



# JANUARY-SEPTEMBER 2024 RESULTS

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7 NOVEMBER 2024



# Q3 2024 HIGHLIGHTS

# STRONG PERFORMANCE CONTINUED NEXT CHAPTER STARTING

## KEY FIGURES JAN-SEP 2024 VS. JAN-SEP 2023

**Operating profit**  
(EUR m)

**126.3**

(103.9)  
▲ +21.6%

**Deposit base**  
(EUR bn)

**8.5**

(8.2)  
▲ +3.9%

**Lending base**  
(EUR bn)

**7.0**

(6.9)  
▲ +1.9%

**Assets under management**  
(EUR bn)

**6.4**

(6.0)  
▲ +6.5%

**Capital adequacy ratio**

**21.7%**

(18.1%)  
▲ +3.6bp

**Active customers**

**725 000**

(642 000)  
▲ +12.9%

### Strong financial performance

- Operating profit EUR 126.3 million, +21.6%
- Steady earnings of > EUR 40 million every quarter of '24
- Net interest income EUR 234.4 million, +19.8%
- Both deposit and lending base grew year on year

### S-Bank's services increasingly popular

- Popularity of digital channels at record levels
- Number of active customers reached 725 000

### Strategy implementation on track – next chapter ahead

- Handelsbanken transaction nearing completion
- New organisation in place since April
- Financial performance exceeding strategic targets

BBB+/A2  
RATING

S&P Global

STABLE  
OUTLOOK

# OUTLOOK FOR 2024 UPDATED

We now estimate that our full-year **operating profit will be almost at the same level** as in the previous year.

The raised outlook is based on our **very strong financial performance** during 2024 so far and the refined estimate for the development of net interest income in the latter half of the year.

At the same time, our result in 2024 will be burdened by the costs related to the Handelsbanken transaction, and, despite some initial positive signs, the development of the operating environment still contains uncertainties.



# BANKING SEGMENT: GROWTH IN LOAN AND DEPOSIT PORTFOLIOS

- Operating income EUR **285.7** million (242.3), growth 17.9%
- Operating profit EUR **132.5** million (108.4), growth 22.2%
- Household customers' deposit portfolio EUR **7.79** billion, growth **3.4%**
- S-Bank's housing loan volume **grew by 0.4%** (08/23–08/24), while total housing loan volume in Finland declined by 1.1%
- Number of housing loan applications in July–September grew by 17.5% year on year

## HOUSEHOLD KEY FIGURES JAN-SEP 2024 VS. JAN-SEP 2023\*

### Deposit portfolio (EUR bn)

**7.79**

(7.53)

▲ +3.4%

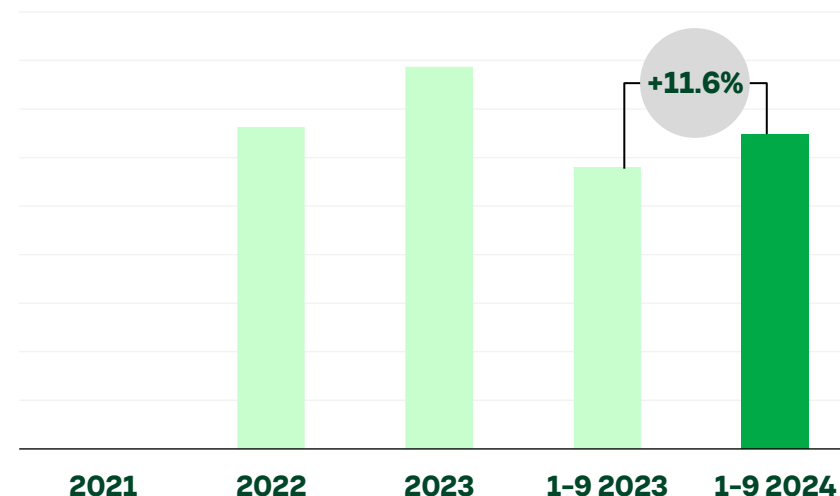
### Loan portfolio (EUR bn)

**5.79**

(5.71)

▲ +1.3%

## S-ETUKORTTI VISA CARD PURCHASES (EUR)



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

# WEALTH MANAGEMENT: GROWTH IN NUMBER OF UNIT HOLDERS CONTINUED

- Operating income EUR **30.3** million (30.2), growth 0.4%
- Operating profit EUR **-0.4** million (4.2), partly impacted by Handelsbanken transaction related development costs
- Net subscriptions to the S-Bank mutual funds amounted to EUR **102.5** million (104.9)
- Number of unit holders in the S-Bank funds increased to approximately **432 000** (appr. 385 000)

## WEALTH MANAGEMENT KEY FIGURES JAN-SEP 2024 VS. JAN-SEP 2023

Net subscriptions  
(EUR m)

**102.5**

(104.9)

▼ -2.3%

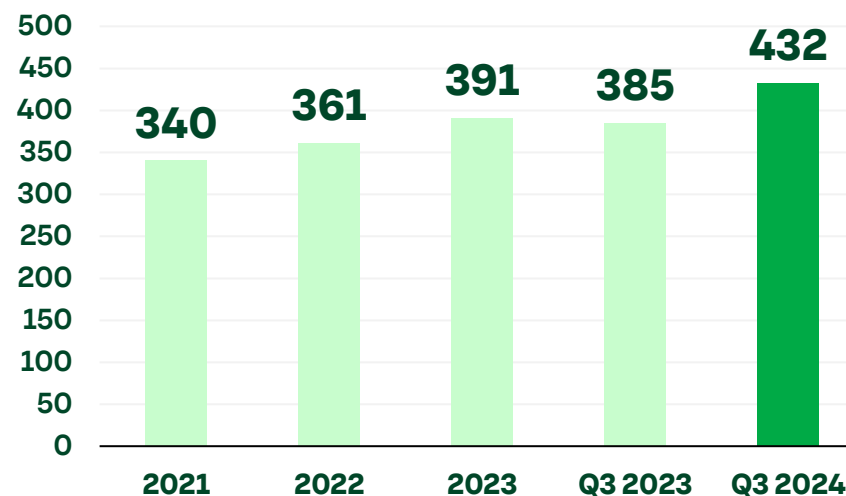
AUM  
(EUR bn)

**6.4**

(6.0)

▲ +6.5%

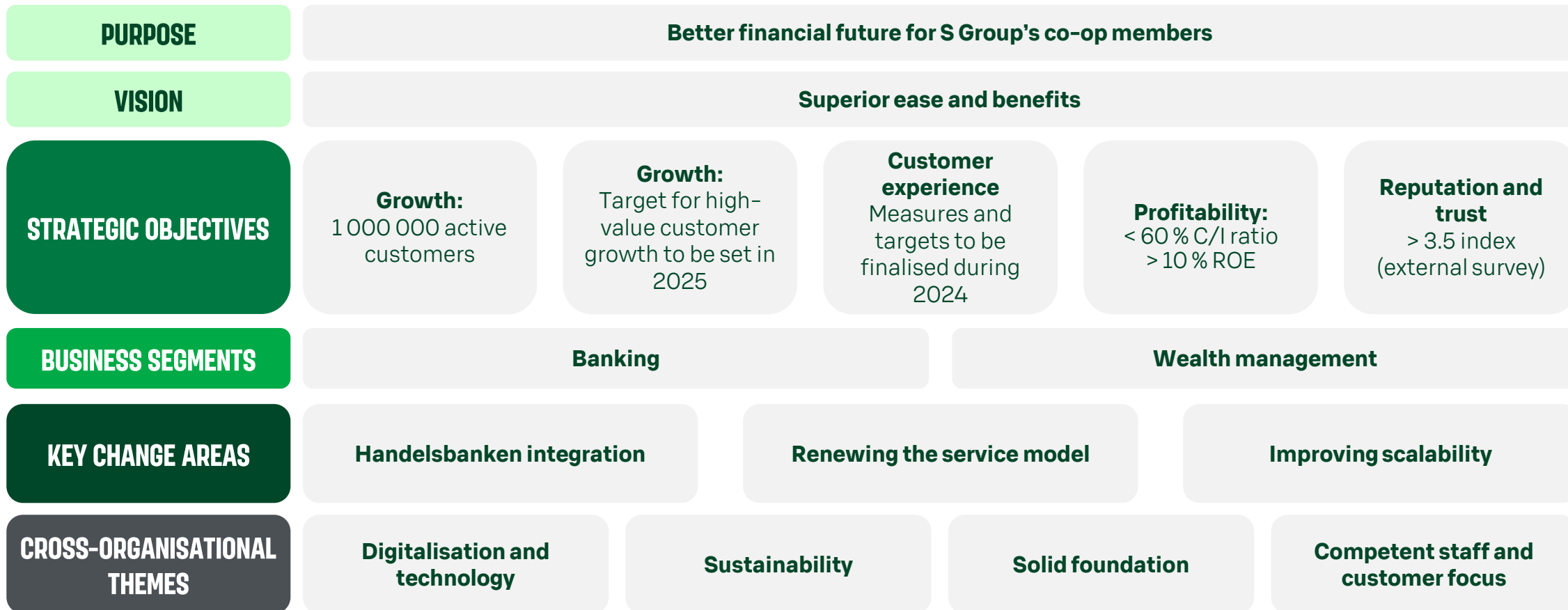
## NUMBER OF S BANK FUNDS UNIT HOLDERS (THOUSANDS)



