b>	-16.3	-10.2	-10.2
<b>Profit (loss) for the financial period</b>	2.2	-4.7	-6.1
<b>LIABILITIES, TOTAL</b>	<b>2,205.7</b>	<b>1,518.5</b>	<b>2,066.1</b>
<b>OFF-BALANCE SHEET COMMITMENTS</b>			
<b>Commitments given on behalf of a customer</b>			
Irrevocable	22.4		27.9
Other	268.2	169.7	223.1

# Income Statement

(EUR million)

	1 Jan.–30 June 2009	1 Jan.–30 June 2008	1 Jan.–31 Dec. 2008
<b>Interest Income</b>	39.4	31.7	76.7
<b>Interest expenses</b>	18.9	21.2	51.1
<b>NET INTEREST INCOME</b>	20.5	10.5	25.6
<b>Fee and commission income</b>	2.5	1.8	3.9
<b>Fee and commission expenses</b>	-0.6	-0.4	-0.9
<b>Net income from securities trading and currency operations</b>			
Net income from securities trading	-1.7	0.0	1.5
Net income from available-for-sale financial assets	1.6	-0.2	-0.5
<b>Other operating income</b>	0.6	0.4	1.0
<b>Personnel expenses</b>	-3.0	-2.0	-5.0
<b>Other administrative expenses</b>	-11.5	-12.0	-24.2
<b>Depreciation, amortisation and impairment losses on tangible and intangible assets</b>	-1.8	-1.8	-3.6
<b>Other operating expenses</b>	-1.3	-0.9	-1.8
<b>Impairment losses on loans and other receivables</b>	-3.0	-0.2	-2.2
<b>OPERATING PROFIT (LOSS)</b>	<b>2.2</b>	<b>-4.7</b>	<b>-6.1</b>
<b>Appropriations</b>			0.0
<b>PROFIT (LOSS) FOR THE REVIEW PERIOD</b>	<b>2.2</b>	<b>-4.7</b>	<b>-6.1</b>

# Cash Flow Statement

(EUR million)

	1 Jan.–30 June 2009	1 Jan.–30 June 2008	1 Jan.–31 Dec. 2008
<b>CASH FLOW FROM OPERATIONS</b>			
Cash flow from operations	10.5	-0.7	-11.8
Increase (-) or decrease in operating assets	-46.6	-35.1	-64.0
Increase or decrease (-) in operating liabilities	42.7	290.1	823.2
<b>Net cash from operations</b>	<b>6.6</b>	<b>254.2</b>	<b>747.4</b>
<b>CASH FLOW FROM INVESTMENTS</b>			
Purchase of intangible assets	-0.6	-0.6	-1.4
<b>Net cash from investments</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-1.4</b>
<b>CASH FLOW FROM FINANCING</b>			
Increase in equity	37.2	0.0	20.0
Issue of a loan on debenture terms		15.0	20.0
<b>Net cash from financing</b>	<b>37.2</b>	<b>15.0</b>	<b>40.0</b>
Net increase in cash and cash equivalents	43.2	268.6	786.0
Cash and cash equivalents at the beginning of the financial period	1,927.4	1,141.4	1,141.4
Cash and cash equivalents at the end of the financial period	1,970.6	1,410.0	1,927.4

# Notes to the Interim Financial Statements

## THE COMPANY

S-Bank Ltd is a deposit bank that engages in credit institution operations pursuant to the Credit Institutions Act (9.2.2007/121), providing its customers with services related to saving, payment transactions and the financing of purchases.

S-Bank's headquarters are located at Fleminginkatu 34, 00510 Helsinki, Finland. The bank does not have other branch offices. Under agency agreements, customer service is also provided by the S Group cooperative enterprises at their locations.

## ACCOUNTING POLICIES

The Interim Report for 1 January – 30 June 2009 has been prepared in accordance with the Accounting Act and, as applicable, with the provisions of the Credit Institutions Act and the Ministry of Finance's Decree on Financial Statements and Consolidated Financial Statements of Credit Institutions and Investments Companies, as well as the Financial Supervisory Authority's regulations, updated on 18 November 2008, concerning the income statement, balance sheet and notes to the financial statements, which came into force on 1 December 2005.

The Interim Report has been prepared pursuant to the Financial Supervisory Authority's regulations concerning the market disclosure of capital adequacy information.

S-Bank complies with its essential accounting policies in the Interim Report. In the valuation of bond receivables to be valued at fair value, the bid price is used ■

## Derivative contracts (EUR million)

### 30 June 2009

For non-hedging purposes	Nominal value	Positive fair value	Negative fair value
Interest rate swaps	209.9	0.7	-1.0

Of the derivative liabilities, EUR 175.9 million is due in less than 1 year and EUR 34.0 million in 1–5 years

### 30 June 2008

For non-hedging purposes	Nominal value	Positive fair value	Negative fair value
Interest rate swaps	67.5	0.0	-0.1
Futures and forwards	20.0	0.0	

Of the derivative liabilities, EUR 80.0 million is due in less than 1 year and EUR 7.5 million in 1–5 years

S-Bank does not apply hedge accounting

## Collateral and contingent liabilities (EUR million)

### 30 June 2009

Collateral provided	Other collateral
Other liabilities	5.7

### 30 June 2008

Collateral provided	Other collateral
Other liabilities	1.4

As a company launching card operations, S-Bank, as a card issuer, has deposited funds in escrow for the benefit of Visa Europe Services Inc. to cover transactions related to payment transactions outside Finland.

