



JANUARY-JUNE 2024 RESULTS

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1 AUGUST 2024



H1 2024 HIGHLIGHTS



STEADY PERFORMANCE AND GROWTH CONTINUED – STRENGTHENED CREDIT RATING

KEY FIGURES H1 2024 VS. H1 2023

Operating profit
(EUR m)

83.5

(57.6)
▲ +45.0%

Deposit base
(EUR bn)

8.3

(8.2)
▲ +1.2%

Lending base
(EUR bn)

7.0

(6.9)
▲ +2.0%

**Assets under
management**
(EUR bn)

6.2

(6.1)
▲ +1.3%

**Active
customers**

699 000

(625 000)
▲ +11.8%

**Capital
adequacy -ratio**

20.5%

(17.3%)
▲ 3.2 bp

Steady financial performance

- Operating profit EUR 83.5 million, +45.0%
- Net interest income EUR 157.6 million, +30.3%

S-Bank services increasingly popular

- Number of active customers continued to grow reaching 699 000
- Volume of mortgage loans has increased while the overall market has declined
- Popularity of digital channels at record levels

Strategy implementation on track

- Handelsbanken transaction progressing as planned
- New organisation in place since April
- Financial performance exceeding strategic targets

**BBB+/A2
RATING**

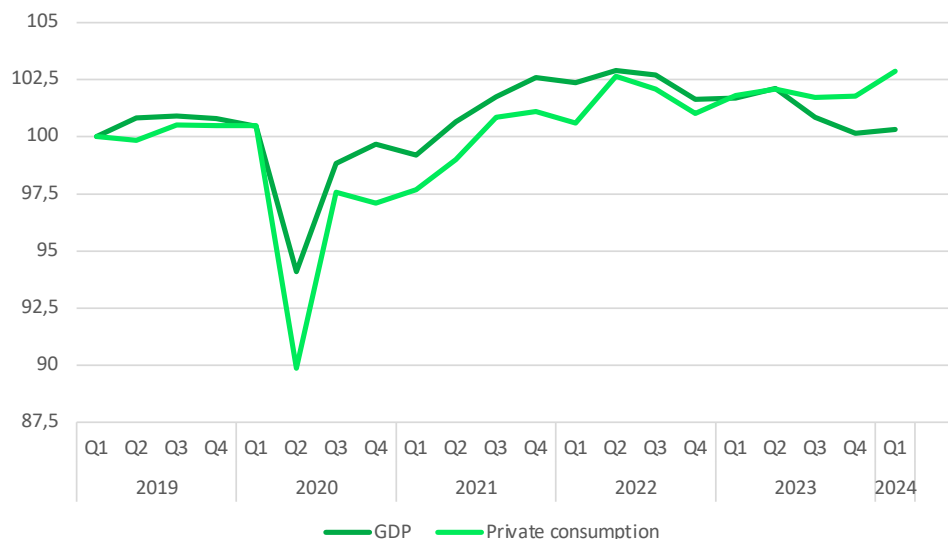
S&P Global

**STABLE
OUTLOOK**

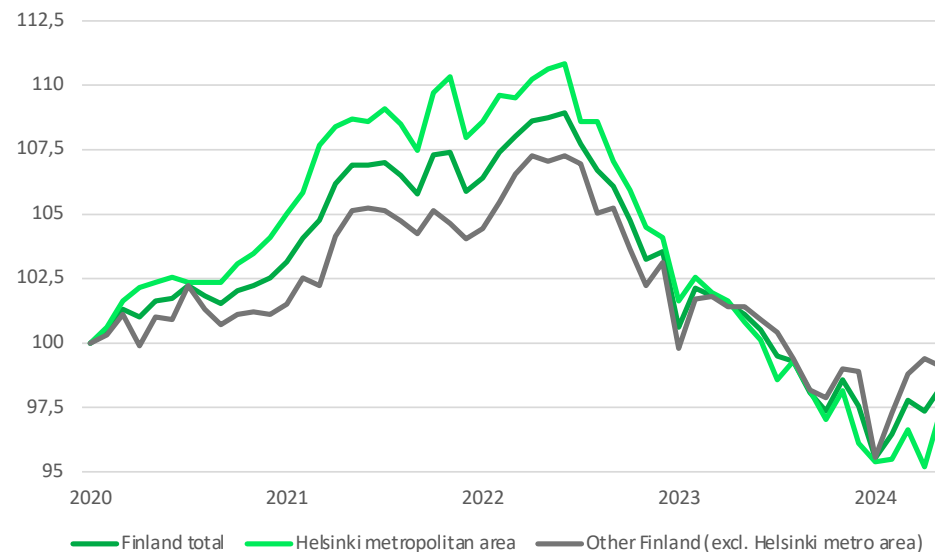


ECONOMIC OUTLOOK INDICATES A CHANGE FOR THE BETTER

GDP AND PRIVATE CONSUMPTION IN FINLAND



HOUSING PRICES IN FINLAND



Sources: Macrobond, Statistics Finland, S Bank.
 GDP and private consumption index 1 Jan 2019=100.
 Housing prices: price index Jan 2020=100, for old dwellings in housing companies.



OUTLOOK FOR 2024 UNCHANGED

S-Bank's guidance for 2024 is negatively affected by three factors.

1. The development and integration costs related to the Handelsbanken transaction, and the financing costs related to completing the transaction will have the most significant impact on the result.
2. We also expect interest rates to settle at lower level than in the previous year, which will have a downward impact on earnings performance.
3. The outlook for 2024 is also subject to uncertainties regarding the performance of the operating environment, the economy, employment and the real estate market.

We expect operating profit for the whole year to decline by approximately a quarter from the previous year (EUR 147.4 million).



BANKING SEGMENT: GROWTH IN LOAN PORTFOLIO AND HOUSING LOAN VOLUMES

- Operating income was **191.2** million (154.2) up by 24.0%
- Operating profit was EUR **87.1** million (60.8), up by 43.2%
- Household customers' deposit portfolio was EUR **7.72** billion, up by **3.3%**
- S-Bank's housing loan volume grew by **0.9%** (5/23 – 5/24), while the total housing loan volume in Finland declined by 1.4%
- Number of active customers increased to 699 000

Households key figures H12024 vs. H12023*

Deposit portfolio (EUR bn)

7.72

(7.47)

▲ +3.3%

Loan portfolio (EUR bn)

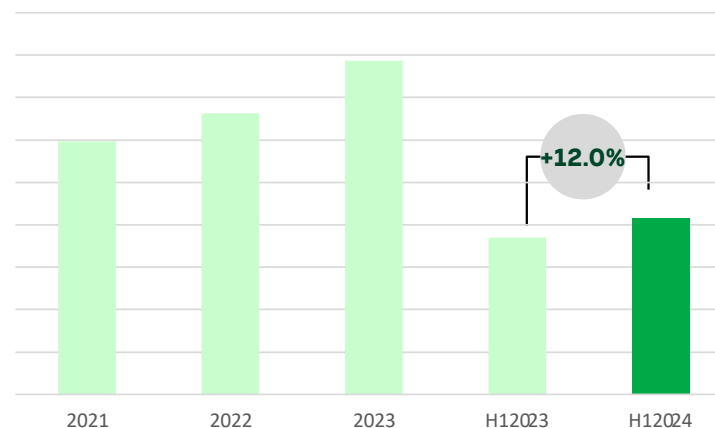
5.79

(5.69)

▲ +1.6%

* Figures on household customers only. Banking segment includes both household and corporate customers.

S-Etukortti Visa card purchases in euro amounts



WEALTH MANAGEMENT: GROWTH IN NUMBER OF UNIT HOLDERS CONTINUED

- Operating income was EUR **20.0** million (20.2), down by 0.7%
- Operating profit was EUR **-0.6** million (2.9), impacted by Handelsbanken transaction related development costs
- Net subscriptions to the S-Bank mutual funds amounted to EUR **70.5** million (104.9)
- The number of unit holders in the S-Bank funds increased to around **417 000** (375 000)
- In June, ambitious interim target for 2030 in the Net Zero Asset Managers initiative to reduce emissions by 50% compared to the level in 2019

Wealth Management key figures H12024 vs. H12023

Net subscriptions
(EUR m)

70.5

(104.9)

▼ -67.2%

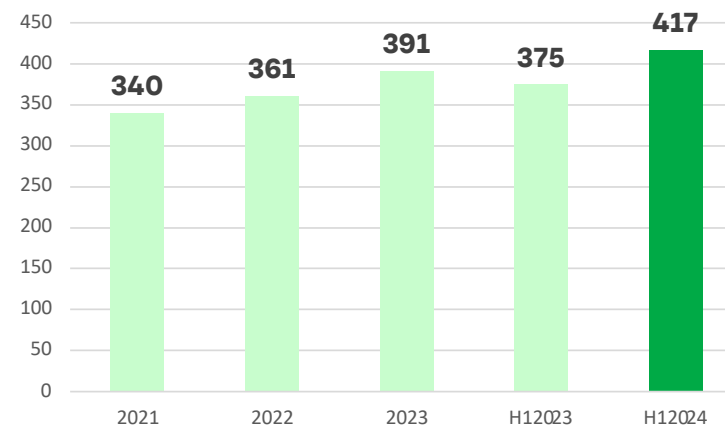
AUM
(EUR bn)

6.2

(6.1)