# STRATEGY

# S-BANK STRATEGY 2024-2027 AND STRATEGIC OBJECTIVES

## STORY CONTINUES TOWARDS A MORE CUSTOMER FOCUSED AND DIGITAL BANK





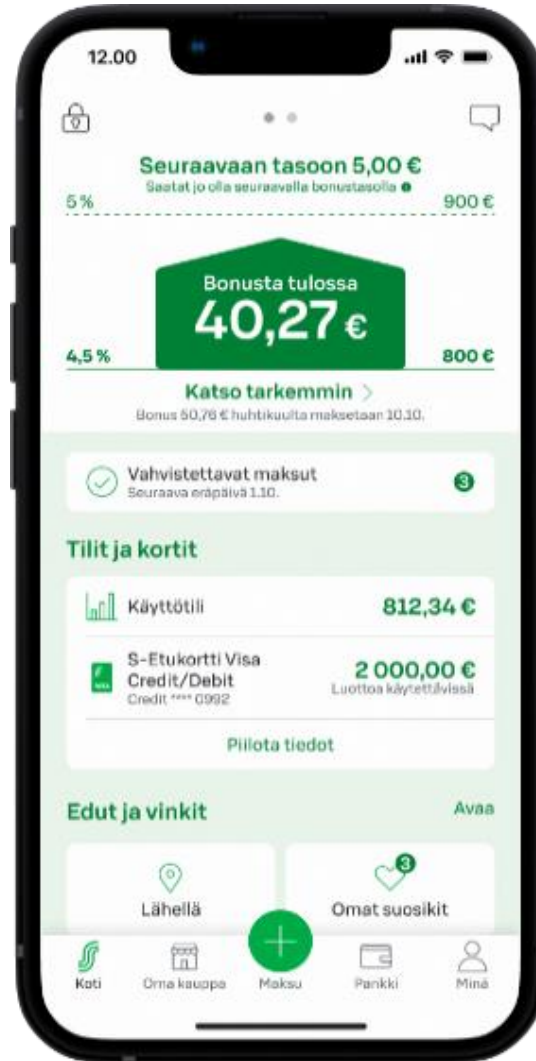
# DIGITAL SERVICES INCREASINGLY POPULAR

**>1.4 m** weekly users

Most respected brand in the financial sector for the 7<sup>th</sup> time

**80.6** EPSI rating

**15%** of S-Bank card payments made using mobile payment wallets (09/24)



- Continued investment in digital services and customer experience
- The S-Mobiili app is extremely popular
  - > 2.3 million unique downloads
  - > 1.4 million weekly users
  - In Q4, we have launched an English language version of the S-mobiili app and introduced new useful features such as notifications on failed Visa card events
- Apple Pay's strong customer adoption exceeded expectations
  - In April, ApplePay launched as part of the payment portfolio
  - Growing number of active users and large total customer base offer cross-selling opportunities
- The 17-year-long cooperation between S-Bank and Visa continues

# HANDELSBANKEN TRANSACTION NEARING COMPLETION

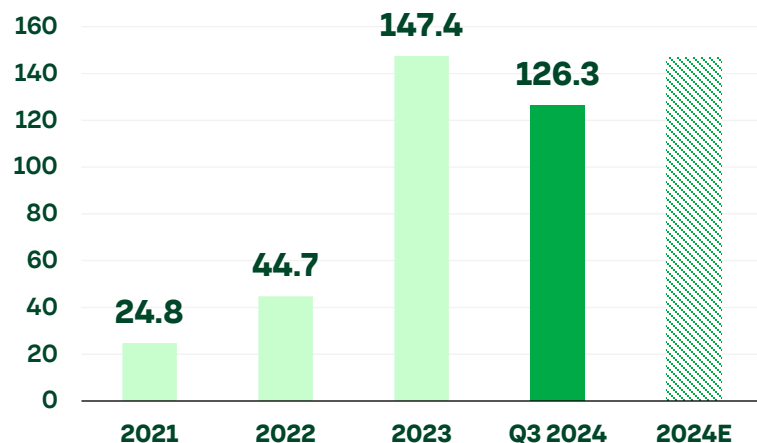
- 100 000 Handelsbanken customers will be transferred to S-Bank at the turn of November–December
- S-Bank will become the 4<sup>th</sup> largest bank for private customers in Finland
- Handelsbanken's contact persons and branches will serve customers at S-Bank
- Practical information shared with household customers transferring from Handelsbanken
- For additional information, please visit [s-pankki.fi/handelsbanken](https://s-pankki.fi/handelsbanken)
- We are working hard to ensure a smooth transfer and encourage all Handelsbanken customers to take action now



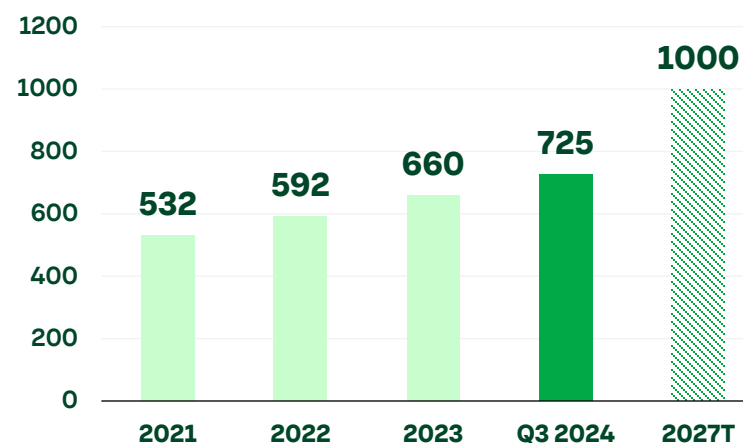
# SUMMARY

# STRATEGY IMPLEMENTATION ON TRACK

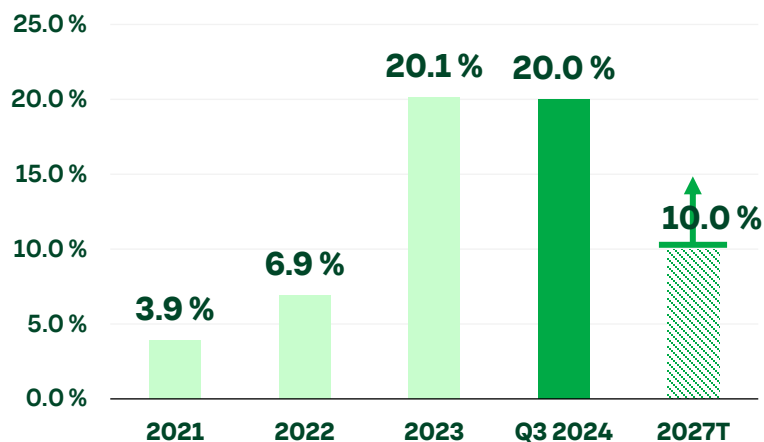
## OPERATING PROFIT (EUR m)



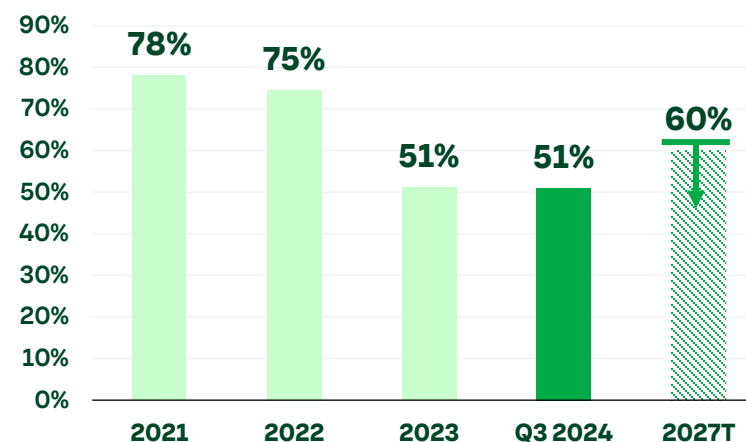
## ACTIVE CUSTOMERS (Thousands)



