S-BANK PLC ANNUAL REPORT 2024

S BANK

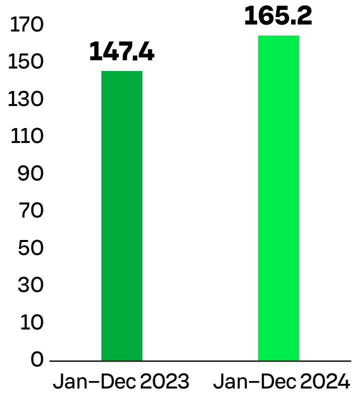
RECORD-BREAKING YEAR

JANUARY–DECEMBER 2024

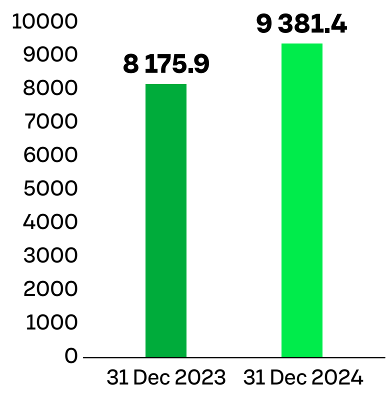
The S-Bank Group's operating profit was EUR 165.2 million (147.4), a 12.1 per cent growth. The improvement in performance and key figures was driven by 11.8 per cent increase in the net interest income as well as successful execution of the Handelsbanken transaction. The transaction created a negative goodwill that was recognised as income, which had a positive effect on the operating profit. The cost-to-income ratio was 0.53 (0.51) and return on equity was 16.2 per cent (20.1).

- Operating profit increased to EUR 165.2 million (147.4)
- Deposits increased to EUR 9.4 billion (8.2)
- Lending increased to EUR 9.5 billion (6.9)
- Assets under management increased to EUR 8.3 billion (6.2)
- Number of active customers increased to 747 000 (660 000)
- Capital adequacy ratio increased to 21.4 per cent (18.8)

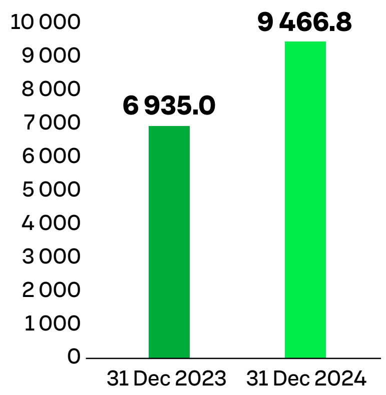
OPERATING PROFIT (EUR MILLION)



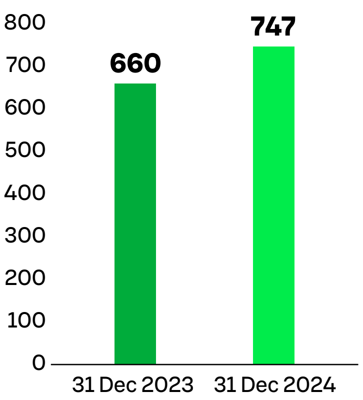
DEPOSITS (EUR MILLION)



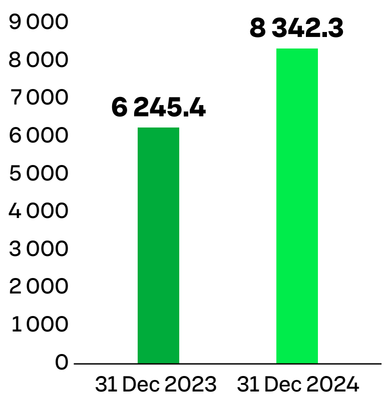
LENDING (EUR MILLION)



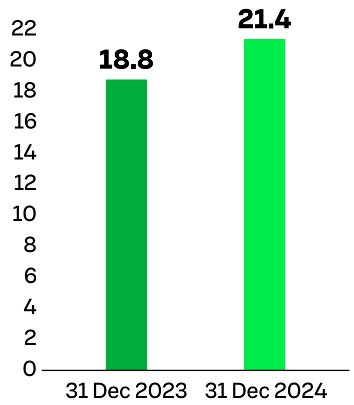
ACTIVE CUSTOMERS ('000)



ASSETS UNDER MANAGEMENT (EUR MILLION)



CAPITAL ADEQUACY RATIO (%)



DIVIDEND

S-Bank's Board of Directors proposes a dividend of EUR 2.20 (1.50) per share. After the share issue in November 2024, the proposal corresponds to about EUR 20.0 million (10.0) total dividend amount.

OUTLOOK FOR 2025

S-Bank's profit guidance for 2025 has been lowered due to declining interest rates, despite the fact that the Handelsbanken transaction will increase the bank's earnings. In addition, the investments related to implementing our strategy will remain at a high level. The outlook for 2025 is still subject to uncertainties regarding the operating environment, geopolitical tensions, the economy, employment and the real estate market. We expect operating profit for the whole year to decline approximately to EUR 100 million (165.2).The scale of the change is impacted by the one-off negative goodwill related to the Handelsbanken transaction, which was recognised as income in 2024.

KEY FIGURES

(EUR million)	2024	2023	Change	Q4 2024	Q4 2023	Change
Net interest income	306.9	274.5	11.8%	72.5	78.8	-8.0%
Net fee and commission income	92.7	93.7	-1.0%	25.7	26.2	-1.9%
Total income	439.0	371.3	18.2%	130.5	104.9	24.4%
Operating profit	165.2	147.4	12.1%	38.9	43.5	-10.6%
Cost-to-income ratio	0.53	0.51	0.01	0.53	0.51	0.01

(EUR million)	31 Dec 2024	31 Dec 2023	Change
Liabilities to customers, deposits	9.381.4	8 175.9	14.7%
Receivables from customers, lending	9 466.8	6 935.0	36.5%
Debt securities	622.8	699.0	-10.9%
Equity	977.6	649.3	50.6%
Expected credit losses (ECL)	52.3	37.3	40.1%
Assets under management	8 342.3	6 245.4	33.6%
Return on equity	16.2%	20.1%	-3.9
Return on assets	1.1%	1.2%	-0.1
Equity ratio	7.4%	6.5%	0.9
Capital adequacy ratio	21.4%	18.8%	2.6

CEO'S REVIEW

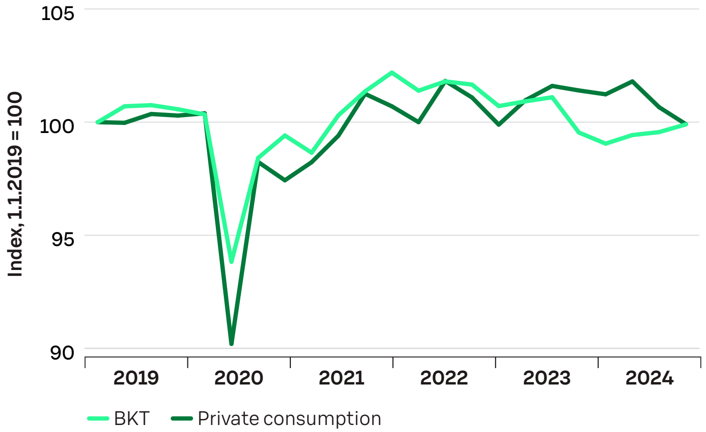
Riikka Laine-Tolonen
CEO

COMPLETION OF THE HANDELSBANKEN TRANSACTION WRAPS UP A STRONG YEAR

In many ways, 2024 was a historic year for S-Bank. In December, we completed S-Bank's largest business transaction of all time: the acquisition of Handelsbanken's Finnish private customer, asset management and investment services operations. The deal is a major step forward in the implementation of our updated strategy. As a result, we moved up to a new size category and are now the fourth largest bank for private customers in Finland. The deal also strengthens our profitability and capital adequacy.

We are also pleased with S-Bank's strong financial performance during the year. Our operating profit for the fourth quarter was EUR 38.9 (43.5) million and for the full year EUR 165.2 (147.4) million. The result is excellent, considering that a huge integration project was carried out at the same time. In 2024, our loan portfolio increased to EUR 9.5 (6.9) billion and total deposits to EUR 9.4 (8.2) billion. Assets under management were EUR 8.3 (6.2) billion at the end of 2024. S-Bank's growth has continued to out-pace the

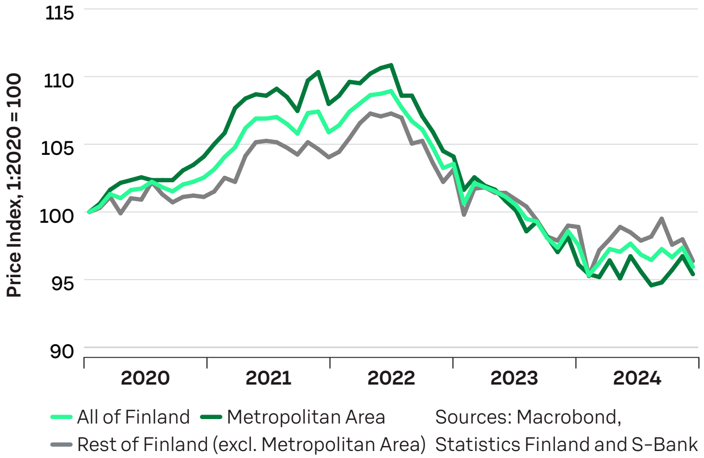
FINLAND'S GDP AND PRIVATE CONSUMPTION



Sources: Macrobond, Statistics Finland and S-Bank

HOUSING PRICES IN FINLAND

Old condominiums



Sources: Macrobond, Statistics Finland and S-Bank market average. The growth was driven both by the successful Handelsbanken transaction and the good development of other businesses.

SYSTEMATIC IMPLEMENTATION OF STRATEGY AND A MASTERPIECE OF COOPERATION

The Handelsbanken transaction was, without doubt, our most important event of the year. The transaction means we took a leap towards the one million customer mark in line with our strategy – at the end of 2024, we had as many as 747 000 (660 000) active customers. More than 200 of Handelsbanken's professional and skilled employees and its branch network also transferred to us in the transaction. Together, we will serve our customers even better.

The Handelsbanken transaction was a big joint effort. A large team of S-Bank and Handelsbanken employees worked for over 18 months to ensure a seamless integration of the businesses. This major project made excellent progress, meeting the planned schedule and scope. According to a customer survey conducted by S-Bank in December, two thirds of customers who transferred from Handelsbanken said that the transfer of services to S-Bank took place smoothly. I am very pleased with our achievement. The excellent integration and the good feedback on the first phase are pushing us to improve our service even more.

The well-being of our employees is very important for us. In November, S-Bank was awarded the Finland's most inspiring workplaces recognition for the fourth time in a row, and I am extremely proud of this achievement. In our latest personnel satisfaction survey, we received the second highest overall rating ever, despite it being a very busy year of preparations for the Handelsbanken transaction and serving a growing number of customers.

FINLAND'S ECONOMY TURNS TOWARDS GROWTH

Finland's economy took a turn for the better in 2024 and grew slightly. Business confidence started to strengthen as the year progressed, and although private consumption and investment remained weak throughout the year, the fall in interest rates pushed housing sales volumes and prices slightly up towards the end of the year. The upturn was also reflected in increased mortgage applications at S-Bank.

CONTINUOUS DEVELOPMENT OF SERVICES

Continuous improvement of our services is very important for us. We are particularly focused on developing mobile services so that our services are easily accessible to all our customers. S-Mobile already has more than 1.5 million weekly users. According to our survey, customers who transferred from Handelsbanken have been particularly satisfied with S-Bank's mobile services.

The Handelsbanken transaction enables us to apply their best practices also to the development of other S-Bank services. One example of this is that we now offer almost all S-Bank investment funds without subscription and redemption fees, in line with Handelsbanken's practice.

At the end of 2024, we also agreed on an arrangement whereby four Handelsbanken funds will be transferred under the management of S-Bank Fund Management Company Ltd. The aim is for the funds to be transferred to S-Bank during year 2025. The implementation of the plan is subject to the approval of the Swedish and the Finnish Financial Supervisory Authorities. We are pleased to be able to offer these funds to all our customers on behalf of S-Bank in the future.

PREPARING FOR THE NEW EU CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)

In 2024, we also worked on the development of our sustainability reporting. We have been preparing our first sustainability statement that is compliant with the Corporate Sustainability Reporting Directive (CSRD) and is published as a part of this annual report. It's great to have the opportunity to discuss sustainability issues in more detail and in a broader way!

ENTERING 2025 WITH CONFIDENCE

Although there are many uncertainties in the global economic and geopolitical situation, we are confident about the new year. We expect Finland's economic growth to accelerate this year as domestic demand picks up. This will put us in a good position to successfully implement our strategy. We are building a new S-Bank, and we will utilise both S-Bank's own expertise and the new expertise that the Handelsbanken transaction has brought. In 2025, we will proceed with the implementation of our strategy by improving the way we serve our customers and significantly investing in developing our digital and mobile services.

At the beginning of the year, we updated our dividend policy. Under the new policy, S-Bank aims to pay shareholders a steady and growing annual dividend of 15–25 per cent of profit after tax for the financial year. We want to continue to be an attractive investment target for the regional cooperatives and the SOK Corporation that own the bank, and to ensure that the bank is attractive to institutional investors investing in our bonds. The dividends we pay ultimately also benefit our co-op members.

My heartfelt thanks to our customers, our personnel, our owners and our investors.

RIIKKA LAINE-TOLONEN
CEO

CONTENTS

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BOARD OF DIRECTOR'S REPORT

KEY EVENTS

Funding, credit rating and capital adequacy

On 28 June 2024, international credit rating agency Standard & Poor's raised S-Bank's credit rating to BBB+ and affirmed its short-term credit rating at A2. S&P rated S-Bank's outlook as stable.

On 29 November 2024, S-Bank drew EUR 590 million bilateral funding in connection with the Handelsbanken transaction.

On 24 September 2024, S-Bank Plc issued an increase of EUR 100 million to the original amount of the Senior Preferred MREL Eligible Notes 1/2024 bond (tap issue) issued on 8 March 2024. The original bond amount, EUR 300 million, was part of the company's EUR 3.0 billion bond programme. After the tap issue, the total capital of the bond is EUR 400 million. The bond will mature on 8 March 2028, and a fixed interest rate of 4.875 per cent will be paid for the bond until 8 March 2027 and a floating interest rate thereafter. On 22 February 2024, S-Bank Plc announced a voluntary repurchase offer for its EUR 220 million bond maturing in 2025. Tender instructions amounting to EUR 86.1 million were accepted.

As part of implementation of its strategy, S-Bank Plc issued a covered bond with a nominal value of EUR 500 million on 16 April 2024. The bond's maturity date is 16 April 2030 and annual interest of 3.00 per cent will be paid. The issue was part of S-Bank's EUR 3.0 billion bond programme and was used to finance the bank's activities and growth, as well as the Handelsbanken transaction.

Acquisition of Handelsbanken's Finnish operations

As planned, on 1 December 2024 S-Bank Plc acquired the Finnish private customer, asset management and investment services businesses of Svenska Handelsbanken AB. As a result of the transaction, around 100 000 private customers transferred from Handelsbanken to S-Bank, which is now the fourth largest private customer bank in Finland. More than two hundred Handelsbanken employees and nearly all of the leases of the bank's Finnish branch offices were transferred to S-Bank in connection with the transaction.

S-Bank paid Handelsbanken a cash amount that was EUR 25.7 million less than the net value of the balance sheet items that transferred at closing. The value of transferred loans was approximately EUR 2.5 billion and that of deposits EUR 0.9 billion. The assets under management transferred from Handelsbanken to S-Bank in connection with the transaction amounted to approximately EUR 2 billion. In connection with the closing of the transaction, the companies also initiated cooperation, with S-Bank offering funds managed by Handelsbanken Fonder AB. The cooperation will diversify the selection of funds available to S-Bank's current and future customers. The transaction is described in more detail in Group's note 38.

On 28 November 2024, S-Bank announced that the Board of Directors of the company had decided, based on the company's shareholders authorisation, to make a directed share issue of EUR 200 million to the company's owners, the Central Union of Finnish Cooperative Societies (SOK) and the cooperatives belonging to the S Group, for the purpose of implementing the transaction. The directed share issue is described in more detail under the section 'Other information'.

On 30 December 2024, S-Bank Fund Management Ltd and Handelsbanken Fonder AB agreed on an arrangement whereby the Handelsbanken Fonder AB's funds Handelsbanken Varainhoito 25, Handelsbanken Varainhoito 50, Handelsbanken Varainhoito 75 and Handelsbanken Suomalaiset Pienyhtiöt will be transferred to S-Bank Fund Management Ltd during 2025. The arrangement is subject to regulatory approvals, which will be applied for during the first half of 2025 .

Changes in Management and Annual General Meeting

On 20 March 2024, S-Bank announced that it would be renewing its organisation and appointed new members to its Group Management Team. The changes reinforce the company's capability to continue profitable growth and to evolve into a more digital and customer-focused bank in line with its strategy. The organisational reform was also part of the preparations for the completion of the Handelsbanken transaction. The reform did not result in any reduction of employee numbers. The new organisation came into force on 1 April 2024.

Mike Peltola was appointed Head of Wealth Management on 20 March 2024. He transferred to S-Bank in connection with the completion of the Handelsbanken transaction and started in his position on 1 December 2024. Niko Mikkola (M.Sc. (Econ.), M.Sc. (Tech.)) was appointed S-Bank's Chief Technology Officer (CTO) and member of the Group Management Team on 25 April 2024. Mr. Mikkola took up his post on 1 August 2024.

S-Bank's Annual General Meeting (AGM) was held on 9 April 2024. The AGM resolved, among other things, that a dividend of EUR 1.50 per share, totalling EUR 10 020 270.00, will be paid. The dividend was paid on 9 April 2024. The decisions made by the AGM are described in more detail under the section 'Annual General Meeting'.

S-Bank's services

In November 2024, S-Bank announced that it had agreed with Visa to continue cooperation, which will enable S-Bank to continue to offer its customers even better payment services.

In November 2024, S-Bank announced that eight S-Bank investment funds will be offered to customers without subscription and redemption fees. The same pricing had already applied to S-Bank's equity, fixed income and wealth management funds.

S-Bank signed the Net Zero Asset Managers initiative in June 2023, which means that as an asset manager, it has committed to achieving the goal of net zero greenhouse gas emissions by 2050. The initiative also obliges signatories to set ambitious interim targets for 2030. An emissions reduction target was set in June 2024, where the bank committed to reducing its emissions by 50 per cent by 2030 compared to 2019 levels. The target covers funds investing directly in equities and corporate bonds, as well as the balanced funds investing in these funds, where S-Bank is responsible for the portfolio management, which adds up to approximately 44 per cent of S-Bank's assets under management. The target takes into account the investments' scope 1 and 2 greenhouse gas emissions.

S-Bank's funds gained important recognitions during 2024. The S-Pankki High Yield Eurooppa ESG Korko Sijoitusrahasto fund received the prestigious Lipper award in two categories for the second year in a row. The fund was the best performer in the Nordic countries measured over five- and ten-year periods.

In April, there was a major renewal in S-Bank's digital services when Apple Pay was launched as part of the payment portfolio, making it possible to add the contactless S-Etukortti to Apple Wallet.

In March 2024, S-Bank launched a new Private Credit fund, which invests its assets in the bonds of unlisted, mainly European companies. The new S-Pankki European Private Credit Erikoissijoitusrahasto fund was developed in cooperation with Blackstone and offers a more accessible route to unlisted bond investments than traditional private equity funds, also for non-institutional investors.

Customer experience and brand

We continued to receive positive news about the attractiveness of the S-Bank brand during throughout 2024.

In December 2024, S-Bank came first as the best general bank in the EPSI Rating Securities and Savers 2024 survey. S-Bank's customer satisfaction index score was 78.8 (0–100), which is the highest for general banks and five index points higher than the industry average. S-Bank received a particularly high score for value for money and customer loyalty, both of which were more than five percentage points above average. Exceptionally high scores were also given by the most active investors, who buy or sell securities at least once a week. Their score for S-Bank was 85.9, 13.4 per cent above average.

In September 2024, S-Bank came top in customer satisfaction in the EPSI Rating survey, which measures the satisfaction of banks' household customers. S-Bank's customer satisfaction index score was 80.6 (0–100), which is 4.7 index points higher than the industry average. According to the survey, S-Bank also offers the best value for money. The price-quality ratio index score (83.0) was 6.5 index points higher than the industry average. S-Bank also had the second most loyal customers in the industry, with the overall customer loyalty score (84.9) 7.7 index points better than the average.

According to the Brand perception survey by the research company Taloustutkimus published on 6 September 2024, S-Bank was the most respected brand in the financial sector. The survey measures brand perception based on the opinions of Finnish consumers. S-Bank came top for the seventh year in a row. Other S Group brands also performed well in the survey: S-Etukortti was among the ten most valued brands in Finland.

For the twelfth consecutive year, Finns voted S-Bank as the most responsible bank in Finland in the annual Sustainable Brand Index survey published by the research company SB Insight on 12 March 2024. The Sustainable Brand Index is Europe's largest independent brand survey focusing on sustainability. It has been conducted annually in Finland since 2013.

According to a survey on Satisfaction and trust in banking services, commissioned by loan comparison service company Sortter from Taloustutkimus, S-Bank's customers are the most satisfied with their bank among the customers of Finnish banks. This is the fifth year that S-Bank has held the top spot in the comparison.

According to a financial sector trust and reputation survey published by the research company T-Media on 29 February 2024, S-Bank has the second-best reputation in the Finnish financial sector.

Personnel satisfaction

In November 2024, S-Bank was awarded the Finland's most inspiring workplaces recognition for the fourth time in a row. The recognition is based on the People-Power survey conducted by Eezy Flow and is conducted annually at S-Bank. In the 2024 personnel survey, the People-Power or overall satisfaction index, which comprises the survey's key questions, was 75.7 (0) (on a scale of 0–100). The result is the second-best ever measured by S-Bank and higher than the Finnish norm in expert positions and the financial and insurance sector benchmark. S-Bank participated in the eNPS (Employee Net Promoter Score) measurement for the second time and achieved a score of 41.

STRATEGY AND LONG-TERM OBJECTIVES

S-Bank's Board of Directors has confirmed the company's strategy and financial targets for the strategy period 2024–2027. The Board has also confirmed S-Bank's strategic ambition to be a partner for a better everyday life for its customers and an enabler of millions. This ambition describes our goal to incorporate customer insight more strongly as a foundation for our mindset, operations and decision-making, on which we can create digital solutions that make our customers everyday lives more effortless.

By the end of the strategy period, our aim is to have one million active customers and to be the fourth largest bank for household customers in Finland. We aim to achieve this goal by focusing on three key areas of change: Integration of the Handelsbanken transaction, renewal of the service model and improvement of the scalability of operations.

The acquisition of Handelsbanken's household customer, asset management and investment services operations at the end of November 2024 provided S-Bank with many new customers, competent personnel and a new kind of service network. The transaction significantly increased our housing loan and deposit volumes, as well as our asset management business, where we also started cooperation by distributing Handelsbanken's funds in Finland. S-Bank will continue to be a bank primarily for the S Group's co-op members, and during the strategy period we will maintain the provision of member benefits such as free basic banking services.

In addition to one million active customers, our goal is that in the future more and more customers will concentrate their banking relationships with S-Bank. In the competitive banking market this requires us to become a more customer-centric and digital-driven bank. During the strategy period, we will renew S-Bank's service model to make it clearer and more mobile-oriented. Our aim is to ensure that the right benefits and services for each customer are easily available through the S-mobiili app. We will also offer our customers more comprehensive financial advice suited to their different life situations, and the personnel transferred from Handelsbanken brought us strong additional expertise in this area. In addition to effortless banking and expert advisory, we will attract customers to use our services comprehensively with benefits that grow with the concentration of banking activities to S-Bank.

In order to enable S-Bank to grow profitably and to improve our customer experience, we will invest significantly in improving the scalability of our operations. We will enable customers to handle routine matters independently with S-mobiili, streamline our internal processes and free the time of our expert personnel to provide value-adding advisory. In addition, the increasing use of remote advisory services allows customer advisors to use their time more efficiently. Alongside the services provided to co-op members, S-Bank's private banking, institutional asset management and corporate banking focused on housing company financing support the Group's growth and profitability.

S-Bank's key areas of change during the 2024–2027 strategy period:

1. Integration of the Handelsbanken transaction	**2. Renewing the service model**	**3. Improving the scalability of operations**

S-Bank's long-term financial targets:

Cost efficiency	Return on equity
Cost-to-income ratio below 60 per cent	Over 10 per cent

In addition to these change areas, during the strategy period we will focus on four themes cross-cutting the organisation: digitalisation and technology, sustainability, compliance and risk management, and competent staff and customer focus.

Our transformation into a more digitally driven bank means that we need to invest on developing our digital capabilities. The creation of a mobile-oriented service model and the improvement of scalability will be supported by the necessary investments in systems and technology. We will increase the use of data in decision-making, risk management and operational development, and selectively upgrade the bank's IT infrastructure. We will leverage new technologies, such as artificial intelligence solutions, to meet customer and business needs.

Our goal is to further strengthen S-Bank's position as the Finnish bank that is perceived to be the most responsible, and this will require continuous improvement of our operations and transparency. As a bank with more than 3 million customers, we have a unique opportunity to improve people's financial wellbeing and equity throughout Finnish society. Environmental responsibility and climate action also play an important role in the development of our operations and services. As part of the implementation of our strategy, we will create a sustainability programme for S-Bank, the content of which will be defined in more detail during 2025.

The regulatory environment is constantly evolving, which will require significant investments to develop S-Bank's operations in the coming years. We will improve our risk management resources and processes, especially in the first line of defence. We will develop risk reporting and risk-based business management and implement the changes to services that are required by regulation. We are constantly striving to improve and streamline our regulatory and risk management processes so that the related workload does not slow the bank's development in other areas.

The integration of the operations transferred to S-Bank from Handelsbanken, and the implementation of other changes defined in the strategy will require creating uniform and more customer-oriented ways of working. Our priority is to increase customer focus, especially when defining roles, responsibilities and objectives, and in developing our personnel. By systematic leadership and competence development, we aim to ensure that we will achieve our targets and maintain a high level of personnel satisfaction.

S-Bank also aims to maintain a strong capital position, with a capital adequacy ratio of at least 1.5 percentage points above the minimum level set at any given time by the authorities. The target for dividend payments is set out separately in the dividend policy decided by the Board of Directors in force at any given time. According to the dividend policy that was updated in January 2025, S-Bank aims to pay shareholders a steady and growing annual dividend of 15–25 per cent of profit after tax for the financial year.

INTANGIBLE RESOURCES

S-Bank's intangible resources are a key part of the company's business model and value creation. These resources include the company's brand and reputation, professional employees, IT systems, cooperation within the S Group and corporate culture.

The brand and reputation have been built up over the years and provide a significant competitive advantage for S-Bank. The well-being of our employees is the foundation of the business, and S-Bank has been ranked as the most inspiring place to work in Finland. The know-how of skilled employees is a key resource that enables the company to achieve its targets. It is essential for the company to be able to attract and retain qualified employees who have accumulated knowledge and competence in the company, its products and, in particular, its customers.

IT systems are another significant part of S-Bank's intangible resources. They make it possible to provide efficient and smooth customer service and to maintain products and services. The cooperation within the S Group, including the agency network in S Group's branches, provides S-Bank a broad customer base and the opportunity to serve customers comprehensively throughout Finland. The right kind of corporate culture ensures the reliability of operations and helps retain the trust of customers.

OPERATING ENVIRONMENT

Going into 2024, central banks had raised their policy rates high in their fight against inflation, and there were concerns that this would have a choking effect on economic growth. At the end of the year, it was clear that central banks were able to implement a so-called soft landing in key economies by starting to cut interest rates. Economic growth was stronger than expected, particularly in the United States. In the euro area, on the other hand, industrial gloom kept economic activity at subdued growth rates, although unemployment remained at record low levels. In China, growth prospects weakened to the extent that the authorities shifted to a stimulus stance in the autumn.

The United States boosted overall global economic growth in 2024 to slightly better than expected. Of the many elections held during the year, Donald Trump's return as President of the United States received the most attention. His upcoming policy agenda gave the US economy a more inflationary outlook at the end of the year. Geopolitics remained in the headlines throughout the year as Russia's war of aggression continued and the situation in the Middle East escalated.

As of summer, central banks moved broadly to lower interest rates as inflation continued to decelerate towards target levels. The European Central Bank lowered its interest rates four times in total, and the deposit rate was 3.0 per cent at the end of the year. In the euro area, inflation slowed slightly more than the ECB expected, although the persistence of services inflation remained a concern for the central bank. On the other hand, the outlook for economic growth in the euro area was subdued towards the end of the year, signalling that inflationary pressure was becoming more moderate. The US Federal Reserve only started its own rate cuts in September but, like the ECB, reduced its policy rate by a total of 1.0 percentage point over the final months of the year. Towards the end of the year, however, the downward trend in inflation in the United States appeared to come to a halt.

The Finnish economy turned to slight growth last year, but overall economic performance was slightly disappointing. Quarterly GDP growth was mainly driven by the public sector and foreign trade, thanks to rapid growth in services exports. Private consumption and investment, which are important drivers for the economy, remained weak throughout the year. As the year progressed, however, business confidence started to show signs of strengthening, heralding a rebound from the bottom of the cycle.

On the other hand, consumer confidence remained weak throughout the year. Although inflation became considerably more moderate during the year and interest rates fell sharply, Finnish households were still cautious in their spending. This was reflected in an increase in the household savings rate. Consumer caution was fuelled in particular by a weaker-than-expected labour market after the summer. On the other hand, the housing market saw the first positive effects of lower interest rates after the summer. Sales volumes started to increase, and in many places prices of old dwellings also indicated a slight upward trend towards the end of the year. By contrast, residential construction continued to contract throughout the year.

The strong pullback in US equities continued through 2024. During the year, the US S&P500 stock index rose by approximately 30 per cent in euro terms, led particularly by the largest technology companies. The exceedingly high valuation levels were not a problem for markets as the US economy continued have a strong pull, supporting corporate earnings growth. In Europe, and especially in Finland, stock market returns remained much more subdued. Government bond rates varied within a narrow range during the year, with 10-year rates finishing in many cases slightly higher than at the start of the year. By contrast, shorter-term 2-year government bond rates generally finished lower than they were at the start of the year.

FINANCIAL POSITION

Financial performance and profitability

S-Bank Group's operating profit was EUR 165.2 million (147.4). The profit for the period after taxes was EUR 132.1 million (118.0). Return on equity decreased to 16.2 per cent (20.1). The Group's cost-to-income ratio was 0.53 (0.51).

Income

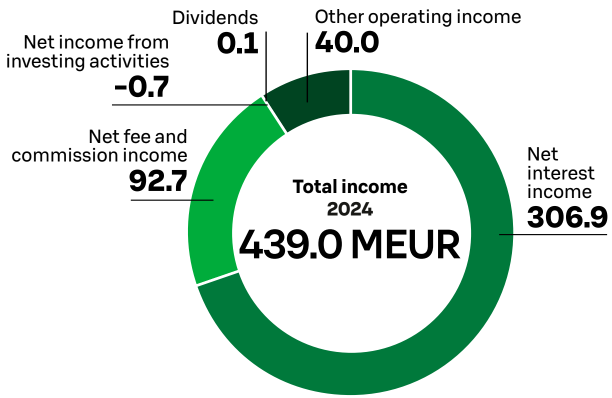
Total income amounted to EUR 439.0 million (371.3), a growth of 18.2 per cent.

Net interest income increased by 11.8 per cent, totalling EUR 306.9 million (274.5). Net fee and commission income was EUR 92.7 million (93.7). Net income from investing activities was EUR -0.7 million (-4.7). Other operating income was EUR 40.0 million (7.7). One-off income items related to the Handelsbanken transaction, that are included in other operating income, have been described in Group's note 38. The most significant one-off item was the negative goodwill EUR 28.9 million that was recognised as income.

KEY FIGURES

(EUR million)	2024	2023	2022
Net interest income	306.9	274.5	121.7
Net fee and commission income	92.7	93.7	87.2
Total income	439.0	371.3	221.8
Operating profit	165.2	147.4	44.7
Cost-to-income ratio	0.53	0.51	0.74

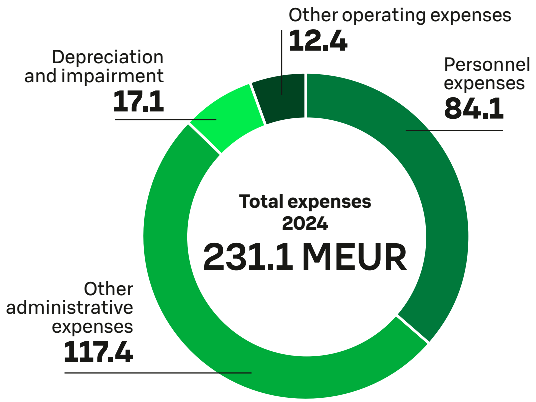
(EUR million)	31 Dec 2024	31 Dec 2023	31 Dec 2022
Liabilities to customers, deposits	9.381.4	8 175.9	7 925.6
Receivables from customers, lending	9 466.8	6 935.0	6 695.3
Debt securities	622.8	699.0	696.7
Equity	977.6	649.3	524.2
Expected credit losses (ECL)	52.3	37.3	22.5
Assets under management	8 342.3	6 245.4	5 852.5
Return on equity	16.2%	20.1%	6.9%
Return on assets	1.1%	1.2%	0.4%
Equity ratio	7.4%	6.5%	5.9%
Capital adequacy ratio	21.4%	18.8%	16.3%



Expenses

Operating expenses totalled EUR 231.1 million (190.9) during the review period. This is 21.1 per cent more year-on-year, mainly due to an increase in personnel expenses, IT and acquisition-related preparation and development costs. Personnel expenses accounted for EUR 84.1 million (68.7) of operating expenses. The change was due to an increase in the number of personnel and provisions related to incentive programs.

Other administrative expenses totalled EUR 117.4 million (91.7). The increase is mainly due to an increase in IT and acquisition-related development costs. Depreciation and impairment of tangible and intangible assets amounted to EUR 17.1 million (16.8). Other operating expenses totalled EUR 12.4 million (13.6), which includes EUR 6.6 million (9.9) authority fees.



Expected and final credit losses

Expected and final credit losses of EUR 51.9 million (40.0) were recognised in the consolidated income statement during the review period. Reversals, or recovered credit losses, amounted to EUR 9.2 million (7.0). Consequently, the total net effect on profit of expected and final credit losses was EUR 42.7 million (33.0). The increase was affected by provisions related to the credit portfolio that grew due to the Handelsbanken transaction and updated credit risk models during the reporting period. The credit risk models measuring the probability of default of household customers and the criteria for a significant increase in credit risk in the ECL calculation were updated during the financial year.

Deposits

Total deposits were EUR 9 381.4 million (8 175.9) at the end of the review period. Deposits repayable on demand totalled EUR 8 390.1 million (7 581.6) and time deposits EUR 991.3 million (594.3) at the end of the review period. During the past 12 months, total deposits grew by 14.7 per cent. Household customers' deposit portfolio grew by 17.0 per cent on the previous year and was EUR 8 729.1 million. Corporate customers' deposit portfolio decreased by 8.6 per cent on the previous year and was EUR 652.4 million. The effects of the Handelsbanken transaction have been described in Group's note 38.

At the end of the review period, the total amount of deposits in S-Bank covered by the deposit guarantee scheme was EUR 7 988.9 million (6 964.1).

Lending

At the end of the review period, the loan portfolio totalled EUR 9 466.8 million (6 935.0). During the past 12 months, the loan portfolio grew by 36.5 per cent. The household loan portfolio grew by 43.4 per cent on the previous year and was EUR 8 247.3 million, while the corporate loan portfolio grew 2.9 per cent on the previous year and was EUR 1 219.5 million. The effects of the Handelsbanken transaction have been described in Group's note 38.

The loan-to-deposit ratio, which describes the ratio between the loan portfolio and deposits, was 101 per cent (85).

Liquidity portfolio and investing activities

At the end of the review period, the bank's debt securities totalled EUR 622.8 million, compared with EUR 699.0 million at the end of 2023. Deposits in central banks and cash totalled EUR 2 906.4 million (2 207.0). The growth was affected by bond issues, Handelsbanken transaction related share issue and debt financing agreements as well as growth in the deposit portfolio. The breakdown of the liquidity and investment portfolio is illustrated in chapter Risks and Capital Adequacy and their management under section S-Bank Group's risk position in paragraph Liquidity and funding.

Equity

At the end of the review period, S-Bank's equity was EUR 977.6 million, compared with EUR 649.3 million at the end of 2023. Equity was increased by share issue to the owners related to the Handelsbanken transaction and excellent performance development. The equity ratio was 7.4 per cent (6.5).

Assets under management

Assets under management were EUR 8 342.3 million (6 245.4) at the end of the review period. Of assets under management, S-Bank mutual fund capital accounted for EUR 4 721.4 million (4 309.4), wealth management capital accounted for EUR 2 711.0 million (1 936.0) and, as a new item, funds issued by other than Group companies accounted for EUR 910.0 million. The effects of the Handelsbanken transaction have been described in Group's note 38. In addition, S-Bank Properties Ltd managed EUR 368.9 million in customer assets, consisting of real estate and joint ventures (379.1). Net subscriptions to the S-Bank mutual funds amounted to EUR 130.9 million in the review period compared with EUR 130.7 million a year earlier.

DEPOSITS

(EUR million)	31 Dec 2024	31 Dec 2023	Change
Household customers	8 729.1	7 462.2	17.0%
Corporate customers	652.4	713.7	-8.6%
Total	**9 381.4**	**8 175.9**	**14.7%**

LENDING

(EUR million)	31 Dec 2024	31 Dec 2023	Change
Household customers	8 247.3	5 750.3	43.4%
Corporate customers	1 219.5	1 184.7	2.9%
Total	**9 466.8**	**6 935.0**	**36.5%**

Business operations and result by segment

The S-Bank Group's segments are Banking and Wealth Management. Operations that do not fall under these business segments are reported under 'Other activities'. The Group reports segment data in accordance with the IFRS 8 Operating Segments standard. The reporting of business segments is identical to the internal reporting provided to company management. The reporting complies with the accounting policies of IFRS financial statements, which are presented under Group's note 1.

Banking

Banking is responsible for producing the S-Bank's banking services for household and selected corporate customers. The products and services offered by Banking include those required for daily banking and the financing of purchases. Banking also includes the Group's treasury.

Operating profit was EUR 150.4 million (156.0). Total income increased by 11.6 per cent to EUR 378.5 million (339.0). Expenses increased by 23.6 per cent to EUR 185.4 million (150.0). Impairment of receivables were EUR 42.7 million (33.0). Impairment of receivables is described in the section Expected and final credit losses.

According to the latest available information, the decrease in housing loan volume for the financial institutions operating in Finland was 0.8 per cent for the preceding 12-month period in November. S-Bank's housing loan volume grew by 0.7 per cent in the same period. In 2024, the number of housing loan applications in S-Bank grew by 0.4 per cent year on year.

The use of S-Etukortti Visa cards developed positively during the review period. Total card purchases in euros increased by 12.2 per cent year on year. The number of card purchases increased by 14.4 per cent year on year.

In September, co-op members of S Group's regional cooperatives paid 27.1 per cent of their bonus purchases with an S-Bank card.

Wealth Management

Wealth Management is responsible for producing S-Bank's asset management services, customer relationships and business development. The segment offers saving and investing services to household customers, private banking services as well as services for institutional investors.

Operating profit was EUR -3.2 million (3.3). Total income was EUR 41.2 million (40.6). Expenses increased by 19.4 per cent to EUR 44.4 million (37.2). Half of the increase in expenses is due to an increase in acquisition-related development costs.

Net subscriptions to the S-Bank mutual funds amounted to EUR 130.9 million in the review period compared with EUR 130.7 million a year earlier.

The total number of unit holders in the S-Bank funds increased to approximately 447 000 from approximately 391 000 a year earlier. On the Finnish market as a whole, the number of unit holders rose to around 4.6 million from 4.2 million a year earlier.

BANKING

(EUR million)	2024	2023	Change
Operating income *	378.5	339.0	11.6%
Operating expenses *	-185.4	-150.0	23.6%
Impairment of receivables	-42.7	-33.0	29.3%
Operating profit (loss) *	**150.4**	**156.0**	**-3.6%**

WEALTH MANAGEMENT

(EUR million)	2024	2023	Muutos
Operating income *	41.2	40.6	1.6%
Operating expenses *	-44.4	-37.2	19.4%
Operating profit (loss) *	**-3.2**	**3.3**	**-196.2%**

* New organisation of S-Bank came into effect on 1 April 2024. Customer services were transferred from 'Other activies' to Banking. Also, some other operations were transferred between segments. Amounts for comparison period has been adjusted accordingly.

RISKS AND CAPITAL ADEQUACY AND THEIR MANAGEMENT

General description of risk management

S-Bank provides banking and wealth management services to its customers. S-Bank's strategy focuses on profitable growth by providing superior ease and benefits, as well as a little more wealth to S Group's co-op members. The strategic goal is to reach one million active customers by 2027. The risk strategy, that defines S-Bank's key principles and limits related to risk management, has been designed to support S-Bank's business model and growth strategy.

Comprehensive risk management is a continuous process integrated into S-Bank's strategy, decision making, processes, internal control framework, development, and reporting. Risk management refers to the procedures used to identify, assess, measure, and monitor risks related to operations. It also encompasses the maintenance and development of risk management methods, so that the occurrence of risks or the consequences resulting from them are kept at an acceptable level.

Risk management supports compliance with S-Bank´s values and strategy, and sound banking, lending, and securities market practices.

To support the achievement of the set goals, risk management is carried out throughout the organization by following measures:

- Risks related to S-Bank's operations are identified, measured, monitored, assessed, and reported.
- Risk management methods are defined, and they are effective, meaningful, and adequate considering risk appetite.
- Risk management is integrated as part of management system, decision making and procedures.

Further information on the Group's risks and their management and governance is provided in Group's note 2. Information on capital and liquidity management can also be found on the same context.

Risk strategy

S-Bank's Board of Directors has set a risk strategy that applies to all Group companies and their business and support functions. The risk strategy defines the Group's risk capacity and risk appetite, identifies the relevant risks for S-Bank and sets a target state for the Bank's risk culture. The risk strategy is supplemented by risk type-specific principles and strategies. Additionally, the business and support functions maintain more detailed guidelines and descriptions to implement risk management in their own operations.

THE RISK APPETITE FRAMEWORK AND INDICATORS

Capital risk	· Capital ratio · Economic capital · Leverage ratio · Profitability
Credit risk	· Expected and final credit losses · Indicators for asset quality · Concentration risk · Distribution of credit portfolio by segment and product
Market risk	· Interest rate risk in economic value and net interest income · Spread risk · Other market risks
Liquidity risk	· Indicators for short- and medium-term liquidity · Adequacy of stable funding · Asset encumbrance · Structure and concentration of funding
Compliance risk	· Financial crime indicators · Conduct risk indicators · Regulatory compliance indicators
Operational risk	· Realised operational risks · Business continuity indicators · Indicators of service availability

Risk capacity and risk appetite

The Board of Directors defines the quantitative and qualitative limits of the S-Bank Group's risk capacity and risk appetite as part of the risk strategy. The quantitative and qualitative limits are assessed regularly and whenever required by changes in the business or the operating environment. The risk appetite indicators are monitored and controlled as part of regular reporting.

Risk capacity determines the maximum levels for risk-taking, business growth and the Group's negative profitability, that can be carried in the short and long term, while considering available own funds and regulatory requirements and limitations.

Risk appetite reflects the types and levels of approved risks that S-Bank is willing to take in its business operations while pursuing its targets. Risk appetite set's the desired risk profile for the bank. The starting point for the Bank's risk appetite is to achieve a stable and sufficient return on the Group's equity in the short and long term in accordance with strategy.

S-Bank Group's risk position

The most significant risks that can potentially affect profitability, capital adequacy and liquidity are related to unfavourable development of business volumes, lending and borrowing margins, general interest rates, economic environment, and credit losses. During the current year, the impact of the Handelsbanken transaction on S-Bank's risk profile was monitored actively and comprehensively. The execution of the transaction was finalised as planned and transfer of customer relationships took place on 1 December 2024.

S-Bank's risk position was strong at the end of the year. Bank's balance sheet and total risk exposure increased due to the transaction. S-Bank strengthened its own funds with a share issue of EUR 200 million and ensured that the bank's capital position and capital ratios remained strong even after the transaction was completed. The bank's own funds were strengthened during the year not only by the share issue but also by good financial performance. During the year, the bank proactively prepared for the financing of the transaction and strengthened its liquidity buffers through issuances of debt securities and deposit growth. At the end of the year, the liquidity position and the amount of stable funding were at a very strong level after the completion of the transaction. The Handelsbanken transaction is discussed in more detail under Group's note 38.

The impacts of the transaction on S-Bank's risk profile under alternative negative scenarios were assessed in bank's regular ICAAP- (Internal Capital Adequacy Assessment Process) and ILAAP-processes (Internal Liquidity Adequacy Assessment Process).

In the economic environment, the slowdown in inflation continued, and European Central Bank made four interest rate cuts during the year. In Finland, the consumer confidence remained week throughout the year. The situation in the economic environment was reflected in S-Bank by a slowdown in the growth of organic lending business volumes and an increase in savings.

S-BANK GROUP'S KEY RISK INDICATORS

EUR million	31 Dec 2024	31 Dec 2023
Total risk exposure amount	**4 608.6**	**3 567.1**
Credit and Counterparty Credit risk, standardised approach	3 881.9	3 071.8
Operational risk, basic indicator approach	716.1	488.3
Credit valuation adjustment (CVA), standardised approach	10.7	7.0
Own funds, total	**988.3**	**672.0**
Common Equity Tier 1 (CET1) capital	894.1	572.9
Tier 2 (T2) capital	94.2	99.1
Total capital requirement (Pillar 1)	**13.52%**	**12.54%**
Capital adequacy ratio	**21.4%**	**18.8%**
Common Equity Tier 1 (CET1) ratio	**19.4%**	**16.1%**
Non-performing loan (NPL) ratio	**1.7%**	**1.3%**
Leverage ratio	**6.7%**	**5.6%**
Liquidity Coverage Ratio (LCR)	**285.4%**	**256.6%**
Net Stable Funding Ratio (NSFR)	**155.9%**	**164.3%**

Credit risk

Loan portfolio grew during the review period compared to the previous year. The primary reason for the growth was the transaction, in which Handelsbanken household customer loan portfolio was acquired to S-Bank. Due to the transaction, the share of loans secured by real estate increased in the loan portfolio. Of the total loan portfolio 83.1 per cent (79.2) were loans secured by real estate, primarily to household customers and housing companies in Finland. S-Bank sustains a low credit risk profile according to its conservative risk appetite, supported by prudent risk management and monitoring measures.

The total amount of ECL provision increased by EUR 15.0 million to EUR 52.3 million (37.3) during the financial year. The growth of the loan portfolio following the acquisition and model changes contributed to the growth in ECL provision. The credit risk models measuring the probability of default of household customers and the criteria for a significant increase in credit risk in the ECL calculation were updated during the financial year. The ECL provision relative to credit risk exposures was 0.42 (0.39).

Expected and final credit losses are discussed under section Financial position and in Group's note 11.

The volume of household customer loans subject to repayment holidays was EUR 482.6 million (399.9), representing 5.8 per cent (6.9) of total household customer exposures. Repayment holidays deviating from the original payment plan have primarily been granted to household customers.

The uncertainty of the economic environment and increase in general price level has contributed to the growth of forbearance measures and non-performing loans. Gross forborne exposures in the balance sheet totalled EUR 275.9 million (215.5). The carrying amount of performing forborne exposures in relation to loans and advances was at the level of 2.3 per cent (2.5). The corresponding ratio of non-performing forborne exposures was 0.6 per cent (0.6).

The amount of non-performing loans (NPL) in the balance sheet increased by EUR 71.8 million to EUR 164.3 million (92.6) during the financial year, of which corporate customers amounted to EUR 9.0 million (0.0). The NPL ratio, which describes non-performing exposures in relation to loans and advances, rose to 1.7 per cent (1.3).

Own funds and capital adequacy

S-Bank's capital adequacy strengthened during the review period. Total capital ratio was 21.4 per cent (18.8) and CET1 ratio 19.4 per cent (16.1). Total own funds at the end of the review period were EUR 988.3 million (672.0). Own funds were positively affected especially by profit performance due to net interest income and completed share issue of EUR 200 million, directed at owners of S-Bank.

Risk exposure amount (REA) increased by EUR 1 041.5 million and totalled to EUR 4 608.6 million (3 567.1). Credit risk increased by EUR 810.1 million especially due to the Handelsbanken transaction. Credit risk growth resulting from the transaction was primarily related to exposures secured by mortgages on immovable property. Operational risk increased by EUR 227.7 million, mainly driven by the strong performance of net interest income and the transaction. Risk related to credit valuation adjustment (CVA) increased slightly.

S-Bank's total capital requirement was 13.52 per cent (12.54). The total capital requirement increased due to systemic risk buffer of 1.0 per cent that entered into force on 1 April 2024. Despite of increased capital requirements, S-Bank's capital buffers strengthened during the review period, and it's adequately capitalised to ensure the continuity of its operations even in circumstances portrayed in stress tests.

The changes of EU Capital Requirements Regulation (CRR3), which will enter into force on 1 January 2025, will have a positive impact on capital position of the bank and the risk weighted assets. The positive impacts especially affect the risk weights of the loans secured by immovable property.

Leverage ratio

S-Bank's leverage ratio (LR) of 6.7 per cent (5.6) was strong and exceeded both the regulatory and internally set risk appetite minimum level. The strengthening of the leverage ratio was driven by the growth of Tier 1 capital.

Liquidity and funding

During the year, the bank proactively prepared for the financing of the transaction and strengthened its liquidity buffers through issuances of debt securities.

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, as part of its bond programme. In connection with the March issue, S-Bank made tender offer and bought back in aggregate nominal amount EUR 86.1 million of Senior Preferred bonds maturing 4 April 2025. At the end of September, S-Bank issued an increase of EUR 100 million to the original amount of its bond (tap issue). The increase concerned the Senior Preferred MREL Eligible Notes 1/2024 issued on 8 March 2024 and maturing on 8 March 2028. At the end of November, S-Bank strengthened its own funds with a directed share issue of EUR 200 million and raised EUR 590 million of bilateral funding.

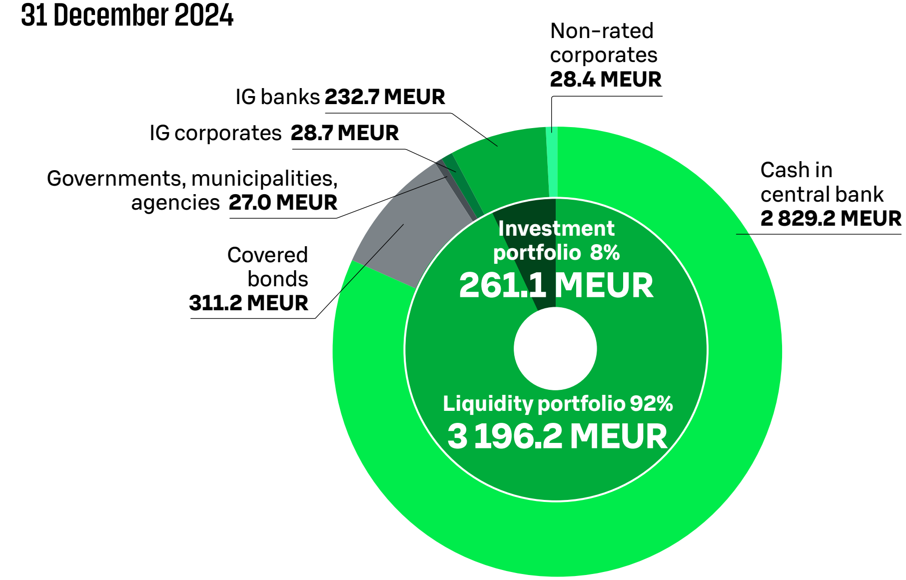
S-Bank's liquidity position strengthened in the review period due to the acquired funding. The funding was used to prepare for the execution of the Handelsbanken transaction. The liquidity coverage ratio (LCR) was 285 per cent (257) and the net stable funding ratio (NSFR), which describes the sufficiency of stable funding, was at 156 per cent (164).

S-BANK'S LIQUIDITY PORTFOLIO

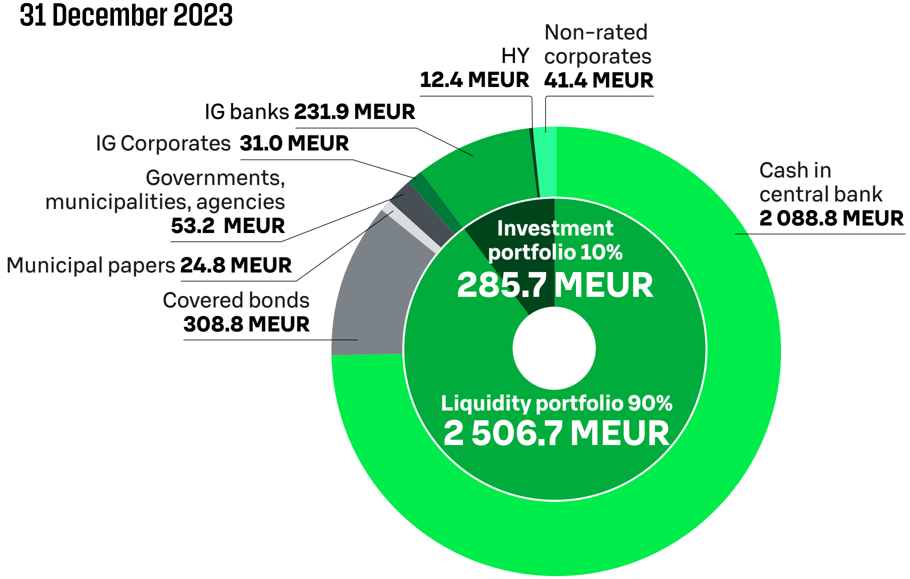
(EUR million)	31 Dec 2024 Market value	31 Dec 2024 Buffer value	31 Dec 2023 Market value	31 Dec 2023 Buffer value
Central bank deposit	2 829.2	2 829.2	2 088.8	2 088.8
Government, municipal or other public sector bonds	27.0	27.0	53.2	53.2
Covered bonds	311.2	277.1	308.8	273.5
Municipal papers	–	–	24.8	24.8
Other	28.7	14.4	31.0	15.5
Total	**3 196.2**	**3 147.7**	**2 506.7**	**2 455.9**

BREAKDOWN OF THE LIQUIDITY AND INVESTMENT PORTFOLIO

31 December 2024



31 December 2023



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 3 457.3 million (2 792.4). The increase in the total portfolio concentrated in the amount of central bank deposit.

Market risk

S-Bank's market risks mainly consist of the interest rate risk in the banking book and the spread risk of debt securities. The interest rate risk in the banking book consists of lending and borrowing, investments and funding. S-Bank uses derivatives to hedge the interest rate risk in the banking book and has started to hedge the interest income risk during the review period. Market risks are assessed from the perspective of the economic value and interest income risk of the banking book and the spread risk. S-Bank is not significantly exposed to other direct market risks, such as equity, currency, or real estate risks.

The economic value risk for items measured at fair value (+100 basis points) was EUR -4.9 million (-4.6). The interest income risk (-100 basis points) for all interest-bearing instruments on the balance sheet was EUR -29.1 million (-7.7). The interest income risk has increased mainly due to the modelling change made during the review period and the decrease of market interest rates. The interest income risk is calculated as the effect of one percentage point sudden decrease on the net interest income for the next 12 months including market value changes. The spread risk was EUR -2.6 million (-3.6) at the end of the review period.

MREL requirement

The Financial Stability Authority is the national resolution authority in Finland. The Financial Stability Authority is responsible of setting the institution specific MREL-requirement for S-Bank. The latest decision and the one in force have been given on 17 April 2024. Accordingly, at the end of December, the requirement based on total risk exposure amount was 21.91 (17.23) per cent and the requirement based on the total amount of exposures used in the calculation of the leverage ratio was 7.75 (5.91) per cent. The Financial Stability Authority has not set specific subordination requirement for S-Bank.

For the requirement based on total risk exposure amount, an additional CBR (Combined Buffer Requirement) must also be fulfilled, and that was equal to 3.52 per cent on 31 December 2024. The systemic risk buffer requirement of 1.0 per cent, imposed to all credit institutions effective as of 1 April 2024, increased the MREL-requirement based on total risk exposure amount through the CBR component.

S-Bank covers the MREL requirement with instruments qualifying for own funds and eligible liabilities. Eligible liabilities consist of Senior Preferred bonds issued under the bond programme with residual maturity over one year. The MREL ratio based on total risk exposure amount (MREL, TREA) was 33.7 per cent (29.3), and the MREL ratio based on leverage ratio exposure (MREL, LRE) was 11.6 per cent (10.2).

Operational risk

Losses attributable to operational risks realised in the review period were low in relation to the regulatory capital requirement for operational risk. S-Bank's operational risk profile is materially impacted by system failures and disruptions, fraud and possible deficiencies in services procured from external service providers.

Due to the prolonged weak security situation in Europe, S-Bank has still maintained increased preparations against cyber and security threats. S-Bank has seen increase in the cyber-attacks, but they have not resulted in significant issues for S-Bank´s customers during the review period. S-Bank has continued to inform their customers on how to identify and avoid scam and phishing attempts. Business continuity and risk preparedness remain high priorities for the bank.

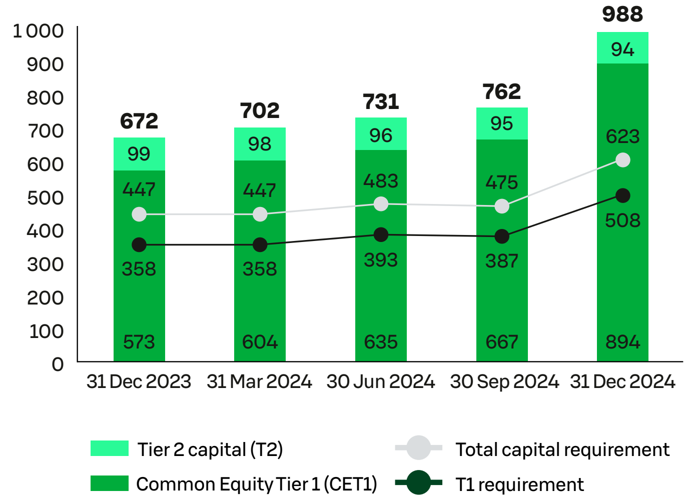
Own funds requirements

S-Bank's total capital requirement was 13.52 per cent (12.54). The capital requirement consists of the minimum capital requirement, the capital conservation buffer, the countercyclical capital buffer, the systemic risk buffer, and the discretionary, institution-specific Pillar 2 requirement. Based on the Finnish Financial Supervisory Authority's (FIN-FSA) macroprudential decision, a systemic risk buffer requirement covered by CET1, entered into force on 1 April 2024 in the amount of 1.0 per cent.

The discretionary Pillar 2 requirement imposed on S-Bank is 2.0 per cent of the total risk exposure and will remain in force until 31 December 2026 at most. The Pillar 2 capital requirement complements the minimum capital requirement laid down in the Capital Requirements Regulation. 75 per cent of the requirement must be covered by Tier 1 capital (T1), of which a further 75 per cent must be covered by Common Equity Tier 1 capital (CET1).

The Pillar 2 Guidance (P2G) imposed by FIN-FSA on S-Bank is 0.75 per cent of the total risk exposure amount. The P2G entered into force on 31 March 2024.

DEVELOPMENT OF OWN FUNDS AND CAPITAL REQUIREMENTS (EUR MILLION)



S-BANK'S TOTAL CAPITAL REQUIREMENT ON 31 DEC 2024 (PILLAR 1)

Capital	Minimum capital requirement		Capital conservation buffer		Countercyclical capital buffer		Systemic risk buffer		Pillar 2 (SREP) additional capital requirement		Total capital requirement	
	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million
CET1	4.5%	207.4	2.5%	115.2	0.02%	0.9	1.0%	46.1	1.13%	51.8	9.14%	421.5
AT1	1.5%	69.1							0.38%	17.3	1.88%	86.4
T2	2.0%	92.2							0.50%	23.0	2.50%	115.2
Total	**8.0%**	**368.7**	**2.5%**	**115.2**	**0.02%**	**0.9**	**1.0%**	**46.1**	**2.00%**	**92.2**	**13.52%**	**623.1**

Capital adequacy position

At the end of the review period, S-Bank's CET1 ratio was 19.4 per cent (16.1) and the total capital adequacy ratio was 21.4 per cent (18.8). CET1 capital increased by EUR 321.2 million and T2 capital decreased by EUR 4.9 million. The growth of the CET1 capital was affected by the completed share issue of EUR 200 million, directed at owners of S-Bank. In addition, the profit-driven increase in CET1 capital as well as the recovery in the fair value reserve strengthened own funds.

S-Bank's Tier 2 capital consists of four debentures. The debentures with a residual maturity of less than five years are being gradually reduced from Tier 2 capital, as required by Capital Requirements Regulation. The amount of foreseeable dividend for 2024 has been deducted from retained earnings, in line with S-Bank's dividend policy and Commission Delegated Regulation (EU) No 241/2014.

S-Bank's risk exposure amount (REA) was EUR 4 608.6 million (3 567.1) at the end of the financial year. REA increased by EUR 1 041.5 million during the review period. Credit risk increased by EUR 810.1 million especially due to the Handelsbanken transaction. Credit risk growth resulting from the transaction was primarily related to exposures secured by mortgages on immovable property. In addition, the risk-weighted assets related to retail exposures also increased in the last quarter of the year. Credit risk constitutes 84.2 per cent (86.1) of the risk exposure amount. The most substantial exposure classes are exposures secured by immovable property, retail exposures and corporate exposures. Operational risk increased by EUR 227.7 million, mainly driven by the strong performance of net interest income and the transaction. Operational risk accounts for 15.5 per cent (13.7) of S-Bank's risk exposure amount. Risk related to credit valuation adjustment (CVA) increased slightly.

S-Bank uses the standardised approach for calculating Credit risk and the original exposure method for calculating Counterparty Credit risk (CCR). Operational risk is calculated using the basic indicator approach and Credit Valuation Adjustment is calculated using the standardised approach. S-Bank does not have a trading book, in accordance with the Capital Requirements Regulation, and hence it's not subject to capital requirement for market risk.

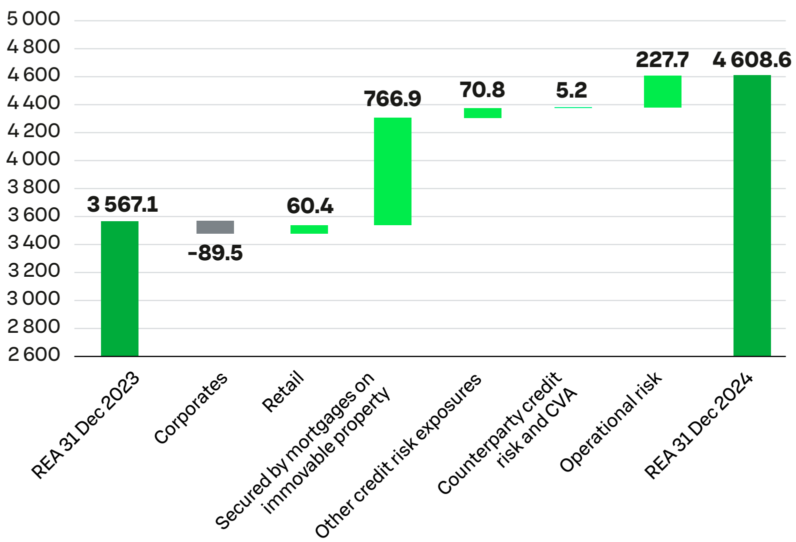
SUMMARY OF CAPITAL ADEQUACY INFORMATION

Own funds (EUR million)	31 Dec 2024	31 Dec 2023
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**957.5**	**639.3**
Share capital	82.9	82.9
Reserve for invested non-restricted equity	483.8	283.8
Retained earnings	393.2	281.2
Fair value reserve	-2.4	-8.7
Regulatory adjustments to Common Equity Tier 1 (CET1) capital	**63.4**	**66.4**
Intangible assets	62.4	65.6
Value adjustments due to the requirements for prudent valuation	0.7	0.7
Deduction for non-performing exposures	0.4	0.0
Common Equity Tier 1 (CET1) capital	**894.1**	**572.9**
Tier 1 (T1 = CET1 + AT1) capital	**894.1**	**572.9**
Tier 2 (T2) capital before adjustments	**94.2**	**99.1**
Debentures	94.2	99.1
Tier 2 (T2) capital	**94.2**	**99.1**
Own funds in total (TC = T1 + T2)	**988.3**	**672.0**

Risk exposure amount (EUR million)	31 Dec 2024	31 Dec 2023
Credit and Counterparty Credit risk	3 881.9	3 071.8
Operational risk	716.1	488.3
Credit valuation adjustment (CVA)	10.7	7.0
Total risk exposure amount	**4 608.6**	**3 567.1**

Ratios (%)	31 Dec 2024	31 Dec 2023
Common Equity Tier 1 (CET1) ratio	19.4	16.1
Tier 1 (T1) capital adequacy ratio	19.4	16.1
Capital adequacy ratio	21.4	18.8

SPLIT OF CHANGES IN RISK EXPOSURE AMOUNT AND RISK-WEIGHTED ASSETS (EUR MILLION)



Reporting of risk and capital adequacy information

S-Bank complies with its disclosure obligations by publishing information on risks, risk management and capital adequacy in its financial statements. The published information on capital adequacy and risks is always available on S-Bank's website at s-pankki.fi.

The Pillar 3 report (Capital and Risk Management Report) and tables (S-Bank Capital Adequacy tables) in accordance with the EU Capital Requirements Regulation is published in documents separate from the financial statements. The report and tables as well as information on S-Bank's governance and management systems and remuneration systems are available on S-Bank's website.

SIGNIFICANT EVENTS AFTER THE END OF THE REVIEW PERIOD

The changes of EU Capital Requirements Regulation (CRR3), which will enter into force on 1 January 2025, will have a positive impact on capital position of the bank and the risk weighted assets. The positive impacts especially affect the risk weights of the loans secured by immovable property.

On 15 January 2025, S-Bank announced that it would reduce its prime rate by 0.25 percentage points to 2.25 per cent as of 30 January 2025.

On 20 January 2025, S-Bank announced that the company's Board of Directors had decided on a change in the company's dividend policy. According to the updated dividend policy, S-Bank aims to pay shareholders a steady and growing annual dividend of 15–25 per cent of profit after tax for the financial year. According to the previous dividend policy, the target was to distribute a steady and growing annual dividend of 5–15 per cent of profit after tax for the financial year.

OUTLOOK FOR 2025

In 2025, the growth of the global economy is expected to remain close to the 2024 rates. Central bank interest rates in Western countries are mostly trending downwards as a result of slower inflation, which will stimulate economic activity through increased purchasing power. At the same time, the propensity to invest is also expected to gradually strengthen.

After the difficulties of 2024, recovery is expected to be particularly strong in key European economies. The industrial sectors in Germany and France remain vulnerable at the start of the year, however, and an unstable political environment poses challenges in both countries. In the US, President Trump's policies are likely to have a positive impact on economic growth, but they are expected to increase the country's debt and create new inflationary pressure. On the other hand, the global outlook is more unpredictable because of Trump's policies. In China, economic growth is expected to continue to slow down slightly, which could trigger further stimulus measures from the government to boost consumption. Geopolitical tensions and their escalation also have the potential to quickly alter the global economic environment.

Finland's economic growth will accelerate this year as domestic demand picks up. Falling interest rates will begin to have a positive impact on household consumption, and later in the year investment will also pick up. The rise in business confidence seen in recent months from its lows raises positive expectations of a gradual recovery of the private sector. By contrast, the public sector is expected to face challenges because of spending cuts. In addition, the outlook for foreign trade is clouded by the import tariffs that the US may impose and the recent weakening of growth outlook in the euro area. We expect Finland's GDP to grow moderately this year, reaching 1.5 per cent on an annual basis.

For Finnish households, the news is more positive. Their purchasing power will strengthen over the year as nominal wages rise faster than inflation and interest rates continue to fall. The Finnish housing market will also continue to recover during the year through increased transaction volumes and moderately rising prices. Moreover, residential construction will reach its trough in the first half of the year. Key risks to an otherwise more positive economic outlook include developments in the international economy and the weakness of Finland's public finances, which may require further adjustments that will dampen the consumption outlook.