▲ +1.3%

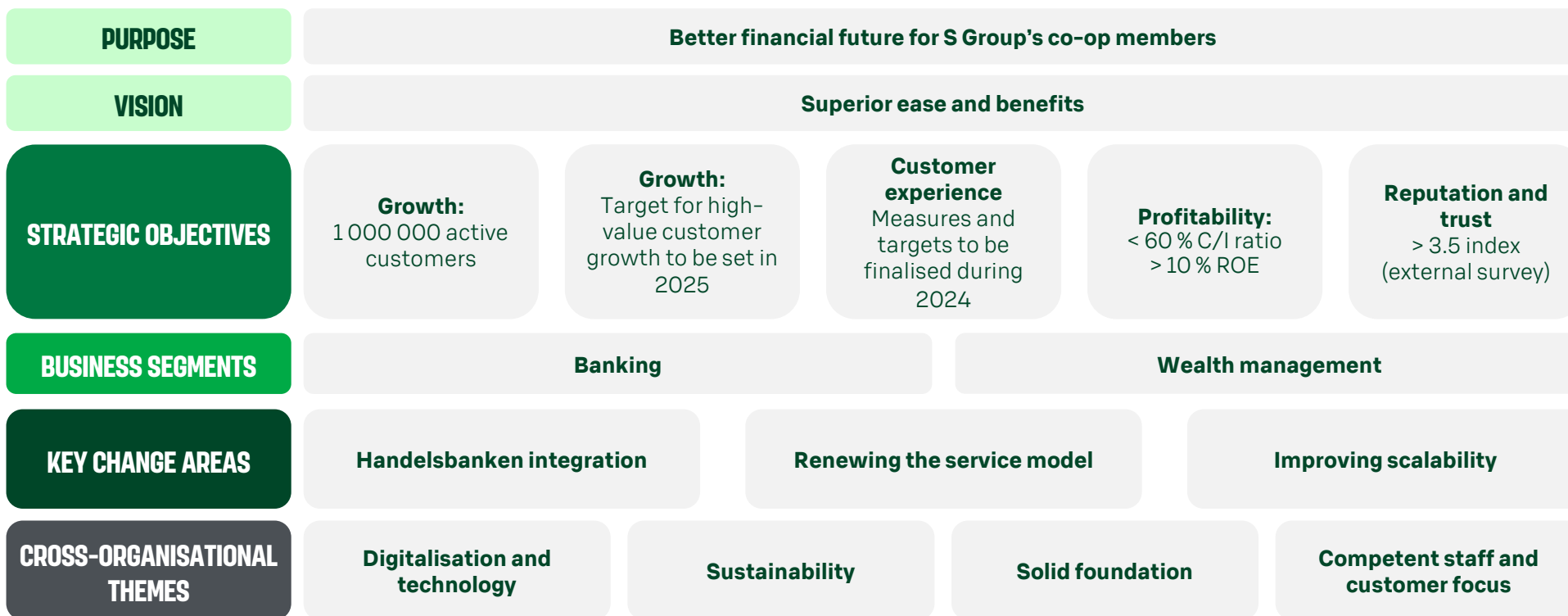
Number of S Bank funds unit holders (thousands)



STRATEGY

S-BANK STRATEGY 2024-2027 AND STRATEGIC OBJECTIVES

STORY CONTINUES TOWARDS A MORE CUSTOMER FOCUSED AND DIGITAL BANK



SOLID PROGRESS IN SERVING OUR CUSTOMERS, DIGITAL ENCOUNTERS GAINING MOMENTUM

- S-mobiili app reached all-time high user levels in early 2024 and have remained robust throughout H1
 - New services in S-mobiili app: monthly savings and mortgage loans
- In April, ApplePay was launched as part of the payment portfolio
 - Very successful launch, strong customer adoption exceeded expectations
- Micro-saving service called Säästäjä, exceeded 100 000 users in May

Key figures in H1 2024

S-mobiili –app unique downloads (end-June24)

2 272 000

Highest number of weekly users

1 377 000

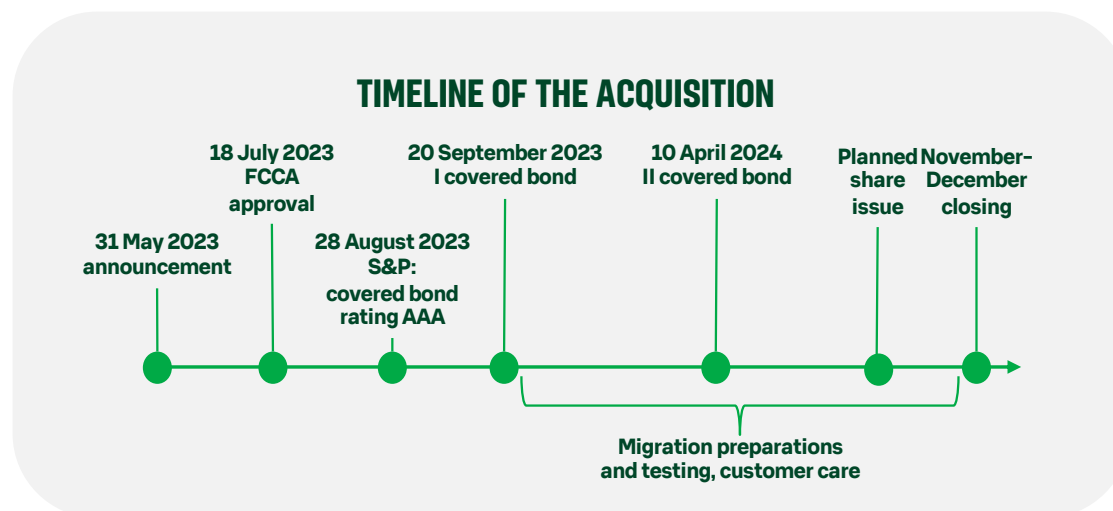
HANDELSBANKEN TRANSACTION PROCEEDING AS PLANNED BECOMING 4TH LARGEST BANK FOR HOUSEHOLD CUSTOMERS

Key actions in H1 2024

- Migration and transition of customers confirmed at the turn of Nov - Dec 2024
- Communication to customers transferring to S-Bank started by Handelsbanken
 - Customer relationship managers transferring to S-Bank continue serving their customers
 - Branch offices transferring to S-Bank continue as today
- We will inform customers of the upcoming change and encourage them to take action early to ensure smooth transfer of their banking matters to S-Bank

Financing for the deal progressing as planned

- Two EUR 500 million covered bonds issued (Sept 2023 and April 2024)
- Share issue planned before closing



SUMMARY

S-BANK IS WELL POSITIONED TO GROW IN A CHALLENGING ENVIRONMENT

COMPETITIVE ENVIRONMENT

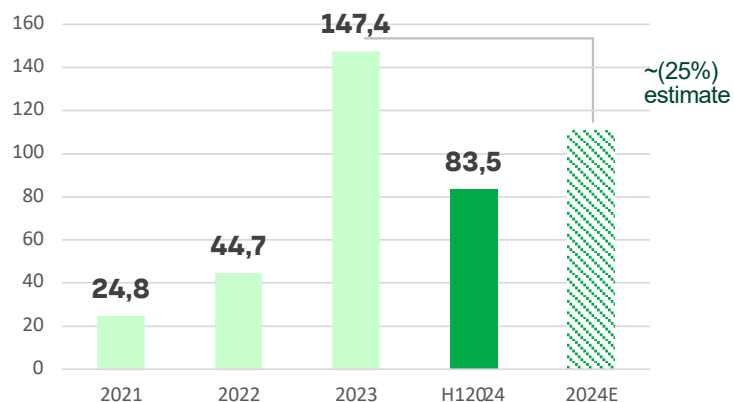
- Uncertainty in the global and Finnish economy continues and consumers' confidence is low, while recent economic outlook indicates change for the better
- Inflation is easing and interest rates are declining
- Tightened competition continues in the financial sector
- Growing demand for easy-to-use services and financial advice

SOLID BASE TO BUILD ON

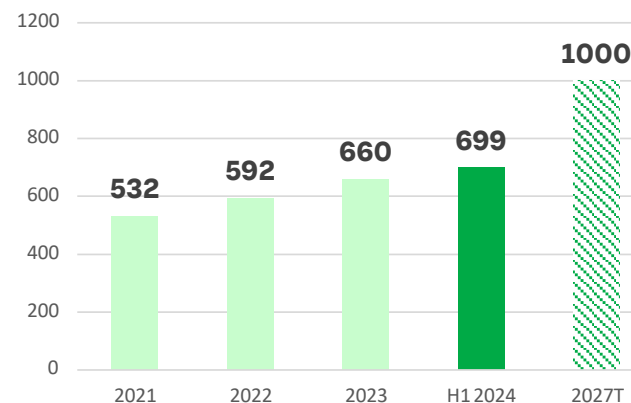
- S-Bank uniquely combines banking and S Group's services for S Group's co-op members
- Large customer base with frequent access to S Group retail customers with an easy-to-use mobile app shared with S Group retailers
- Profitability improved significantly along with the interests
- Strong historical growth through both organic growth and acquisitions
- Number of active customers have increased rapidly
- Leading brand in fairness and sustainability
- Employee satisfaction well above peer average

SUMMARY: PROGRESSING WELL TOWARDS STRATEGIC GOALS

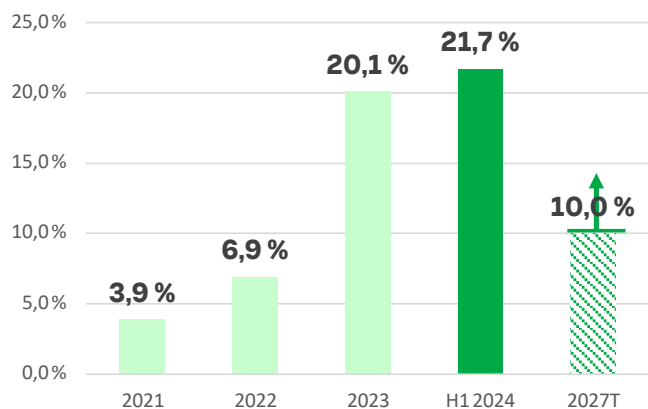
OPERATING PROFIT (€ MILLION)