## RETURN ON EQUITY



## COST-TO-INCOME RATIO



# Q3 SUMMARY

**STRONG  
PERFORMANCE  
TOWARDS  
STRATEGIC TARGETS  
CONTINUED**

**PROGRESSING  
TOWARDS  
THE TARGET OF  
1 MILLION  
ACTIVE CUSTOMERS**

**HANDELSBANKEN  
TRANSACTION  
COMPLETION  
IN 3 WEEKS'  
TIME**

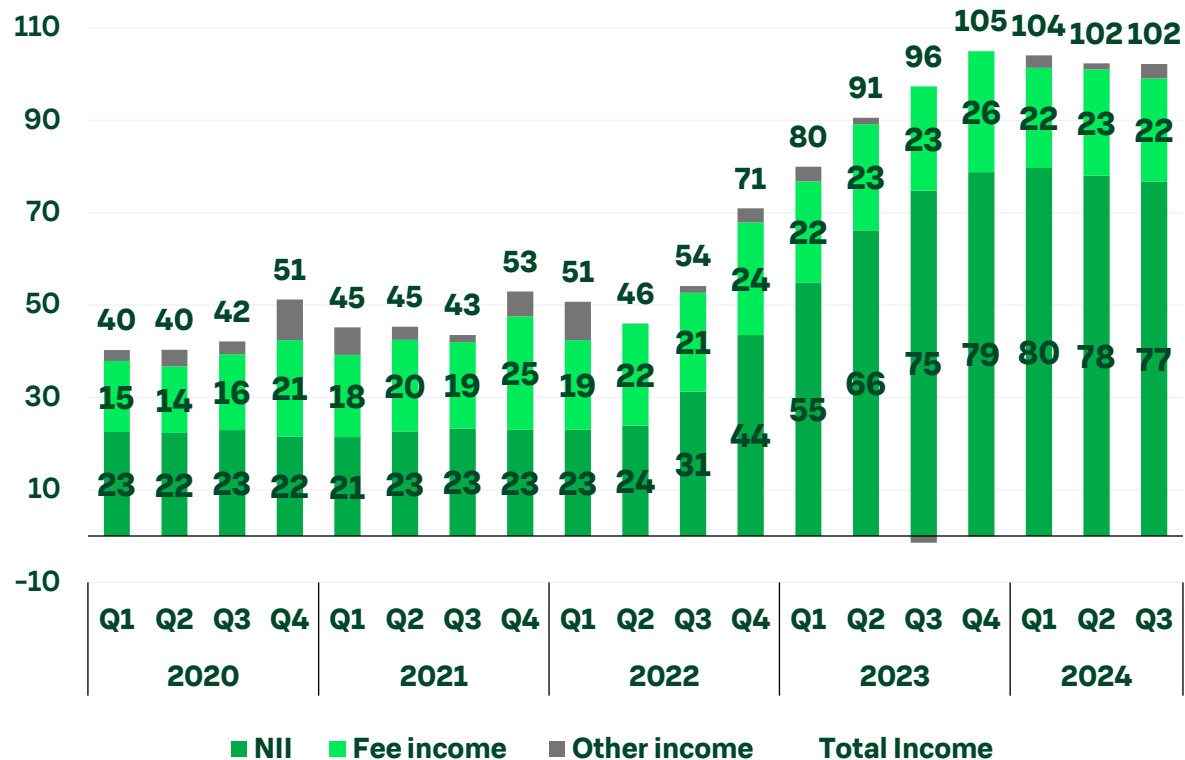
**BECOMING  
THE 4TH LARGEST  
BANK FOR  
PRIVATE CUSTOMERS  
IN FINLAND**

**DEVELOPING  
SERVICES AND  
IMPROVING CUSTOMER  
EXPERIENCE  
CONTINUES**

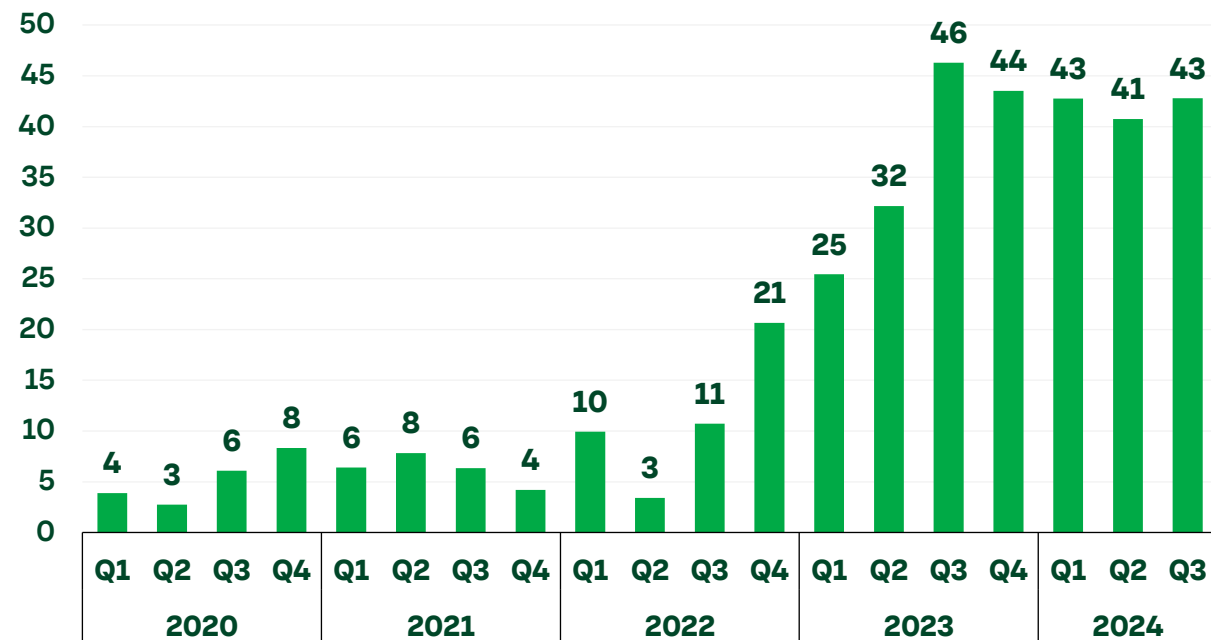
# KEY FINANCIALS

# DEVELOPMENT OF KEY INCOME MEASURES

## TOTAL INCOME (EUR m)



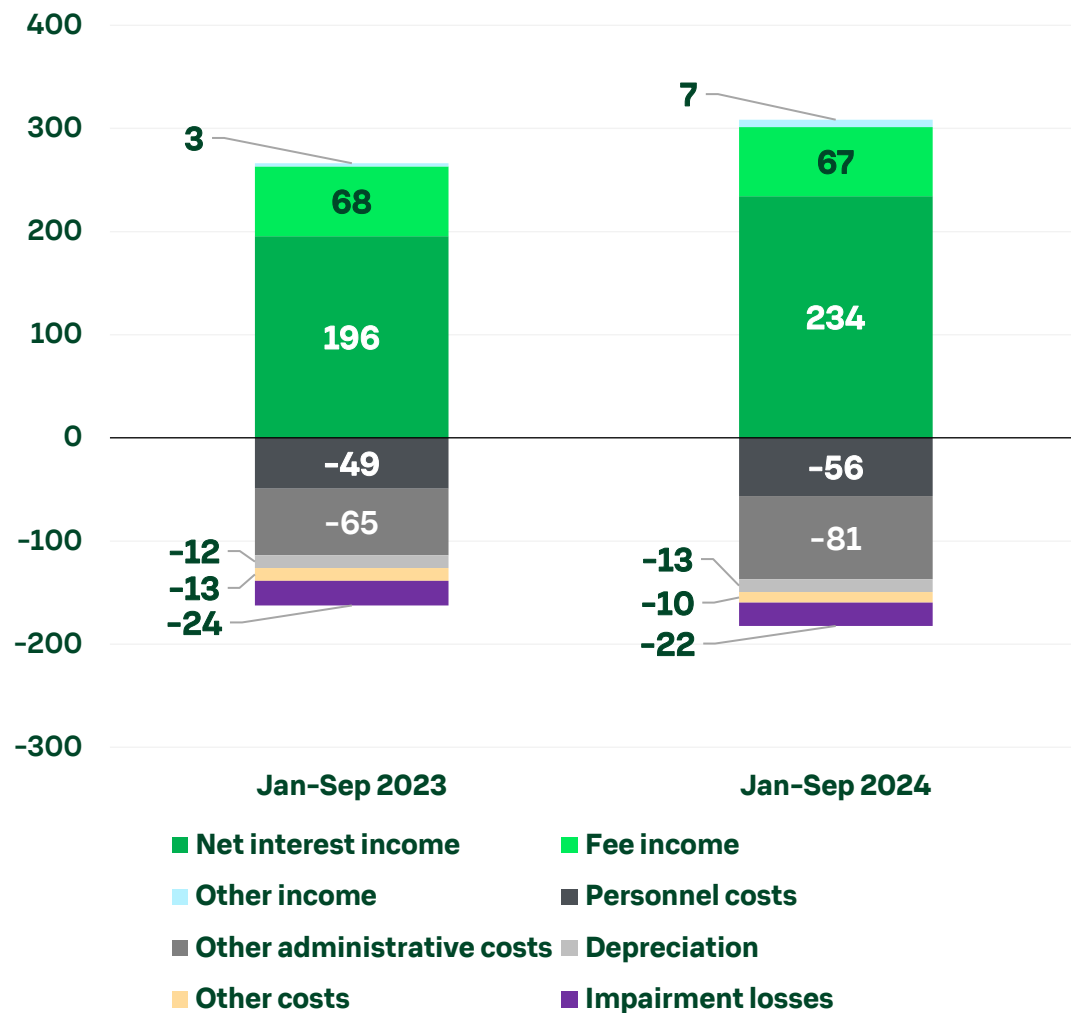
## OPERATING PROFIT (EUR m)



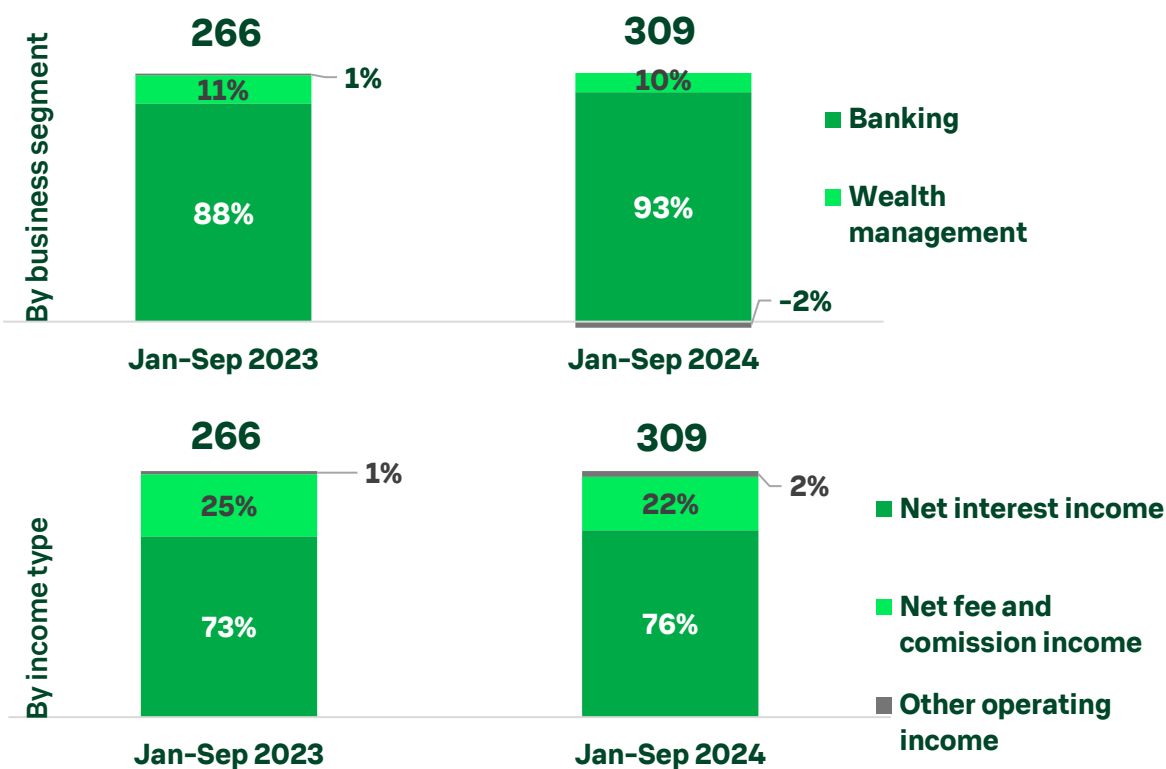
- Net interest income has remained at a very strong level in Q3/2024, EUR 77 million.
- In Q3/2024, total income increased by 7% and total costs increased by 25% on the previous year. SHB-deal related migration costs explain cost growth.
- In Q3/2024, operating profit decreased by 8% to EUR 43 million from EUR 46 million in Q3/2023.

# INCOME & COST ANALYSIS

## DEVELOPMENT OF KEY INCOME & COST ITEMS (EUR m)



## INCOME SPLITS BY SEGMENT AND TYPE (EUR m)

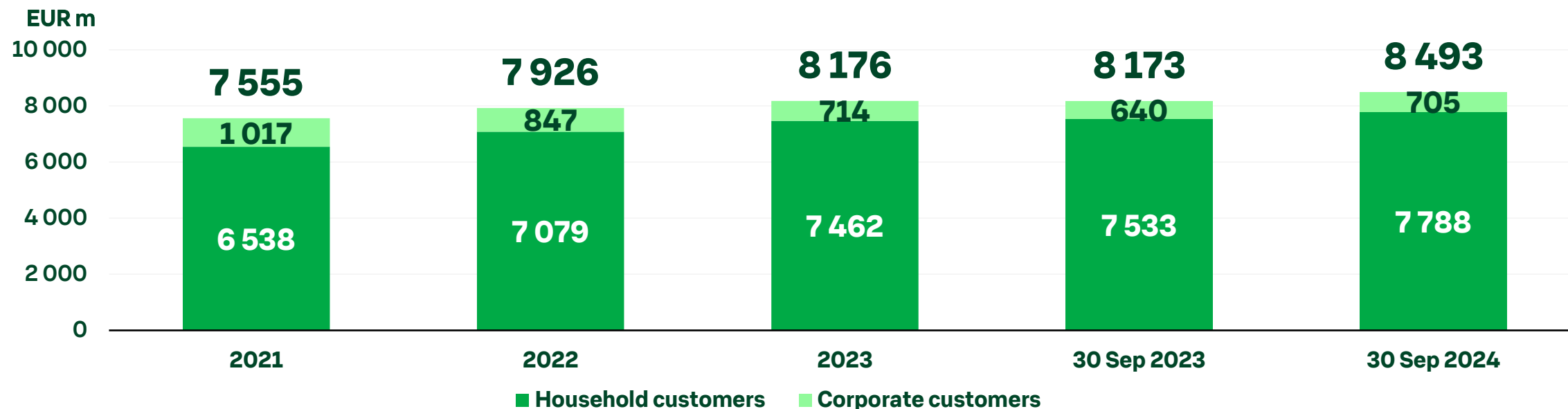


	Q3/2023	Q3/2024
Cost - Income ratio, %*	54%	51%
Total income / Total assets, %*	3.7%	4.0%