## Pension liabilities

The statutory pension coverage for the personnel has been arranged through Mutual Insurance Company Tapiola.

## Lease and other rental liabilities

	30 June 2009	30 June 2008	31 Dec. 2008
Due in one year	0.1	0.1	0.1
Due in more than one year and less than five years	0.1	0.1	0.1
Due in more than five years			
<b>Total</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>

## Maturity breakdown of financial assets and liabilities (EUR million)

30 June 2009

	Less than 3 mos.	3–12 mos.	1–5 years	5–10 years	Total
Liquid assets	2.5				2.5
Debt securities eligible for refinancing with central banks	26.8	537.0	959.0		1,522.9
Receivables from credit institutions	111.4				111.4
Receivables from the public and public sector entities	65.7	61.0	13.7	0.0	140.4
Debt securities	15.0	277.4	48.0	7.8	348.2
<b>Receivables total</b>	<b>221.3</b>	<b>875.4</b>	<b>1 020.7</b>	<b>7.8</b>	<b>2,125.3</b>
Liabilities to the public and public sector entities	1,800.5	185.2	18.9		2 004.6
Subordinated liabilities				20.0	20.0
<b>Liabilities total</b>	<b>1,800.5</b>	<b>185.2</b>	<b>18.9</b>	<b>20.0</b>	<b>2,024.6</b>
<b>Receivables and liabilities total</b>	<b>-1,579.2</b>	<b>690.2</b>	<b>1,001.9</b>	<b>-12.2</b>	<b>100,8</b>

30 June 2008

	Less than 3 mos.	3–12 mos.	1–5 years	5–10 years	Total
Liquid assets	9.4				9.4
Debt securities eligible for refinancing with central banks	25.0	145.2	518.3		688.5
Receivables from credit institutions	57.4				57.4
Receivables from the public and public sector entities	41.2	24.3	10.8	0.1	76.3
Debt securities	160.5	466.8	26.2	9.3	662.8
<b>Receivables total</b>	<b>293.5</b>	<b>636.3</b>	<b>555.3</b>	<b>9.4</b>	<b>1,494.5</b>
Liabilities to the public and public sector entities	1,204.8	203.0	25.1	0.3	1,433.2
Subordinated liabilities				15.0	15.0
<b>Liabilities total</b>	<b>1,204.8</b>	<b>203.0</b>	<b>25.1</b>	<b>15.3</b>	<b>1,448.2</b>
<b>Receivables and liabilities total</b>	<b>-911.3</b>	<b>433.4</b>	<b>530.1</b>	<b>-5.9</b>	<b>46.3</b>

Demand deposits are classified under "Less than 3 mos."

Interest rate tying periods (EUR million)

30 June 2009

	Less than 3 mos.	3-6 mos.	6-12 mos.	1-5 years	More than 5 years	Total
Liquid assets	2.5					2.5
Debt securities eligible for refinancing with central banks	1,203.1	3.0	34.8	282.0		1,522.9
Receivables from credit institutions	111.4					111.4
Receivables from the public and public sector entities	103.4	9.8	27.1			140.4
Debt securities	70.3	203.4	62.1	12.3		348.2
<b>Receivables total</b>	<b>1,490.7</b>	<b>216.2</b>	<b>124.0</b>	<b>294.3</b>		<b>2,125.3</b>
Liabilities to the public and public sector entities	1,800.5	131.3	53.9	18.9		2,004.6
Subordinated liabilities	20.0					20.0
<b>Liabilities total</b>	<b>1,820.5</b>	<b>131.3</b>	<b>53.9</b>	<b>18.9</b>		<b>2,024.6</b>
<b>Receivables and liabilities total</b>	<b>-329.7</b>	<b>84.9</b>	<b>70.1</b>	<b>275.4</b>		<b>100.8</b>

30 June 2008

	Less than 3 mos.	3-6 mos.	6-12 mos.	1-5 years	More than 5 years	Total
Liquid assets	9.4					9.4
Debt securities eligible for refinancing with central banks	598.6	9.8	6.9	73.2		688.5
Receivables from credit institutions	54.4					54.4
Receivables from the public and public sector entities	58.4	4.0	12.7			75.1
Debt securities	266.6	197.4	191.4	7.3		662.8
<b>Receivables total</b>	<b>987.4</b>	<b>211.2</b>	<b>211.0</b>	<b>80.6</b>		<b>1,490.2</b>
Liabilities to the public and public sector entities	1,204.8	92.5	110.4	25.1	0.3	1,433.2
Subordinated liabilities	15.0					15.0
<b>Liabilities total</b>	<b>1 219.8</b>	<b>92.5</b>	<b>110.4</b>	<b>25.1</b>	<b>0.3</b>	<b>1,448.2</b>
<b>Receivables and liabilities total</b>	<b>-232.4</b>	<b>118.7</b>	<b>100.6</b>	<b>55.4</b>	<b>-0.3</b>	<b>42.0</b>





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