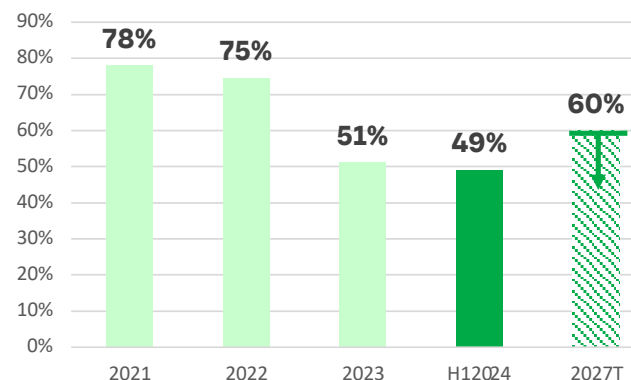
ACTIVE CUSTOMERS



RETURN ON EQUITY



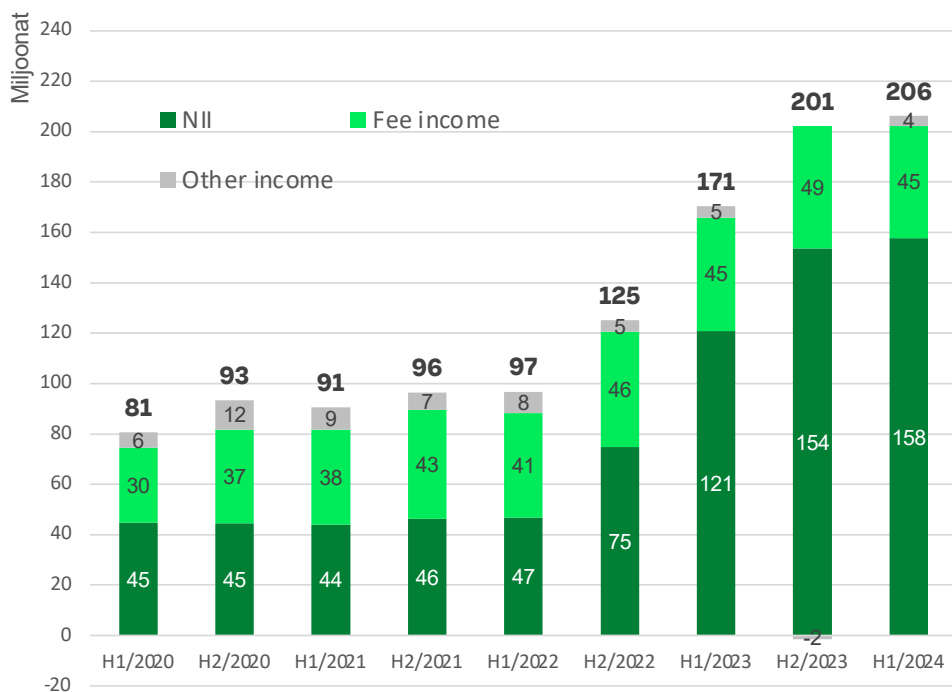
COST-TO-INCOME RATIO



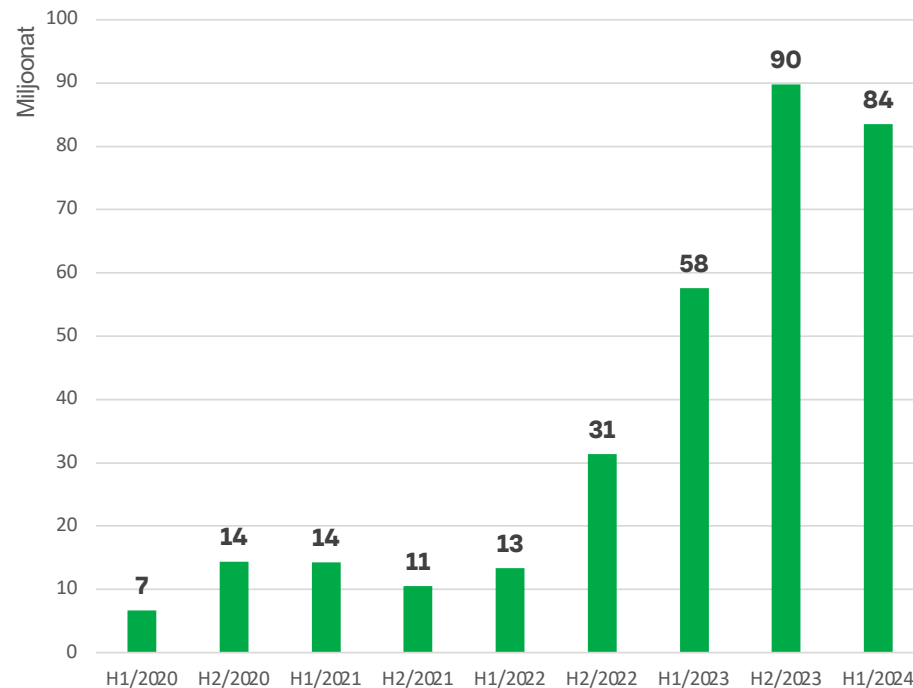
KEY FINANCIALS

DEVELOPMENT OF KEY INCOME MEASURES

TOTAL INCOME



OPERATING PROFIT

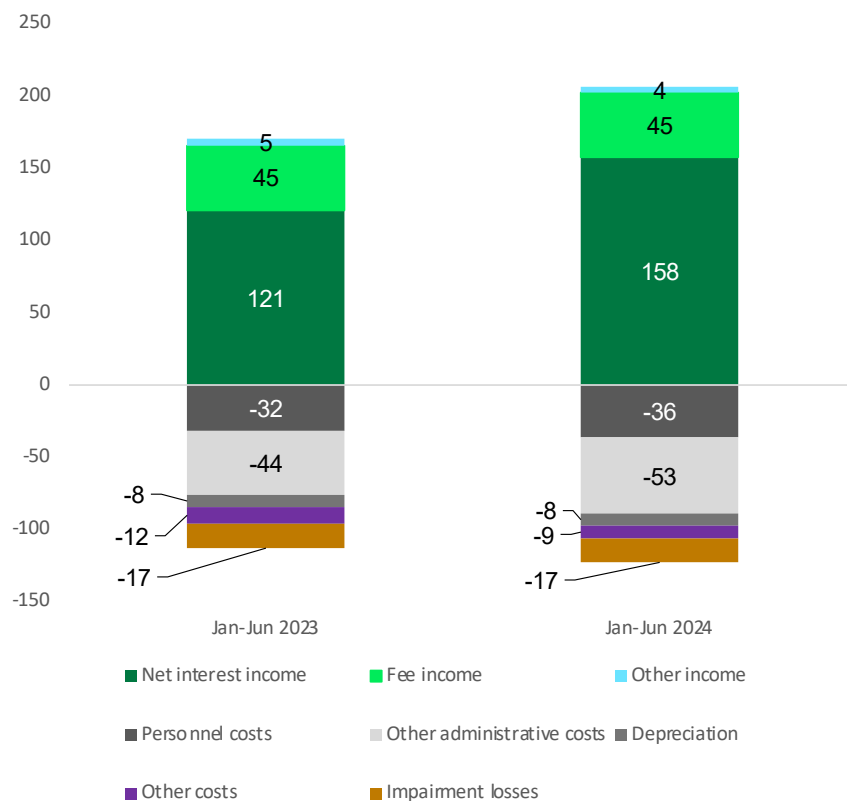


- Net interest income has remained at a very strong level, EUR 158 million.
- In H1/2024, total income increased by 21% and total costs increased by 10,6% on the previous year.
- In H1/2024, operating profit increased by 45% to EUR 84 million from EUR 58 million in H1/2023.



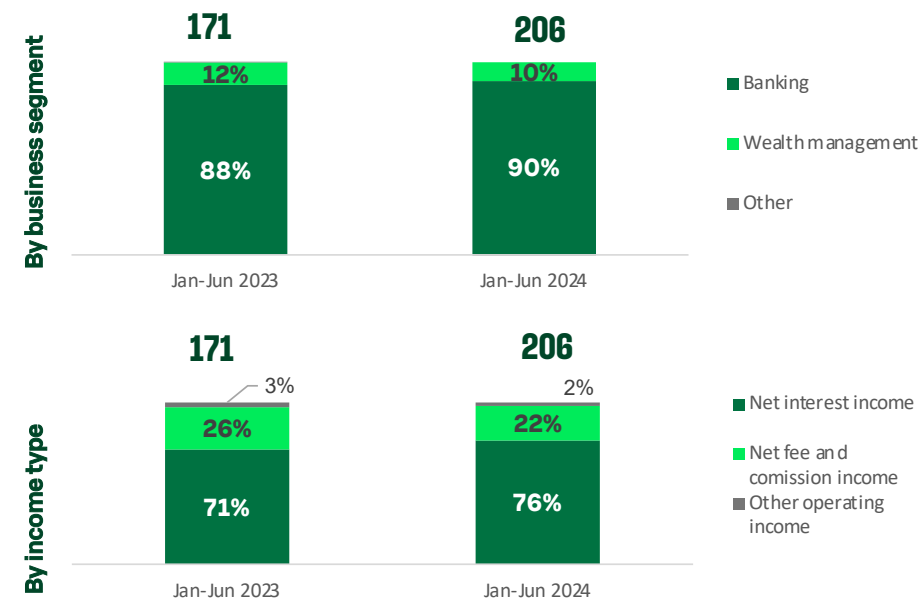
INCOME & COST ANALYSIS

DEVELOPMENT OF KEY INCOME & COST ITEMS (EUR MILLION)