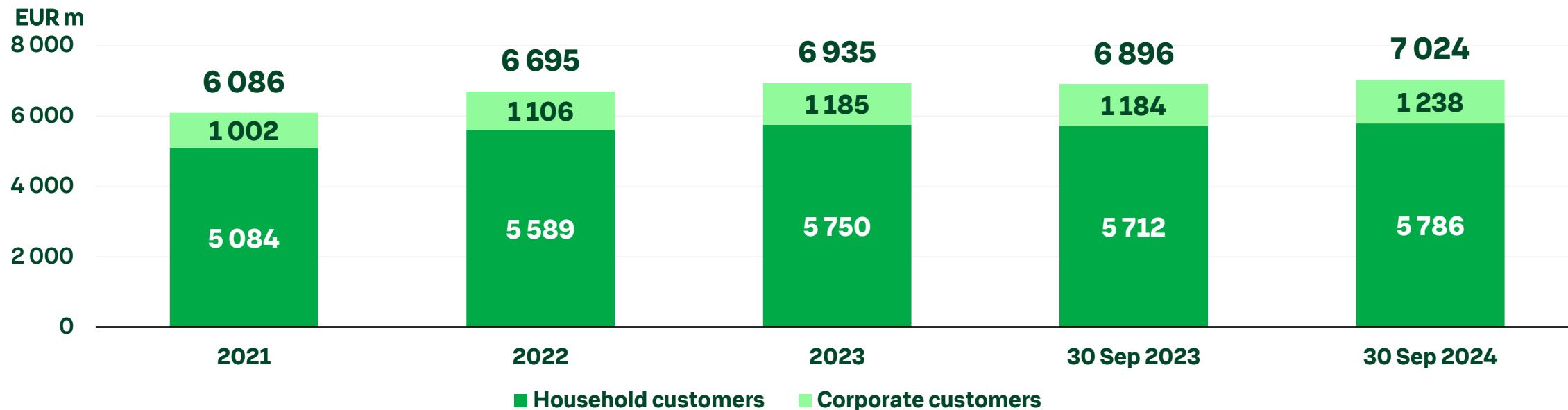
# STEADY GROWTH IN DEPOSIT BASE

## TIME DEPOSITS EUR 839 MILLION AT THE END OF SEPTEMBER



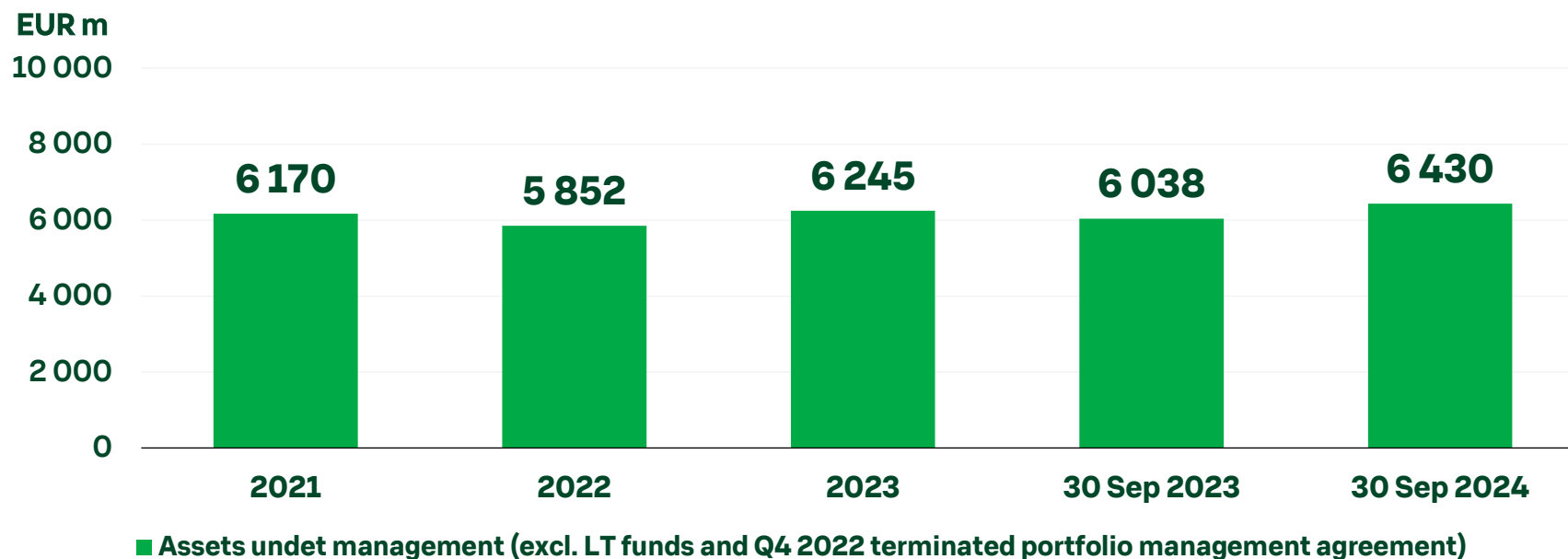
Deposits (EUR m)	30 Sep 2023	30 Sep 2024	12-month change
Household customers	7 532.5	7 787.8	3.4%
Corporate customers	640.1	705.0	10.1%
<b>Total</b>	<b>8 172.6</b>	<b>8 492.9</b>	<b>3.9%</b>

# LENDING UP 1.9%



Lending (EUR m)	30 Sep 2023	30 Sep 2024	12-month change
Household customers	5 711.5	5 786.1	1.3%
Corporate customers	1 184.3	1 238.2	4.6%
<b>Total</b>	<b>6 895.7</b>	<b>7 024.2</b>	<b>1.9%</b>

# AUM UP 6.5 %



Comparable assets under management (EUR m)	30 Sep 2023	30 Sep 2024	12-month change
Fund capital	4 145.1	4 677.0	12.8%
Wealth management	1 892.9	1 752.8	-7.4%
<b>Total</b>	<b>6 038.0</b>	<b>6 429.8</b>	<b>6.5%</b>

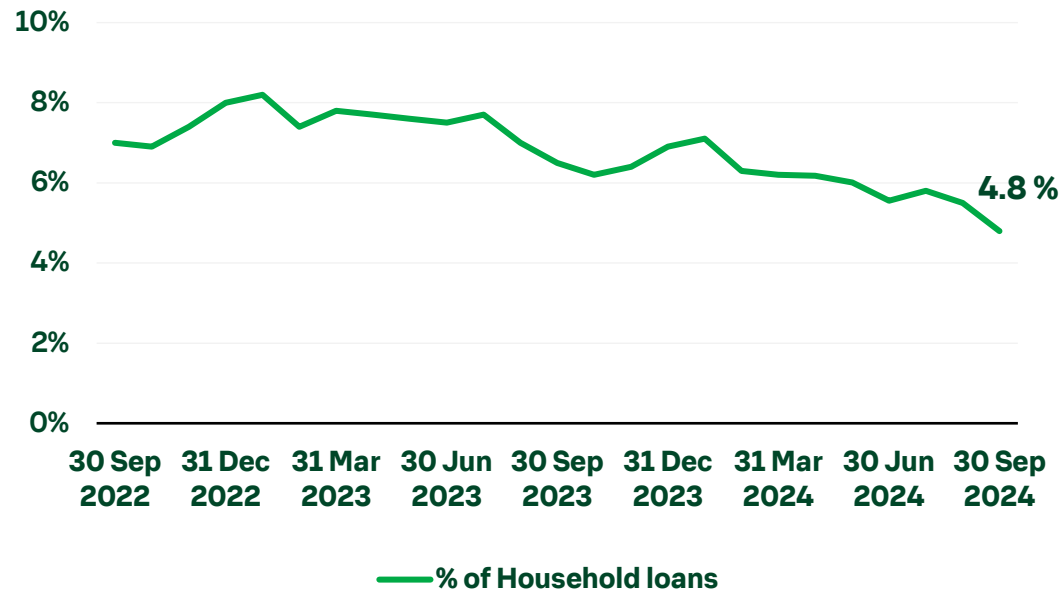
In addition, S-Bank Properties Ltd managed EUR 386.4 million in customer assets, consisting of real estate and joint ventures (379.1).

Net subscriptions to the S-Bank mutual funds amounted to EUR 102.5 million in the review period compared with EUR 104.9 million a year earlier.

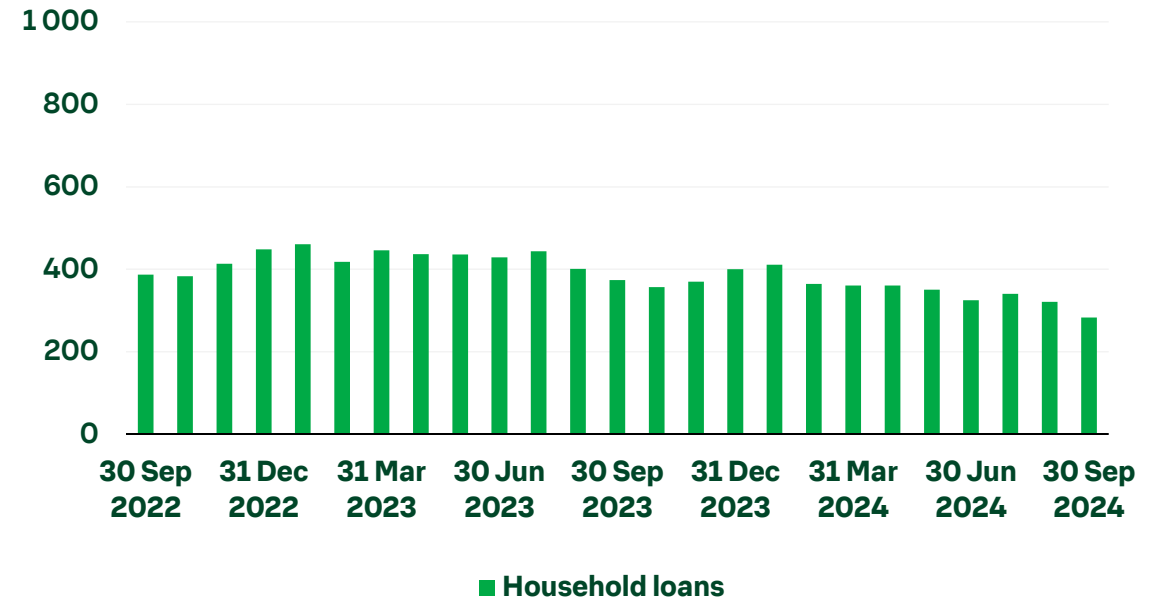
\* The comparative amount has been changed

