Research Update:

Oma Savings Bank Ratings Put On CreditWatch Positive On S-Bank's Tender Offer; S-Bank Ratings Affirmed; Outlook Stable

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Overview

- On July 9, 2026, S-Bank PLC announced a voluntary tender offer to acquire all the shares in Oma Savings Bank PLC (OmaSp). If successful, OmaSp will become a subsidiary of S-Bank and will be delisted from the Nasdaq Helsinki stock exchange.
- Upon completion of the transaction, we expect our ratings on OmaSp to benefit from group support from S-Bank.
- We consider the impact on S-Bank's financial position will be manageable due to its robust capitalization, supported by a planned capital injection from owners, although the bank's asset quality metrics are likely to weaken through OmaSp.
- We therefore placed our 'BBB' long-term issuer credit ratings on OmaSp on CreditWatch with positive implications and affirmed our 'A-2' short-term ratings on the bank.
- We expect to resolve the CreditWatch placement after close of the transaction, which is subject to a 90% acceptance threshold and regulatory approvals and expected in the last quarter of 2026.
- At the same time, we affirmed our 'A-/A-2' long- and short-term ratings on S-Bank with a stable outlook.

Rating Action

On July 14, 2026, S&P Global Ratings placed its 'BBB' long-term issuer credit rating and 'BBB+' long-term resolution counterparty rating (RCR) on Oma Savings Bank PLC on CreditWatch with positive implications. At the same time, we affirmed our 'A-2' short-term rating and short-term RCR on the bank. We placed the senior unsecured debt rating on CreditWatch with positive implications.

We affirmed our 'A-/A-2' ratings on S-Bank. The outlook is stable.

Rationale

The CreditWatch placement on OmaSp follows S-Bank's contemplated acquisition of OmaSp. On July 9, 2026, S-Bank announced that it will extend a voluntary tender offer for a purchase price of €17.20 per share on all OmaSp's shares. The tender offer is conditional on at least 90% of the shareholders and vote-holders agreeing to the deal. The major shareholders--several Savings Banks Foundations representing approximately 60% of the outstanding shares and votes in OmaSp--have irrevocably undertaken to accept the offer. We also understand that OmaSp's board unanimously recommends that the shareholders accept the tender offer. The tender offer will run from July 17 until about Sept. 25 and, upon completion, the transaction is expected to be closed in the last quarter of 2026, subject to regulatory and other approvals.

Upon the acquisition's closing, we may view OmaSp as a sizable subsidiary of S-Bank and important to the group's long-term strategy and earnings contribution. OmaSp would represent about 38% of combined banks' loan book and 32% of the pre-tax profits based on 2025. We therefore expect that, as part of S-Bank, OmaSp would benefit from ongoing and extraordinary support from its owner.

The planned acquisition supports S-Bank's growth strategy and increases its scale. Through the takeover of Svenska Handelsbanken's Finnish retail operations, combined with its organic growth, S-Bank has become the fourth largest bank in terms of customer deposits (5.2% in 2025) and housing loans (5.6%) in Finland. The purchase of OmaSp would support S-Bank's ambitious goals to expand its customer base to one million customers and increase its share of high-value customers by offering banking and wealth management services. That said, the acquisition would also bring small and midsize enterprise and agriculture customers and loan portfolio, an area that previously was considered non-core for the bank and led to divestments. It remains to be seen whether S-Bank would see further opportunities in expanding the corporate franchise post-acquisition.

We expect S-Bank's capitalization will remain robust and its overall financial position will stay sound following the acquisition. The bank's risk-adjusted capital (RAC) equaled 25.0% in 2025 (pro-forma 22% considering the increased risk-weights under our revised view on Finnish economic risk in June 2026), benefiting from sound income generation and high retained earnings. We expect our RAC ratio to remain comfortable about 20% through 2028, supported by a capital injection up to €400 million by S-Bank's owners SOK Corporation and S Group cooperatives. This is based on our projection that the combined S-Bank's loan book would grow by 66% and S&P Global Ratings' risk-weighted assets by 90% in fourth quarter 2026 followed by moderate annual loan growth of 4% in 2027-2028. We note that the planned acquisition may entail execution risks, but S-Bank's good track record of integrating acquired operations, like Handelsbanken's retail operations, mitigates the concerns. Still, we expect that the consolidation of OmaSp loan portfolio will weigh on S-Bank's strong asset quality metrics as OmaSp continues to work out its high non-performing loan portfolio. We estimate that the combined bank's nonperforming loan ratio would exceed 4% upon completion.

Outlook

The stable outlook reflects our expectation that S-Bank will sustain a resilient and reasonably profitable franchise, and a successful acquisition of Oma Savings Bank would further strengthen its position in the Finnish retail banking. In our base case, we expect S-Bank to maintain a RAC ratio comfortably above 15% in the next 12-24 months despite the significant increase in S&P Global Ratings risk-weighted assets post-completion. We expect S-Bank to prudentially execute the transaction and onboard OmaSp customers, and operations without negative impact on its franchise.

Downside scenario

We could lower our long-term rating on S-Bank if its loan growth is more aggressive or it departs from its underwriting standards, alongside increased credit losses and materially weakened asset quality. This could lead us to revise the combined capital and earnings and risk position.

We could also lower the rating if S-Bank's additional loss-absorbing capacity (ALAC) buffer falls below the 4% threshold.

Upside scenario

We could take a positive rating action on S-Bank if its market position and increased scale post-acquisition led to sustained improvement in its earnings and income diversification, while continuing to cover its high investment needs. An upgrade would be conditional on gradually improving asset quality and credit losses in line with domestic peers.

CreditWatch

The CreditWatch positive placement reflects that we could raise our long-term issuer credit rating on OmaSp by one notch once the acquisition closes, reflecting its potential importance to S-Bank group’s long-term strategy, which makes it eligible for extraordinary group support.

Conversely, if the transaction fails to close, we would remove the CreditWatch placement and assess any implications for OmaSp’s stand-alone credit profile.

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, May 5, 2026
- General Criteria: Hybrid Capital: Methodology And Assumptions, Oct. 13, 2025
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Rating On Eight Finnish Banks Affirmed Amid Weak Economy; Bonum Bank Outlook Revised, June 10, 2026
- S-Bank PLC, Dec. 18, 2025

- Research Update: Finland-Based S-Bank PLC Upgraded To 'A-' On Additional Loss-Absorbing Capacity; Outlook Stable, Dec. 9, 2025
- Research Update: Oma Savings Bank PLC Outlook Revised To Negative On Further Asset Quality Weakening; 'BBB/A-2' Ratings Affirmed, Sept. 10, 2025
- Oma Savings Bank PLC, May 5, 2025
- Research Update: Oma Savings Bank PLC Ratings Downgraded To 'BBB/A-2' On Deteriorated Asset Quality; Outlook Revised To Stable, Nov. 14, 2024

Ratings List

Ratings List

	Oma Savings Bank PLC	
Ratings Affirmed; CreditWatch Action		
	To	**From**
Oma Savings Bank PLC		
Issuer Credit Rating	BBB/Watch Pos/A-2	BBB/Negative/A-2
Resolution Counterparty Rating	BBB+/Watch Pos/A-2	BBB+/--/A-2
Senior Unsecured	BBB/Watch Pos	BBB
	S-Bank PLC	
Ratings Affirmed		
S-Bank PLC		
Issuer Credit Rating	A-/Stable/A-2	
Resolution Counterparty Rating	A/--/A-1	
Senior Unsecured	A-	
Senior Subordinated	BBB	