* Represents previous 12M total income to total assets

INCOME SPLITS BY SEGMENT AND TYPE (EUR m)



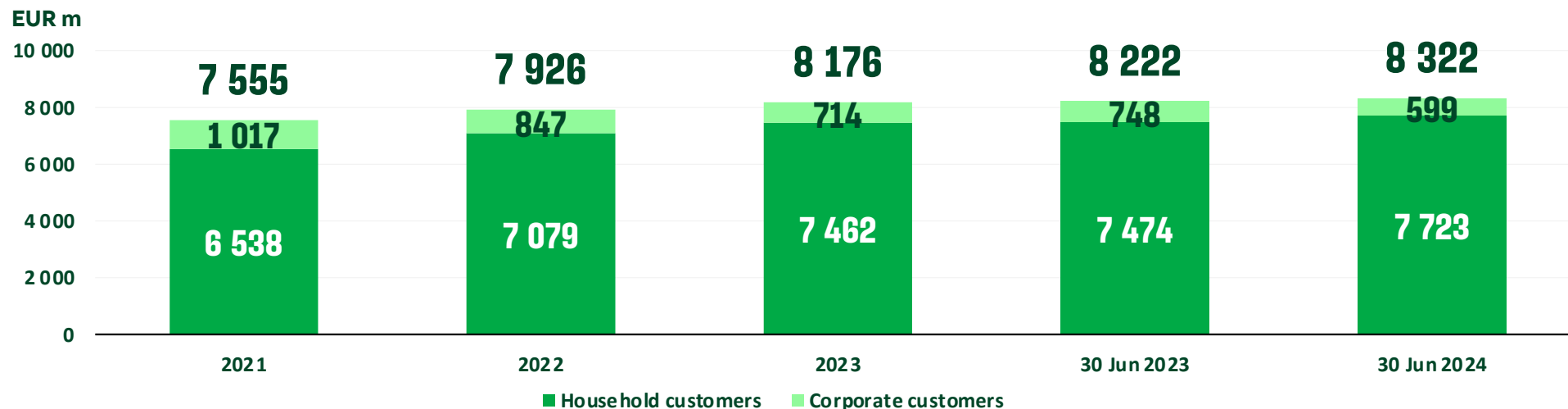
	H1/2023	H1/2024
Cost - Income ratio, %	61%	49%
Total income / Total assets, %*	3.3%	4.0%

*Running 12M ratio



HOUSEHOLD DEPOSIT BASE STILL GROWING– OPPOSITE TO THE MARKET DEVELOPMENT

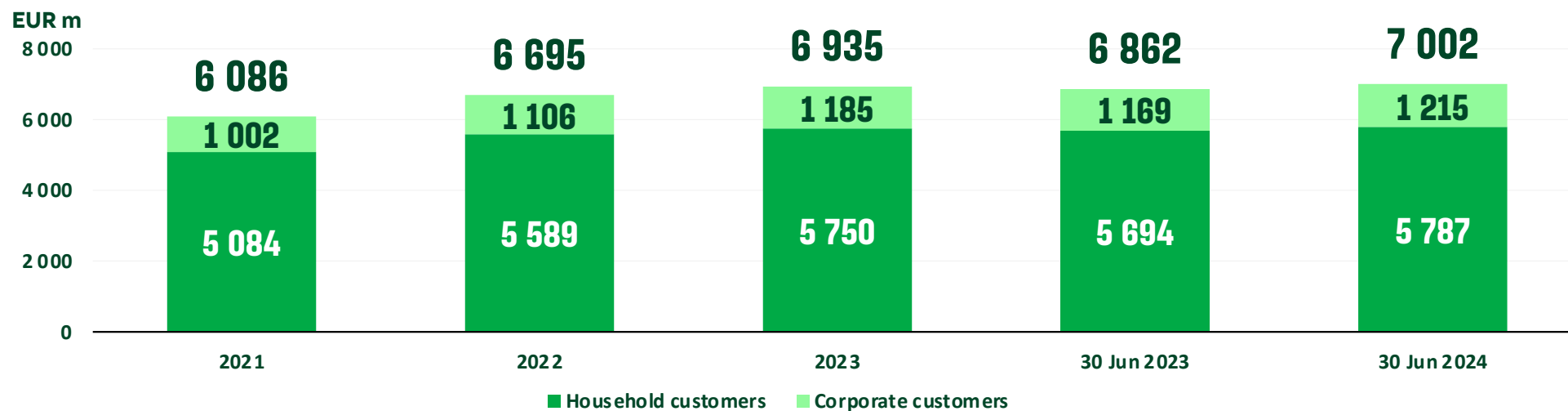
TIME DEPOSITS EUR 803 MILLION AT THE END OF JUNE



Deposits (EUR m)	30 Jun 2023	30 Jun 2024	12-month change
Household customers	7 473.7	7 723.2	3.3%
Corporate customers	748.3	598.5	-20.0%
Total	8 221.9	8 321.7	1.2%



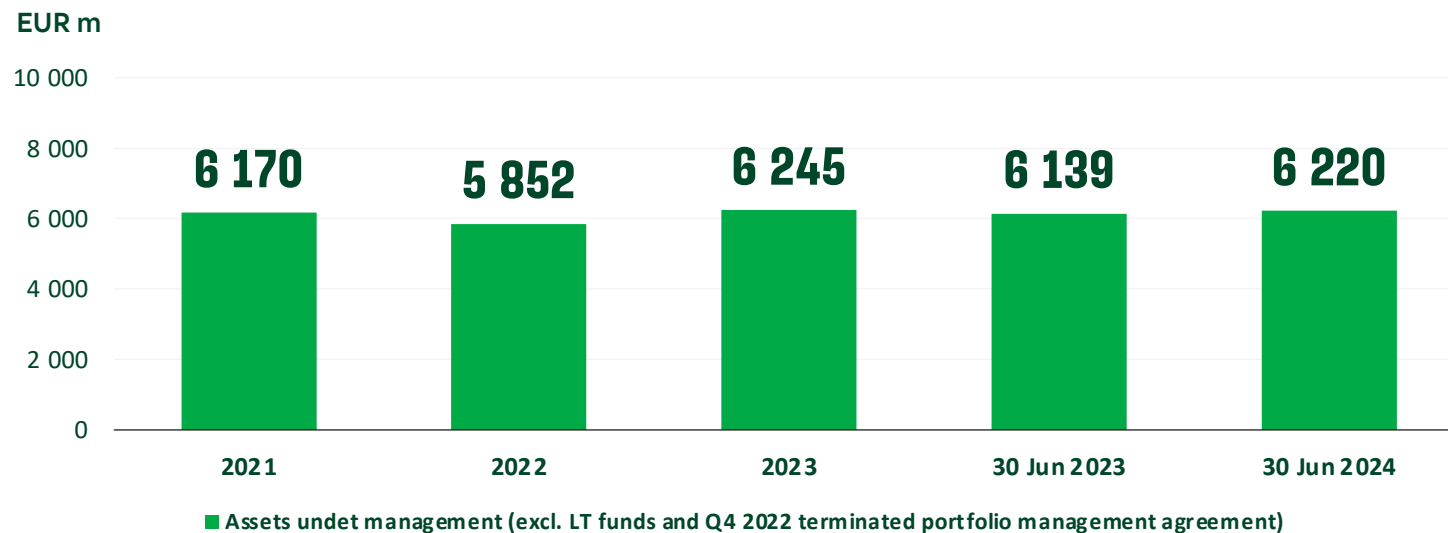
STEADILY GROWING LENDING



Lending (EUR m)	30 Jun 2023	30 Jun 2024	12-month change
Household customers	5 693.6	5 786.8	1.6%
Corporate customers	1 168.5	1 215.2	4.0%
Total	6 862.1	7 002.0	2.0%



AUM UP 1.3 %



Comparable assets under management (EUR m)	30 Jun 2023	30 Jun 2024	12-month change
Fund capital	4 197.1	4 498.9	7.2%
Wealth management	1 942.0	1 721.3	-11.4%
Total	6 139.1	6 220.2	1.3%

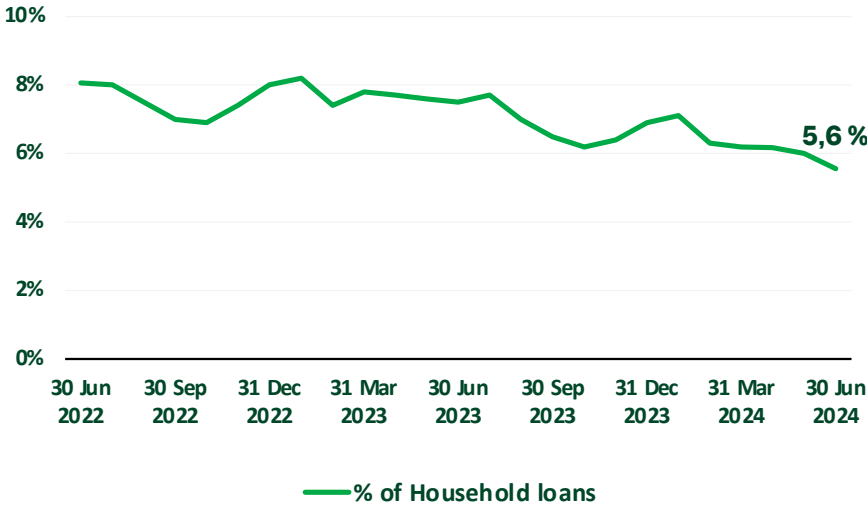
In addition, S-Bank Properties Ltd managed EUR 379,6 million in customer assets, consisting of real estate and joint ventures (379,1).