# REPAYMENT HOLIDAYS

## SHARE OF LOANS SUBJECT TO REPAYMENT HOLIDAYS



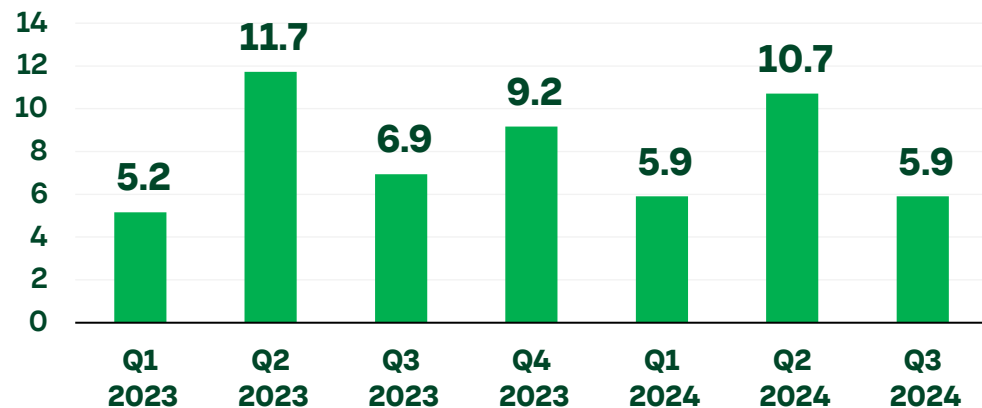
## AMOUNT OF LOANS SUBJECT TO REPAYMENT HOLIDAYS (EUR m)



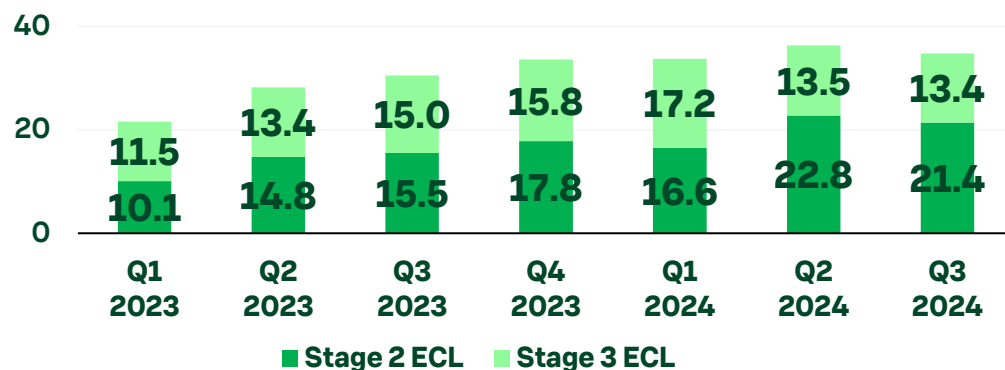
- Household loans subject to repayment holidays continued to decrease during Q3 2024.
- Repayment holidays deviating from the original payment plan have primarily been granted to household customers.
- The share of loans subject to repayment holidays was 4.8% of total household loans (6.9% on 31 Dec 2023).

# CREDIT LOSSES

## EXPECTED AND FINAL CREDIT LOSSES (EUR m)



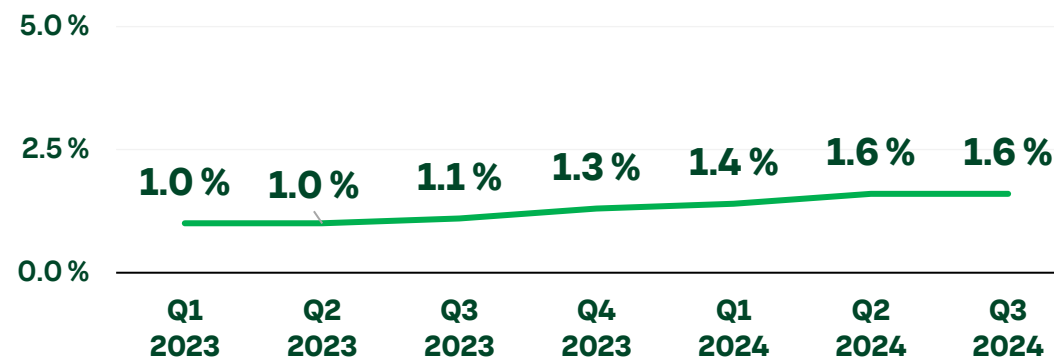
## STAGE 2 AND 3, ECL PROVISION (EUR m)



## COMMENTARY

- Cumulative net credit losses were EUR 22.5 million (23.8) during January–September 2024.
- ECL provision in the balance sheet was EUR 39.4 million in total, which included EUR 0.5 million provisions based on management judgement.
- NPL ratio stood at 1.6%.

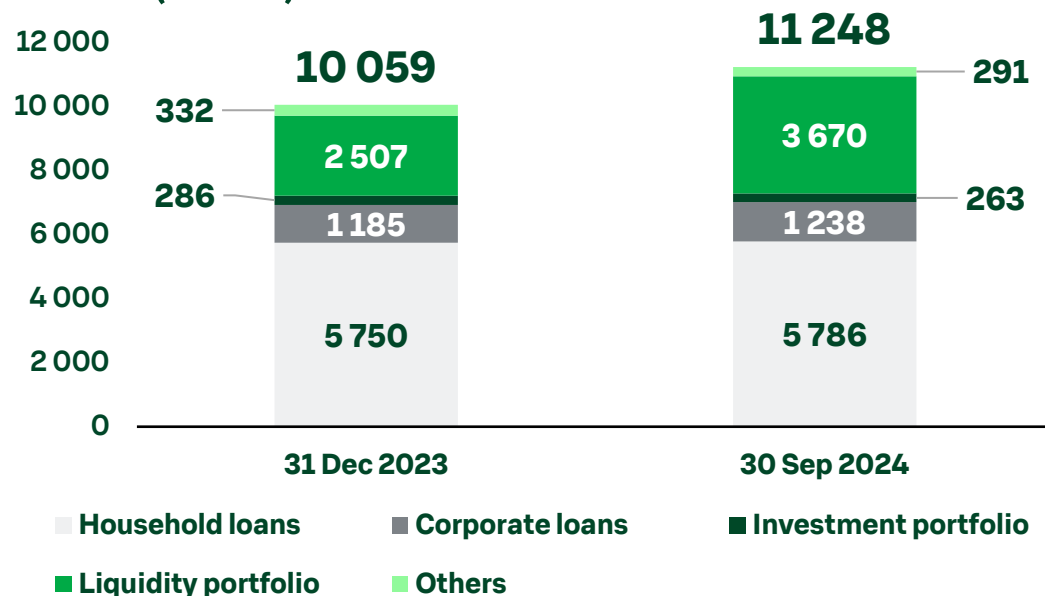
## NPL RATIO (%)



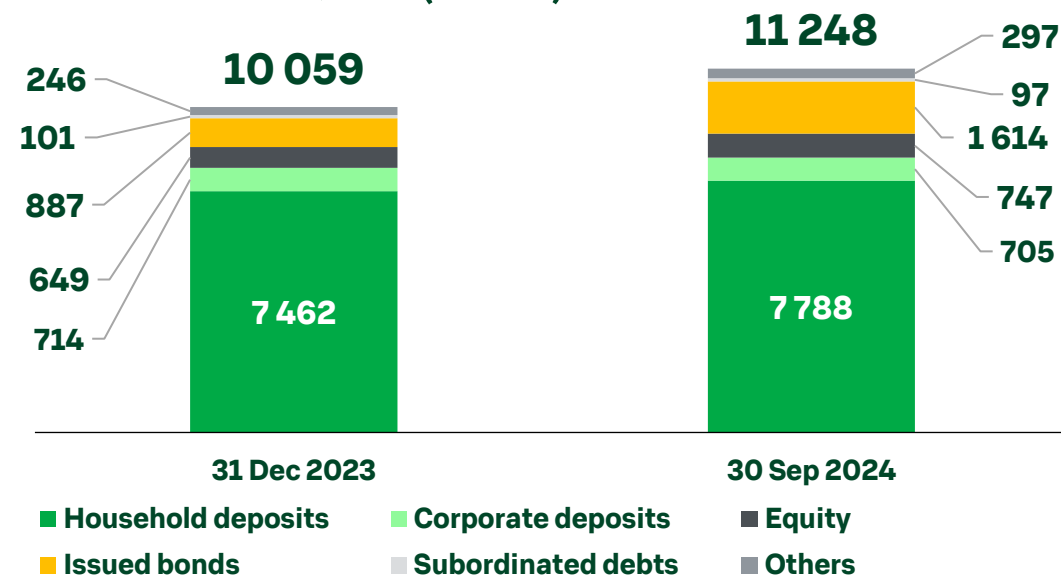
# BALANCE SHEET & FUNDING

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

### ASSETS (EUR m)



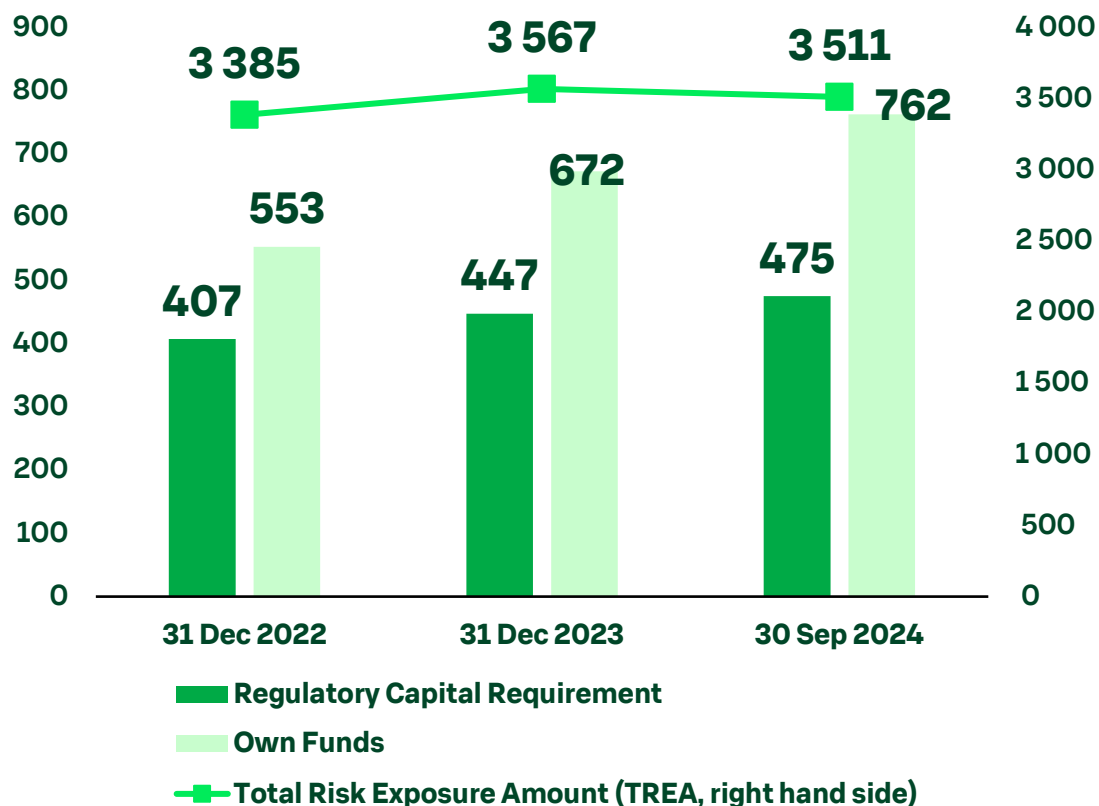
### LIABILITIES AND EQUITY (EUR m)