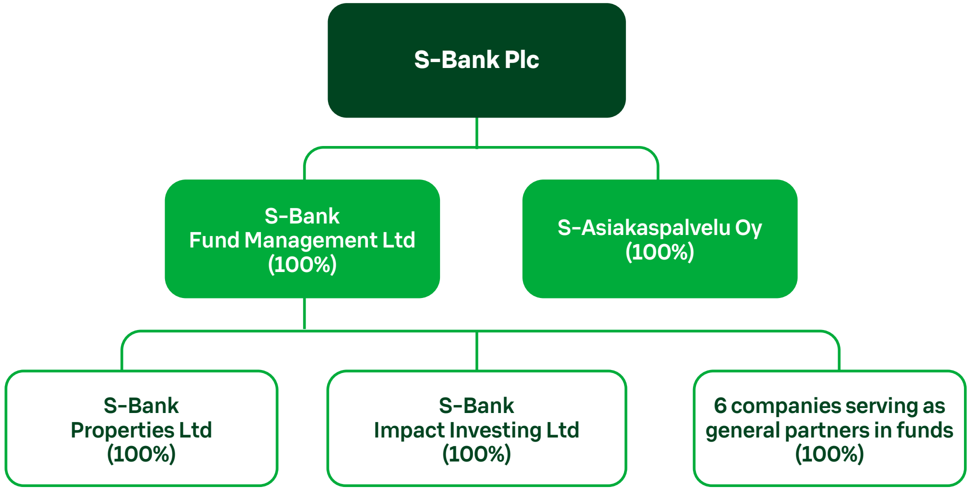
Around the world, inflation is expected to continue to decelerate towards target levels. The European Central Bank will continue to take small steps to cut interest rates until the summer, which will be reflected in a further fall of the Euribor rates at the beginning of the year. There is greater uncertainty about the Federal Reserve's interest rate policy, as Trump's stimulus and tariff policies are feared to re-intensify inflationary pressure. With the US economic growth and labour market also remaining relatively strong, the markets have started to consider it increasingly likely that the Fed may not be able to cut the funds rate much during the year.

The financial markets are also closely monitoring the momentum of economic growth, the outlook for interest rates and the actions of central banks. In the US, corporate earnings growth expectations for 2025 have remained stable. By contrast, as an export-driven and cyclically sensitive region, Europe may suffer from weakening global trade, which is further threatened by new US tariffs. The outlook for Finnish stock markets is brighter than before.

S-Bank's profit guidance for 2025 has been lowered due to declining interest rates, despite the fact that the Handelsbanken transaction will increase the bank's earnings. In addition, the investments related to implementing our strategy will remain at a high level. The outlook for 2025 is still subject to uncertainties regarding the operating environment, geopolitical tensions, the economy, employment and the real estate market. We expect operating profit for the whole year to decline approximately to EUR 100 million (165.2). The scale of the change is impacted by the one-off negative goodwill related to the Handelsbanken transaction, which was recognised as income in 2024.

GROUP STRUCTURE AND OPERATIONS OF S-BANK'S SUBSIDIARIES

Corporate structure of S-Bank Group



S-Bank Plc

S-Bank Plc is the parent company of the S-Bank Group. S -Bank is a deposit bank that engages in credit institution operations pursuant to the Finnish Act on Credit Institutions (610/2014). The bank engages in the operations and related activities referred to in Chapter 5, section 1, of the above-mentioned Act. The Bank engages also in mortgage banking activities pursuant to Finnish Act on Mortgage Credit Banks and Covered Bonds (11.3.2022/151). In addition, the Bank is offering investment services pursuant to Chapter 1, section 15, of the Act on Investment Services (747/2012). As the parent company, S-Bank performs such tasks of the Group companies that must be carried out in a centralised manner, such as the Group's administration, guidance and supervision.

S-Bank Fund Management Ltd

S-Bank Fund Management Ltd is a wholly owned subsidiary of S-Bank Plc, which acts as a fund management company and authorized alternative investment fund manager for S-Pankki funds. S-Bank Fund Management Ltd is responsible for the portfolio management of alternative funds which invest to real estate, private equity and other alternative investments. Portfolio management of equity, interest and asset management funds is outsourced to S-Bank Plc.

S-Bank Fund Management Ltd's profit for the reporting period was EUR 3.6 million (3.8).

S-Asiakaspalvelu Oy

S-Asiakaspalvelu Oy is a wholly owned subsidiary of S-Bank Plc. It provides customer service and data processing-related and other services relevant to a credit institution's core operations, in its capacity as a service company as provided for by the Act on Credit Institutions (610/2014).

During the reporting period, S-Asiakaspalvelu Oy's revenue totalled EUR 11.0 million (9.9), of which intra-group revenue accounted for EUR 8.8 million (7.6). The remaining revenue derived from telephone services offered to the cooperatives for the benefit of co-op members. Its expenses mostly consisted of personnel expenses. S-Asiakaspalvelu's profit for the reporting period was EUR 56.8 thousand (300.0 thousand).

S-Bank Properties Ltd

S-Bank Properties Ltd specialises in property management and offers its services to investors, property owners and tenants. In addition to property portfolio management, property management services and property development, the company focuses on the implementation and management of joint venture projects. S-Bank Fund Management Ltd owns 100 per cent of S-Bank Properties Ltd's share capital.

S-Bank Properties Ltd's profit for the reporting period was EUR 0.2 million (0.4).

S-Bank Impact Investing Ltd

S-Bank Impact Investing Ltd is a wholly owned subsidiary of S-Bank Fund Management Ltd. The company is responsible for the planning and coordination of the operations of projects financed by impact investing funds.

S-Bank Impact Investing Ltd's profit for the reporting period was EUR one thousand (EUR 16.5 thousand).

FIM Real Estate Ltd, FIM Infrastructure Mezzanine Debt Fund GP Oy, FIM Infrastructure Mezzanine Debt Fund III GP Oy, FIM Private Debt Fund I GP Oy, FIM SIB Oy, S-Pankki Vaikuttavuus I GP Oy

These companies serve as general partners in funds managed by S-Bank Fund Management Ltd. These companies have no other business activities and are fully owned by S-Bank Fund Management Ltd.

GOVERNANCE

Annual General Meeting

The Annual General Meeting (AGM) was held on 9 April 2024. The AGM adopted the financial statements for 2023 and discharged from liability the persons who served as the members of the Board of Directors and the company's Chief Executive Officers during the financial period that ended on 31 December 2023. The AGM resolved that a dividend of EUR 1.50 per share, totalling EUR 10 020 270.00, will be paid from the parent company's distributable assets.

Authorised Public Accounting firm (KHT) KPMG Oy Ab was elected as the company's auditor, with Petri Kettunen, APA, as the principally responsible auditor. Authorised sustainability audit firm KPMG Oy Ab was selected as the sustainability reporting assurer, with Petri Kettunen, Authorised Sustainability Auditor, as the key sustainability partner.

The AGM also resolved to amend the Articles of Association with regard to the article on the line of business and the sections regarding the sustainability reporting assurer.

Unanimous resolution of shareholders

On 28 November 2024, the shareholders decided by unanimous resolution to authorise the Board of Directors to decide on a share issue, in which the total number of shares to be issued may not exceed 2 443 494, which corresponds to approximately 37 per cent of all shares in the company. Under the authorisation, the Board of Directors will decide on all terms of the share issue, and the share issue may be made in derogation of the shareholders' pre-emptive subscription rights (directed issue). The authorisation was valid until 30 November 2024.

Share issue

On 28 November 2024, the S-Bank's Board of Directors decided, based on the unanimous authorisation of the shareholders, to issue a total of 2 443 494 new shares to S-Bank's owners, the Central Union of Finnish Cooperative Societies (SOK) and cooperatives belonging to the S Group. The subscription price was EUR 81.85 per share, based on the net asset value of S-Bank as of 31 March 2023. There was a compelling financial reason for the directed share issue, as it was carried out to complete the transaction of Svenska Handelsbanken AB's Finnish household customer, asset management and investment services businesses.

The subscription price was paid and the Board of Directors approved the share subscriptions received from the owners on 28 November 2024. The total subscription price of the shares, EUR 199 999 983.90, was fully recorded in S-Bank's reserve for invested non-restricted equity. The new shares were registered in the Trade Register on 30 December 2024. After the registration of the new shares, the total number of S-Bank shares is 9 123 674 shares. The total number of new shares corresponds to approximately 26.8 per cent of the total share capital of S-Bank.

Board of Directors

The Annual General Meeting confirms the number of members of the Board of Directors and elects the members of the Board for a term of one year at a time. The Board of Directors has confirmed rules of procedure, according to which it is responsible for the strategic development of the bank, steering and controlling its operations, as well as deciding on the company's main operating principles and general values in accordance with the applicable legislation and regulations.

Niklas Österlund, Master of Science (Economics), Managing Director of the Turku Cooperative Society, was re-elected as a deputy member of the Board.

The Board re-elected Jari Annala as Chairman and Jorma Vehviläinen as Vice Chairman.

The Board convened 17 times (21) during the financial year, and the average attendance rate of members was 100 per cent (98).

At the Annual General Meeting, the following were elected as members of the Board of Directors of S-Bank:

Jari Annala, MSc. (Econ.)	Executive Vice President SOK, CEO of SOK Liiketoiminta Oy
Tom Dahlström, Ph.D. (Doc.Soc.Sc.) (Econ.)	Principal of Good Ventures Oy
Kati Hagros, M.Sc. (Tech.), M.Soc.Sc	CDO at Aalto University
Veli-Matti Liimatainen, M.Sc. (Econ.)	Managing Director of Helsinki Cooperative Society Elanto
Hillevi Mannonen, M.Sc. (Math.), SHV (actuary approved by the Ministry of Social Affairs and Health), Certified Board Member	board professional
Tarja Tikkanen, LL.M., vice-judge, Certified Board Member, TMA trained	board professional
Jorma Vehviläinen, M.Sc. (Econ.)	CFO of SOK
Olli Vormisto, M.Sc. (Econ.)	Managing Director of the Hämeenmaa Cooperative Society

CEO

The CEO is appointed by the Board of Directors of S-Bank. The CEO is responsible for the bank's day-to-day management in accordance with the instructions and orders issued by the Board of Directors, applicable legislation and regulations, and the Articles of Association. The CEO acts as the chair of the Group Management Team appointed by the Board of Directors. The Group Management Team assists the CEO in the bank's day-to-day management. The Deputy CEO will handle the CEO's duties if the CEO is prevented from attending to them.

Riikka Laine-Tolonen acts as the CEO of S-Bank Plc. Iikka Kuosa has been the Deputy CEO since 1 April 2024.

Governance and control system

This section outlines how S-Bank, in its capacity as a bond issuer, arranges internal control and risk management related to its financial reporting processes.

Internal control and risk management generally in the S-Bank

The appropriate organisation of operations includes arranging and maintaining sufficient and effective internal control in the bank group and in its agency network. Internal control is an integral part of the Group's management, decision-making and strategic and operational planning. Internal control ensures that operations are goal-oriented, appropriate and effective, and that they fulfil the regulatory requirements. The Board of Directors bears primary responsibility for the bank's internal control. The Board of Directors is responsible for governance and for the appropriate organisation of operations throughout the bank group.

A more detailed description about how the risk management is organized in S-Bank can be found under Group's note 2.

Internal control and risk management of the financial reporting process

The objective of the internal control and risk management of the S-Bank's financial reporting process is to ensure accurate, high quality and adequate financial reporting in all circumstances. The basic principles of internal control in S-Bank's financial reporting are a clear division of responsibilities, a sufficient understanding of the business operations by each part of the organisation, up-to-date guidance, and comprehensive and regular reporting practices throughout the S-Bank. In order to ensure the correctness of financial reporting, internal control is carried out as a continuous activity as part of financial administration processes. These actions ensure the functionality of all relevant processes, while the continuous monitoring of income and expenses and daily reconciliation guarantee the correctness and timeliness of data. Control is carried out at the level of the Group, legal entities and segments, in order to detect any deviations in the various dimensions. The risks associated with the financial reporting process are analysed and monitored by means of continuous risk mapping, and all operations and processes are constantly developed to minimise risks.

The S-Bank's financial reporting organisation consists of a finance unit operating at the Group level, which is responsible for external and internal accounting and reporting to the authorities. The unit's responsibilities include financial reporting and reporting to the authorities, participation in risk reporting, accounting and financial statements, profitability monitoring, budgeting, tax matters, the accounting policies applied in financial statements, and internal guidelines.

Parts of the accounting of S-Bank Group companies and of the accounting of the mutual funds managed by S-Bank Fund Management Ltd, as well as some financial support functions, are outsourced. Service providers supply their services under contract between the parties and comply with the regulations and instructions of the Financial Supervisory Authority and other authorities. The operations of the service providers and the quality of their work are monitored by the finance unit. Internal items between Group companies are reconciled monthly. The most significant items are discussed with the service provider during the period as part of the reporting process. Regular meetings are arranged with the service providers as a means of developing and evaluating cooperation.

The tasks and responsibilities of the S-Bank have been assigned so that those persons taking part in financial reporting have only very limited access rights to the systems and business applications of the business areas. The Head of Finance of the S-Bank, who is responsible for external accounting, the Head of Regulatory Reporting, who is responsible for reporting to the authorities, and the persons in charge of internal reporting are not involved in direct business decisions. The Head of Finance, the Head of Regulatory Reporting and the Group Business Controller report to the Chief Financial Officer of the S-Bank, who is a member of the Group Management Team responsible for the financial reporting process.

The Group's financial reporting and risk reporting are centralised and based on a common external accounting system and on data obtained from ledger systems. This enables coordinated reporting at all levels of decision-making. Separate accountants have been appointed for the parent company and the key subsidiaries, while business controllers, responsible for financial monitoring and analysis, have been appointed for the business segments. As part of internal control, the Financial Controller in charge of Group accounting and the Head of Accounting and the Head of Finance familiarise themselves with financial reporting on a monthly basis to detect any inconsistencies. In addition, an independently operating team, responsible for reporting to the authorities, reports to external accounting any deviations it detects. S-Bank's internal reports and monthly financial statements are prepared in accordance with the same policies as are demanded for interim reports and annual financial statements. The monthly reports, which include an analysis of deviations from previous periods, the budget and the forecast for the current year, as well as the key analytical monitoring indicators for each segment, are submitted to the management of the S-Bank.

S-Bank's internal reports and monthly financial statements are prepared in accordance with the same policies as are demanded for interim reports and annual financial statements. The monthly reports, which include an analysis of deviations from previous periods, the budget and the forecast for the current year, as well as the key analytical monitoring indicators for each segment, are submitted to the management of the S-Bank.

The financial performance and results of the S-Bank are discussed monthly by the Group Management Team. A corresponding detailed review is carried out at all meetings of the Group's Board of Directors and of the Audit Committee. In addition, the Board of Directors and the Audit Committee examine the interim and annual reports.

New or changed accounting policies are approved by the Group's parent company S-Bank Plc's Board of Directors.

Personnel

At the end of the review period, S-Bank employed a total of 1 172 people (847). Of these, 991 persons (676) worked at S-Bank Plc. In connection to the Handelsbanken transaction on 1 December 2024, 213 employees transferred to S-Bank Plc. 38 persons (39) worked at the subsidiaries of the Wealth Management business, and 143 persons (132) at S-Asiakaspalvelu Oy.

Salaries and remuneration

The S-Bank's remuneration policies are confirmed by the Board of Directors. S-Bank's Board of Directors decides on all available remuneration methods, and regularly tracks and assesses the performance of the remuneration systems and compliance with the decided operating policies and procedures.

The Compensation and Nomination Committee of S-Bank's Board of Directors is a body that assists the Board, annually preparing performance-based compensation policies for the bank's personnel, in accordance with its rules of procedure, and submitting them to the Board for confirmation. The Compensation and Nomination Committee works to ensure that the bank's policies concerning salaries and remuneration are consistent with sound and effective risk management and do not encourage excessive risk-taking. The Compensation and Nomination Committee consists of at least two members and the Chairman appointed by the bank's Board of Directors from among its number.

The remuneration model consists of a basic salary and a performance-based variable bonus. The objective of the bonus models is to encourage employees to focus on the key activities that are needed to reach the strategic and operational goals. The bonus systems are valid for a maximum of one calendar year at a time, with the exception of the long-term incentive scheme. The targets in the bonus models are based on the entire bank's shared targets, the unit-level targets and/or the personal targets, and they can vary by personnel group. The performance-based bonus is paid in cash. The S-Bank has a personnel fund to which the employees can transfer their bonuses.

The salaries and remunerations paid to personnel totalled EUR 70.2 million (56.8) in 2024. A total of EUR 2.1 million (1.2) was transferred to the personnel fund. The salaries and remunerations of S-Bank Plc totalled EUR 59.6 million (47.4), which includes EUR 0.3 million (0.3) in remuneration paid to the Members of the Board. In addition, the S-Bank paid EUR 0.3 million (0.4) in supplementary pensions.

In 2024, S-Bank paid EUR 5.3 million (4.9) in salaries and EUR 0.6 million (1.0) in other remuneration to persons whose activities have a material impact on the risk profile of the credit institution. A total of EUR 0.4 million (0.2) was transferred to the personnel fund. 39 persons (37) received salaries and remuneration under this category. In accordance with remuneration policies, an individual's bonus will be deferred if the bonus exceeds EUR 50 000 for a one-year earnings period. In 2024, the variable bonuses were postponed for 22 persons (2).

More information on the salary and remuneration policies is available on S-Bank's website at s-pankki.fi.

PROPOSAL BY THE BOARD OF DIRECTORS FOR THE DISPOSAL OF DISTRIBUTABLE FUNDS

The Board of Directors proposes to the 2025 Annual General Meeting of S-Bank Plc that the profit of the parent company for the financial period 1 January–31 December 2024, amounting to EUR 130 338 557.65, be entered in retained earnings and that a dividend of EUR 2.20 per share (1.50), totalling EUR 20 072 082.80 (10 020 270.00), be paid from parent company's distributable assets.

CALCULATION OF KEY PERFORMANCE INDICATORS

Total income:
Net interest income + Net fee and commission income + Other income

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 investing activities + Dividends + Other operating income

Cost-to-income ratio:

$$\frac{\text{Personnel expenses + Other administrative expenses + Depreciation and impairment + Other operating expenses (excl. impairment losses)}}{\text{Net interest income + Net fee and commission income + Net income from investing activities + Dividends + Other operating income + Share of the profits of associated companies (net)}}$$

Return on equity (ROE), %:

$$\frac{\text{Profit (loss) for the period}}{\text{Average equity}} \times 100$$

Return on assets (ROA), %:

$$\frac{\text{Profit (loss) for the period}}{\text{Balance sheet total, average}} \times 100$$

Equity ratio, %:

$$\frac{\text{Total equity}}{\text{Balance sheet total}} \times 100$$

Key performance indicators based on separate calculation

Capital adequacy ratio, %:

$$\frac{\text{Total capital}}{\text{Total risk exposure amount}} \times 100$$

Tier 1 capital adequacy ratio, %:

$$\frac{\text{Tier 1 (T1) capital}}{\text{Total risk exposure amount}} \times 100$$

Common Equity Tier 1 (CET1) ratio, %:

$$\frac{\text{Common Equity Tier 1 (CET1) capital}}{\text{Total risk exposure amount}} \times 100$$

Leverage ratio, %:

$$\frac{\text{Tier 1 (T1) capital}}{\text{Exposure amount}} \times 100$$

Liquidity Coverage Ratio (LCR), %:

$$\frac{\text{Liquidity Buffer}}{\text{Net Liquidity Outflows over a 30 calendar day stress period}} \times 100$$

Net Stable Funding Ratio (NSFR), %:

$$\frac{\text{Available Stable Funding}}{\text{Required Stable Funding}} \times 100$$

Non-performing loan (NPL) ratio, %:

$$\frac{\text{Non-performing loans, gross amount}}{\text{Loans and advances}} \times 100$$

SUSTAINABILITY REPORT

ESRS 2 GENERAL DISCLOSURES

General basis for preparation of the sustainability report

S-Bank's sustainability report has been prepared in accordance with Chapter 7 of the Accounting Act, the sustainability reporting standards referred to in that act and Article 8 of the Taxonomy Regulation.

S-Bank's sustainability report has been prepared at S-Bank Group level. The scope of consolidation is the same as in S-Bank Group's financial statements: the report covers S-Bank Plc and its subsidiaries. The structure of S-Bank Group is described in more detail in the Board of Directors' report under 'Group structure and the operations of S-Bank's subsidiaries', and the consolidation principles are described in the 'Accounting policies used in the preparation of the consolidated financial statements'.

The value chain covered by the sustainability report

The whole value chain of operations has been taken into account when preparing the sustainability report and assessing materiality in terms of reporting. S-Bank's value chain consists of stakeholders, all of whom play an important role in the provision of the bank's services.

- Customers
- Employees
- Owners
- Investors
- Partners (direct and indirect procurement and outsourcing)
- Investees (Wealth Management and own investment activities)

Value creation takes place in value streams consisting of different sets of products and services. S-Bank's operations include the Banking business and the Wealth Management business, which consist of the following areas:

- Deposit acceptance and payment services for household customers
- Housing and other loans for household customers
- Banking services for non-household customers
- Treasury and funding
- Savings services, asset management and fund management

S-Bank's business model, value chain and strategy are described in more detail under 'S-Bank's business model, value chain and strategy'.

In preparing the sustainability report, the possibility to omit information that has been assessed as sensitive or for which there would be another regulatory, business interest-protecting reason for omission has not been used.

Value chain estimation

For value chain metrics, the reported information may include estimated data; that is, data based on S-Bank's own estimates or estimates collected from external sources. Such metrics include, for example, emissions calculation data. The calculation principles and data sources for emissions calculation are described in more detail in section E1 on emissions calculation.

According to S-Bank's assessment, the reported metrics do not contain significant measurement uncertainties.

Time horizon for sustainability reporting

The time horizons used in the sustainability report follow the time horizons provided in the sustainability reporting standard. In this context, the short term is a time horizon of less than 1 year, the medium term is 1–5 years and the long term is more than 5 years.

In carrying out the double materiality assessment, S-Bank has applied a different time horizon for its Banking business than that of the ESRS standards, and the impacts have been assessed more clearly even in the long term. The time horizons used in the assessment are as follows:

- short term: 2 years to less than 5 years
- medium term: 5 years to less than 15 years
- Long term: 15 to 100 years

The time horizons used aim to provide more specified information about long-term impacts, given the long-term nature of banking operations.

The role of the administrative, management and supervisory bodies

The Board of Directors is responsible for organising the monitoring of S-Bank's sustainability-related impacts, risks and opportunities. The Board is assisted in its tasks by committees appointed by the Board. The roles and responsibilities of the Board of Directors and its committees are defined in more detail in their respective rules of procedure.

The Act on Credit Institutions requires that a member of the Board of a credit institution and a member of the executive management of a credit institution have knowledge of and experience in the business operations of the credit institution, its key risks and management that is necessary for the person's duties and the nature, scope and diversity of the credit institution's operations. The S-Bank's Board diversity and gender equality principles identify areas in which the Board, at least collectively, must have knowledge. In addition, the rules of procedure of the Board of Directors state that a Board member is required to have sufficient and diversified knowledge of and experience in the bank's business operations and the risks associated with the bank and its operations.

The fitness, propriety and professional competence of S-Bank's Board of Directors and executive management are ensured in accordance with the principles and procedures defined in S-Bank Group's policy on the assessment of fitness, propriety and professional competence. The assessment is carried out both when the person is selected for the task and regularly, at least annually, during their term of office.

Board of Directors

In accordance with its general authority, S-Bank's Board of Directors is responsible for the strategic development of S-Bank, for steering and controlling its operations, and for deciding on the company's key policies and general values. The Board of Directors approves Group-wide policies and is responsible for determining risk appetite.

The Board of Directors is responsible for ensuring that sustainability matters are appropriately taken into account in S-Bank's operations and decision-making. The Board of Directors is responsible for regularly assessing the sustainability of S-Bank's operations and for approving and updating the related double materiality assessment. These tasks are defined in the Board's rules of procedure.

The Board is responsible for ensuring that S-Bank's internal systems for sustainability reporting and its assurance are reliable. The Board of Directors discusses and approves the sustainability report as part of the financial statements and the Board of Directors' report.

The composition of the Board of Directors is described in the Board of Directors' report under 'Governance'. During the term of office that began at the 2024 Annual General Meeting, the Board consisted of eight members, five of whom were men and three were women. The proportion of female members was therefore 37.5 percent The Board diversity and gender equality principles state that the diversity of the Board must take sufficient account of age, gender and geographical distribution and professional background. The proportion of Board members independent of S-Bank on the Board and Board committees was 100 percent. The proportion of members independent of the bank's owners on the Board was 50 percent.

Board Risk Committee

The Board Risk Committee is responsible for assisting the Board of Directors in matters concerning S-Bank's risk strategy and risk-taking, as well as advising and supporting the Board of Directors in monitoring the bank's overall risk strategy and risk appetite and making related recommendations to the Board of Directors. These tasks are defined in the committee's rules of procedure.

Sustainability risks have been identified in S-Bank as part of the overall risk strategy, which is monitored by the Board Risk Committee. At the operational level, sustainability risk management is integrated into other risk management processes in line with the sustainability risk management policy approved by the Board.

During the term of office that began following the 2024 Annual General Meeting, the Board Risk Committee consisted of four members, two of whom were men and two were women. The proportion of both male and female members was therefore 50 percent. No gender-related or other diversity-related targets have been set for the committee. The committee does not include members of the management, employees' representatives or employees under an employment contract. The proportion of members independent of S-Bank's owners was 50 percent.

Audit Committee

The Audit Committee is responsible for monitoring and supervising the sustainability reporting process and its assurance, assessing their reliability and effectiveness, and making related recommendations or suggestions to the Board. The Audit Committee also assists the Board in the selection of the sustainability auditor. These tasks are defined in the committee's rules of procedure.

During the term of office that began following the 2024 Annual General Meeting, the Audit Committee consisted of four members, three of whom were men and one was a woman. The proportion of female members was therefore 25 percent. No gender-related or other diversity-related targets have been set for the committee. The committee does not include members of the management, employees' representatives or employees under an employment contract. The proportion of members independent of S-Bank's owners was 50 percent.

CEO and the Group Management Team

S-Bank's operating activities are managed by the CEO. The Group Management Team assists the CEO in their task. The Board of Directors appoints the members of the Group Management Team on the proposal of the CEO. The Group Management Team is chaired by the CEO or, in their absence, by their deputy.

The Group Management Team is responsible for regularly assessing the sustainability of S-Bank's operations and the reliability of sustainability reporting. The CEO reports regularly and comprehensively to the Board of Directors on the factors, risks and trends related to assessing the Group's situation that may have an impact on S-Bank.

The CEO and the Group Management Team discuss matters to be presented to the Board of Directors on sustainability and sustainability reporting.

Other management

S-Bank Group's sustainability management and development is the responsibility of the Customer Relations and Brand unit. The head of the unit is a member of the Group Management Team and reports to the CEO.

The head of the unit also chairs the Sustainability Committee. The role of the Sustainability Committee is to ensure the high-quality implementation of sustainability matters in line with regulations, official requirements and policies.

The Sustainability Committee prepares the content and metrics of S-Bank's sustainability programme and monitors the implementation of the targets and metrics of the sustainability programme throughout S-Bank Group. The Sustainability Committee reports to the Group Management Team.

The Sustainability Committee is also responsible for

- Discussing ESG matters raised by business operations and units
- Preparing strategic or otherwise important ESG-related issues for the Group Management Team and the bank's Board of Directors to discuss
- Monitoring S-Bank's compliance with regulatory requirements on sustainability reporting
- Monitoring compliance with S-Bank's voluntary ESG commitments
- Monitoring sustainability risk management and developing ESG impact assessments
- Supporting business operations in developing various sustainable products and services for customers

The management's sustainability competence and training

Collectively, the members of the Board of Directors of S-Bank have long professional experience in banking, finance and board positions. All board members have at least 20 years of experience in managerial positions. All new Board members are familiarised with, among other aspects, S-Bank Group's strategy, business operations, products, risk management and financial position.

Neither the members of the Board of Directors nor the CEO of S-Bank have formal education in sustainability. Some Board members have sustainability-related experience in relation to their main responsibilities. In addition, internal training and induction on sustainability has been provided to all Board members and the CEO. The Board also has access to the expertise of experts employed by the bank and external consultants.

The competence of S-Bank's Board of Directors, CEO and other management is regularly assessed. This includes an assessment of whether the bank's management has sufficient sustainability expertise. The sufficiency assessment takes into account the sustainability matters that S-Bank considers material and the expertise available directly or indirectly to the Board of Directors and the management. Based on the assessment, a decision is taken on whether there is a need for upgrading skills or training for the management.

A training plan is regularly drawn up for the continuous training of all management. Joint training is provided for all members of the management on new regulations, for example. The training plan for the Board of Directors is prepared by the secretary of the Board of Directors, and the training plan for other management is prepared by the HR Director.

SUSTAINABILITY MANAGEMENT AND LEADERSHIP

Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies

S-Bank's Board of Directors deals with sustainability matters as part of its statutory duties and duties based on its rules of procedure. Sustainability matters include all impacts, risks and opportunities related to the environment, society and good governance identified and assessed as material in the double materiality assessment. Sustainability matters are regularly addressed by the Board on, for example, the following grounds:

- In connection with decision-making under its general authority
- As part of its responsibilities under the rules of procedure, such as the company's strategic development and risk management
- As part of regulatory obligations, such as sustainability reporting requirements

Identifying and assessing sustainability matters are part of the process of preparing Board decisions and strategic business development. As a rule, the Group Management Team is responsible for preparing decisions, and reports on its operations to the Board of Directors and the committees appointed by the Board. In addition to the Group Management Team, sustainability matters are discussed in committees under S-Bank's management system, such as the Sustainability Committee and the Management Risk Committee.

In the 2024 financial year, the Board has addressed sustainability matters at five meetings. At its meetings, the Board of Directors has discussed all S-Bank's material impacts, risks and opportunities as part of S-Bank's decision-making concerning the double materiality assessment and sustainability reporting. In addition, climate risks in particular (impacts, risks and opportunities related to climate change adaption) have been addressed as part of the climate and environmental risk assessment and the development of the sustainability risk management policy. The Board has also approved S-Bank's human rights principles, which address all S-Bank's impacts on people and the related risks and opportunities.

S-Bank's material impacts, risks and opportunities are listed under 'Material impacts, risks and opportunities' at the end of this report section.

The action plans, metrics and targets for sustainability matters relevant to S-Bank will be defined in the sustainability program to be developed in 2025, and the regular monitoring of these will be further specified.

Addressing sustainability matters in the Audit Committee

The Audit Committee is responsible for monitoring and supervising the preparation and assurance of S-Bank's sustainability reporting. The monitoring of sustainability reporting is organised as part of the committee's regular annual calendar of activities. In the 2024 financial year, the Audit Committee addressed sustainability matters at four meetings. In addition to the sustainability reporting processes, the Audit Committee reviewed S-Bank's double materiality assessment prior to the Board's actual approval. The Audit Committee has therefore discussed all S-Bank's material impacts, risks and opportunities.

Addressing sustainability matters in the Management Risk Committee and the Board Risk Committee

Sustainability risks are integrated into S-Bank's overall risk strategy and risk management procedures. The main task of the Management Risk Committee is to ensure that the Group Management Team, the Board committees and the Board of Directors have an adequate and relevant overview of the Group's risk position. The Management Risk Committee deals with regular key matters related to risks and the risk position to be presented to the Board and its committees.

The role of the Board Risk Committee is to support the Board in monitoring the overall risk strategy. The monitoring of sustainability risks is organised as part of the Board Risk Committee's regular annual calendar of activities. In the 2024 financial year, the Board Risk Committee addressed climate risks as part of the preparation of the sustainability risk management principles and the climate and environmental risk assessment.

Integration of sustainability-related performance into incentive schemes

S-Bank has no management incentive schemes in place that include sustainability-related performance metrics.

Statement on due diligence

Practices designed to identify, prevent, mitigate and remedy the actual or potential negative impacts of business operations on people and the environment are also known as due diligence. At S-Bank, due diligence is integrated into S-Bank's sustainability and therefore consists of all the individual actions aimed at ensuring the sustainability and responsibility of S-Bank's business operations.

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 The role of the administrative, management and supervisory bodies S2 Policies related to workers in the supply chain
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 Interests and views of stakeholders S1 Interaction with own personnel S2 Engagement with workers in the supply chain S2Access to information of and engagement with workers in the value chain in fixed income and equity investing activities S2 Value chain workers in real estate investments S4 Engagement with customers
c) Identifying and assessing adverse impacts	ESRS 2 Description of the processes to identify and assess material impacts, risks and opportunities E1 Climate and environmental risk identification and assessment process at S-Bank E4 Sector-specific risk mapping of portfolio investments to identify biodiversity impacts and dependencies S1 Processes to remediate negative impacts and channels for own workers to raise concerns S2 Selecting suppliers and partners S2 Value chain workers in investment activities S4 Material impacts, risks and opportunities
d) Taking actions to address those adverse impacts	E1 Policies and actions related to climate change mitigation and adaptation E4 Actions and targets S2 Remediation S2 Processes related to workers in the value chain in direct equity and fixed income investments S2 Value chain workers in real estate investments S4 Processes to remediate negative impacts
e) Tracking the effectiveness of these efforts and communicating	ESRS2 Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies S2 Compliance with the Supplier Code of Conduct S4 High-quality customer information, responsible communication and marketing

The due diligence processes are described in more detail in the sustainability report in accordance with the table here.

Risk management and internal controls over sustainability reporting

The sustainability report is prepared and published as part of the financial statements and the Board of Directors' report in cooperation with the financial reporting unit.

The aim of the internal control and risk management of S-Bank Group's sustainability reporting processes is to ensure the accurate, high-quality and adequate reporting of sustainability matters. The reporting processes are guided by a clear division of responsibilities, the organisation's sufficient understanding of the sustainability matters subject to reporting, up-to-date guidelines and comprehensive reporting practices. The reliability of internal processes is ensured by system solutions that support information management. To ensure the correctness of financial reporting, internal control is carried out as part of the reporting processes determined for sustainability matters.

S-Bank's sustainability report is reviewed by the Audit Committee and the Board of Directors as part of the Board of Directors' report and the financial statements. The Audit Committee is responsible for monitoring and supervising sustainability reporting. The Audit Committee supervises the process of preparing and assuring the sustainability report and makes recommendations or suggestions to ensure the reliability of the reporting system.

The Audit Committee monitors in particular:

- Procedures in financial and sustainability reporting
- Procedures in digital reporting and the identification of data to be reported in accordance with the sustainability reporting standards
- The effectiveness of internal control and audit and risk management in the procedures referred to above
- The implementation of auditing and sustainability reporting assurance

The production and development of sustainability reporting has been defined in S-Bank's management system as being the responsibility of the sustainability team in the Customer Relations and Brand unit. The sustainability team is responsible for determining and developing reporting processes at Group level. The sustainability team is responsible for reviewing the sustainability reporting data and reporting its findings on sustainability reporting to the Sustainability Committee.

The role of the Sustainability Committee is to monitor compliance with the regulatory requirements for sustainability reporting. The committee reports to the Group Management Team. The risks and controls related to reporting are regularly discussed by the Audit Committee and the Board of Directors as part of the approval of the Board of Directors' report.

Risks related to sustainability reporting

S-Bank's 2024 sustainability report has been prepared in accordance with the sustainability reporting standards that have entered into force in the EU for the first time. The risks related to sustainability reporting have been assessed as part of reporting project management in line with a risk assessment based on S-Bank's development model, in which risks are assessed and prioritised in accordance with their severity and likelihood. S-Bank continuously develops its sustainability reporting processes and, as part of the development of the reporting processes, also assesses the risks of the reporting processes in accordance with S-Bank's internal control principles.

The sustainability reporting standards that have come into force significantly expand S-Bank's previous sustainability reporting. The application of sustainability reporting standards is still underdeveloped, which increases the risk of misinterpretation of disclosure requirements . Implementation errors and the resulting potential shortcomings have been assessed as the single most significant risk concerning the sustainability statement. As implementation practices evolve and become more standardised, the risks identified are expected to decrease significantly.

In terms of sustainability reporting processes, the risks related to the correctness, invariability, timeliness and accuracy of information are assessed to be low. The information in the sustainability report is mainly based on S-Bank's internal data sources and is entered into the information management systems by experts in each reporting area. Reporting processes are monitored and developed on a continuous improvement basis.

Of all the areas covered by the sustainability report, emissions calculation is the only area where S-Bank is materially dependent on external data sources. S-Bank seeks to ensure the reliability of its emissions calculation by using only professional and reputable service providers and by using calculation methods that comply with industry standard practices for emissions calculation.

The risks related to sustainability reporting have been mitigated through the use of external advice during the preparation of the sustainability report and by means of external assurance. The preparation of sustainability reporting has also been subject to internal audit activities.

S-Bank's business model, value chain and strategy

S-Bank's business model

S-Bank Plc is a credit institution focusing on offering products and services to household customers. S-Bank also offers targeted services to companies. S-Bank provides services for daily banking, saving and investment, and the financing of purchases. In addition, S-bank offers private banking services and services for institutional investors. The operations of the Group's subsidiaries are described under 'Group structure and the operations of S-Bank's subsidiaries' in the Board of Directors' report. At the end of 2024, S-Bank Group had a total of 1 172 employees under an employment contract.

S-Bank is owned by SOK Corporation and the cooperative societies belonging to S Group. S-Bank is therefore part of S Group, a Finnish network of companies owned by customers. S-Bank's services are primarily offered to the co-op members of S Group and their households, and the dividends on operating income are paid to the cooperatives that own S-Bank. Thanks to the cooperative form of business, the money circulating in S Group's business operations benefits the co-op members of the cooperatives and ensures regional prosperity and vitality. Operating income is invested for the benefit of the co-op members by developing services, or distributed to the co-op members in the form of various benefits, such as bonuses and payment-method benefits.

S-Bank serves its customers at customer service points located in S Group's business locations and also through its telephone service, its online bank, the S-mobiili app and various social media channels. S-Bank's customers are also served by experts in demanding banking matters throughout Finland and private bankers in wealth management matters. The regional cooperatives of S Group serve as S-Bank's agents, offering its banking services at their business locations.

S-Bank has acquired the Finnish household customer, asset management and investment services businesses of Handelsbanken. The nationwide branch network transferred to S-Bank in connection with the acquisition complements S-Bank's previous service network. After the transition period, the branch network will serve all S-Bank's customers by appointment in matters related to saving, financing and financial advice.

S-Bank's services are primarily offered to the co-op members of S Group and their households, and they receive basic banking services free of charge. The aim is to maintain the prices of other services at a reasonable level, and all services are priced transparently. The cash benefits paid to co-op members, such as bonuses earned from shopping and payment-method benefits, are paid into each customer's account in S-Bank.

The bank's earnings model is mainly based on accepting customer deposits, granting loans and engaging in investment activities. The bank's largest source of income, net interest income, is the difference between interest income received and interest expenses paid. Interest income is mainly earned from credits and loans granted to customers. Interest expenses depend on the interest paid on deposits and the interest paid on funds obtained from other funding sources.

The bank's second largest source of income is net fee and commission income, i.e. the difference between fee and commission income and fee and commission expenses. Fee and commission income is derived from lending-related services, payment transactions, card-related services and asset management, among others. Fee and commission expenses include returns of management fees charged to the funds and service fees paid to service providers on card payments.

In the Banking business, the amount of net fee and commission income is dependent on the degree and extent of the use of banking services. In the Wealth Management business, the amount of net fee and commission income is dependent on the amount of assets under management. The amount of these assets is influenced by the actions of the Wealth Management business as well as by the performance of the securities markets. Since the management fees for investment funds are calculated as percentages of the funds' net asset value, market performance is directly reflected in the amount of these fees.

Operating expenses mainly consist of personnel expenses, IT expenses and other administrative expenses, including agency fees paid to the cooperative societies. In addition, as customers' insolvency risks increase, the bank records credit loss provisions and, in the event of insolvency, the bank records credit losses.

In order for business operations to be profitable, the bank must manage its balance sheet, risks and expenses effectively. The bank's duty is to ensure sufficient capital adequacy and liquidity under all conditions.

S-Bank Group's business is subject to a licence, widely regulated and supervised by the authorities.

S-Bank's value chain

S-Bank's mission is to provide its customers high-quality banking services. S-Bank's operations are fundamentally based on skilled and committed personnel. In its operations, S-Bank also makes extensive use of the services and expertise provided by other companies, where S-Bank's customers are the end users of the services. S-Bank's customers are mainly household customers.

S-Bank's value creation is made up of different areas consisting of sets of products and services.

The Banking business consists of, for example, the following:

Deposit acceptance and payment services for household customers

- Deposit acceptance and payment services for household customers are core business activities in line with S-Bank's strategy and an important service for the bank's customers and especially for the co-op members. Retail deposits make up a significant part of S-Bank's funding. In deposits and payment services, S-Bank has a broad geographical coverage in Finland, and the customer base is highly dispersed.

Housing and other loans for household customers

- Of the lending activities included in the Banking business, housing and other loans for household customers are S-Bank's core business. Lending is an important service for the bank's customers, and the income and revenue generated by this activity represent a significant percentage of the total income and revenue of the banking group. In loans for household customers, the customer base has a broad geographical coverage in Finland and is highly dispersed.

Deposit acceptance, payment services and loans for non-household customers

- S-Bank also offers limited banking services to companies and housing companies. Corporate deposits are a significantly smaller source of funding than household deposits. S-Bank offers loans to selected corporate customers in line with its credit risk strategy. These services account for a much smaller proportion of the total Banking business than the services offered to household customers.

Treasury and funding

- The Treasury function's primary task is to manage the bank's liquidity risk and liquidity. The Treasury is also responsible for funding, investing the bank's assets and hedging the balance sheet. Mortgage banking is part of the Treasury's operations. The Treasury does not provide services to third parties.

Wealth Management includes the following areas:

Investment services

- The Wealth Management business is responsible for providing investment services and developing and managing financial instruments for S-Bank's customers. These include mutual funds, non-UCITS funds, alternative funds, impact investing products and personalised asset management. In addition to the mutual and alternative funds managed by S-Bank Fund Management Ltd, S-Bank also distributes external partners' funds to its customers. The unit is also responsible for the investment insurance products offered to customers by partners.

Real Estate Asset Management

- Non-UCITS funds and alternative funds include funds investing in both real estate and other asset classes. Investment activities in real estate are treated in this report as Real Estate Asset Management, as distinct from other Wealth Management activities. Real Estate Asset Management is also responsible for the management of real estate investment portfolios and property management services.

S-Bank's strategy

In December 2023, S-Bank's Board of Directors adopted the company's strategy and financial targets for the 2024–2027 strategy period. By the end of the strategy period, S-Bank's aim is to have one million active customers and to be the fourth largest bank for household customers in Finland. Three key areas of change have been identified in the strategy: the integration of the Handelsbanken transaction, which was agreed in May 2023, and the renewal of the service model, as well as improving the scalability of operations.

The merger of Handelsbanken's household customer, asset management and investment services operations into S-Bank provided many new customers, competent personnel and a new kind of nationwide service network. The transaction significantly increased S-Bank's housing loan and deposit portfolio and Wealth Management business. The integration of the operations that were transferred to S-Bank and the implementation of other changes during the strategy period require the creation of uniform and more customer-oriented operating methods.

S-Bank's goal is that in the future more and more customers will focus their banking needs with S-Bank. During the strategy period, S-Bank's service model will be renewed to make it clearer and more mobile-oriented. The aim is to ensure that the benefits and services that are just right for each customer are easily available through S-mobiili. Customers will also be offered even more comprehensive financial advice suited to their different life situations, and the personnel transferring from Handelsbanken will bring additional strong expertise in this area. Customers are encouraged to use S-Bank's services comprehensively by offering benefits that grow the more customers centralise their banking with S-Bank.

S-Bank will continue to be a bank primarily for S Group's co-op members, and during the strategy period, it will continue to provide the benefits offered to co-op members, such as free basic banking services. Alongside the services provided to co-op members, private banking, institutional asset management and corporate business focused on financing housing companies support the Group's growth and profitability.

In addition to the above areas, the strategy determines themes cross-cutting the organisation on which the bank will focus during the strategy period: digitalisation and technology, sustainability, compliance with regulations, strengthening risk management, skilled personnel and customer-oriented operations.

The goal for the strategy period is to further strengthen S-Bank's position as the Finnish bank that is perceived to be the most sustainable, and this will require the continuous improvement of the bank's operations and transparency. As a bank with more than three million customers, S-Bank has the opportunity to improve people's financial well-being and equity throughout Finnish society. Environmental responsibility and climate change mitigation also play an important role in the development of the bank's operations and services.

The areas and themes of change identified in the strategy can have an impact on S-Bank's stakeholders and the sustainability matters identified as material for stakeholders. As part of the implementation of the strategy, S-Bank will determine a sustainability programme during 2025, which will also include outcome-oriented and time-bound targets for different areas of sustainability.

Interests and views of stakeholders

S-Bank has various procedures in place to engage with all its key stakeholders. The purpose of engagement with stakeholders is to ensure that S-Bank's business model and strategy are organised in a way that meets the expectations of the company's key stakeholders and ensures the continuity of S-Bank's operations. Taking stakeholders' views and interests into account is part of the Board's and the governing bodies' decision-making process and is also included in S-Bank's business development model.

Engagement with stakeholders is used in the strategic and operational management of S-Bank's business operations and in assessing the materiality of impacts, risks and opportunities related to S-Bank's sustainability. The double materiality assessment, which is the basis for sustainability reporting, has taken into account the views expressed by customers and personnel on the sustainability of S-Bank's operations. The double materiality assessment has not identified any interests or views that would require changes to S-Bank's strategy or business model.

Stakeholders	Organization of engagement	The purpose of stakeholder engagement
Private customers	Customer surveys, customer feedback, market research	Management of customer impacts and business development
Corporate customers	Customer meetings	Management of customer impacts and business development
Owners	S-Bank's board meetings and general meeting	Alignment with shareholder policy and strategy
Investors	Investor meetings	Management of investor expectations
Business partners	Supplier management meetings; strategic, tactical, and operational meetings	Supply chain management and risk assessment
Investees	Various channels for shareholder engagement; participation in general meetings, direct engagement, collective investor action	Adherence to the principles of sustainable investing

Description of the processes to identify and assess material impacts, risks and opportunities

Implementation of the double materiality assessment

S-Bank's double materiality assessment has been carried out in several stages. In the first phase, a double materiality assessment was carried out for S-Bank's Banking business (April–June 2023). In the next phase, a double materiality assessment was carried out for the Wealth Management business (January–February 2024). For climate and environmental risks, the double materiality assessment has been deepened by means of a qualitative and quantitative climate and environmental risk assessment (January–April 2024).

In addition to the external advisor, a comprehensive range of experts from S-Bank's different functions has participated in each assessment. The assessments have also made use of extensive surveys of customers and the personnel on sustainability topics under evaluation (May–June 2023).

Combined, the assessments made based on a summary prepared with the external advisor provide a comprehensive overview of the sustainability matters material for S-Bank Group.

Assessment methodology

The double materiality assessment covers all S-Bank's key business areas, business relationships and geographical regions. The Banking and Wealth Management businesses have been assessed separately to take into account the special characteristics of these activities. The identification and prioritisation of impacts have focused on factors that have been assessed as increasing the risk of adverse impacts. Impacts have been assessed through both own operations and business relationships.

The double materiality assessment identified and prioritised material sustainability matters by assessing their impacts, risks and opportunities from two perspectives: impact materiality (S-Bank's impacts on people and the environment) and financial materiality (financial effects on S-Bank).

In the assessment, both the impacts and their financial effects have been assigned scores, based on which materiality has been analyzed. In addition to the magnitude, scale and scope of the impacts, the likelihood of impacts, risks and opportunities, and their potential irremediable character (negative impacts) were also taken into account. In the materiality assessment, the severity of the impacts is given greater weight than their likelihood.

Based on the scores obtained, the impacts, risks and opportunities related to different sustainability matters have been reviewed in order of their severity, relative scope and likelihood.

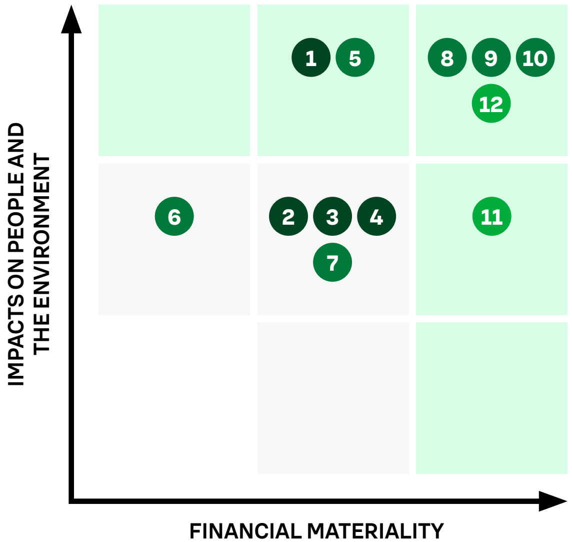
The double materiality assessment has relied on the views of S-Bank's experts and external advisors to assess the magnitude, scale and scope of the impacts and to identify the channels of impact. The identification, assessment and prioritisation of impacts have also been informed by an extensive survey of customers and personnel, which are the key stakeholders identified in terms of S-Bank's impacts.

In addition, the qualitative and quantitative assessments of climate and environmental risks carried out in parallel with the double materiality assessment have used a number of quantitative input parameters related to S-Bank's loan and collateral portfolio. These risk assessments have been used to validate the conclusions of the double materiality assessment on climate change mitigation and adaptation. Similarly, the double materiality assessment has used data available from S-Bank's emissions calculation.

The assessment has identified various channels of impact that S-Bank's activities have. The impacts have been broken down and assessed in accordance with whether they are direct consequences of decisions taken by S-Bank (direct impacts) or indirect consequences of decisions taken by S-Bank (indirect impacts).

In S-Bank's operations, connections have also been identified that cannot be assessed as direct or indirect impacts. For example, as part of its business operations, S-Bank makes investment decisions on behalf of its customers. Investment activities may involve a wide range of activities over which S-Bank does not necessarily have independent or significant decision-making or influencing

RESULTS OF THE DOUBLE MATERIALITY ASSESSMENT: MATERIALITY MATRIX



The highest materiality category for positive and negative impacts and for business operations has always been selected

Environment	Social	Governance
1. Preparation for climate change (including extreme weather events)	**5.** Well-being of own workforce	**11.** Sustainability governance and ethical business operations
2. Reduction of greenhouse gas emissions	**6.** Equality and diversity of own personnel	**12.** Prevention of corruption, the shadow economy and money laundering
3. Energy efficiency and renewable energy	**7.** Working conditions and rights of workers in the value chain	
4. Biodiversity and ecosystems (material only for the Wealth Management business)	**8.** Availability of high-quality information related to products and services, and responsible communication	
	9. Information security, data protection and privacy	
	10. Ensuring the availability of products and services and non-discrimination	

power on the basis of the assets invested. In such a case, the materiality of the impacts is linked to S-Bank's opportunities of influence or lack thereof. In addition to shareholding positions, S-Bank can increase its influence through various cooperation initiatives or sustainability frameworks. The sustainability matters related to S-Bank's investment activities have therefore been assessed primarily as business opportunities.

Alongside the double materiality assessment, S-Bank has carried out a climate and environmental risk assessment, which has assessed climate and environmental risks in considerably more detail than the double materiality assessment. The assessment measures taken in relation to climate and environmental risks based on industry requirements have not led to changes in the conclusions of the double materiality assessment.

The climate and environmental risk assessment is discussed in more detail in section E1 of this sustainability report.

Processing of the double materiality assessment in S-Bank's governing bodies

The double materiality assessment has been discussed by the Boards of Directors of S-Bank and S-Bank Fund Management Ltd, S-Bank's Audit Committee and the Group Management Team. The sustainability report is based on a double materiality assessment, which was approved by S-Bank's Board of Directors on 10 June 2024.

The double materiality assessment is part of the sustainability risk identification process, and S-Bank's sustainability risk management policy is applied to the identified risks. Policy compliance and risk prioritisation are guided by S-Bank's overall risk strategy. In line with the overall risk strategy, S-Bank Group aims to minimise the negative impacts of sustainability risks in its own operations.

The opportunities identified in the double materiality assessment have been evaluated by business unit experts and discussed by the Group Management Team and the Board of Directors of S-Bank. Possible measures will be processed within the framework of S-Bank's overall management system.

The double materiality assessment does not in itself contain any targets, measures or metrics to guide S-Bank's operations. The impacts, risks and opportunities identified in the double materiality assessment will be managed within a separate sustainability programme to be published in 2025.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES: E1 - IMPACTS

Topic and the relevant ESRS standard	Time horizon of the impact	Material impacts	Link to the business model/strategy	Business area	Impact	Target of impact
Climate change adaptation (E1)	Climate-related impacts are estimated to increase over the long term (more than 5 years). The impacts related to climate change adaptation may also occur in the medium term. Through climate scenarios, forecasts and stress testing, climate-related risks can be better identified and measures can be taken to prevent negative impacts.	Within the scope of its business operations, S-Bank has opportunities to support household customers in adapting to climate change and preparing for climate risks, especially in financing decisions related to residential properties (physical risks related to the portfolio investments and transition risks) and in day-to-day banking.	The impact depends on S-Bank's strategy for implementing its business model.	Banking	Positive impact	Customers
		Within the scope of its business operations, S-Bank has opportunities to protect the customer against physical and transition risks related to the portfolio investments.	The impact depends on S-Bank's strategy for implementing its business model.	Wealth Management	Positive impact	Customers
		Within the scope of its business operations, S-Bank has opportunities to support customers in managing the physical risks related to their investments, especially in terms of plot, real estate and forest funds.	The impact depends on S-Bank's strategy for implementing its business model.	Wealth Management	Positive impact	Customers
Climate change mitigation (E1)	The impacts related to climate change mitigation will occur in the short, medium and long term, and will depend on business growth that increases emissions and on measures to reduce emissions.	The material climate impacts of S-Bank's business operations concern indirect emissions (Scope 3), which mainly consist of emissions financed in the Banking business and emissions from portfolio investments in the Wealth Management business.	The impact results from S-Bank's business model.	Banking, Wealth Management, value chain emissions	Negative impact	Climate
		The positive climate impacts that are material for S-Bank can be achieved by reducing the emissions financed by S-Bank and by reducing the emissions generated by the operations of the portfolio investments.	The impact depends on S-Bank's strategy for implementing its business model.	Banking, Wealth Management, value chain emissions	Positive impact	Climate
Energy efficiency and renewable energy (E1)	The impacts related to energy efficiency and renewable energy will occur in the short, medium and long term, and will depend on business growth that increases energy consumption and on measures to improve energy efficiency and increase the use of renewable energy.	Energy efficiency and the use of renewable energy (purchased energy) have been assessed as material for reducing the emissions impacts of S-Bank's business operations.	The impact depends on S-Bank's strategy for implementing its business model.	All business operations	Positive impact	Climate
		The financing of energy efficiency measures has been assessed as a potential positive impact.	The impact depends on S-Bank's strategy for implementing its business model.	Value chain, properties subject to financing decisions	Positive impact	Climate
		Measures to promote energy efficiency and renewable energy have been assessed as having a material positive impact on the Wealth Management business. In real estate asset management in particular, energy efficiency and the use of renewable energy can also reduce the risks related to investments (transition risks).	The impact depends on S-Bank's strategy for implementing its business model.	Wealth Management	Positive impact	Clients, portfolio investments

Climate change impacts have been assessed as material for both climate change adaptation and mitigation. Energy efficiency and renewable energy are also material for S-Bank, not only as transition risks but also as opportunities to manage the impacts of climate change on its business operations and customers. S-Bank is systematically developing its practices to improve the management of climate change risks. In terms of impacts related to climate change, the targets will be further specified in connection with the sustainability programme to be prepared in 2025.

S-Bank has assessed the impacts of climate change in the short, medium and long term. Based on the assessments, no need for immediate changes to the business model or strategy has been identified. The assessment of impacts related to climate change is described in more detail in section E1.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES: E1 – RISKS AND OPPORTUNITIES

Topic and the relevant ESRS standard	Material risks and opportunities	Financial risk/ opportunity	Link to the business model/strategy	Sphere of impact
Climate change adaptation (E1)	The physical risks related to the real estate collateral for loans granted by S-Bank, as well as the financial risks caused by the physical risks, have been assessed as material for S-Bank.	Risk (physical)	The risks results from S-Bank's business model.	Banking
	Within the scope of its business operations, S-Bank has opportunities to support household customers in adapting to climate change and preparing for climate risks, especially in financing decisions related to residential properties (physical risks related to the financing targets and transition risks) and in day-to-day banking.	Opportunity	The opportunity depends on S-Bank's strategy for implementing its business model.	Banking
	The physical risks related to Wealth Management's investments, such as plot, real estate and forest funds, and their potential impacts on customers have been assessed as material for S-Bank.	Risk (physical)	The risks results from S-Bank's business model.	Wealth Management
	Within the scope of its business operations, S-Bank has opportunities to protect the customer against physical risks related to Wealth Management's portfolio investments.	Opportunity	The opportunity depends on S-Bank's strategy for implementing its business model.	Wealth Management
Climate change mitigation (E1)	The material climate impacts of S-Bank's business operations concern indirect emissions (Scope 3), which mainly consist of emissions financed in the Banking business and emissions from investment targets in the Wealth Management business. Business-related emissions expose S-Bank to transition risks.	Risk (transition)	The risks results from S-Bank's business model.	Banking, Wealth Management
	S-Bank has no direct emissions from its own operations (Scope 1), and indirect emissions from purchased energy (Scope 2) make up a small proportion of S-Bank's total emissions. These emissions impacts have been assessed to be material because of customer expectations concerning climate change mitigation (transition risk).	Risk (transition)	The risks results from S-Bank's business model.	Banking, Wealth Management
	Due to the cost risk and potential impairment associated with emissions from Wealth Management's portfolio investments, climate change mitigation has been assessed as material from the perspective of potential customer impacts (transition risk).	Risk (transition)	The risks results from S-Bank's business model.	Wealth Management
	Reducing the climate risks related to Wealth Management's investments has been assessed as a business opportunity.	Opportunity	The opportunity depends on S-Bank's strategy for implementing its business model.	Wealth Management
Energy efficiency and renewable energy (E1)	Energy efficiency and the use of renewable energy have been identified as material from the perspective of the transition risks associated with S-Bank's financed real estate properties and collateral.	Risk (transition)	The risks results from S-Bank's business model.	Banking
	Measures to improve the energy efficiency of funded sites and their financing have also been assessed as a material opportunity in the Banking business.	Opportunity	The opportunity depends on S-Bank's strategy for implementing its business model.	Banking
	The energy efficiency of Wealth Management's portfolio investments has been assessed as material, especially from the perspective of the transition risks related to properties and any financial effects on customers.	Risk (transition)	The risks results from S-Bank's business model.	Wealth Management
	Measures to promote energy efficiency and renewable energy have also been identified as an opportunity for the Wealth Management business to mitigate climate impacts and customers' transition risks, especially in real estate asset management.	Opportunity	The opportunity depends on S-Bank's strategy for implementing its business model.	Wealth Management

The risks and opportunities related to climate change have been assessed as material for both climate change adaptation and mitigation. Energy efficiency and renewable energy are also material for S-Bank, not only as transition risks but also as opportunities to manage the impacts of climate change on its business operations and customers. S-Bank is systematically developing its practices to improve the management of climate change risks. In terms of opportunities related to climate change, the targets will be further specified in connection with the sustainability programme to be prepared in 2025.

S-Bank has assessed the risks and opportunities related to climate change in the short, medium and long term. The potential financial effects of the risks are not included in the financial statements for the reporting period, and the risk assessment has not identified any need to make adjustments to the financial statements for the upcoming financial period. No quantification of the potential medium- or long-term economic impacts has been made. Based on the assessments, no need for immediate changes to the business model or strategy has been identified. The assessments have partly used scenario analysis, but a comprehensive resilience analysis has not yet been carried out for all business areas. The assessment of impacts related to climate change is described in more detail in section E1.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES: E4 - IMPACTS

Topic and the relevant ESRS standard	Time horizon of the impact	Material impacts	Link to the business model/strategy	Business area	Impact	Target of impact
Biodiversity and ecosystems (E4)	Impacts related to biodiversity may increase in the medium and long term in particular, as biodiversity frameworks and standards evolve and their influence grows.	The portfolio investments of the Wealth Management business involve exposure to physical, transition and systemic risks related to biodiversity and ecosystems. Ignoring nature risks can lead to biodiversity loss.	The impact results from S-Bank's business model.	Wealth Management	Negative impact	Environment
		Within the scope of its business operations, S-Bank has opportunities to have a positive impact through its investment activities on the development of biodiversity in its portfolio investments' operations.	The impact depends on S-Bank's strategy for implementing its business model.	Wealth Management	Positive impact	Environment

The aim of the Wealth Management business is to deepen the understanding of the dependencies and impacts on nature of investment activities and to make the consideration of biodiversity a natural part of investment activities. The impacts, risks and opportunities related to biodiversity have been assessed as material for the Wealth Management business based on the dependencies and exposures related to the portfolio investments. In terms of the bank's own sites or the operations carried out in them, no impacts, risks or opportunities have been assessed as material.

The impacts have been assessed as typical for the sector, and no immediate need to change the current business model or strategy has been identified. In terms of the impacts related to biodiversity, the assessment has been carried out as a qualitative assessment, taking the short, medium and long term into account. The assessment related to biodiversity is described in more detail in section E4, where the biodiversity strategy for investment activities is explained.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES: E4 - RISKS AND OPPORTUNITIES

Topic and the relevant ESRS standard	Material risks and opportunities	Financial risk/ opportunity	Link to the business model/strategy	Sphere of impact
Biodiversity and ecosystems (E4)	The portfolio investments of the Wealth Management business involve exposure to physical, transition and systemic risks related to biodiversity and ecosystems, which have potential impacts on customer risks and thus also involve risks to the Wealth Management business.	Risk (physical, transition)	The risk results from S-Bank's business model.	Wealth Management
	Taking biodiversity impacts into account in the investment products offered to customers is also a business opportunity.	Opportunity	The opportunity depends on S-Bank's strategy for implementing its business model.	Wealth Management

The aim of the Wealth Management business is to deepen the understanding of the dependencies and impacts on nature of investment activities and to make the consideration of biodiversity a natural part of investment activities. The impacts, risks and opportunities related to biodiversity have been assessed as material for the Wealth Management business based on the dependencies and exposures related to the portfolio investments. The potential financial effects of the risks are not included in the financial statements for the reporting period, and the risk assessment has not identified any need to make adjustments to the financial statements for the upcoming financial period. No quantification of the potential medium- or long-term economic impacts has been made. In terms of the bank's own sites or the operations carried out in them, no impacts, risks or opportunities have been assessed as material.

The impacts have been assessed as typical for the sector, and no immediate need to change the current business model or strategy has been identified. In terms of the impacts related to biodiversity, the assessment of business resilience has been carried out as a qualitative assessment, taking the short, medium and long term into account. The assessment related to biodiversity is described in more detail in section E4, where the biodiversity strategy for investment activities is explained.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES: S1 – IMPACTS

Topic and the relevant ESRS standard	Time horizon of the impact	Material impacts	Link to the business model/strategy	Business area	Impact	Target of impact
Own workforce: Working conditions, health and safety, and work-life balance (S1)	In general, social impacts can materialise within any time frame. By paying increasing attention to the management of risks, opportunities and impacts, impacts can be minimised or enhanced.	The impacts identified as material in terms of own workforce concern working conditions, working time, remuneration and work-life balance. Actions that increase well-being at work have a material positive impact on the personnel.	The impact depends on S-Bank's strategy for implementing its business model.	All business operations	Positive impact	Employees
		Among the potential adverse impacts on S-Bank's own workforce, risks related to well-being and workload, which may be reflected in sickness absences, employee turnover (failed engagement of personnel) and challenges related to labour availability, for example, have been assessed as material.	The impact results from S-Bank's business model.	All business operations	Potential negative impact	Employees
Own workforce: Equal treatment and opportunities for all (S1)	In general, social impacts can materialise within any time frame. By paying increasing attention to the management of risks, opportunities and impacts, impacts can be minimised or enhanced.	Themes related to equality and equity, such as gender equality, diversity and equal treatment, as well as equal opportunities for all, including training and skills development, have been identified as material impacts related to S-Bank's own workforce. The impacts have been initially assessed as positive.	The impact depends on S-Bank's strategy for implementing its business model.	All business operations	Positive impact	Employees
		S-Bank's own workforce is also subject to potential negative impacts related to unequal treatment and harassment, the prevention of which is addressed as part of S-Bank's personnel policy.	The impact results from S-Bank's business model.	All business operations	Potential negative impact	Employees

S-Bank's business model is fundamentally based on skilled personnel and on employees' competence and satisfaction. In terms of the impacts related to own workforce, the assessment has been carried out as a qualitative assessment focusing primarily on the short and medium term. The assessment has not identified any immediate need to change the current business model or strategy or the personnel management principles. Identified impacts, risks and opportunities are addressed within the framework of S-Bank's existing principles and procedures. These principles and procedures are described in more detail in section S1.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES: S1 – RISKS AND OPPORTUNITIES

Topic and the relevant ESRS standard	Material risks and opportunities	Financial risk/ opportunity	Link to the business model/strategy	Sphere of impact
Own workforce: Working conditions, health and safety, and work-life balance (S1)	Actions that increase well-being at work, through which S-Bank proactively supports its employees' well-being, health and safety, also have a positive impact on its employer image, which is an opportunity for S-Bank in terms of workforce engagement, availability and costs.	Opportunity	The opportunity depends on S-Bank's strategy for implementing its business model.	All business operations
	The potential adverse impacts related to well-being and workload may be reflected in sickness absences, employee turnover (failed engagement of personnel) and challenges related to labour availability, for example. Negative impacts on employees always represent a financial risk for S-Bank.	Risk	The risks results from S-Bank's business model.	All business operations
Own workforce: Equal treatment and opportunities for all (S1)	S-Bank's own workforce is exposed to risks related to unequal treatment and harassment, the prevention of which is addressed part of S-Bank's personnel policy. Negative impacts on employees always represent a financial risk for S-Bank.	Risk	The risks results from S-Bank's business model.	All business operations

S-Bank's business model is fundamentally based on skilled personnel and on employees' competence and satisfaction. In terms of the impacts related to own workforce, the assessment of business resilience has been carried out as a qualitative assessment focusing primarily on the short and medium term. The assessment has not identified any immediate need to change the current business model or strategy or the personnel management principles. The potential financial effects of the risks are not included in the financial statements for the reporting period, and the risk assessment has not identified any need to make adjustments to the financial statements for the upcoming financial period. No quantification of the potential medium- or long-term economic impacts has been made. Identified impacts, risks and opportunities are addressed within the framework of S-Bank's existing principles and procedures. These principles and procedures are described in more detail in section S1.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES: S2 – IMPACTS

Topic and the relevant ESRS standard	Time horizon of the impact	Material impacts	Link to the business model/strategy	Business area	Impact	Target of impact
Working conditions and rights of workers in the value chain (S2)	In general, social impacts can materialise within any time frame. By paying increasing attention to the management of risks, opportunities and impacts, impacts can be minimised or enhanced.	All S-Bank's purchases can be considered to have an indirect impact on workers in the value chain. The impacts on working conditions, labour rights and equity have been identified as material impacts. Through its own efforts, S-Bank aims to ensure appropriate terms of employment and working conditions, and the impact has been assessed as positive.	The impact depends on S-Bank's strategy for implementing its business model.	All business operations	Positive impact	Workers in the value chain
		There are always risks involved in the implementation of the rights of workers in the value chain, over which S-Bank does not have full control. The potential negative impacts related to service providers' own workers are related to working conditions, labour rights and equity.	The impact results from S-Bank's business model.	All business operations	Potential negative impact	Workers in the value chain
		In the Wealth Management business, any negative impacts related to workers in the portfolio investments' value chain essentially concern serious violations of labour and human rights, such as insufficient safety at work, forced labour or the use of child labour.	The impact results from S-Bank's business model.	Wealth Management	Potential negative impact	Workers in the portfolio investments' value chain

S-Bank engages in the service business, making use of a wide range of services and expertise provided by other companies. S-Bank's procurement is mainly targeted at service companies operating in Finland and other EEA countries, with short supply chains and work taking place in either Finland or countries with a high level of social security and labour legislation. The services purchased mainly consist of work requiring high skills, training and specialisation. Possible targets and actions will be determined in connection with the preparation of the sustainability programme in 2025.

In terms of the impacts related to workers in the value chain, the assessment has been carried out as a qualitative assessment focusing primarily on the short term. The assessment has not identified any immediate need to change the current business model or strategy. Identified impacts, risks and opportunities are addressed within S-Bank's existing principles and procedures, which are developed systematically. These principles and procedures are described in more detail in section S2.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES: S2 – RISKS AND OPPORTUNITIES

Topic and the relevant ESRS standard	Material risks and opportunities	Financial risk/ opportunity	Link to the business model/ strategy	Sphere of impact
Working conditions and rights of workers in the value chain (S2)	There are always risks involved in the implementation of the rights of workers in the value chain, over which S-Bank does not have full control. Some of the purchased services have been assessed as critical for business continuity, whereby the potential negative impacts related to the service providers' own workers may constitute a financial risk for S-Bank.	Risk	The risks results from S-Bank's business model.	Banking
	In the Wealth Management business, negative impacts and misconduct related to workers in the portfolio investments' value chain may affect the value of the assets under management, which may constitute a financial risk for S-Bank.	Risk	The risks results from S-Bank's business model.	Wealth Management

S-Bank engages in the service business, making use of a wide range of services and expertise provided by other companies. S-Bank's procurement is mainly targeted at service companies operating in Finland and other EEA countries, with short supply chains and work taking place in either Finland or countries with a high level of social security and labour legislation. The services purchased mainly consist of work requiring high skills, training and specialisation. The assessment has not identified any immediate need to change the current business model or strategy. Possible targets and actions will be determined in connection with the preparation of the sustainability programme in 2025.