Net subscriptions to the S-Bank mutual funds amounted to EUR 70,5 million in the review period compared with EUR 104,9 million a year earlier. Decrease in WMC was affected by the change in one major customer capital

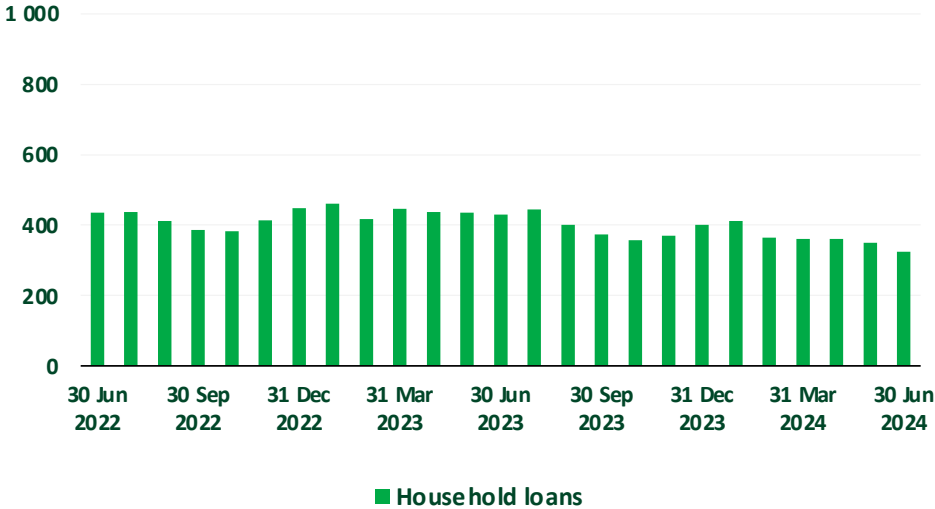
* The comparative amount has been changed

REPAYMENT HOLIDAYS

SHARE OF LOANS SUBJECT TO REPAYMENT HOLIDAYS



AMOUNT OF LOANS SUBJECT TO REPAYMENT HOLIDAYS (EUR m)

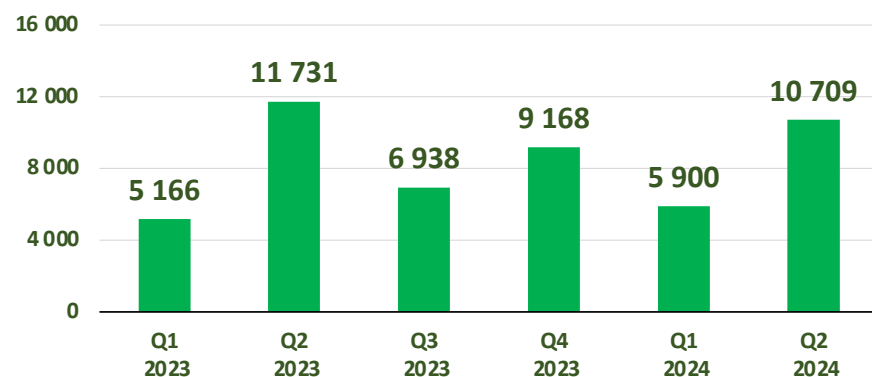


- Household loans subject to repayment holidays decreased during the first half of the year 2024.
- Repayment holidays deviating from the original payment plan have primarily been granted to household customers.
- The share of loans subject to repayment holidays was 5.6% of total household loans (6.9% on 31 Dec 2023).

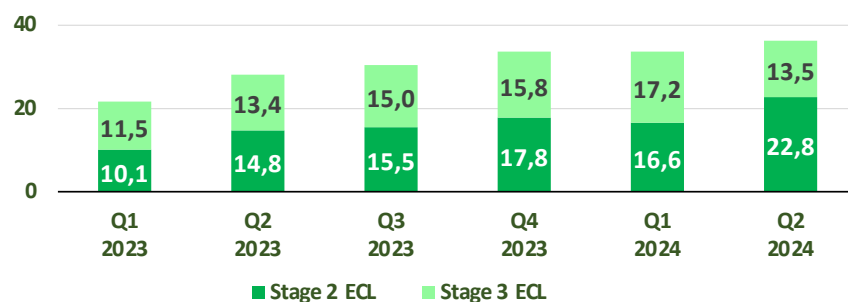


CREDIT LOSSES

EXPECTED AND FINAL CREDIT LOSSES (EUR '000)



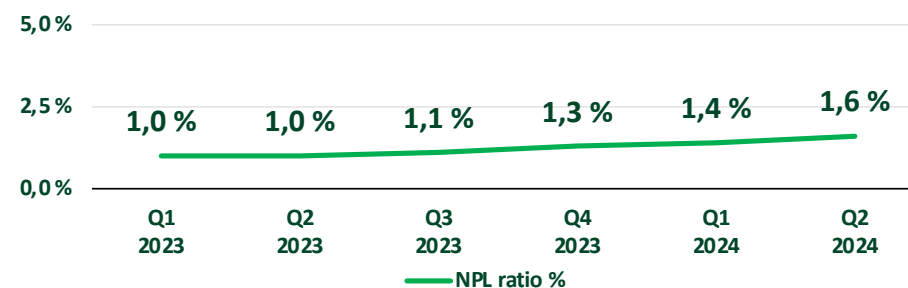
STAGE 2 AND 3, ECL PROVISION (EUR m)



COMMENTARY

- Cumulative net credit losses were EUR 16.6 million (16.9) during the first half of the year.
- S-Bank implemented new PD models for household customers and reversed management provisions with net effect of EUR 2.0 million on ECL.
- ECL provision in the balance sheet was EUR 41.1 million in total, which included EUR 0.5 million provisions based on management judgement.
- Stage 3 provisions decreased due to reversal of management provisions and the growth in stage 2 provisions was mainly related to model changes.
- NPL ratio stood at 1.6%.

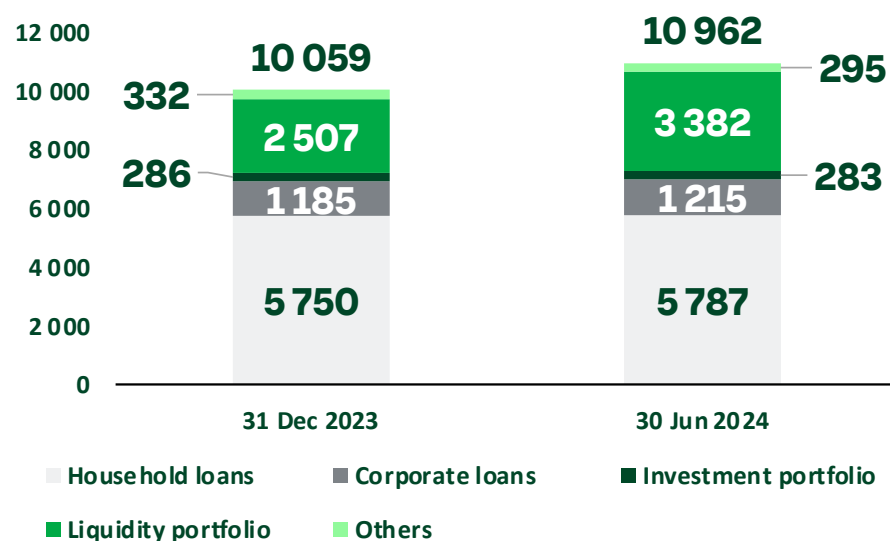
NPL RATIO (%)



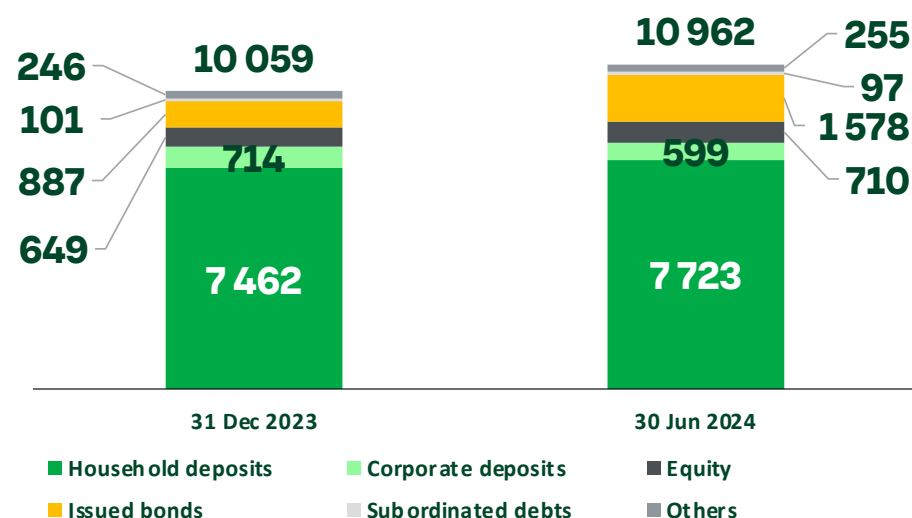
BALANCE SHEET & FUNDING

STRONG FUNDING BASE MADE OF DEPOSITS – HOUSEHOLD LOANS MAKE UP MOST OF THE ASSETS

ASSETS (EUR m)



LIABILITIES AND EQUITY (EUR m)