- Household and corporate deposits comprised 76% (81%) of total liabilities and equity at the end of September 2024. At the same time, lending to households comprised 51% (57%) of the total assets.
- Lending increased to EUR 7 024.2 million (6 935.0) and deposits increased to EUR 8 492.9 million (8 175.9). Lending increased in both household and corporate customers. Household customers' deposit portfolio increased, and corporate customers' deposit portfolio decreased.
- In March, S-Bank issued EUR 300 million senior bond and in April a EUR 500 million covered bond. 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. At the end of September, S-Bank issued an increase of EUR 100 million to the original amount of its bond (tap issue) issued in March. The bond increase is booked for the last quarter of the year.

# OWN FUNDS, CAPITAL REQUIREMENTS & MREL

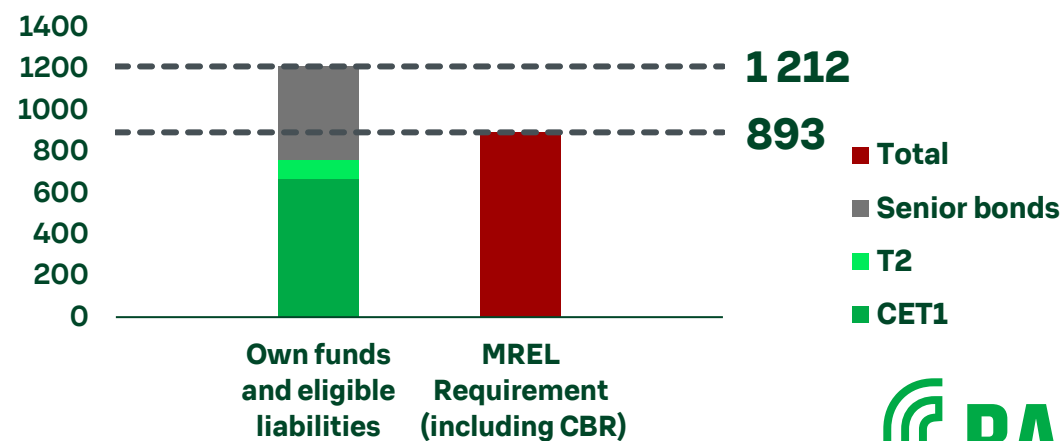
## OWN FUNDS AND CAPITAL REQUIREMENTS (EUR m)



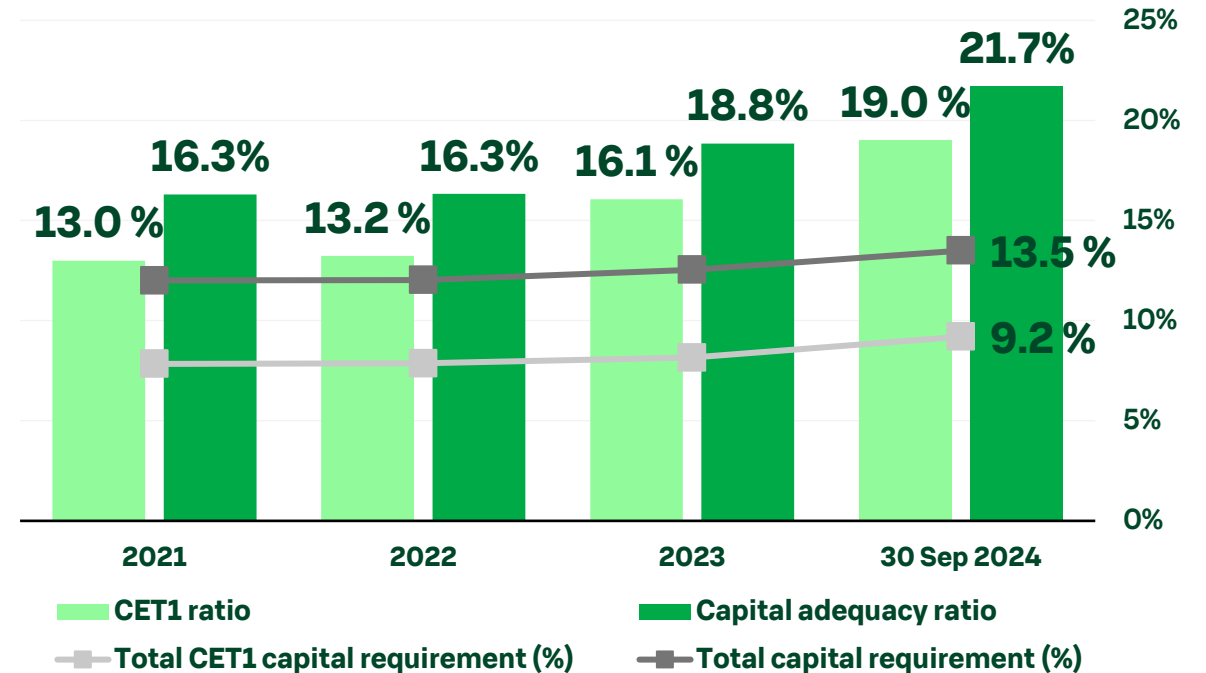
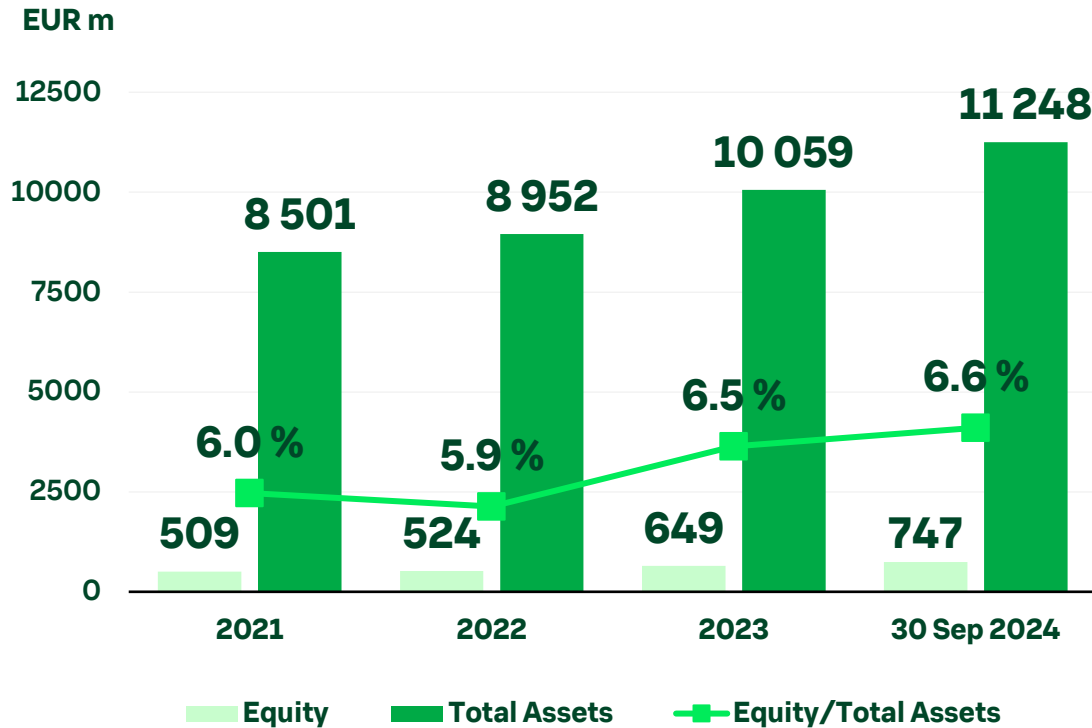
## COMMENTARY

- Own funds increased with strong profit performance during January–September 2024.
- The total risk exposure amount (TREA) remained stable.
- Regarding MREL requirements, S-Bank’s own funds and eligible liabilities on 30 Sep 2024 were well above regulatory requirements and internal limits.  $MREL_{TREA}$  was 34.5% and  $MREL_{LRE}$  10.6%.
- At the end of September, the  $MREL_{TREA}$  requirement was 21.91% and the combined buffer requirement 3.52%. The  $MREL_{LRE}$  requirement was 7.75%.