In terms of the impacts related to workers in the value chain, the assessment of business resilience has been carried out as a qualitative assessment focusing primarily on the short and medium term. The potential financial effects of the risks are not included in the financial statements for the reporting period, and the risk assessment has not identified any need to make adjustments to the financial statements for the upcoming financial period. No quantification of the potential medium- or long-term economic impacts has been made. The assessment has not identified any immediate need to change the current business model or strategy. Identified impacts, risks and opportunities are addressed within S-Bank's existing principles and procedures, which are developed systematically. These principles and procedures are described in more detail in section S2.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES: S4 – IMPACTS

Topic and the relevant ESRS standard	Time horizon of the impact	Material impacts	Link to the business model/ strategy	Business area	Impact	Target of impact
Availability of high-quality information related to products and services, and responsible communication(S4)	In general, social impacts can materialise within any time frame. By paying increasing attention to the management of risks, opportunities and impacts, impacts can be minimised or enhanced.	S-Bank's services have a significant impact on customers' financial decision-making. The comprehensibility of communication about S-Bank's services and the reliability of the information provided are material in all S-Bank's business operations. The requirement for reliability and transparency in the Wealth Management business is emphasised in the case of complex or high-risk investment products and in customer service situations.	The impact results from S-Bank's business model and depends on the strategy.	All business operations	Positive impact	Customers
Ensuring the availability of products and services and non-discrimination (S4)	In general, social impacts can materialise within any time frame. By paying increasing attention to the management of risks, opportunities and impacts, impacts can be minimised or enhanced.	Positive impacts for S-Bank's customers are generated through high-quality banking services that increase financial security and well-being, for example. Key positive impacts include access to free basic banking services regardless of income, wealth or other personal background, the promotion of customers' financial management, and loan solutions that take the customer's financial situation into account.	The impact depends on S-Bank's strategy for implementing its business model.	All business operations	Positive impact	Customers
Information security, data protection and privacy (S4)	In general, social impacts can materialise within any time frame. By paying increasing attention to the management of risks, opportunities and impacts, impacts can be minimised or enhanced.	S-Bank processes a large amount of customers' financial data as part of the services it offers. Failures in personal data processing can cause negative impacts related to customers' privacy and property. The impacts occur in connection with potential data leaks, identity theft and denial-of-service attacks, where the potential impact is highlighted in particular in the form of customers' compromised personal data protection.	The impact results from S-Bank's business model.	All business operations	Potential negative impact	Customers

S-Bank's strategy and business model are based on services offered to household customers. The positive impacts of the business operations are directed at customers through high-quality banking services that increase financial security and well-being, for example. S-Bank's customer base is demographically broad, which underlines the materiality of the equal and non-discriminatory treatment of customers and the accessibility of services. A customer-centric service offering is an integral part of S-Bank's business model and strategy.

The Banking business is dependent on information networks and systems, which is why the risks of abuse with regard to information security and data protection have been assessed as material for S-Bank and its customers. For example, cyberattacks or system failures caused by cyberattacks can cause problems with the availability of services such as processing payments, transferring money or using the online bank.

In terms of customer impacts, the assessment has been carried out as a qualitative assessment focusing primarily on the short and medium term. All S-Bank's direct household customers have been taken into account in the assessment, and risks have been assessed as deviations. The assessment has not identified any immediate need to change the current business model or strategy. Identified impacts, risks and opportunities are addressed within S-Bank's existing principles and procedures as part of business development. The guiding principles and procedures are described in more detail in section S4.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES: S4 - RISKS AND OPPORTUNITIES

Topic and the relevant ESRS standard	Material risks and opportunities	Financial risk/ opportunity	Link to the business model/ strategy	Sphere of impact
Availability of high-quality information related to products and services, and responsible communication (S4)	S-Bank's services have a significant impact on customers' financial decision-making. The comprehensibility of communication about S-Bank's services and the reliability of the information provided are material in all S-Bank's business operations. The requirement for reliability and transparency in the Wealth Management business is emphasised in the case of complex or high-risk investment products and in customer service situations.	Risk	The risks results from S-Bank's business model.	All business operations
Ensuring the availability of products and services and non-discrimination (S4)	S-Bank's customer base is demographically broad, which underlines the materiality of the equal and non-discriminatory treatment of customers and the importance of the accessibility of services.	Risk	The risk results from S-Bank's strategy.	All business operations
	A comprehensive range of services that takes into account the different economic and social backgrounds of customers is a business opportunity for S-Bank.	Opportunity	The opportunity depends on S-Bank's strategy for implementing its business model.	All business operations
Information security, data protection and privacy (S4)	S-Bank processes a large amount of customers' financial data as part of the services it offers. Failures in personal data processing can pose risks to customers' privacy and property. The impacts occur in connection with potential data leaks, identity theft and denial-of-service attacks, where the risk is highlighted in particular in the form of customers' compromised personal data protection. The potential negative impacts are also a risk to S-Bank's business operations.	Risk	The risks results from S-Bank's business model.	All business operations

S-Bank's strategy and business model are based on services offered to household customers. The positive impacts of the business operations are directed at customers through high-quality banking services that increase financial security and well-being, for example. S-Bank's customer base is demographically broad, which underlines the materiality of the equal and non-discriminatory treatment of customers and the accessibility of services. A customer-centric service offering is an integral part of S-Bank's business model and strategy.

The Banking business is dependent on information networks and systems, which is why the risks of abuse with regard to information security and data protection have been assessed as material for S-Bank and its customers. For example, cyberattacks or system failures caused by cyberattacks can cause problems with the availability of services such as processing payments, transferring money or using the online bank.

In terms of the impacts related to customers, the assessment of business resilience has been carried out as a qualitative assessment focusing primarily on the short and medium term. All S-Bank's direct household customers have been taken into account in the assessment, and risks have been assessed as deviations. The potential financial effects of the risks are not included in the financial statements for the reporting period, and the risk assessment has not identified any need to make adjustments to the financial statements for the upcoming financial period. No quantification of the potential medium- or long-term economic impacts has been made. The assessment has not identified any immediate need to change the current business model or strategy. Identified impacts, risks and opportunities are addressed within S-Bank's existing principles and procedures as part of business development. The guiding principles and procedures are described in more detail in section S4.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES: G1 - IMPACTS

Topic and the relevant ESRS standard	Time horizon of the impact	Material impacts	Link to the business model/ strategy	Business area	Impact	Target of impact
"Sustainability governance and ethical business operations (G1)"	In general, the impacts related to good governance can materialise within any time frame. By paying increasing attention to the management of risks, opportunities and impacts, impacts can be minimised or enhanced.	S-Bank's strategy and business model are fundamentally based on customer trust and on the corporate culture and procedures that ensure the reliability of operations. The provision of banking and investment services always involves a risk of misconduct, which can have significant financial consequences for customers.	The impact results from S-Bank's business model.	All business operations	Potential negative impact	Customers
		In the Wealth Management business, ethical business principles have also been identified as material in terms of portfolio investments. The risks of misconduct related to portfolio investments and any ensuing impairment have been assessed to be material in terms of customer impact and customer assets under management.	The impact results from S-Bank's business model.	Wealth Management	Potential negative impact	Customers

S-Bank's strategy and business model are fundamentally based on customer trust and on the corporate culture and procedures that ensure the reliability of operations. S-Bank operates in a regulated industry, where regulatory requirements and supervision by the authorities underline the importance of ethical and reliable procedures. On the other hand, the Banking business always involves a risk of misconduct, which requires effective procedures and continuous improvement.

The impacts related to good governance have been assessed through a qualitative assessment focusing primarily on the short and medium term. The assessment has not identified any immediate need to change the current business model or strategy. Identified impacts, risks and opportunities are addressed within S-Bank's existing principles and procedures as part of business development. The guiding principles and procedures are described in more detail in section G1.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES: G1 - RISKS AND OPPORTUNITIES

Topic and the relevant ESRS standard	Material risks and opportunities	Financial risk/ opportunity	Link to the business model/ strategy	Sphere of impact
Sustainability governance and ethical business operations (G1)	S-Bank's strategy and business model are fundamentally based on customer trust and on the corporate culture and procedures that ensure the reliability of operations. Any actions that demonstrate poor governance or are considered unethical pose a risk to S-Bank's customer trust and reputation. Responsible business principles, responsible corporate culture and responsible banking services and investment products for customers are also a business opportunity for S-Bank.	Risk and opportunity	The risks results from S-Bank's business model. The possibility depends on S-Bank's strategy.	All business operations
	The provision of banking and investment services always involves a risk of misconduct, which can have significant financial consequences for S-Bank.	Risk	The risks results from S-Bank's business model.	All business operations
	In the Wealth Management business, ethical business principles have also been identified as material in terms of portfolio investments. The risks of misconduct related to investees and any ensuing impairment have been assessed to be material in terms of customer impact, which is also a financial risk for S-Bank.	Risk	The risks results from S-Bank's business model.	Wealth Management
Prevention of corruption, the shadow economy and money laundering (G1)	The provision of banking and investment services always involves a risk of money laundering, corruption and misconduct, which can have significant financial consequences for S-Bank.	Risk	The risks results from S-Bank's business model.	All business operations
	In the Wealth Management business, anti-corruption has been identified as material, even in terms of portfolio investments. The risks of misconduct related to portfolio investments and any ensuing impairment have been assessed to be material even in terms of customer impact, which is also a financial risk for S-Bank.	Risk	The risks results from S-Bank's business model.	Wealth Management

S-Bank's strategy and business model are fundamentally based on customer trust and on the corporate culture and procedures that ensure the reliability of operations. S-Bank operates in a regulated industry, where regulatory requirements and supervision by the authorities underline the importance of ethical and reliable procedures. On the other hand, the Banking business always involves a risk of misconduct, which requires effective procedures and continuous improvement.

In terms of good governance, the assessment of resilience has been carried out as a qualitative assessment focusing primarily on the short and medium term. The potential financial effects of the risks are not included in the financial statements for the reporting period, and the risk assessment has not identified any need to make adjustments to the financial statements for the upcoming financial period. No quantification of the potential medium- or long-term economic impacts has been made. The assessment has not identified any immediate need to change the current business model or strategy. Identified impacts, risks and opportunities are addressed within S-Bank's existing principles and procedures as part of business development. The guiding principles and procedures are described in more detail in section G1.

APPENDIX 1: LIST OF ESRS DISCLOSURE REQUIREMENTS FOLLOWED IN THE PREPARATION OF THE SUSTAINABILITY REPORT

ESRS Requirement	Section of the report
ESRS2 General Disclosures	
BP-1 General basis for preparation of the sustainability statement	ESRS 2 General basis for preparation of the sustainability report
BP-2 Disclosures in relation to specific circumstances	ESRS 2 Time horizon for sustainability reporting, ESRS 2 Value chain estimation, ESRS 2 The value chain covered by the sustainability report
GOV-1 The role of the administrative, management and supervisory bodies	ESRS 2 The role of the administrative, management and supervisory bodies
GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	ESRS 2 Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies
GOV-3 Integration of sustainability-related performance in incentive schemes	ESRS 2 Integration of sustainability-related performance into incentive schemes
GOV-4 Statement on due diligence	ESRS 2 Statement on due diligence, ESRS 2 Core elements of due diligence
GOV-5 Risk management and internal controls over sustainability reporting	ESRS 2 Risk management and internal controls over sustainability reporting
SBM-1 Strategy, business model and value chain	ESRS 2 S-Bank's business model, value chain and strategy
SBM-2 Interests and views of stakeholders	ESRS 2 Interests and views of stakeholders
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2 Material impacts, risks and opportunities (table), E1 Material impacts, risks and opportunities, E4 Material impacts, risks and opportunities in the Wealth Management business, S1 Material impacts, risks and opportunities, S2 Materiality assessment, S4 Material impacts, risks and opportunities, G1 Business conduct
IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities	ESRS 2 Description of the processes to identify and assess material impacts, risks and opportunities, E1 Climate and environmental risk identification and assessment process at S-Bank
IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	Appendix 1: List of ESRS disclosure requirements followed in the preparation of the sustainability report
Environmental information	
E1 Climate change	
Disclosure requirement related to ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	E1 Policies and actions related to climate change mitigation and adaptation

ESRS Requirement	Section of the report
E1-1 – Transition plan for climate change mitigation	E1 Policies and actions related to climate change mitigation and adaptation
Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	E1 Material impacts, risks and opportunities
Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	ESRS 2 Description of the processes to identify and assess material impacts, risks and opportunities, E1 Climate and environmental risk identification and assessment process at S-Bank
E1-2 – Policies related to climate change mitigation and adaptation	E1 Policies and actions related to climate change mitigation and adaptation, E1 Wealth Management policies and actions
E1-3 – Actions and resources in relation to climate change policies	E1 Wealth Management policies and actions
E1-4 – Targets related to climate change mitigation and adaptation	E1 Climate targets in Wealth Management , E1 Climate targets in Real Estate Asset Management
E1-5 – Energy consumption and mix	E1 Energy consumption and mix
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	E1 Gross Scopes 1, 2, 3 and total GHG emissions
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	E1 Policies and actions related to climate change mitigation and adaptation
E1-8 – Internal carbon pricing	E1 Policies and actions related to climate change mitigation and adaptation
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	According to the reporting standards, undertaking may omit this information for the first year of preparation of its sustainability statement.
E4 Biodiversity and ecosystems	
Disclosure Requirement E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model	ESRS 2 Material impacts, risks and opportunities (table), E4 Material impacts, risks and opportunities in the Wealth Management business, E4 Wealth Management's biodiversity strategy
Disclosure Requirement SBM 3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Disclosure requirement considered partly non-material in describing the biodiversity impacts of investment activities.
Disclosure Requirement related to ESRS 2 IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	E4 Industry risk assessment of portfolio investments to identify biodiversity impacts and dependencies

ESRS Requirement	Section of the report
E4-2 – Policies related to biodiversity and ecosystems	E4 Wealth Management's biodiversity strategy
E4-3 – Actions and resources related to biodiversity and ecosystems	E4 Actions and targets
E4-4 – Targets related to biodiversity and ecosystems	E4 Actions and targets
E4-5 – Impact metrics related to biodiversity and ecosystems change	E4 Actions and targets
E4-6 – Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities	E4 Actions and targets
Social information	
S1 Own workforce	
Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders	ESRS 2 Material impacts, risks and opportunities (table), S1 Material impacts, risks and opportunities, S1 Impacts on own workforce, S1 Risks and opportunities related to own workforce
Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	S1 S-Bank's personnel, S1 Material impacts, risks and opportunities, S1 Impacts on own workforce, S1 Risks and opportunities related to own workforce
S1-1 – Policies related to own workforce	S1 Policies related to own workforce
S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	S1 Interaction with own personnel
S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns	S1 Processes to remediate negative impacts and channels for own workers to raise concerns
S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	S1 Actions related to own personnel
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1 Targets related to own personnel
S1-6 – Characteristics of the undertaking's employees	S1 Characteristics of the undertaking's employees
S1-7 – Characteristics of non-employees in the undertaking's own workforce	According to the reporting standards, undertaking may omit this information for the first year of preparation of its sustainability statement.
S1-8 – Collective bargaining coverage and social dialogue	S1 Collective bargaining coverage and adequate wages

ESRS Requirement	Section of the report
S1-9 – Diversity metrics	S1 Diversity metrics
S1-10 – Adequate wages	S1 Collective bargaining coverage and adequate wages
S1-11 – Social protection	S1 Social protection
S1-12– Persons with disabilities	S1 Persons with disabilities
S1-13 – Training and skills development metrics	S1 Training and skills development metrics
S1-14 – Health and safety metrics	S1 Health and safety metrics
S1-15 – Work-life balance metrics	S1 Work-life balance metrics
S1-16 – Remuneration metrics (pay gap and total remuneration)	S1 Remuneration metrics
S1-17 – Incidents, complaints and severe human rights impacts	S1 Incidents, complaints and severe human rights impacts
S2 Workers in the value chain	
Disclosure Requirement related to ESRS 2 SBM-2 Interests and views of stakeholders	ESRS 2 Material impacts, risks and opportunities (table), S2 Olennaisuuden arviointi
Disclosure Requirement related to ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2 Material impacts, risks and opportunities (table), S2 Materiality assessment, S2 Workers in the supply chain, S2 Workers in the investment activities value chain
S2-1 – Policies related to value chain workers	S2 Policies related to workers in the supply chain, S2 Value chain workers in investment activities, Policies
S2-2 – Processes for engaging with value chain workers about impacts	S2 Engagement with workers in the supply chain, S2 Access to information of and engagement with workers in the value chain in fixed income and equity investing activities, S2 Value chain workers in real estate investments
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	S2 Whistleblowing channel, S2 Remediation, S2 Value chain workers in real estate investments
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	S2 Selecting suppliers and partners, S2 Supplier Code of Conduct, S2 Whistleblowing channel, S2 Remediation, S2 Violations detected during the financial period, S2 Processes related to workers in the value chain in direct equity and fixed income investments, S2 Value chain workers in real estate investments
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S2 Selecting suppliers and partners, S2 Processes related to workers in the value chain in direct equity and fixed income investments, S2 Value chain workers in real estate investments

ESRS Requirement	Section of the report
S4 Consumers and end-users	
Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders	ESRS 2 Material impacts, risks and opportunities (table), S4 Material impacts, risks and opportunities
Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2 Material impacts, risks and opportunities (table), S4 Material impacts, risks and opportunities
S4-1 – Policies related to consumers and end-users	S4 Availability, accessibility, and nondiscrimination of products and services, S4 High-quality customer information, responsible communication and marketing, S4 Information security, data protection and privacy
S4-2 – Processes for engaging with consumers and end-users about impacts	S4 Processes to remediate negative impacts, S4 Customer complaints and feedback, S4 Specific processes related to addressing negative impacts on information security, data protection and privacy
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	S4 Processes to remediate negative impacts, S4 Customer complaints and feedback, S4 Specific processes related to addressing negative impacts on information security, data protection and privacy
S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	S4 Availability, accessibility, and nondiscrimination of products and services, S4 High-quality customer information, responsible communication and marketing, S4 Information security, data protection and privacy
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S4 Targets and metrics
Governance	
G1 Business conduct	
Disclosure Requirement related to ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies	ESRS 2 The role of the administrative, management and supervisory bodies
Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	ESRS 2 Description of the processes to identify and assess material impacts, risks and opportunities
G1-1– Business conduct policies and corporate culture	G1 Business conduct policies and corporate culture
G1-2 – Management of relationships with suppliers	G1 Ethics in supplier management and payment practices

ESRS Requirement	Section of the report
G1-3 – Prevention and detection of corruption and bribery	G1 Preventing bribery and corruption, G1 Approaches for preventing bribery and corruption, G1 Addressing suspected bribery and corruption, G1 Availability of guidance and training
G1-4 – Incidents of corruption or bribery	G1 Incidents during the reporting period
G1-5 – Political influence and lobbying activities	G1 Political influence
G1-6 – Payment practices	G1 Ethics in supplier management and payment practices

LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Paragraph or page reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/181627, Annex II		Material	ESRS 2 The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	ESRS 2 The role of the administrative, management and supervisory bodies
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	ESRS 2 Description of the processes to identify and assess material impacts, risks and opportunities
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/245328 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not applicable	-
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II			Not applicable	-
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/181829, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable	-
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable	-
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	E1 Policies and actions related to climate change mitigation and adaptation
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Material	E1 S-Bank's business resilience
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	E1 Climate targets in Wealth Management

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Paragraph or page reference
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Not applicable	-
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	E1 Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Not applicable	-
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	E1 Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	E1 Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Material	E1 Policies and actions related to climate change mitigation and adaptation
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material	Not reported (phase-in)
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Material	Not reported (phase-in)
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Material	Not reported (phase-in)
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69		Delegated Regulation (EU) 2020/1818, Annex II			Material	Not reported (phase-in)

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Paragraph or page reference
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	-
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	-
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	-
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	-
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	-
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	-
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Material	E4 Material impacts, risks and opportunities in the Wealth Management business
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not applicable	-
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not applicable	-
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Material	E4 Wealth Management's biodiversity strategy
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Material	E4 Wealth Management's biodiversity strategy
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Material	E4 Wealth Management's biodiversity strategy
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	-
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	-

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Paragraph or page reference
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material	-
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material	-
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	S1 Human rights principles related to own workforce
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	S1 Human rights principles related to own workforce
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material	-
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	S1 Policies related to own workforce
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	S1 Processes to remediate negative impacts and channels for own workers to raise concerns
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II			Material	S1 Health and safety metrics
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	S1 Health and safety metrics
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	S1 Remuneration metrics
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	S1 Remuneration metrics
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	S1 Incidents, complaints and severe human rights impacts
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	S1 Incidents, complaints and severe human rights impacts

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Paragraph or page reference
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Material	S2 Workers in the investment activities value chain
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Material	S2 Value chain workers in investment activities
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Material	S2 Value chain workers in investment activities
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	S2 Violations detected during the financial period, S2 Processes related to workers in the value chain in direct equity and fixed income investments
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material	S2 Policies related to workers in the supply chain
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Material	S2 Processes related to workers in the value chain in direct equity and fixed income investments
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	-
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	-
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	-
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Material	S4 Policies and operating principles
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	S4 Policies and operating principles

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Paragraph or page reference
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Material	S4 Processes to remediate negative impacts
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material	G1 Preventing bribery and corruption
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	G1 Whistleblower protection at S-Bank
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material	G1 Incidents during the reporting period
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material	G1 Incidents during the reporting period

DISCLOSURES PURSUANT TO TAXONOMY REGULATION

Responsible financing

The services provided by S-Bank focus on households to whom S-Bank offers services for daily banking, saving and investment, and the financing of purchases. S-Bank's unique position as a bank with more than 3 million customers gives it the opportunity to make a positive impact on Finnish society as a whole, for example by improving people's financial position and equity. Environmental responsibility and climate change mitigation also play an important role when S-Bank develops its operations and services. In order to operate responsibly as a provider of financial services, S-Bank must carefully comply with regulatory requirements. The EU Taxonomy Regulation (EU 2020/852) is an EU-wide classification system that sets out clear and harmonised sustainability criteria for the classification of financing targets. The Taxonomy Regulation (EU) 2020/852 is supplemented by the regulations (EU) 2021/2139 (Climate Delegated Regulation) and (EU) 2023/2486 (Environmental Delegated Regulation), which have confirmed technical screening criteria. S-Bank reports on its environmentally sustainable economic activities in accordance with the provisions of Commission Delegated Regulation (EU) 2021/2178 concerning credit institutions.

Among S-Bank's services, the financing of housing and housing construction and wealth management services are relevant to the EU taxonomy. The taxonomy alignment of asset management is discussed in more detail below in the section on responsible investment below.

Housing loans make up a significant part of S-Bank's balance sheet and the balance sheet's taxonomy-eligible items. The receivables on S-Bank's balance sheet consist mostly of lending to households and housing companies, of which only household housing loans collateralised by residential immovable property are taxonomy-eligible receivables. The bank engages in the actual financing of companies only to a minor extent. Debt securities issued by public sector entities, which can also be found in S-Bank's portfolios, are not taxonomy-eligible. S-Bank does not have a trading book.

S-Bank reported items related to its financing activities in accordance with EU taxonomy for the first time in its 2021 Annual Report. Taxonomy reporting has been developed annually in line with regulatory requirements and information that is available on the market.

So far, S-Bank has not set any actual strategic objectives regarding the taxonomy classification. Up to now the poor availability of information on taxonomy criteria, especially for housing loans, has been preventing more extensive business use of the classification system. S-Bank closely monitors market developments and aims to improve the availability of information in cooperation with various market participants and customers. As practices evolve, the importance of the classification system is also expected to grow in terms of business strategy and product design.

In 2023, credit institutions reported for the first time on the proportions in their covered assets of exposures to taxonomy-compliant economic activities. Compliance includes the proportion of exposures eligible for inclusion in the classification system, wherein the related activities contribute significantly to one of the six sustainability objectives, do not, at the same time, cause significant harm to the other objectives and meet the minimum safeguards compliant with the regulation.

In 2022, a disclosure obligation (Delegated Regulation 2022/1214) entered into force related to nuclear and fossil gas activities and their financing. S-Bank reports the required information under the regulation for banking and asset management.

As required by the regulation, the reporting has used the companies' self-reported data, which have been collected by an external service provider.

According to the interpretation made in 2024, S-Bank's housing loans to households collateralised by residential immovable property and house renovation loans can be considered taxonomy-eligible in terms of climate change mitigation. S-Bank has adjusted the 2023 figures to align with the interpretation made. However, it is not possible for S-Bank to report on taxonomy compliance, as the necessary data are not yet sufficiently available.

Credit institutions are required to publish the green asset ratio (GAR) in their loan portfolio based on both revenue and capital expenditure (CapEx). The GAR represents the ratio of the bank's assets that finances the taxonomy-compliant economic activities. For 2024, S-Bank's GAR was 0.31 per cent based on revenue and 0.59 per cent based on capital expenditure. The GARs are significantly affected by the fact that S-Bank has not yet been able to assess the taxonomy-compliance of housing loans to households collateralised by residential immovable property and house renovation loans as required by the technical screening criteria.

SUMMARY OF KPIS TO BE DISCLOSED BY CREDIT INSTITUTIONS UNDER ARTICLE 8 TAXONOMY REGULATION (0)

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	**32.01**	**0.31%**	**0.59%**	**78.17%**	**11.59%**	**21.83%**
		Total environmentally sustainable activities	**KPI**	**KPI**	**% coverage (over total assets)**	**% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)**	**% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)**
Additional KPIs	GAR (flow)	0.00	0.00%	0.00%	0.00%		
	Trading book*						
	Financial guarantees						
	Assets under management	81.25	1.53%	2.15%			
	Fees and commissions income**						

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR
** Fees and commissions income from services other than lending and AuM
*** % of assets covered by the KPI over banks' total assets
**** based on the Turnover KPI of the counterparty
***** based on the CapEX of the counterparty, except for lending activities where for general lending Turnover KPI is used
Note 1: Across the reporting templates: cells shaded in black should not be reported
Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs' inclusion in these KPI will only apply subject to a positive result of an impact assessment.

ASSETS FOR THE CALCULATION OF GAR (1) (TURNOVER)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31 Dec 2024																														
	Turnover		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Million EUR	Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	8 862.32	6 495.61	32.01		1.73	2.48	2.92	0.00		0.00	0.00	0.00		0.00	29.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	6 527.53	32.01		1.73	2.48
2	**Financial undertakings**	377.82	123.46	10.50		0.71	0.25	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	123.46	10.50		0.71	0.25
3	Credit institutions	369.16	123.46	10.50		0.71	0.25	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	123.46	10.50		0.71	0.25
4	Loans and advances		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
5	Debt securities, including UoP	369.16	123.46	10.50		0.71	0.25	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	123.46	10.50		0.71	0.25
6	Equity instruments		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
7	Other financial corporations	8.65	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
8	of which investment firms																															
9	Loans and advances		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
10	Debt securities, including UoP		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
11	Equity instruments		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
12	of which management companies																															
13	Loans and advances		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
14	Debt securities, including UoP		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
15	Equity instruments		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
16	of which insurance undertakings	8.65		0.00			0.00																						0.00			0.00
17	Loans and advances		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
18	Debt securities, including UoP		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
19	Equity instruments	8.65	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
20	**Non-financial undertakings**	160.51	100.57	21.51		1.03	2.23	2.92	0.00		0.00	0.00	0.00		0.00	29.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	132.49	21.51		1.03	2.23
21	Loans and advances	110.57	87.46	17.39		0.00	0.60	2.92	0.00		0.00	0.00	0.00		0.00	20.34	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	110.72	17.39		0.00	0.60
22	Debt securities, including UoP	49.94	13.11	4.13		1.03	1.63	0.00	0.00		0.00	0.00	0.00		0.00	8.66	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	21.78	4.13		1.03	1.63
23	Equity instruments	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
24	**Households**	8 322.53	6 271.58																									6 271.58				
25	of which loans collateralised by residential immovable property	6 157.72	6 157.72																									6 157.72				
26	of which building renovation loans	113.86	113.86																									113.86				
27	of which motor vehicle loans																															
28	**Local governments financing**	1.46																										0.00				
29	Housing financing																															
30	Other local government financing	1.46																										0.00				
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	1 542.66																														
33	**Financial and Non-financial undertakings**	1 339.26																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1 200.55																														
35	Loans and advances	1 116.69																														
36	of which loans collateralised by commercial immovable property																															
37	of which building renovation loans																															
38	Debt securities	78.99																														
39	Equity instruments	4.87																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	138.71																														
41	Loans and advances																															
42	Debt securities, including UoP	132.90																														
43	Equity instruments	5.81																														
44	**Derivatives**	69.47																														
45	**On demand interbank loans**	21.61																														
46	**Cash and cash-related assets**	6.49																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	105.82																														
48	**Total GAR assets**	10 404.98	6 495.61	32.01	0.00	1.73	2.48	2.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6 527.53	32.01	0.00	1.73	2.48
49	**Assets not covered for GAR calculation**	2 905.79																														
50	**Central governments and Supranational issuers**	5.75																														
51	**Central banks exposure**	2 899.93																														
52	**Trading book**	0.12																														
53	**Total assets**	13 310.77																														
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																															
54	Financial guarantees																															
55	Assets under management	5 293.24	276.20	77.00	0.00	19.01	35.55	8.86	1.26	0.00	1.22	0.21	0.00	0.00	0.00	43.38	2.83	0.00	0.50	18.94	0.17	0.00	0.16	0.64	0.00	0.00	0.00	348.22	81.25	0.00	19.01	37.44
56	Of which debt securities	950.66	176.93	37.45	0.00	12.47	10.67	4.65	0.18	0.00	0.15	0.05	0.00	0.00	0.00	12.44	0.22	0.00	0.14	0.91	0.15	0.00	0.14	0.00	0.00	0.00	0.00	194.97	37.99	0.00	12.47	11.10
57	Of which equity instruments	1 878.61	99.27	39.54	0.00	6.54	24.88	4.21	1.08	0.00	1.08	0.16	0.00	0.00	0.00	30.94	2.61	0.00	0.37	18.03	0.02	0.00	0.02	0.64	0.00	0.00	0.00	153.25	43.26	0.00	6.55	26.34

Turnover

31 Dec 2023

	Million EUR	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6 303.59																														
2	**Financial undertakings**	250.53																										97.93				
3	Credit institutions	230.26																										91.61				
4	Loans and advances																											0.00				
5	Debt securities, including UoP	230.26																										91.61				
6	Equity instruments																											0.00				
7	Other financial corporations	20.28																										6.32				
8	of which investment firms																											0.00				
9	Loans and advances																											0.00				
10	Debt securities, including UoP																											0.00				
11	Equity instruments																											0.00				
12	of which management companies	11.46																										5.84				
13	Loans and advances	0.00																										0.00				
14	Debt securities, including UoP	11.46																										5.84				
15	Equity instruments	0.00																										0.00				
16	of which insurance undertakings	8.82																										0.48				
17	Loans and advances	0.00																										0.00				
18	Debt securities, including UoP	0.00																										0.00				
19	Equity instruments	8.82																										0.48				
20	**Non-financial undertakings**	194.85																										132.87				
21	Loans and advances	129.86	0.00	14.15		0.00	1.43	0.00	0.00		0.00																	120.91	14.15		0.00	1.43
22	Debt securities, including UoP	64.98	0.52	3.25		0.09	1.53	0.00	0.00		0.00																	11.96	3.30		0.09	1.59
23	Equity instruments	0.00																														
24	**Households**	5 807.61	4 209.22																									4 209.22				
25	of which loans collateralised by residential immovable property	4 140.21	4 140.21																									4 140.21				
26	of which building renovation loans	69.01	69.01																									69.01				
27	of which motor vehicle loans																															
28	**Local governments financing**	50.60																										0.00				
29	Housing financing																											0.00				
30	Other local government financing	50.60																										0.00				
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																											0.00				
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	1 625.93																														
33	**Financial and Non-financial undertakings**	1 408.02																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1 182.61																														
35	Loans and advances	1 066.41																														
36	of which loans collateralised by commercial immovable property																															
37	of which building renovation loans																															
38	Debt securities	112.32																														
39	Equity instruments	3.89																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	225.41																														
41	Loans and advances	0.00																														
42	Debt securities, including UoP	219.23																														
43	Equity instruments	6.18																														
44	**Derivatives**	33.04																														
45	**On demand interbank loans**	9.43																														
46	**Cash and cash-related assets**	58.98																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	116.45																														
48	**Total GAR assets**	7 929.52																											17.45			
49	**Assets not covered for GAR calculation**	2 164.06																														
50	**Central governments and Supranational issuers**	14.80																														
51	**Central banks exposure**	2 148.52																														
52	**Trading book**	0.74																														
53	**Total assets**	10 093.58																														
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																															
54	Financial guarantees																															
55	Assets under management	4 601.70	75.34	69.13	0.00	10.78	31.54	1.67	1.67	0.00	1.58																	199.88	70.80	0.00	10.79	33.12
56	Of which debt securities	985.98	26.54	23.40	0.00	1.49	9.99	0.78	0.78	0.00	0.71																	115.84	24.18	0.00	1.50	10.71
57	Of which equity instruments	1 721.49	48.80	45.73	0.00	9.28	21.55	0.89	0.89	0.00	0.87																	84.04	46.62	0.00	9.29	22.41

ASSETS FOR THE CALCULATION OF GAR (1) (CAPEX)

	CAPEX	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31 Dec 2024																														
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Million EUR	Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	8 862.32	6 486.42	61.86		2.02	1.60	3.41	0.00		0.00	0.00	0.00		0.00	6.68	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	6 496.51	61.86		2.02	1.60
2	**Financial undertakings**	377.82	123.44	10.71		0.76	0.30	0.23	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	123.67	10.71		0.76	0.30
3	Credit institutions	369.16	123.44	10.71		0.76	0.30	0.23	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	123.67	10.71		0.76	0.30
4	Loans and advances		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
5	Debt securities, including UoP	369.16	123.44	10.71		0.76	0.30	0.23	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	123.67	10.71		0.76	0.30
6	Equity instruments		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
7	Other financial corporations	8.65	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
8	of which investment firms																															
9	Loans and advances		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
10	Debt securities, including UoP		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
11	Equity instruments		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
12	of which management companies																															
13	Loans and advances		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
14	Debt securities, including UoP		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
15	Equity instruments		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
16	of which insurance undertakings	8.65																														
17	Loans and advances		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
18	Debt securities, including UoP		0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
19	Equity instruments	8.65	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
20	**Non-financial undertakings**	160.51	91.41	51.15		1.26	1.30	3.18	0.00		0.00	0.00	0.00		0.00	6.68	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	101.27	51.15		1.26	1.30
21	Loans and advances	110.57	75.25	45.51		0.03	0.36	3.17	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	78.42	45.51		0.03	0.36
22	Debt securities, including UoP	49.94	16.16	5.64		1.23	0.94	0.01	0.00		0.00	0.00	0.00		0.00	6.68	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	22.86	5.64		1.23	0.94
23	Equity instruments	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00
24	**Households**	8 322.53	6 271.58																									6 271.58				
25	of which loans collateralised by residential immovable property	6 157.72	6 157.72																									6 157.72				
26	of which building renovation loans	113.86	113.86																									113.86				
27	of which motor vehicle loans																															
28	**Local governments financing**	1.46																										0.00				
29	Housing financing																															
30	Other local government financing	1.46																										0.00				
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	1 542.66																														
33	**Financial and Non-financial undertakings**	1 339.26																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1 200.55																														
35	Loans and advances	1 116.69																														
36	of which loans collateralised by commercial immovable property																															
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44	**Derivatives**	69.47																														
45	**On demand interbank loans**	21.61																														
46	**Cash and cash-related assets**	6.49																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	105.82																														
48	**Total GAR assets**	10 404.98	6 486.42	61.86	0.00	2.02	1.60	3.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6496.51	61.86	0.00	2.02	1.60
49	**Assets not covered for GAR calculation**	2 905.79																														
50	**Central governments and Supranational issuers**	5.75																														
51	**Central banks exposure**	2 899.93																														
52	**Trading book**	0.12																														
53	**Total assets**	13 310.77																														
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																															
54	Financial guarantees																															
55	Assets under management	5293.24	337.97	110.06	0.00	17.93	46.99	4.97	1.19	0.00	0.31	0.19	0.00	0.00	0.00	23.96	1.98	0.00	0.17	15.01	0.15	0.00	0.13	0.34	0.21	0.00	0.00	382.45	113.59	0.00	17.98	47.60
56	Of which debt securities	950.66	198.77	54.95	0.00	13.15	18.66	0.74	0.57	0.00	0.05	0.06	0.00	0.00	0.00	7.73	0.07	0.00	0.05	0.38	0.13	0.00	0.12	0.00	0.00	0.00	0.00	207.69	55.73	0.00	13.15	18.87
57	Of which equity instruments	1 878.61	139.20	55.12	0.00	4.79	28.33	4.23	0.62	0.00	0.26	0.13	0.00	0.00	0.00	16.23	1.90	0.00	0.12	14.63	0.01	0.00	0.01	0.34	0.21	0.00	0.00	174.76	57.86	0.00	4.83	28.72

CAPEX

31 Dec 2023

	Million EUR	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR-osuus - sekä osoittajassa että nimittäjässä huomioon otettavat omaisuuserät																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6 303.59																														
2	**Financial undertakings**	250.53																										14.83				
3	Credit institutions	230.26																										14.83				
4	Loans and advances																											0.00				
5	Debt securities, including UoP	230.26																										14.83				
6	Equity instruments																											0.00				
7	Other financial corporations	20.28																										0.00				
8	of which investment firms																											0.00				
9	Loans and advances																											0.00				
10	Debt securities, including UoP																											0.00				
11	Equity instruments																											0.00				
12	of which management companies	11.46																										0.00				
13	Loans and advances	0.00																										0.00				
14	Debt securities, including UoP	11.46																										0.00				
15	Equity instruments	0.00																										0.00				
16	of which insurance undertakings	8.82																										0.00				
17	Loans and advances	0.00																										0.00				
18	Debt securities, including UoP	0.00																										0.00				
19	Equity instruments	8.82																										0.00				
20	**Non-financial undertakings**	194.85																										137.56				
21	Loans and advances	129.86	0.00	16.33		6.28	1.02	0.00	0.00		0.00																	117.97	16.33		6.28	1.02
22	Debt securities, including UoP	64.98	0.51	5.18		0.16	0.84	0.00	0.00		0.00																	19.60	5.18		0.16	0.84
23	Equity instruments	0.00																														
24	**Households**	5 807.61	4 209.22																									4 209.22				
25	of which loans collateralised by residential immovable property	4 140.21	4 140.21																									4 140.21				
26	of which building renovation loans	69.01	69.01																									69.01				
27	of which motor vehicle loans																															
28	**Local governments financing**	50.60																										0.00				
29	Housing financing																											0.00				
30	Other local government financing	50.60																										0.00				
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	1 625.93																														
33	**Financial and Non-financial undertakings**	1 408.02																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1 182.61																														
35	Loans and advances	1 066.41																														
36	of which loans collateralised by commercial immovable property																															
37	of which building renovation loans																															
38	Debt securities	112.32																														
39	Equity instruments	3.89																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	225.41																														
41	Loans and advances	0.00																														
42	Debt securities, including UoP	219.23																														
43	Equity instruments	6.18																														
44	**Derivatives**	33.04																														
45	**On demand interbank loans**	9.43																														
46	**Cash and cash-related assets**	58.98																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	116.45																														
48	**Total GAR assets**	7 929.52																											21.51			
49	**Assets not covered for GAR calculation**	2 164.06																														
50	**Central governments and Supranational issuers**	14.80																														
51	**Central banks exposure**	2 148.52																														
52	**Trading book**	0.74																														
53	**Total assets**	10 093.58																														
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																															
54	Financial guarantees																															
55	Assets under management	4 601.70	114.18	108.89	0.00	8.63	43.72	0.63	0.63	0.00	0.37																	114.82	109.52	0.00	8.83	44.10
56	Of which debt securities	985.98	45.36	42.82	0.00	1.39	19.81	0.20	0.20	0.00	0.15																	45.56	43.02	0.00	1.39	19.96
57	Of which equity instruments	1721.49	68.82	66.06	0.00	7.24	23.92	0.44	0.44	0.00	0.22																	69.26	66.50	0.00	7.44	24.14

GAR SECTOR INFORMATION (2)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		31.12.2024																											
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount				Gross carrying amount				Gross carrying amount				Gross carrying amount				Gross carrying amount				Gross carrying amount				Gross carrying amount			
	Breakdown by sector - NACE 4 digits level (code and label)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Million EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	C13.95 Manufacture of non-wovens and articles made from non-wovens, except apparel	1.50				1.50				1.50				1.50				1.50				1.50				1.50			
2	C19.20 Manufacture of refined petroleum products	5.01	1.60			5.01				5.01				5.01				5.01				5.01				5.01	1.60		
3	C20.20 Manufacture of pesticides and other agrochemical products	7.73	0.03			7.73				7.73				7.73				7.73				7.73				7.73	0.03		
4	C24.42 Aluminium production	3.43	1.78			3.43				3.43				3.43				3.43				3.43				3.43	1.78		
5	C26.30 Manufacture of communication equipment	10.76				10.76				10.76				10.76	6.57			10.76				10.76				10.76	6.57		
6	C28.11 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	0.52	0.51			0.52				0.52				0.52				0.52				0.52				0.52	0.51		
7	C28.22 Manufacture of lifting and handling equipment	7.99	6.02			7.99				7.99				7.99	1.97			7.99				7.99				7.99	7.99		
8	F41.20 Construction of residential and non-residential buildings	46.37	23.26			46.37	2.92			46.37				46.37	20.34			46.37				46.37				46.37	46.52		
9	F42.99 Construction of other civil engineering projects n.e.c.	1.00	0.89			1.00				1.00				1.00	0.00			1.00				1.00				1.00	0.89		
10	J62.01 Computer programming activities	12.00	2.28			12.00				12.00				12.00	0.12			12.00				12.00				12.00	2.40		
11	L68.20 Renting and operating of own or leased real estate	64.20	64.20			64.20				64.20				64.20				64.20				64.20				64.20	64.20		

GAR KPI STOCK (3) (TURNOVER)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31 Dec 2024																														
	Turnover	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (compared to total covered assets in the denominator)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	73.29%	0.36%		0.02%	0.03%	0.03%	0.00%		0.00%	0.00%	0.00%		0.00%	0.33%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	73.65%	0.36%		0.02%	0.03%	66.58%
2	**Financial undertakings**	32.68%	2.78%		0.19%	0.07%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	32.68%	2.78%		0.19%	0.07%	2.84%
3	Credit institutions	33.44%	2.84%		0.19%	0.07%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	33.44%	2.84%		0.19%	0.07%	2.77%
4	Loans and advances																															
5	Debt securities, including UoP	33.44%	2.84%		0.19%	0.07%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	33.44%	2.84%		0.19%	0.07%	2.77%
6	Equity instruments																															
7	Other financial corporations	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.06%
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings		0.00%			0.00%																										0.06%
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.06%
20	**Non-financial undertakings**	62.66%	13.40%		0.64%	1.39%	1.82%	0.00%		0.00%	0.00%	0.00%		0.00%	18.07%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	82.54%	13.40%		0.64%	1.39%	1.21%
21	Loans and advances	79.10%	15.72%		0.00%	0.55%	2.64%	0.00%		0.00%	0.00%	0.00%		0.00%	18.40%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	100.13%	15.72%		0.00%	0.55%	0.83%
22	Debt securities, including UoP	26.26%	8.27%		2.05%	3.26%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	17.34%	0.00%		0.00%	0.00%	0.0%		0.00%	0.00%	0.00%		0.00%	43.61%	8.27%		2.05%	3.26%	0.38%
23	Equity instruments																															0.00%
24	**Households**	75.36%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%					0.00%	0.00%		0.00%									75.36%	0.00%		0.00%	0.00%	62.52%
25	of which loans collateralised by residential immovable property	100.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%					0.00%	0.00%		0.00%									100.00%	0.00%		0.00%	0.00%	46.26%
26	of which building renovation loans	100.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%					0.00%	0.00%		0.00%									100.00%	0.00%		0.00%	0.00%	0.86%
27	of which motor vehicle loans																															
28	**Local governments financing**	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0	0	0		0	0	0		0	0	0		0	0.00%	0.00%		0.00%	0.00%	0.01%
29	Housing financing																															0.00%
30	Other local government financing	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0	0	0		0	0	0		0	0	0		0	0.00%	0.00%		0.00%	0.00%	0.01%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															0.00%
32	**Total GAR assets**	62.43%	0.31%		0.02%	0.02%	0.03%	0.00%		0.00%	0.00%	0.00%		0.00%	0.28%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	62.73%	0.31%		0.02%	0.02%	78.17%

Turnover

31 Dec 2023

% (compared to total covered assets in the denominator)

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	% (compared to total covered assets in the denominator)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																	
2	**Financial undertakings**																	
3	Credit institutions																	
4	Loans and advances																	
5	Debt securities, including UoP																	
6	Equity instruments																	
7	Other financial corporations																	
8	of which investment firms																	
9	Loans and advances																	
10	Debt securities, including UoP																	
11	Equity instruments																	
12	of which management companies																	
13	Loans and advances																	
14	Debt securities, including UoP																	
15	Equity instruments																	
16	of which insurance undertakings																	
17	Loans and advances																	
18	Debt securities, including UoP																	
19	Equity instruments																	
20	**Non-financial undertakings**																	
21	Loans and advances	0.00%	10.90%	0.00%	0.00%	1.10%	0.00%	0.00%	0.00%	0.00%								
22	Debt securities, including UoP	0.81%	5.00%	0.00%	0.14%	2.36%	0.00%	0.00%	0.00%	0.00%								
23	Equity instruments																	
24	**Households**	72.48%																
25	of which loans collateralised by residential immovable property	100.00%																
26	of which building renovation loans	100.00%																
27	of which motor vehicle loans																	
28	**Local governments financing**																	
29	Housing financing																	
30	Other local government financing																	
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																	
32	**Total GAR assets**																	

		ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (compared to total covered assets in the denominator)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation														
2	**Financial undertakings**									39.09%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions									39.79%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances														
5	Debt securities, including UoP									39.79%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments														
7	Other financial corporations									31.17%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms														
9	Loans and advances														
10	Debt securities, including UoP														
11	Equity instruments														
12	of which management companies									51.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances														
14	Debt securities, including UoP									51.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments														
16	of which insurance undertakings									5.41%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances														
18	Debt securities, including UoP														
19	Equity instruments									5.41%	0.00%	0.00%	0.00%	0.00%	0.00%
20	**Non-financial undertakings**									68.19%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances									93.10%	10.90%	0.00%	0.00%	1.10%	0.18%
22	Debt securities, including UoP									0.00%	18.40%	5.08%	0.00%	0.14%	0.04%
23	Equity instruments														
24	**Households**									72.48%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property									100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans									100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans														
28	**Local governments financing**														
29	Housing financing														
30	Other local government financing														
31	**Collateral obtained by taking possession: residential and commercial immovable properties**														
32	**Total GAR assets**														0.22%

GAR KPI STOCK (3) (CAPEX)

31 Dec 2024

	CAPEX	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (compared to total covered assets in the denominator)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	73.19%	0.70%		0.02%	0.02%	0.04%	0.00%		0.00%	0.00%	0.00%		0.00%	0.08%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	73.30%	0.70%		0.02%	0.02%	66.58%
2	**Financial undertakings**	32.67%	2.83%		0.20%	0.08%	0.06%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	32.73%	2.83%		0.20%	0.08%	2.84%
3	Credit institutions	33.44%	2.90%		0.20%	0.08%	0.06%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	33.50%	2.90%		0.20%	0.08%	2.77%
4	Loans and advances																															
5	Debt securities, including UoP	33.44%	2.90%		0.20%	0.08%	0.06%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	33.50%	2.90%		0.20%	0.08%	2.77%
6	Equity instruments																															
7	Other financial corporations	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.06%
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															0.06%
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.06%
20	**Non-financial undertakings**	56.95%	31.87%		0.79%	0.81%	1.98%	0.00%		0.00%	0.00%	0.00%		0.00%	4.16%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	63.09%	31.87%		0.79%	0.81%	1.21%
21	Loans and advances	68.05%	41.16%		0.03%	0.33%	2.87%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	70.92%	41.16%		0.03%	0.33%	0.83%
22	Debt securities, including UoP	32.37%	11.30%		2.47%	1.88%	0.02%	0.00%		0.00%	0.00%	0.00%		0.00%	13.38%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	45.77%	11.30%		2.47%	1.88%	0.38%
23	Equity instruments																															0.00%
24	**Households**	75.36%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%					0.00%	0.00%		0.00%									75.36%	0.00%		0.00%	0.00%	62.52%
25	of which loans collateralised by residential immovable property	100.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%					0.00%	0.00%		0.00%									100.00%	0.00%		0.00%	0.00%	46.26%
26	of which building renovation loans	100.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%					0.00%	0.00%		0.00%									100.00%	0.00%		0.00%	0.00%	0.86%
27	of which motor vehicle loans																															
28	**Local governments financing**	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.01%
29	Housing financing																															0.00%
30	Other local government financing	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.01%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															0.00%
32	**Total GAR assets**	62.34%	0.59%		0.02%	0.02%	0.03%	0.00%		0.00%	0.00%	0.00%		0.00%	0.06%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	62.44%	0.59%		0.02%	0.02%	78.17%

CAPEX

31 Dec 2023

% (compared to total covered assets in the denominator)

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
	% (compared to total covered assets in the denominator)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																	
2	**Financial undertakings**																	
3	Credit institutions																	
4	Loans and advances																	
5	Debt securities, including UoP																	
6	Equity instruments																	
7	Other financial corporations																	
8	of which investment firms																	
9	Loans and advances																	
10	Debt securities, including UoP																	
11	Equity instruments																	
12	of which management companies																	
13	Loans and advances																	
14	Debt securities, including UoP																	
15	Equity instruments																	
16	of which insurance undertakings																	
17	Loans and advances																	
18	Debt securities, including UoP																	
19	Equity instruments																	
20	**Non-financial undertakings**																	
21	Loans and advances	0.00%	12.57%	0.00%	4.83%	0.78%	0.00%	0.00%	0.00%	0.00%								
22	Debt securities, including UoP	0.79%	7.98%	0.00%	0.25%	1.29%	0.00%	0.00%	0.00%	0.00%								
23	Equity instruments																	
24	**Households**	72.48%																
25	of which loans collateralised by residential immovable property	100.00%																
26	of which building renovation loans	100.00%																
27	of which motor vehicle loans																	
28	**Local governments financing**																	
29	Housing financing																	
30	Other local government financing																	
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																	
32	**Total GAR assets**																	

		ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (compared to total covered assets in the denominator)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation														
2	**Financial undertakings**									5.92%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions									6.44%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances														
5	Debt securities, including UoP									6.44%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments											0.00%			
7	Other financial corporations														
8	of which investment firms														
9	Loans and advances														
10	Debt securities, including UoP														
11	Equity instruments											0.00%			
12	of which management companies														
13	Loans and advances														
14	Debt securities, including UoP														
15	Equity instruments														
16	of which insurance undertakings														
17	Loans and advances														
18	Debt securities, including UoP														
19	Equity instruments														
20	**Non-financial undertakings**									70.60%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances									90.84%	12.57%	0.00%	4.83%	0.78%	0.21%
22	Debt securities, including UoP									0.00%	30.16%	7.98%	0.00%	0.25%	0.07%
23	Equity instruments														
24	**Households**									72.48%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property									100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans									100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans														
28	**Local governments financing**														
29	Housing financing														
30	Other local government financing														
31	**Collateral obtained by taking possession: residential and commercial immovable properties**														
32	**Total GAR assets**														0.27%

GAR KPI FLOW (4) (TURNOVER)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31 Dec 2024																														
	Turnover	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (compared to flow of total eligible assets)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	80.50%																									80.50%					100.00%
2	**Financial undertakings**																															
3	Credit institutions																															
4	Loans and advances																															
5	Debt securities, including UoP																															
6	Equity instruments																															
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**																															
21	Loans and advances																															
22	Debt securities, including UoP																															
23	Equity instruments																															
24	**Households**	80.50%																									80.50%					100.00%
25	of which loans collateralised by residential immovable property	100.00%																									100.00%					78.71%
26	of which building renovation loans	100.00%																									100.00%					1.79%
27	of which motor vehicle loans																															
28	**Local governments financing**																															
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Total GAR assets**	80.50%																									80.50%	0.00%	0.00%	0.00%	0.00%	100.00%

GAR KPI FLOW (4) (CAPEX)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31 Dec 2024																														
	CAPEX	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (compared to flow of total eligible assets)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	80.50%																									80.50%					100.00%
2	**Financial undertakings**																															
3	Credit institutions																															
4	Loans and advances																															
5	Debt securities, including UoP																															
6	Equity instruments																															
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**																															
21	Loans and advances																															
22	Debt securities, including UoP																															
23	Equity instruments																															
24	**Households**	80.50%																									80.50%					100.00%
25	of which loans collateralised by residential immovable property	100.00%																									100.00%					78.71%
26	of which building renovation loans	100.00%																									100.00%					1.79%
27	of which motor vehicle loans																															
28	**Local governments financing**																															
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Total GAR assets**	80.50%																									80.50%	0.00%	0.00%	0.00%	0.00%	100.00%

KPI OFF-BALANCE SHEET EXPOSURES (5) (TURNOVER)

	Turnover	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		31 Dec 2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	% (compared to total eligible off-balance sheet assets)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)																														
2	Assets under management (AuM KPI)	5.22%	1.45%	0.00%	0.36%	0.67%	0.17%	0.02%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.82%	0.05%	0.00%	0.01%	0.36%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	6.58%	1.53%	0.00%	0.36%	0.71%

KPI OFF-BALANCE SHEET EXPOSURES (5) (CAPEX)

	CAPEX	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		31 Dec 2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	% (compared to total eligible off-balance sheet assets)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)																														
2	Assets under management (AuM KPI)	6.39%	2.08%	0.00%	0.34%	0.89%	0.09%	0.02%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.45%	0.04%	0.00%	0.00%	0.28%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	7.23%	2.15%	0.00%	0.34%	0.90%

Notes on the tables

In accordance with regulation, the figures presented in these tables are in line with the gross carrying amount, which means the effects of expected credit losses (ECL) have not been taken into account.

Table 1. Assets for the calculation of GAR

- For households, S-Bank's housing loans collateralised by residential immovable property and renovation loans are taxonomy-eligible in terms of climate change mitigation. The figures for 2023 (T-1) have been adjusted to reflect the latest interpretation of taxonomy eligibility to ensure comparability.
- The GAR indicator only takes into account companies that are required to report under the CSRD.
- Line 48 of the table shows the total GAR, which is used as the denominator of the main key performance indicator for credit institutions (green assets ratio in the loan portfolio, GAR). The calculation of the indicator describing the credit institutions' GAR is presented in more detail in Table 3.
- S-Bank does not report separately whether loans to companies are collateralised by commercial real estate or renovation loans, so a more detailed breakdown is not shown in the table.

Table 2. GAR sector information

- The figures are based on taxonomy eligibility reported by companies, which is taken into account on the basis of revenue.

Table 3. GAR Key Performance Indicator stock

- The percentages in the table are based on the taxonomy figures (in euros) and gross carrying amounts shown in Table 1. The proportion of total assets covered represents the assets included in the bank's total GAR per line and is divided by the total of the assets included in the GAR in Table 1 (EUR 10 404.98 million).

Table 4. GAR Key Performance Indicator flow

- The percentages in the table are based on the 2024 loan flow (new loans as a net amount).

TEMPLATE 1: NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES GREEN ASSET RATIO (GAR) STOCK TURNOVER

Row	Nuclear energy related activities	YES/NO
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) GREEN ASSET RATIO (GAR) STOCK TURNOVER

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	0.00%	0.01	0.00%	0.00	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.43	0.00%	0.43	0.00%	0.00	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.04	0.00%	0.04	0.00%	0.00	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	0.00%	0.01	0.00%	0.00	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**31.53**	**0.30%**	**31.53**	**0.30%**	**0.00**	**0.00%**
8.	**Total applicable KPI**	**32.01**	**0.31%**	**32.01**	**0.31%**	**0.00**	**0.00%**

TEMPLATE 3: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) GREEN ASSET RATIO (GAR) STOCK TURNOVER

		Amount and proportion					
Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.01	0.03%	0.01	0.03%	0.00	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.25	0.78%	0.25	0.78%	0.00	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**31.75**	**99.19%**	**31.75**	**99.19%**	**0.00**	**0.00%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**32.01**	**100.00%**	**32.01**	**100.00%**	**0.00**	**0.00%**

TEMPLATE 4: TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES GREEN ASSET RATIO (GAR) STOCK TURNOVER

		Proportion					
Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9.87	0.09%	9.87	0.09%	0.00	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6.66	0.06%	6.66	0.06%	0.00	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**6 449.98**	**61.99%**	**6 447.07**	**61.96%**	**2.92**	**0.03%**
8.	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**6 466.51**	**62.15%**	**6 463.60**	**62.12%**	**2.92**	**0.03%**

TEMPLATE 5: TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES GREEN ASSET RATIO (GAR) STOCK TURNOVER

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.88	0.01%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3 905.58**	**37.54%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**3 906.46**	**37.54%**

TEMPLATE 1: NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES GREEN ASSET RATIO (GAR) STOCK CAPEX

Row	Nuclear energy related activities	YES/NO
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) GREEN ASSET RATIO (GAR) STOCK CAPEX

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.33	0.00%	0.33	0.00%	0.00	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.10	0.00%	0.10	0.00%	0.00	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.09	0.00%	0.09	0.00%	0.00	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**61.33**	**0.59%**	**61.33**	**0.59%**	**0.00**	**0.00%**
8.	**Total applicable KPI**	**61.86**	**0.59%**	**61.86**	**0.59%**	**0.00**	**0.00%**

TEMPLATE 3: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) GREEN ASSET RATIO (GAR) STOCK CAPEX

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.24	0.39%	0.24	0.39%	0.00	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.16	0.26%	0.16	0.26%	0.00	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**61.45**	**99.35%**	**61.45**	**99.35%**	**0.00**	**0.00%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**61.86**	**100.00%**	**61.86**	**100.00%**	**0.00**	**0.00%**

TEMPLATE 4: TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES GREEN ASSET RATIO (GAR) STOCK CAPEX

Row	Economic activities	Proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8.95	0.09%	8.95	0.09%	0.00	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.72	0.04%	3.72	0.04%	0.00	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**6 415.31**	**61.66%**	**6411.90**	**61.62%**	**3.41**	**0.03%**
8.	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**6 427.98**	**61.78%**	**6424.57**	**61.75%**	**3.41**	**0.03%**

TEMPLATE 5: TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES GREEN ASSET RATIO (GAR) STOCK CAPEX

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.86	0.04%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3 911.29**	**37.59%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**3 915.15**	**37.63%**

TEMPLATE 1: NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES ASSETS UNDER MANAGEMENT TURNOVER

Row	Nuclear energy related activities	YES/NO
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) ASSETS UNDER MANAGEMENT TURNOVER

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7.56	0.14%	7.56	0.14%	0.00	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	46.44	0.88%	46.44	0.88%	0.00	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.38	0.01%	0.38	0.01%	0.00	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.08	0.00%	0.08	0.00%	0.00	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**23.80**	**0.45%**	**22.54**	**0.43%**	**1.26**	**0.02%**
8.	**Total applicable KPI**	**78.25**	**1.48%**	**77.00**	**1.45%**	**1.26**	**0.02%**

TEMPLATE 3: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) ASSETS UNDER MANAGEMENT TURNOVER

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	10.76	13.75%	10.76	13.75%	0.00	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	30.86	39.44%	30.86	39.44%	0.00	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.25	0.32%	0.02	0.03%	0.23	0.29%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**36.38**	**46.49%**	**35.35**	**45.17%**	**1.03**	**1.32%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**78.25**	**100 %**	**77.00**	**98.39%**	**1.26**	**1.61%**

TEMPLATE 4: TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES ASSETS UNDER MANAGEMENT TURNOVER

Row	Economic activities	Proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.33	0.01%	0.33	0.01%	0.00	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	17.49	0.33%	17.49	0.33%	0.00	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	32.48	0.61%	32.48	0.61%	0.00	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.15	0.00%	0.15	0.00%	0.00	0.00%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**156.36**	**2.95%**	**148.75**	**2.81%**	**7.60**	**0.14%**
8.	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**206.81**	**3.91%**	**199.20**	**3.76%**	**7.60**	**0.14%**

TEMPLATE 5: TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES ASSETS UNDER MANAGEMENT TURNOVER

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.17	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	0.00%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.73	0.01%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.17	0.00%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**5 007.08**	**94.59%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**5 008.18**	**94.61%**

TEMPLATE 1: NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES ASSETS UNDER MANAGEMENT CAPEX

Row	Nuclear energy related activities	YES/NO
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) ASSETS UNDER MANAGEMENT CAPEX

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.01	0.00%	0.01	0.00%	0.00	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	30.40	0.57%	30.40	0.57%	0.00	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11.04	0.21%	11.04	0.21%	0.00	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.25	0.00%	0.25	0.00%	0.00	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.06	0.00%	0.06	0.00%	0.00	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.95	0.02%	0.95	0.02%	0.00	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**68.54**	**1.29%**	**67.35**	**1.27%**	**1.19**	**0.02%**
8.	**Total applicable KPI**	**111.25**	**2.10%**	**110.06**	**2.08%**	**1.19**	**0.02%**

TEMPLATE 3: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) ASSETS UNDER MANAGEMENT CAPEX

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.01	0.01%	0.01	0.01%	0.00	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	24.37	21.90%	24.37	21.90%	0.00	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	14.23	12.79%	14.23	12.79%	0.00	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.20	0.18%	0.20	0.18%	0.00	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.08	0.07%	0.08	0.07%	0.00	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.05	0.04%	0.05	0.04%	0.00	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**72.32**	**65.00%**	**71.13**	**63.94%**	**1.19**	**1.07%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**111.25**	**100 %**	**110.06**	**98.93%**	**1.19**	**1.07%**

TEMPLATE 4: TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES ASSETS UNDER MANAGEMENT CAPEX

Row	Economic activities	Proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	0.00	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.06	0.00%	0.06	0.00%	0.00	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8.03	0.15%	7.98	0.15%	0.04	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	15.98	0.30%	15.98	0.30%	0.00	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.34	0.01%	0.34	0.01%	0.00	0.00%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**207.29**	**3.92%**	**203.55**	**3.85%**	**3.74**	**0.07%**
8.	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**231.69**	**4.38%**	**227.91**	**4.31%**	**3.78**	**0.07%**

TEMPLATE 5: TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES ASSETS UNDER MANAGEMENT CAPEX

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.80	0.03%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**4 948.49**	**93.49%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**4 950.29**	**93.52%**

E1 CLIMATE CHANGE

The impacts of climate change are increasingly reflected in companies' operating conditions and business operations, which also increases uncertainty in investors' operating environment. Climate change affects companies both directly and indirectly, shaping the outlook for society and the economy as a whole. S-Bank has recognised the opportunity to contribute to mitigating the problems caused by climate change by influencing the allocation of capital and the selection of portfolio investments, for example.

Topic and the relevant ESRS standard	Business area	Policies	Action plan	Targets
Climate change adaptation (E1)	Banking	Sustainability risk management policy	No action plan. The need for an action plan will be assessed in connection with the 2025 sustainability programme.	The determination of time-bound outcome-oriented targets is in progress. The targets will be set in connection with the sustainability programme to be published in 2025.
	Wealth Management	Principles of responsible investing	Net Zero Asset Managers (NZAM) Initiative	Net zero emissions target 2050 (NZAM)
Climate change mitigation (E1)	Banking	No policy. The need for a policy will be assessed in connection with the 2025 sustainability programme.	No action plan. The need for an action plan will be assessed in connection with the 2025 sustainability programme.	The determination of time-bound outcome-oriented targets is in progress. The targets will be set in connection with the sustainability programme to be published in 2025.
	Wealth Management	Principles of responsible investing	NZAM	Net zero emissions target 2050 (NZAM)
Energy efficiency and renewable energy (E1)	Banking	No policy. The need for a policy will be assessed in connection with the 2025 sustainability programme.	No action plan. The need for an action plan will be assessed in connection with the 2025 sustainability programme.	The determination of time-bound outcome-oriented targets is in progress. The targets will be set in connection with the sustainability programme to be published in 2025.
	Wealth Management	Principles of responsible investing	No action plan. The need for an action plan will be assessed in connection with the 2025 sustainability programme.	Carbon neutrality target 2025

Material impacts, risks and opportunities

The impacts, risks and opportunities related to climate change have been assessed in a double materiality assessment carried out by S-Bank. The materiality assessment is described in more detail under 'ESRS 2 General Disclosures'. In addition to the double materiality assessment, S-Bank prepared a separate climate and environmental risk assessment in April 2024. The assessment covered all S-Bank's business operations and included a quantitative analysis in addition to the qualitative assessment. The assessments have partly used scenario analysis, but a comprehensive resilience analysis has not yet been carried out for all business areas.

Climate change adaptation includes the physical and transition risks arising from climate change. In the banking business, climate change adaptation has been assessed as material because of the financial risks associated with mortgage loans. These physical risks concern the impairment of collateral on financed sites and can increase the amount of credit losses, for example. The risks associated with real estate collateral can be protected against by means of real estate insurance. In banking, climate change adaptation has also been identified as a material business opportunity.

For the Wealth Management business, climate change adaptation has also been assessed as material. In addition to the transition risks associated with all portfolio investments, the assets of plot, real estate and forest funds in particular are also exposed to physical risks, which, if materialised, may have a significant impact on the customer assets under management through impairment. Investments in forests and real estate can be partly protected by means of existing insurance policies.

Climate change mitigation includes emissions impacts caused by or related to S-Bank's business operations. Climate change mitigation has been assessed as material for the Group as a whole, with a particular focus on emissions related to real estate. For S-Bank, the most significant climate impact arises from indirect emissions, of which the proportion of emissions from financed sites in particular is material. Reducing these emissions also offers business opportunities that have been assessed as material. The climate impact of emissions from own operations is significantly lower, but emissions from own operations have been assessed as material, especially in terms of transition risks such as customer expectations and reputational risk.

Climate change mitigation is also considered material for all investment activities in the Wealth Management business. The climate impact of emissions from portfolio investments is significant, while reducing the climate impact of the investment products offered to customers is a business opportunity. The cost risk associated with emissions of portfolio investments and any ensuing impairment have been identified as a transition risk, which is why climate change mitigation has also been assessed as material in terms of customer impacts and customer assets under management.

Energy efficiency and the use of renewable energy are material in terms of both S-Bank's own energy consumption and the sites financed by S-Bank. Energy consumption has been assessed as material as a result of the tightening of energy efficiency requirements for real estate sites financed by S-Bank. Transition risks related to energy efficiency requirements concern the reduction of collateral for financed sites. In the banking business, there are also business opportunities in improving energy efficiency, as the bank can encourage its customers to take energy efficiency measures.

For the Wealth Management business, energy consumption has been assessed as material for the investment properties. The cost and regulatory risks associated with energy consumption, which have been identified as transition risks, and the impairment that these may cause, have led to energy efficiency also being assessed as material in terms of customer impacts and customer assets under management.

Climate and environmental risk identification and assessment process at S-Bank

In addition to the double materiality assessment, S-Bank has reviewed its climate and environmental risks as part of its continuous risk management development. In 2024, S-Bank conducted a separate climate and environmental risk assessment, which was completed in April 2024. The assessment was qualitative and quantitative and took into account both the regulatory requirements for banks and the risk assessment needs of the Corporate Sustainability Reporting Directive.

The climate and environmental risk assessments carried out have sought to identify key physical and transition risks. The assessment has focused on the bank's business operations as a whole.

The short, medium and long term used in the assessment are defined by S-Bank as follows: the short term covers the period from the time of the assessment until the end of 2025, the medium term covers the period from 2025 to 2030, and the long term covers the period from 2030 to 2040.

The risks identified in the climate and environmental risk assessment as potentially affecting S-Bank in the medium and long term are divided into physical risks and transition risks.

Physical risks include, for example, various flood risks and increased humidity and precipitation, as well as higher average temperatures and more frequent heat waves.

Transition risks include, for example, switching from primary energy sources in buildings to low-carbon or zero-emission sources and tighter energy efficiency requirements for buildings.

Scenario analysis has been used to identify and assess physical risks in the short, medium and long term. The risk assessment is based on a hypothetical BAU scenario, where risks and their impacts are described without the impacts of future development and management measures. In the qualitative assessment, the scenario (RCP4.5/SSP2-4.5) assumes that global warming will continue on its current trajectory, reaching around 2 degrees by 2100, and global emissions will peak by 2045.