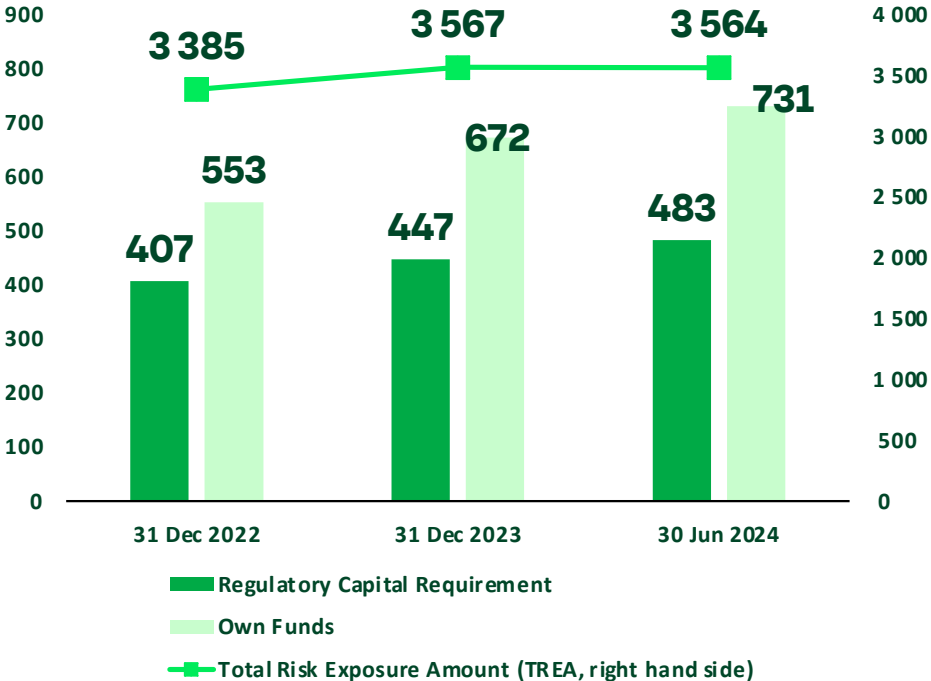


- Household and corporate deposits comprised 76% (81%) of total liabilities and equity at the end of the review period. At the same time, lending to households comprised 53% (57%) of the total assets.
- Lending increased to EUR 7 002.0 million (6 935.0) and deposits increased to EUR 8 321.7 million (8 175.9). Lending increased in both household and corporate customers. Household customers' deposit portfolio increased, and corporate customers' deposit portfolio decreased.
- During the first half of the year, S-Bank was active in the funding market. In March, S-Bank issued a Senior Preferred bond, valued at EUR 300 million, and in April a covered bond, valued at EUR 500 million. In February, S-Bank announced a tender offer for its EUR 220 million bond maturing in 2025. Tender instructions adding up to EUR 86.1 million were accepted.



OWN FUNDS, CAPITAL REQUIREMENTS & MREL

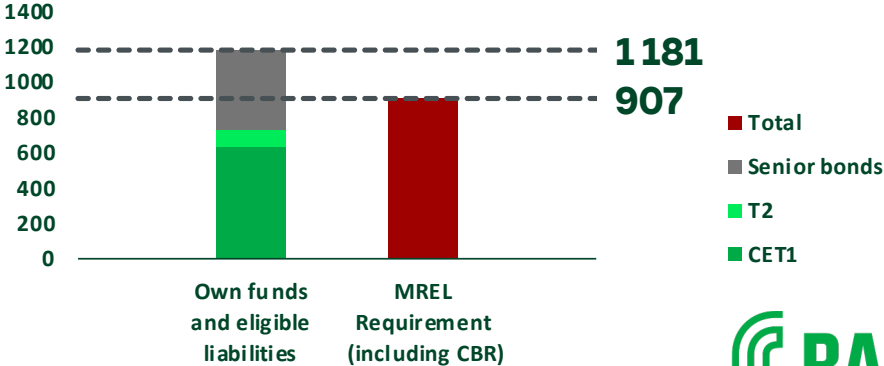
OWN FUNDS AND CAPITAL REQUIREMENTS (EUR million)



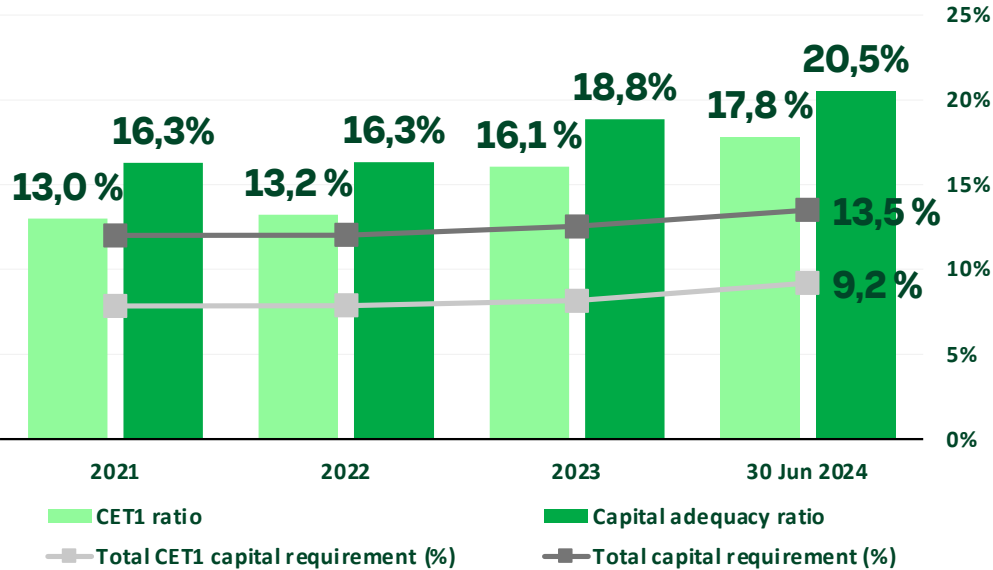
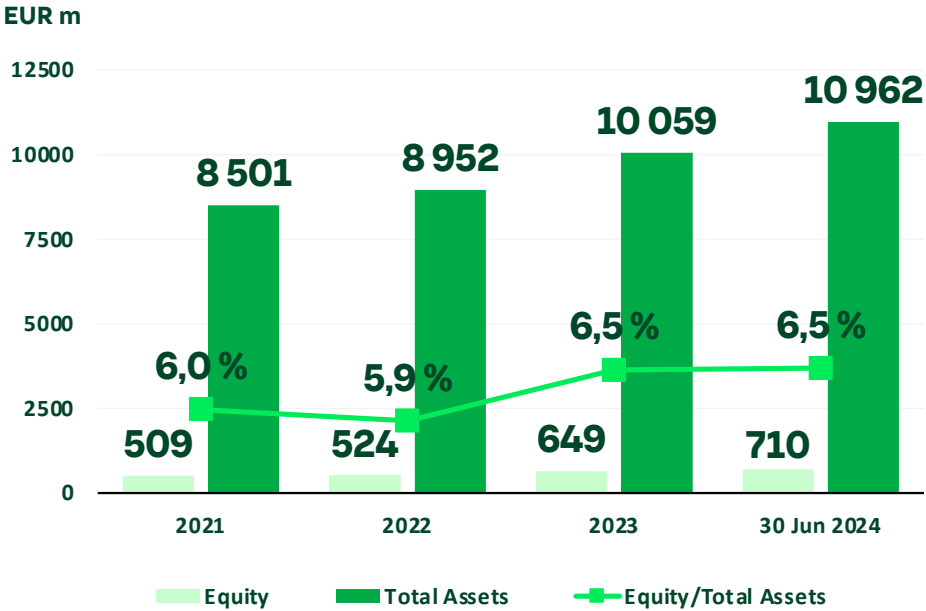
COMMENTARY

- Own funds increased with strong profit performance during the first half of the year 2024.
- The total risk exposure amount (TREA) remained stable.
- Regarding MREL requirements, S-Bank’s own funds and eligible liabilities on 30 June 2024 were well above regulatory requirements and internal limits. $MREL_{TREA}$ was 33.1% and $MREL_{LRE}$ 10.6%.
- At the end of June, the $MREL_{TREA}$ requirement was 21.91% and the combined buffer requirement 3.54%. The $MREL_{LRE}$ requirement was 7.75%.

MREL REQUIREMENT (EUR million)



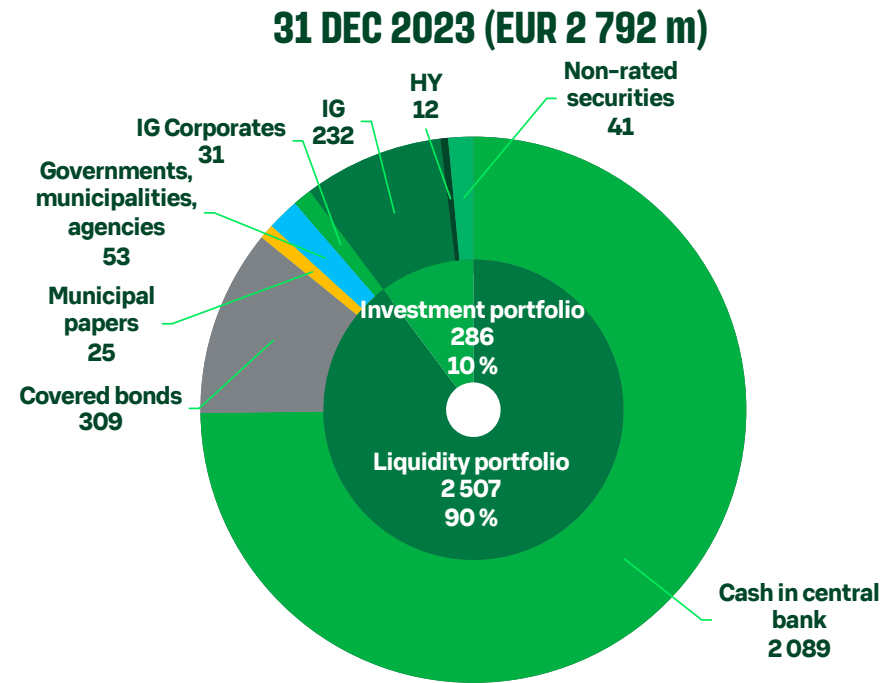
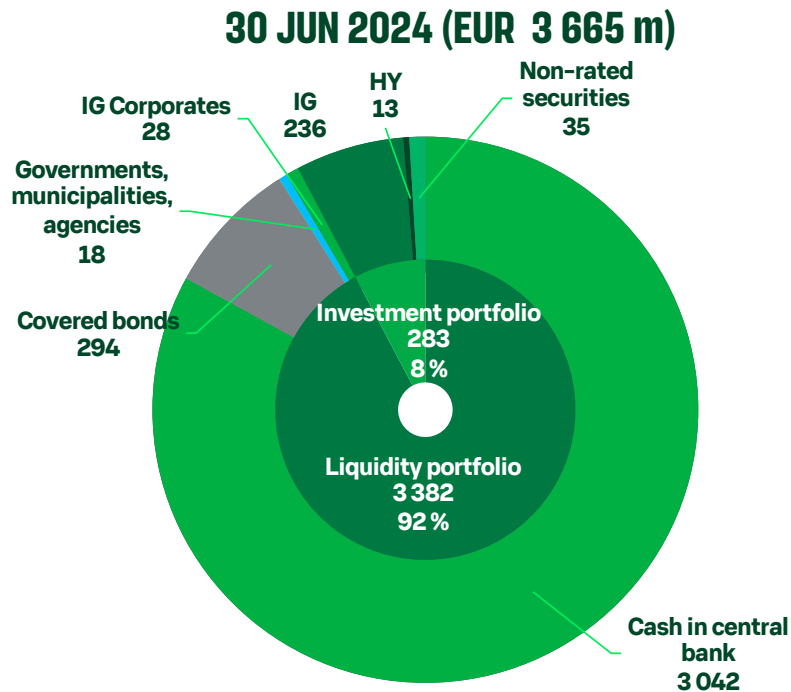
CAPITAL POSITION