## MREL REQUIREMENT (EUR m)



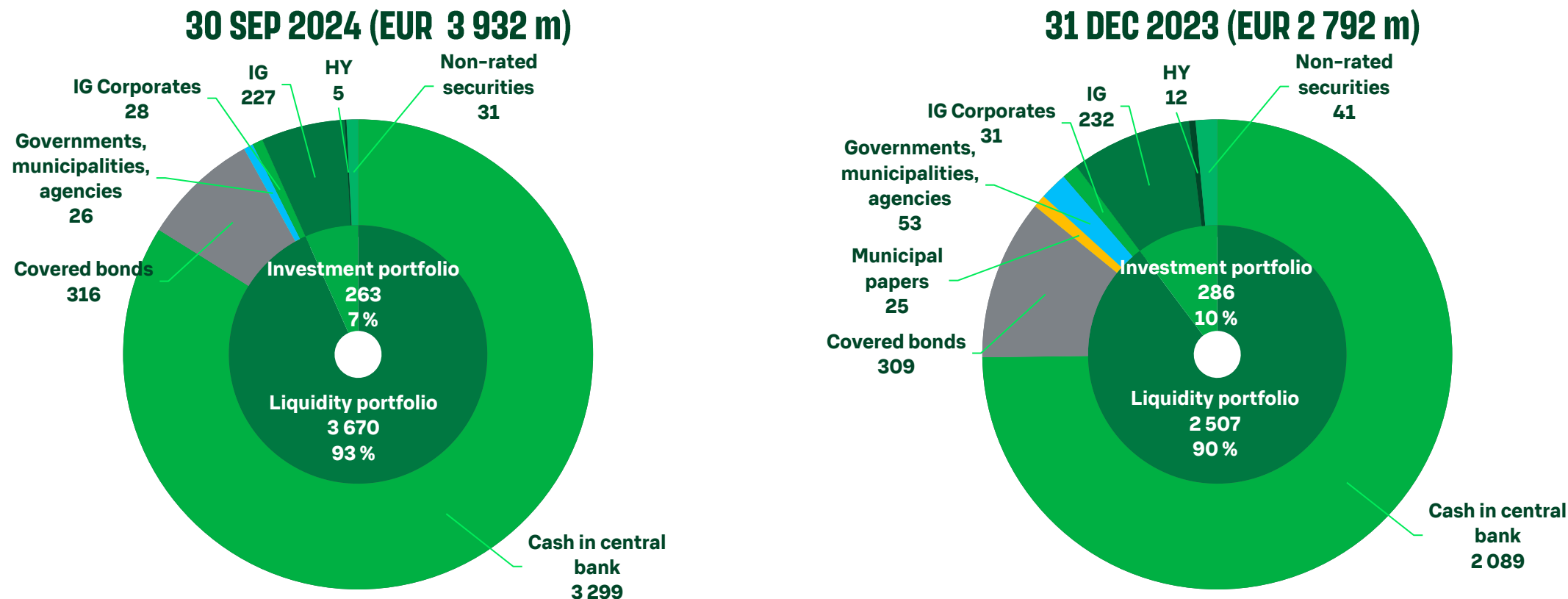
# CAPITAL POSITION



- 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 19.0%.
- 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



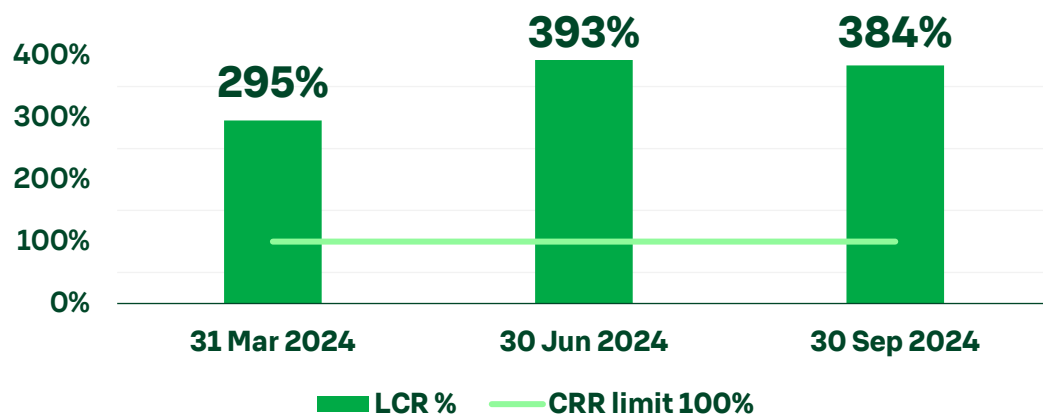
The Treasury portfolio consists of the liquidity portfolio (LCR liquidity buffer) and the investment portfolio. The total amount of the portfolio increased and totalled to EUR 3 932.4 million (2 792.4). The increase in the total portfolio concentrated in the amount of central bank deposit.

# LIQUIDITY

## ROBUST LIQUIDITY POSITION AND EASY ACCESS TO ADDITIONAL FUNDING

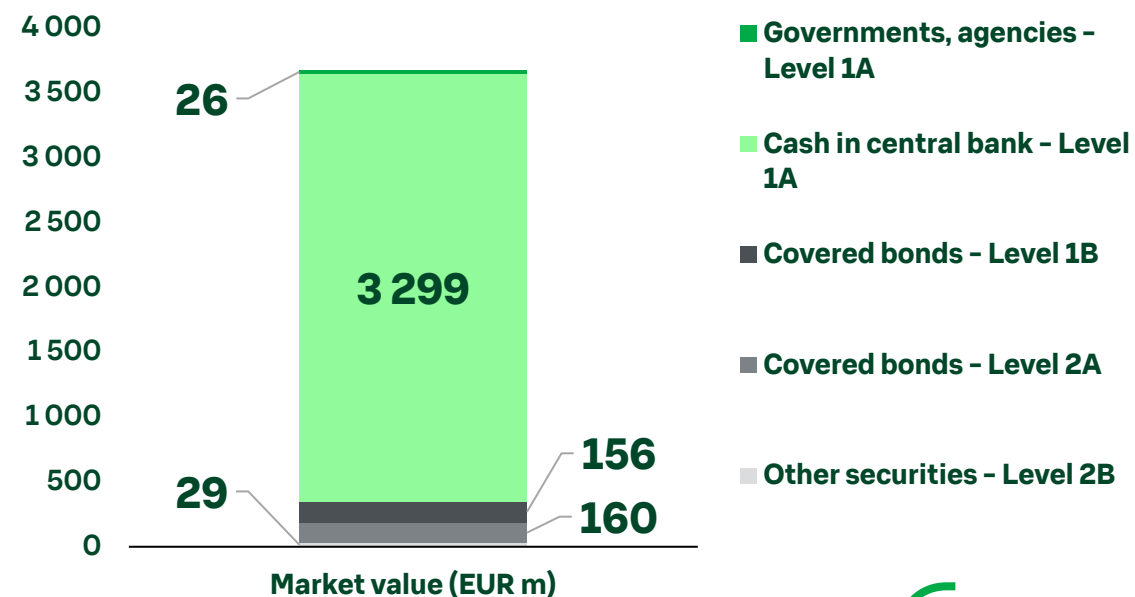
### LIQUIDITY OVERVIEW

- S-Bank's liquidity portfolio totaled EUR 3 670 million at the end of September 2024 (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 181% at the end of September 2024 (164% at the end of 2023) - wide headroom over the regulatory requirement of 100%
- LCR was 384% at the end of September 2024 (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 SEP 2024

EUR m	Level 1A	Level 1B	Level 2A	Level 2B	Total
<b>Amount held (% of total market value)</b>	3 325 (90.6%)	156 (4.3%)	160 (4.4%)	28 (0.8%)	3 670



# KEY FIGURES

(EUR m)	2021	2022	2023	Jan-Sep 2024
Total income	187	222	371	309
Operating profit	25	45	147	126
Deposits	7 555	7 926	8 176	8 493
Lending	6 086	6 695	6 935	7 024
Non-performing loans	0.6%	0.9%	1.3%	1.6%
Assets under management	6 170	5 852	6 245	6 430
Debt securities	1 149	697	699	629
Cost-to-income, %	78.4%	74.5%	51.4%	51.3%
ROE, %	3.9%	6.9%	20.1%	20.0%
ROA, %	0.2%	0.4%	1.2%	1.3%
Equity ratio, %	6.0%	5.9%	6.5%	6.6%
Capital adequacy ratio, %	16.3%	16.3%	18.8%	21.7%
CET-1 ratio, %	13.0%	13.2%	16.1%	19.0%