Three different climate change scenarios have been used in the quantitative analysis: RCP 2.6, RCP 4.5 and RCP 8.5.

Quantitative information about collateral has been used in the scenario analysis and the assessment of the financial effects of risks. The analysis also takes into account various risks, such as climate change adaptation and energy use.

In assessing transition risks, S-Bank has identified climate-related hazards and transition events in the short, medium and long term and assessed the exposure of its assets and business operations to these hazards and transition events. S-Bank has not identified assets and businesses that are not compatible with the transition to a climate-neutral economy. External experts have been used in assessing risks and their financial effects. The assessment has also made use of climate and environmental risk data from external partners.

S-Bank has not used the data from the climate scenario analyses to identify transitional events or assess exposure.

The items in S-Bank's financial statements do not include any climate-related assumptions.

S-Bank has not assessed the anticipated financial effects of the risks and opportunities related to climate change in the first reporting year in accordance with ESRS 1.

S-Bank's business resilience

Based on an analysis of the climate and environmental risk assessment carried out in April 2024, the risks and opportunities that are key in terms of S-Bank's business model do not have a significant impact on the bank's short-term financial position, performance or cash flows. According to the climate scenarios, extreme weather events will also become more frequent in Finland in the short term, but large-scale impacts are not seen as likely at present or in the short term. In the medium and long term, the assessment identified climate and environmental risks, such as the flood risk, increased precipitation and rising humidity and indoor temperatures that could affect the value of the properties serving as collateral for loans and thus also the bank's financial position.

S-Bank has not carried out a proper resilience analysis covering all sustainability risks. Based on the climate and environmental risk assessments carried out, the most significant risks in S-Bank's business operations are related to the mortgaged loan portfolio and the investments of the Wealth Management business. To assess the risks involved in the collateral portfolio, the real estate collateral portfolio has been assessed more closely than other business operations. Similarly, general market, technology or strategic risks related to S-Bank have not been assessed as significant in the current situation, taking into account the current risk management measures.

Although the assessments carried out show that climate and environmental risks do not in themselves pose critical or serious challenges to S-Bank, the combined effect of the risks may have serious impacts on business operations. The risks also increase significantly when examined in the medium term up to 2030 and in the following decades.

S-Bank has not been excluded from the EU Paris-aligned Benchmarks.

Policies and actions related to climate change mitigation and adaptation

The sustainability risk management policy is part of S-Bank's risk management framework and complements the overall risk strategy for sustainability risk management by setting a guiding policy for this risk category. The sustainability risk management policy has been approved by S-Bank's Board of Directors and is used to identify, prioritise, manage, assign roles and responsibilities and report on material sustainability risks within S-Bank Group. A development plan for the implementation of the sustainability risk management policy has been drawn up, and its execution is monitored by the bank's Board of Directors.

In line with policy guidelines:

- Materiality and risk management are organised in line with existing regulations and guidelines, in particular the expectations of the ECB's Guide on Climate-related and Environmental Risks. In addition, climate and environmental risk assessment and management are organised in accordance with the three lines of defence model, and employees' competence in climate and environmental risks will be developed.

- Risk measurement, reporting and disclosure are organised effectively. Data on climate and environmental risks is collected and managed to measure risks and ensure high-quality reporting. Risk developments are monitored regularly, in accordance with the materiality and impact of the risk. Measurement and monitoring focus in particular on the real estate collateral portfolio serving as collateral for loans, as the credit risk has been identified as a material risk type in terms of exposure to climate and environmental risks. Internal reporting and risk summaries are prepared, and external reporting follows the requirements of the sustainability reporting frameworks.
- In setting a risk appetite, climate and environmental risks are considered in the business strategy and its development and implementation. The bank includes material climate and environmental risks in its risk appetite framework and sets limits for them.

In line with the sustainability risk management policy, more detailed assessment of climate and environmental risks and the continuous development of the assessment are part of S-Bank's risk management. The sustainability risk management policy is the responsibility of S-Bank's Risks & Compliance unit, headed by the bank's Chief Risk Officer, who is a member of the bank's Group Management Team.

S-Bank has started to develop policy-based processes and operating models for the continuous assessment of climate and environmental risks. In 2024, S-Bank prepared a climate and environmental risk development plan for the coming years. The climate and environmental risk development plan has identified development measures related to managing climate risks. In 2024, a qualitative and quantitative assessment of climate and environmental risks was carried out as a key development measure.

S-Bank has not yet developed a transition plan on climate change or Group-level emissions reduction targets, and climate-related aspects have not been taken into account in the management's remuneration systems. S-Bank has no projects related to the removal or storage of greenhouse gases. S-Bank has no projects outside the value chain that it has financed by purchasing carbon credits. S-Bank does not have an internal pricing mechanism for greenhouse gas emissions (internal carbon pricing).

The implementation of the development plan will continue in 2025, when the measures under the plan, such as the preparation of a transition plan and emissions reduction targets and the resources allocated to them, will also be specified. According to the sustainability risk management policy, S-Bank's Board of Directors sets the key targets related to sustainability risks and their management.

As part of the double materiality assessment and the climate and environmental risk assessment, S-Bank has also identified business opportunities. The targets related to these will be determined in connection with the climate targets and the sustainability programme to be prepared in 2025.

During 2025, S-Bank will determine measures to develop its services and operating models in a way that helps stakeholders to avoid emissions and mitigate climate change.

Wealth Management policies and actions

Sustainability is part of Wealth Management's business strategy. Taking climate change into account in Wealth Management's investment products is an important aspect of sustainability and a driver of competitiveness. The approved climate strategy of the Wealth Management business with its NZAM (Net Zero Asset Managers) emissions targets is an essential part of the implementation of sustainability at S-Bank, and it guides operations in climate-related issues. The climate strategy describes how climate change is taken into account in the investment activities of the Wealth Management business and how the Wealth Management business aims to contribute to climate change mitigation and adaptation. In terms of the S-Bank's Wealth Management's Principles of Responsible Investing and Climate strategy, the highest level of the company's organisation responsible for implementing the policy is the Group Management Team.

A net zero emissions target has been set for the Wealth Management business under the NZAM initiative, as part of the implementation of Wealth Management's climate strategy. Achieving the NZAM target requires actions whose scope, time horizons and targets are in line with the implementation of the company's climate strategy. More information about these targets is provided under 'Climate targets in Wealth Management'.

The action plan for the NZAM target for the Wealth Management business includes, among other aspects, the gradual tightening of exclusion criteria, benchmarking, and product development. These actions aim to address the material impacts, risks and opportunities associated with climate change mitigation and adaptation. These actions have been ongoing for several years and will continue to be implemented in the future. The actions focus on the allocation of investments in the downstream value chain, and also affect stakeholders, such as customers who use wealth management products and services. The geographical area of the actions is not limited, but covers all the markets where portfolio investments are located.

In line with the climate strategy, all direct equity and fixed income investments made by Wealth Management are subject to exclusion principles, whereby S-Bank does not, for example, invest directly in mining and power generation companies with a heavily coal dependent business. The climate strategy was updated in 2023. In line with the climate strategy, the revenue threshold for the carbon-based exclusion criteria was tightened to 10 percent at the end of 2024. The Wealth Management business set exclusion criteria for Arctic oil and gas production in 2024 in line with its climate strategy. In addition, some products have Paris Aligned Benchmarks.

Measures to achieve the NZAM target aim to mitigate climate change and reduce carbon emissions. In line with the climate strategy, the Wealth Management business will continue to strive to launch products that support the transition to a low-carbon society and thus contribute to reducing emissions.

These measures aim to reduce the emissions of the investment portfolio and affect the allocation of invested assets. The main resources for the measures are human capital and third-party data. The implementation of the planned actions will not require additional resources or tie up capital or operating expenses.

By the end of 2024, the Wealth Management business has reduced emissions by around 55 percent compared with the base year (2019). Emissions are monitored using weighted average carbon intensity of the portfolio investments, which at the end of 2024 was 78 tCO_2e per million USD. The emissions reduction calculation takes into account funds investing directly in equities and corporate bonds, as well as the balanced funds investing in these funds, where S-Bank is responsible for the portfolio management. However, it should be noted that this is a calculated emissions reduction from an investment portfolio, which has no direct link to actual emissions reductions in the portfolio companies. The assessment of S-Bank's projected emissions reductions will be further specified in the coming years.

Real Estate Asset Management

In Real Estate Asset Management, development of a carbon neutrality roadmap for Real Estate Asset Management activities has been started. The key measures identified include improving energy efficiency, purchasing zero-emission energy and producing renewable energy at sites through solar or geothermal power, for example. The measures are designed to reduce the impacts and risks related to climate change mitigation and adaptation. The measures will be further specified in the carbon neutrality roadmap, and the capital and operating costs for real estate companies to implement the measures have not yet been estimated.

The carbon footprint of the energy consumption of real estate portfolios has been calculated since 2019. Emissions have decreased in many buildings through energy efficiency projects and the purchase of zero-emission electricity and district heating, for example. Between 2023 and 2024, emissions from energy consumption decreased by 26 percent. At the portfolio level, annual comparisons are not comparable because of variations in the number of properties.

Climate targets in Wealth Management

S-Bank does not have a Group-wide greenhouse gas emissions reduction target that would correspond as such to the emissions reduction target set out in Commission Delegated Regulation (EU) 2022/1288 or meet all the disclosure requirements of the Corporate Sustainability Reporting Standard. During the reporting period, S-Bank developed its own climate risk assessment and emissions calculations, on the basis of which Group-level targets for reducing greenhouse gas emissions are assessed and determined. Emissions reduction targets will be further specified in connection with the preparation of the sustainability programme in 2025.

Instead of emissions reduction targets for the whole Group, S-Bank has set some climate targets for its Wealth Management business.

A net zero emissions target has been set for Wealth Management under the Net Zero Asset Managers (NZAM) initiative, which aims to mitigate climate change, adapt to climate change and reduce the climate impacts of investment products and their impacts on customers.

The target covers funds investing directly in equities and corporate bonds, as well as the balanced funds investing in these funds, where S-Bank is responsible for the portfolio management. At the time the target was set, this represented around 44 percent of S-Bank's assets under management. The target is to achieve net zero emissions by 2050. The intermediate target is to reduce emissions by 50 percent by 2030 compared with the 2019 level.

The target takes into account Scope 1 and 2 greenhouse gas emissions in portfolio investments, which are included in S-Bank's Scope 3 emissions in its own emissions calculations. The target and its monitoring and reporting are based on the GHG inventory coverage and calculation principles as described under 'Gross Scopes 1, 2, 3 and total GHG emissions', but the target is limited to Scope 3 emissions from the Wealth Management business.

The intermediate target was set in June 2024 and approved by the Group Management Team. Progress towards the target is reported to the Wealth Management's management team and to the Group Management Team. The target is not externally verified.

The target has been set using the PAII Net Zero Investment framework, which brings the target in line with the 1.5-degree target of the Paris climate agreement. The IPCC SR1.5 P2 pathway has been chosen as the scientific framework underlying the NZAM target for the Wealth Management business. However, it should be noted that this is a calculated emissions reduction of portfolio investments, which has no direct link to actual emissions reductions.

The preparation of climate targets started before the 2024 materiality assessment, but the targets are in line with the risks and impacts identified in the materiality assessment. Scope 3 emissions make up a significant proportion of the total emissions from the Wealth Management business, which the target aims to reduce. At the same time, the target reduces the climate risks associated with portfolio investments, thereby reducing the risk of impairment on customers' investments.

The NZAM target is not set as an absolute value, nor as a gross target, as Wealth Management has limited influence on the emissions reduction mechanisms of its portfolio investments. Stakeholders have not been involved in setting the target. The base year is 2019, as comparable data is available from 2019 onwards. In the base year 2019, the weighted average carbon intensity was 176 tCO_2e per million USD in sales. The target for 2030 is a weighted average carbon intensity of no more than 88 tCO_2e per million USD sales.

No changes to the base year are planned unless the scope of the target is changed. As the target concerns a diversified global securities portfolio, the impact of external factors is not considered significant. The choice of the base value has been made taking into account the availability of information and general market practice. The target focuses on assessing the carbon intensity of portfolio investments and allocating investments away from carbon-intensive companies. No changes have been made to the boundaries of the calculation. There have been no changes to the targets or the measurement methods on which they are based.

Progress towards this target is in line with the original plans. No changes have been identified as necessary to achieve this target. Achieving this target assumes that the portfolio investments will reduce their emissions, and that there will be enough investment opportunities on the market that adhere to low-carbon principles. The Wealth Management business may contribute to the achievement of the target through the measures mentioned under 'Wealth Management policies and actions', such as the exclusion of certain portfolio investments. No quantitative estimates of the impacts of individual measures have been made.

The Wealth Management business expects to reach its target through the planned measures. No locked-in greenhouse gas emissions that could jeopardise the achievement of the targets have been identified.

S-Bank's Wealth Management business has not set any targets for its activities related to the taxonomy classification. For more information about the EU taxonomy, see the section on Disclosures pursuant to Taxonomy Regulation.

Climate targets in Real Estate Asset Management

Real Estate Asset Management does not have a greenhouse gas emissions reduction target for its own operations.

A carbon neutrality target has been set for the energy use of properties directly managed by real estate funds. This target aims to manage the transition risks associated with energy consumption. Meeting the targets at the managed sites will also reduce the amount of emissions included in S-Bank's emissions calculations (Scope 3).

The target was set in 2023, and according to this target, the energy use of the properties directly managed by the real estate funds should be carbon neutral by 2030, taking into account the emissions of the energy produced (Scope 1) and the emissions of the energy purchased (Scope 2). For the time being, the target excludes electricity and other energy purchased by tenants and Scope 3 greenhouse gas emissions.

Real Estate Asset Management's target is in line with the 1.5°C global warming limit set by the Paris Agreement, but no scientific framework or verification has been used to set the target. Carbon intensity has not been used in setting the target. There has been no need to set a base year for the target, nor has the target been set as an absolute value. There have been no changes to the targets or the underlying measurement methods. Stakeholders have not been involved in setting the target. The transition to zero-emission energy sources in national district heating production has been identified as a critical dependency in terms of achieving the target.

The achievement of the target is monitored on an annual basis by calculating the carbon footprint of energy consumption in buildings in connection with reporting. For the tenants' share that falls outside the target, the Real Estate Asset Management seeks to encourage tenants to make corresponding emissions reductions.

Energy consumption and mix

S-Bank's energy consumption and mix are shown in the table below. Measurement and calculation of energy consumption has not been validated by other external bodies than the assurance provider. S-Bank does not operate in high climate impact sectors.

Energy consumption and mix	Year 2024	Share of total consumption	Further information
Total fossil energy con-sumption	490 MWh	20.7%	The electricity used by S-Bank is emission-free. Consumption is based on the pro-portion of purchased district heat from fossil energy sources. The proportion of fossil energy sources in consumption is based on Statistics Finland's statistics on electricity and heat production (12b7). Other [energy sources] in the statistics are included in fossil fuels as a precau-tionary measure.
Consumption from nuclear sources	1.292 MWh	54.7%	Nuclear power accounts for 96.3% of S Group's total electricity consumption.
Total renewable energy consumption	581 MWh	24.6%	
Consumption of purchased or acquired electricity, steam and cooling from re-newable sources	531 MWh		The electricity used by S-Bank is emission-free. Consumption is based on the proportion of purchased district heat from renewable energy sources. The proportion of renewable energy sources in consumption is based on Statistics Finland's statistics on electricity and heat production (12b7).
Consumption of self-generated non-fuel energy	50 MWh		All the renewable electricity used by S Group is self-generated.
Total energy consumption	**2 362 MWh**		

Gross Scopes 1, 2, 3 and total GHG emissions

Emissions calculation is a key part of the bank's sustainability reporting, and it is used to assess and monitor the environmental impact of its operations. S-Bank reports its greenhouse gas emissions in accordance with the internationally recognised Greenhouse Gas (GHG) Protocol. The GHG Protocol provides guidelines for measuring and reporting emissions at different activity levels, covering direct and indirect emissions from activities. Emissions calculation is divided into three emission categories: Scope 1 covers direct emissions, such as fuel use and own energy production facilities. Scope 2 includes indirect emissions from the use of purchased electricity, heat and cooling. For Scope 2 emissions, market-based emissions are associated with guarantees of origin for electricity, which cover 100 percent of electricity emissions and demonstrate that the electricity is emission-free. For other Scope 2 emissions, no similar instruments are used. Scope 3 includes all other indirect emissions related to the value chain, such as the activities of suppliers, customers and other stakeholders.

S-Bank's Scope 3 GHG emissions are mainly measured using primary data sources directly from the value chain or from partners who collect the data for reporting purposes. S-Bank has estimated that primary emissions data is the basis for around 99 percent of all its reporting on Scope 3 GHG emissions.

S-Bank has not been able to collect data on biogenic CO2 emissions from biomass combustion or biodegradation in its upstream or downstream value chain. Also, for scope 2 emissions, it has not been possible to monitor biogenic CO2 emissions, but reporting will be improved in the coming years. S-Bank calculates and classifies emissions figures on the basis of operational control, and therefore takes into account 100 percent of the emissions for which S-Bank is considered to have operational control.

TOTAL GREENHOUSE GAS EMISSIONS AND DESCRIPTIONS

	2024	Emissions factors	Calculation / Methodology	Content / Limitations / Notes
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions (tCO2eq)	-			S-Bank has not identified any emission sources owned or controlled under Scope 1 according to the GHG Protocol.
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	-			
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions (tCO2eq)	**244**	Electricity: Emission factors published by Statistics Finland have been used for electricity (5-year rolling average, https://stat.fi/tilasto/khki). District heating: Emission factors published by Statistics Finland have been used for district heating (5-year rolling average, https://stat.fi/tilasto/khki).	GHG Protocol / Energy consumption and emissions for the S-Bank's premises have been allocated based on floor area data.	The calculation includes emissions from the energy consumption of the S-Bank's premises. Note: In 2024, it was not possible to include emission data for locations tranferred through Handelsbanken transaction. These emissions are expected to be included in the future.
Gross market-based Scope 2 GHG emissions (tCO2eq)	**242**	Electricity: The electricity used by the S-group is emission-free. This is ensured by Guarantee of Origin certificates for all electricity consumption. District heating: Plant-specific emission factors are used for district heating, obtained from the Paikallisvoima district heating emission calculator (https://www.klpaastolaskuri.fi/).	GHG Protocol / Energy consumption and emissions for the S-Bank's premises have been allocated based on floor area data.	The calculation includes emissions from the energy consumption of the S-Bank's premises. Note: In 2024, it was not possible to include emission data for locations tranferred through Handelsbanken transaction. These emissions are expected to be included in the future.
Significant Scope 3 GHG emissions				
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	**4 654 450**			
1. Purchased goods and services	**21 632**	The emission factors for different expense categories have been sourced from the open emission factor library (https://www.climatiq.io/data). The factors used originate from the following databases: EXIOBASE, BEIS, and EPA.	GHG Protocol / Emissions are calculated based on monetary consumption.	Includes the items: IT and information management expenses, representation expenses, marketing expenses, office expenses, research and development expenses, communication expenses, administrative services, and other administrative costs.
5. Waste generated in operations	**5**	Paper: WWF (https://www.ilmastolaskuri.fi/) Water: HSY (https://www.hsy.fi/ilmanlaatu-ja-ilmasto/kasvihuonepaastot/)	GHG Protocol / Emissions are calculated based on waste quantities.	Emissions from paper recycling and wastewater treatment are taken into account.
6. Business traveling	**259**	Emission factors defined by the service provider (https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024).	GHG Protocol / Emissions are calculated based on the bank's flight data.	Taken into account for business-related air travel.
8. Upstream leased assets	**70**	Emission factors defined by the service provider.	GHG Protocol / Calculated based on fuel quantities collected from refueling data by the service provider.	The calculation includes emissions from the refueling and charging of leased vehicles.

	2024	Emissions factors	Calculation / Methodology	Content / Limitations / Notes
15. Investments	**4 632 484**	Separate descriptions of the calculations.	GHG Protocol / PCAF Standard	The reporting includes asset classes according to PCAF: mortgages, commercial real estate, listed equity and corporate bonds. Check the separate description of the asset classes.
Total GHG emissions				
Total GHG emissions (location-based) (tCO_2eq)	**4 654 693**			
Total GHG emissions (market-based) (tCO_2eq)	**4 654 692**			

Emission reduction targets will be set as part of the sustainability program planned for 2025.

GREENHOUSE GASES PER REVENUE

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO_2eq/€)	1.06%
Total GHG emissions (market-based) per net revenue (tCO_2eq/€)	1.06%
Net revenue*	438 973 242.71 €

*Net revenue corresponds to the item Total Income in consolidated income statement

EXCLUDED FROM SCOPE 3

	Arguments for excluding
2 Capital goods	No items to report for 2024.
3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	All material emissions have been reported as Scope 2 emissions, so S-Bank does not identify any reportable items in this category.
4 Upstream transportation and distribution	S-Bank's business does not involve the manufacturing of (physical) products. Upstream transportation or distribution, as defined by the GHG Protocol, is not required. Mailing and other communication-related expenses are accounted for under Category 1 (Purchased Goods and Services).
7 Employee commuting	S-Bank does not have sufficiently reliable data to assess employee commuting emissions for the reporting year. The estimated emission impact is considered small in the overall context. The possibility of reporting in the future will be explored.
9 Downstream transportation	S-Bank's business does not involve the manufacturing of (physical) products. Downstream transportation or distribution, as defined by the GHG Protocol, is not required. Mailing and other communication-related expenses are accounted for under Category 1 (Purchased Goods and Services).
10 Processing of sold products	S-Bank's business does not include the sale of (physical) products.
11 Use of sold products	S-Bank's business does not include the sale of (physical) products.
12 End-of-life treatment of sold products	S-Bank's business does not include the sale of (physical) products.
13 Downstream leased assets	For real estate funds, leased assets are included in Category 15 (Investments).

Financed emissions

S-Bank has applied the PCAF (Partnership for Carbon Accounting Financials) standard, which is an internationally recognised framework for assessing the emissions of financial institutions, in calculating its financed emissions. The allocation of emissions follows the PCAF principle of allocating emissions to the bank in accordance with its ownership or financial contribution.

The following PCAF asset classes are relevant for S-Bank's emissions calculation: mortgages , commercial real estate, listed equity and corporate bonds. Sovereign debt, forest and plot funds, private equity funds, impact investments and structured products are excluded from the calculation. S-Bank will develop the calculation in the coming years and will explore the possibility of including assets that have so far been excluded from the calculation, where appropriate. The calculation includes Scope 1 and Scope 2 emissions. In addition, Scope 3 emissions are taken into account if they have been available and relevant.

Listed equity and corporate bonds

At S-Bank, listed equity and corporate bonds are included in the portfolios of the Treasury and the Wealth Management business. S-Bank uses company-specific emissions data provided by MSCI ESG Research LLC to report the greenhouse gas emissions of these investments. MSCI provides a comprehensive database of companies' greenhouse gas emissions, emissions data quality assessments and company values (EVIC). The bank is allocated a proportion of the total emissions of the company that corresponds to the investment share. This is calculated by dividing the value of the investment by the value of the company, which also includes the company's cash (EVIC). The combined emissions from listed equity and corporate bonds make up the most significant proportion of the emissions reported by S-Bank.

Commercial real estate

Emissions from commercial properties are calculated taking into account Scope 1 and Scope 2 emissions from real estate funds. Scope 1 covers refrigerant leaks from refrigeration equipment in buildings. The Scope 2 calculation uses site-specific emission factors for electricity and district heating suppliers, and takes into account purchased guarantees of origin for sites where the property is responsible for energy procurement and where energy data is available. For sites where energy data is not available, the consumption reported in the energy performance certificates (EPCs) and the average emission factors for Finland have been used. Emissions calculated from measured energy consumption have been assigned a PCAF quality rating of 1 and emissions calculated from the energy performance certificate a value of 3.

Mortgages

In the asset category of mortgages, S-Bank reports housing loans granted to households and housing companies. House renovation loans are excluded from the calculation in accordance with the PCAF. In addition, housing companies built under RS-regulation and account limits are excluded from the calculation.

PCAF ASSET CLASSES

31 Dec 2024	Total outstanding loans and investments covered (M€)	Scope 1 + Scope 2 emissions (tCO2e)	Scope 3 emissions (tCO2e)	Scope 1, 2 and 3 emission intensity (tCo2e / M€)	PCAF, data quality score	Coverage percentage
Listed Equity & Bonds	4 367.03	294 553.24	4 280 666.07	1 047.67	2.2	95%
Mortagages	4 964.33	52 541.74		10.58	3.8	90%
Commercial Real Estate		4 723.03			2.1	96%
Total	**9 331.36**	**351 818.01**	**4 280 666.07**			

S-Bank has obtained emissions data from SkenarioLabs for the housing loans it finances. SkenarioLabs has reported its estimate of the emission levels for each residential mortgage based on the energy performance certificate of the site, where available. If an energy performance certificate was not available, SkenarioLabs has estimated the emissions using its statistical method, which takes into account the type of building, location and year of construction of the site. The emissions calculated based on the energy performance certificate have been assigned a PCAF quality rating of 3 and the emissions estimated using the statistical method have been assigned a quality rating of 4. For limited liability housing companies, a floor area of 15 percent of the total building floor area has been used to calculate estimates of emissions from common areas. If it has not been possible to collect all the data required for the emissions calculation for a financed site, the site has been excluded from the calculation (coverage of around 90 percent).

E2 POLLUTION

The impacts, risks, and opportunities related to pollution have not been assessed as material.

The direct environmental impacts of S-Bank's operations are minimal considering the business model. S-Bank's business is primarily based on information systems and expert knowledge services, which do not significantly rely on material flows or the exploitation of natural resources, and the operations do not generate significant waste emissions.

When identifying the environmental impacts of its operations, S-Bank has not deemed it necessary to screen the locations of its premises to assess the potential impacts, risks, or opportunities related to pollution.

S-Bank has not conducted consultations with affected communities regarding pollution.

E3 WATER AND MARINE RESOURCES

The impacts, risks, and opportunities related to water and marine resources have not been assessed as material.

The direct environmental impacts of S-Bank's operations are minimal considering the business model. S-Bank's business is primarily based on information systems and expert knowledge services, which do not significantly rely on material flows or the exploitation of natural resources, and the operations do not generate significant waste emissions.

When identifying the environmental impacts of its operations, S-Bank has not deemed it necessary to screen the locations of its direct ownerships and operations to assess the potential impacts, risks, or opportunities related to water resources and marine natural resources.

S-Bank has not conducted consultations with affected communities regarding water resources and marine natural resources.

E4 BIODIVERSITY AND ECOSYSTEMS

Topic and the relevant ESRS standard	Business area	Policies	Action plan	Targets
Biodiversity and ecosystems (E4)	Wealth Management	Wealth Management's biodiversity strategy	Industry risk assessment	The need to define time-bound outcome-oriented targets will be assessed in connection with the sustainability programme to be published in 2025.
	Banking	Has not been assessed as material.	Has not been assessed as material.	Has not been assessed as material.

Biodiversity is an emerging theme for investing and financing, and its impacts are highlighted in both corporate financing and investing through the selection of companies. Biodiversity and ecosystems are material topics for S-Bank in the context of its Wealth Management business, as certain sectors in which S-Bank invests are dependent on natural ecosystem services. Ecosystem services refer to the benefits that nature provides to people, such as provisioning services, including the production of food, raw materials and other materials, for example. In addition to provisioning services, ecosystem services cover supporting, regulating and cultural services.

Material impacts, risks and opportunities in the Wealth Management business

S-Bank has assessed material impacts, risks and opportunities related to biodiversity and ecosystems in its double materiality assessment. S-Bank identifies biodiversity as a fundamental prerequisite for the global economy and societies. Consequently, S-Bank's Wealth Management business is also estimated to be exposed to physical risks related to biodiversity and ecosystems, as well as transition and systemic risks, through the business operations of its portfolio investments. S-Bank's investment approach does not differ significantly from that of its competitors, so the risks faced by the Group are no different from those faced by the sector in general.

Dependence on nature and increasingly stricter biodiversity regulations can pose a financial risk in terms of the value of investments or fluctuations in their value. For real estate investments, ignoring nature risks can lead to biodiversity loss and affect work on construction sites. In addition, the biodiversity impacts of portfolio investments involve cost risks that can lead to impairment. Investing activities that cause biodiversity loss can be negatively reflected in reputation and stakeholders' views.

On the other hand, taking biodiversity impacts into account in the investment products offered to customers is a business opportunity. Taking biodiversity into account in investment decisions, as well as active dialogue and direct corporate influence, promote stakeholder engagement and can attract new customers and create a competitive advantage. The impacts of investing activities have not been considered material in terms of preventing biodiversity loss.

S-Bank recognises that climate and nature are integrally connected. According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), climate change is one of the main drivers of biodiversity loss, along with land and sea use change, direct resource use, pollution and invasive species. Climate change is a growing threat to biodiversity, while biodiversity loss is exacerbating climate change. Taking climate change into account has long been part of S-Bank's Wealth Management investing activities. More information about climate change is provided in section E1 Climate change.

S-Bank has not assessed the anticipated financial effects of the risks and opportunities related to biodiversity and ecosystems in the first reporting year in accordance with ESRS 1. The portfolio investments of S-Bank's Wealth Management do not differ significantly from those of its competitors, and therefore the Wealth Management business is not estimated to be affected by financial effects that differ from those affecting the sector in general.

Wealth Management's biodiversity strategy

S-Bank's Wealth Management has a biodiversity strategy, which describes how S-Bank approaches biodiversity in Wealth Management business. The strategy also describes the near-term targets of the Wealth Management business in terms of how biodiversity considerations will be taken into account in future investing activities. The biodiversity strategy of the Wealth Management business has been approved by S-Bank's Group Management Team. The biodiversity strategy does not address Real Estate Asset Management. The biodiversity impacts and dependencies of Real Estate Asset Management have not yet been assessed.

In addition to the biodiversity strategy, Wealth Management business operations are guided by the principles for sustainable investing and the Wealth Management climate strategy, which have been approved by S-Bank's Group Management Team. The operations are also guided by S-Bank Fund Management Ltd's ownership policy and the ownership control principles for S-Bank funds, which has been approved by its Board of Directors.

Through its biodiversity strategy, Wealth Management seeks to address the identified impacts, risks and opportunities related to its business operations. Sustainable investing strategies aim to address the ecosystem impacts of portfolio investments, the potential business risks caused by biodiversity loss and stricter regulations, and the business opportunities associated with maintaining biodiversity.

Wealth Management's biodiversity strategy does not address the traceability of products, components and raw materials. The strategy does not directly address production, sourcing or consumption from ecosystems that are managed to maintain or enhance conditions for biodiversity. Furthermore, it does not directly address the social consequences of biodiversity and ecosystems-related impacts. The strategy concerns the Wealth Management activities.

Due to its business model, the Wealth Management business also invests in companies whose activities may have negative or positive impacts on biodiversity. If materialised, the biodiversity-related risks faced by these companies may be reflected in fluctuations in value or reputational damage, for example. The Wealth Management business seeks to reduce the risks and negative impacts related to biodiversity through sustainable investing strategies such as exclusion. Biodiversity-related risks and opportunities are regularly assessed, and the strategy and business models are adjusted based on the findings.

In its biodiversity work, Wealth Management has not involved stakeholders or consulted affected communities on sustainability assessments of shared biological resources and ecosystems. Wealth Management has not adopted sustainable policies on land, agriculture, seas and oceans or deforestation.

Industry risk assessment of portfolio investments to identify biodiversity impacts and dependencies

Analytical approaches to address biodiversity in investing activities are still evolving, and the tools available to investors are still limited in many respects, meaningn that company-specific data is currently scarce. However, with existing tools and data, it is possible to generate an overview and obtain rough estimates of the biodiversity impacts and dependencies of different sectors and economic activities.

In line with its biodiversity strategy, S-Bank's Wealth Management has conducted an industry risk assessment exercise, which aims to further examine portfolio companies operating in identified high biodiversity risk sectors in the investment portfolios and to implement possible sustainable investing strategy measures to mitigate potential significant biodiversity risks. The purpose of the industry risk assessment exercise is to identify portfolio companies' potential biodiversity impacts and dependencies. Potential measures include influencing or excluding portfolio companies, for example.

In the first phase of the industry risk assessment exercise, the focus has been on S-Bank's funds' investments in equities and corporate bonds. As more data becomes available and understanding grows, the Wealth Management business aims to extend the analysis to cover other asset classes.

The preliminary industry risk assessment exercise has primarily used the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool developed by the UN Environment Programme (UNEP FI) in collaboration with its partner organisations to identify potential biodiversity impacts and dependencies. The ENCORE tool enables the top-level assessment of the business risk formed by potential biodiversity impacts and dependencies. However, it is important to note that the ENCORE tool is not able to identify company-specific differences within sectors. The data used by the tool is based on current technology and industry standards and does consider future developments in sectors. Therefore, for the time being, the ENCORE tool is only appropriate for preliminary screening. In identifying biodiversity-relevant sectors, S-Bank's Wealth Management also seeks to take into account, where appropriate, the sectors with the highest nature impacts and dependencies identified by the UN's PRI (Principles for Responsible Investment, 2020) and to use biodiversity data available from external service providers to support the analysis.

Actions and targets

The Wealth Management biodiversity strategy considers measures for Wealth Management to address biodiversity.

During 2024, the Wealth Management business has sought to deepen its understanding and knowledge of biodiversity and the nature impacts and dependencies of investing activities. As a concrete measure, a industry risk assessment exercise was carried out to assess the exposure of equity and fixed income funds to high nature-risk sectors, using the ENCORE tool presented in the previous section. The ultimate purpose of the industry risk assessment exercise was to identify holdings of investment funds that should be analysed in more detail. Based on the industry risk assessment exercise, ten companies were selected for influencing in sectors with high-risk interdependencies and interfaces in terms of biodiversity. Engagement with these companies started in late 2024. The aim of the engagament is to understand how companies take biodiversity into account and what measures companies are taking to maintain biodiversity. The aim is also to ensure that companies take the issue sufficiently seriously.

In addition to engagement, the exclusion criteria for direct investments in the Wealth Management business were tightened during the reporting period. In late 2024, oil and gas production in the Arctic region was set as a new exclusion criterion. In line with the climate strategy, the revenue limit for the carbon-based exclusion criterion was tightened from 15 percent to 10 percent in late 2024. S-Bank recognises that climate and nature are integrally connected. Climate change is one of the main causes of bio-diversity loss. Climate change is a growing threat to biodiversity, while biodiversity loss is exacerbating climate change. By tightening exclusion criteria in the Wealth Management business, the aim is not only to reduce climate and nature risks to investment portfolios, but also to support the transition to a low-carbon and biodiversity-sustainable society.

The Wealth Management business proceeds to explore supporting and joining existing and emerging biodiversity-related investor initiatives, standards and reporting initiatives, and will look at integrating biodiversity more closely into S-Bank's sustainable investing strategies.

The main resources for the above measures are human capital and third-party data. The implementation of the planned actions will not require additional resources or tie up capital or operating expenses.

These measures do not involve holders of local orindigenous knowledge or nature-based solutions.

The targets set in the Wealth Management biodiversity strategy are related to the implementation of measures within the strategy and how biodiversity and ecosystems will be taken into account in future investment decisions. There are currently no targets or metrics that address the material impacts, risks or opportunities related to biodiversity and ecosystems. In terms of the targets (E4-4), the minimum disclosure requirement for the first CSRD-compliant sustainability report is followed.

E5 RESOURCE USE AND CIRCULAR ECONOMY

The impacts, risks, and opportunities related to resource use and the circular economy have not been assessed as material.

The direct environmental impacts of S-Bank's operations are minimal considering the business model. S-Bank's business is primarily based on information systems and expert knowledge services, which do not significantly rely on material flows or the exploitation of natural resources, and the operations do not generate significant waste emissions.

When identifying the environmental impacts of its operations, S-Bank has not deemed it necessary to screen the locations of its direct ownerships and operations to assess the potential impacts, risks, or opportunities related to resource use and the circular economy.

S-Bank has not conducted consultations with affected communities regarding resource use and the circular economy.

S1 OWN WORKFORCE

Topic and the relevant ESRS standard	Business area	Policies	Action plan	Targets
Own workforce: Working conditions, health and safety, and work-life balance (S1)	All business operations	S-Bank's human rights principles, S-Bank's Code of Conduct, S-Bank's personnel policy	Occupational well-being plan, workplace community development plan, occupational safety and health plan	Time-bound outcome-oriented targets will be determined in connection with the sustainability programme to be published in 2025.
Own workforce: Equal treatment and opportunities for all (S1)	All business operations	S-Bank's human rights principles, S-Bank's Code of Conduct, S-Bank's personnel policy	Equality and equity plan, workplace community development plan	Time-bound outcome-oriented targets will be determined in connection with the sustainability programme to be published in 2025.

S-Bank's personnel

S-Bank's own workforce consists of persons employed by S-Bank Group; that is, persons whose employer is S-Bank Plc, S-Asiakaspalvelu Oy, S-Bank Properties Ltd or S-Bank Fund Management Ltd. Persons performing banking work at customer service points located at S Group's sites are employees of the regional cooperatives, and are not included in S-Bank's own workforce. As a rule, S-Bank Group's own workforce consists of employees with an employment contract.

The use of employment agency-hired labour in S-Bank Group has been very limited in recent years. The use of employment agency-hired labour is possible when there is an urgent or short-term need for resources or when there is a need for someone to perform work that S-Bank Group's own personnel does not perform in accordance with established practice. Consultants are used, especially in IT, for outsourced services and, if necessary, on a temporary basis elsewhere in the organisation when there is an urgent or short-term need for resources or when such expertise is required that is not available in S-Bank. Sustainability report data for non-employees is not reported in the first reporting year.

Most employment relationships with S-Bank Group are permanent and full-time. However, there may sometimes be situations and tasks in the units where it is appropriate and necessary to use part-time personnel. Part-time work may also be the employee's own choice if they wish to work flexibly, for example, while studying or to accommodate the needs of their family life. Offering part-time work and internships to students is one concrete way for S-Bank to implement its corporate social responsibility.

Fixed-term contracts are only used in situations permitted by law, such as at the employee's own request, to cover for family and study leave, or for temporary resource needs such as summer workers.

Material impacts, risks and opportunities

The material impacts, key risks and opportunities for S-Bank's own workforce, and for all employees in particular, have been identified in the company's double materiality assessment in accordance with the process described in report section ESRS 2.

Work commissioned at S-Bank always takes place under terms of employment that, as a rule, promote the realisation of workers' rights. Work carried out by employees takes place in Finland, and all work is subject to the legislation in force in Finland. The legality of operations is ensured by internal guidelines and controls, risk management, governance and control procedures. Abuse control mechanisms, such as the whistleblowing channel, also cover breaches and suspected breaches of employment relationships.

The work carried out by employees is expert work by nature, which does not involve life-threatening occupational safety hazards arising from the physical environment or the nature of the work, or accident risks deviating from the course of ordinary life. Working conditions can be considered to be above average. The aim of the workplace community development plan is to monitor and improve working conditions, equality and equity.

Impacts on own workforce

The impacts identified as material for the company's own workforce concern working conditions, working time, remuneration, work-life balance, equal treatment and equal opportunities for all.

S-Bank has a number of principles, operating models and targets that create a positive impact on the personnel. The double materiality assessment has identified, among other aspects, that equal pay policies, non-discrimination in all activities and continuous measures and processes for the professional development and well-being of employees have material positive impacts.

Actions that increase well-being at work have a material positive impact on the personnel. In terms of themes related to equality and equity, the impacts on the personnel have been assessed as positive in general. Actions to promote gender equality, diversity and equal treatment, and to provide equal opportunities through, for example, training and skills development, create material positive impacts for the personnel. No groups of employees have been identified who would not be positively affected.

Among the potential adverse impacts on S-Bank's own workforce, threats related to well-being and workload, which may be reflected in sickness absences, employee turnover and challenges related to labour availability, for example, have been assessed as material. S-Bank's own workforce is also subject to potential negative impacts related to unequal treatment and harassment, which are addressed as part of S-Bank's personnel policy.

Because of the nature of the work and the conditions under which it is carried out, the topics related to child labour, forced labour, adequate wages, decent housing, social dialogue, freedom of association, collective bargaining and employment security have been assessed as non-material.

The potential negative impacts on S-Bank's workforce are seen as affecting all S-Bank's personnel. Potential negative impacts can be either isolated or widespread.

S-Bank has not identified any employee group that is particularly vulnerable through its anonymous surveys, whistleblowing channel or other discussions. S-Bank does not collect any information (such as sexual orientation) about its personnel that could be used to identify particularly vulnerable groups. The identified negative impacts affect the bank's various functions in a cross-cutting manner.

S-Bank's climate actionshave not been identified as having negative impacts on its own workforce.

Risks and opportunities related to own workforce

S-Bank has recognised that the turnover of skilled labour, the need for continuous learning and the mental strain of knowledge work are material sustainability risks for its operations.

The potential adverse impacts related to well-being and workload, which can be reflected in sickness absences, employee turnover and challenges related to labour availability, for example, are always a financial risk for S-Bank.

S-Bank's own workforce is exposed to risks related to unequal treatment and harassment, which are part of S-Bank's personnel policy. Negative impacts on employees always represent a financial risk for S-Bank.

Actions that increase well-being at work, through which S-Bank proactively supports its employees' well-being, health and safety, also have a positive impact on its employer image, which is an opportunity for S-Bank in terms of workforce engagement, availability and costs.

The identified sustainability risks and opportunities are widely spread across the Bank's different functions and apply to all personnel.

Policies related to own workforce

S-Bank has a number of different policies and principles for identifying, managing and remediating material impacts, risks and opportunities related to its own workforce. All policies and principles described herein apply to all S-Bank's employees.

S-Bank's Code of Conduct contributes to ensuring the implementation of human rights principles, the well-being and safety of employees and the provision of an equal working environment in all operations. Every S-Bank employee completes online training on the Code of Conduct when they start working at S-Bank to familiarise themselves with the content of the Code of Conduct and what is expected of them. The Code of Conduct is the responsibility of S-Bank's Compliance function, and the ultimate responsibility for its implementation lies with the CEO. The Code of Conduct is available to the personnel on S-Bank's intranet.

S-Bank's personnel policy sets out the general principles for managing personnel matters in S-Bank Group. The personnel policy and its complementary policies, as well as periodically updated plans, are used to manage the material impacts, risks and opportunities related to own workforce in terms of working conditions, health, safety, work-life balance, equal treatment and equal opportunities. The aim of the personnel policy is to create a workplace where the personnel have the opportunity to succeed and develop in their jobs, and where the personnel thrive. The personnel policy and HR plans are the responsibility of S-Bank's HR unit, and the ultimate responsibility for implementing policies lies with the HR Director, who is a member of the S-Bank Group Management Team. The personnel policy and HR management plans are available to the personnel on S-Bank's intranet.

At S-Bank, employees' well-being and safety are essential targets, and the company's policies and plans promote the achievement of these targets. Well-being at work at S-Bank consists of a smoothly running everyday life, a functional way of working, sufficient competence, good leadership and effective cooperation within teams and between colleagues. To assess, monitor and develop matters related to well-being at work, S-Bank prepares a well-being plan for two years at a time. The plan is developed in cooperation with HR, the occupational healthcare provider, insurance companies and employees' representatives, taking into account key indicators of well-being at work and identified risks related to work ability.

An annually updated workplace community development plan is a key steering plan for identifying foreseeable developments that may have an impact on employees' competence needs and well-being at work.

S-Bank has an occupational safety and health action plan as the guiding principle for its occupational safety and health activities. The aim of occupational safety and health is to ensure safe and healthy working conditions and to support employees' well-being at work and work ability. The content and targets of occupational safety and health are based on risk assessments, workplace surveys and the observations of occupational safety and health personnel. Occupational safety and health is a collaborative effort that concerns everyone in the workplace. S-Bank also has an accident prevention policy in place.

Equal treatment and equal opportunities are guided by the workplace community development plan and the equality and equity plan, a combination of plans that is updated annually. The workplace community development plan is a key steering plan for identifying foreseeable developments that may have an impact on employees' competence needs and well-being at work. The workplace community development plan sets out the targets and measures to develop and maintain employees' competence and promote well-being at work. The plan also includes the division of responsibilities and the timetable for these matters, as well as monitoring procedures. The equality plan includes an analysis of the gender equality situation in the workplace, the positioning of women and men in different jobs and the pay gap between women and men. In addition, the equality plan includes the planned measures necessary to promote equality and achieve pay equality, as well as an assessment of the implementation and results of the measures included in the previous plan.

The equity plan contains the measures needed to promote equity. The workplace community development plan and the equality and equity plan are prepared by the HR function and discussed in dialogue and consultation with employees' representatives.

Human rights principles related to own workforce

S-Bank is committed to respecting all internationally recognised human rights and promoting their realisation in its own operations, and expects the same from its partners. This commitment is reflected in S-Bank's human rights principles, which have been approved by S-Bank's Board of Directors and cover all the Bank's operations. S-Bank's human rights principles guide S-Bank's approach to human rights, human rights management, human rights risk assessment and support for a free civil society. In addition, the human rights principles address the key direct and indirect adverse human rights impacts related to S-Bank's operations, the prevention and mitigation of adverse human rights impacts, and the implementation of remedial measures.

S-Bank's human rights policy is developed and its implementation is managed by the Customer Relations and Brand unit and its sustainability team. The head of the unit is also a member of S-Bank's Group Management Team.

S-Bank has assessed the material human rights impacts, the affected parties and the means in place to mitigate negative human rights impacts for its own workforce. S-Bank's key human rights impacts have been assessed with the help of experts from different business areas and the HR function. Human rights impact assessment is a process that is constantly evolving.

S-Bank's operations are guided by international conventions and recommendations such as the UN Declaration of Human Rights and the Convention on the Rights of the Child, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. S-Bank's policies related to its own workforce are also in line with internationally recognised human rights conventions.

Because of S-Bank's country of operation and sector, no risks related to human trafficking, child labour or forced labour have been identified in terms of its own workforce. Therefore, the policy does not explicitly address these risks.

S-Bank has various tools and processes in place to enable its personnel to engage in dialogue about any identified grievances, to raise concerns about any misconduct and deficiencies, and to contribute to reporting any impacts that violate employees' human rights. These processes also include continuous one-to-one discussions between employees and supervisors, annual performance appraisals and other interactions, the workplace community survey, frequent pulse surveys and S-Bank's whistleblowing channel.

In addition, there is regular dialogue with employees' representatives in a cooperation forum aimed at developing cooperation and interaction between the employer and the personnel, as well as the meaningfulness of the personnel's work and well-being. Meetings with employees' representatives are also held whenever necessary, either at the initiative of the employer or the employees' representatives, and whenever there are plans for changes or other events in the organisation that may have an impact on personnel.

If direct violations of human rights come to light in S-Bank's own operations, an investigation is immediately initiated with the relevant unit and stakeholders. Remedial measures aim to prevent wider impacts and, where appropriate, to repair the damage already caused. The examination includes an assessment of the bank's practices and changes to prevent the incident from recurring and similar incidents from taking place.

Preventing discrimination and harassment and promoting equal opportunities

S-Bank's personnel policy sets out the principles for managing personnel matters in S-Bank Group. The personnel policy is complemented by various guidelines and processes.

The personnel policy states that all employees are treated equally, regardless of gender, age, nationality, religion and other similar considerations, and that no discrimination of any kind is tolerated. The management and supervisors at all levels act in a fair and consistent manner in accordance with the personnel policy. Every employee also has a responsibility to behave in accordance with the personnel policy and to treat others equally and fairly.

S-Bank does not tolerate harassment, bullying or discrimination at its sites or in projects with partners. The work must not be harmful to employees' safety or health. The aim is for everyone to feel good about being part of the workplace community. The company develops its practices in a long-term and determined manner to ensure employees' equal treatment and well-being.

S-Bank Group has a common set of HR rules, which is used as the basis for all personnel matters. The rules also help to ensure that employees are treated equally and fairly in similar situations, and that there is no unlawful discrimination.

S-Bank prepares an annual equality and equity plan, which includes planned measures to promote equality and to achieve pay equality and promote equity. At S-Bank, employees' experiences of implementing equality are monitored by means of questions measuring equality and employees' equal treatment in the workplace survey, for example.

S-Bank's policies cover all grounds for discrimination, and have not been limited to specific grounds such as ethnic origin, colour, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction or social origin.

As the employer's representatives, supervisors must take immediate action to address any grievances detected and prevent harassment in the workplace. S-Bank has a model in place to address workplace harassment, discrimination, bullying and inappropriate treatment, which covers all harassment and discrimination regardless of the cause. The model has clarified the handling of situations of inappropriate treatment and the responsibilities and roles of the parties involved. The model is available to all personnel on the company's intranet.

Supporting diversity in the recruitment process is an important step in creating an inclusive working environment. Recruitment is based on objective assessment criteria that focus only on the applicants' skills, qualifications and experience. Job advertisements are prepared so that they attract a diverse range of applicants, and the vocabulary selected does not reinforce gender, age or other stereotypes. When filling positions, the person best suited is always recruited, irrespective of age, gender or other factors that do not affect the competence of the employee and their ability to fulfil their duties.

S-Bank's own recruitment channels and those of its partners have been designed to meet the accessibility requirements of the service. The interface is easy to use and the content of the job advertisements is clear and comprehensible. When new recruitment tools are introduced, attention is paid to the accessibility of the service, for example by ensuring that the user interface meets the requirements regarding colour blindness accessibility.

At S-Bank, job difficulty is assessed using the applicable collective agreement's classification model. In addition, the TEVA job difficulty assessment model is also applied to expert tasks in the job difficulty class 5.1 or 5.2 under the collective agreement. It is a tool for fair and supportive pay determination and plays an important role in achieving pay equality.

Any wage gaps between men and women are reviewed annually at S-Bank. The detected pay differentials are explained not only by the level of job difficulty, but also by the experience, competence and performance of the individuals concerned, and by the level of market pay in comparable jobs.

S-Bank does not have a policy for vulnerable employee groups. The human rights principles and other related policies apply to all personnel.

Interaction with own personnel

Engagement with own workers and their representatives

S-Bank takes into account the views of its own personnel in decisions and actions aimed at managing the actual and potential impacts on the company's own workforce. Engagement occurs both directly with the company's employees and with employees' representatives.

S-Bank Group has a joint cooperation forum for the whole Group, which performs the duties of both the cooperation council and the occupational health and safety committee. The forum is made up of both the employees' and the employer's representatives. The matters processed in the cooperation forum are matters covered by the Cooperation Act and the Occupational Safety and Health Act that directly or indirectly affect personnel. These include matters related to well-being at work and occupational health and safety, as well as new practices, processes and plans requiring cooperation and dialogue between the employer and the personnel in accordance with the Cooperation Act. At the meetings, the employer also provides information about current business matters and the employees' representatives provide updates on the personnel. The forum meets four to five times a year, and summaries of the meetings are available to all personnel on the company's intranet.

Meetings with the employees' representatives are held whenever necessary, either at the initiative of the employer or the employees' representatives, and whenever there are plans for changes or other events in the organisation that may have an impact on personnel. HR is responsible for convening the meeting in cases of changes in accordance with the Cooperation Act. The personnel also have access to a variety of channels to raise concerns and needs. Once a month, S-Bank holds a one-hour discussion session to inform personnel about important topical matters and monitor the development of key indicators. During the session, questions can be posed to the CEO, the management and other speakers. Questions can also be submitted anonymously. S-Bank also has an internal communication channel through which any S-Bank employee can ask questions or comment on topics of their choice. In addition, S-Bank has a whistleblowing channel through which employees can raise concerns about the company's operations. More information about the whistleblowing channel and the related operating practices is provided under 'Processes to remediate negative impacts and channels for own workers to raise concerns'.

At S-Bank, the HR function has operational responsibility for ensuring that interaction with own personnel takes place, and that the views of the personnel are taken into account in the company's operating practices. The HR function as a whole is the responsibility of the HR Director, who is a member of the Group Management Team.

The effectiveness of S-Bank's dialogue with employees is assessed through the personnel survey, pulse surveys, any other surveys and dialogue with the employees' representatives. In addition to these, HR receives feedback from the organisation informally through the management, supervisors and individual employees.

At S-Bank, the experiences of the personnel concerning the implementation of equality are monitored through questions in the workplace survey measuring equality and the equal treatment of employees. S-Bank has not identified any specific vulnerable groups of employees whose rights should be monitored by means of specific measures or processes.

Employment relationships are governed by Finnish law and the collective agreements in force without exception.

Processes to remediate negative impacts and channels for own workers to raise concerns

Negative impacts on own workforce and identified grievances are addressed and remediated at S-Bank through various actions.

Identified shortcomings are addressed and the current state is improved by including related measures in the organisational and team-specific development plans to be prepared annually following the job satisfaction survey. In addition, grievances and development needs are addressed through measures in the occupational well-being plan and the workplace community development and equality plan.

Feedback from the personnel, their representatives and the anonymous whistleblowing channel is processed through the appropriate process, depending on the type of feedback. Such processes include, for example, a model for addressing workplace harassment, discrimination, bullying and inappropriate treatment, which specifies how situations of inappropriate treatment are handled and the responsibilities and roles of the different parties involved. The effectiveness of the measures is monitored by asking for feedback at one-to-one meetings with the parties involved and by means of the development of the results of the annual job satisfaction surveys.

S-Bank has a confidential whistleblowing channel for employees to report observations of misconduct, as well as violations or suspected violations, such as conduct that is in breach of the Code of Conduct or regulations or otherwise inappropriate. The system is provided by an external partner, but notifications are processed internally at the bank.

In addition, employees can report their concerns to their immediate supervisor, the supervisor's supervisor or another relevant party such as Compliance, Operational Risk Control or HR functions. The Bank has a separate monitoring process for operational risk events.

Information about the whistleblowing channel is provided as part of S-Bank's training related to the Code of Conduct, and the channel is available to the personnel through both the S-Bank intranet and website.

Processing and reporting of notifications

S-Bank processes all reports of detected or suspected violations and, if necessary, an internal investigation is launched based on the processing. Within the Group, reports of violations or suspected violations are processed by people who can perform their duties impartially and independently. The persons designated as processors never process reports concerning themselves, and cannot delete or hide such reports.

The bank has internal guidelines aimed at improving the consistency and objectivity of the processing and investigation of reports, and at ensuring a high level of quality in the investigation of reports. The reporting process, including the procedures and timelines followed in the process, is in line with the regulations.

Information about whistleblower protection is provided in connection with the whistleblowing channel. It is also possible to have a discussion with the person handling the report through the whistleblowing channel.

The Compliance function regularly reports on reported and suspected violations to the Group Management Team and the Group's top management. The reporting highlights the number of reports and their subject areas, with possible measures and consequences.

The effectiveness of the whistleblowing channel is monitored and assessed based on feedback from the Bank's personnel and responses to the workplace community survey. The workplace community survey collects information about whether the personnel are aware of and trust the whistleblowing processes as a way of raising concerns or needs and having them addressed.

More information about S-Bank's whistleblowing channel and the related operating practices, as well as the whistleblower protection principles, is provided in section G1 of the sustainability report.

Actions and targets related to own personnel

Actions related to own personnel

At S-Bank, negative and positive impacts on employees are managed through continuous processes, their development and a separate, annually updated workplace community development plan and HR action plan. The development plan includes an equality and equity plan and a training plan. In addition, the organisation takes measures in line with a separate occupational well-being plan. Other key guidelines include a model for addressing workplace harassment, discrimination, bullying and inappropriate treatment, the HR rules and the health and safety action plan.

These guidelines and action plans guide the bank's short-term measures (until 2025) and set out its long-term policies. The measures aim to increase personnel well-being and reduce negative impacts. The results of the measures are regularly assessed when the plans are updated. The measures concern all S-Bank's employees.

The positive and negative impacts on S-Bank's own workforce are also directly linked to the risks and opportunities identified by the bank. The current situation is being improved through action programmes, including various development measures, as well as continuous measures and processes to maintain the current state.

Well-being at work is promoted and monitored through an annual personnel survey, which concerns all S-Bank's employees. The well-being plan is drawn up for two years at a time. The plan takes into account the key risks related to work ability. For the period 2024–2025, the priorities of the well-being at work plan include:

- Supporting well-being at work and mental well-being
- Change management
- Reducing sickness absences in customer service by improving well-being at work

The key measures in the workplace community development plan include:

- Systematic development of the employer image and recruitment, taking sustainability aspects into account
- Developing the activities of teams and units based on the results of the workplace community survey
- Building supervisors' competence in managing culture and practices as the organisation grows, in introducing a new service model and in an acquisition situation
- Developing employees' competence through personal development plans

The key measures in the equality plan include:

- A report on equal remuneration and actions to promote it
- Actions to prevent all forms of harassment and conflicts of interest
- An assessment of the implementation and results of the measures included in the previous equality plan

The above measures and action programmes apply to all Group personnel. The progress of the measures is continuously monitored by the responsible functions. S-Bank also uses external experts on a case-by-case basis to assess well-being at work, equality and other personnel-related impacts.

The need for corrective measures is assessed annually when the workplace survey and the workplace community development plan and equality plan are updated. No need to develop corrective measures has been identified for the reporting period.

In addition to the key measures mentioned above, the reduction of negative impacts and the increase of positive ones is promoted through the bank's model for addressing workplace harassment, discrimination, bullying and inappropriate treatment, the HR rules and the health and safety action plan.

Promoting the development plans described above also involves assessing the effectiveness, adequacy and refocusing of measures as part of updating action programmes. Updates are made annually, with measures for the coming year being added where necessary and developed to reduce and mitigate identified negative impacts.

Through active dialogue between the personnel and the employer, S-Bank ensures that its own practices do not have material negative impacts on its own workforce.

The HR unit is responsible for implementing the measures. S-Bank's resources to manage the impacts, risks and opportunities on its own workforce consist mainly of internal resources within the HR function, as well as supervisors, who play a key role in managing the above matters in day-to-day supervisory work. In addition to internal resources, it is also possible to use external experts, such as occupational health professionals or consultants, on a case-by-case basis.

S-Bank has not identified any negative impacts on employees resulting from the green transition or the shift towards a greener climate-neutral economy. Consequently, no need for measures in this respect has been identified.

Targets related to own personnel

S-Bank has set numerical targets related to well-being at work, high-quality supervisory work, equality and equal treatment. The targets are set and their achievement monitored as part of the annual update of S-Bank Group's workplace community development, equality and equity plan. The targets are set by Human Resources and approved by the cooperation forum once a year. However, S-Bank has not set sustainability targets for the management of material impacts, risks and opportunities related to its own workforce, but these will be set as part of the 2025 sustainability programme.

Personnel-related metrics

S-Bank's metrics related to own workforce presented in the sustainability report have been produced by S-Bank's HR function using various information systems, such as the personnel information system, the payroll information system and statistics from the accident insurance company. The measurements have not been validated by external parties. Support for the interpretation of the ESRS reporting standards has been provided by an external consultant for certain metrics.

Characteristics of the undertaking's employees

The numbers of employees are shown in accordance with the situation on the last day of the year (31 December 2024), and include only active employment relationships. Inactive employment relationships (employees on study leave or family leave) are not included in the reported figures. Paid trainees are included in the figures. The number of employees is presented as headcount. The data is based on S-Bank's personnel information system.

The number of employees in S-Bank Group stays relatively stable throughout the year, but the number of employees is higher during the summer period as a result of temporary summer workers. During 2024, S-Bank's headcount grew organically by around 100 people. Following the acquisition on 1 December 2024, the number of employees in S-Bank Group increased significantly. As a result of the acquisition, around 220 people joined S-Bank as existing employees. The same practices and HR principles apply to the transferred personnel as to all other personnel. The S1-related metrics presented in the sustainability report include transferred personnel for December 2024. Where it has not been possible to report an individual metric because of a lack of data, this has been indicated in connection with the metric concerned.

The number of employees who left the company during the reporting period and the employee turnover are presented in the table. The figures do not include terminations of fixed-term contracts. The statistics do not take into account

THE TOTAL NUMBER OF EMPLOYEES BY GENDER (ONLY ACTIVE EMPLOYMENT RELATIONSHIPS)

	31 Dec 2024
Female	716
Male	455
Other	Not reported*
Not disclosed	Not reported*
Total	**1 172**

*quantity too small, cannot be reported due to data protection

THE TOTAL NUMBER OF EMPLOYEES BY TYPES OF EMPLOYMENT AND BY GENDER (ONLY ACTIVE EMPLOYMENT RELATIONSHIPS)

	31 Dec 2024				
	Female	Male	Other	Not disclosed	Total
Number of employees	716	455	Not reported*	Not reported*	1 172
Number of permanent employees	682	431	Not reported*	Not reported*	1 114
Number of temporary employees	34	24	Not reported*	Not reported*	58
Number of full-time employees	676	444	Not reported*	Not reported*	1 121
Number of part-time employees	40	11	Not reported*	Not reported*	51
Number of non-guaranteed hours employees	0	0	Not reported*	Not reported*	0

*quantity too small, cannot be reported due to data protection the personnel transferred to S-Bank in connection with the acquisition in December 2024, as this would have distorted the turnover figure for the reporting period.

The number of employees in employment relationships is also reported in Note 8 of the consolidated financial statements. The information on the number of employees in the financial statements is presented at the group level without a detailed gender and country breakdown. The information presented in this sustainability report is based on the personnel information system and is derived from the figures in the financial statements.

THE TOTAL NUMBER OF EMPLOYEES WHO HAVE LEFT THE UNDERTAKING DURING THE REPORTING PERIOD AND THE RATE OF EMPLOYEE TURNOVER

	2024
Total number of employees who have left the undertaking during the reporting period	73
Rate of employee turnover	6.45%

Working conditions, health and safety and work-life balance

Collective bargaining coverage and adequate wages

S-Bank Group complies with one collective agreement. The collective agreement for the financial sector covers 96 percent of the Group's personnel. The collective agreement is determined in accordance with the employer company. The collective agreement for the financial sector applies to the personnel of S-Bank Plc and S-Asiakaspalvelu Oy. Persons working at S-Bank Properties Ltd and S-Bank Fund Management Ltd and the top management of S-Bank Group are not covered by a collective agreement. The percentage reported is based on the number of employees in the group companies covered by a collective agreement and the total number of employees in the Group.

However, S-Bank's HR rules, which are based on the collective agreement for the financial sector, apply to employees not covered by a collective agreement. S-Bank's HR rules contain consistent rules and guidelines on employment matters.

The occupational safety representatives (2 persons) represent all employees (100 percent) of the S-Bank Group companies in matters related to occupational health and safety. In addition, S-Bank Ltd and S-Asiakaspalvelu Oy are represented by a joint chief shop steward / shop steward and a contact person for the Federation of Professional and Managerial Staff (YTN). There is no elected chief shop steward or shop steward at S-Bank Properties Ltd or S-Bank Fund Management. The companies with a shop steward employ 97 percent of the Group's personnel. The percentage reported is based on the number of employees in the group companies covered by representation and the total number of employees in the Group.

S-Bank does not have a European Works Council, as S-Bank does not have operations in two or more EU/EEA countries.

The bank complies with the collective agreement for the financial sector, and all employees (100 percent of the personnel) are paid at least the minimum wage determined in the collective agreement, based on their job difficulty class. S-Bank uses a system to assess the level of demand involved in each work task in order to help determine a fair and moti-

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE BY COUNTRY

	Collective bargaining coverage	Social dialogue
Coverage rate	Employees - EEA	Workplace representation - EEA
0-19%	-	-
20-39%	-	-
40-59%	-	-
60-79%	-	-
80-100%	Finland	Finland

vating salary level. The percentage related to adequate wages reported here is based on the expert statement of the HR function, as S-Bank's HR or payroll information system does not record this matter separately.

Social protection

Social protection information is not as such included in S-Bank's personnel information system, but is collected and described based on the expertise of the HR function.

All employees of the company are subject to the provisions of the collective agreement for the financial sector concerning sickness. Occupational health care covers both the statutory preventive service in Finland and a wide range of medical services. All employees in an active employment relationship are entitled to occupational health care services, and those on family leave until the end of salary payment.

All employees of the company are covered by Finnish social security, which guarantees them unemployment benefits during periods of unemployment.

The statutory accident insurance, which covers all the Group's employees, compensates for damage in the event of an accidental injury at work, while commuting or under work-related circumstances. The statutory earnings-related pension scheme for all employees provides income security during long-term incapacity for work.

The right to family leave is based on the Finnish Employment Contracts Act and applies to all S-Bank's employees. The pay for family leave is determined by the collective agreement for the financial sector and is available to all employees. The benefits payable for family leave at the end of salary payment are determined in the Health Insurance Act and apply to all employees.

The statutory earnings-related pension scheme ensures employees' livelihoods in retirement.

Health and safety metrics

The occupational health services, occupational health and safety activities and accident insurance provided by S-Bank to its employees cover all employees (100 percent). The occupational health service covers the statutory requirements for the organisation of occupational health and a wide range of other services to promote employees' health and work ability.

Accidents at work are monitored annually in the cooperation forum and as part of the management's well-being report. The occupational safety manager actively monitors accident trends throughout the year. In addition, the employer provides all personnel with a leisure accident insurance policy, which covers accidents during leisure time.

Health and safety metrics are reported in more detail in the table here. The metrics are based on statistics from S-Bank Group's accident insurance company. The statistics for the year 2024 have been compiled as of 3 January 2025 and include accidents for which an accident report has been filed to date. In addition, data on the number and working hours of full-time and part-time employees in the personnel information system have been used to calculate the accident frequency rate. For part-time workers, annual hours worked are estimated based on average weekly hours. Work-related ill health as defined by the ESRS standard has been interpreted to include occupational diseases whose main cause is a physical, chemical or biological factor present at

HEALTH AND SAFETY METRICS

	2024
The percentage of own workers who are covered by health and safety management system	100%
The number of fatalities in own workforce as result of work-related injuries and work-related ill health	0
The number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	N/A
The number of recordable work-related accidents for own workforce	22
The rate of recordable work-related accidents for own workforce	11.2
The number of cases of recordable work-related ill health in its own workforce	0
The number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill-health and fatalities from ill health	35

work. For non-employees working at S-Bank's sites, it is not possible to report information about accidents, as these are the responsibility of the person's own employer and are not reported to S-Bank.

Work-life balance metrics

The right to family leave is based on the Finnish Employment Contracts Act and applies to all S-Bank's employees with an employment contract. The percentage of entitled employees who took family leave by gender is presented in the table here. The calculation of the percentage is based on the data in the personnel information system on the number employees on pregnancy and parental leave in proportion to the total number of active employment relationships in the Group (including temporary employees).

Equal treatment and opportunities for all

Diversity metrics

S-Bank's Code of Conduct includes a workplace community that embraces and values diversity. S-Bank has employees with different educational and experience backgrounds, of different ages and of different genders.

The diversity metrics – the gender distribution of the top management and the age distribution of all personnel – are based on S-Bank's personnel information system and a list of members of the Group's Board of Directors.

S-Bank's own definition has been used, according to which S-Bank Group's top management includes the Board of Directors and the Group Management Team.

PERCENTAGE OF ENTITLED EMPLOYEES THAT TOOK FAMILY-RELATED LEAVE BY GENDER

	2024
Female	7.03%
Male	6.84%
Other	Not reported*
Not disclosed	Not reported*
Total	**6.91%**

*quantity too small, cannot be reported due to data protection

THE GENDER DISTRIBUTION AT TOP MANAGEMENT LEVEL

	31 Dec 2024	
	Number	Percentage
Female	6	33.3%
Male	12	66.7%
Other	-	-
Not disclosed	-	-
Total	**18**	**100.0%**

THE DISTRIBUTION OF EMPLOYEES BY AGE GROUP

	31 Dec 2024	
	Number	Percentage
Under 30 years old	202	17.2%
30-50 years old	731	62.4%
Over 50 years old	239	20.4%
Total	**1172**	**100.0%**

Training and skills development metrics

Employees' performance and career development reviews are carried out as part of the annual performance appraisal process. The percentage of employees who participated in regular performance and career development reviews is presented by gender in the table here. The percentages are calculated by dividing the number of performance appraisals held during the year by the number of active employment relationships at the end of the year.

Training is provided to S-Bank Group's personnel as part of induction for new employees and as an annual recurring activity as part of regulatory requirements. Some of the training is aimed at all personnel and some for those working in certain positions. S-Bank records training outside S-Bank that lasts at least one hour in its statistics. Mandatory annual internal training for all bank personnel has been added to this training in accordance with its estimated duration. The average number of training hours per employee by gender is presented in the table here.

The figures in the table do not include the personnel transferred to S-Bank following the acquisition in December 2024, as this information about them is not available.

REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS AND AVERAGE NUMBER OF TRAINING HOURS BY GENDER

	2024				
	Female	Male	Other	Not disclosed	Total
The percentage of employees that participated in regular performance and career development reviews	76.77%	80.70%	Not reported*	Not reported*	78.31%
The average number of training hours per employee by gender	6.04	5.88	Not reported*	Not reported*	5.97

*quantity too small, cannot be reported due to data protection

Remuneration metrics

The gender pay gap in 2024 was 23.2 percent of the average wage level of male employees. The calculation of the gender pay gap is based on the employee's basic salary and benefits in kind. The calculation excludes information about commissions, bonuses and allowances that are not recorded in the personnel information system. This calculation does not take into account the different types of jobs, different job difficulty levels and the positioning of men and women in different jobs. S-Bank's HR function reviews the gender pay gap annually in connection with the preparation of the gender equality plan. The review found pay gaps in a few job difficulty classes. At a more detailed level, differences were partly examined by organisational unit and by job title / job description. In this more detailed analysis, the pay gaps were explained by the pay levels of different jobs, which are affected by the market wage level and the experience, competence and performance of individuals. Relatively more women work in jobs in lower difficulty classes, which lowers the average earnings of women in the statistics.

The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all other employees is 5.80 in S-Bank Group. The ratio is based on data from the payroll information system, which include cash salary, benefits in kind, performance bonuses and other remuneration. The earnings of employees who worked for less than six months during the year in question have been excluded from the calculation of median earnings to avoid distorting the result. For employment relationships longer than this, the total remuneration for the respective year have been used, regardless of whether the employment lasted the entire year. Consequently, including the total remuneration of employment relationships lasting more than 6 months but less than 12 months contributes to inflating the ratio above its actual value. Additionally, the calculation does not account for the reduction in total remuneration caused by unpaid leaves, which also increases the ratio beyond its actual level.

Persons with disabilities

Because of Finnish legislation, S-Bank does not collect or monitor information about the number of disabled persons or persons with otherwise limited working capacity. It is therefore not possible to report percentages or gender breakdowns of employees with disabilities in accordance with the ESRS disclosure requirement S1-12.

Incidents, complaints and severe human rights impacts

Employees can report observations related to, for example, unethical or otherwise inappropriate behaviour through S-Bank's whistleblowing channel. Under the bank's normal reporting procedures, employees may also raise concerns with their supervisor, the supervisor's supervisor or other relevant parties such as HR, Compliance and Operational Risk Control functions.

The numbers of cases are monitored by both S-Bank's Compliance function and HR function, which have compiled the figures reported in the sustainability report. In the 2024 reporting period, S-Bank was not notified of any cases or complaints of discrimination or harassment related to employees.

No fines, penalties or damages have been imposed.

S-Bank has not identified any serious human rights incidents related to its own workforce. Furthermore, there have also been no fines, penalties or damages resulting from human rights violations.

S2 WORKERS IN THE VALUE CHAIN

Topic and the relevant ESRS standard	Business area	Policies	Action plan	Targets
Working conditions and rights of workers in the value chain (S2)	All business operations	S-Bank's human rights principles, Outsourcing and procurement principles	No action plan. The need for an action plan will be assessed in connection with the 2025 sustainability programme.	The need for time-bound outcome-oriented targets will be assessed in connection with the sustainability programme to be published in 2025.
	Wealth Management	Principles of responsible investing	No action plan. The need for an action plan will be assessed in connection with the 2025 sustainability programme.	The need for time-bound outcome-oriented targets will be assessed in connection with the sustainability programme to be published in 2025.

Materiality assessment

S-Bank engages in the service business, making use of a wide range of services and expertise provided by other companies. Some of the services purchased have been assessed as critical or important for business continuity. For critical and important outsourcing and procurement, the impacts on the service providers' workers can be regarded as a financial risk for S-Bank. The rights of workers in the value chain are therefore linked to both S-Bank's business model and the strategy through which it is implemented.

In assessing the impacts, risks and opportunities related to S-Bank's value chain, all value chain workers have been taken into account. These include employees of S-Bank's partners who perform work in S-Bank's premises based on an assignment, and employees who work for a partner subject to S-Bank's purchases or as part of the partner's own supply chain. The assessment of workers in the value chain also takes into account the role of employees within portfolio investments in Wealth Management.

In connection with the double materiality assessment, no specific groups were identified for which the assessment of impacts, risks or opportunities should be reviewed differently from what has been previously presented. The impacts, risks and opportunities concerning workers in the value chain have been assessed by internal experts as part of the double materiality assessment. This expertise is based on both procurement and investment practices and on cooperation with the companies under assessment, such as audits of procurement partners. S-Bank is continuously developing its procurement and investment practices.

S-Bank's purchases can be considered to have potential indirect impacts on the working conditions, equality and rights of workers in the value chain. S-Bank's outsourcing and procurement policies aim to ensure that S-Bank's procurement decisions take into account workers in the value chain, thereby ensuring appropriate terms of employment and working conditions in the company involved in the procurement. Outsourcing and procurement principles also have an impact on working conditions in the market in general. In this respect, S-Bank's impact is estimated to be positive.

Workers in the supply chain

S-Bank's operations have potential indirect impacts on workers in S-Bank's supply chain. S-Bank's value chain covers the workers in the companies involved in S-Bank's direct and indirect procurement in the upstream value chain (supply chain).

Direct purchases are purchases that are used to produce the company's main product or service. S-Bank's procurement is mainly focused on various IT services such as the maintenance and development of IT infrastructure. S-Bank also utilises S Group's cooperative societies and their employees in the sale of products and services and the provision of advisory services. Some workers in the supply chain may work partly or fully in S-Bank's sites without being S-Bank's own employees.

Indirect purchases are products and services purchased for S-Bank's own use in, for example, the following categories:

- Marketing, HR, financial, expert, security, administrative and office services

- Property services, environmental management services, cleaning and sanitation services, and site technology, furniture and equipment.

In terms of S-Bank's procurement, issues related to child labour, forced labour, adequate wages, decent housing, clean water and sanitation are deemed immaterial. S-Bank's procurement is mainly targeted at service companies operating in Finland and other EEA countries, with short supply chains and work taking place in either Finland or countries with a high level of social security and labour legislation. The services purchased mainly consist of work requiring a high level of skills, training and specialisation, so negative impacts or risks of misconduct have not been assessed as being material in these respects.

Due to the geographical location of the procured services, the material risks concerning S-Bank's supply chain pertain to working conditions, labour rights and equal treatment. The material risks are considered to be of an exceptional nature and related to potential misconduct, rather than being widespread or systemic.

Workers in the investment activities value chain

As part of its business operations, S-Bank makes investment decisions both in its own name and on behalf of its customers and the funds it manages. Typically, investments can be made in equity or debt securities issued by companies or public sector entities, as well as various types of real estate assets.

Negative impacts and misconduct affecting workers in the value chain of portfolio investments may affect the value of the investments and thus constitute a financial risk for S-Bank and its customers. The material risks pertain to serious violations of human rights, such as insufficient safety at work, forced labour or the use of child labour.

More information about the practices concerning workers in the investment activities value chain is provided under 'Value chain workers in investment activities'.

Policies related to workers in the supply chain

In its operations, S-Bank complies with international laws and regulations and the national laws and regulations in force in its countries of operation. S-Bank's operations are also guided by international conventions and recommendations such as the UN Declaration of Human Rights and the Convention on the Rights of the Child, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights.

S-Bank's supplier management is based on careful risk assessment and on targeting measures where the risks are highest. In accordance with the UN Guiding Principles on Business and Human Rights, the prioritisation of measures takes into account the severity and irreversibility of the impact, the likelihood of the impact, and whether the impact is caused by S-Bank directly, or indirectly through a business relationship, for example.

Risk identification, assessment and management are carried out in accordance with S-Bank's risk mapping procedure. For example, the risks associated with outsourcing a function are identified and assessed as early as the outsourcing preparation phase. For each outsourcing project, a detailed risk mapping is prepared, summarising all the material risks associated with the outsourcing project and the means to manage them. The risk mapping for an outsourced function is updated regularly and, if necessary, in connection with changes, in accordance with S-Bank's risk mapping procedure.

S-Bank conducts its supply chain risk assessment independently, and the assessment does not include regular direct consultation of supply chain workers.

Selecting suppliers and partners

S-Bank's outsourcing and procurement principles are followed in all purchases. In accordance with its outsourcing and procurement policies, S-Bank ensures that the selected business partner complies with S-Bank's values and Code of Conduct.

The principles concerning business partners aim to ensure that S-Bank does not have negative impacts on workers in the supply chain through its own operations. When selecting business partners, the assessment is focused not only on the cost factors related to procurement, but also on the businesss partner's ability to act in an ethical and socially responsible manner. The measures concerning the assessment vary depending on the business partner and the activity being evaluated. The appropriateness of the activity is assessed based on the information provided by the business partner.

As a rule, contractor's liability information is checked for all Finnish business partners, including the payment of employees' pensions, the provision of occupational health care, compliance with collective agreements, and accident insurance.

New business partners are approved by the appropriate decision-making body in accordance with the management system.

S-Bank has not determined specific policies for engagement with value chain workers.

S-Bank has not determined specific targets for managing impacts, risks and opportunities concerning its supply chain. Possible targets will be determined in connection with the preparation of the sustainability programme in 2025.

Supplier Code of Conduct

S-Bank expects all its product and service suppliers to respect human rights. The requirements that are binding on suppliers are set out in S-Bank's Supplier Code of Conduct, which was published in 2024. The Supplier Code of Conduct does not contain specific conditions concerning human trafficking, forced labour or the use of child labour. However, the Supplier Code of Conduct explicitly refers to the UN, ILO and OECD human rights principles, which also cover the human rights violations mentioned above.

The Supplier Code of Conduct is incorporated into the contracts of all business partners that are assessed as being critical and important in terms of continuity. S-Bank's critical and important suppliers are comprised of IT suppliers. Outsourcing and procurement contracts, to which S-Bank's Supplier Code of Code Conduct or the supplier's commitments of similar content are applied, covered 70 percent of S-Bank's total IT acquisition costs as of 20 January 2025.

Compliance with the Supplier Code of Conduct

The implementation of the Supplier Code of Conduct is monitored throughout the duration of the contract. For suppliers, human rights risk assessments are also carried out before the approval of the business relationship and during the business relationship. Where necessary, individual measures can be determined with the supplier to ensure the appropriate implementation of human rights.

In terms of information available from business registers, S-Bank has automated monitoring in place for critical and important suppliers, critical application suppliers and high-risk suppliers. Contractor's liability information, which takes into account the payment of employees' pensions, the provision of occupational health care, compliance with collective agreements and accident insurance, are among the criteria for automated alerts concerning Finnish suppliers.

S-Bank also carries out monitoring through regular supplier audits, the targets of which are determined annually. In 2024, the audits focused on critical and important suppliers and suppliers of critical and important applications. Sustainability risks and their management was one of the key areas of the audits. The audits were carried out with the assistance of an external auditor and involved the supplier's representatives in addition to S-Bank's experts. Progress in terms of audit findings is monitored at regular strategic level meetings.

Engagement with workers in the supply chain

S-Bank does not have explicit policies on direct engagement with workers in the supply chain.

S-Bank's IT suppliers are divided into three levels based on the criticality of the service they provide: strategic, tactical and operational. The sustainability of strategic level suppliers is monitored through quarterly/semi-annual meetings with suppliers in line with the supplier management model. The main themes for supplier management at the strategic level for the following year are determined annually.

Regular tactical level meetings are held with strategic and tactical level IT suppliers on a monthly or quarterly basis. These meetings provide visibility into the treatment of the supplier's workers on a practical level as part of the supplier management process. Cooperation meetings with operational level suppliers are held on a need basis.

S-Bank's workers in the supply chain also work in S-Bank's locations in cooperation with S-Bank's own personnel on an assignment basis. S-Bank's employees have also visited suppliers' offices as part of supplier audits. Close cooperation enables visibility into the treatment of the supplier's workers on a practical level.

Whistleblowing channel

S-Bank is committed to operating in a transparent and open manner in compliance with regulations and the Code of Conduct. S-Bank provides a confidential whistleblowing channel for its stakeholders to report any suspected misconduct or breach of the Code of Conduct.

S-Bank's whistleblowing channel is available to all workers in the supply chain. S-Bank investigates and processes all reports of detected or suspected violations. Within the Group, reports of violations or suspected violations are processed by people who can perform their duties impartially and independently. The assigned persons never process reports concerning themselves. The processors do not have the possibility to delete or hide reports concerning themselves.

The whistleblowing channel is available on S-Bank's public website. Information about the channel has also been provided to S-Bank's strategic level suppliers at a cooperation meeting. S-Bank does not inform workers in the supply chain of the whistleblowing channel on its own initiative.

S-Bank currently does not have practices in place to monitor and evaluate the effectiveness of the whistleblowing channel or the awareness and trust of value chain workers regarding the channel and its related processes.

More detailed information about S-Bank's whistleblowing channel and the related general practices and protection of whistleblowers against retaliation is provided in section G1 of the sustainability report.

Remediation

If direct human rights violations are detected in S-Bank's own operations, an investigation will be started immediately with the business or other unit concerned and stakeholders. Based on the investigation, the need for remediation is assessed to prevent wider negative impacts and remediate the damage already caused. As a result of the investigation, S-Bank will assess its own practices to prevent similar incidents.

If any grievances related to human rights are detected in S-Bank's procurement, an investigation will be started. Remediation will be agreed with the partner concerned, and the implementation of the measures will be monitored. The monitoring can be carried out by means of audits, including interviews with the partner's workers, if necessary.

In a situation in which the identified deficiencies are recurrent or the partner does not show willingness and commitment to remedy or improve the identified deficiencies, the cooperation may be terminated. The cooperation can also be terminated if the partner does not agree to an independent audit by a third party. Before leaving the cooperation relationship, S-Bank will assess the potential consequences of the termination for the affected parties and will identify possible courses of action.

S-Bank has not encountered situations requiring remediation, and therefore does not have practices in place to evaluate the effectiveness of such measures. In long and multi-tier supply chains in particular, S-Bank does not always have a direct opportunity to have an impact on the remediation of deficiencies. In such cases, it is important to build influence through cooperation with other companies, sustainability initiatives and other networks.

Violations detected during the financial period

S-Bank has not become aware of any human rights violations related to workers in the supply chain in the financial year that started on 1 January 2024.

Value chain workers in investment activities

Policies

S-Bank's Wealth Management's investment activities are guided comprehensively by the S-Bank's Wealth Management's Principles of Responsible Investing. In investment activities, ESG risks and opportunities are taken into account in connection with investment decisions. The examination also covers the risks and opportunities related to the portfolio investments and their supply chain workers. For direct fixed income and equity investments, S-Bank's Wealth Management business has a continuous monitoring process in place to ensure that portfolio investments comply with international standards.

S-Bank's Wealth Management business is interested in the performance of portfolio investments from the perspective of initiatives and standards related to general international business practices and sustainability. When making direct equity and fixed income investments, S-Bank's Wealth Management uses, for example, the following frameworks in assessing the performance of portfolio investments: the UN Global Compact principles, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the conventions of the International Labour Organization (ILO). The human rights principles include the elimination of all forms of forced labour and the abolition of child labour.

In real estate investments, comprehensive due diligence reports are prepared on the properties to be acquired to ensure their technical, financial, legal and environmental qualities. The reports also take into account the requirements related to the identification of the counterparty. In addition, to ensure the position of value chain workers in real estate investments, S-Bank Real Estate Asset Management cooperates with professional, well-known and reputable operators in the field.

Processes related to workers in the value chain in direct equity and fixed income investments

In S-Bank's equity and fixed income investment activities, it is monitored and ensured that investments are not made in companies where violations of international standards have been identified. Portfolio managers are responsible for ensuring this when making investment decisions.

If violations of international standards are detected in portfolio investments, S-Bank's investment activities have a strictly defined process to follow. In cases where violations of international standards are found in portfolio investments, engagement through active ownership activities with the portfolio companies may be initiated or the portfolio company can be excluded. S-Bank's investment activities make extensive use of third-party data to monitor compliance with international standards. The third party will always assess the seriousness of the situation and the extent of the impact on a case-by-case basis.

The priority in investment activities is to improve the company's sustainability performance and eliminate the impacts of questionable activities through active ownership. The purpose of influencing portfolio companies is to ensure that companies that have violated international standards take action to remedy the situation. The practical work in active ownership is carried out by personnel of responsible investing together with portfolio managers.

In addition to direct corporate engagement, influence on portfolio companies can also be exercised through voting at general meetings and participating in various investor collaboration initiatives.

If a decision is made to initiate engagement with the portfolio company, there will be continuous monitoring of how the affected companies take measures to remedy the problems addressed. S-Bank's Wealth Management will use a third-party assessment for this purpose whenever possible.

If S-Bank's Wealth Management deems that it cannot successfully influence the company or if it does not achieve the desired outcome by engagement, the company will be added to the exclusion list of S-Bank's investment activities.

During 2024, S-Bank's Wealth Management did not identify any serious human rights issues or incidents in its direct investments. S-Bank's Wealth Management has opted not to invest in companies with human rights issues or incidents.

S-Bank's Wealth Management has no additional actions or initiatives that are primarily intended to have a positive impact on workers in the value chain, nor are there any measures initiated or planned to make use of material opportunities related to workers in the value chain.

For the Wealth Management business, there are no specific targets for reducing negative impacts on value chain workers and promoting positive impacts or managing material risks and opportunities related to value chain workers. However, in the Wealth Management business, it is continuously ensured, through active ownership and exclusion, that portfolio investments comply with international standards.

Access to information of and engagement with workers in the value chain in fixed income and equity investment activities

S-Bank's Wealth Management does not engage directly with value chain workers and has no general processes for engagement with value chain workers. Engagement with portfolio investments takes place through active ownership activities. Typically, engagement takes place with the senior management of the company in cases where violations of international standards are detected. Engagement takes place in the form of telephone calls, emails and meetings. The frequency of engagement varies on a case-by-case basis. Typically, companies are contacted when new information about measures becomes available, one to four times per year on average.

Influencing portfolio investments and incorporating the related outcomes into the company's operating methods takes place through the investment activities of S-Bank's Wealth Management. The highest operating responsibility for these measures lies with the Chief Investment Officer.

S-Bank's Wealth Management makes extensive use of external analyses and ratings to monitor compliance with international standards in its portfolio investments and their supply chains.

To the extent that third-party data (MSCI ESG Research LLC) is used for investment activities, data collection is based on information from the media and non-governmental organisations and information from regulators and other stakeholders, as well as studies. The aim is to collect data as extensively as possible.

Value chain workers in real estate investments

S-Bank's Wealth Management's Principles of Responsible Investing also guide the investment activities of Real Estate Asset Management. In addition, specific factors related to value chain workers have been identified in the context of Real Estate Asset Management, which are discussed in more detail below.

The tenants of properties and the service providers operating in properties have been identified as material value chains. Slightly different measures are discussed in terms of each value chain.

To ensure the position of value chain workers in real estate investments, S-Bank Real Estate Asset Management cooperates with professional, well-known and reputable operators in the field. In general, Finland has a high level of social security and labour legislation, but in Real Estate Asset Management, the need to improve engagement and interaction with value chain workers has been identified, as there are currently no actual impact mitigation measures in the Real Estate Asset Management model related to value chain workers.

When ordering construction services, S-Bank Real Estate Asset Management checks the service provider's liability obligations. This is to ensure that the contracting partners meet their legal obligations as contracting parties and employers. S-Bank Properties Ltd has a sustainability guideline for construction projects, which covers obligations related to occupational safety and well-being on construction sites.

S-Bank Real Estate Asset Management has not established specific processes or policies for engaging with its value chain workers.

Engagement is based on a case-by-case need. Engagement with the tenants of properties takes place through annual tenant satisfaction surveys, among other means. When acquiring and renting out properties, counterparty identification requirements are met by checking the counterparty's identification information (e.g. KYC, PEP and sanctions monitoring). Engagement primarily takes place through an external property manager, with both tenants and service providers.

The Sustainability Manager in Real Estate Asset Management has the highest operational responsibility for ensuring that engagement with the supply chain is further developed, and that the views of workers in the supply chain are taken into account in property investment practices. Practical measures related to active ownership and engagement are carried out by the portfolio managers of real estate investment portfolios and funds.

No targets have been set for Real Estate Asset Management in terms of reducing negative impacts on value chain workers and promoting positive impacts or managing material risks and opportunities related to value chain workers.

S3 AFFECTED COMMUNITIES

The impacts, risks, and opportunities according to the S3 reporting standard, which concern the affected communities, have not been assessed as material for S-Bank. Sustainability issues concerning the financial, social, and educational rights of customers have been addressed as part of the reporting on customers and end-users (S4).

S4 CONSUMERS AND END-USERS

S-Bank has a broad customer base, covering the whole of Finland and all segments of the population living in Finland. Its customer base includes customers of different ages and in different financial situations. S-Bank currently serves a total of 3.3 million household customers.

Topic and the relevant ESRS standard	Business area	Policies	Action plan	Targets
Availability of high-quality information related to products and services, and responsible communication (S4)	All business operations	S-Bank's human rights principles, Communication policy, S-Bank's Code of Conduct, Principles for handling and managing customer complaints and feedback.	No action plan. The need for an action plan will be assessed in connection with the 2025 sustainability programme.	The need for time-bound outcome-oriented targets will be assessed in connection with the sustainability programme to be published in 2025.
Ensuring the availability of products and services and non-discrimination (S4)	All business operations	S-Bank's human rights principles, Communication policy, S-Bank's Code of Conduct, Principles for handling and managing customer complaints and feedback.	No action plan. The need for an action plan will be assessed in connection with the 2025 sustainability programme.	The need for time-bound outcome-oriented targets will be assessed in connection with the sustainability programme to be published in 2025.
Information security, data protection and privacy (S4)	All business operations	Information security policy, Data protection policy, Misconduct management principles and policy	No action plan. The need for an action plan will be assessed in connection with the 2025 sustainability programme.	The need for time-bound outcome-oriented targets will be assessed in connection with the sustainability programme to be published in 2025.

Material impacts, risks and opportunities

Consumers and end-users, or customers, are a key stakeholder group for S-Bank, and the company's strategy and business model create impacts on customers. Customers' views and expectations also have a significant impact on the development of S-Bank's strategy and business model. In terms of impacts on customers, the assessment of business resilience is described under ESRS 2. The assessment has not identified any immediate need to change the current business model or strategy. Identified impacts, risks and opportunities are addressed within S-Bank's existing principles and procedures as part of business development.

S-Bank offers its household customers services that have a material impact on customers. The impacts, risks and opportunities of S-Bank's operations vary depending on the banking services and products offered to and used by customers. The actual and potential impacts on customers have been identified by S-Bank in accordance with the process described under ESRS 2.

Since S-Bank's communication and marketing of its products and services in Finland is in compliance with the regulations and guidelines governing communication and marketing in the financial sector, S-Bank has not identified any specific customer groups that would be particularly dependent on accurate and easily accessible product or service information, or any customer groups that would be particularly vulnerable to marketing and sales strategies. However, S-Bank recognises the complexity of the services and products in the industry it represents, which is why it pays particular attention to the clarity and accessibility of the instructions, terms and conditions, customer communications and advice related to its products and services. S-Bank has not identified any offered products or services that are inherently harmful to customers or that have an adverse impact on their privacy, personal data protection, freedom of expression or non-discrimination.

Understanding different customers and customer needs is part of S-Bank's core competence and part of S-Bank's customer experience management, which is continuously implemented at all levels of the organisation. Customer impacts are continuously monitored as part of the development and maintenance of business operations and customer service. Customer impacts are monitored using defined indicators, such as customer satisfaction surveys and customer complaint analysis. The information they provide is used to develop strategy and improve services. Customer impacts are managed by the Customer Relations and Brand unit.

S-Bank's business operations rely heavily on customer trust. The customer impacts therefore also have a material financial impact on S-Bank. High-quality expert customer service that meets the needs of a broad customer base is also a financial opportunity for S-Bank's business. For these reasons, S-Bank's strategic priority is to promote the financial security of its customers through accessible and secure services.

S-Bank actively seeks to prevent negative impacts on customers in all its operations, and any actual negative impacts are generally treated as operational deviations.

The financial risks and opportunities concerning S-Bank's customers relate in particular to customer trust and the bank's ability to provide reliable services. To manage risks, S-Bank has strict data protection practices and principles of responsible communication principles in place, among other means, to reduce potential negative impacts on customers and strengthen business opportunities.

S-Bank seeks to prevent negative impacts for all customers, and does not treat its customers differently by classifying them into different groups based on potential negative impacts, for example. The financial risks and opportunities associated with S-Bank's customers are not linked to any particular customer group.

S-Bank has not systematically assessed whether customers with certain characteristics or who use certain products or services are at greater risk of harm than others.

As part of its double materiality assessment, S-Bank has identified three themes that involve impacts, risks and opportunities related to customers. The management of these three key themes is integrated into S-Bank's strategy. These themes are monitored through defined processes described later in this standard. Identified development needs are addressed as part of S-Bank's strategic decision-making and continuous business improvement.

Availability, accessibility, and non-discrimination of products and services

S-Bank has a demographically broad customer base, which underlines the importance of equal and non-discriminatory treatment of customers and accessibility of services. Positive impacts for customers are generated through high-quality banking services that increase financial security and well-being, for example. Key positive impacts include access to free basic banking services regardless of income, wealth or other personal background, the promotion of customers' financial management, and loan solutions that take the customer's financial situation into account, including to prevent over-indebtedness.

A comprehensive range of services that takes into account the different economic and social backgrounds of customers is a business opportunity for S-Bank.

General risks in banking also have an impact on the availability, price and quality of the bank's services, which in turn can affect customers and their financial well-being.

High-quality customer information, responsible communication and marketing

S-Bank's services have a significant impact on customers' financial decision-making. The comprehensibility of communication about S-Bank's services and the reliability of the information provided affect customers' ability to make financial decisions appropriate to their situation. The requirement for reliability and transparency in the Wealth Management business is emphasised in the case of complex or high-risk investment products and in customer service situations.

Information security, data protection and privacy

S-Bank processes a large amount of customers' financial data as part of the services it offers. Failures in personal data processing can pose risks to customers' privacy and property. More generally, reliable and secure services are a prerequisite for the protection of customers' property and financial freedom. Risks to the Banking business also have potential negative impacts on customers. For example, cyberattacks or the system failures they cause can result in problems with processing payments, transferring money or using the online bank.

Availability, accessibility, and non-discrimination of products and services

S-Bank serves its customers in a multi-channel manner, thus aiming to ensure the availability and accessibility of its services. S-mobiili (mobile bank app) provides customers with tools for comprehensive financial management and seamless funding and payment services that work effortlessly anywhere. Online banking, telephone and chat customer service and telephone and online meetings also allow customers to manage their banking affairs from wherever they are. S-Bank also has a nationwide network of around 90 service points, where customers can meet experts face to face.

Policies and operating principles

S-Bank does not have specific policies or operating principles to ensure access to products and services and to ensure non-discrimination, but S-Bank complies with international laws and regulations and with national laws and regulations in force in the countries where it operates.

S-Bank is committed to compliance with international conventions and recommendations such as the UN Declaration of Human Rights and the Convention on the Rights of the Child, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. The commitment also covers potential customer impacts across all customer groups.

S-Bank promotes the realisation of human rights in its own operations and expects its partners to do the same. The Bank avoids causing or contributing to negative human rights impacts. S-Bank acts with due diligence in accordance with the UN Guiding Principles on Business and Human Rights.

Equal treatment of customers is one of S-Bank's key policies, and is guided by the Bank's induction materials, customer encounter model, and sales guidelines and procedures. Supervisors also monitor customer encounters, which helps to ensure that clients are treated equally.

As a financial sector operator, S-Bank is also subject to the accessibility requirements for digital services, which in Finland are laid down in the Act on the Provision of Digital Services (306/2019). S-Bank Group aims to ensure the accessibility of its digital services in accordance with the Act on the Provision of Digital Services.

Engagement with customers

To ensure the availability of products and services, and to ensure non-discrimination, S-Bank engages with its customers through a variety of channels: face-to-face meetings in outlets, remote meetings with experts, telephone, S-mobiili (mobile bank app), chat and online banking, websites and social media. Customers are currently served in Finnish and Swedish. More information about the Bank's customer engagement processes is provided under 'Responsible communication and marketing'.

The accessibility status of S-Bank's digital services has been assessed and described in the accessibility statement for each service. S-Bank's accessibility statements for digital services are available on the bank's website (www.s-pankki.fi/fi/saavutettavuusselosteet/).

Actions

Measures to further improve the availability of products and services, as well as non-discrimination, are a key part of S-Bank's business strategy, which is described in more detail under 'ESRS 2'. The measures will also be examined as part of the sustainability programme to be prepared in 2025, and as part of the service channel development. In the same context, the Bank will consider the introduction of English as a contractual language.

High-quality customer information, responsible communication and marketing

Policies and operating principles

In Finland, the availability of high-quality information related to products and services and responsible communication at S-Bank are governed by regulations and guidelines concerning communication and marketing in the financial sector in general, such as the Act on Investment Services, the Securities Markets Act, the MiFID II Directive and the related Commission Delegated Regulation 565/2017, the SFDR Regulation, and the regulations and guidance documents of the Finnish Financial Supervisory Authority and the European Securities and Markets Authority (ESMA) in force at the time in question. Operations are also guided by the bank's own communication policy and SOK's general responsibility guidelines on the prevention of greenwashing. In addition, S-Bank's language and style guide aims to ensure the comprehensibility of communication. S-Bank's Legal and Compliance functions review the regulatory compliance of marketing and customer communications.

S-Bank is committed to respecting and promoting all internationally recognised human rights in its operations, and the company's communication policy is also in line with internationally recognised human rights frameworks and S-Bank's Code of Conduct. In terms of communication policy, respecting the human rights framework means ensur-ing the interests of customers by providing them with correct and adequate information, for example. Communication is open, transparent and multichannel, and uses clear and understandable language.

The purpose of the bank's customer communications, continuous disclosure obligation, financial disclosures and other regulatory communications is to communicate to the target audience in a clear, understandable and equal manner as required by the regulations. To achieve this, it is important that all stakeholders have correct, up-to-date, consistent and sufficient information about S-Bank. S-Bank's communication policy covers all customer groups.

In line with its communication policy, S-Bank is honest in its communications, strives for transparency and listens to its stakeholders. The Bank communicates in a customer-oriented manner, paying particular attention to clear and understandable general language and to avoiding bureaucracy. The Bank always responds to customer enquiries as quickly as possible.

S-Bank communicates with its customers on matters that are relevant to the customer relationship and when there are changes in the products and services available to the customer. The customer will be informed of the changes in person if the change can be considered to be detrimental to the customer's position. Communication of changes that improve the customer's position will be decided on a case-by-case basis.

Communications related to products or services are carried out in accordance with the terms and conditions set out for each product in the legislation and in the agreement, in accordance with the communication policy. Customer communications related to products and individual services are the responsibility of the party designated as the owner of the product.

In terms of funds, S-Bank's communication policy states that the rules of the funds, the fund prospectuses, the sustainability report and the key information documents under the PRIIPs Regulation are available on the bank's website. The value of the fund share is available daily on the website. The number of fund units is published in the annual and half-year reports and is available daily from the fund management company. The company managing the funds is responsible for producing and publishing the information.

The communication policy also states that S-Bank handles customer complaints and feedback in accordance with the bank's Code of Conduct. Customer complaints are processed in accordance with related special regulations, taking approved internal practice into account. In the event of a dispute, S-Bank is committed to adhering to the code of conduct on Insurance and Financial Advisory Services of FINE.

S-Bank's Board of Directors has the overall responsibility for the governance of the banking group and for the proper and reliable organisation of operations, which also includes S-Bank's communications. The CEO is responsible for organising communications. The

Customer Relations and Brand unit is responsible for external commu-ni-cation in cooperation with the content owner. In addition, the Customer Relations and Brand unit is responsible for internal communication guidelines.

Engagement with customers

S-Bank regularly collects various data on customers' needs and expectations and their use of services, and uses the customer insight thus gained in its own operations. S-Bank has many systematic ways to collect customer feedback and use the customer insight to improve the clarity of services, channels and communications. These include:

1. General customer surveys such as brand and customer satisfaction surveys
2. Customer surveys related to customer encounters or pathways
3. Customer feedback and complaints
4. Involving customers in development through interviews, tests or surveys, for example.

The aim is to understand customers' needs and expectations in a comprehensive way and thus develop S-Bank's services and customer communication.

Customers give feedback directly to S-Bank through all the bank's service channels. S-Bank also receives direct feedback and insights from its customers through customer studies and surveys and by involving customers in its development work. In such a case, the research may also be carried out by S-Bank's chosen research partners.

The collection and use of customer insights is a regular process at S-Bank. Some of S-Bank's customer involvement measures are implemented on an ongoing basis, while others are carried out on an annual basis. In addition, some of the measures are related to development projects, where the need to collect customer views at different stages of the project is explicitly defined. S-Bank does not have regular targeted processes to collect customer data on vulnerable groups.

Communications, marketing, customer surveys, the customer engagement model, and the processing and reporting of customer feedback and complaints are the responsibility of S-Bank's Customer Relations and Brand unit. The head of the unit is a member of S-Bank's Group Management Team.

S-Bank has selected indicators for the customer experience and customer relationship development, which are regularly monitored throughout S-Bank. In addition, S-Bank analyses customer-related data on a regular basis. Based on the analysis of customer complaints and feedback, identified needs for improvement in products, services, guidelines and processes are addressed and implemented without undue delay.

S-Bank established a Customer Relationship Committee in 2024. The role of the Customer Relationship Committee is to steer the overall development of S-Bank Group's business operations from a customer relationship management perspective and to provide insight into development measures in terms of the customer experience.

Information security, data protection and privacy

S-Bank processes a large amount of customers' financial data as part of the services it offers. Failures in personal data processing can pose risks to customers' privacy and property. More generally, reliable and secure services are a prerequisite for the protection of customers' property and financial freedom.

Data protection and information security risks are monitored at several organisational levels, and the adequacy of personal data processing is assessed at all stages of the service life cycle, from service development and design to operational implementation. The operating methods aim to identify, prevent and limit all risks to data protection and security.

Policies and operating principles

S-Bank has a data protection policy, the purpose of which is to determine how S-Bank's operations aim to ensure that personal data is processed in accordance with the EU General Data Protection Regulation (2016/679), the Data Protection Act (1050/2018) and other data protection legislation, while also ensuring a high level of data protection. S-Bank's data protection policy is followed in all S-Bank Group's operations.

The data protection policy aims to ensure the protection and security of the personal data of customers, employees and other stakeholders, as well as the realisation of the related rights and obligations in S-Bank's operations.

S-Bank is committed to respecting and promoting all internationally recognised human rights in its operations, and the company's data protection policy is also in line with internationally recognised human rights frameworks and S-Bank's Code of Conduct. Different human rights frameworks emphasise the protection of consumers' and end-users' data as a fundamental human right. To safeguard this right, S-Bank's data protection policy is based on respect for customers' privacy, which is implemented by ensuring the strong protection of personal data.

S-Bank implements data protection principles as part of its operations throughout the life cycle of personal data processing. In accordance with the data protection policy, S-Bank takes appropriate measures to ensure that personal data is processed only for the predefined lawful purposes for which it is intended, and only to the extent and for the time period necessary for those purposes and regulatory requirements. In accordance with the principle of data protection by design and by default, S-Bank ensures data protection as part of its continuous operations and takes data protection requirements into account when planning the processing of personal data, when developing new services and systems, and before their implementation.

The head of the Risks and Compliance unit is responsible for the data protection policy. S-Bank has also appointed a data protection officer.

The material impacts, risks and opportunities related to S-Bank's information security described above are also managed through the bank's information security policy. The policy covers measures aimed at ensuring the confidentiality, integrity, and availability of information. Through its information security policy, S-Bank is committed to securing the business services provided to customers, the organisation's operations and compliance with the financial regulations in force, and to ensuring a high level of information security throughout the Group.

In accordance with the information security policy, the objective of S-Bank's information security management is to enable S-Bank's consistent information security work, which is purposeful and systematic and based on the continuous improvement of information security and a holistic approach to achieve an optimal level of security.

The implementation of information security is regularly monitored and assessed through audits, inspections, tests and reviews. For any findings, an owner is identified who will draw up an action plan to bring the findings to an acceptable level. Operational Risk Control function establishes and maintains security situational awareness of S-Bank's security situation and security environment, and communicates it regularly and as necessary to S-Bank's senior and executive management.

The information security policy is binding on all S-Bank Group companies, their business operations and all support functions.

S-Bank's Board of Directors approves the information security policy, provides sufficient resources for its implementation, monitors its implementation and compliance, and is responsible for ensuring that S-Bank's information security is at an adequate level. S-Bank's CEO manages and supervises the operational implementation of information security at S-Bank and decides on the objectives, organisation, resources and powers of action for the development of different areas of information security together with the Group Management Team.

S-Bank is committed to compliance with internationally recognised human rights principles, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises, and its information security policy has been developed in accordance with these human rights principles.

In terms of information security, data protection and privacy, S-Bank's operations are also guided by the bank's misconduct management principles and policy. The objective of S-Bank's misconduct management is to ensure safe products and services for customers and to safeguard the continuity of S-Bank's operations by preventing misconduct and ensuring the proper and efficient handling of misconduct risks that have occurred.

Engagement with customers

S-Bank's data protection policy is not public, but the key objectives and impacts of the policy are communicated to customers through S-Bank's data protection information to ensure that they are aware of S-Bank's policies regarding their information security, data protection and privacy. The key elements of the policy are communicated to customers in the privacy section of the website, in the privacy notices and in the online bank. The data protection information explains how data subjects, such as customers, can exercise their data protection rights in relation to S-Bank.

The key objectives of data protection regulation are to protect data subjects in the processing of personal data and to ensure openness and transparency in the processing of personal data in relation to data subjects, which include S-Bank's customers, for example. At S-Bank, the processing of personal data is transparent throughout the life cycle of personal data, and the data subjects are informed about the processing in a clear and understandable manner.

S-Bank takes appropriate measures to ensure that the data subjects' data protection rights under the GDPR are respected. Data subjects have the right to be informed about the processing of their personal data when data is collected from the data subject or from another source, to have access to their data, to rectify their data, to restrict the processing of their data, to erase their data and to be forgotten, to transfer their data or have their data transferred from one system to another, to object to the processing of their personal data, to be notified of a personal data breach affecting their personal data, to object in principle to automated decision-making and to contest the decision.

In accordance with customer due diligence, S-Bank regularly asks its customers for identification information. The information is requested so that S-Bank can understand the aspects affecting the customer's banking and use of banking services. By analysing this information, S-Bank is able to identify what is normal activity for the customer, and will be able to detect if there is any abnormal activity in the use of the services. In this way, S-Bank ensures the security, reliability and smoothness of its customers' banking transactions and works together with the authorities to combat financial crime, for example.

Actions

The impacts, risks and opportunities related to data protection, information security and customer privacy are part of S-Bank's continuous development and regulatory compliance. S-Bank does not have an actual action plan or targets in this respect. S-Bank assesses and takes into account the risks related to the processing of personal data as an integral part of its operations. S-Bank proportions the technical and organisational measures and safeguards required by the data protection regulation to the risk that the processing of personal data may pose to the rights and freedoms of data subjects. S-Bank assesses the potential risks related to the processing of personal data when planning its operations and processing activities. The risk-based approach also includes conducting data protection and security impact assessments. For each development operation, a data protection and information security assessment and, where appropriate, a data protection impact assessment are carried out in accordance with a defined process to assess the risks to data subjects and the measures to manage those risks.

Processes to remediate negative impacts

If direct human rights violations are detected in S-Bank's own operations, an investigation will be started immediately with the unit concerned and stakeholders to determine remedial measures. Through remedial measures, the Bank aims to prevent wider impacts and, where appropriate, to repair the damage already incurred. Based on the investigation, the bank also evaluates its own practices and potential changes to prevent similar violations.

For the time being, S-Bank does not systematically monitor the effectiveness of the remedial measures.

S-Bank has a confidential third-party whistleblowing channel for customers and other stakeholders to report observations of misconduct, as well as violations or suspected violations, such as conduct that is in breach of human rights principles, S-Bank's Code of Conduct or regulations, or otherwise inappropriate. S-Bank's whistleblowing channel is described in more detail in section G1 of the sustainability report. S-Bank has not yet assessed whether customers are aware of the processes related to the whistleblowing channel and whether they rely on them as a means to raise their concerns.

Customers can report any accessibility issues they have identified to S-Bank by using the online accessibility feedback form or directly to the supervisory authorities. The Bank aims to address any accessibility issues as quickly as possible as it develops its digital services.

S-Bank's policies on whistleblower protection are described under G1 'Whistleblower protection at S-Bank' in this report.

S-Bank is not aware of any human rights violations against S-Bank's customers concerning the services provided.

Customer complaints and feedback

S-Bank has a policy for managing and processing customer complaints and feedback. The policy is supplemented by the principles for handling and managing customer complaints and feedback.

Handling and managing customer complaints and feedback are part of understanding the S-Bank customer experience. Their systematic analysis gives S-Bank a better understanding of customers' wishes and perceptions, and also enables it to address and correct shortcomings.

Customer complaints are requested in writing from the customer. The Bank may also receive complaints through the authorities.

Customer complaints and feedback are handled in accordance with S-Bank's Code of Conduct. Customer complaints are handled in accordance with the specific rules on customer complaints. In addition, the handling of customer complaints and feedback takes into account, for example, S-Bank's customer promises and approved internal policies. Customer complaints and feedback are dealt with without undue delay.

S-Bank ensures that the customer always receives the information they need about S-Bank's general customer complaints procedure and the progress of the customer's individual complaints process. The customer complaints procedure is explained in the customer complaints section of S-Bank's website. The section provides instructions on how to file a customer complaint and how its processing proceeds. The section also explains the customer's rights to take their complaint further after it has been processed by S-Bank. In addition to the website, the customer is informed about the customer complaint procedure when the customer contacts the Bank about their complaint and in connection with the processing of the customer complaint.

Clear and understandable language is used in processing customer complaints and in the answers provided to customers. In addition, customer complaints are handled objectively so that S-Bank carefully examines all customer complaints and gathers relevant evidence and information about the complaint before providing a response/decision. Information about the customer complaint procedure and instructions for submitting feedback or complaints are available on S-Bank's public website at https://www.s-pankki.fi/fi/asiakaspalvelu/asiakaspalaute/.

For the time being, S-Bank does not monitor the effectiveness of the customer complaint channel, or whether customers are aware of the processes related to the channel and whether they trust the channel as a means to raise their concerns. However, customers are advised on how to proceed if their complaint is incomplete but they wish to take it further.

S-Bank investigates the information related to claims carefully and compensates the customer for losses incurred in cases where the investigation reveals that S-Bank is liable. Reporting on compensation decisions is monitored regularly at Group level. If the compensation decision does not fully meet the claimant's requirements, S-Bank will include in the decision a full explanation of S-Bank's position on the claim and how the claimant can maintain the complaint.

The Compliance function continuously monitors the implementation and quality of the customer complaints and feedback handling process and reports to the management on the monitoring. The Bank also reports to the Financial Supervisory Authority on customer complaints every six months.

Specific processes related to addressing negative impacts on information security, data protection and privacy

It is the responsibility of all S-Bank's employees to follow the execution of risk management within their area of responsibility and to report any deviations and deficiencies in risk management in accordance with the procedures specified for addressing deviations.

S-Bank aims to prevent personal data breaches by taking appropriate technical and organisational measures to ensure a level of security commensurate with the risk. If data protection is suspected or found to have been compromised, S-Bank will immediately take the necessary measures to investigate the matter and, in situations required by the GDPR, will notify the data protection authorities and the Financial Supervisory Authority of a personal data breach if the breach may pose a risk to the rights and freedoms of the data subject.

If a data breach is likely to pose a high risk to the rights and freedoms of the data subject, S-Bank will also notify the person or persons whose data have been the subject of a data breach, in the circumstances required by the Regulation. However, to increase openness and transparency, S-Bank may also notify the data subject of a breach at other times than those required by the Regulation.

In addition, customers can contact S-Bank's Data Protection Officer, whose contact details are available in S-Bank's privacy statement on its website: https://dokumentit.s-pankki.fi/tiedostot/tietosuojaseloste-en.

S-Bank also has a confidential whistleblowing channel through which stakeholders can report observations of misconduct and violations or suspected violations. Information about the channel can be found on S-Bank's website. Misconduct can be reported securely, and the identity of the person submitting the report is protected. It is also possible to file a report completely anonymously. The S-Bank whistleblowing channel is described in more detail in section G1.

Targets and metrics

The accessibility of products and services, non-discrimination, the availability of high-quality information and responsible communication and marketing, as well as information security, data protection and privacy, are important areas for S-Bank, and related targets have been set in S-Bank's strategy. However, S-Bank has not set any sustainability targets for managing material impacts, risks and opportunities related to customers, but these will be set as part of the sustainability programme to be prepared in 2025.

At S-Bank, the effectiveness of customer-related measures is monitored at Group Management Team level. The indicators to be monitored include customer satisfaction and the quantity and quality of customer feedback, as well as the development of S-Bank's reputation and trust among customers. In relation to these indicators, the Bank has defined and approved targets, the achievement of which is monitored on a continuous basis.

S-Bank is reviewing customer-related sustainability targets and indicators as part of the development of service channels and the sustainability programme to be drawn up in 2025.

G1 BUSINESS CONDUCT

Topic and the relevant ESRS standard	Business area	Policies	Action plan	Targets
Sustainability governance and ethical business operations (G1)	All business operations	S-Bank Group's corporate governance system, S-Bank's Code of Conduct, Internal control principles	Not applicable	Not applicable
	Wealth Management	Principles of responsible investing	Not applicable	Not applicable

S-Bank's business is based on customer trust and a reliable corporate culture . Any actions that demonstrate poor governance or could be considered unethical pose a risk to S-Bank's business. Banking is inherently exposed to risks of money laundering, corruption and misconduct, which may have significant financial consequences for S-Bank.

In the Wealth Management business, anti-corruption and ethical business principles are also identified as essential for the portfolio investments. The risks of misconduct pertaining to the activities within the portfolio investments and their potential impacts on the value of the investments have been assessed as material risks in terms of customers. Any misconduct within the portfolio investments may also have a negative impact on S-Bank's reputation and stakeholders' perceptions.

The prevention of money laundering, corruption and the shadow economy is also part of ethical business culture and of regulatory compliance of S-Bank. Effective compliance is also essential to minimise customer impacts and maintain customers' trust.

Responsible business principles, responsible corporate culture and responsible banking services and investment products for customers are also a business opportunity for S-Bank.

The impacts, risks, and opportunities related to conducting business are part of S-bank's continuous development and ensuring regulatory compliance. In terms of sustainability S-Bank does not have a comprehensive action plan or target for these areas. In accordance with the implementation of its strategy, S-Bank will prepare its sustainability programme in 2025, in which the sustainability targets and action plans of S-Bank are defined further.

Business conduct policies and corporate culture

S-Bank Group's corporate culture is based on the Group's strategy and values as approved by the Board of Directors. The strategy sets out the purpose of operations, the vision and value proposition, the objectives for the strategy period and the cross-cutting themes. The strategy guides the annual planning of operations. The Board regularly monitors the implementation of the strategy and action plans.

S-Bank's values, which guide the operations of S-Bank and its personnel, are defined as follows:

- We are here for the customer
- We constantly renew our operations
- We take responsibility for people and the environment
- We operate profitably

Three key areas of change have been identified for the 2024–2027 strategy period: integration of the Handelsbanken transaction, renewal of the service model, and improvement of the scalability of operations.

In addition to these areas, during the strategy period, S-Bank will focus on themes cross-cutting the organisation: digitalisation and technology, sustainability, compliance with regulations, strengthening risk management, skilled personnel and customer-oriented operations.

As part of the implementation of its strategy, S-Bank will prepare a sustainability programme, the content of which will be defined in more detail during 2025.

S-Bank's corporate culture is promoted by S-Bank Group's corporate governance system, as approved by the Board of Directors, and describing the Group's governance and organisational structure, the roles and responsibilities of the management and the different units of the Group, the risk culture, management, internal control and risk management. The Group corporate governance system ensures the effective management and reliable governance of the Group.

S-Bank's internal policies, principles and guidelines set the framework for its operations and describe the operating models that are used to implement the strategy and achieve the objectives within the regulatory framework.

The corporate governance system is updated as necessary, but at least annually. Board of Directors assesses the effectiveness of the Group's corporate governance system annually.

Internal control

Internal control refers to an organisation's internal procedures and practices, based on both regulation and best market practices, that ensure that the organisation's strategic objectives are achieved, resources are used cost-effectively, and the information used to support management is reliable. The internal control principles also aim to ensure compliance with the organisation's Code of Conduct, the consistency and effectiveness of processes, regulatory compliance and, in particular, that risk management is adequately organised. Internal control is carried out in all business areas of the organisation and in its support functions. The focus is on operating activities, where internal control is part of a continuous process.

Monitoring to ensure that operations are ethical and legally compliant is organised at S-Bank in accordance with the so-called three lines of defence model. In the first line of defence, the business and support functions perform internal control measures to ensure compliance with guidelines and regulations. In the second line of defence, the bank's Compliance function, which is independent of the bank's business functions, monitors compliance with internal guidelines, the Code of Conduct and official regulations in accordance with the annual plan, which is approved by the Board of Directors. The bank's Internal Audit, which is the third line of defence, is responsible for monitoring and auditing the Group's first and second line of defence activities.

In addition, ethical violations or acts of non-compliance, e.g. breach of Code of Conduct, or suspicions thereof may be reported through the confidential whistleblowing channel.

Whistleblower protection at S-Bank

S-Bank has a whistleblowing channel in place. Ethical violations or acts of non-compliance, e.g. breach of Code of Conduct, or suspicions thereof may be reported through the confidential whistleblowing channel. If necessary, reports can also be filed completely anonymously. The whistleblowing channel is maintained by a third party and available through S-Bank's website.

Within the Group, reports of violations or suspected violations are processed by people who perform their duties impartially and independently. The persons designated as processors never handle reports concerning themselves and do not have the possibility to delete or hide such reports. The S-Bank's ethics steering group deals with all reports of misconduct and decides on the action to be taken on a case-by-case basis.

The Bank has internal guidelines aimed at improving the consistency and objectivity of the processing and investigation and ensuring a high level of quality in the investigation of reports. The whistleblowing process, including the procedures and timelines followed in the process, is in line with the regulations. The effectiveness of the whistleblowing channel is monitored and assessed based on feedback from the Bank's personnel and responses to the workplace community survey.

The Compliance function regularly reports to the Group Management Team and the Group's senior management on reported and suspected violations. The reporting highlights the number of reports and their subject areas, with possible measures and consequences.

The Compliance function provides training on whistleblowing practices on an annual basis. S-Bank's Board of Directors is responsible for ensuring that the company has designated persons responsible for processing reports who must be able to perform their duties impartially and independently.

Whistleblowers are protected against retaliation under the Whistleblower Protection Act. The Whistleblower Protection Act prohibits an employer or other organisation from retaliating against a whistleblower for reporting or disclosing information about a violation. S-Bank is also committed to similar protection in respect of reports that are not directly covered by the Whistleblower Protection Act, but by S-Bank's Code of Conduct, for example. The process for handling reports and the related internal guidelines are designed to safeguard the position of the whistleblower. S-Bank's whistleblower protection policies, including the confidential treatment of reports and the possibility of anonymous reporting, support the objectives of effective whistleblowing . The aim is to keep the threshold for filing reports low. Reports received are treated with particular seriousness, and there is zero tolerance for any kind of retaliation against whistleblowers.

Training and maintaining a corporate culture

The most important policies concerning the whole personnel have been compiled in S-Bank's Code of Conduct, compliance with which has been ensured through mandatory training for employees, among other means. A responsible corporate culture at S-Bank is also promoted by a number of other internal policies, principles and guidelines that guide operations and are binding on all employees. Guiding principles and policies are regularly updated, and training is provided to the personnel.

To maintain competence and to meet the training and competence requirements for S-Bank's employees, each S-Bank employee and agent is required to complete a number of online courses related to various compliance and operational risk control topics, among other requirements. The courses are part of the induction process and are repeated annually. In addition, depending on their job descriptions, employees may have other mandatory online courses to complete each year. Most of the mandatory training is also required for external consultants working on behalf of S-Bank. In addition to online training, Compliance and Operational Risk Control regularly organise training sessions for S-Bank's employees and consultants.

Preventing money laundering and terrorist financing

Processes aimed at the prevention of money laundering and terrorist financing and at compliance with sanctions are part of S-Bank's ethical culture. They ensure that the bank's services and systems are not used directly or indirectly for any illegal activities.

To prevent money laundering, S-Bank is obligated to know its customers and to carry out continuous monitoring to detect and report any suspicious transactions to the Financial Intelligence Unit (FIU). To prevent terrorist financing and to comply with sanctions, S-Bank's customer registers and the account transactions of its customers are continuously monitored and checked against sanction lists published by the authorities.

The personnel and management of S-Bank and the bank's agency operations are regularly trained in the prevention of money laundering and terrorist financing and in compliance with sanctions. The aim of this training is to maintain competence in identifying money laundering risks and to ensure compliance with regulatory duties, as well as to ensure the trustworthiness of the bank's operations and compliance with requirements.

Preventing bribery and corruption

S-Bank has an anti-bribery and anti-corruption policy in place, which aims to prevent and help to detect bribery and corruption. The anti-bribery and anti-corruption policy is binding on the whole S-Bank Group and its employees and executives. The policy takes into account the UN and OECD conventions on the prevention of bribery and corruption, where applicable.

S-Bank's Board of Directors approves the anti-bribery and anti-corruption policy and supervises the organisation of the prevention of bribery and corruption and the effectiveness and adequacy of risk management and internal control. S-Bank's Risk and Compliance unit, whose head is a member of the Group Management Team, is responsible for monitoring the effectiveness and efficiency of the controls related to the prevention of bribery and corruption.

Approaches for preventing bribery and corruption

Under no circumstances may an S-Bank employee ask for benefits, gifts or hospitality for themselves or those close to them in return for a benefit provided or a promise of a future benefit.

The anti-bribery and anti-corruption policy sets limits on the giving and receiving of gifts and hospitality that everyone must respect. Gifts received and given are regularly monitored and must be reported to a supervisor in accordance with the guidelines. Supervisors must report any deviations to the Compliance function.

When dealing with the authorities, public sector representatives or politically influential people, gifts and hospitality must be handled with particular care. If the business operation is characterised by close cooperation, especially with public entities or companies, the business unit must assess the impact of the potential risks of corruption and bribery arising from such cooperation. The recording and monitoring of identified risks follows the bank's normal risk mapping process.

The operations identified as most vulnerable to corruption and bribery in the Bank are the Wealth Management business and functions responsible for major procurement in S-Bank. Giving and receiving gifts and hospitality is strictly prohibited when S-Bank is a party to a competitive bidding process.

Addressing suspected bribery and corruption

The anti-bribery and corruption policy obligates employees and supervisors to report any suspicion of bribery or corruption. Both supervisors and financial management must report to the Compliance function if they identify suspicious expenses or expenses that require closer scrutiny when approving expense invoices.

The Compliance function investigates the reports carefully and without undue delay as a control function independent of business operations and decides on further action in accordance with the internal control principles.

The Compliance function reports on gifts and hospitality received, as well as on any suspected and actual incidents of bribery and corruption, to the Board and the Group Management Team at least annually.

Availability of guidance and training

The anti-bribery and anti-corruption policy is made available to all personnel, and updates are published on the bank's internal communication channel.

The Compliance function is responsible for training on anti-bribery and anti-corruption measures and requirements throughout S-Bank. Training is provided to various functions in a targeted manner. Training is designed to take into account, among other aspects, the requirements and risks associated with different roles in different business areas and functions, and is tailored to the target group to be trained. Training has been provided to all functions considered among the most exposed to corruption and bribery.

Targeted induction sessions are held or all new management and Board members. In addition, management members are trained in accordance with an annual training plan.

Incidents during the reporting period

In the 2024 financial year, there have been no breaches of the rules on bribery or corruption or any other non-compliance with the guidelines, and no sanctions have been imposed on S-Bank in relation to bribery or corruption. There have been no suspected actions related to bribery or corruption involving the bank's personnel.

Political influence

S-Bank is a member of interest organisations but does not engage in political influence or lobbying in its own operations.

Direct and indirect financing of political parties or election campaigns is explicitly prohibited in S-Bank's anti-bribery and anti-corruption policy.

S-Bank is not registered in the transparency register of the EU, Finland or any other country because S-Bank does not exercise direct political influence or engage in lobbying activities.

During 2024, no members who have held a similar position in public administration during the two years preceding their appointment have been appointed to S-Bank Group's administrative, management or supervisory bodies.

Ethics in supplier management and payment practices

S-Bank also follows the Code of Conduct in its procurement activities. In line with the outsourcing and procurement principles, suppliers must act in an ethical and socially responsible manner. Suppliers must comply with international human rights standards and environmental regulations and be committed to fighting corruption. In addition to ensuring compliance with supplier requirements as part of the approval process, suppliers are monitored during the contract period through regular meetings and audits.

The outsourcing and procurement principles are described in more detail under 'S2 Workers in the value chain' in this sustainability report.

In its operations, S-Bank follows the normal payment terms for purchase invoices. Payment terms vary from one supplier to another and are generally 14–30 days net. Shorter or longer terms of payment are exceptions. When agreeing on the term of payment, efforts are made to ensure that the term of payment is sufficient for the invoice review and approval process, which may vary from supplier to supplier. S-Bank has not considered it necessary to draw up any other specific policy to prevent late payments.

The average term of payment for S-Bank's purchase invoices in 2024 was 19 days. The data is based on a sampling from S-Bank's purchase ledger. The number of invoices not included in the sampling is small.

At the time of reporting S-Bank did not have any legal proceedings pending because of late payments.

Responsible investing

In the Wealth Management business, anti-corruption and ethical business principles have also been identified as essential in terms of portfolio companies. The risks of misconduct related to portfolio investments and any ensuing impairment have been assessed to be material in terms of customer impact and customer assets under management. Performance in portfolio investments is monitored from the perspective of initiatives and standards related to general international business practices and sustainability. The monitoring is based on frameworks such as the following: the UN Global Compact principles, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the conventions of the International Labour Organization (ILO).

These frameworks include principles related to human rights, labour, the environment and eradication of corruption, for example. The human rights principles include the elimination of all forms of forced labour and the abolition of child labour.

The monitoring makes use of extensive external analysis and ratings to monitor portfolio investments' compliance with international standards. When considering an investment, the portfolio manager checks the company's performance in terms of international standards as part of the analysis. If there are serious problems, influence can be exerted over the company or it can be monitored or excluded from investments. However, the priority is to improve the company's sustainability performance and eliminate the risks arising from questionable activities.

In addition, in real estate investments, comprehensive due diligence reports are prepared on the properties to be acquired to ensure their technical, financial, legal and environmental qualities. The reports also take into account the requirements related to the identification of the counterparty.

FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(EUR '000)	Note	2024	2023
Interest income		551 758	388 385
Interest expenses		-244 867	-113 901
Net interest income	4	306 891	274 484
Fee and commission income		109 432	107 564
Fee and commission expenses		-16 708	-13 882
Net fee and commission income	5	92 723	93 682
Net income from investing activities	6	-722	-4 677
Dividends		86	58
Other operating income	7	39 996	7 739
Total income		**438 973**	**371 287**
Personnel expenses	8	-84 129	-68 702
Other administrative expenses		-117 394	-91 693
Depreciation and impairment	9	-17 111	-16 836
Other operating expenses	10	-12 441	-13 649
Total expenses		**-231 075**	**-190 879**
Impairment of receivables	11	-42 678	-33 003
Share of the profits of associated companies	12	-2	2
OPERATING PROFIT (LOSS)		**165 218**	**147 407**
Income taxes	13	-33 078	-29 422
PROFIT (LOSS) FOR THE PERIOD		**132 140**	**117 985**
of which:			
to the parent company's shareholders		132 140	117 985

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(EUR '000)	Note	2024	2023
PROFIT (LOSS) FOR THE PERIOD		**132 140**	**117 985**
Other comprehensive income items:			
Items that will not be reclassified to profit or loss			
Items due to remeasurements of defined benefit plans		-80	71
Profit or loss on financial assets measured irrevocably at fair value through other comprehensive income		–	15
Tax effect		16	-17
Items that will not be reclassified to profit or loss		-64	69
Items that may be reclassified subsequently to profit or loss			
Profit or loss on financial assets measured at fair value through other comprehensive income		8 069	14 850
Tax effect		-1 773	-2 862
Items that may be reclassified subsequently to profit or loss		6 297	11 988
Other comprehensive income items, after taxes		**6 232**	**12 057**
Comprehensive income, total		**138 373**	**130 042**
of which:			
to the parent company's shareholders		138 373	130 042

CONSOLIDATED BALANCE SHEET

(EUR '000)	Note	31 Dec 2024	31 Dec 2023
Assets			
Cash and cash equivalents	14, 15, 16, 17	2 906 420	2 207 041
Debt securities eligible for refinancing with central banks	14, 15, 16, 18	564 844	571 735
Receivables from credit institutions	14, 15, 16, 19	21 578	9 420
Receivables from customers	14, 15, 16, 20	9 466 806	6 934 971
Debt securities	14, 15, 16, 21, 22	57 966	127 293
Derivatives	14, 15, 16, 22, 35	48 981	31 349
Shares and interests	14, 15, 23	19 322	18 881
Holdings in associated companies	12	5	7
Intangible assets	24	62 365	65 600
Tangible assets	25	13 953	7 381
Tax assets	13	3 951	5 801
Prepayments and accrued income	26	78 060	62 837
Other assets	27	5 373	16 731
Assets, total		**13 249 625**	**10 059 046**

(EUR '000)	Note	31 Dec 2024	31 Dec 2023
Liabilities			
Liabilities to credit institutions	14, 15, 16, 28	655 700	34 231
Liabilities to customers	14, 15, 16, 22, 28	9 460 439	8 239 664
Issued bonds	14, 15, 16, 22, 29	1 712 456	886 895
Subordinated debts	14, 15, 16, 30	95 666	101 333
Derivatives	14, 15, 16, 22, 35	1 717	829
Provisions	32	225	200
Tax liabilities	13	11 344	19 024
Accrued expenses	31	246 679	53 374
Other liabilities	32	87 782	74 224
Liabilities, total		**12 272 007**	**9 409 774**
Equity			
Share capital		82 880	82 880
Reserves		481 445	275 148
Retained earnings		413 293	291 244
Parent company's shareholders		**977 618**	**649 272**
Equity, total	33	**977 618**	**649 272**
Liabilities and equity, total		**13 249 625**	**10 059 046**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to parent company shareholders				
(EUR '000)	Share capital	Reserve for invested non-restricted equity	Other reserves	Retained earnings	Total equity
EQUITY 1 JAN 2023	**82 880**	**283 828**	**-20 680**	**178 213**	**524 241**
Comprehensive income					
Profit (loss) for the period				117 985	117 985
Other comprehensive income items:					
Profit or loss on financial assets measured at fair value through other comprehensive income			11 988		11 988
Profit or loss on financial assets measured irrevocably at fair value through other comprehensive income			12		12
Remeasurements of defined benefit plans				57	57
Other comprehensive income items, total			12 000	57	12 057
Comprehensive income, total			**12 000**	**118 041**	**130 042**
Transactions with shareholders					
Dividend distribution				-5 010	-5 010
Transactions with shareholders, total				-5 010	-5 010
TOTAL EQUITY 31 DEC 2023	**82 880**	**283 828**	**-8 680**	**291 244**	**649 272**

(EUR '000)	Equity attributable to parent company shareholders Share capital	Reserve for invested non-restricted equity	Other reserves	Retained earnings	Total equity
EQUITY 1 JAN 2024	**82 880**	**283 828**	**-8 680**	**291 244**	**649 272**
Comprehensive income					
Profit (loss) for the period				132 140	132 140
Other comprehensive income items:					
Profit or loss on financial assets measured at fair value through other comprehensive income			6 297		6 297
Remeasurements of defined benefit plans				-64	-64
Other comprehensive income items, total			6 297	-64	6 232
Comprehensive income, total			**6 297**	**132 076**	**138 373**
Transactions with shareholders					
Dividend distribution				-10 020	-10 020
Share issue		200 000			200 000
Transactions with shareholders, total		200 000		-10 020	189 980
Other changes				-7	-7
TOTAL EQUITY 31 DEC 2024	**82 880**	**483 828**	**-2 384**	**413 293**	**977 618**

CONSOLIDATED CASH FLOW STATEMENT

(EUR '000)	Note	2024	2023
Cash flows from operating activities			
Profit (loss) for the period		**132 140**	**117 985**
Depreciation and impairment		17 111	16 836
Shares of the profit of companies consolidated with the equity method		2	-2
Credit losses		52 705	39 489
Other non-payment income and expenses		1 023	3 101
Income taxes		33 078	29 422
Other adjustments *		-28 153	246
Adjustments for financial income and expenses		24 956	-8 536
Adjustments, total *		**100 721**	**80 556**
Cash flows from operating activities before changes in operating assets and liabilities *		**232 861**	**198 541**
Increase/decrease in operating assets (-/+)			
Receivables from credit institutions, other than repayable on demand		-11 507	-517
Receivables from customers		-120 920	-278 877
Investment assets		92 560	23 869
Other assets		13 496	-793
Increase/decrease in operating assets		**-26 371**	**-256 319**
Increase/decrease in operating liabilities (+/-)			
Liabilities to credit institutions		31 469	11 074
Liabilities to customers		335 532	256 105
Other liabilities		12 117	23 321
Increase/decrease in operating liabilities		**379 118**	**290 501**
Taxes paid		-40 666	-20 665
Cash flows from operating activities *		**544 943**	**212 058**

(EUR '000)	Note	2024	2023
Cash flows from investing activities			
Investments in tangible and intangible assets *		-11 285	-9 525
Purchase prices paid for acquisitions	38	-1 417 407	–
Cash flows from investing activities *		**-1 428 692**	**-9 525**
Cash flows from financing activities			
Paid share issue	38	200 000	–
Increase/decrease in short term loans	38	590 000	–
Payments received from issue of bonds and debentures	14, 15	898 073	649 170
Repayments of issued bonds and debentures	14, 15	-91 767	-5 667
Repayments of lease liabilities	25	-2 515	-2 484
Dividends paid		-10 020	-5 010
Cash flows from financing activities		**1 583 771**	**636 008**
Difference in cash and cash equivalents		**700 021**	**838 542**
Cash and cash equivalents, opening balance sheet		2 209 361	1 370 828
Difference in cash and cash equivalents		700 021	838 542
Impact of changes in exchange rates		10	-9
Cash and cash equivalents consist of the following items:			
Cash and cash equivalents	14, 15	2 906 420	2 207 041
Repayable on demand		2 972	2 321
Cash and cash equivalents		**2 909 392**	**2 209 361**
Interests paid		**-209 531**	**-98 305**
Dividends received		**86**	**58**
Interests received		**539 714**	**363 544**

* The comparison period has been amended between the cash flows from operating and investing activities since the publication of the 31 December 2023 financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GROUP'S NOTE 1: ACCOUNTING POLICIES USED IN THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Basic information

The S-Bank Group consists of S-Bank Plc 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). The bank engages in the operations and related activities referred to in Chapter 5, section 1, of the above-mentioned Act. The Bank engages also in mortgage banking activities pursuant to Finnish Act on Mortgage Credit Banks and Covered Bonds (11.3.2022/151). In addition, the Bank is offering investment services pursuant to Chapter 1, section 15, of the Act on Investment Services (747/2012). As the parent company, S-Bank performs such tasks of the Group companies that must be carried out in a centralised manner, such as the Group's administration, guidance and supervision.

S-Bank's headquarters are located at Fleminginkatu 34, FI-00510 Helsinki, Finland.

General accounting policies

The S-Bank Group (hereinafter S-Bank) consolidated financial statements have been prepared in accordance with the IFRS accounting standards adopted by the EU and valid on 31 December 2024.

The Board of Directors of S-Bank approved the financial statements at its meeting on 25 February 2025. According to the Finnish Limited Liability Companies Act, shareholders have the opportunity to approve or reject the financial statements at the Annual General Meeting held after their publication. The General Meeting may also decide to amend the financial statements.

The consolidated financial statements have been prepared under the historical cost convention, except for items measured at fair value.

The financial statements are presented in thousands of euros, unless otherwise stated. Since the figures have generally been rounded and do not include decimals, the sums of individual figures in euros may differ from the total figures presented in the report.

Consolidation principles

The consolidated financial statements include S-Bank Plc and all the subsidiaries in which the bank has a controlling interest. Control arises when the Group, through its involvement in a company, is exposed to, or is entitled to, variable returns on the company and is able to influence those returns by exercising its power over the company. The following subsidiaries have been consolidated in the 2024 financial statements: S-Bank Fund Management Ltd, S-Asiakaspalvelu Oy, S-Bank Properties Ltd, S-Bank Impact Investing Ltd, FIM Real Estate Ltd, FIM Infrastructure Mezzanine Debt Fund GP Oy, FIM Infrastructure Mezzanine Debt Fund III GP Oy, FIM Private Debt Fund I GP Oy, FIM SIB Oy and S-Pankki Vaikuttavuus I GP Oy, of which all's share capital Group's share of ownership is 100 percent. During the financial year 2024 Group companies had no non-controlling interests.

Associates are companies in which the Group has significant influence. In the Group's view, significant influence generally arises when the Group holds between 20 per cent and 50 per cent of the voting power of an enterprise, or otherwise has significant influence but not control. S-Bank has one associated company, S-Crosskey Ab. If the Group's share of an associate's losses exceeds the carrying amount of the investment, the investment is carried at zero and the losses exceeding the carrying amount are not consolidated unless the Group is committed to meeting the obligations of the associate.