- S-Bank has seen strong development in its asset base since 2021. While growing strongly, the equity ratio has been maintained at a robust level and at the end of the review period, the equity ratio stood at 6.5% and the CET1 ratio at 17.8%.
- The capital ratios have been maintained well above the regulatory requirements. Systemic risk buffer of 1.0% entered into force on 1 April 2024 and hence increased the capital requirements during the review period.



S-BANK'S LIQUIDITY AND INVESTMENT PORTFOLIOS



- The Treasury portfolio consists of the liquidity portfolio (LCR liquidity buffer) and the investment portfolio. The total amount of the portfolio increased and totalled to EUR 3 665.1 million (2 792.4). The increase in the total portfolio concentrated in the amount of central bank deposit.

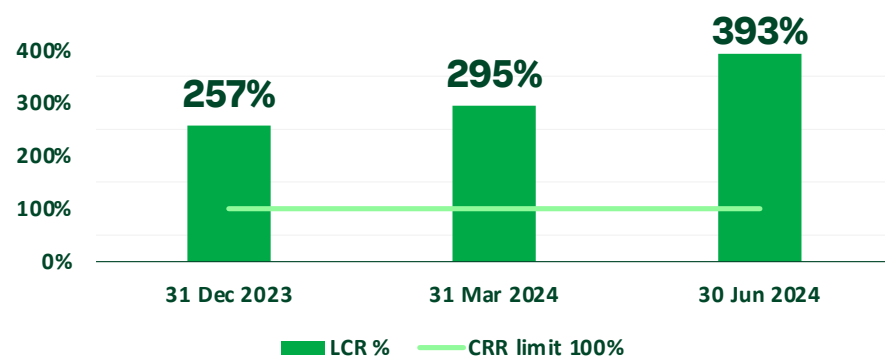


LIQUIDITY

ROBUST LIQUIDITY POSITION AND EASY ACCESS TO ADDITIONAL FUNDING

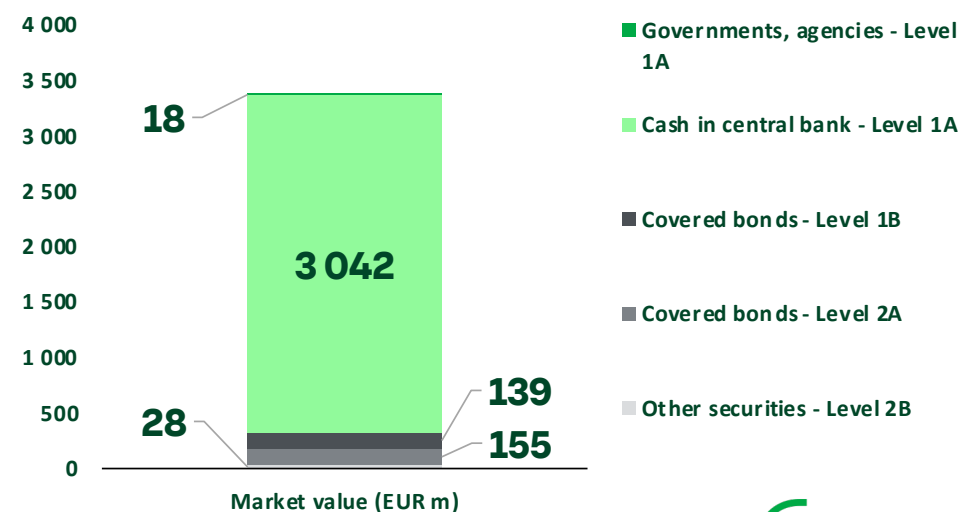
LIQUIDITY OVERVIEW

- S-Bank's liquidity portfolio totalled EUR 3 382 million at the end of the review period (EUR 2 507 million at the end of 2023)
- Level 1 assets comprise 95% of the portfolio, with the largest allocations in cash in central bank
- Furthermore, S-Bank has pre-positioned collateral to the Bank of Finland to secure access of funding and liquidity and has a CD-programme for short-term funding needs
- NSFR ratio was 179% at the end of the review period (164% at the end of 2023) - wide headroom over the regulatory requirement of 100%
- LCR was 393% at the end of review period (257% at the end of 2023), which is well above the 100% regulatory limit. The liquidity position strengthened in the review period especially due to bond issuances.



LIQUIDITY PORTFOLIO, 30 JUN 2024

EUR m	Level 1A	Level 1B	Level 2A	Level 2B	Total
Amount held (% of total market value)	3 060 (90.5%)	139 (4.1%)	155 (4.6%)	28 (0.8%)	3 382



KEY FIGURES

(EUR m)	2021	2022	2023	Jan-Jun 2024
Total income	187	222	371	206
Operating profit	25	45	147	84
Deposits	7 555	7 926	8 176	8 322
Lending	6 086	6 695	6 935	7 002
Non-performing loans	0.6%	0.9%	1.3%	1.6%
Assets under management	6 170	5 852	6 245	6 220
Debt securities	1 149	697	699	620
Cost-to-income, %	78.4%	74.5%	51.4%	49.4%
ROE, %	3.9%	6.9%	20.1%	21.7%
ROA, %	0.2%	0.4%	1.2%	1.4%
Equity ratio, %	6.0%	5.9%	6.5%	6.5%
Capital adequacy ratio, %	16.3%	16.3%	18.8%	20.5%
CET-1 ratio, %	13.0%	13.2%	16.1%	17.8%