**STRONG GROWTH IN  
OPERATING PROFIT**

**LOAN TO DEPOSIT  
RATIO 83%**

**SUBSTANTIAL  
IMPROVEMENT IN C/I**

**STRONG GROWTH  
IN ROE & ROA**

**ROBUST  
CAPITAL BASE**

**THANK  
YOU**

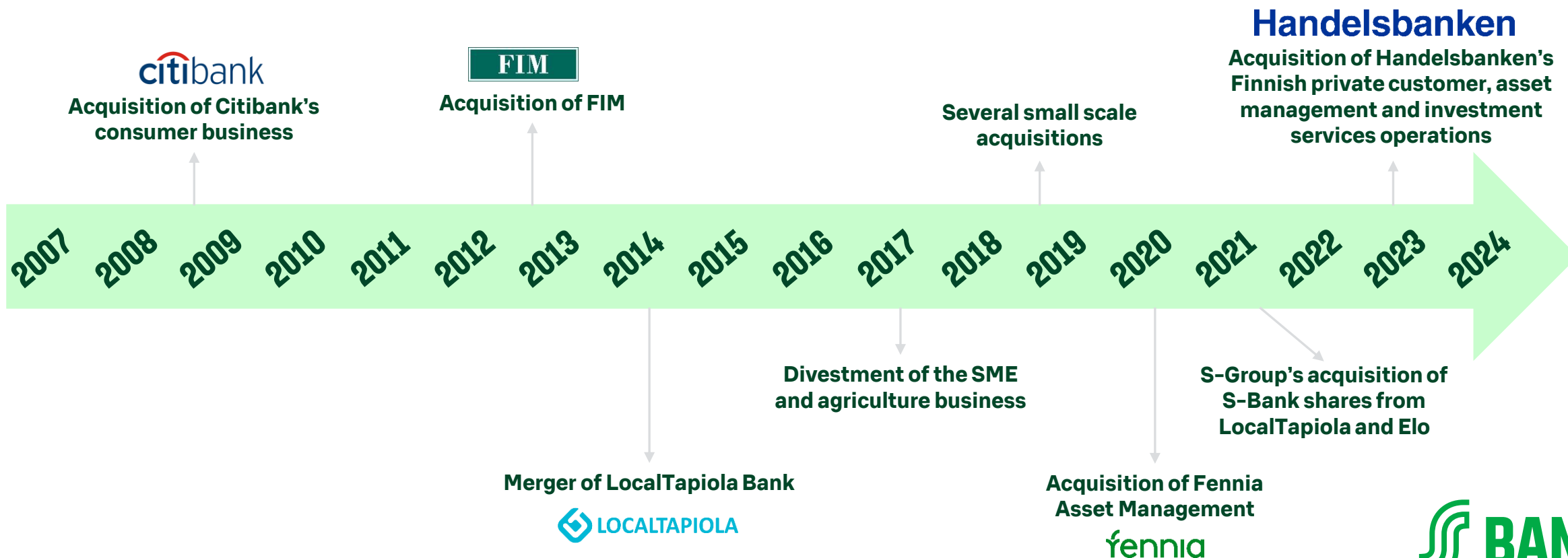
# APPENDIX

# HISTORY OF S-BANK

ESTABLISHMENT  
OF S-BANK

GROWTH THROUGH ACQUISITIONS,  
INVESTMENT IN INTEGRATION

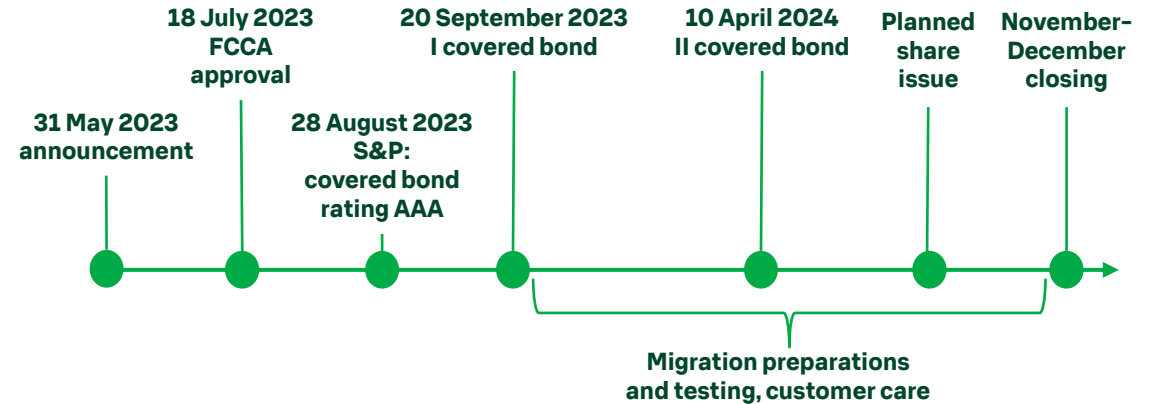
EXPANSION AND FOCUS ON CORE BUSINESS AND  
EFFICIENCY IMPROVEMENT



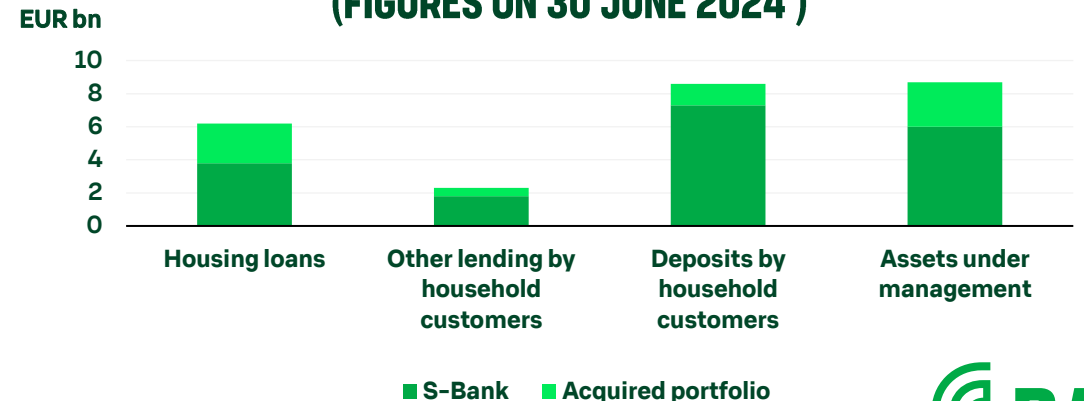
# HANDELSBANKEN TRANSACTION PROCEEDING AS PLANNED BECOMING 4TH LARGEST BANK FOR HOUSEHOLD CUSTOMERS

- S-Bank is acquiring the Finnish private customer, asset management and investment services operations of Svenska Handelsbanken AB\*; closure expected from late November to early December 2024
- Strengthens S-Bank’s earning power and capital adequacy in the longer term
- Approximately 230 Handelsbanken employees and nearly all lease agreements of the bank’s Finnish branches will be transferred to S-Bank. S-Bank will begin to offer funds managed by Handelsbanken Fonder AB.
- The value of loans to be transferred is approximately EUR 2.9 billion and of deposits approximately EUR 1.3 billion\*\*
- S-Bank will pay Handelsbanken a cash amount that is EUR 20–25 million less than the net value of the balance sheet items to be transferred at closing. No premium paid.
- Funded largely via debt financing in the EUR market and a subsequent share issue to the owners

## TIMELINE OF THE ACQUISITION



## BUSINESS VOLUMES AFTER ACQUISITION (FIGURES ON 30 JUNE 2024)\*\*

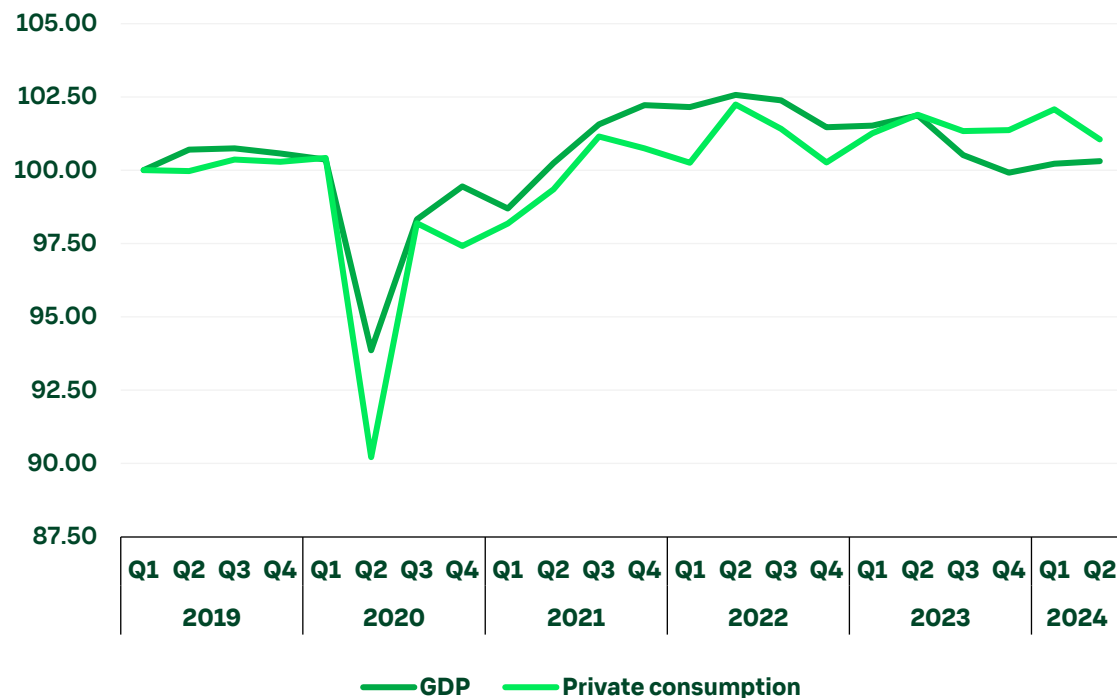


\* Approved by the Finnish Competition and Consumer Authority on 17 July 2023

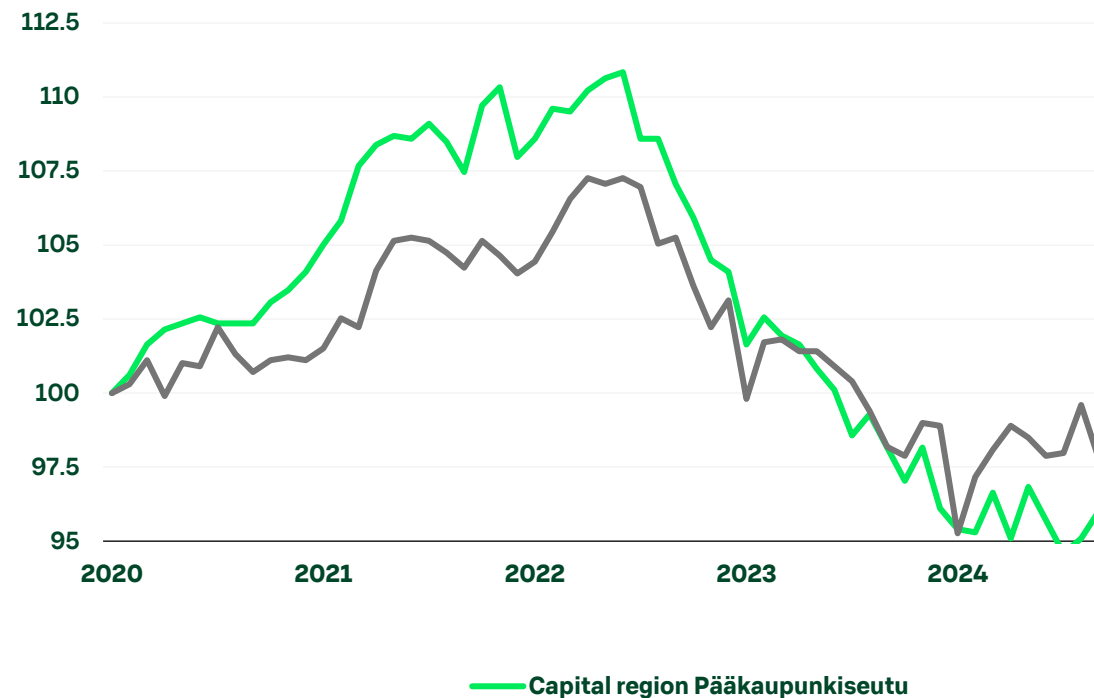
\*\* S-Bank supplemented the original figures from May 2023, with June 2024 figures in a press release released on 18 September 2024.

# 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.





# FUTURE OF SUSTAINABILITY IN S-BANK

## STEPPING UP FROM REGULATION ORIENTED DEVELOPMENT TOWARDS STRATEGY BASED TARGETS.

### PREPARATION FOR SUSTAINABILITY REPORTING

- S-Bank is currently preparing to publish Sustainability Report in accordance with CSRD directive and ESRS standards
- Preparations include the following actions in 2024:
  - Double Materiality Assessment (DMA)
  - Qualitative and quantitative assessment of climate risks
  - Reporting of GHG emissions (scope 1, 2 and 3)
  - Commitment to UN Guiding Principles on Business and Human Rights
  - Due diligence processes for ESG risks in supply chain
  - Data processing facilities for effective management and reporting of sustainability data

### KEY ACTIONS IN 2025

- Publication of S-Bank's Sustainability Programme
  - Strategy based actions and targets for sustainability
- Implementation of S-Bank's Climate Roadmap
  - Climate strategy
  - Enhanced risk management processes for climate and environmental risks in accordance with ECB Guidelines
- Publication of Sustainability Report as part of Annual Report (FY2024)

# AWARDS AND HONOURS RECEIVED BY S-BANK

## MOST REPUTABLE

S-Bank has the 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 7th year in a row.

Brand Valuation 2024 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



## BEST VALUE

S-Bank offers best value for money

EPSI Rating's Banks & Finance 2024 -study



## MOST LOYAL

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

Asiakkuusindeksi 2023, 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**