Structured entities

S-Bank (through its subsidiaries) has power over funds that are limited partnerships because it acts as the general partner for these funds and exercises power as portfolio manager in the funds. S-Bank has not invested any significant capital (other than the capital contribution of the general partner) in funds or feeder funds, and a significant part of the funds' debt financing comes from outside S-Bank.

S-Bank is not significantly exposed to fluctuations in the returns from funds' operations and therefore S-Bank is not considered to have control.

S-Bank's funds have not been consolidated in the Group's IFRS financial statements as at 31 December 2024 or in the comparison period as at 31 December 2023.

Segment reporting

The operating segments are defined on the basis of the financial information that is regularly monitored by the decision-maker in charge of the operations. The S-Bank Group's highest executive decision-maker is the Group Management Team.

S-Bank reports income statements and balance sheets in the following business segments: Banking and Wealth Management. Operations that do not fall under these business segments are reported under 'Other activities'. The reporting of the business segments is identical to the internal reporting provided for company management. The description of the operating segments and the accounting policies is presented in conjunction with segment-specific data in Group's note 3.

Items denominated in foreign currencies

The financial statements are presented in euros. The euro is the operating currency of the Group and the parent company. Transactions in foreign currencies are recorded at the exchange rates prevailing on the transaction date. At the balance sheet date, foreign currency balance sheet items are converted into euro at the closing rate.

Exchange rate differences are recognised as exchange rate profits or losses in the income statement. With respect to financial items, exchange rate differences are recognised in Net income from investing activities under Net foreign exchange income.

Financial assets and liabilities

Initial recognition and measurement of financial instruments

After initial recognition, the Group's financial assets are measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification depends on the purpose for which the financial assets and liabilities have been acquired. The classification depends on the contractual terms and conditions of the instruments in question and, with respect to financial assets, on the business model applied to their management.

- Items measured at amortised cost are initially measured at their acquisition cost, which is the fair value of the consideration paid, supplemented by directly attributable transaction costs. Subsequent to initial recognition, such items are measured at amortised cost.
- Items recognised at fair value through other comprehensive income are initially measured at fair value supplemented or reduced by direct transaction costs arising from the acquisition of each item.
- Items recognised at fair value through profit or loss are measured at fair value at initial recognition.

Financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities measured at fair value through profit or loss, such as derivatives.

- Financial liabilities measured at amortised cost are recognised at fair value (acquisition cost less attributable expenses) when a contract is entered into, and subsequently at amortised cost.
- Liabilities measured at fair value through profit or loss are subsequently measured at fair value. The expenses attributable to transactions are recognised in the income statement as they arise.

Financial assets are recognised on the balance sheet once the company becomes the instrument's contractual party and financial liabilities when the payment is received. S-Bank applies settlement date practice in recognising financial assets on the balance sheet. Derivatives are recognised on the balance sheet using trading date practice. According to settlement date practice, buying or selling financial assets, must be recognised or derecognised on the balance sheet either on trade date or on settlement date.

Financial assets are derecognised from the balance sheet once the contractual rights to the cash flows arising from the financial asset cease or once the rights with substantially all their risks and rewards are transferred to another party. Financial liabilities are removed from the balance sheet when they are extinguished, that is, when the obligation specified in the contract is discharged and it has expired.

Classification of financial assets and liabilities

Financial assets

Financial assets are divided into three classifications. Classification and measurement are based on business models defined at S-Bank.

A business model refers to the method by which financial assets are managed in order to accumulate cash flows. The business model is not assessed on an instrument-by-instrument basis, but at a general level. In different business models, cash flows arise from the collection of contractual cash flows, the sale of financial assets or a combination of the two. Two different business models have been identified at S-Bank for managing financial assets:

- Possession of financial assets to accumulate contractual cash flows.
- Accumulation of contractual cash flows and sale of financial assets.

In addition to defining the business model, S-Bank must assess the contractual terms and conditions of financial assets to determine whether they pass the so-called Solely Payment of Principal and Interest (SPPI) test. The test assesses the cash flow characteristics based on the contract, and they should only consist of the repayment of principal and interest in order for the contract to pass the test.

At S-Bank, financial instruments are classified as follows:

- Financial assets measured at fair value through profit or loss
- Financial assets measured at fair value through other comprehensive income
- Financial assets measured at amortised cost.

Financial assets measured at fair value through profit or loss

After initial recognition, financial assets are measured at fair value through profit or loss, unless they are measured at amortised cost or fair value through other comprehensive income. Financial assets measured at fair value through profit or loss include financial assets held for trading, derivatives held for trading purposes and financial assets initially measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss include debt securities and other domestic and foreign securities and holdings that are traded actively and have been acquired for short-term gain or as part of the management of the short-term liquidity position, as well as derivatives to which hedge accounting has not been applied. Additionally, equity shares and fund units acquired for short-term gain are also measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss are measured at fair value. The change in fair value is recorded in the income statement item Net income from investing activities. The difference between the closing date value of the financial instruments designated at fair value and the carrying value from the previous financial statements is recognised as the income or expense for the period in the income statement. If a financial instrument measured at fair value was acquired during the financial period, the difference between the closing date value of the financial instrument and its acquisition cost is recognised as the income or expense for the period.

Financial assets measured at fair value through other comprehensive income

Items that meet the following criteria are measured at fair value through other comprehensive income: the item is held in accordance with a business model that aims at the possession of financial assets in order to collect contractual cash flows and in order to sell financial assets, and the contractual terms specify payments at specific times that are solely payments of the capital as well as interest on the remaining capital.

Financial assets measured at fair value through other comprehensive income include debt securities and other domestic and foreign securities. Financial assets measured at fair value through other comprehensive income are carried at fair value. Change in fair value is recognised in other comprehensive income and in the fair value reserve adjusted by deferred taxes. When a financial instrument is sold, the change in the fair value accrued in equity, together with accrued interest and capital gains or losses, is recognised in the income statement.

The measurement of impairment is based on a model of expected credit loss, which is described in more detail in 'Calculation of expected credit loss'.

S-Bank has recognised some equity instruments at fair value through other comprehensive income. In their case, the bank has made an irreversible decision in conjunction with the initial recognition to recognise the changes in their fair value through other comprehensive income instead of through profit or loss. Gains or losses on the disposal of these equity instruments are not recognised through profit or loss. Instead, any dividends are recognised through profit or loss.

Financial assets measured at amortised cost

Items that meet the following criteria are measured at amortised cost: the item is held in accordance with a business model that aims at the possession of financial assets in order to collect contractual cash flows, and the contractual terms specify payments at specific times that are solely payments of the capital as well as interest on the remaining capital. At S-Bank, financial assets that are not quoted on active financial markets, for which the related payments are fixed or determinable, are measured at amortised cost. Financial assets of this type include receivables from credit institutions, receivables from the public and public sector entities and cash and cash equivalents. Deposits and other investments in central banks with original maturity less than 3 months may be included in cash and cash equivalents.

After initial recognition, the assets measured at amortised cost are valued using the effective interest method. Transaction costs are included in the amortised cost measured using the effective interest method and are amortised through profit or loss over the term-to-maturity of the receivable, provided they have been determined as part of the effective interest method in IFRS 9.

The measurement of impairment is based on a model of expected credit loss, which is described in more detail in 'Calculation of expected credit loss'.

Financial liabilities

S-Bank classifies financial liabilities in accordance with IFRS 9 as follows:

- Financial liabilities measured at amortised cost
- Financial liabilities measured at fair value through profit or loss.

Amortised cost

In general, financial liabilities are measured at the amortised cost on the balance sheet date using the effective interest method. Transaction costs are included in the amortised cost measured using the effective interest method and are amortised through profit or loss over the term-to-maturity of the receivable, provided they have been determined as part of the effective interest method in IFRS 9. Interest accumulated on the liabilities is recognised through profit or loss under 'Interest expenses'.

Financial liabilities measured at amortised cost comprise liabilities to credit institutions, liabilities to customers, debt securities issued to the public (bonds and certificates of deposit) and subordinated loans (debentures).

Fair value through profit or loss

A financial liability is classified at fair value through profit or loss unless it is classified at amortised cost. Subsequent changes in fair value are presented in the income statement under 'Net income from investing activities'. Interest accumulated on the liabilities is recognised through profit or loss under 'Interest expenses'.

This group includes all derivative contracts in the S-Bank Group.

Derivatives and hedge accounting

Derivatives

Derivatives are classified as hedging or held for trading, and at S-Bank, they include interest derivatives. Derivative contracts are primarily entered into for hedging purposes and are always measured at fair value.

In accordance with S-Bank's policies, the positive value changes of derivatives are presented as derivative assets, and the negative value changes are presented as derivative liabilities. The changes in the value of derivatives held for trading are recognised under Net income from investing activities in the income statement. Changes in the value of derivatives in hedge accounting are recognised in Net income from investing activities in the income statement under Net income from hedge accounting.

Hedge accounting

S-Bank applies fair value hedge accounting to the above-mentioned derivative contracts that meet the documented effectiveness and other requirements for hedge accounting. In these cases, exposure to interest rate risk through present values is hedged against by means of interest rate swaps. These contracts are still designated as hedging items in hedge accounting. Hedge accounting at S-Bank complies with IAS 39 Financial Instruments: Recognition and Measurement in accordance with IFRS 9.

Prior to applying hedge accounting, S-Bank assesses the economic relationship between the hedged item and the hedging instrument, using qualitative methods. This review assumes that the fair values of the hedged item and the hedging instrument respond similarly to changes in a particular risk. For example, in hedging against interest rate risk, the fair values of fixed-rate debt securities and the hedging interest rate swaps are considered to react in the same proportion to changes in market rates. The qualitative evaluation is complemented by a performance analysis.

Hedging should be effective when hedge accounting is applied. Regression analysis is used to evaluate efficacy. The analysis should have a true value between 80 per cent and 125 per cent and a degree of regression (R squared) greater than 0.96. Effectiveness is measured monthly, both prospectively and retrospectively. If the hedging ratio does not meet the effectiveness requirements, hedge accounting is discontinued, and the derivatives fair value changes are recognised under Net income from investing activities as in the previous effectiveness test. The most common reason for inefficiency and rejection from hedge accounting has been the difference between the maturities of the hedged item and the hedging instrument.

S-Bank applies fair value hedging to derivative contracts entered into for the purpose of hedging the fair value changes of assets and liabilities exposed to the interest rate risk. S-Bank hedges the risk related to changes in fair value in the case of securities and issued bonds with a fixed interest rate, and a deposit portfolio modelled as fixed rate, which are exposed to the interest rate risk. The interest rate risk is described in Group's note 2.

Changes in the fair value of a hedged item that are attributable to the hedged risk are recognised in the income statement under Net income from hedge accounting. Changes in the fair value of the hedging items included in hedge accounting are recognised in the income statement under Net income from hedge accounting. When hedging is effective, the changes in fair value offset each other and the net result is close to zero.

Fair value hedging is discontinued in the following situations: the hedging instrument matures, is sold, dissolved or redeemed, the hedging relationship no longer meets the documented conditions of hedge accounting, or the hedging relationship is severed.

Measuring financial instruments at fair value

Fair value is the price that would be obtained from the sale of an asset or the transfer of debt between market participants in a customary business transaction executed on the valuation date.

The fair value of a financial instrument is determined on the basis of prices quoted in active markets, or by using measurement methods that are generally accepted in the markets. A market is considered to be active if price quotes are readily and regularly available and they reflect actual and recurring market transactions between independent parties.

Valuations are determined on the basis of the prices of market transactions, the discounted cash flow method or the fair value at the balance sheet date of another essentially similar instrument. The valuation methods account for an estimate of the credit risk, the discount rates used, the possibility of early repayment and other factors that affect the reliable determination of the fair value of a financial instrument.

Financial assets and liabilities measured at fair value are divided into three categories according to the method with which their fair value is determined:

- Level 1 fair values are determined using the quoted, unadjusted prices of completely identical financial assets and liabilities in an active market.
- Level 2 fair values are determined using generally accepted valuation models in which the input data is, to a significant extent, based on verifiable market information.
- Level 3 market prices are based on input data concerning an asset or liability that are not based on verifiable market information but, to a significant extent, on the management's estimates.

Level 2 and 3 items are described in more detail in Group's note 15.

Impairment of financial instruments

The impairment model in accordance with IFRS 9 is based on the calculation of expected credit losses (ECL), where the expected credit loss is estimated for balance sheet items measured at amortised cost or at fair value through other comprehensive income at the time of contract origination and for off-balance sheet credit commitments and guarantee contracts.

Grouping of financial instruments for the measurement of impairment

A three-stage impairment model is used to measure credit risk, where a financial instrument is grouped under one of the stages based on the risk level of the credit contract. In order to be able to estimate whether the risk level of a credit contract has increased relative to the initial recognition, and for the purposes of classifying the financial instrument, probability of default (PD) risk model is being used. This risk model generates a PD risk estimate illustrating the probability of default over a 12-month period in which variations are deemed to reasonably reflect changes in the credit risk over the lifetime of the contract. In addition (change in PD estimate between the date of recognition and the reporting date), the grouping of financial instruments is influenced by, among others, factors related to the timeliness of payment transactions. The estimates provided by the risk models as well as the effects related to payment delays and other criteria on the grouping of financial instruments are constantly monitored.

Stage 1 – no significant changes in credit risk

Stage 1 applies to receivables in which credit risk has not increased significantly since origination and which are not credit impaired. The expected credit loss is measured for the contracts for a period of 12 months and the effective interest is calculated on the gross carrying amount. In other words, stage 1 includes contracts in which:

- the receivable has been past due for a maximum of 30 days, and
- other criteria for significant increase in credit risk are not met and contract is not credit-impaired.

Stage 2 – significant increase in credit risk

Stage 2 applies to receivables in which the credit risk has increased significantly since the credit was granted, but which are not credit-impaired yet. The lifetime expected credit loss is measured for the contract and the effective interest is calculated on the gross carrying amount. The probability of default limits and other criteria for assessing significant increase in credit risk are determined based on expert opinions and analyses of S-Bank's data.

The credit risk is deemed to have increased significantly if the probability of default has materially increased since the initial recognition of the contract, in other words:

- a payment of capital or interest has been past due for more than 30 days,
- a significant increase in credit risk has been observed in the PD estimate in one of the following ways:
  - The PD estimate has increased in relative terms (significant increase threshold is between 0.0 and 4.0 percentage points, depending on the risk level at the time of recording the contract)
  - The PD estimate has increased in absolute terms (significant increase threshold is between 1.3 and 6.3 percentage points per product group)
  - The PD estimate exceeds the limit value determined for the specific product group (between 5.0 per cent and 7.5 per cent depending on product), or
- the contract is classified as a performing forborne exposure (forbearance is described in the section Contractual changes in financial assets).

PD estimates include forward looking information estimated with macroeconomic model. If PD estimate is not available on a contract level, the origination PD is estimated on group level. If none of the above-mentioned stage 2 criteria are fulfilled, the contract should be treated according to stage 1. Thereafter the criteria for transferring receivables to stage 2 are observed for the contract consistently with other contracts in stage 1.

CLASSIFICATION OF FINANCIAL INSTRUMENTS INTO THREE STAGES FOR THE MEASUREMENT OF IMPAIRMENT

Current risk level of the financial instrument in comparison to the risk at the time of lending

Stage 1	Stage 2	Stage 3
No significant change	Significant increase	Credit-impaired receivables due to credit risk
Expected credit loss is measured for a period of 12 months	The lifetime expected credit loss is measured for the contract	The lifetime expected credit loss is measured for the contract

Stage 3 – credit-impaired receivables

Stage 3 applies to credit-impaired receivables where the receivable is impaired due to credit risk. The lifetime expected credit loss is measured for the contract and the effective interest is calculated on the net carrying amount. A contract is deemed to be credit-impaired if:

- Material payment of capital or interest has been past due for more than 90 consecutive days.
- The contract involves a non-performing forbearance (see the section 'Contractual changes to financial assets').
- Payment in accordance with the contract is unlikely to be received before the receivable becomes defaulted (unlikely-to-pay items). Such situations include bankruptcy, corporate restructuring, distressed restructuring, or other indications of unlikely repayment based on expert assessment.

If the part of liability on the balance sheet has been classified as defaulted, the remaining undrawn off-balance sheet amount is also classified as defaulted. Credit impairment is extended to all liabilities of the debtor if more than 20 per cent of the debtor's on-balance-sheet liabilities are classified as credit impaired. If any of the criteria above are no longer met, a probation period of at least three months shall be applied to a receivable classified as stage 3 prior to its return to stage 1 treatment. The trial period will be extended until the condition of a continuous three-month period without a payment delay of more than 30 days is met. Thereafter the criteria for transferring receivables to stage 2 are observed for the contract consistently with other contracts in stage 1.

A credit-adjusted effective interest rate is applied to purchased or originated credit-impaired (POCI) financial assets as of the date on which the financial asset measured at amortised cost was initially recognised. These financial assets are only classified under Stage 3 or Stage 2.

Contractual changes to financial assets

Changes to the terms of credit contracts are made either on commercial grounds or if the customer faces difficulties in performing payments under the contract. If amendment does not involve any material risks and is mutually beneficial, contract terms can be amended according to customer's request, i.e., on commercial grounds. When amending contracts on commercial grounds, the customer's credit risk must not have increased significantly (stage 2) and the customer must not have payment difficulties. In this case, the customer's contract has been classified under stage 1 in impairment measurement and the changes to the contract do not change its status.

If a change is made to a credit agreement due to the customer's payment difficulties, it is referred to as forbearance. Forbearance measures aim to assist the customer in managing short-term payment difficulties. The key objective of granting forbearance measures is either to prevent deterioration of borrowers' payment difficulties, or to enable non-performing borrowers to exit their non-performing status. Forbearance measures always aim to return the exposure to a situation of sustainable repayment.

Forbearance is classified as a performing forborne exposure if the criteria for default are not met. In this case, the contract is classified under stage 2 in impairment measurement for a probation period of at least two years.

A performing forborne exposure becomes non-performing if one of the factors causing non-performance is triggered. Also, a forbearance will become non-performing as a result of a second forbearance or a payment delay of more than 30 days during the probation period. A non-performing forborne exposure is given a minimum of a 12-month probation period and classified in impairment testing under stage 3. The contract will be transferred to the probation of a performing forborne exposure for at least two years when the probation of the non-performing forborne exposure ends.

Recognition of final credit loss

A receivable or a part of it is recognised as a credit loss when it is unlikely that its amount will be recovered. On the basis of S-Bank's specifications and depending on the product, credit loss is recorded as follows:

- Credit losses on unsecured credit are typically recorded 4 to 7 months after the receivable has matured.
- Credit losses on secured receivables are recorded at the earliest when the collateral has been realised and allocated to the receivable. In this case, the remaining receivable may not be recorded as a credit loss if a payment schedule has been created for it.

After the recognition of a credit loss, the credit in question will no longer be included in the calculation of expected credit loss and thus will no longer be impaired. Even if a receivable is accepted and recorded as a credit loss, collection will nevertheless continue in the form of post-collection. Collection of the receivable will continue until there are sufficient grounds for discontinuing it. If payment is made on a receivable recognised as credit loss, it is recognised as a recovered credit loss in the income statement. The impairments for the reporting period are presented in the notes to the financial statements.

Calculation of expected credit loss

S-Bank uses the probability of default (PD), Loss Given Default (LGD) and Credit Conversion Factor (CCF) parameters for measuring risks in the credit portfolio and for the calculation of the impairments of financial instruments. The CCF parameter can be employed to determine the amount of exposure, i.e. Exposure at Default (EAD). With these parameters, the amount of expected credit losses (ECL) is calculated using the formula PD x LGD x EAD.

Expected credit losses are calculated either for a period of 12 months or for the lifetime of the contract, depending on the current risk level of the credit. PD, LGD and EAD are calculated for every future month and each separate contract. These three components are multiplied by one another. The income for each future month is discounted to the reporting date and added together. During the financial year, the LGD risk parameter floors based on management judgement were updated. LGD floors are 30 per cent for unsecured household customer loans and 10 per cent for secured household customer loans. LGD floors do not apply to contracts guaranteed by the State of Finland or other institutional guarantees affecting LGD-parameters. The discount rate used in the ECL calculation is the interest rate of the original contract.

CREDIT RISK MODELS USED BY S-BANK IN THE CALCULATION OF EXPECTED CREDIT LOSSES

Customer group	Credit risk model	Use	Modelling method
Household customers	**PD model:** probability of default within the next 12 months	Determining the risk at initial recognition and currently, classification of financial instruments for impairment	S-Bank internal model, parameters derived from S-Bank's credit portfolio
	LGD model: S-Bank's final credit loss after collection measures	As a parameter in ECL calculation	S-Bank internal model, parameters derived from S-Bank's credit portfolio
	CCF/EAD model: exposure at default	As a parameter in ECL calculation	S-Bank internal model, parameters derived from S-Bank's credit portfolio
Corporate customers	**PD model:** probability of default within the next 12 months	Determining the risk at initial recognition and currently, classification of financial instruments for impairment	S-Bank's internal model parameters derived from a market database and S-Bank's credit portfolio
	LGD model: S-Bank's final credit loss after collection measures	As a parameter in ECL calculation	Parameters derived from a market database
	CCF/EAD model: exposure at default	As a parameter in ECL calculation	Parameters derived from S-Bank's credit portfolio
Investing activities	**PD** and **LGD**	As a parameter in ECL calculation	Parameters derived from a market database

Classification of credit risk and probability of default

S-Bank uses various credit risk models to forecast the probability of default, depending on the product and customer group. When forecasting, S-Bank utilizes either a classification of the contract at the application stage or a classification based on customer behaviour. Customer information is supplemented with external information, such as payment default information available from Suomen Asiakastieto and if necessary, by an expert assessment by S-Bank, before calculating a final PD estimate for the liability. Based on the PD estimates, loans are assigned a credit category. The 7-tier distribution of the categories is described below.

PD estimates in calculating expected credit loss are mainly calculated on contract of customer level. If current PD estimate for a contract is not available, impairment is calculated using an average PD estimate for the same type of customer or product group.

PD ESTIMATES FOR THE CREDIT RISK CATEGORIES

Credit category	PD minimum (%)	PD maximum (%)
1		under 0.15
2	0.15	under 0.25
3	0.25	under 0.50
4	0.50	under 0.75
5	0.75	under 2.50
6	2.50	under 10.00
7	10.00	
In default		Default criteria are met

Forward-looking information used in the calculation of expected credit loss

The calculation of a significant increase in credit risk and expected credit loss entails making forward-looking estimates. S-Bank has analysed historical data and identified changes in nominal wages and stock market index in Finland as key economic variables that have an impact on credit risk. Three 30-year scenarios are modelled for these economic variables: optimistic, neutral, and pessimistic. The effect of the scenarios is included in the risk estimates and the weights of the scenarios at the time of reporting were 30%, 40% and 30%, respectively. The estimated impact of the scenarios is based on statistical modeling for non-performing retail credits in Finland. The model-based estimates are complemented with management judgement, which is described further in the chapter accounting policies requiring management judgment and key uncertainties related to estimates.

Income and expenses in the income statement

Interest income and expenses

Interest on financial assets and liabilities and interest-rate derivatives is accrued as interest income or expenses for the financial periods to which they are to be allocated over time in accordance with IFRS 9. Fees that form an essential part of the effective interest on loans, receivables or deposits are recognised as interest income or expenses.

Fee and commission income

Fee and commission income arises from services rendered to clients, such as fund and payment services, and lending.

All fee and commission income under IFRS 15 is recognised at the time when control over performance obligations has been transferred to the customer. Income from the Group's customers is recognised at the amount the Group expects to be entitled to in return for services rendered to the customer. Fees are recognised, in accordance with the nature of the service in question, either over time or at a point in time.

Fee and commission expenses

Fee and commission expenses are the fees and commissions paid to third parties for the provision of services to customers, as well as other fees.

Net income from investing activities

Net income from investing activities consists of gains and losses on the sale of investment instruments as well as valuation changes. The item also includes the net result of hedge accounting.

Other operating income

Other operating income includes income other than that arising from the preceding items.

Operating profit

The Group has defined the concept of operating profit in its financial statements as follows:

Operating profit (Earnings before tax) = Total income – Total expenses +/– Impairment of receivables +/– Share of profits of associated companies

Intangible and tangible assets

Intangible assets

Goodwill

Goodwill arising on a business combination represents the amount by which the consideration transferred, the non-controlling interest's share of the acquiree and the previously held interest exceed the fair value of the net assets acquired. Goodwill is tested for impairment annually and whenever there is an indication that it may be impaired. Goodwill is measured at cost less impairment in the consolidated financial statements.

Other intangible assets

Intangible assets mainly consist of internally generated information systems, related development work, and license and connection fees. The costs of modifications to licenses and the proportion of own work related to IT projects have been capitalised under Information systems. Intangible assets are amortised on a straight-line basis over their estimated economic lifetime.

Amortisation periods for intangible assets: IT systems: 3–5 years

The Group assesses depreciation periods and depreciation methods at least at the end of each financial year.

Prepayments

The Group observes the principles of the agenda decision issued by IFRIC in April 2021 on the accounting costs related to the configuration and customisation of cloud computing arrangements (IAS 38 Intangible Assets). Start-up costs are capitalised on the balance sheet and spread over a longer period when the start-up service is inseparable from a service that provides access to the programme. Any prepayments incurred will be amortised during the validity of the SaaS Agreement, but for no longer than 5 years.

Start-up costs which can be separated from the service are recognised as an expense at the time when the costs are deemed to have been incurred.

Tangible assets

Tangible assets are measured at original acquisition cost, less accumulated depreciation and impairment, if any. The acquisition cost includes the costs that are directly attributable to the acquisition of the item. Straight-line depreciation is recorded on tangible assets in accordance with each item's economic life.

Depreciation periods for tangible assets:
Machinery and equipment: 3 years
Vaults and similar structures: 10 years
Renovations of leased premises: term of lease, maximum 5 years

Right-of-use asset items

Under IFRS 16, an agreement is a lease agreement if it grants right of control of the use of a specified asset for a specified period of time in exchange for a consideration. S-Banks lease agreements mainly about offices and cars. At the time of concluding an agreement or when the terms of an agreement change, S-Bank will determine whether an agreement includes a lease agreement. Control exists when a material part of the financial benefit from the use of an independent asset specified by agreement is gained by the lessee and the lessee can determine the purpose of the asset. At the beginning of the agreement period, the lease liability is the present value of the lease payable during the lease period. The leases consist of fixed fees and variable leases that depend on indices. The sum of the lease liability will be re-evaluated anew if future lease payments change due to a change in indexes or prices or because the lease period has been extended. If the amount of lease liability is adjusted in conjunction with re-evaluation, the right-of-use asset item is also adjusted by the same sum.

The lease period begins on the date specified in the lease agreement. The lease ends on the date agreed in the lease agreement. If the lease agreement remains in force until further notice, the final date will be estimated.

The IFRS 16 standard includes two changes that provide relief concerning recognition and measurement. S-Bank has decided that lease agreements that do not exceed 12 months in duration and asset items that do not exceed EUR 5 000 in value will not be recognised on the balance sheet. S-Bank will recognise these short-term lease agreements and low-value assets as costs during the lease period.

Depreciation and interest expense is recognised in the income statement for items recognised in the balance sheet as right-of-use assets and lease liabilities.

Right-of-use assets are amortised during the contract period.

Impairment of tangible and intangible assets

Under IFRS, goodwill is not amortised. Instead, it is tested annually for impairment. Goodwill is allocated to cash flow-generating units. In the Group, goodwill is currently allocated to the Wealth Management business segment.

Impairment loss is recognised if the balance sheet value of an asset or unit generating cash flow exceeds the amount recoverable on it. The recoverable amount is defined as the fair value less cost to sell or the higher value in use. When determining value in use, estimated future cash flows are discounted to present value based on discount interest rates that represent the average cost of capital before taxes of the cash flow-generating unit in question.

The impairment loss of a cash flow-generating unit is first allocated to reduce the goodwill allocated to the cash flow-generating unit and then to symmetrically reduce the unit's other asset items. The impairment loss is recognised in the income statement. If the values used to determine the recoverable amount change, any impairment loss recognised earlier will be reversed. The maximum reversal amount is the amount that would have been determined as the carrying amount of the asset item, less depreciation, had it not been recognised as impairment loss in prior years. Impairment losses recognised on goodwill are not reversed.

Carrying value of intangible assets not yet available for use, most of which are IT projects, are evaluated annually in conjunction with the budgeting process. Impairment will be recognised on the basis of the evaluation.

Income taxes

Income taxes include current taxes for the financial period and adjustments to taxes for previous periods, as well as changes in deferred tax assets and liabilities. The tax effects of items that are recognised directly in equity are correspondingly recognised directly in equity. Taxes are calculated using the tax rates valid on the balance sheet date and, if there is a change in tax rates, at the available new tax rate.

Deferred taxes are recognised on temporary differences between the carrying amount and the taxable value. The Group's most significant temporary differences arise from expected credit loss (ECL) as well as from special-purpose vehicle's credit-loss provisions under the Accounting Act and depreciation differences.

The Group recognises a deferred tax asset for taxable temporary differences only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The amount of the deferred tax asset and the probability that it can be utilised are reassessed at the end of each reporting period.

Employee benefits

Short-term employee benefits

Short-term employee benefits, such as salaries, fees, bonuses and associated costs, are recognised as an expense in the period to which they relate.

Post-employment benefits

Post-employment benefits are paid to their beneficiaries after their employment ends. At S-Bank, these benefits consist of pensions. The Group's pension arrangements have been managed by external pension insurance companies. Pension plans are classified as either defined contribution plans or defined benefit plans.

The major part of S-Bank's pension plans are defined contribution plans where S-Bank pays fixed premiums to an insurance company. The most significant defined contribution plan of S-Bank is the TyEL employee pension. The Group has no legal or factual obligation to make additional payments if the beneficiary does not have sufficient funds to pay all the retirement benefits. Payments to defined contribution plans are recognised through profit or loss for the periods to which they relate. Prepayments are recognised as an asset to the extent that they result in a reduction in future payments or a refund in cash.

S-Bank's defined benefit pension scheme is a voluntary supplementary pension scheme. For defined benefit plans, the amount of the obligation is calculated using the projected unit credit method. The cost of a defined benefit pension plan is recognised through profit or loss on the basis of actuarial calculations. Expenses for the period and net interest on a defined benefit plan are recognised through profit or loss and presented as expenses on employee benefits. Items arising from the re-measurement of a defined benefit net liability (or asset) (including actuarial gains and losses and the return on plan assets) are recognised in other comprehensive income in that period. The discount rate used to calculate the present value of a retirement obligation is the market yield on high quality corporate bonds. The net liability (or asset) of a defined benefit pension plan, which is the present value of the pension obligation less the pension plan assets at fair value at the end of the reporting period are recognised on the balance sheet.

Other long-term employee benefits

Other long-term employee benefits include all employee benefits other than short-term and post-employment benefits and benefits associated with the termination of an employment relationship.

Termination benefits

Termination benefits are not based on performance, but on termination of an employment relationship. These benefits consist of severance pay. Termination benefits arise either from the Group's decision to terminate employment or from the employee's decision to accept the benefits provided by the group in exchange for termination. Such benefits are recognised when S-Bank is no longer able to withdraw its offer of such benefits or when the Group recognises a restructuring expense in which termination benefits are provided, whichever is earlier.

Provisions

The Group recognises a provision when it has a legal or factual obligation as a result of a past event, it is probable that a payment obligation will be realised and the amount of the obligation can be reliably measured. Provisions are valued at present value.

Contingent liabilities and contingent assets

A contingent liability arises when the Group has a contingent liability that arises from past events and whose existence will be confirmed only by a future event that is not controlled by the Group. The Group has then an existing obligation that has arisen as a result of past events, but the payment obligation is not probable, or the Group is not able to estimate the amount of the existing obligation with sufficient reliability.

Contingent assets arise when economic benefits to the group are probable but not certain in practice and the economic benefits depend on an event outside the control of the Group.

Contingent assets and liabilities are disclosed in the notes to the consolidated financial statements.

Accounting policies requiring management judgment and key uncertainties related to estimates

IFRS-compliant financial statements require management to exercise judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and other information such as the amounts of income and expense. Although these estimates are based on the management's best knowledge at the time, it is possible that actual results differ from the estimates used in the financial statements.

Critical items requiring management as well judgement as estimates and assumptions are included in following notes:

- Group's note 2 Group risks and risk management, and Group's note 11 Impairment of receivables: The calculation of expected credit loss in accordance with the IFRS 9 standard is based on internal models that contain assumptions of a change in credit risk. The model-based estimate is complemented with management judgement, which takes into account the uncertainty related to model parameters and assumptions, as well as model risk. LGD risk parameter floors were updated in accordance with management judgement during the financial year.
- Group's note 15 Fair values and carrying amounts of financial assets and liabilities, and the hierarchy of fair values: The management's judgement is required in circumstances where fair value price information is not available in the market or fair value is not reliable. In these cases, the fair value of a financial instrument needs to be determined using a valuation technique, where input data is based on management's estimation regarding market practices used to measure the value of particular instruments.
- Group's note 24 Intangible assets, impairments testing: S-Bank tests yearly if balance-sheet value of goodwill corresponds to the amount recoverable from the business in question. Incomplete intangible assets are also tested yearly for impairment. Cash flow, growth percent and discount rate which are used in testing are based on management judgement.
- Group's note 32 Other liabilities and provisions, defined benefit pensions plans: The present value of pension obligation is based on actuarial calculations, which include a number of discretionary assumptions related to e.g. discount rate, future increases in salaries, wages and pension, as well as inflation.
- Group's note 38 Acquisition of Handelsbanken's Finnish private customer, asset management and investment services operations: management's judgement has been used, when determining fair value to assets and liabilities acquired from Handelsbanken. Fair values are calculated on the statement, where management's estimations and assumptions are part of input information.

New standards and interpretations

New and amended standards applied in the financial year ended 31 December 2024

S-Bank has applied the standard amendments and interpretations concerning the company that came into force during the financial year. The changes that took effect in 2024 have not had a material effect on the group's result for the financial year, financial position or presentation of Financial Statements.

New and amended IFRS Accounting Standards issued but not yet effective

* = not yet endorsed for use by the European Union as of 31 December 2024

- **Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures *** (effective for financial years beginning on or after 1 January 2026, early application is permitted)

  The amendments clarify that an entity is required to apply settlement date accounting when derecognising a financial asset or a financial liability; and to permit an entity to deem a financial liability that is settled using an electronic payment system to be discharged before the settlement date if specified criteria are met. The amendments clarify the application guidance for assessing the contractual cash flow characteristics of financial assets, including financial assets with contractual terms that could change the timing or amount of contractual cash flows, for example, those with environmental, social and governance (ESG)-linked features, financial assets with non-recourse features and financial assets that are contractually linked instruments.

- **IFRS 18 Presentation and Disclosure in Financial Statements *** (effective for financial years beginning on or after 1 January 2027, early application is permitted)

  IFRS 18 will replace IAS 1 Presentation of Financial Statements. The key new requirements are as follows:
  - Income and expenses in the income statement to be classified into three new defined categories—operating, investing and financing—and two new subtotals—“Operating profit or loss” and “Profit or loss before financing and income tax”.
  - Disclosures about management-defined performance measures (MPMs) in the financial statements. MPMs are subtotals of income and expenses used in public communications to communicate management’s view of the company’s financial performance.
  - Disclosure of information based on enhanced general requirements on aggregation and disaggregation. In addition, specific requirements to disaggregate certain expenses, in the notes, will be required for companies that present operating expenses by function in the income statement.

The above-mentioned future changes are not expected to have significant impact on the financial statements of future financial years.

Other new and amended standards and interpretations published by IASB by 30 November 2024 are not expected to have a significant impact on the group’s consolidated financial statements.

GROUP'S NOTE 2: GROUP RISKS AND RISK MANAGEMENT

The S-Bank Group engages in banking and wealth management operations. Due to the nature of these operations, risks and risk management are critical to business management and the management of changes in the operating environment. The primary objective of risk management is to maintain the level of profitability, maintain capital adequacy and liquidity above the minimum target levels defined by the Board of Directors, manage the reputation risk and secure disturbance-free operations in both the short and long term.

The quantity and quality of S-Bank's own funds must always be sufficient to cover risks related to its business operations. The most significant risk types from the perspective of capital requirements are credit risk and operational risks. In addition to calculating the regulatory capital requirements, S-Bank undertakes an internal capital adequacy assessment process to assess all the material risks related to its operations and to ensure a comprehensive overview of its risk profile. S-Bank is exposed to the following risks arising from financial instruments: credit and counterparty risk, liquidity risk, market risk and operational risk.

Reporting of risk and capital adequacy information

S-Bank complies with its disclosure requirements by publishing information on risks, risk management and capital adequacy in its financial statements. The Board of Directors' report in the financial statements includes a general description of risk management and its objectives. The Board of Directors' report presents key information on S-Bank's risk position, capital adequacy and own funds.

The Pillar 3 report (Capital and Risk Management Report) and S-Bank Capital Adequacy tables required by the EU's Capital Requirements Regulation, which deals comprehensively risk management practices and risk position, is published in separate documents from the financial statements. The report and tables, as well as S-Bank's corporate governance statement and report on remuneration systems, are available on S-Bank's website.

Governance of risk management and decision making

S-Bank's risk management is built on three lines of defence. The first line of defence consists of units responsible for the Group-level business operations and supporting functions, and which conduct business operations in accordance with S-Bank's strategy and business plan. The first line of defence is responsible for risk-taking, identification of risks and daily risk management.

The second line of defence, Risk and Compliance, consists of the Group-level functions that are independent of business operations. The second line of defence is responsible for maintaining the risk management framework, acting as an independent control function, and monitoring the implementation of risk management and adequacy internal control.

Internal Audit is the third line of defence and is independent of the functions being audited. The purpose of the function is to audit and evaluate the effectiveness of the risk management and internal control measures carried out by the Group. Consequently, Internal Audit also reviews the activities of the Risk and Compliance functions.

Board of Directors

The parent company's Board of Directors bears overall responsibility for risk management in the S-Bank Group, ensuring that the Group's operations are organised appropriately and reliable. The Board is responsible for the strategic management of the entire bank group, setting strategic goals and risk strategy, approving principals for risk management and monitoring their implementation.

The Board ensures that Bank continuously has adequate amount of capital to cover all material risks arising from its business operations and changes in the operating environment and that the risk-bearing capacity is sufficient. The Board monitors the development of capital, its allocation and risk limits, and decides on the recapitalising and financing arrangements and their implementation.

The Board is assisted in its work by the Board Risk Committee, Audit Committee, and the Remuneration and Nomination Committee.

CEO and Group Management Team

S-Bank's CEO, assisted by the Group Management Team, is responsible for managing the operations and governance of the Group, implementing risk management practices, and organising internal control in accordance with the principals set by the Board. CEO, with assistance of the Group Management Team, is responsible for assuring, that risk capacity and risk appetite are considered in the S-Banks strategy process, operational planning, and risk management. In addition, CEO is responsible for achieving the set goals and for monitoring and managing the risks that may threaten these goals.

CEO has established committees to prepare and make decisions by executive managers. Most essential committees for Risk Management purposes are Management Risk Committee, Asset and Liability Committee and Credit Committee.

Risk management committees

The task of the Management Risk Committee is to ensure, that Group Management Team, The Board, and its's committees has sufficient and relevant overall picture of the Group's risk position. The Management Risk Committee ensures that the Group's operations comply with internal guidelines and external regulations. The Management Risk Committee prepares and recommends for approval by the Board the key risk management strategies, policies, and risk appetite limits. The CEO acts as a chairman in Management Risk Committee. Under the Committee, there are preparatory bodies focusing on specific risk categories.

Asset and Liability Committee's task is to ensure capital adequacy, liquidity and to forecast, monitor and manage capital adequacy and balance sheet. Asset and Liability Committee is a first line of defence committee.

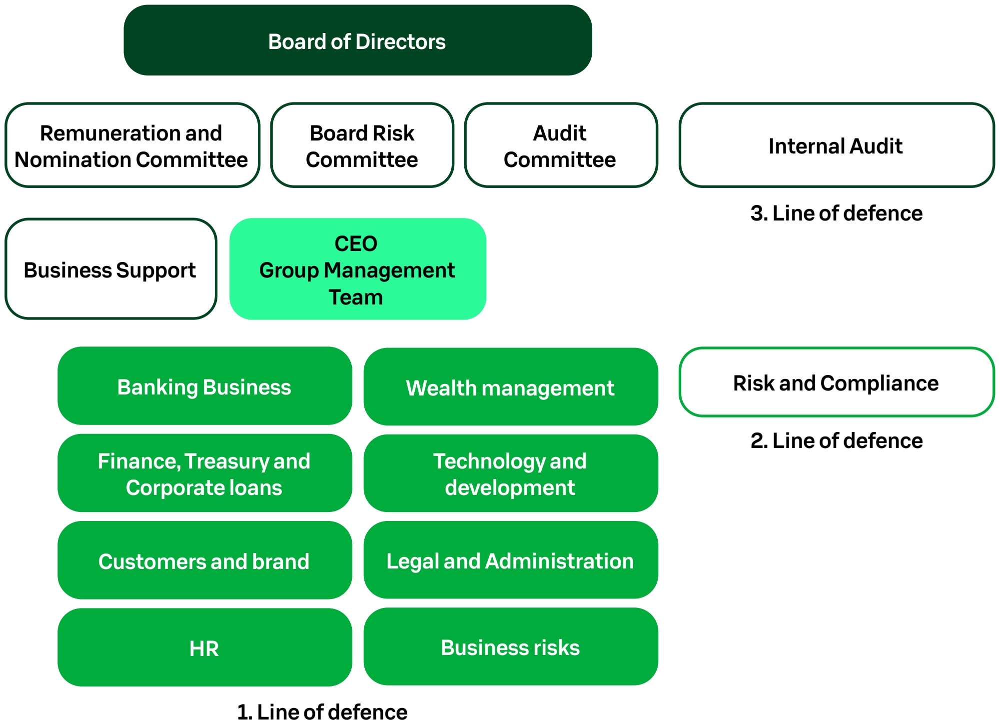
The task of the Credit Committee is to make customer-specific credit decisions. Under the Credit Committee, there are separate credit committees for corporate and individual customers, which make credit decisions within their authority and monitor the development of credit risks. Credit Committee is a first line of defence committee.

The Group's units

Within the first line of defence, S-Bank has the Group's units responsible for the Group-level business operations and support functions. In addition, the Group has Risk and Compliance unit as part of the second line of defence and the Internal Audit unit in the third line of defence. The Group's units are presented in the diagram S-Bank Group's administrative structure.

The directors of S-Bank's business and support functions take primary responsibility for the risks in their respective areas and for ensuring that their units operate in accordance with S-Bank's guidelines, policies and set limits. Hence, they are responsible for identifying and assessing the risks associated with their operations, and for managing and monitoring them and for carrying out internal controls. The directors of the Group's units are responsible for ensuring that the unit's operations and risk management are clearly and sufficiently described.

S-BANK GROUP'S ADMINISTRATIVE STRUCTURE



Independent control functions

Independent control functions consist of Risk Control, Compliance and Operational Risk Control, as well as Internal Audit.

Risk Control is tasked with comprehensively monitoring and assessing S-Bank's risk-taking level and the implementation of risk management for quantitative risks. The Risk Control monitors the execution of the overall risk strategy and the total risk exposure, ensuring that the risks taken by S-Bank are proportionate to its risk capacity and risk appetite. The Risk Control maintains and develops methods for measuring, assessing, and reporting risks, and supports the business functions in identifying and managing risks.

Compliance is tasked to monitor compliance with regulations, internal guidelines, and ethical principles. Compliance maintains and develops principles and procedures to ensure compliance to regulations. Compliance performs its control function according to the risk-based annual plan approved by the Board and regularly reports its findings and recommendations to the Board and executive management.

Operational Risk Control's task is to comprehensively monitor and assess the coverage, adequacy, and effectiveness of operational risk management. Operational Risk Control maintains and develops the operational risk framework and the principles of procedures for managing operational risks.

The Internal Audit function's task is to assess the adequacy, efficiency, effectiveness of internal control and risk management within the Group. These are done in accordance with the audit plan approved by the Board. When conducting audits according to plan, the Internal Audit bases the auditing criteria on external regulations, internal guidelines, and the set objectives. Internal Audit also evaluates Risk Control, Operational Risk Control, and the Compliance function.

Risk monitoring, control and reporting

S-Bank continuously monitors risks as part of work duties. It is the responsibility of each employee to follow the execution of risk management within their area of responsibility and to report any deviations and deficiencies in risk management in accordance with agreed procedures.

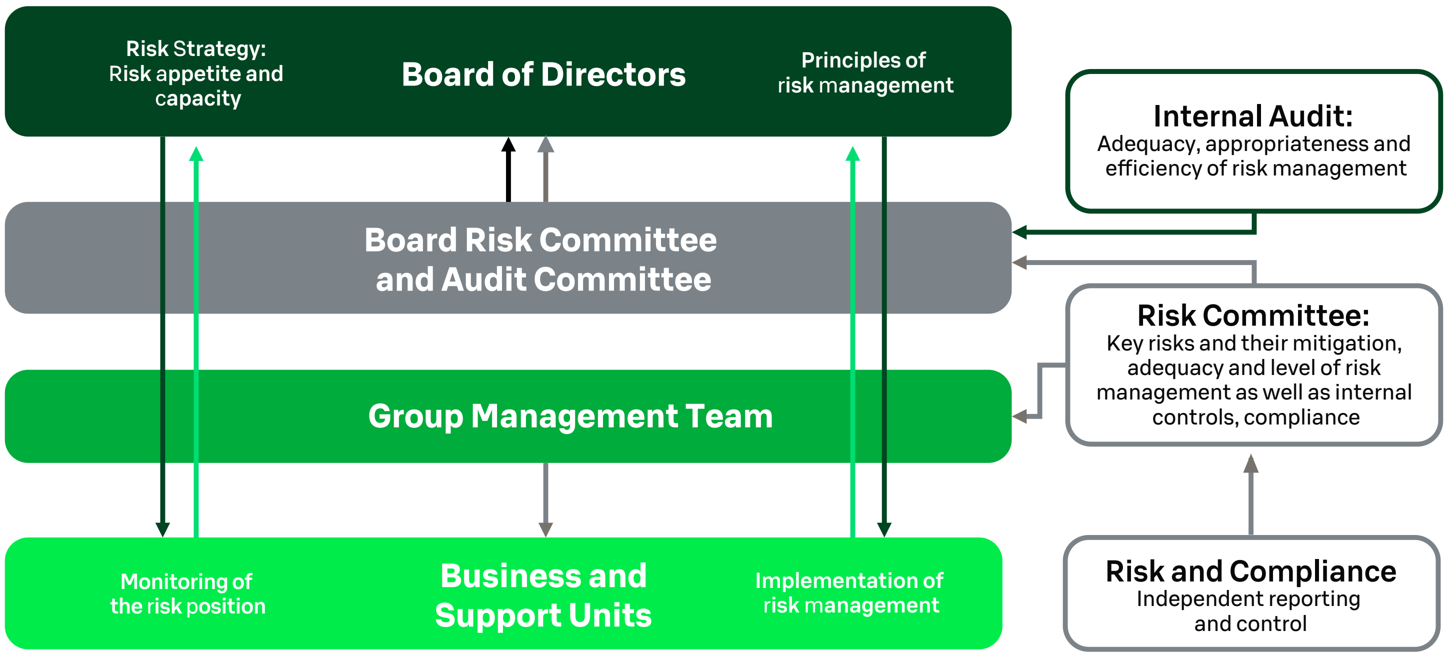
Risks are measured, monitored, controlled, and reported to ensure that S-Bank's Board and executive management have adequate and essential information on risks and their management. The risk position, risk management principles and their changes are reported to the Board regularly so that they can assess the amount of risk taking and the measures taken to control the risk level.

S-Bank's internal reporting process includes regular analyses of the achievement of the goals set by the board, in addition to financial and risk reporting. Regular reporting is supplemented as needed with separate deep dive analyses and other reports. Risk-taking in relation to the risk appetite and risk capacity is monitored regularly and assessed, for example, when updating the Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) and recovery plan, and when updating strategy or when deciding on significant business projects or investments for S-Bank.

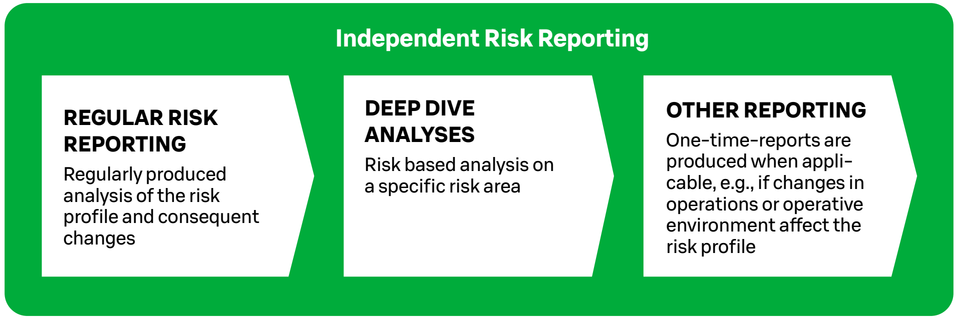
The independent control function, Risk and Compliance, is responsible for producing reports on the key risks and the level of risk management for S-Bank's executive management and the Board of Directors. In addition to regular reports, the aforementioned bodies are provided with a separate report and analysis if any major changes or deviations occur that may influence S-Bank's risk position or capital adequacy.

The Internal Audit function evaluates the processes concerning risks and capital management in accordance with its auditing plan. Internal Audit regularly reports on audit results, key audit observations, any operational improvement recommendations and compliance with the audit plan to the Audit Committee and the Board, as well as to other relevant bodies in the organisation.

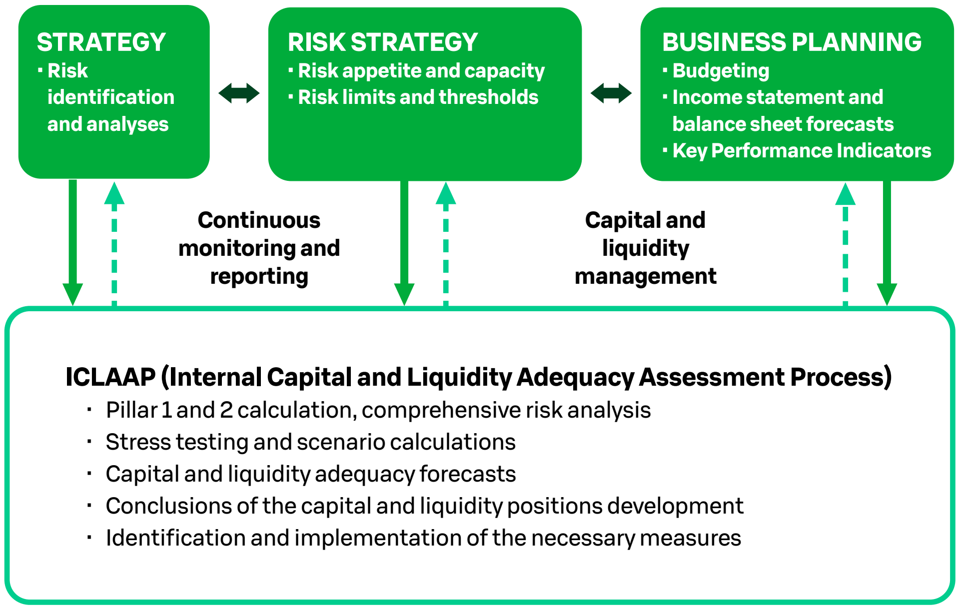
THE OVERALL RISK REPORTING IN S-BANK



INDEPENDENT RISK REPORTING



CAPITAL ADEQUACY AND LIQUIDITY MANAGEMENT FRAMEWORK



Capital adequacy and liquidity management

Capital adequacy and liquidity management are fundamental parts of the risk management process. The objective of sound capital and liquidity management is to ensure that S-Bank continuously has the appropriate capital and liquidity position required to achieve its strategic business goals. Furthermore, the aim is to ensure that S-Bank continuously has sufficient capital and liquidity buffers to guard against any unexpected events. Capital and liquidity management is based on a proactive approach that takes into account S-Bank's strategy, business plan and overall risk strategy.

ICLAAP process and economic capital

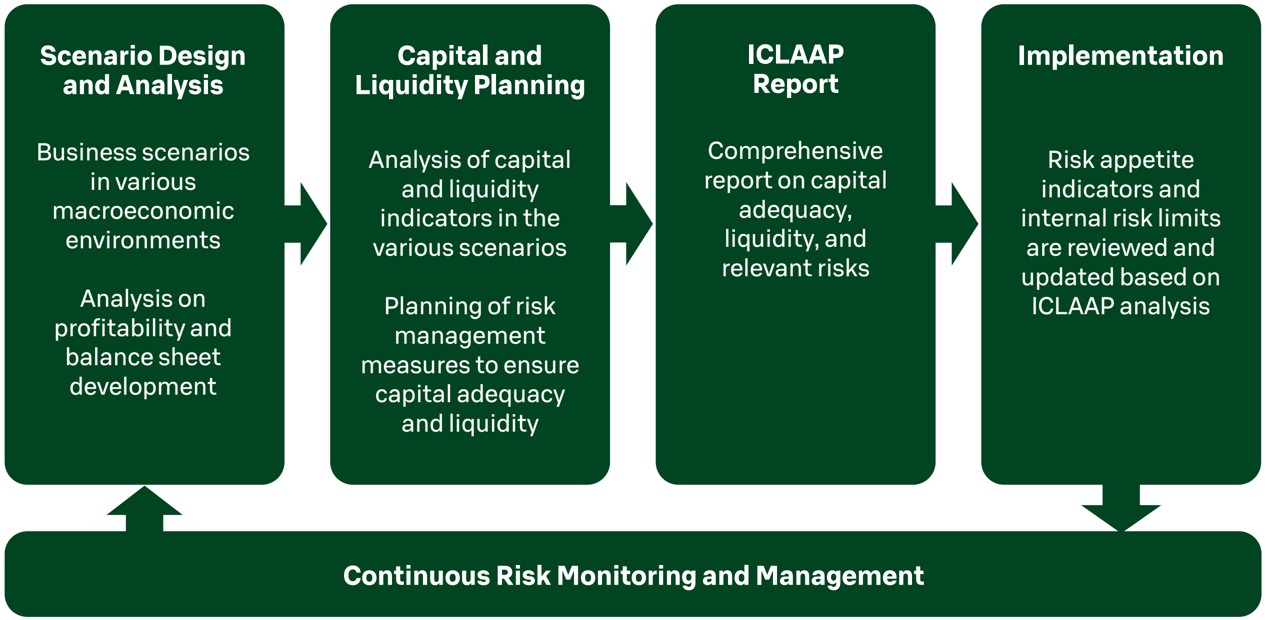
The results of the regularly performed ICAAP (Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process) are combined into a comprehensive ICLAAP report which S-Bank compiles at least annually and as often as necessary. The process begins with strategic analysis and comprehensive identification of risks associated with S-Bank's business. S-Bank utilises a variety of stress scenarios to estimate how potentially unfavourable developments could affect capital adequacy, profitability, and liquidity at the Group level as well as at an individual subsidiary level over a certain time frame. Factors taken into consideration include various development patterns in the business, macroeconomic and competitive environment. The process also includes forecasts of capital requirements, available capital as well as the impact of changes in regulation. Moreover, the scenarios include potential changes in S-Bank's business volumes and in the behaviour of its customers.

ICAAP provides a comprehensive overview of S-Bank's capital and risk positions in various stress scenarios. Based on the results of the stress scenarios, needed recovery options are identified and described, to ensure adequate level of own funds and capital adequacy position. Liquidity stress tests are conducted as a part of the ILAAP, which provides a comprehensive overview of the S-Bank's liquidity risk position in various stressed business and macroeconomic scenarios.

The purpose of liquidity stress testing is to ensure the adequacy of S-Bank's liquid assets to cover unexpected liquidity outflows and ensure that the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) maintain within the set risk appetite. S-Bank is prepared to withstand unexpectedly large cash outflows and recover its liquidity buffer under stressed conditions. The results of stress tests are used for managing liquidity, capital, profitability and asset and liability management as well as in setting the levels of risk appetite.

In 2024 S-Bank concentrated in ICLAAP process especially on identifying changes to the risk profile due to the Handelsbanken transaction under alternative negative scenarios.

ICLAAP PROCESS



Economic capital

Internal models as well as Pillar 1 calculation methods are used to determine the required amount of economic capital. For each of the major risks, the economic capital requirement is quantified as follows:

- the risk measurements already covered by Pillar 1 are reviewed and, where necessary, completed by economic capital adjustments.
- the risks not included in the Pillar 1 are subject to a specific calculation of economic capital needs, based on internal approaches.

During 2024 all the major risks identified during the risk identification process were taken into account for assessing the economic capital requirement. S-Bank notably measures market risks, interest rate risk in the banking book, business and strategic risk, concentration risk, credit risk, and operational risk with its internal models. S-Bank ensures that its own funds always cover the economic capital requirement, considering also the normative perspective of regulatory requirements.

Credit risk

S-Bank business activities focus on household lending including housing loans, credit cards and consumption loans. S-Bank's corporate portfolio focuses on secured lending to housing companies. S-Bank has a low credit risk profile in line with its conservative risk appetite. The low credit risk profile is sustained by prudent risk management and monitoring.

Credit risk refers to the risk of a counterparty failing to meet its contractual payment obligations, thus causing a credit loss to S-Bank. The risk may arise when granting of the credit was not based on correct and sufficient information, or if changes occur in the customer's financial situation or in the value of the collateral pledged by the customer over the lifetime of the credit.

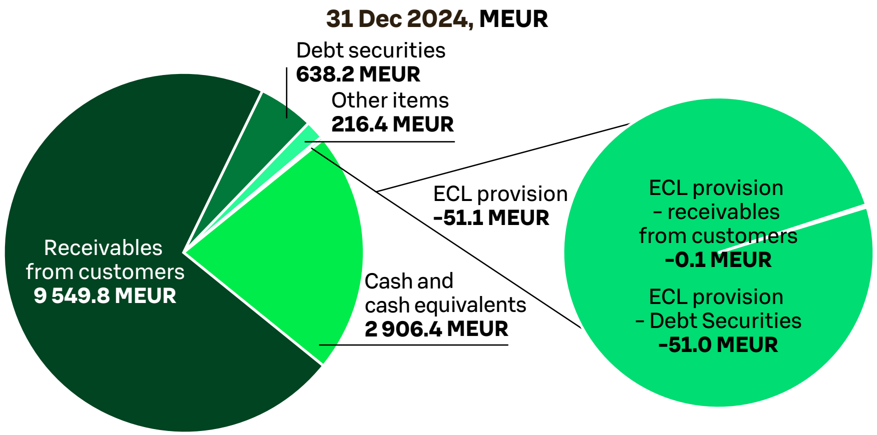
The Board of Directors approves principles and strategies for credit risk management, which are in line with good banking and lending practices and regulation. Credit risk strategy defines the target segments for lending, growth targets and allocation limits that are based on S-Bank's risk strategy and action plan which are derived from the strategy of S-Bank. The principles for credit risk management describes the principles of credit portfolio management, credit origination process, and collateral management for household and corporate customers. Credit risks arising from the investing activities are described and limited in the annual investment plan. Credit risk is managed by the business and support units within the principles and limits approved by the Board of Directors.

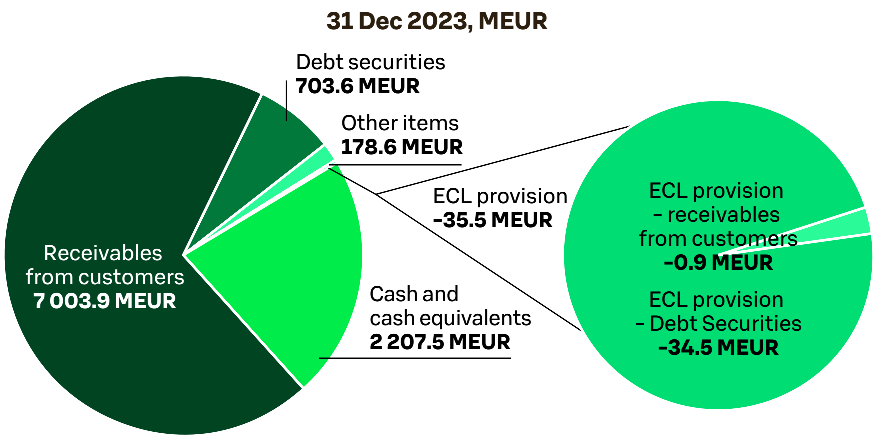
S-Bank's credit risk position

S-Bank's on-balance credit exposures consist mainly of receivables from customers, debt securities and cash. The gross carrying amount of these items was EUR 13 310.8 million (10 093.6) at the end of the financial year. The figure presents the on-balance sheet values of S-Bank's credit exposures, and the provisions related to their expected credit losses, which amounted to EUR 51.1 million (35.5). The primary source of the growth in credit exposures was the Handelsbanken transaction.

S-Bank's most significant credit risk exposure, 72 per cent (69) of the gross on-balance sheet carrying amount, consist of the item Receivables from customers. The item 'Receivables from customers' mainly consists of the carrying amount of loans to household and corporate customers, including their accrued interest. This item is also subject to the most significant ECL provision, and its distribution is illustrated in the adjacent figure. Most of the ECL provision is related to secured and unsecured household customer lending.

GROSS CARRYING AMOUNTS OF BALANCE SHEET ITEMS AND EXPECTED CREDIT LOSSES

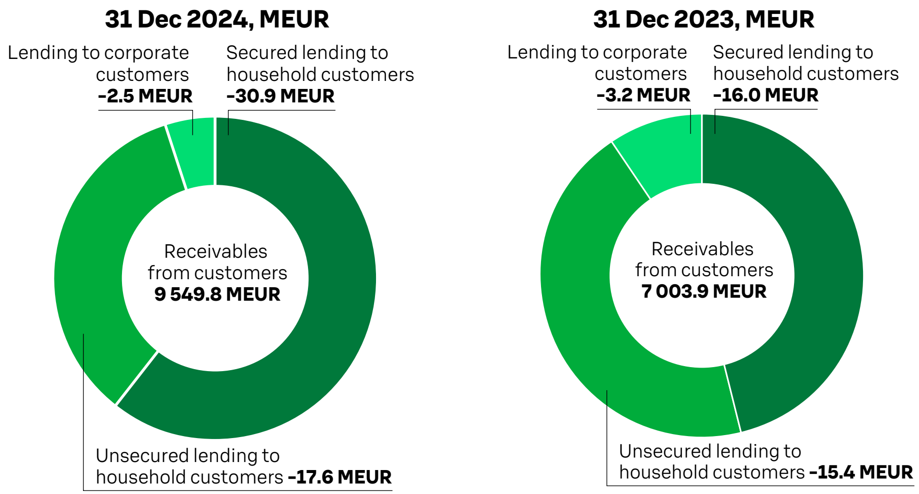




Expected credit losses of EUR 0.1 million (0.9) on debt securities are recognised through the fair value reserve, whereas the rest of the ECL, EUR 51.0 million (34.5), is deducted directly from the gross carrying amount of the item Receivables from customers.

The total provision for expected credit losses, including the ECL provision for off-balance sheet liabilities, increased to EUR 52.3 million (37.3) at the end of the financial year. The coverage ratio of the total portfolio was 0.42 per cent (0.37) and remained within the risk appetite defined by S-Bank's Board.

RECEIVABLES FROM CUSTOMERS AND EXPECTED CREDIT LOSSES RELATED TO THE ITEM BY CREDIT PORTFOLIO



Repayment holidays and changes to payment programmes

The volume of household customer loans subject to repayment holidays or other changes to the payment schedule was EUR 482.6 million (399.9), representing 5.8 per cent (6.9) of total household customer exposures. Repayment holidays deviating from the original payment plan have primarily been granted to household customers. S-Bank's corporate portfolio does not include any specific groups of customers or industries that have been granted repayment holidays or other changes to their original payment schedules.

Forborne exposures and non-performing loans

Forbearance measures refer to the restructuring of credit agreements (including repayment holidays), which is intended to help customers cope with temporary payment difficulties. The more detailed definition of forbearance is described in Group's note 1. When credit agreements are restructured, material regulatory requirements must be met, including the assessment of the customer's financial situation and a risk-based assessment of the application.

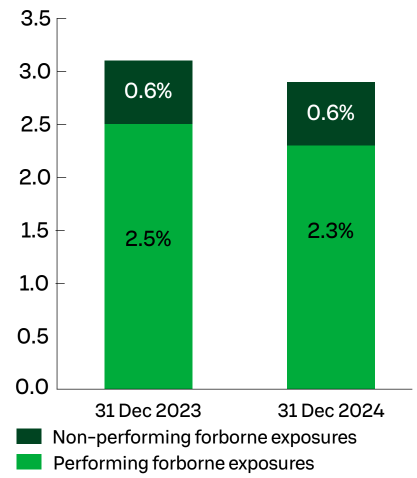
The uncertainty of the economic environment and increase in general price level has contributed to the growth of forbearance measures and non-performing loans. Gross forborne exposures in the balance sheet totalled EUR 275.9 million (215.5) at the end of the financial year.

The carrying amount of performing forborne exposures in relation to loans and advances was at the level of 2.3 per cent (2.5). The corresponding ratio of non-performing forborne exposures was 0.6 per cent (0.6).

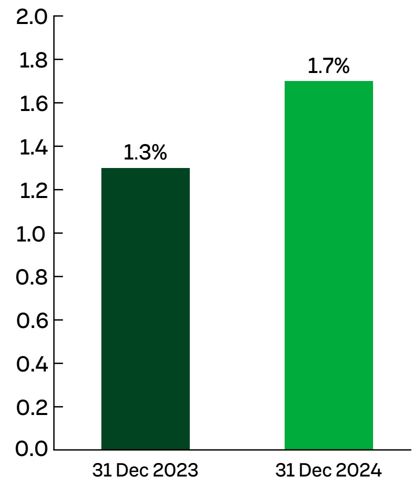
The amount of non-performing loans (NPL) in the balance sheet was EUR 164.3 million (92.6), of which corporate customers amounted to EUR 9.0 million (0.0). The NPL ratio, which describes non-performing exposures in relation to loans and advances, was 1.7 per cent (1.3).

S-Bank applies harmonized definition for the concepts of defaulted exposures, non-performing exposures and IFRS 9 -credit impaired exposures. The definition is described in further detail in Group's note 1.

FORBORNE EXPOSURES



NPL RATIO



Impairment of receivables

For S-Bank, the largest amount of credit losses is generated by household customers' unsecured credit, which is recognised as a credit loss at an early stage (within 4–7 months after the receivable is past due). However, collection agencies are still applying active measures to collect these debts, which will eventually reduce the amount of credit losses recognised in the income statement through recoveries. During the financial year, a total of EUR 33.5 million (22.0) in financial assets were written off as final credit losses that are still subject to collection measures.

The ECL numbers are discussed in more detail in Group's note 11. Measurement of the impairment and classification of financial instruments and the models for calculating credit losses are discussed in the Group's note 1.

Risk concentrations

Risk concentrations may arise from a concentration of S-Bank's exposure in certain customers, industries, geographical areas or against certain types of collateral. Concentration risks are managed through the set limits and are monitored regularly as part of the management risk reporting. Moreover, concentration risks are assessed through stress testing in the context of the capital and liquidity plan (ICLAAP) and they are taken into account in the calculation of the economic capital requirement (Pillar 2).

Individual large credit institution entities and corporate customer entities are the principal source of customer-related concentration risk. Customer-related concentration risks are managed by assessing the connections between corporate customers, setting limits on the exposures of customer entities, and monitoring the changes in these exposures, including the concentrations in loans granted to related parties. This risk is taken into account as part of S-Bank's assessment of its economic capital.

Majority of S-Bank's exposures are not classified by industry, as they consist mainly of household customers credits, which reduces industry concentration risk. Corporate lending is targeted mainly at financing of housing companies, in which the credit risk is divided among the shareholders of the housing company.