**STRONG GROWTH IN
OPERATING PROFIT**

**LOAN TO DEPOSIT
RATIO 84%**

**SUBSTANTIAL
IMPROVEMENT IN C/I**

**STRONG GROWTH
IN ROE & ROA**

**ROBUST
CAPITAL BASE**

**THANK
YOU**

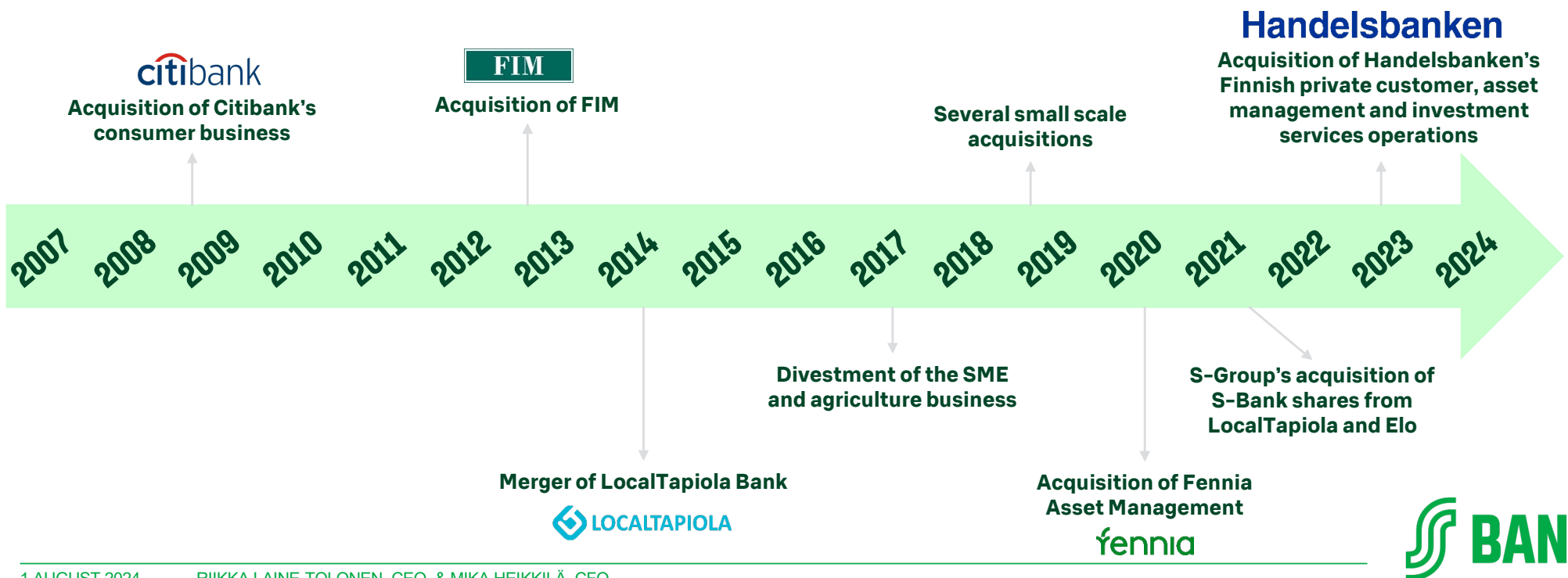
APPENDIX

HISTORY OF S-BANK

ESTABLISHMENT
OF S-BANK

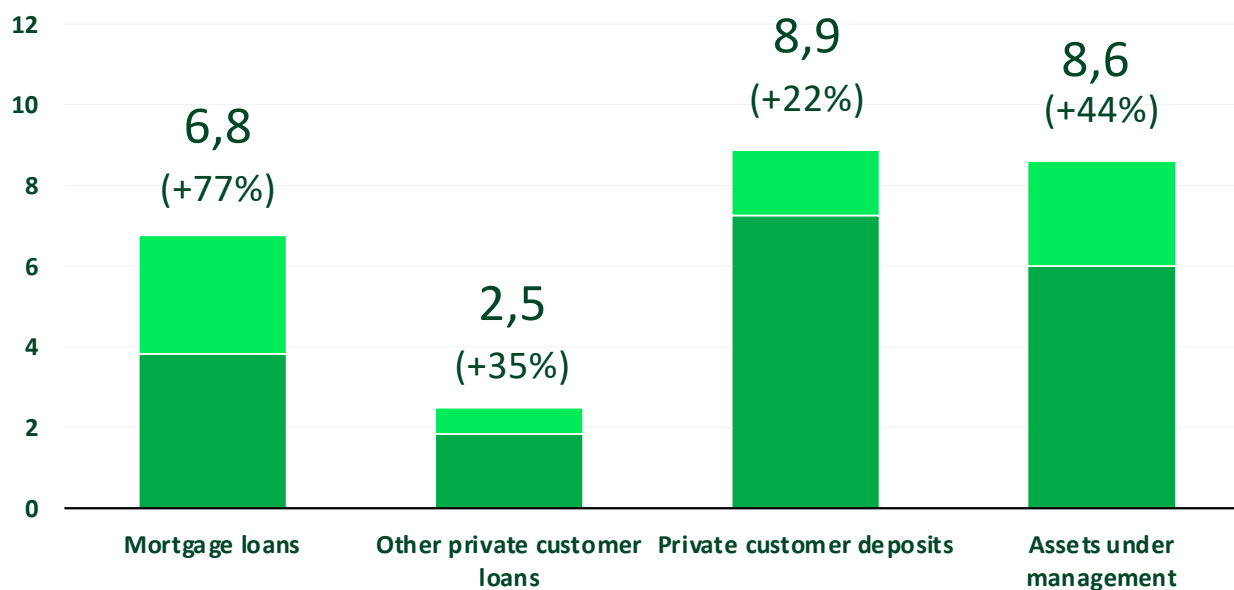
GROWTH THROUGH ACQUISITIONS,
INVESTMENT IN INTEGRATION

EXPANSION AND FOCUS ON CORE BUSINESS AND
EFFICIENCY IMPROVEMENT

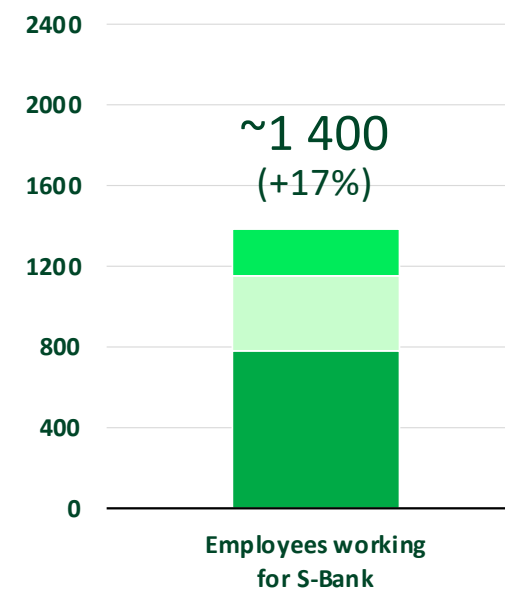


HANDELSBANKEN ACQUISITION IN BRIEF

BUSINESS VOLUMES (EUR bn)



EMPLOYEES

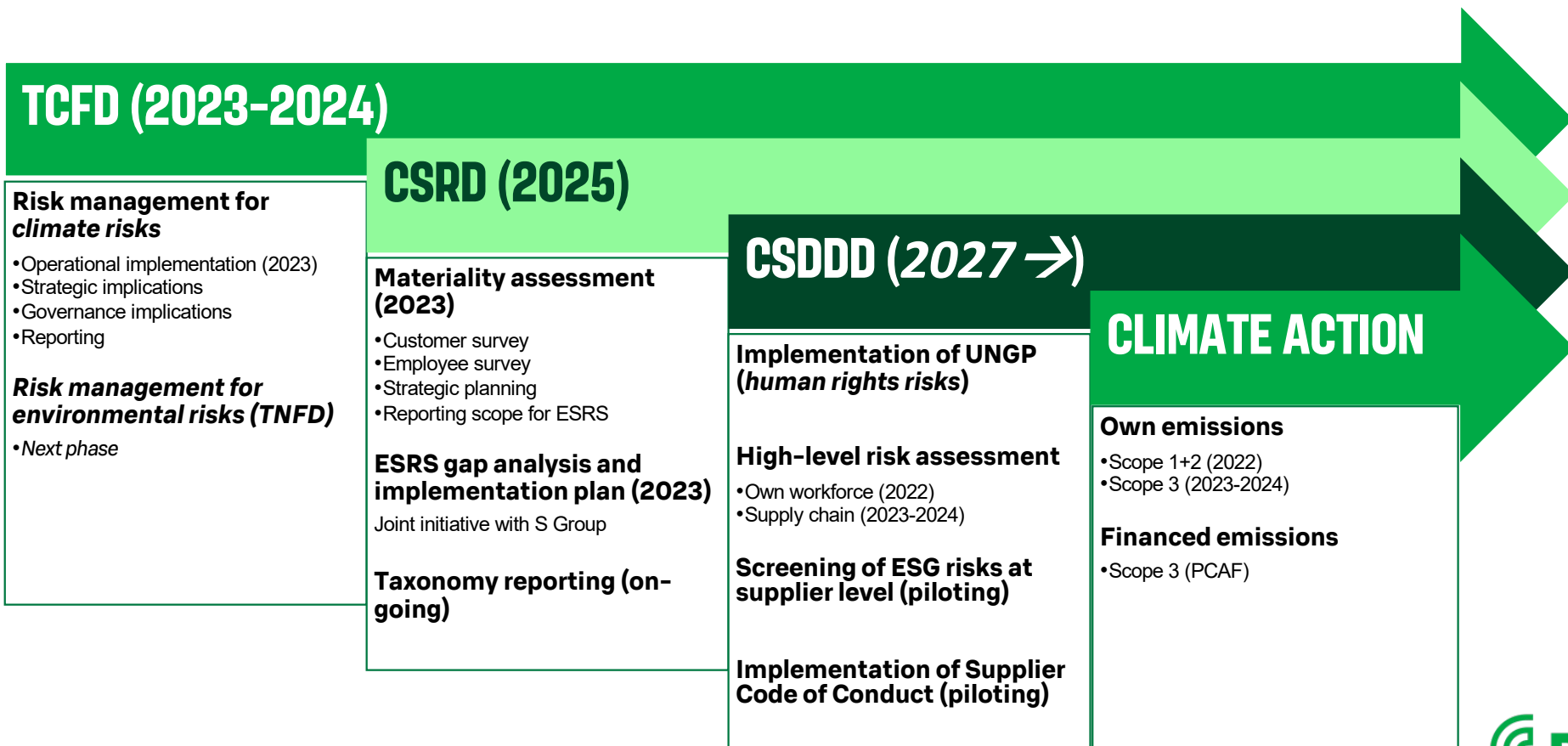


■ S-Bank today ■ To be transferred from Handelsbanken ■ S Group personnel working for S-Bank

Note: all figures are presented as of March 31st 2023. Assets under management includes investments in SHB funds which will not be directly managed by S-Bank. However, S-Bank will earn a distribution fee on the business volume



CURRENT ROADMAPS FOR IMPROVING SUSTAINABILITY



AWARDS AND HONOURS RECEIVED BY S-BANK

MOST REPUTABLE

S-Bank has the 2nd best reputation in financial sector
T-Media's Reputation&Trust 2024 -study



MOST VALUED

S-Bank is the most valued brand in banking for the 6th year in a row.

Brand Valuation 2023 study by Taloustutkimus



MOST RESPONSIBLE

S-Bank is the most responsible banking brand in Finland for the 12th year in a row
Sustainable Brand Index 2024



MOST LOYAL

S-Bank has the most loyal customers

EPSI Rating's Banks & Finance 2023 -study



MOST LOYAL

S-Bank has the most loyal customers 4 years in a row

Asiakkuusindeksi 2022, ASML



MOST INSPIRING

S-Bank is one of Finland's most inspiring workplaces

Eezy Flown People Power -henkilöstötutkimus 2023



COMPANY OWNERSHIP AND STRUCTURE

S-BANK IS OWNED BY SOK (A CENTRAL COOPERATIVE) AND 19 REGIONAL COOPERATIVES