BREAKDOWN OF ON-BALANCE-SHEET AND OFF-BALANCE-SHEET EXPOSURES BY INDUSTRY

Exposures 31 Dec 2024 (EUR million)	Financial and insurance	Real estate	Wholesale and retail trade	Manufacturing	Professional, scientific and technical activities	Other industries	No industry	Total
Cash and cash equivalents	2 906.4	–	–	–	–	–	–	2 906.4
Receivables from credit institutions	21.6	–	–	–	–	–	–	21.6
Receivables from customers	71.2	1 138.6	0.3	0.3	8.7	5.6	8 274.0	9 498.8
Debt securities	562.0	8.7	–	33.8	0.9	22.6	–	628.1
Shares and interests	18.9	0.0	–	–	–	0.4	–	19.3
Derivatives	69.6	–	–	–	–	–	–	69.6
Other items	–	–	–	–	–	0.1	105.7	105.8
Off-balance sheet items	54.0	38.9	116.5	–	10.4	6.1	2 116.3	2 342.3
Total	**3 703.8**	**1 186.2**	**116.8**	**34.1**	**20.1**	**34.8**	**10 496.1**	**15 591.9**

Exposures 31 Dec 2023 (EUR million)	Financial and insurance	Real estate	Wholesale and retail trade	Public administration and defence, compulsory social security	Manufacturing	Other industries	No industry	Total
Cash and cash equivalents	2 207.5	–	–	–	–	–	–	2 207.5
Receivables from credit institutions	9.4	–	–	–	–	–	–	9.4
Receivables from customers	66.4	1 115.1	0.1	–	–	11.8	5 775.9	6 969.3
Debt securities	554.7	16.5	–	65.4	44.3	22.8	–	703.6
Shares and interests	18.5	–	–	–	–	0.4	–	18.9
Derivatives	33.8	–	–	–	–	–	–	33.8
Other items	10.5	–	–	1.3	–	–	104.7	116.5
Off-balance sheet items	58.3	75.9	116.6	–	–	15.2	2 050.3	2 316.3
Total	**2 959.1**	**1 207.6**	**116.6**	**66.7**	**44.3**	**50.2**	**7 930.9**	**12 375.3**

From a geographical perspective, the majority, about 96 per cent (96), of S-Bank exposures are in Finland, followed by the rest of the Nordic countries at about 2 per cent (2). The geographical concentration risk is not considered relevant, and no significant changes have taken place in the geographical distribution of exposures in relation to the previous year. The exposures outside Finland derive mainly from the investments of the Treasury portfolio.

Real estate collateral is S-Bank's most significant type of collateral from the perspective of concentration risks. As a significant part of the real estate collateral portfolio comprises housing, the price trends of housing affect S-Bank's risk position. Regional concentration risk within Finland is mitigated by diversification of the credit portfolio across large number of individual loans and collaterals due to broad customer base. The regional distribution of credit portfolio is guided by the credit risk strategy, in which mortgage credit granting is directed to the largest cities and their commuting areas. The credit risk strategy also guides portfolio allocation between different credit products. Collateral values also monitored and revalued during mortgage lifetime and collateral information is maintained to identify and manage possible collateral risk concentrations. Possible changes in immovable property collateral values are also considered as a part of stress scenarios.

Collateral and credit risk mitigation

S-Bank uses collateral and other credit risk mitigation arrangements in the credit risk management. Credit risk mitigation arrangements, in addition to collaterals, include mainly customary types of guarantees, such as government guarantees, institutional guarantees and personal guarantee commitments. The methods specified in the credit granting guidelines and credit risk management principles are used to ensure that the collateral and guarantees are acceptable, binding, comprehensive and realisable. The guiding principle is that credit may only be granted to customers with an adequate repayment ability, regardless of the value of possible collateral.

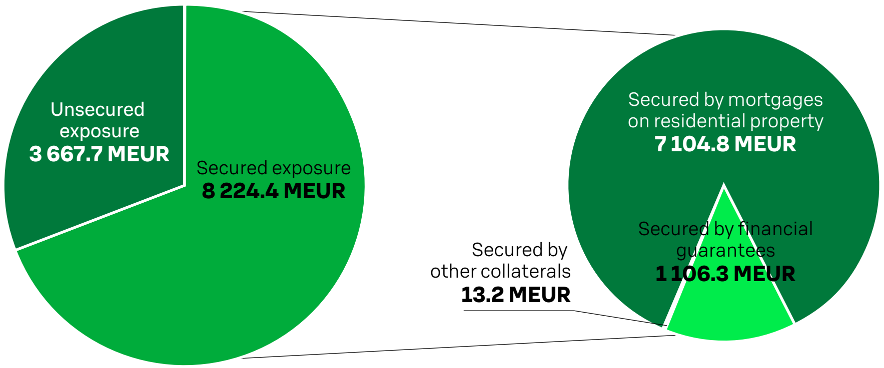
Depending on its type, collateral is measured at market value or fair value. A haircut is applied to the value of collateral in credit processes, and the amount of this haircut depends on various criteria. The values of real estate collateral are monitored and updated regularly over the lifetime of the credit. Statistical modelling method is used conservatively in determining the fair values of property collateral together with other methods. S-Bank does not take possession of collateral pledged to it. In the event of the non-performance of a receivable, the customer or the debt collection agency may sell the security to cover the remaining debt.

Expected credit loss calculations take into account the effect of guarantees and collateral and the uncertainties and costs associated with its liquidation through the parameters indicating the Loss Given Default (LGD) based on historical results. Immovable property collateral and unfunded credit protection (such as government guarantees for student and housing loans and S-Asuntotakaus guarantees provided by an external service provider for household customers' housing loans) are the principal credit risk mitigation factors used in capital adequacy calculation in accordance with capital requirements regulation. S-Bank also uses other collateral and guarantees to reduce its credit risk, but these are not taken into account in the capital adequacy calculation.

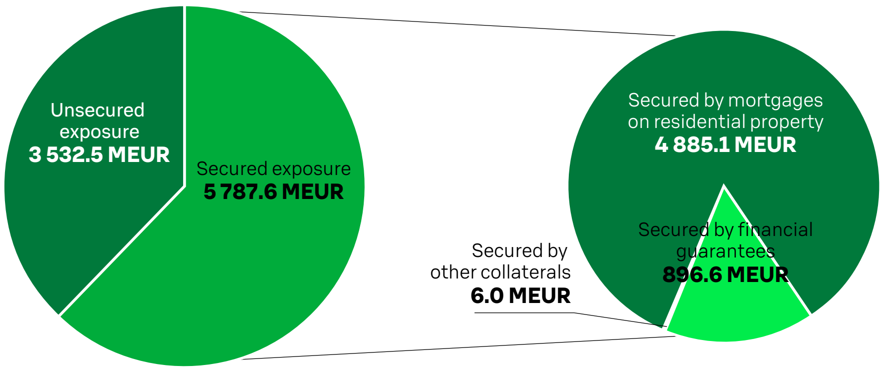
Approximately 69.2 per cent (62.1) of the gross carrying amount of 'Receivables from customers' and the related off-balance sheet commitments are secured by the collateral and guarantees used in capital adequacy calculation. Exposures secured by immovable property collateral account for approximately 86.4 per cent (84.4), whereas exposures secured by guarantees account for approximately 13.5 per cent (15.5) of the covered exposures. The Finnish government is the most significant individual guarantor. Guarantees also include guarantee insurance used to cover housing loans.

BREAKDOWN OF COLLATERAL AND GUARANTEES USED IN CAPITAL ADEQUACY CALCULATION

31 Dec 2024, MEUR



31 Dec 2023, MEUR



Distribution of Loan-to-Value (LTV) ratio describes remaining amount of household mortgage loans as a percentage relative to the value of the real estate collateral at the time of loan origination. Mortgage insurance for housing loans is included in the calculation. The loan-to-value ratio is regularly monitored based on the original and current value of the collateral.

LOAN-TO-VALUE (LTV) DISTRIBUTION OF HOUSEHOLD CUSTOMERS

LTV category 31 Dec 2024	Proportion of exposures
0 – 50%	22%
50 – 60%	15%
60 – 70%	20%
70 – 80%	26%
80 – 90%	13%
90 – 100%	2%
over 100%	1%
Total	**100%**

LTV category 31 Dec 2023	Proportion of exposures
0 – 50%	18%
50 – 60%	13%
60 – 70%	18%
70 – 80%	32%
80 – 90%	16%
90 – 100%	2%
over 100%	1%
Total	**100%**

The table Collateral associated with impaired exposures (stage 3) illustrates the quantitative data on the collateral held for credit-impaired financial assets (stage 3). The collateral fair value of stage 3 secured exposures exceeds the gross carrying amount of these exposures.

COLLATERAL ASSOCIATED WITH IMPAIRED EXPOSURES (STAGE 3)

Credit-impaired financial assets 31 Dec 2024 (EUR million)	Gross carrying amount	ECL provision	Net carrying amount	Fair value of collateral
Lending to household customers	155.1	21.3	133.8	251.7
Lending to corporate customers	8.9	1.0	8.0	18.0
Credit-impaired financial assets, total	**164.0**	**22.2**	**141.8**	**269.7**

Credit-impaired financial assets 31 Dec 2023 (EUR million)	Gross carrying amount	ECL provision	Net carrying amount	Fair value of collateral
Lending to household customers	92.4	15.7	76.7	124.8
Lending to corporate customers	–	–	–	–
Credit-impaired financial assets, total	**92.4**	**15.7**	**76.7**	**124.8**

Counterparty risk

S-Bank is exposed to counterparty risk arising from derivatives used by the bank to hedge the interest rate risk in the banking book. S-Bank uses the original exposure method referred to in the Capital Requirements Regulation to calculate the counterparty risk. The original exposure method takes into account the scaling factor in accordance with the Capital Requirements Regulation, the current replacement cost of derivative contracts and the potential future credit risk exposure. The counterparty risk is managed by means of netting agreements and by clearing the derivatives with a qualifying central counterparty. S-Bank enters into ISDA (International Swaps and Derivatives Association) and CSA (Credit Support Annex) agreements with its derivative counterparties. These agreements reduce the counterparty risk. The netting agreements specify the general terms and conditions related to derivatives and the collateral application methods between the counterparties. Derivatives and their risk management are discussed in more detail in section Market risk.

At the end of the financial year, the exposure value of the counterparty risk was EUR 25.8 million (10.1). The notional amount of derivatives increased during the year due to hedging of the issued bonds and as S-Bank started to hedge the interest income risk. The counterparty risk consisted of derivatives that are cleared through qualifying central counterparty (CCP) and bilateral derivatives. Bilateral derivatives are used for hedging the interest rate risk of issued covered bonds. The minimum capital requirement for counterparty risk increased due to the increase of the derivative exposures.

Derivative contracts also involve the risk of a credit valuation adjustment (CVA), which refers to an adjustment of the fair value of derivative contracts to account for the counterparty credit risk. The CVA includes the counterparty's credit margin and market risk factors, which influence the valuation of derivatives and, thus, also the risk. Due to the fact that the derivatives cleared with the CCP are not included in the CVA calculation, the CVA risk was at low level at the end of the financial year.

The accounting classification and valuation of derivatives is discussed in the Group's note 1. Derivatives and hedge accounting are also discussed in the Group's note 22 and in S-Bank's notes 16 and 17.

Monitoring and reporting of credit risk

Banking business units are responsible for credit risk management together with credit risk management unit. The business and support functions regularly monitor the fulfilment of the set objectives, the materialisation of risk levels, the distribution of the credit portfolio across different credit categories, the regional distribution of credit, risk concentrations, collateral values, realised margins, the performance of credit rating models, the consistency of the credit management processes, and non-performing loans and expected credit losses.

In addition, the Risk Control function monitors and ensures that the businesses operate in accordance with the overall risk strategy and the principles, limits and decision-making authorisations defined for each type of risk. Risk Control reports regularly on S-Bank's credit risk profile and on the performance of risk management to S-Bank's management, the Risk Committee, the Board Risk Committee and the Board of Directors.

Liquidity risks

Liquidity risk refers to the risk that the bank is unable to meet its payment obligations in due time or that it will be forced to fund its liquidity obligations at an unfavourable cost. Liquidity risk consists of shorter-term liquidity risk and funding risk, i.e. longer-term uncertainty about the stability, quality and availability of funding. In addition, the adequacy of collateral required for funding is part of the liquidity risk management. The reasons behind the materialisation of a liquidity risk may be specific to the bank or to the market.

S-Bank is exposed to liquidity risk in customer lending, deposits, investment activities and funding. S-Bank's most significant liquidity risk factors are deposit flight in different customer segments, a sudden increase in the utilization rate of financing limits, rapid increase of loan receivables, decrease of the market value of liquidity portfolio investments, weakening of the availability of market-based funding and an increase in possible collateral requirements. S-Bank's liquidity position is strong, and the liquidity risk appetite set by the Board of Directors is conservative.

Managing liquidity risk

Liquidity position is maintained with active risk management and continuous monitoring. Treasury function's main objective in investing activities is to ensure that the liquidity position is continuously above the minimum regulatory requirements and the internal limits. Liquidity risk management is based on ensuring that the amount of S-Bank's liquid assets exceed the liquidity net outflows in normal and stressed operating environments in the short term (0–2 days), the medium term (0–30 days) and the long term (more than 30 days). The LCR and internal liquidity indicators are used to monitor S-Bank's liquid assets and to manage short, medium and long-term liquidity risk. The NSFR, a longer-term liquidity indicator, is used to measure structural liquidity risk in the banking business.

The distribution of financial liabilities based on contractual maturities is weighted towards the 0–3 month maturity bucket, due to the fact that S-Bank's funding is based on deposits by household customers (Group's Note 16). From a liquidity risk perspective, however, these deposits are stable source of funding, as, according to depositor behaviour statistics, their maturity is considerably longer than one month. The maturity of derivative liabilities is focused on the 1–5 year bucket.

Liquidity risk concentrations arise from concentrations in the customer segments with deposits and financing limits, and also in the liquidity buffer. Liquidity concentration risks associated with customer segments are managed by segment-specific outflows in accordance with both the internal model and the LCR. The growth of risk concentrations in the liquidity risk segment is always taken into account by reserving more liquid assets to cover the increased concentrations. In turn, any concentration in the liquidity buffer is limited by counterparty-specific limits and requirements relating to the structure of the buffer in compliance with the LCR regulations.

S-Bank's internal liquidity modelling is an integral part of the annual liquidity adequacy assessment process (ILAAP). In this process, scenario analyses are used to prepare forecasts of changes in S-Bank's liquidity position in various stressed business and market scenarios and assess the impact of these changes on the liquidity indicators. The results of the process are reported to the management and Board of Directors of S-Bank. Liquidity stress tests are discussed in the section 'Capital adequacy and liquidity management'. S-Bank's liquidity management includes a liquidity continuity plan, which determines the measures needed for preserving an adequate liquidity position in normal and stressed market environments.

The management of S-Bank's liquidity risk has been delegated to the Treasury unit, which is responsible for the short-term adequacy of the bank's liquidity and stable funding. The minimum requirements for liquidity management include, in addition to the liquidity coverage requirement (LCR) and the net stable funding requirement (NSFR), also the fulfilment of the central bank's minimum reserve requirement. In addition, liquidity management includes collateral management, i.e. ensuring that S-Bank has an adequate number of eligible liquid securities at its disposal to cover the collateral required by various business operations.

S-Bank's liquidity risk position

S-Bank's liquidity position strengthened during the review period. The liquidity coverage ratio (LCR) was 285 per cent (257). The LCR liquidity buffer consists of unencumbered, high-quality liquid assets that can be monetised in a timely fashion, of which 95 per cent (93) are very high-quality Level 1 assets and 5 per cent (7) are Level 2 assets. The total amount of liquidity buffer increased during the period and the biggest change happened in the amount of central bank deposits.

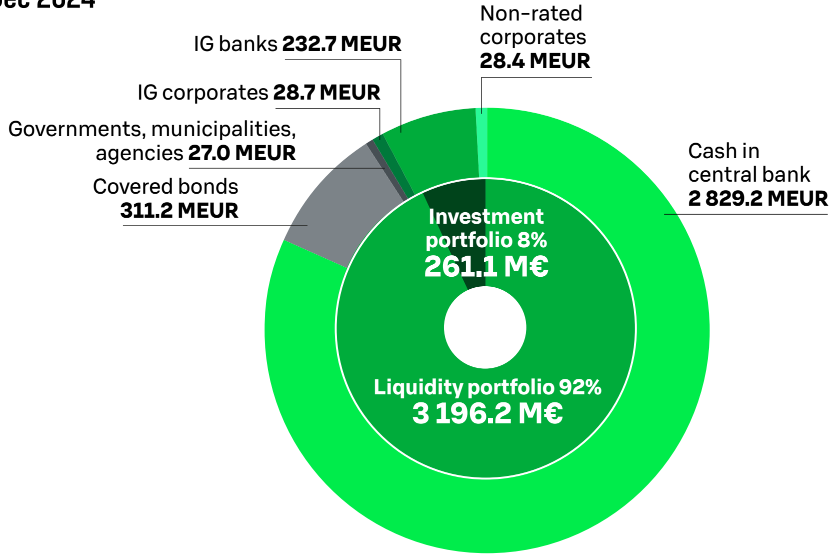
The Treasury portfolio consists of the liquidity portfolio (LCR liquidity buffer) and the investment portfolio. The following figures illustrate the distribution of the investment and the liquidity portfolios by investment instrument and industry. The total amount of the portfolio was EUR 3 457.3 million (2 792.4). The increase in the total portfolio concentrated in the amount of central bank deposit.

MAIN ITEMS FOR THE LIQUIDITY COVERAGE RATIO

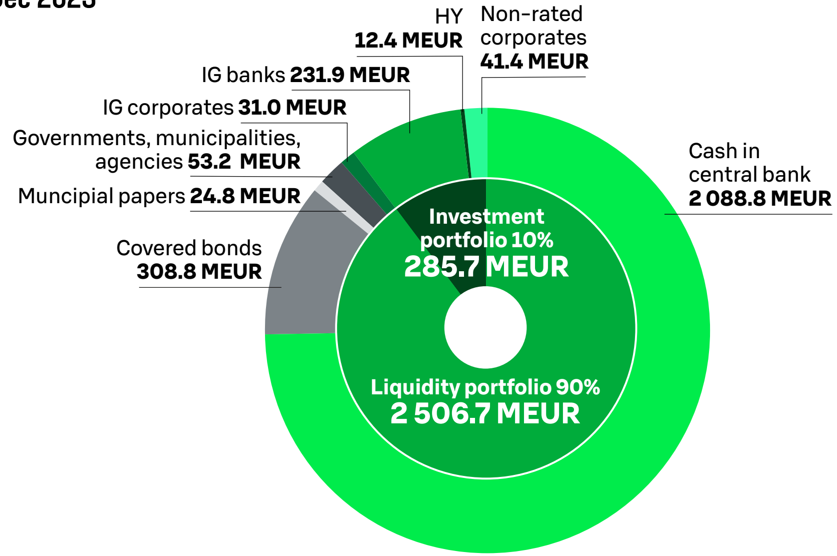
	31 Dec 2024		31 Dec 2023	
Liquidity Coverage Ratio (LCR) (EUR million)	**Market value**	**Buffer value**	**Market value**	**Buffer value**
Level 1a	**2 856.2**	**2 856.2**	**2 166.8**	**2 166.8**
Assets from regional governments or local authorities	10.6	10.6	55.7	55.7
Funds from central administrations	16.4	16.4	22.3	22.3
Central bank reserves available for withdrawal	2 829.2	2 829.2	2 088.8	2 088.8
Level 1b	**157.0**	**146.0**	**137.7**	**128.1**
Extremely high-quality covered bonds	157.0	146.0	137.7	128.1
Level 2A	**154.3**	**131.1**	**171.1**	**145.5**
High-quality covered bonds (third country, CQS1)	126.8	107.8	127.4	108.3
High-quality covered bonds (CQS2)	27.5	23.4	43.8	37.2
Corporate bonds (CQS1)	–	–	–	–
Level 2B	**28.7**	**14.4**	**31.0**	**15.5**
Corporate bonds (CQS2 and CQS3)	28.7	14.4	31.0	15.5
Total	**3 196.2**	**3 147.7**	**2 506.7**	**2 455.9**
Liquidity outflows, total		**1 181.3**		**1 028.0**
Liquidity inflows, total		**78.3**		**70.9**
Liquidity Coverage Ratio (%)		**285%**		**257%**

BREAKDOWN OF THE LIQUIDITY AND INVESTMENT PORTFOLIOS BY INVESTMENT INSTRUMENT

31 Dec 2024

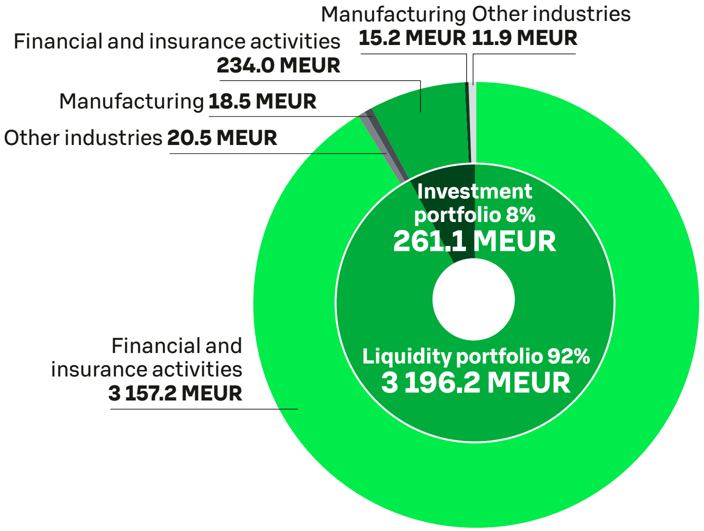


31 Dec 2023



BREAKDOWN OF LIQUIDITY AND INVESTMENT PORTFOLIOS BY SECTOR

31 Dec 2024



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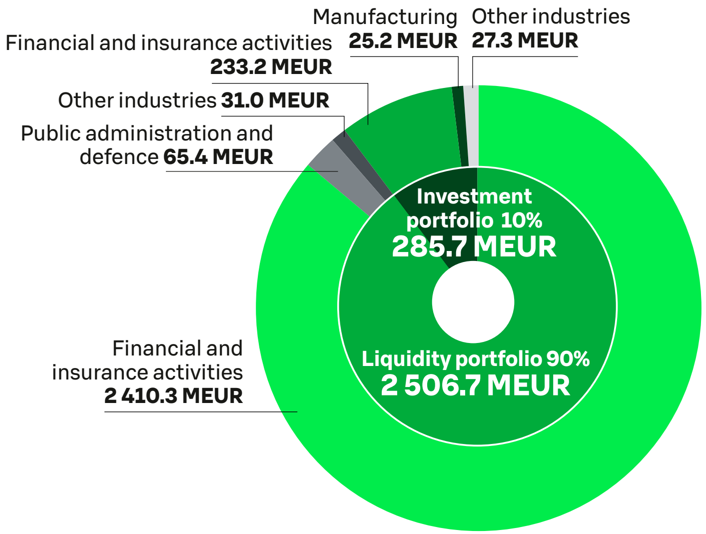


The net stable funding requirement (NSFR) measures the adequacy of the bank's structural liquidity and stable funding. The increase in available stable funding items is explained by the growth of the household customer deposit portfolio and the raised funding. Items requiring stable funding were increased primarily by the growth in lending. The main items of the NSFR ratio increased especially due to the Handelsbanken transaction. S-Bank's NSFR ratio is generally stable and strong.

MAIN ITEMS FOR THE NET STABLE FUNDING REQUIREMENT

Net stable funding ratio (NSFR)	31 Dec 2024 Buffer value	31 Dec 2023 Buffer value
Available stable funding, total	11 088.3	8 882.0
Required stable funding, total	7 111.2	5 404.4
Net Stable Funding Ratio (NSFR)	155.9%	164.3%

Funding structure

S-Bank's funding is primarily based on the deposit portfolio and thus the main sources of funding are the deposit and savings accounts of its household customers. S-Bank has a bond programme, under which the bank can issue senior preferred MREL eligible notes, covered bonds and additional tier 1 capital notes. Under the bond programme, S-Bank has issued covered bonds for nominal value of EUR 1 000 million and senior preferred MREL eligible bonds for nominal value of EUR 684 million. Bank has bilateral funding for the nominal amount EUR 590 million. Other sources of funding include the Treasury unit's wholesale market deposits from companies and other credit institutions, as well as certificates of deposits.

S-Bank's funding structure totalled to EUR 13 249.6 million (10 059.0) at the end of 2024. Deposits from household customers grew, and S-Bank issued several bonds during the year. Although S-Bank's funding is focused on household customer deposits, it is diversified because individual deposits are typically small.

During the financial year, S-Bank issued a Senior Preferred bond valued at EUR 300 million, a covered bond valued at EUR 500 million and an increase of EUR 100 million to the original amount of its bond (tap issue). S-Bank made also a tender offer and bought back in aggregate nominal amount EUR 86.1 million of Senior Preferred bonds. In addition, S-Bank strengthened its own funds with a directed share issue of EUR 200 million and raised EUR 590 million in bilateral funding.

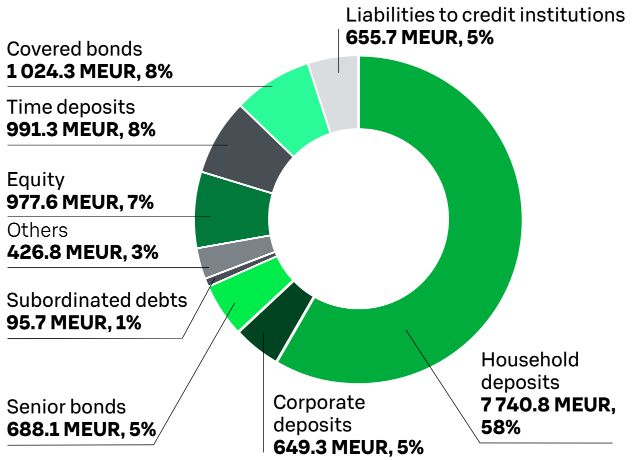
Monitoring and reporting

S-Bank measures liquidity by using the LCR and the NSFR ratios defined by the authorities and its internal indicators. The risk appetite framework is used to ensure that the liquidity position always meets internal limits and the minimum regulatory requirements.

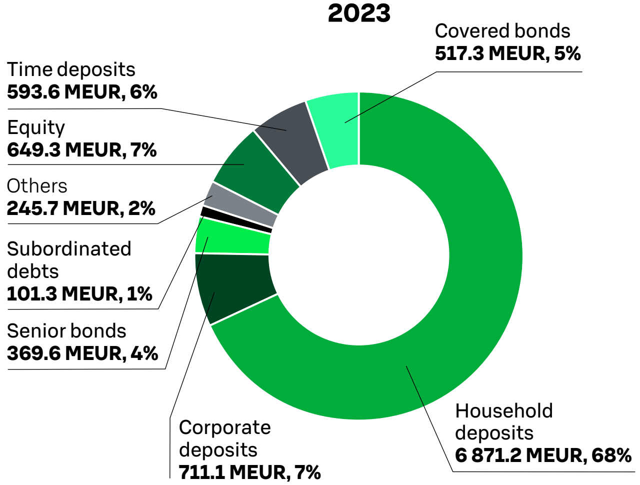
Liquidity and refinancing risks are monitored daily by a cash flow forecast and by LCR and survival horizon indicators. Monthly reporting includes, in addition to the indicators in the daily monitoring, NSFR ratio, asset encumbrance ratio and funding structure indicators. Risk Control assesses the management of S-Bank's liquidity risks, as well as validates the

FUNDING STRUCTURE

2024



2023



models used for liquidity risk. The key aspects of the liquidity risk are reported to S-Bank's management, the Management Risk Committee, the Board Risk Committee and the Board of Directors.

Market risk

In general, market risk refers to the impact of changes in securities prices, market interest rates, exchange rates or the market value fluctuation of balance sheet items on the bank's profit and capital adequacy. The market risk of S-Bank's banking business mainly consists of the structural interest rate risk of the banking book and the spread risk of debt securities. S-Bank's banking business is not significantly exposed to other direct market risks, such as equity, foreign exchange or real estate risks.

The aim of S-Bank's market risk management is to manage unexpected changes in the bank's profits and capital adequacy as a result of fluctuations in market prices and to optimise the return on equity within the scope of the risk appetite. Monitoring and prediction of the external business environment are particularly emphasised in market risk management. Market risk management is based on a conservative risk appetite and the risk limits derived from it, which are monitored and reported actively to the management of S-Bank. The Board of Directors has set a maximum limit for the economic value risk (EV for instruments measured at fair value), the net interest income risk for the whole banking book and the spread risk of debt securities.

Market risks are assessed from the perspective of the economic value and interest income risk of the banking book and the spread risk. Market risks are measured by means of sensitivity figures, allocation, stress tests and scenario analyses. The impacts of changes in the interest rate curves on the interest rate risk exposure of S-Bank are monitored daily, using the net present-value method for balance sheet items measured at fair value, and also monthly or more frequently if necessary, using the earnings-based risk (NII) and other economic value risk (EV) methods. Additionally, the interest rate risk in the banking book is monitored by means of interest rate gap analysis, in which liabilities and receivables are grouped over time periods on the basis of their interest rate fixings. Market risk concentrations are managed by means of limits that are set at the Group and business unit levels and are determined as market risk-sensitivities or maximum amounts in monetary terms. The Treasury unit is tasked with the day-to-day management of the Group's market risks within the scope of its authorisations.

The amount of items allocated to the small trading book, in accordance with the Capital Requirements Regulation, has been very low due to the risk appetite limits, and therefore S-Bank is not subject to the Pillar 1 capital requirement for market risk. Market risk is measured using internal risk models as part of the Pillar 2 economic capital requirement. The aforementioned types of market risk, as well as the diversification benefits that reduce their overall market risk, based on their correlations, are taken into account in the internal capital and liquidity adequacy assessment process (ICLAAP).

Interest rate risk in the banking book

Most of S-Bank's market risk arises from the interest rate risk in the banking book (IRRBB). The interest rate risk in the banking book consists of lending and borrowing, investments and funding. S-Bank uses derivatives to hedge the interest rate risk in the banking book and has started to hedge the interest income risk during the review period. Derivatives and hedge accounting are described in the Group's note 22.

The structural interest rate risk in the banking book arises from differences between the interest rate fixings and maturities of assets and liabilities, which is why the future net interest income of the banking business (net interest income (NII) risk) and the net present value of the balance sheet (economic value (EV) risk) are not entirely foreseeable. The NII risk and the EV risk measure the risks from different perspectives. The EV risk measures the change of the net present value of liabilities and receivables on the balance sheet, i.e. the change of theoretical economic value of equity. The net interest income risk is calculated as the effect of one percentage point sudden decrease on the net interest income for the next 12 months including market value changes. The interest income risk in the -100bps scenario was EUR -29.1 million (-7.7) of which the risk of market value changes was EUR 1.8 million. The interest income risk increased during the review period which was mainly due to the modelling change related to deposit rates and the decrease of market interest rates. S-Bank calculates the EV risk for items measured at fair value in addition to the whole banking book. Rapid and even momentary changes in the interest rate curve may result in an immediate loss on items measured at fair value, which is reflected as a change either in the fair value reserve or in the result. In the +100bps interest rate scenario, the interest rate risk of the items measured at fair value was EUR -4.9 million (-4.6).

Managing interest rate risk

The interest rate risk is managed by planning the balance sheet structure, interest rate linkages as well as through interest rate derivatives. The objective of hedging interest rate risk is to balance the variation of the net interest income or market values between different interest rates. The Board of Directors has set a maximum limit for the economic value risk (EV for instruments measured at fair value) and net interest income risk for the whole banking book. The Treasury unit is responsible for the operational management of interest rate risks.

The table below illustrates the sensitivity of the economic value of equity and net interest income in positive and negative interest rate scenarios. The sensitivity analysis reflects the effect of the one-percent parallel-level change of the applicable market interest rate curve on the balance sheet items for all maturities of the interest rate curve when regulatory floors are applied for the rate curves. EV sensitivity is calculated using run-off balance sheet assumption and NII sensitivity is based on dynamic balance sheet assumption and 12-month horizon. The change in EV sensitivities was mainly due to the increase of interest rate derivatives. The NII sensitivity increased significantly which was mainly due to the modelling change related to deposit rates. The increase in -100 basis points scenario sensitivity was also influenced by the decline of market interest rates which reduces the interest rate sensitivity of deposits. The overall impact of the Handelsbanken transaction on interest rate sensitivities was not major.

The following table illustrates the sensitivity of the economic value of items measured at fair value on the balance sheet in a scenario that applies a one-percent parallel-level change to all maturities of the interest rate curve.

SENSITIVITY ANALYSIS FOR THE INTEREST RATE RISK IN THE BANKING BOOK

(EUR million)	31 Dec 2024	31 Dec 2023
Economic Value (EV) risk		
+100 basis points	-2.5	28.3
-100 basis points	5.4	-26.1
Net Interest Income (NII) risk		
+100 basis points	10.2	7.3
-100 basis points	-29.1	-7.7

SENSITIVITY ANALYSIS FOR THE INTEREST RATE RISK IN THE BANKING BOOK, INSTRUMENTS MEASURED AT FAIR VALUE

Economic value (EV), instruments measured at fair value (EUR million)	31 Dec 2024	31 Dec 2023
Interest rate shock	Sensitivity	Sensitivity
+100 basis points	-4.9	-4.6
-100 basis points	5.0	4.7

Spread risk

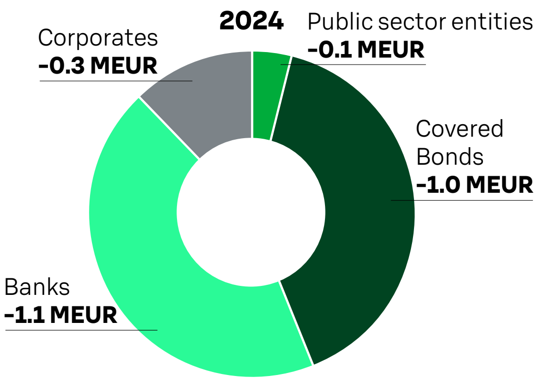
The debt securities within Treasury's portfolio are subject to a credit spread risk. The spread risk is related to changes in the market's general opinion of the creditworthiness of an investment instrument's issuer, or to an unfavourable shift in the general market sentiment towards investments that involve a credit risk, as a result of which investments depreciate in value. The development of the spread risk is monitored regularly as part of day-to-day interest rate risk reporting.

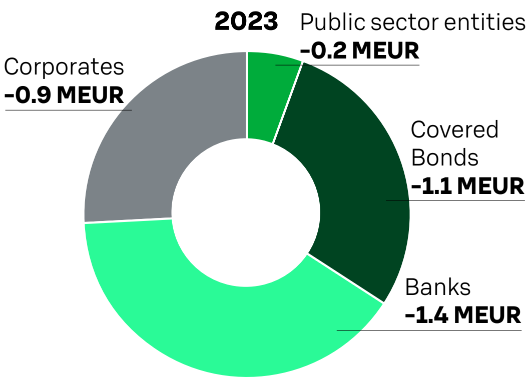
The spread risk is measured in accordance with S-Bank's internal risk model and EBA's CSRBB guidelines. The spread parameters used in the spread risk model are based on historical spread changes. The model applies a 12-month observation horizon and a 99.5 per cent confidence level. The internal risk limit and the economic capital requirement for spread risk are calculated based on the internal spread risk model.

S-Bank's Board of Directors has set a maximum amount for the spread risk. Counterparty limits are defined by assessing the credit risk of counterparties, mainly on the basis of credit ratings provided by credit rating agencies. Investing activities are cautious, and assets are invested in liquid securities with a good credit rating.

The following figure illustrates the exposure to the spread risk of debt securities, which, according to the internal risk model, totalled EUR -2.6 million (-3.6) at the end of the financial year. The change is due to the decrease in the amount of Treasury portfolio's debt securities.

BREAKDOWN OF SPREAD RISK





Other market risks

The Group's banking book also includes minor amount of direct equity, foreign exchange and real estate risks. Risk-taking is managed by means of limits on risk appetite, and the risks are kept low. Equity and fund risks arise as part of the Treasury unit's investing activities. Changes in the market prices of equities and mutual funds are recognised through profit or loss.

S-Bank may be exposed to foreign exchange risks as part of its investing activities and in connection with the use of foreign exchange accounts. The Board has set a moderate foreign exchange risk limit on the total net position and, in general, currency risks are hedged.

Monitoring and reporting

S-Bank's Treasury unit monitors the market risk on a daily basis and the Asset and Liability Management Committee is responsible for the operational measurement, monitoring and reporting of market risks in accordance with the procedures agreed within the organisation. Risk Control also monitors market risk exposures on a daily basis. In addition, the Risk Control function supervises the management of S-Bank's market risks and validates the models used for market risk. The most important elements related to market risks, the effectiveness of risk management and the impact of risks on capital adequacy are reported to S-Bank's management, the Risk Committee, the Board Risk Committee and the Board of Directors.

Operational risks

Operational risk refers to the possibility of losses arising from unclear or inadequate processes, deficient systems, actions by the personnel, or external factors. The consequences of realised operational risks may include financial losses or a deterioration in S-Bank's reputation and its esteem and trustworthiness in the eyes of the public. Operational risks at S-Bank include internal and external malpractice, problems related to personnel and occupational safety, property damage and external events, disruptions and interruption damage related to the IT system and issues with processes.

S-Bank's realised operational risks during 2024 were mainly impacted by external fraud, system failures and disruptions, fraud and process related deviations. Realised losses from operational risk amounted to EUR 1.83 million (1.43) in 2024.

The objective of S-Banks operational risk management is to avoid financial losses and negative reputation by identifying operational risks and the required controls. In order to secure business continuity, S-Bank is identifying possible disruptions in advance and either limits the duration or the impact of the distruption.

Operational risk management supports compliance with S-Bank´s values and strategy, good banking and lending practices, and good securities market practices. The risk management process covers all material operational risks related to business operations.

To support the achievement of S-Bank's objectives, risk management is conducted throughout the organisation using the following measures:

- Identifying, measuring, monitoring and reporting all of S-Bank's material operational risks and their effects on the risk capacity and risk appetite.
- Determining methods for risk management and ensuring that they are effective, appropriate, cost-efficient and adequate, while taking account of S-Bank's risk appetite and internal control measures.
- Properly protect S-Banks information and ICT assets (ICT = information and communication technology) from risks, damage, and unauthorized access and use, thereby striving to maintain a high level of availability, authenticity, integrity, and confidentiality of information assets.
- Utilize effective means to detect disruptions, abnormal activities, and deficiencies as quickly as possible and respond to disruptions, abnormal activities, and deficiencies promptly, efficiently, and comprehensively.
- Prepare for serious disruptions and deviations through impact analyses and continuity plans and test them regularly to ensure operational capability.
- Ensure sufficient competence of management and staff, risk management resources (personnel, financial, and technical resources), application of best practices, and continuous increase in risk awareness.
- Integrating risk management into S-Bank's management system, decision-making and operating methods.

The identification and assessment of operational risks also considers risks associated with outsourcing. S-Bank's operational risk management also involves various procedures that aim to identify, assess and manage risks. New products and services are approved in accordance with a specific approval procedure before they are adopted or offered to the customers. A similar procedure is used to approve new counterparties and contractual partners before S-Bank starts cooperating with them. Continuity plans are prepared in case there are major disturbances in operations. Realised operational risks are managed by means of procedures for incident management. S-Bank prepares for potential operational risks by arranging insurance against damage caused by misuse or criminal activity and damage to property, for example.

The Operational Risk Control function, which is independent of S-Bank's business operations, supervises and assesses the scope, adequacy and effectiveness of S-Bank's operational risk management in a comprehensive manner. The Operational Risk Control function supports the implementation of risk management within the organisation and ensures that all risks are identified and assessed and that appropriate and adequate procedures are in place for managing risks. The function also maintains and develops methods for measuring, assessing and reporting risks, and supports the business units in identifying and managing risks.

Monitoring and reporting

S-Bank monitors and supervises its operations continuously at various levels of the organisation. Each employee is responsible for the implementation of risk management within their own area of responsibility and for reporting any deviations relating to operational risks.

S-Bank employs an operating model and reporting system for managing realised operational deviations. Notifications are made of any situations or events that hamper ordinary operations, or that violate regulatory requirements or S-Bank's guidelines. Actions by contracting parties or subcontractors that adversely affect S-Bank's operations are also considered to be deviations. The notifications must describe the reasons causing the event and assess the impacts of the event and the possible costs arising from it. If necessary, plans are made and procedures are determined in order to prevent similar events in the future. Moreover, S-Bank has an internal whistleblowing channel through which employees can report violations confidentially.

The Operational Risk Control function regularly reports on S-Bank's most significant realised operational risks, and on the level of risk management, to S-Bank's senior and executive management and to the authorities.

Compliance risks

Compliance risk is defined as the risk of non-compliance with regulations, regulatory obligations, internal instructions, or ethical practices. Compliance risks are classified as qualitative risks together with above-mentioned operational risks. The consequences of realised compliance risks often overlap with actual operational risks.

The purpose of compliance risk management is to ensure regulatory compliance. The operations of, and the decisions made by, S-Bank must comply with the Bank's ethical values and must not harm the Bank's reputation. Decisions must be made in accordance with the approved powers and procedures defined in the code of conduct adopted by the S-Bank Board of Directors and the Group Management Team and in other documents guiding decision-making.

Monitoring and reporting

The regulatory compliance is assessed through three lines of defence. Within the first line of defence, S-Bank has business and support functions, where each employee is responsible for operating according to regulation and internal instructions, carry out internal controls and agreed compliance reporting practices.

Within the second line of defence, the Compliance function monitors the regulatory compliance, provides recommendations, and follows up regularly them to ensure they're implemented as planned. Compliance function has a risk-based annual monitoring plan approved by the Board of Directors. The Compliance function has an important role in continuously assessing compliance risks and reporting them to the Board of Directors and the senior management.

The Internal Audit function, within the third line of defence, assesses the adequacy of internal control and risk management, including compliance risks, as part of the annual audit plan.

Sustainability risk

Sustainability risk is defined as an environmental, social or governance event or circumstance the occurrence of which could have an actual or potential adverse material effect on the value of an individual financial instrument or, more broadly, on the value of the bank. Sustainability risks can be divided into environmental, social and governance risks and can materialise in the short, medium or long term.

In its 2024 financial statements S-Bank reports on its sustainability risks for the first time according to the EU sustainability reporting standards in the Annual Report. Sustainability report describes environmental, social and governance impacts, risks and opportunities in S-Bank's own operations and along the upstream and downstream value chain over short, medium and long term.

S-Bank reports items related to financial activities in its financial statements in accordance with EU taxonomy (EU Taxonomy Regulation, EU 2020/852) in the Annual Report section 'Responsible financing'. S-Bank reports items related to financing activities in its financial statements in accordance with the EU Taxonomy Regulation (EU 2020/852) in the Responsible Financing section of the report. In terms of S-Bank's lending, financing housing and residential construction are significant for the EU taxonomy.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

GROUP'S NOTE 3: SEGMENT REPORT

The S-Bank Group's operating segments are Banking and Wealth Management. Operations that do not fall under these business segments are reported under 'Other activities'. The Group reports segment data in accordance with the IFRS 8 Operating Segments standard. The reporting of business segments is identical to the internal reporting provided to company management. The S-Bank Group's highest executive decision-maker is the Group Management Team.

Banking is responsible for producing the S-Bank Group's banking services for household and selected corporate customers. The products and services offered by Banking include those required for daily banking and the financing of purchases. Banking also includes the Group's treasury.

Wealth Management is responsible for producing the S-Bank Group's asset management services and for its customer relationships and business development. The segment offers saving and investing services to household customers, private banking services and services to institutional investors.

INCOME STATEMENT FOR SEGMENTS

2024 (EUR '000)	Banking	Wealth Management	Other activities	Eliminations	Group, total
Net interest income	305 933	1 587	-629		306 891
Net fee and commission income	53 327	39 396	0		92 723
Net income from investing activities	-739	17	0		-722
Dividends	52		33		86
Other operating income	19 897	196	32 597	-12 693	39 996
Total income	**378 469**	**41 196**	**32 001**	**-12 693**	**438 973**
Total expenses *	**-185 395**	**-44 419**	**-13 954**	**12 693**	**-231 075**
Impairment of receivables	-42 678				-42 678
Share of the profits of associated companies				-2	-2
Operating profit (loss)	**150 396**	**-3 223**	**18 047**	**-2**	**165 218**

External income from Banking was EUR 370 646 thousand and from Wealth Management EUR 39 642 thousand.

2023 (EUR '000)	Banking	Wealth Management	Other activities	Eliminations	Group, total
Net interest income *	273 351	1 178	-45		274 484
Net fee and commission income *	54 549	39 133	0		93 682
Net income from investing activities	-4 665	-12	–		-4 677
Dividends	36		22		58
Other operating income *	15 772	260	2 944	-11 237	7 739
Total income *	**339 043**	**40 559**	**2 921**	**-11 237**	**371 287**
Total expenses * **	**-150 033**	**-37 210**	**-14 873**	**11 237**	**-190 879**
Impairment of receivables	-33 003				-33 003
Share of the profits of associated companies				2	2
Operating profit (loss) *	**156 007**	**3 350**	**-11 952**	**2**	**147 407**

External income from Banking was EUR 331 912 thousand and from Wealth Management EUR 39 397 thousand.

* New organisation of S-Bank came into effect on 1 April 2024. Customer services were transferred from 'Other activies' to Banking. Also, some other operations were transferred between segments. The impact on operating profit for Banking was an increase of EUR 0.8 million, for Wealth Management an increase of EUR 0.2 million and for 'Other activities' a decrease of EUR 1.0 million. Amounts for comparison period has been adjusted accordingly.

** The net expenses of support and headquarter functions are allocated from 'Other activities' to the Banking and Wealth Management business segments. This cost allocation is included in the segments' item 'Total expenses'.

Other activities include Group support and headquarter functions. Most of the net expenses of the support and headquarter functions are allocated to the Banking and Wealth Management business segments. This cost allocation is included in the segments' item 'Total expenses'. The result of 'Other activities' consists of items not allocated to the segments.

'Other activities' include common costs, such as those related to financial statements, auditing, the Board of Directors and General Meetings, as well as those of the management, including the CEO, in support and headquarter functions. Negative goodwill EUR 28.9 million related to Handelsbanken transactions that was recognized as other operating income is included in 'Other Activities'.

In addition, the income and expenses of functions subject to restructuring are allocated to 'Other activities'.

BALANCE SHEET FOR SEGMENTS

31 Dec 2024 (EUR '000)	Banking	Wealth Management	Other activities	Group, total
Receivables from customers	9 466 806			9 466 806
Liquid and investment assets of banking	3 619 112			3 619 112
Intangible and tangible assets	12 326	28 281	35 716	76 323
Other assets	62 790	6 047	18 547	87 384
Assets, total	**13 161 033**	**34 329**	**54 263**	**13 249 625**
Banking liabilities	11 925 978			11 925 978
Provisions and other liabilities	113 585	6 109	226 335	346 029
Equity			977 618	977 618
Liabilities and equity, total	**12 039 563**	**6 109**	**1 203 953**	**13 249 625**

31 Dec 2023 (EUR '000)	Banking	Wealth Management	Other activities	Group, total
Receivables from customers	6 934 971			6 695 255
Liquid and investment assets of banking	2 965 718			2 119 045
Intangible and tangible assets *	5 274	28 859	38 856	75 604
Other assets	55 909	6 781	22 679	62 344
Assets, total *	**9 961 872**	**35 639**	**61 535**	**8 952 247**
Banking liabilities	9 262 952			8 332 992
Provisions and other liabilities *	64 375	5 848	76 599	95 014
Equity			649 272	524 241
Liabilities and equity, total *	**9 327 327**	**5 848**	**725 872**	**8 952 247**

Material customer business items, as well as the tangible and intangible assets of the business segments together with associated lease liabilities, are allocated to Banking and Wealth Management on the balance sheet.
The remaining balance sheet items, including equity, are allocated to 'Other activities'.

* New organisation of S-Bank came into effect on 1 April 2024. Leases of customer services were transferred from 'Other activties' to Banking. Amounts for comparison period has been adjusted accordingly.

GROUP'S NOTE 4: NET INTEREST INCOME

(EUR '000)	2024	2023
Interest income		
Cash and cash equivalents	106 698	51 725
Debt securities eligible for refinancing with central banks		
measured at fair value through other comprehensive income	11 787	7 709
Receivables from credit institutions	380	682
Receivables from customers	391 712	317 723
Debt securities		
measured at fair value through other comprehensive income	752	1 381
measured at fair value through profit or loss	164	736
Derivatives	40 243	8 422
Other interest income	21	8
Total interest income using the effective interest method	511 329	379 220
Other interest income	40 428	9 165
Interest income, total	**551 758**	**388 385**
Interest income from stage 3 financial assets	4 776	3 174
Interest expenses		
Liabilities to credit institutions	-1 659	-801
Liabilities to customers	-127 914	-85 506
Issued bonds	-59 762	-15 210
Derivatives	-43 557	-1 814
Subordinated debts	-5 851	-5 183
Other interest expenses	-5 829	-5 290
Interest expenses on leases	-296	-96
Total interest expenses using the effective interest method	-195 186	-106 701
Other interest expenses	-49 681	-7 200
Interest expenses, total	**-244 867**	**-113 901**
Net interest income	**306 891**	**274 484**

GROUP'S NOTE 5: NET FEE AND COMMISSION INCOME

(EUR '000)	2024	2023
Fee and commission income by segment		
Fee and commission income from Banking		
From lending	9 652	9 690
From borrowing	790	721
From payment transactions	10 130	11 578
From card business	41 456	38 915
From legal duties	670	505
From insurance brokerage	2 274	1 762
From issuance of guarantees	13	94
Total fee and commission income from Banking	64 984	63 264
Fee and commission income from Wealth Management		
From funds	38 029	38 199
From wealth management	2 288	2 438
From property management	2 553	2 731
Total fee and commission income from Wealth Management	42 870	43 368
Fee and commission income from other activities		
From securities brokerage	657	363
Other fee and commission income	920	569
Total fee and commission income from other activities	1 577	932
Fee and commission income, total	**109 432**	**107 564**
Fee and commission expenses		
From funds	-3 330	-3 793
From wealth management	-119	-39
From securities brokerage	-1 228	-984
From card business	-11 411	-8 344
From property management	-84	-209
Banking fees	-447	-421
Other expenses	-89	-92
Fee and commission expenses, total	**-16 708**	**-13 882**
Net fee and commission income	**92 723**	**93 682**

NOTE 6: NET INCOME FROM INVESTING ACTIVITIES

(EUR '000)	2024	2023
Net income from financial assets measured at fair value through profit or loss		
Debt securities		
Capital gains and losses	7	8
Changes in fair value	-6	7
Shares and interests		
Capital gains and losses	25	17
Changes in fair value	24	-2 600
Derivatives		
Changes in fair value	-417	-103
Net income from financial assets measured at fair value through profit or loss, total	**-367**	**-2 672**
Net income from financial assets measured at fair value through other comprehensive income		
Debt securities		
Capital gains and losses	-636	-2 396
Other income and expenses	–	26
Shares and interests		
Capital gains and losses	1 311	0
Other income and expenses	-16	-80
Net income from financial assets measured at fair value through other comprehensive income, total	**659**	**-2 450**
Net income from currency operations	**413**	**373**
Net income from hedge accounting		
Debt securities		
Net result from hedging instruments	-5 577	-10 845
Net result from hedged items	5 727	11 337
Liabilities to customers *		
Net result from hedging instruments	8 568	–
Net result from hedged items	-9 385	–
Issued bonds		
Net result from hedging instruments	14 170	17 657
Net result from hedged items	-14 930	-18 077
Net income from hedge accounting	**-1 427**	**71**
Net income from investing activities, total	**-722**	**-4 677**

* New hedged item. No comparison amounts.

Changes in the fair value of hedged items attributable to the hedged risk are recognised in the income statement under 'Net income from hedge accounting'. Changes in the fair value not attributable to the hedged risk are recognised in the fair value reserve.

Changes in the fair value of the hedging items included in hedge accounting are recognised in the income statement under Net result from hedge accounting. When hedging is effective, the changes in the fair value offset each other and the net result is close to zero.

GROUP'S NOTE 7: OTHER OPERATING INCOME

(EUR '000)	2024	2023
Other operating income	39 996	7 739
Other operating income, total	**39 996**	**7 739**

Other operating income includes for example administrative fees charged to the S Group.
Change of financial year is impacted by Handelsbanken transaction, which is described in more details in Group's note 38.

GROUP'S NOTE 8: PERSONNEL EXPENSES

Personnel expenses (EUR '000)	2024	2023
Salaries and remunerations	-70 163	-56 778
Indirect personnel expenses	-1 782	-1 867
Pension expenses		
Defined contribution pension plans	-12 240	-10 088
Defined benefit plans	55	32
Personnel expenses, total	**-84 129**	**-68 702**

Number of personnel	31 Dec 2024	31 Dec 2023
Permanent full-time	1 074	778
Permanent part-time	40	41
Fixed-term	58	28
Personnel, total	**1 172**	**847**

The defined benefit pension liabilities are specified in Group's note 32.
Related party salaries and remunerations are disclosed in Group's note 37.
The impact of the Handelsbanken transaction has been described in more detail in Group's note 38.

GROUP'S NOTE 9: DEPRECIATION AND IMPAIRMENT

(EUR '000)	2024	2023
Depreciation of tangible and intangible assets		
Intangible assets	-14 154	-13 416
Tangible assets	-158	-204
Right-of-use assets	-2 633	-2 418
Depreciation of tangible and intangible assets, total	**-16 945**	**-16 038**
Impairment of tangible and intangible assets		
Intangible assets	-166	-715
Tangible assets	–	-83
Impairment of tangible and intangible assets, total	**-166**	**-798**
Depreciation and impairment of tangible and intangible assets, total	**-17 111**	**-16 836**

Impairment losses are recognised for information systems and intangible assets not yet available for use. The impairment testing of goodwill is specified in Group's note 24.

GROUP'S NOTE 10: OTHER OPERATING EXPENSES

(EUR '000)	2024	2023
Other operating expenses		
Costs related to leases		
Lease expenses on short-term leases	-501	-280
Rental expenses for low value assets	-566	-502
Other operating expenses	-11 374	-12 868
Other operating expenses, total	**-12 441**	**-13 649**
Breakdown of the fees paid to the audit firm		
Audit *	-335	-425
Tax consultancy *	-46	-76
Other services *	-211	-164
Fees paid to the audit firm, total *	**-592**	**-665**
Breakdown of fees paid to the Finnish Financial Stability Authority		
Financial stability contribution	–	-1 291
Deposit guarantee fund contribution	-6 342	-8 228
Administrative fee	-84	-62
Fees paid to the Finnish Financial Stability Authority, total	**-6 425**	**-9 581**

GROUP'S NOTE 11: IMPAIRMENT OF RECEIVABLES

S-Bank is exposed to credit risk arising from household and corporate customer exposures, investing activities (debt securities) and off-balance sheet commitments. Credit granted to household customers constitutes the largest exposure to credit risk in the form of expected credit losses. The exposures to household customers include housing loans and consumer loans, the latter of which generate a relatively larger credit risk, as they are unsecured credit products. The corporate loan portfolio focuses on the secured financing of housing companies. As mortgage-backed loans, these are considered to be less risky, which also reduces the amount of expected credit losses. Corporate exposures and investment activities focus on large companies with good credit ratings.

The total amount of the ECL provision was EUR 52.3 million (37.3) at the end of the financial year. The total amount of the ECL provision included provisions based on management judgement totalling EUR 3.8 million (3.8). The coverage ratio of the entire loan portfolio was 0.42 per cent (0.37) and remained within the risk appetite set by S-Bank's Board of Directors.

The ECL provision increased by EUR 15.0 million during the financial year, which was affected by growth of the loan portfolio following the acquisition and model changes. The total ECL provision related to the acquired loan portfolio was EUR 11.4 million, including related provisions based on management judgement. Of the acquired loan portfolio, EUR 23.1 million were recognised as purchased credit impaired with related ECL provision of EUR 3.2 million.

During the financial year, S-Bank updated the credit risk models measuring the probability of default of household customers and the criteria for a significant increase in credit risk in the ECL calculation. The changes in ECL calculation had also an impact on the distribution of exposures across credit risk categories and the amount of exposures classified in stage 2. At the same time, provisions previously made based on management judgement were reversed. The net impact of model changes and changes in provision based on management judgement on the ECL provision was EUR 2.2 million.

The ECL provision for lending to household customers increased by EUR 17.2 million, mainly due to acquired loan portfolio, model changes and an increase in the amount of defaulted liabilities.

The total ECL provision for corporate customers and investing activities decreased by EUR 1.5 million.

EXPECTED CREDIT LOSSES AND IMPAIRMENT LOSSES RECOGNISED DURING THE PERIOD

Expected credit losses and impairment losses (EUR '000)	2024	2023
Receivables written off as credit and guarantee losses	-36 935	-25 228
Reversal of receivables written off	9 232	7 025
Expected credit losses (ECL) on receivables from customers and off-balance sheet commitments	-15 770	-14 261
Expected credit losses (ECL) on investing activities	794	-539
Total	**-42 678**	**-33 003**

RISK EXPOSURE, SUMMARY

	Stage 1		Stage 2		Stage 3		Purchased credit impaired				
31 Dec 2024 (EUR '000)	**Exposures and commitments subject to credit risk**	**ECL provision**	**Exposures and commitments subject to credit risk**	**ECL provision**	**Exposures and commitments subject to credit risk**	**ECL provision**	**Exposures and commitments subject to credit risk**	**ECL provision**	**Exposures and commitments, total**	**ECL provision, total**	**Coverage ratio %**
Lending to household customers *	7 630 621	-6 125	526 860	-21 107	132 083	-18 079	23 108	-3 200	8 312 671	-48 512	-0.58%
Lending to corporate customers *	1 182 675	-510	27 897	-1 027	8 927	-968	–	–	1 219 499	-2 505	-0.21%
Investing activities **	628 072	-126	–	–	–	–	–	–	628 072	-126	-0.02%
Off-balance sheet commitments ***	2 259 030	-160	70 043	-942	1 389	-66	–	–	2 330 462	-1 167	-0.05%
Total	**11 700 397**	**-6 921**	**624 800**	**-23 076**	**142 399**	**-19 113**	**23 108**	**-3 200**	**12 490 704**	**-52 310**	**-0.42%**

	Stage 1		Stage 2		Stage 3		Purchased credit impaired				
31 Dec 2023 (EUR '000)	**Exposures and commitments subject to credit risk**	**ECL provision**	**Exposures and commitments subject to credit risk**	**ECL provision**	**Exposures and commitments subject to credit risk**	**ECL provision**	**Exposures and commitments subject to credit risk**	**ECL provision**	**Exposures and commitments, total**	**ECL provision, total**	**Coverage ratio %**
Lending to household customers *	5 421 610	-2 489	283 706	-13 128	92 415	-15 729	–	–	5 797 731	-31 346	-0.54%
Lending to corporate customers *	1 087 996	-424	96 708	-2 766	–	–	–	–	1 184 705	-3 189	-0.27%
Investing activities **	667 649	-314	11 146	-607	–	–	–	–	678 795	-921	-0.14%
Off-balance sheet commitments ***	2 294 153	-464	10 824	-1 344	872	-71	–	–	2 305 850	-1 879	-0.08%
Total	**9 471 408**	**-3 690**	**402 384**	**-17 845**	**93 287**	**-15 800**	**–**	**–**	**9 967 080**	**-37 335**	**-0.37%**

*The ECL provision is recognised as a single amount in order to reduce the balance sheet item Receivables from customers.
**The ECL provision is recognised in the fair value reserve under other comprehensive income.
***The ECL provision is recognised on the balance sheet under 'Other liabilities'.

EXPOSURE TO CREDIT RISK (LENDING TO HOUSEHOLD CUSTOMERS)

31 Dec 2024 (EUR '000)	Lending to household customers				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit impaired Lifetime ECL	Total
Category 1	2 593 206	3 378	–	–	2 596 583
Category 2	573 724	1 841	–	–	575 565
Category 3	2 499 853	14 505	–	75	2 514 434
Category 4	315 498	17 292	–	–	332 791
Category 5	1 523 627	100 547	–	–	1 624 174
Category 6	119 689	172 712	–	–	292 400
Category 7	5 023	216 585	–	–	221 608
In default	–	–	132 083	23 032	155 115
Gross carrying amount	**7 630 621**	**526 860**	**132 083**	**23 108**	**8 312 671**
ECL provision *	-6 125	-21 107	-18 079	-3 200	-48 512
Net carrying amount	**7 624 495**	**505 753**	**114 004**	**19 907**	**8 264 160**

*The ECL provision is recognised as a single amount in order to reduce the balance sheet item ‘Receivables from customers’.

31 Dec 2023 (EUR '000)	Lending to household customers				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit impaired Lifetime ECL	Total
Category 1	4 347 233	122 824	–	–	4 470 057
Category 2	329 722	14 030	–	–	343 752
Category 3	297 012	12 642	–	–	309 654
Category 4	125 578	6 610	–	–	132 187
Category 5	231 797	12 998	–	–	244 795
Category 6	87 657	36 230	–	–	123 886
Category 7	2 611	78 373	–	–	80 984
In default	–	–	92 415	–	92 415
Gross carrying amount	**5 421 610**	**283 706**	**92 415**	**–**	**5 797 731**
ECL provision *	-2 489	-13 128	-15 729	–	-31 346
Net carrying amount	**5 419 121**	**270 578**	**76 686**	**–**	**5 766 385**

EXPOSURE TO CREDIT RISK (LENDING TO CORPORATE CUSTOMERS, INVESTING ACTIVITIES AND OFF-BALANCE SHEET COMMITMENTS, INCLUDING THE OFF-BALANCE SHEET ACCOUNTS OF HOUSEHOLD CUSTOMERS)

	Lending to corporate customers, investing activities and off-balance sheet commitments				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	
31 Dec 2024 (EUR '000)	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Category 1	2 783 658	42	–	–	2 783 700
Category 2	640 342	1 659	–	–	642 001
Category 3	238 475	15 066	–	–	253 542
Category 4	79 211	15 345	–	–	94 556
Category 5	207 548	32 464	–	–	240 012
Category 6	120 527	30 077	–	–	150 604
Category 7	16	3 287	–	–	3 303
In default	–	–	10 316	–	10 316
Gross carrying amount	**4 069 777**	**97 940**	**10 316**	**–**	**4 178 032**
ECL provision *	-796	-1 969	-1 034	–	-3 799

*The ECL provision for corporate customers is recognised as a single amount in order to reduce the balance sheet item 'Receivables from customers'.
The ECL provision for investment activities is recognised in the fair value reserve under 'Other comprehensive income'.
The ECL provision for off-balance sheet receivables is recognised on the balance sheet under 'Other liabilities'.

	Lending to corporate customers, investing activities and off-balance sheet commitments				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	
31 Dec 2023 (EUR '000)	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Category 1	2 785 552	34	–	–	2 785 586
Category 2	565 527	5	–	–	565 531
Category 3	301 264	6	–	–	301 270
Category 4	90 734	0	–	–	90 734
Category 5	234 796	4 441	–	–	239 237
Category 6	68 957	107 974	–	–	176 931
Category 7	2 969	6 218	–	–	9 187
In default	–	–	872	–	872
Gross carrying amount	**4 049 799**	**118 678**	**872**	**–**	**4 169 349**
ECL provision *	-1 201	-4 716	-71	–	-5 989

RECONCILIATION OF EXPECTED CREDIT LOSSES (LENDING TO HOUSEHOLD CUSTOMERS)

	Lending to household customers				
(EUR '000)	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit impaired Lifetime ECL	Total
ECL 1 Jan 2024	**2 489**	**13 128**	**15 729**	**–**	**31 346**
Transfers from Stage 1 to Stage 2	-648	12 418	–	–	11 770
Transfers from Stage 1 to Stage 3	-95	–	5 401	–	5 307
Transfers from Stage 2 to Stage 1	111	-2 875	–	–	-2 763
Transfers from Stage 2 to Stage 3	–	-2 242	4 620	–	2 378
Transfers from Stage 3 to Stage 1	10	–	-479	–	-469
Transfers from Stage 3 to Stage 2	–	573	-2 497	–	-1 923
Changes in the risk parameters	1 645	903	-3 202	–	-654
Increases due to origination and acquisition	2 939	2 470	2 866	3 200	11 475
Decreases due to derecognition	-209	-673	-1 435	–	-2 317
Decrease in the allowance account due to write-offs	-117	-2 597	-2 925	–	-5 638
Net change in ECL	3 637	7 978	2 351	3 200	17 166
ECL 31 Dec 2024	**6 125**	**21 107**	**18 079**	**3 200**	**48 512**

	Lending to household customers				
(EUR '000)	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit impaired Lifetime ECL	Total
ECL 1 Jan 2023	**1 438**	**9 256**	**10 026**	**–**	**20 720**
Transfers from Stage 1 to Stage 2	-144	6 760	–	–	6 616
Transfers from Stage 1 to Stage 3	-32	–	4 091	–	4 059
Transfers from Stage 2 to Stage 1	163	-3 358	–	–	-3 196
Transfers from Stage 2 to Stage 3	–	-1 255	5 249	–	3 994
Transfers from Stage 3 to Stage 1	3	–	-489	–	-486
Transfers from Stage 3 to Stage 2	–	190	-1 180	–	-990
Changes in the risk parameters	449	1 132	-276	–	1 305
Increases due to origination and acquisition	836	2 110	985	–	3 930
Decreases due to derecognition	-189	-728	-1 108	–	-2 025
Decrease in the allowance account due to write-offs	-35	-977	-1 570	–	-2 582
Net change in ECL	1 050	3 873	5 703	–	10 625
ECL 31 Dec 2023	**2 489**	**13 128**	**15 729**	**–**	**31 346**

RECONCILIATION OF EXPECTED CREDIT LOSSES (LENDING TO CORPORATE CUSTOMERS, INVESTING ACTIVITIES AND OFF-BALANCE SHEET COMMITMENTS, INCLUDING THE OFF-BALANCE SHEET ACCOUNTS OF HOUSEHOLD CUSTOMERS)

	Lending to corporate customers, investing activities and off-balance sheet commitments				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	
(EUR '000)	12-month ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	Total
ECL 1 Jan 2024	**1 201**	**4 716**	**71**	**–**	**5 989**
Transfers from Stage 1 to Stage 2	-80	999	–	–	918
Transfers from Stage 1 to Stage 3	-5	–	994	–	989
Transfers from Stage 2 to Stage 1	47	-2 524	–	–	-2 476
Transfers from Stage 2 to Stage 3	–	-48	5	–	-43
Transfers from Stage 3 to Stage 1	0	–	-15	–	-15
Transfers from Stage 3 to Stage 2	–	3	-12	–	-9
Changes in the risk parameters	-377	-500	-10	–	-886
Increases due to origination and acquisition	152	387	26	–	564
Decreases due to derecognition	-127	-723	-24	–	-874
Decrease in the allowance account due to write-offs	-15	-341	-1	–	-358
Net change in ECL	-406	-2 747	963	–	-2 190
ECL 31 Dec 2024	**796**	**1 969**	**1 034**	**–**	**3 799**

	Lending to corporate customers, investing activities and off-balance sheet commitments				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	
(EUR '000)	12-month ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	Total
ECL 1 Jan 2023	**697**	**1 081**	**38**	**–**	**1 815**
Transfers from Stage 1 to Stage 2	-91	1 726	–	–	1 635
Transfers from Stage 1 to Stage 3	0	–	23	–	23
Transfers from Stage 2 to Stage 1	49	-497	–	–	-447
Transfers from Stage 2 to Stage 3	–	-19	4	–	-15
Transfers from Stage 3 to Stage 1	0	–	-20	–	-20
Transfers from Stage 3 to Stage 2	–	4	-2	–	2
Changes in the risk parameters	286	182	2	–	470
Increases due to origination and acquisition	369	2 366	29	–	2 764
Decreases due to derecognition	-106	-37	-3	–	-146
Decrease in the allowance account due to write-offs	-2	-89	-1	–	-92
Net change in ECL	505	3 636	33	–	4 174
ECL 31 Dec 2023	**1 201**	**4 716**	**71**	**–**	**5 989**

GROUP'S NOTE 12: SHARE OF THE PROFITS OF ASSOCIATED COMPANIES

At the end of the financial year, S-Bank had one associated company, S-Crosskey Ab.

S-Crosskey Ab is an IT services company jointly owned by S-Bank Plc and Crosskey Banking Solutions Ab Ltd. S-Bank Plc owns 40 per cent and Crosskey 60 per cent of the company. The company sells banking information systems for banking and related activities and provides consulting services in these areas. The company mostly provides services only to S-Bank Plc.

ASSOCIATED COMPANIES

		Share of ownership	
	Domicile	31 Dec 2024	31 Dec 2023
S-Crosskey Ab	Mariehamn	40%	40%

Associated companies have been consolidated by using the equity method.

SUMMARY OF FINANCIAL INFORMATION CONCERNING SIGNIFICANT ASSOCIATED COMPANIES

S-Crosskey Ab (EUR '000)	2024	2023
Total assets 31 December	1 692	1 212
Total liabilities 31 December	1 656	1 171
Revenue	17 229	13 567
Profit (loss) for the period	-5	5

RECONCILIATION OF ASSOCIATED COMPANIES' FINANCIAL INFORMATION TO BOOK VALUE ON THE BALANCE SHEET

S-Crosskey Ab (EUR '000)	31 Dec 2024	31 Dec 2023
Associated company net assets	36	41
Group holding	40%	40%
Adjustments	-9	-9
The balance sheet value of the associated company in the consolidated balance sheet	5	7

GROUP'S NOTE 13: INCOME TAXES

TAX ASSETS AND LIABILITIES

(EUR '000)	31 Dec 2024	31 Dec 2023
Tax assets		
Deferred tax assets	3 864	4 486
Tax assets based on taxable income for the financial year	87	1 314
Tax assets, total	**3 951**	**5 801**
Tax liabilities		
Deferred tax liabilities	5 829	4 925
Tax liabilities based on taxable income for the financial year	5 515	14 099
Tax liabilities, total	**11 344**	**19 024**

RECONCILIATION OF TAXES AT CURRENT TAX RATES WITH THOSE IN THE INCOME STATEMENT

(EUR '000)	2024	2023
Profit before tax	165 218	147 407
Income tax rate	20%	20%
Proportion of profit by tax rate	-33 044	-29 481
Persistent differences	3 371	2 681
Temporary differences	–	17
Tax-exempt income	4	1
Non-deductible expenses	-3 369	-2 659
Taxes for previous periods	-40	18
Income taxes, total	**-33 078**	**-29 422**
Average effective tax rate	20%	20%

INCOME TAXES

(EUR '000)	2024	2023
Taxes for the period	-33 268	-30 275
Taxes for previous periods	-40	18
Change in deferred taxes	231	834
Income taxes, total	**-33 078**	**-29 422**

DEFERRED TAXES IN THE COMPREHENSIVE INCOME STATEMENT

(EUR '000)	2024	2023
Deferred taxes on financial assets	-1 773	-2 865
Deferred taxes on defined benefit plans	16	-14
Deferred taxes in the comprehensive income statements, total	**-1 757**	**-2 880**

CHANGES IN DEFERRED TAX ASSETS AND LIABILITIES

(EUR '000)	31 Dec 2023	Through other comprehensive income	Through profit or loss	31 Dec 2024
Deferred tax assets				
Measured at fair value	2 096	-1 773	74	397
Fee accruals	497		-38	458
Confirmed losses	–		–	–
Mergers and acquisitions	438		-196	242
Leases	1 415		1 306	2 721
Other items *	40	16	-11	45
Deferred tax assets, total	**4 486**	**-1 757**	**1 135**	**3 864**
Deferred tax liabilities				
Measured at fair value	60	–		60
Mergers and acquisitions	469		-88	382
Intangible assets	808		-182	626
Appropriations **	990		-10	980
Provisions and loan impairment	1 192		-99	1 093
Leases	1 406		1 282	2 689
Deferred tax liabilities, total	**4 925**	**–**	**904**	**5 829**

(EUR '000)	31 Dec 2022	Through other comprehensive income	Through profit or loss	31 Dec 2023
Deferred tax assets				
Measured at fair value	4 908	-2 862	51	2 096
Fee accruals	511		-14	497
Confirmed losses	19		-19	–
Mergers and acquisitions	634		-196	438
Leases	–		1 415	1 415
Other items *	61	-14	-6	40
Deferred tax assets, total	**6 132**	**-2 877**	**1 231**	**4 486**
Deferred tax liabilities				
Measured at fair value	57	3		60
Mergers and acquisitions	600		-130	469
Intangible assets	1 052		-244	808
Appropriations **	911		79	990
Provisions and loan impairment	1 907		-715	1 192
Leases	–		1 406	1 406
Deferred tax liabilities, total	**4 526**	**3**	**396**	**4 925**

* Other items include changes in employee benefits.
** Appropriations include changes in depreciation differences.

NOTES TO THE CONSOLIDATED BALANCE SHEET

GROUP'S NOTE 14: CLASSES OF FINANCIAL ASSETS AND LIABILITIES

Classes of financial assets 31 Dec 2024 (EUR '000)	Amortised cost	Measured at fair value through other comprehensive income	Fair value through profit or loss: Measured at fair value	Fair value through profit or loss: Derivatives in hedge accounting	Total
Cash and cash equivalents	2 906 420				2 906 420
Debt securities eligible for refinancing with central banks		564 844			564 844
Receivables from credit institutions	21 578				21 578
Receivables from customers	9 466 806				9 466 806
Debt securities		57 966	–		57 966
Derivatives			8	48 973	48 981
Shares and interests		907	18 416		19 322
Total	**12 394 805**	**623 717**	**18 423**	**48 973**	**13 085 918**

Classes of financial assets 31 Dec 2023 (EUR '000)	Amortised cost	Measured at fair value through other comprehensive income	Fair value through profit or loss: Measured at fair value	Fair value through profit or loss: Derivatives in hedge accounting	Total
Cash and cash equivalents	2 207 041				2 207 041
Debt securities eligible for refinancing with central banks		571 735			571 735
Receivables from credit institutions	9 420				9 420
Receivables from customers	6 934 971				6 934 971
Debt securities		102 451	24 842		127 293
Derivatives			425	30 924	31 349
Shares and interests		767	18 114		18 881
Total	**9 151 432**	**674 953**	**43 381**	**30 924**	**9 900 689**

Classes of financial liabilities 31 Dec 2024 (EUR '000)	Amortised cost	Fair value through profit or loss: Derivatives in hedge accounting	Total
Liabilities to credit institutions	655 700		655 700
Liabilities to customers	9 460 439		9 460 439
Issued bonds	1 712 456		1 712 456
Subordinated debts	95 666		95 666
Derivatives		1 717	1 717
Lease liabilities	13 607		13 607
Total	**11 937 867**	**1 717**	**11 939 585**

Classes of financial liabilities 31 Dec 2023 (EUR '000)	Amortised cost	Fair value through profit or loss: Derivatives in hedge accounting	Total
Liabilities to credit institutions	34 231		34 231
Liabilities to customers	8 239 664		8 239 664
Issued bonds	886 895		886 895
Subordinated debts	101 333		101 333
Derivatives		829	829
Lease liabilities	7 077		7 077
Total	**9 269 200**	**829**	**9 270 029**

GROUP'S NOTE 15: FAIR VALUES AND CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES, AND THE HIERARCHY OF FAIR VALUES

CLASSIFICATION OF FINANCIAL INSTRUMENTS ACCORDING TO THE VALUATION METHOD

Fair values of financial assets 31 Dec 2024 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
Financial assets measured at amortised cost					
Cash and cash equivalents		2 906 420		2 906 420	2 906 420
Receivables from credit institutions		21 809		21 809	21 578
Receivables from customers		9 979 893		9 979 893	9 466 806
Total		**12 908 122**		**12 908 122**	**12 394 805**
Financial assets measured at fair value through profit or loss					
Debt securities		–		–	–
Derivatives		48 981		48 981	48 981
Shares and interests	7 869	10 547		18 416	18 416
Total	**7 869**	**59 527**		**67 396**	**67 396**
Financial assets measured at fair value through other comprehensive income					
Debt securities eligible for refinancing with central banks	558 927	10 695		569 623	564 844
Debt securities	58 450	–		58 450	57 966
Shares and interests		840	67	907	907
Total	**617 377**	**11 535**	**67**	**628 979**	**623 717**
Fair values of assets, total	**625 246**	**12 979 184**	**67**	**13 604 498**	**13 085 918**

Fair values of financial assets 31 Dec 2023 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
Financial assets measured at amortised cost					
Cash and cash equivalents		2 207 041		2 207 041	2 207 041
Receivables from credit institutions		9 390		9 390	9 420
Receivables from customers		7 364 448		7 364 448	6 934 971
Total		**9 580 879**		**9 580 879**	**9 151 432**
Financial assets measured at fair value through profit or loss					
Debt securities		24 842		24 842	24 842
Derivatives		31 349		31 349	31 349
Shares and interests	8 235	9 878		18 114	18 114
Total	**8 235**	**66 070**		**74 305**	**74 305**
Financial assets measured at fair value through other comprehensive income					
Debt securities eligible for refinancing with central banks	556 081	19 333		575 414	571 735
Debt securities	100 192	3 188		103 381	102 451
Shares and interests		646	121	767	767
Total	**656 273**	**23 168**	**121**	**679 562**	**674 953**
Fair values of assets, total	**664 509**	**9 670 117**	**121**	**10 334 747**	**9 900 689**

Fair values of financial liabilities 31 Dec 2024 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
Financial liabilities measured at amortised cost					
Liabilities to credit institutions		659 194		659 194	655 700
Liabilities to customers		10 034 634		10 034 634	9 460 439
Issued bonds	1 754 682			1 754 682	1 712 456
Subordinated debts		96 663		96 663	95 666
Total	**1 754 682**	**10 790 490**		**12 545 172**	**11 924 260**
Financial liabilities measured at fair value through profit or loss					
Derivatives		1 717		1 717	1 717
Total		**1 717**		**1 717**	**1 717**

Fair values of financial liabilities 31 Dec 2023 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
Financial liabilities measured at amortised cost					
Liabilities to credit institutions *		34 231		34 231	34 231
Liabilities to customers *		8 151 156		8 151 156	8 239 664
Issued bonds	899 181			899 181	886 895
Subordinated debts		102 717		102 717	101 333
Total *	**899 181**	**8 288 104**		**9 187 285**	**9 262 123**
Financial liabilities measured at fair value through profit or loss					
Derivatives		829		829	829
Total		**829**		**829**	**829**

* The fair values of the comparison period has been amended.

The fair value of a financial instrument is determined on the basis of prices quoted in active markets, or by using measurement methods that are generally accepted in the markets. The fair values of certificates of deposit, commercial papers and derivatives (excluding futures) are determined by discounting future cash flows to the present value and applying market interest rates on the closing date. Bonds, investment fund units and futures are measured at market value. Financial assets measured at fair value are measured using the bid price, while financial liabilities at fair value are measured using the ask price.

Financial assets and liabilities measured at fair value are divided into three categories according to the method of determining fair value. Level 1 fair values are determined using the quoted, unadjusted prices of completely identical financial assets and liabilities in an active market. Level 2 fair values are determined using generally accepted valuation models in which the input data is, to a significant extent, based on verifiable market information. Level 3 market prices are based on input data concerning an asset or liability that are not based on verifiable market information but, to a significant extent, on the management's estimates.

Transfers between Levels 1 and 2

Transfers between levels occur when there is evidence that market assumptions have changed, including when instruments are no longer actively traded. No transfers between Levels 1 and 2 took place during the period.

CHANGES AT LEVEL 3

(EUR '000)	Shares and interests
Shares and interests, carrying amount 1 Jan 2024	121
Sales	-54
Shares and interests, carrying amount 31 Dec 2024	**67**

The value of Level 3 financial instruments recognised at fair value includes those instruments whose fair value is estimated by using valuation methods that are entirely or partly based on non-verifiable market values and prices.

GROUP'S NOTE 16: BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES ACCORDING TO MATURITY

31 Dec 2024 (EUR '000)	0-3 months	3-12 months	1-5 years	More than 5 years	Total
Cash and cash equivalents	2 906 420	–	–	–	2 906 420
Debt securities eligible for refinancing with central banks	35 657	129 214	399 974	–	564 844
Receivables from credit institutions	21 578	–	–	–	21 578
Receivables from customers	233 057	583 009	2 290 196	6 360 545	9 466 806
Debt securities	16 467	11 726	29 773	–	57 966
Derivatives	294	306	39 832	8 548	48 981
Financial assets, total	**3 213 473**	**724 255**	**2 759 774**	**6 369 093**	**13 066 596**
Liabilities to credit institutions	65 700	590 000	–	–	655 700
Liabilities to customers	8 835 262	616 839	8 338	1	9 460 439
Issued bonds	33 007	133 699	1 048 558	497 192	1 712 456
Subordinated debts	–	5 667	61 899	28 100	95 666
Derivatives	–	–	1 717	–	1 717
Lease liabilities	21	84	13 502	–	13 607
Financial liabilities, total	**8 933 989**	**1 346 289**	**1 134 015**	**525 292**	**11 939 585**

31 Dec 2023 (EUR '000)	0-3 months	3-12 months	1-5 years	More than 5 years	Total
Cash and cash equivalents	2 207 041	–	–	–	2 207 041
Debt securities eligible for refinancing with central banks	38 501	99 934	428 172	5 128	571 735
Receivables from credit institutions	9 420	–	–	–	9 420
Receivables from customers	176 163	473 688	1 688 949	4 596 171	6 934 971
Debt securities	32 328	17 045	77 920	–	127 293
Derivatives	259	939	30 152	–	31 349
Financial assets, total	**2 463 711**	**591 605**	**2 225 193**	**4 601 299**	**9 881 809**
Liabilities to credit institutions	34 231	–	–	–	34 231
Liabilities to customers	7 875 660	349 634	14 369	1	8 239 664
Issued bonds	18 077	–	868 818	–	886 895
Subordinated debts	–	–	18 333	83 000	101 333
Derivatives	–	–	829	–	829
Lease liabilities	1	149	6 927	–	7 077
Financial liabilities, total	**7 927 968**	**349 783**	**909 277**	**83 001**	**9 270 029**

GROUP'S NOTE 17: CASH AND CASH EQUIVALENTS

(EUR '000)	31 Dec 2024	31 Dec 2023
Cash	6 491	58 985
Receivables from central banks	2 899 929	2 148 056
Cash and cash equivalents, total	**2 906 420**	**2 207 041**

GROUP'S NOTE 18: DEBT SECURITIES ELIGIBLE FOR REFINANCING WITH CENTRAL BANKS

(EUR '000)	31 Dec 2024	31 Dec 2023
Measured at fair value through other comprehensive income		
Public corporations	7 086	40 360
Credit institutions	527 448	505 042
Other financial institutions	10 561	7 406
Companies outside the financial sector	19 750	18 926
Debt securities eligible for refinancing with central banks, total	**564 844**	**571 735**

The credit risk of debt securities and the effects of expected credit losses are described in Group's note 2.

GROUP'S NOTE 19: RECEIVABLES FROM CREDIT INSTITUTIONS

(EUR '000)	31 Dec 2024	31 Dec 2023
Repayable on demand	2 972	2 321
Other than repayable on demand	18 606	7 099
Receivables from credit institutions, total	**21 578**	**9 420**

The credit risk on receivables from credit institutions and the effects of expected credit losses are described in Group's note 2.

GROUP'S NOTE 20: RECEIVABLES FROM CUSTOMERS

(EUR '000)	31 Dec 2024	Loss allowance *
Household customers	8 263 743	48 512
Secured loans	7 412 297	30 893
Unsecured loans	851 447	17 619
Corporate customers	1 203 063	2 505
Receivables from customers, total	**9 466 806**	**51 017**

(EUR '000)	31 Dec 2023	Loss allowance *
Household customers	5 766 057	31 346
Secured loans	4 894 440	15 978
Unsecured loans	871 617	15 368
Corporate customers	1 168 914	3 189
Receivables from customers, total	**6 934 971**	**34 535**

* The loss allowance is the expected credit loss included in each item.
The credit risk of receivables from customers and the impact of expected credit losses are described in Group's note 2.
Change of financial year is impacted by the Handelsbanken transaction, which is described in more details in Group's note 38.

GROUP'S NOTE 21: DEBT SECURITIES

(EUR '000)	31 Dec 2024	31 Dec 2023
Measured at fair value through other comprehensive income		
Debt securities		
Credit institutions	21 247	37 705
Companies outside the financial sector	36 719	64 746
Measured at fair value through other comprehensive income, total	**57 966**	**102 451**
of which publicly quoted	57 966	102 451
Measured at fair value through profit or loss		
Municipal papers		
Public corporations	–	24 842
Measured at fair value through profit or loss, total	**–**	**24 842**
Debt securities, total	**57 966**	**127 293**

The credit risk of debt securities and the effects of expected credit losses are described in Group's note 2.

GROUP'S NOTE 22: DERIVATIVES AND HEDGE ACCOUNTING

Derivatives, hedge accounting and evaluation of its effectiveness are discussed in Group's note 1, section Derivatives and hedge accounting. The same note also explains the treatment of derivatives' valuation in chapter Measuring financial instruments at fair value.

The principles of risk management are described in Group's note 2. Sections Market risk and in particular Interest rate risk in the banking book contain information on the use of derivatives in hedge accounting and their impact on S-Bank's financial position and results.

NOMINAL AND FAIR VALUES OF DERIVATIVES

	31 Dec 2024			31 Dec 2023		
Interest rate derivatives (EUR '000)	**Nominal value**	**Positive fair value**	**Negative fair value**	**Nominal value**	**Positive fair value**	**Negative fair value**
Interest rate swaps						
Designated for hedge accounting						
Debt securities	307 200	7 512	-651	397 200	13 268	-829
Liabilities to customers *	1 140 000	9 634	-1 067	–	–	–
Issued bonds	1 400 000	31 826	–	500 000	17 657	–
Total	2 847 200	48 973	-1 717	897 200	30 924	-829
For non-hedging purposes	10 000	8	–	40 000	425	–
Derivatives, total	**2 857 200**	**48 981**	**-1 717**	**937 200**	**31 349**	**-829**

MATURITIES OF DERIVATIVES

	31 Dec 2024				31 Dec 2023			
Interest rate derivatives (EUR '000)	**Less than one year**	**1-5 years**	**Over 5 years**	**Total**	**Less than one year**	**1-5 years**	**Over 5 years**	**Total**
Designated for hedge accounting								
Debt securities	70 000	237 200	–	307 200	90 000	307 200	–	397 200
Liabilities to customers *	–	1 140 000	–	1 140 000	–	–	–	–
Issued bonds	–	900 000	500 000	1 400 000	–	500 000	–	500 000
For non-hedging purposes	10 000	–	–	10 000	30 000	10 000	–	40 000
Derivatives, total	**80 000**	**2 277 200**	**500 000**	**2 857 200**	**120 000**	**817 200**	**–**	**937 200**

* New hedged item. No comparison amounts.

Changes in the fair value of hedged items attributable to the hedged risk are recognised in the income statement under ‘Net income from hedge accounting’. Changes in the fair value not attributable to the hedged risk are recognised in the fair value reserve. Changes in the fair value of the hedging items included in hedge accounting are recognised in the income statement under Net result from hedge accounting. When hedging is effective, the changes in fair value offset each other and the net result is close to zero.

NOMINAL VALUES, CARRYING AMOUNTS AND FAIR VALUES OF HEDGED ITEMS *

31 Dec 2024 (EUR '000)		Carrying amount		Fair value		Cumulative change	
Balance sheet item including hedged item	**Nominal value**	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Debt securities	553 006	541 836	–	541 836	–	6 698	–
Liabilities to customers **	1 140 000	–	-1 140 000	–	-1 149 385	–	-9 385
Issued bonds	1 400 000	–	-1 428 757	–	-1 395 750	–	-33 007
Total		**541 836**	**-2 568 757**	**541 836**	**-2 545 135**	**6 698**	**-42 392**

31 Dec 2023 (EUR '000)		Carrying amount		Fair value		Cumulative change	
Balance sheet item including hedged item	**Nominal value**	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Debt securities	649 336	621 959	–	621 959	–	12 425	–
Issued bonds	500 000	–	-499 214	–	-868 818	–	-17 657
Total		**621 959**	**-499 214**	**621 959**	**-868 818**	**12 425**	**-17 657**

* The comparison period has been amended since the publication of the 31 December 2023 financial statements.
** New hedged item. No comparison amounts.

INEFFECTIVE PORTION OF HEDGE ACCOUNTING

31 Dec 2024 (EUR '000)		Profit (loss) on hedging relationship			
Hedged items by balance sheet items	Hedging instrument	Hedged item	Hedging instrument	Ineffective portion of hedging relationship	Income statement line on which ineffective portion is booked
Debt securities	Interest rate derivatives	5 727	-5 577	150	Net income from investing activities: Net income from hedge accounting
Liabilities to customers *	Interest rate derivatives	-9 385	8 568	-817	Net income from investing activities: Net income from hedge accounting
Issued bonds	Interest rate derivatives	-14 930	14 170	-760	Net income from investing activities: Net income from hedge accounting

31 Dec 2023 (EUR '000)		Profit (loss) on hedging relationship			
Hedged items by balance sheet items	Hedging instrument	Hedged item	Hedging instrument	Ineffective portion of hedging relationship	Income statement line on which ineffective portion is booked
Debt securities	Interest rate derivatives	11 337	-10 845	492	Net income from investing activities: Net income from hedge accounting
Issued bonds	Interest rate derivatives	-18 077	17 657	-420	Net income from investing activities: Net income from hedge accounting

* New hedged item. No comparison amounts.

GROUP'S NOTE 23: SHARES AND INTERESTS

(EUR '000)	31 Dec 2024	31 Dec 2023
Measured at fair value through other comprehensive income		
Other financial institutions	18	18
Companies outside financial sector	889	749
Measured at fair value through other comprehensive income, total	**907**	**767**
Measured at fair value through profit or loss		
Credit institutions	5 807	6 182
Companies outside financial sector	12 609	11 931
Measured at fair value through profit or loss, total	**18 416**	**18 114**
of which publicly quoted	18 416	18 114
Shares and interests, total	**19 322**	**18 881**

The fair value hierarchy levels of shares and interests are specified in Group's note 15.

The Group's subsidiaries' holdings and shares in Suomen Luotto-osuuskunta, SWIFT, DIAS Digitaalinen Asuntokauppa and APV Sijoitustutkinnot Oy are included in shares and interests measured at fair value through other comprehensive income.

GROUP'S NOTE 24: INTANGIBLE ASSETS

CHANGES IN INTANGIBLE ASSETS

2024 (EUR '000)	Intangible rights	IT systems	Projects in progress	Goodwill	Total
Acquisition cost 1 Jan	5 039	128 088	12 716	37 997	183 841
Increases	–	54	11 033	–	11 087
Decreases	–	-707	-10	–	-716
Transfers between items	–	11 245	-11 264	–	-19
Acquisition cost 31 Dec	5 039	138 680	12 476	37 997	194 192
Accumulated amortisation, depreciation and impairment 1 Jan	-2 692	-102 801		-12 748	-118 240
Accumulated amortisation for allowances and transfers	–	726		–	726
Depreciation	-438	-13 716		–	-14 154
Impairments	–	-159		–	-159
Accumulated amortisation, depreciation and impairment 31 Dec	-3 130	-115 950		-12 748	-131 828
Carrying amount 1 Jan	2 347	25 287	12 716	25 250	65 600
Carrying amount 31 Dec	**1 910**	**22 729**	**12 476**	**25 250**	**62 365**

2023 (EUR '000)	Intangible rights	IT systems	Projects in progress	Goodwill	Total
Acquisition cost 1 Jan	5 039	120 905	11 789	37 997	175 731
Increases	–	46	9 413	–	9 459
Decreases	–	-503	-511	–	-1 014
Transfers between items	–	7 640	-7 976	–	-336
Acquisition cost 31 Dec	5 039	128 088	12 716	37 997	183 841
Accumulated amortisation, depreciation and impairment 1 Jan	-2 039	-90 613		-12 748	-105 400
Accumulated amortisation for allowances and transfers	–	839		–	839
Depreciation	-652	-12 764		–	-13 416
Impairments	–	-263		–	-263
Accumulated amortisation, depreciation and impairment 31 Dec	-2 692	-102 801		-12 748	-118 240
Carrying amount 1 Jan	3 000	30 292	11 789	25 250	70 331
Carrying amount 31 Dec	**2 347**	**25 287**	**12 716**	**25 250**	**65 600**

Intangible assets include information systems that are essential for the Group's business operations and any work in progress related to the development of these information systems. During the financial year 2024, the most significant increases in projects in progress were due to work on S-mobiili and digital services development projects. Intangible assets, most of which are IT projects, are evaluated annually in conjunction with the budgeting process. Based on an assessment, an impairment loss of EUR 159 thousand (263) was recognised in the financial year 2024.

Goodwill-impairments testing

Goodwill is allocated to the following cash-generating unit:

GOODWILL

(EUR '000)	31 Dec 2024	31 Dec 2023
Wealth Management	25 250	25 250
Goodwill, total	**25 250**	**25 250**

In S-Bank Group, goodwill is currently allocated to the Wealth Management segment.

Impairments

The S-Bank Group has tested goodwill as per 31 December 2024 and 31 December 2023 and has not identified any need for impairment charges.

Testing and sensitivity analysis

Impairment testing compares the balance-sheet value of a cash-generating unit to the amount recoverable from the business in question. The amount recoverable from the Wealth Management business is based on its value in use, in which the estimated future cash flows of the business are discounted to their present value using a discount rate that reflects the pre-tax cost of the capital of the cash generating unit.

The expected cash flows from the Wealth Management business are based on financial plans approved by management covering a three-year period. Cash flows beyond this period have been derived using a growth factor of 2 per cent, which is estimated not to exceed the long-term actual growth of the industry. The pre-tax Weighted Average Cost of Capital (WACC) used as the discount rate is influenced by risk-free interest rates, market and country risk premiums, industry beta, the cost of debt and the capital structure. The discount rate was 8.9 per cent on 31 December 2024 and 10.6 per cent on 31 December 2023.

The key variables in impairment testing are the profit of the Wealth Management business, the discount rate and the growth factor after the three-year forecast period. The cash flows are based on a three-year financial planning. The terminal value of cash flows beyond this period is calculated based on the average of the cash flows for previously mentioned three-year period. According to our estimate, a change of +4 percentage points in the discount rate or -1 percentage point in the growth factor beyond a three-year period could be possible. Such changes, however, would not lead to a situation that would result a need for write-down.

GROUP'S NOTE 25: TANGIBLE ASSETS

CHANGES IN TANGIBLE ASSETS

2024 (EUR '000)	Machinery and equipment	Other tangible assets	Prepayments and acquisitions in progress	Right-of-use assets	Total
Acquisition cost 1 Jan	865	1 553	–	8 247	10 664
Increases	319	–	–	7 539	7 859
Decreases	–	–	–	-98	-98
Contractual changes	–	–	–	514	514
Transfers between items	–	–	–	-466	-466
Acquisition cost 31 Dec	1 184	1 553	–	15 737	18 473
Accumulated amortisation, depreciation and impairment 1 Jan	-863	-1 207		-1 214	-3 283
Accumulated amortisation for allowances and transfers	–	–		1 555	1 555
Depreciation	-10	-148		-2 633	-2 791
Accumulated amortisation, depreciation and impairment 31 Dec	-873	-1 354		-2 293	-4 520
Carrying amount 1 Jan	2	346	–	7 032	7 381
Carrying amount 31 Dec	**311**	**198**	**–**	**13 444**	**13 953**

2023 (EUR '000)	Machinery and equipment	Other tangible assets	Prepayments and acquisitions in progress	Right-of-use assets	Total
Acquisition cost 1 Jan	865	1 553	17	8 942	11 377
Increases	–	–	66	289	355
Decreases	–	–	-83	-27	-110
Contractual changes	–	–	–	-705	-705
Transfers between items	–	–	–	-253	-253
Acquisition cost 31 Dec	865	1 553	–	8 247	10 664
Accumulated amortisation, depreciation and impairment 1 Jan	-862	-1 003		-4 244	-6 109
Accumulated amortisation for allowances and transfers	–	–		5 448	5 448
Depreciation	-1	-203		-2 418	-2 622
Accumulated amortisation, depreciation and impairment 31 Dec	-863	-1 207		-1 214	-3 283
Carrying amount 1 Jan	3	549	17	4 699	5 268
Carrying amount 31 Dec	**2**	**346**	**–**	**7 032**	**7 381**

Right-of-use assets and lease liabilities

Right-of-use assets consist of premises under leases, leased vehicles, and IT systems and equipment.

CHANGES IN RIGHT-OF-USE ASSETS

2024 (EUR '000)	Buildings and structures, right-of-use	Machinery and equipment, right-of-use	Total
Acquisition cost 1 Jan	7 381	866	8 247
Increases	7 043	497	7 539
Decreases	–	-98	-98
Contractual changes	645	-130	514
Transfers between items	-404	-62	-466
Acquisition cost 31 Dec	14 664	1 073	15 737
Accumulated amortisation, depreciation and impairment 1 Jan	-818	-396	-1 214
Accumulated amortisation for allowances and transfer	1 239	315	1 555
Depreciation	-2 307	-326	-2 633
Accumulated amortisation, depreciation and impairment 31 Dec	-1 886	-407	-2 293
Carrying amount 1 Jan	6 562	470	7 032
Carrying amount 31 Dec	**12 778**	**666**	**13 444**

2023 (EUR '000)	Buildings and structures, right-of-use	Machinery and equipment, right-of-use	Total
Acquisition cost 1 Jan	8 116	826	8 942
Increases	–	289	289
Decreases	–	-27	-27
Contractual changes	-644	-62	-705
Transfers between items	-91	-161	-253
Acquisition cost 31 Dec	7 381	866	8 247
Accumulated amortisation, depreciation and impairment 1 Jan	-3 862	-381	-4 244
Accumulated amortisation for allowances and transfer	5 173	274	5 448
Depreciation	-2 129	-289	-2 418
Accumulated amortisation, depreciation and impairment 31 Dec	-818	-396	-1 214
Carrying amount 1 Jan	4 253	445	4 699
Carrying amount 31 Dec	**6 562**	**470**	**7 032**

DEFERRED TAXES FROM LEASES

(EUR '000)	31 Dec 2024	31 Dec 2023
Deferred tax assets *	2 721	1 415
Deferred tax liabilities *	2 689	1 406
Net tax effect *	**33**	**9**

* The comparison amount has been amended between line items.

LEASE LIABILITIES

(EUR '000)	31 Dec 2024	31 Dec 2023
Long-term lease liabilities	8 968	4 967
Short-term lease liabilities	4 639	2 110
Lease liabilities, total	**13 607**	**7 077**

Lease liabilities are included in Other liabilities.
The maturity breakdown of lease liabilities is presented in Group's note 16.

ITEMS RECOGNISED IN THE INCOME STATEMENT

(EUR '000)	2024	2023
Interest expenses on leases	-296	-25
Lease expenses on short-term leases	-501	-280
Rental expenses for low value assets	-565	-573
Depreciation of right-of-use assets, buildings	-2 307	-2 129
Depreciation of right-of-use assets, machinery and equipment	-326	-289
Items recognised in the income statement, total	**-3 996**	**-3 295**

CASH FLOW FROM LEASES

(EUR '000)	2024	2023
Cash flow from leases, total	**-3 914**	**-3 433**

GROUP'S NOTE 26: PREPAYMENTS AND ACCRUED INCOME

(EUR '000)	31 Dec 2024	31 Dec 2023
Interest receivables	60 911	43 308
Fee claims	7 950	9 012
Other receivables	8 934	10 066
Prepayments	265	451
Prepayments and accrued income, total	**78 060**	**62 837**

Other receivables include accrued expenses related to amortised purchase invoices, personnel expenses, revenue from receivables and accrued income from other receivables.

GROUP'S NOTE 27: OTHER ASSETS

(EUR '000)	31 Dec 2024	31 Dec 2023
Receivables from payment transactions	–	10 461
Accounts receivable	4 043	6 007
Other receivables	1 330	262
Other assets, total	**5 373**	**16 731**

GROUP'S NOTE 28: LIABILITIES TO CREDIT INSTITUTIONS AND CUSTOMERS

(EUR '000)	31 Dec 2024	31 Dec 2023
Liabilities to credit institutions		
Other than repayable on demand *	655 700	34 231
Liabilities to credit institutions, total	**655 700**	**34 231**
Liabilities to customers		
Deposits *		
Repayable on demand	8 380 718	7 581 569
Other than repayable on demand	991 322	594 317
Other liabilities		
Repayable on demand	74 378	56 125
Other than repayable on demand	4 635	7 653
Liabilities to customers, total	**9 460 439**	**8 239 664**
Liabilities to credit institutions and customers, total	**10 116 139**	**8 273 895**

* Change of financial year is impacted by Handelsbanken transaction, which is described in more details in Group's note 38.

GROUP'S NOTE 29: ISSUED BONDS

Bonds (EUR '000)	31 Dec 2024 Carrying amount	31 Dec 2024 Nominal value	31 Dec 2023 Carrying amount	31 Dec 2023 Nominal value	Interest	Maturity
Secured bonds						
S-Bank Plc's Covered Bond	518 154	500 000	517 291	500 000	Fixed 3.75%	26 Sep 2028
S-Bank Plc's Covered Bond	506 170	500 000	–	–	Fixed 3.00%	16 Apr 2030
Secured bonds, total	**1 024 324**	**1 000 000**	**517 291**	**500 000**		
Unsecured bonds						
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2021, Tranche 1	84 375	83 900	170 281	170 000	Euribor 3 m + 0.75%	4 Apr 2025
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2021, Tranche 2	49 324	50 000	49 324	50 000	Euribor 3 m + 0.75%	4 Apr 2025
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2023	150 000	150 000	150 000	150 000	Euribor 3 m + 2.30%	23 Nov 2026
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2024, Tranche 1	304 433	300 000	–	–	Fixed 4.875% until 8 Mar 2027 and after that Euribor 3 m + 1.95%	8 Mar 2028
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2024, Tranche 2	100 000	100 000	–	–	Fixed 4.875% until 8 Mar 2027 and after that Euribor 3 m + 1.95%	8 Mar 2028
Unsecured bonds, total	**688 132**	**683 900**	**369 605**	**370 000**		
Bonds, total	**1 712 456**	**1 683 900**	**886 895**	**870 000**		

GROUP'S NOTE 30: SUBORDINATED DEBTS

Debentures (EUR '000)	31 Dec 2024 Carrying amount	31 Dec 2024 Nominal value	31 Dec 2023 Carrying amount	31 Dec 2023 Nominal value	Interest	Maturity
Debenture I/2016	8 667	8 667	13 000	13 000	Euribor 12 m + 1.8%	30 Jun 2026
Debenture I/2017	3 999	3 999	5 333	5 333	Euribor 12 m + 1.8%	18 Dec 2027
Debenture I/2020	25 500	25 500	25 500	25 500	Euribor 12 m + 2.0%	1 Dec 2030
Debenture I/2021	57 500	57 500	57 500	57 500	Euribor 12 m + 2.0%	8 Oct 2031
Debentures, total	**95 666**	**95 666**	**101 333**	**101 333**		

Terms of debenture loans

Debenture loans are subordinated to the bank's other debt obligations. In capital adequacy calculation, debenture loans are classified under Tier 2 capital in accordance with the CRR Regulation.

The detailed terms and conditions of the debenture loans are described in the EU CCA table of the Pillar 3 report ('Capital and Risk Management Report'). The report is published separately from the financial statements and is available on S-Bank's website.

GROUP'S NOTE 31: ACCRUED EXPENSES

(EUR '000)	31 Dec 2024	31 Dec 2023
Interest payable	57 176	18 401
Accrued expenses associated with personnel expenses	29 849	21 236
Other accrued expenses *	159 654	13 737
Accrued expenses, total	**246 679**	**53 374**

Other accrued expenses include accrued expenses related to amortised purchase invoices and not included in other liabilities.
* Change of financial year is impacted by the Handelsbanken transaction, which is described in more details in Group's note 38.

GROUP'S NOTE 32: OTHER LIABILITIES AND PROVISIONS

(EUR '000)	31 Dec 2024	31 Dec 2023
Lease liabilities	13 607	7 077
Payables arising from payment transactions	41 045	36 815
Other	33 130	30 332
Other liabilities, total	**87 782**	**74 224**
Defined benefit plans	225	200
Provisions, total	**225**	**200**
Other liabilities and provisions, total	**88 007**	**74 424**

Lease liabilities are further specified under Group's note 25.
Item Other under Other liabilities includes the Group's accounts payable, withholding liabilities, commissions payable and impairment charges on guarantees and off-balance sheet items.

Defined benefit pension plan

In addition to statutory pension insurance (TyEL), S-Bank Group has a defined benefit pension plan. It is a voluntary supplementary pension scheme that is provided by an insurance company and financed by contributions to the insurance company. In defined benefit plans, the amount of the retirement benefit at the time of retirement is determined by certain factors such as salary and years of service. The assets of the defined benefit plan consist mainly of the payments made by S-Bank to the scheme and their proceeds.

PENSION LIABILITY ON THE BALANCE SHEET

(EUR '000)	31 Dec 2024	31 Dec 2023
Present value of defined benefit obligation	1 276	1 093
Fair value of defined benefit plan assets	-1 051	-893
Net debt arising from defined benefit plan	**225**	**200**

RECONCILIATION STATEMENT OF THE OPENING AND CLOSING BALANCES OF THE NET DEFINED BENEFIT LIABILITIES AND THEIR COMPONENTS

	Present value of obligation		Fair value of plan assets		Net debt	
(EUR '000)	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Opening balance sheet 1 January	**1 093**	**1 354**	**893**	**1 051**	**200**	**303**
Items recognised in the income statement						
Expense based on time of service in the period	66	90			66	90
Interest expense/income	47	45	41	37	6	8
Total	**113**	**135**	**41**	**37**	**71**	**98**
Items recognised in other comprehensive income						
Items due to reassessment:						
Actuarial gains/losses (-/+) based on changes in financial factors	154	-287			154	-287
Actuarial gains/losses (-/+) based on empirical changes	-2	-48			-2	-48
Return on plan assets excluding interest income/expense (+/-)			72	-265	-72	265
Total	**152**	**-336**	**72**	**-265**	**80**	**-71**
Other						
Benefits paid	-82	-60	-82	-60	–	–
Contributions to defined benefit plan			127	130	-127	-130
Total	**-82**	**-60**	**45**	**70**	**-127**	**-130**
Closing balance sheet 31 December	**1 276**	**1 093**	**1 051**	**893**	**225**	**200**

The duration based on the weighted average of the obligation is 25 years (24). S-Bank estimates that the expected payment under the defined benefit plan will be approximately EUR 129 thousand in 2025 (136).

AT THE END OF THE REPORTING PERIOD, THE FOLLOWING MAJOR ACTUARIAL ASSUMPTIONS WERE APPLIED:

	31 Dec 2024	31 Dec 2023
Discount rate	3.50%	4.30%
Increase in salaries	2.20%	2.70%
Inflation	2.20%	2.70%

Mortality assumptions are made based on actuarial guidance and are founded on published statistics and experience. These assumptions are used to derive an average life expectancy for a person retiring at the age of 65 years.

The following table presents a sensitivity analysis of the effect of the change in the discount rate used in the plan on the defined benefit pension liability. The sensitivity analysis is calculated in such a way that all other assumptions are assumed to remain unchanged when calculating the effect of a change in assumption.

SENSITIVITY ANALYSIS

	2024		2023	
(EUR '000)	Increase	Decrease	Increase	Decrease
Change when the discount rate changes by +/- 0.5 percentage points	181	277	160	248

GROUP'S NOTE 33: EQUITY ITEMS

(EUR '000)	31 Dec 2024	31 Dec 2023
Share capital	82 880	82 880
Reserves	481 445	275 148
Fair value reserve	-2 384	-8 680
Reserve for invested non-restricted equity *	483 828	283 828
Retained earnings	413 293	291 244
Retained earnings (losses)	281 153	173 259
Profit (loss) for the period	132 140	117 985
Total equity	**977 618**	**649 272**
Parent company's shareholders	977 618	649 272

S-Bank Plc has only one share class. The share class is not specifically named, and the articles of association do not specify the maximum number of shares or the nominal value of a share. No rights or restrictions on the share class are specified in the Articles of Association. S-Bank has not issued its own shares to the public and neither S-Bank nor its subsidiary holds any of its own shares.

NUMBER OF SHARES

	31 Dec 2024	31 Dec 2023
Shares outstanding at the beginning of the period	6 680 180	6 680 180
Changes *	2 443 494	–
Shares outstanding at the end of the period	9 123 674	6 680 180

* On 28 November 2024, the S-Bank's Board of Directors decided, based on the unanimous authorisation of the shareholders, to issue a total of 2 443 494 new shares to S-Bank's owners, the Central Union of Finnish Cooperative Societies (SOK) and cooperatives belonging to the S Group. The subscription price was EUR 81.85 per share, based on the net asset value of S-Bank as of 31 March 2023. The total subscription price of the shares, EUR 199 999 983.90, was fully recorded in S-Bank's reserve for invested non-restricted equity. After the registration of the new shares, the total number of S-Bank shares is 9 123 674 shares.

DESCRIPTION OF EQUITY ITEMS

Share capital

The share capital includes shares subscribed and paid for by the owners of the parent company. The owners of the parent company also hold shares whose subscription price is recorded in the reserve for invested non-restricted equity.

Fair value reserve

The reserve includes the change in the cumulative fair value, less deferred tax, of financial assets and financial liabilities at fair value through other comprehensive income. The change in fair value is recognised in the income statement when these financial assets or liabilities are written off or impaired. Assets measured at fair value are classified in three hierarchy levels. The hierarchy levels are shown in Group's note 15.

Reserve for invested non-restricted equity

The reserve is made up of shareholders' investments and was established by a decision of the general meeting. New capital may be recorded in the reserve, or it may be reduced, only by decision of a General Meeting to the extent permitted by law.

On 28 November 2024, the shareholders decided by unanimous resolution to authorise the Board of Directors to decide on a share issue, in which the total number of shares to be issued may not exceed 2 443 494. On 28 November 2024, the S-Bank's Board of Directors decided, based on the unanimous authorisation of the shareholders, to issue a total of 2 443 494 new shares to S-Bank's owners. The subscription price was paid and the Board of Directors approved the share subscriptions received from the owners on 28 November 2024. The total subscription price of the shares, EUR 199 999 983.90, was fully recorded in S-Bank's reserve for invested non-restricted equity.

Retained earnings

Retained earnings are assets that have been accumulated in the previous financial years of Group companies and that have not been distributed to owners.

Dividend distribution to the parent company's shareholders

S-Bank Plc paid a dividend EUR 1.50 (0.75) per share, totalling EUR 10 020 270.00 (5 010 135.00) from financial year 2023.

The Board of Directors proposes to the 2025 Annual General Meeting of S-Bank Plc that a dividend of EUR 2.20 per share, totalling EUR 20 072 082.80, shall be paid from parent company's distributable assets.

OTHER NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GROUP'S NOTE 34: COLLATERAL GIVEN

	Other collateral	
(EUR '000)	31 Dec 2024	31 Dec 2023
Derivatives	15 185	4 257
Collateral given for own debt, total *	**15 185**	**4 257**
of which cash	15 185	4 257
Other collateral given on own behalf	**557**	**357**
of which cash	557	357

* The comparison period has been amended since the publication of the 31 December 2023 financial statements. Collateral given in form of securities has been reported as pre-pledged collateral for central bank in the 31 December 2023 financial statements. Since 31 March 2024, they are not included in the figures, if the limit in central bank has not been used.

GROUP'S NOTE 35: OFFSETTING FINANCIAL ASSETS AND LIABILITIES

31 Dec 2024 (EUR '000)	Gross amount financial assets and liabilities netted on the balance sheet	Financial assets and liabilities netted on the balance sheet	Financial assets and liabilities netted on the balance sheet	Cash provided as collateral	Net amount
Financial assets					
Derivatives	46 838	2 143	48 981		
Financial liabilities					
Derivatives	16 692	-14 974	1 717	50 515	52 233

31 Dec 2023 (EUR '000)	Gross amount financial assets and liabilities netted on the balance sheet	Financial assets and liabilities netted on the balance sheet	Financial assets and liabilities netted on the balance sheet	Cash provided as collateral	Net amount
Financial assets					
Derivatives *	30 446	903	31 349		
Financial liabilities					
Derivatives	905	-76	829	29 974	30 803

* The comparison amounts has been amended since the publication of the 31 December 2023 financial statements.

Financial assets and financial liabilities are offset against each other, and a net amount is recognised in the balance sheet when there is a legally enforceable right to set off the amounts recognised, and a net settlement is to be made.

The following financial assets and liabilities are subject to enforceable master netting agreements:

Cash received as collateral is included in the balance sheet item Receivables from credit institutions. Cash received as collateral is included in the balance sheet item Liabilities to credit institutions.

GROUP'S NOTE 36: OFF-BALANCE SHEET COMMITMENTS

(EUR '000)	31 Dec 2024	31 Dec 2023
Guarantees	908	2 170
Other	33	52
Undrawn credit facilities	129 512	144 045
Off-balance sheet commitments, total	**130 454**	**146 266**

The expected credit loss on off-balance sheet items is EUR 1 167 thousand (1 879).

GROUP'S NOTE 37: CORPORATE STRUCTURE AND RELATED PARTIES

S-Bank Plc is the parent company of the S-Bank Group. S-Bank is a deposit bank that engages in credit institution operations pursuant to the Finnish Act on Credit Institutions (610/2014). The bank engages in the operations and related activities referred to in Chapter 5, section 1, of the above-mentioned Act. The Bank engages also in mortgage banking activities pursuant to Finnish Act on Mortgage Credit Banks and Covered Bonds (11.3.2022/151). In addition, the Bank is offering investment services pursuant to Chapter 1, section 15, of the Act on Investment Services (747/2012). As the parent company, S-Bank performs such tasks of the Group companies that must be carried out in a centralised manner, such as the Group's administration, guidance and supervision. S-Bank has two wholly owned subsidiaries: S-Bank Fund Management Ltd and S-Asiakaspalvelu Oy.

S-Bank Fund Management Ltd is a wholly owned subsidiary of S-Bank Plc, which acts as a fund management company and authorized alternative investment fund manager for S-Pankki funds. S-Bank Fund Management Ltd is responsible for the portfolio management of alternative funds which invest to real estate, private equity and other alternative investments. Portfolio management of equity, interest and asset management funds is outsourced to S-Bank Plc.

S-Asiakaspalvelu Oy provides customer services and data processing-related and other services related to the core operations of a credit institution in its capacity as a service company in accordance with the Act on Credit Institutions.

S-Bank Properties Ltd specialises in property management services for investors, property owners and tenants. In addition to real estate portfolio management, property management services and real estate development, the company focuses on the implementation and management of joint venture projects.

S-Bank Impact Investing Ltd is responsible for the planning and coordination of the operations of projects financed by impact investing funds.

FIM Real Estate Ltd, FIM Infrastructure Mezzanine Debt Fund GP Oy, FIM Infrastructure Mezzanine Debt Fund III GP Oy, FIM Private Debt Fund I GP Oy, FIM SIB Oy and S-Pankki Vaikuttavuus I GP Oy act as general partners in the funds managed by S-Bank Fund Management Ltd. These companies do not engage in any other business operations.

S-BANK'S SUBSIDIARIES INCLUDE THE FOLLOWING COMPANIES:

		Share of ownership	
Subsidiary	**Domicile**	**31 Dec 2024**	**31 Dec 2023**
S-Bank Fund Management Ltd	Helsinki	100%	100%
S-Asiakaspalvelu Oy	Helsinki	100%	100%
S-Bank Properties Ltd	Helsinki	100%	100%
S-Bank Impact Investing Ltd	Helsinki	100%	100%
FIM Real Estate Ltd	Helsinki	100%	100%
FIM Infrastructure Mezzanine Debt Fund GP Oy	Helsinki	100%	100%
FIM Infrastructure Mezzanine Debt Fund III GP Oy	Helsinki	100%	100%
FIM Private Debt Fund I GP Oy	Helsinki	100%	100%
FIM SIB Oy	Helsinki	100%	100%
S-Pankki Vaikuttavuus I GP Oy	Helsinki	100%	100%

The subsidiaries have been consolidated using the acquisition method.

Business combinations in 2024

On 1 December 2024 S-Bank Plc acquired the Finnish private customer, asset management and investment services operations of Svenska Handelsbanken AB. Handelsbanken transaction is described in more details in Group's note 38.

Information on structured non-consolidated entities

S-Bank acts as the general partner in limited partnership funds, which are structured entities. The companies of the S-Bank Group do not have any holdings in these funds that would significantly expose the Group to variable returns and are therefore not consolidated in the consolidated financial statements.

Structured entities include

- mutual and non-UCITS funds managed by S-Bank Fund Management Ltd,
- alternative funds managed by S-Bank Fund Management Ltd, with FIM Real Estate Ltd, FIM Infrastructure Mezzanine Debt Fund GP Oy, FIM Infrastructure Mezzanine Debt Fund III GP Oy, FIM Private Debt Fund I GP Oy, FIM SIB Oy and S-Pankki Vastuullisuus I GP Oy as general partners.

The management companies steer the relevant activities of the funds by confirming their rules and investment policies. Portfolio management makes investment decisions in accordance with the fund rules. Group's maximum risk of losses arising from funds is limited to the group's direct investments in funds, the loans granted to funds and the capital contributions as general partner. The Group mainly acts as a management company in the funds. The Group has direct investments in six funds.

STRUCTURED ENTITIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

(EUR '000)	31 Dec 2024	31 Dec 2023
Structured entities in which the Group has an investment		
Total assets	541 229	22 022
Group investment	3 972	2 282
Total liabilities	537 257	19 739
Structured entities in which the Group has no exposure		
Total assets	4 180 149	4 287 361
Total liabilities	4 180 149	4 287 361

Related party information

The related parties of S-Bank include key persons, their immediate family members and organisations that belong to the related parties. Key management persons include the members and deputies of S-Bank's Board of Directors, the CEO and Deputy CEO of S-Bank and the members of the Group Management Team. Related parties include S-Bank's subsidiaries and associated companies, SOK (which owns 49.99 per cent of S-Bank), and SOK Corporation's subsidiaries, joint ventures and associated companies. In addition, the related parties include companies in which the persons considered to be related parties have control or significant influence.

Loans granted to related parties are subject to standard customer terms and conditions.

MANAGEMENT COMPENSATION

2024 (EUR '000)	Salaries and other short-term employee benefits	Post-employment benefits	Long-term defined contribution pension plans
Riikka Laine-Tolonen, CEO	315		56
Iikka Kuosa, Deputy CEO *	267		38
Hanna Porkka, Deputy CEO **	–	87	–
Group Management Team excl. CEO and Deputy CEO	1 715		155
Management compensation, total	**2 297**	**87**	**249**

2023 (EUR '000)	Salaries and other short-term employee benefits	Post-employment benefits	Long-term defined contribution pension plans
Riikka Laine-Tolonen, CEO ***	184		53
Iikka Kuosa, Deputy CEO *	–		–
Hanna Porkka, Deputy CEO **	384	25	99
Group Management Team excl. CEO and Deputy CEO	1 549		252
Management compensation, total	**2 117**	**25**	**404**

* Since 1 April 2024.
** Interim CEO until 25 April 2023. Deputy CEO until 29 September 2023.
*** Since 26 April 2023.

BOARD OF DIRECTORS' REMUNERATION

(EUR '000)	2024	2023
Jari Annala, Chair of the Board	54	53
Jorma Vehviläinen, Vice Chair of the Board	39	38
Heli Arantola	–	12
Tom Dahlström	38	26
Kati Hagros	39	25
Veli-Matti Liimatainen	37	35
Hillevi Mannonen	39	38
Tarja Tikkanen	25	–
Olli Vormisto	36	37
Board of Directors' remuneration, total	**307**	**264**

TRANSACTIONS WITH PERSONS IN MANAGEMENT

2024 (EUR '000)	CEO and Deputy CEO	Group Management Team excl. CEO and Deputy CEO	Board of Directors
Assets			
Loans 1 January	157	1 041	349
Increases	3	988	193
Decreases	-160	-630	-27
Loans 31 December	–	1 399	515
Off-balance sheet commitments			
Loan commitments	10	69	43

2023 (EUR '000)	CEO and Deputy CEO *	Group Management Team excl. CEO and Deputy CEO *	Board of Directors
Assets			
Loans 1 January	1 774	799	2 009
Increases	179	319	22
Decreases	-1 795	-77	-1 681
Loans 31 December	157	1 041	349
Off-balance sheet commitments			
Loan commitments	10	72	55

* Interim CEO until 25 April 2023. Deputy CEO until 29 September 2023.

RELATED PARTY TRANSACTIONS

2024 (EUR '000)	Owner community	Associated companies	Persons in management	Other related parties
Assets				
Loans	–	–	1 914	1 523
Other receivables	–	5	–	–
Accounts receivable	55	–	–	–
Liabilities				
Deposits	16 896	–	1 947	503
Accounts payable	1 930	–	–	–
Off-balance sheet commitments				
Loan commitments	70 000	–	122	68
Income and expenses				
Interest income	92	–	52	62
Fee and commission income	44	–	0	0
Service sales	1 825	–	–	–
Interest expenses	1 242	–	52	7
Service purchases	29 483	16 543	–	–

2023 (EUR '000)	Owner community	Associated companies	Persons in management	Other related parties
Assets				
Loans	–	–	1 548	1 418
Other receivables	–	7	–	–
Accounts receivable	52	–	–	–
Liabilities				
Deposits	48 682	–	2 190	529
Accounts payable	1 734	15	–	–
Off-balance sheet commitments				
Loan commitments	70 000	–	137	45
Income and expenses				
Interest income	22	–	51	44
Fee and commission income	21	–	0	1
Service sales	1 444	–	–	–
Interest expenses *	1 268	–	31	11
Service purchases	22 694	12 310	–	–

* The amount has been amended since the publication of the 31 December 2023 financial statements.

GROUP'S NOTE 38: ACQUISITION OF HANDELSBANKEN'S FINNISH PRIVATE CUSTOMER, ASSET MANAGEMENT AND INVESTMENT SERVICES OPERATIONS

S-Bank announced on 31 May 2023 that it will acquire the Finnish private customer, asset management and investment services operations of Svenska Handelsbanken AB. The transaction was completed on 1 December 2024 when customers and the balance sheet items related to the transactions were transferred to S-Bank. In connection to the Handelsbanken transaction, 213 employees and nearly all of the bank's Finnish branches were transferred to S-Bank on 1 December 2024. The companies also started cooperation, and S-Bank started to offer funds managed by Handelsbanken Fonder AB.

Negative goodwill mainly consists of the EUR 25.7 million, the less than the net value of the balance sheet items transferred at closing, that S-Bank paid to Handelsbanken. In addition to that, there are one-off adjustments to the balance sheet that effect on the total negative goodwill. Negative goodwill is included in Other operating income.

In connection to Handelsbanken transaction, the definition of Assets under management was expanded when S-Bank became for example a distributor of funds managed by Handelsbanken Fonder AB. As from 1 December 2024 Assets under management includes: S-Bank funds, discretionary asset management and, as a new item, funds issued by other than Group companies, which are not reported under discretionary asset management.

The transaction was covered with a subsequent share issue to the owners, debt financing from the market as well as bilateral financing agreements. S-Bank strengthened its own capital with a share issue of EUR 200 million on 28 November 2024 to ensure that the bank's capitalisation and capital adequacy will remain strong also following the transaction. To cover the debt financing and pay the transaction price, S-Bank has and will issue covered and senior bonds between 2023 and 2025.

On 26 September 2023, S-Bank issued its first covered bond with nominal value EUR 500 million. On 8 March 2024 S-Bank issued a Senior Preferred MREL Eligible Notes –bond. On 16 April 2024, S-Bank issued its second covered bond with a nominal value of EUR 500 million. On 24 September 2024, S-Bank issued an increase of EUR 100 million in the original amount of its bond (tap issue). The tap issue concerns the Senior Preferred MREL Eligible Notes 1/2024 in the original amount EUR 300 million issued on 8 March 2024 and maturing on 8 March 2028. On 29 November 2024, bank drew EUR 590 million bilateral funding.

S-Bank's result for the review period includes expenses of EUR 14.1 million (EUR 4.2 million in year 2023). Those are expenses for consultancy and advisory services related to planning and preparation of the acquisition. In addition, the result includes expenses and interest of EUR 5.3 million (EUR 5.4 million in year 2023) related to the financing arrangement to ensure execution of the transaction.

IMPACTS OF THE TRANSACTION

(EUR million)	1 Dec 2024
Receivables from customers (gross) *	2 466.0
Liabilities to customers	-875.9
Other items **	3.9
Purchased net assets	**1 594.0**
Purchase price, cash	1 565.1
Negative goodwill	**28.9**
Assets under management	1 948.0
Undrawn credit facilities	15.3

* The fair value of receivables from customers is EUR 2 454.6 million. The amount includes estimated credit losses EUR 11.4 million related to the receivables. The effect has been described in more details in Group's note 11.
** As a part of the net assets, also other items, such as interest accruals and other assets and liabilities related to the transferred staff and branch offices, were included in the transaction.

GROUP'S NOTE 39: SIGNIFICANT EVENTS AFTER REPORTING PERIOD

The changes of EU Capital Requirements Regulation (CRR3), which will enter into force on 1 January 2025, will have a positive impact on capital position of the bank and the risk weighted assets. The positive impacts especially affect the risk weights of the loans secured by immovable property.

On 15 January 2025, S-Bank announced that it would reduce its prime rate by 0.25 percentage points to 2.25 per cent as of 30 January 2025.

On 20 January 2025, S-Bank announced that the company's Board of Directors had decided on a change in the company's dividend policy. According to the updated dividend policy, S-Bank aims to pay shareholders a steady and growing annual dividend of 15–25 per cent of profit after tax for the financial year. According to the previous dividend policy, the target was to distribute a steady and growing annual dividend of 5–15 per cent of profit after tax for the financial year.

FINANCIAL STATEMENTS OF S-BANK PLC

S-BANK PLC – INCOME STATEMENT

(EUR '000)	Note	2024	2023
Interest income	2	**551 724**	**388 367**
Interest expenses	2	**-246 257**	**-115 060**
NET INTEREST INCOME		**305 467**	**273 307**
Return on equity investments	3	**85**	**2 059**
From Group entities		–	2 000
From other companies		85	58
Fee and commission income	4	**93 267**	**89 800**
Fee and commission expenses	4	**-14 903**	**-11 435**
Net income from financial assets recognised at fair value through profit or loss	5	**-1 381**	**-2 227**
Net income from financial assets recognised at fair value through the fair value reserve	6	**659**	**-2 450**
Other operating income	7	**41 999**	**9 247**
Personnel and administrative expenses		**-195 178**	**-153 970**
Personnel expenses		-72 363	-57 982
Salaries and fees		-60 330	-47 944
Indirect personnel expenses		-12 033	-10 038
Pension expenses		-10 471	-8 445
Other indirect personnel expenses		-1 562	-1 593
Other administrative expenses		-122 815	-95 988
Depreciation and impairment on tangible and intangible assets and shares and interests	9	**-12 584**	**-12 101**
Other operating expenses	8	**-14 227**	**-15 362**
Expected and realised credit losses	10	**-42 678**	**-33 003**
OPERATING PROFIT (LOSS)		**160 526**	**143 865**
Appropriations		**2 047**	**1 604**
Income taxes		**-32 235**	**-29 025**
PROFIT (LOSS) FOR THE PERIOD		**130 339**	**116 444**

S-BANK PLC – BALANCE SHEET

ASSETS (EUR '000)	Note	31 Dec 2024	31 Dec 2023
Cash and cash equivalents	11, 29, 30, 31	**2 906 420**	**2 207 041**
Debt securities eligible for refinancing with central banks	11, 29, 30, 31	**564 844**	**571 735**
Other		564 844	571 735
Receivables from credit institutions	11, 12, 29, 30, 31	**21 262**	**9 111**
Repayable on demand		2 656	2 012
Other		18 606	7 099
Receivables from the public and public sector entities	11, 13, 29, 30, 31	**9 466 806**	**6 934 971**
Repayable on demand		6 074	4 816
Other		9 460 732	6 930 155
Debt securities	11, 14, 29, 30, 31	**57 966**	**127 293**
From public sector entities		57 966	–
From others		–	127 293
Shares and interests	11, 15, 29, 30, 31	**19 275**	**18 780**
Shares and interests in associated companies	11, 15, 29, 30, 31	**3**	**3**
Shares and interests in Group companies	11, 15, 29, 30, 31	**55 938**	**55 938**
Derivatives	11, 16, 17, 29, 30, 31	**48 981**	**31 349**
Intangible assets	18, 30, 31	**32 444**	**34 496**
Tangible assets	19, 30, 31	**363**	**193**
Other tangible assets		363	193
Other assets	20, 30, 31	**4 392**	**15 667**
Accrued income and prepayments made	21, 30, 31	**77 735**	**61 027**
Deferred tax assets	22, 30, 31	**687**	**2 460**
ASSETS, TOTAL		**13 257 117**	**10 070 063**

LIABILITIES (EUR '000)	Note	31 Dec 2024	31 Dec 2023
LIABILITIES			
Liabilities to credit institutions	11, 29, 30, 31	**655 700**	**34 231**
To credit institutions		655 700	34 231
Other		655 700	34 231
Liabilities to the public and public sector entities	11, 29, 30, 31	**9 515 421**	**8 286 001**
Deposits		9 436 408	8 222 223
Repayable on demand		8 442 585	7 626 406
Other		993 822	595 817
Other liabilities		79 013	63 778
Repayable on demand		74 378	56 125
Other		4 635	7 653
Issued bonds	11, 23, 29, 30, 31	**1 712 456**	**886 895**
Bonds		1 712 456	886 895
Derivatives	11, 16, 17, 29, 30, 31	**1 717**	**829**
Other liabilities	24, 30, 31	**72 844**	**65 998**
Other liabilities		72 844	65 998
Accrued expenses and prepayments received	25, 30, 31	**247 759**	**63 789**
Subordinated debts	11, 26, 30, 31	**95 666**	**101 333**
Other		95 666	101 333
Deferred tax liabilities	22, 30, 31	**60**	**60**
LIABILITIES, TOTAL		**12 301 622**	**9 439 136**
ACCUMULATED APPROPRIATIONS			
Depreciation difference		**4 844**	**4 891**
Taxation-based reserves		**19 000**	**21 000**
ACCUMULATED APPROPRIATIONS, TOTAL		**23 844**	**25 891**

LIABILITIES (EUR '000)	Note	31 Dec 2024	31 Dec 2023
EQUITY			
Share capital	27, 28	**82 880**	**82 880**
Other restricted reserves	27	**-2 384**	**-8 680**
Fair value reserve		**-2 384**	**-8 680**
Measured at fair value		-2 384	-8 680
Non-restricted reserves	27	**483 828**	**283 828**
Reserve for invested non-restricted equity		483 828	283 828
Retained earnings (losses)	27	**236 988**	**130 564**
Profit (loss) for the period	27	**130 339**	**116 444**
EQUITY, TOTAL		**931 651**	**605 037**
EQUITY AND LIABILITIES, TOTAL		**13 257 117**	**10 070 063**

OFF-BALANCE SHEET LIABILITIES (EUR '000)	34	31 Dec 2024	31 Dec 2023
Commitments given to third parties in favour of customers		**941**	**2 222**
Guarantees and pledges		908	2 170
Other		33	52
Irrevocable commitments given in favour of customers		**129 512**	**144 045**
Other		129 512	144 045

S-BANK PLC – CASH FLOW STATEMENT

(EUR '000)	Note	2024	2023
Cash flows from operating activities			
Profit (loss) for the period		**130 339**	**116 444**
Depreciation and impairment		12 584	12 101
Credit losses		52 705	39 489
Other non-payment income and expenses		1 022	3 172
Appropriations		-2 047	-1 604
Income taxes		32 235	29 025
Other adjustments *		-28 209	176
Adjustments for financial income and expenses		24 968	-8 521
Adjustments, total *		**93 257**	**73 838**
Cash flows from operating activities before changes in operating assets and liabilities *		**223 596**	**190 282**
Increase/decrease in operating assets (-/+)			
Receivables from credit institutions, other than repayable on demand		-11 507	-517
Receivables from customers		-120 920	-278 877
Investment assets		92 505	23 869
Other assets		12 045	-104
Increase/decrease in operating assets		**-27 876**	**-255 630**
Increase/decrease in operating liabilities (+/-)			
Liabilities to credit institutions		31 469	11 075
Liabilities to customers		344 177	260 000
Other liabilities		11 437	23 275
Increase/decrease in operating liabilities		**387 084**	**294 350**
Taxes paid		-41 085	-19 356
Cash flows from operating activities *		**541 718**	**209 646**

(EUR'000)	Note	2024	2023
Cash flows from investing activities			
Investments in tangible and intangible assets *		-10 584	-8 990
Purchase prices paid for acquisitions		-1 417 407	–
Cash flows from investing activities *		**-1 427 991**	**-8 990**
Cash flows from financing activities			
Paid share issue		200 000	–
Increace/decrease in short-term loans		590 000	–
Payments received from issue of bonds and debentures	23, 26	898 073	649 170
Repayments of issued bonds and debentures	23, 26	-91 767	-5 667
Dividends paid		-10 020	-5 010
Cash flows from financing activities		**1 586 286**	**638 493**
Difference in cash and cash equivalents		**700 013**	**839 149**
Cash and cash equivalents, opening balance sheet		2 209 052	1 369 912
Difference in cash and cash equivalents		700 013	839 149
Impact of changes in exchange rates		10	-9
Cash and cash equivalents consist of the following items:			
Cash and cash equivalents		2 906 420	2 207 041
Repayable on demand		2 656	2 012
Cash and cash equivalents		**2 909 076**	**2 209 052**
Interests paid		**-210 909**	**-99 449**
Dividends received		**85**	**2 059**
Interests received		**539 681**	**363 526**

* The comparison period has been amended between the cash flows from operating and investing activities since the publication of the 31 December 2023 financial statements.

S-BANK PLC – NOTES TO THE FINANCIAL STATEMENTS

S-BANK PLC - NOTE 1: ACCOUNTING POLICIES USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

S-Bank Plc is the parent company of the S-Bank Group. S-Bank is a deposit bank that engages in credit institution operations pursuant to the Finnish Act on Credit Institutions (610/2014). The bank engages in the operations and related activities referred to in Chapter 5, section 1, of the above-mentioned Act. The Bank engages also in mortgage banking activities pursuant to Finnish Act on Mortgage Credit Banks and Covered Bonds (11.3.2022/151). In addition, the Bank is offering investment services pursuant to Chapter 1, section 15, of the Act on Investment Services (747/2012). As the parent company, S-Bank performs such tasks of the Group companies that must be carried out in a centralised manner, such as the Group's administration, guidance and supervision.

S-Bank's headquarters are located at Fleminginkatu 34, FI-00510 Helsinki, Finland.

On 1 February 2024, the Board of Directors approved the financial statements for the period 1 January–31 December 2023.

General accounting policies

The financial statements have been prepared in accordance with the Finnish Accounting Act and Decree; the Act on Credit Institutions; the Ministry of Finance Decree on the financial statements, consolidated financial statements and Board of Directors' reviews of credit institutions and investment service companies; as well as the Finnish Financial Supervisory Authority's regulations governing the financial sector. The general instructions issued by the Finnish Accounting Standards Board (KILA) have also been considered, as applicable, when preparing the financial statements.

In addition, the Capital Requirements Directive (CRD IV), the EU Capital Requirements Regulation ("CRR", EU 575/2013) and the related implementation regulations, as well as the regulations of the European Banking Authority and the reports of the Finnish Financial Supervisory Authority were observed when preparing the financial statements.

The financial statement information is presented in thousands of euros, unless stated otherwise.

Principles of income recognition

Interest income and expenses

Interest on financial assets and liabilities and interest-rate derivatives is accrued as interest income or expenses for the financial periods to which they are to be allocated over time. Fees that form an essential part of the effective interest on loans, receivables or deposits are recognised as interest income or expenses.

Fee and commission income and expenses

Fee and commission income and expenses arise from services offered to customers and from the resources needed to provide these services. Fee and commission income is recognised on an accrual basis. Income and expenses for services distributed over several years are allocated to the appropriate years.

Financial assets and liabilities

S-Bank follows the S-Bank Group's accounting policies for recognising and measuring financial assets and financial liabilities and for impairment of financial assets. In this respect, the accounting policies of the parent company are consistent with those of the consolidated financial statements, as the Financial Supervisory Authority's regulations and guidance 2/2016 require the recognition of financial assets and liabilities to be in accordance with the IFRS 9 Financial Instruments standard. The classification of financial assets and liabilities and the impairment of financial assets are described in Group's note 1, section 'Financial Assets and Liabilities', paragraphs 'Classification of financial assets and liabilities' and 'Impairment of financial instruments'.

Intangible and tangible assets

Intangible assets

Intangible assets consist mainly of internally generated information systems, related development work, and license and connection fees. Intangible assets are carried at cost if the cost can be measured reliably, and it is probable that the intangible asset will generate economic benefits. Software expenses also include costs arising from the modification of software licensed to the Group. Intangible assets are amortised on a straight-line basis over their estimated economic lifetime.

Amortisation periods for intangible assets:
IT systems and licence fees: 3–5 years
Goodwill: 5 years

Tangible assets

Tangible assets are measured at original acquisition cost, less accumulated depreciation and impairment, if any. Straight-line depreciation is recorded on tangible assets in accordance with each item's economic life.

Depreciation periods for tangible assets:
Machinery and equipment: 3 years
Vaults and similar structures: 10 years
Renovations of leased premises:
term of lease, maximum 5 years

Impairment of tangible and intangible assets

At the end of each financial period, S-Bank assesses whether there is any evidence that the value of an asset item has been impaired. If there is evidence of impairment, the recoverable amount from the asset item is estimated on the basis of objective criteria. The recoverable amount is defined as the higher of the asset's fair value less cost to sell and its value in use. An impairment loss is recognised when the carrying amount of an asset is higher than its recoverable amount. An impairment loss and its changes are recognised in profit or loss through an impairment test.

Income taxes

Income taxes include current taxes for the financial period and adjustments to taxes for previous periods, as well as changes in deferred tax assets and liabilities. The tax effects of items that are recognised directly in equity are correspondingly recognised directly in equity. Taxes are calculated using the tax rates valid on the balance sheet date and, if there is a change in tax rates, at the available new tax rate.

Other items

For other items (excluding items that come under IFRS 16 Leases and IAS 19 Employee Benefits), the parent company follows the Group's accounting policies. The parent company has included items based on the requirement laid down in tax legislation concerning the matching of accounting with tax declarations. These items are presented as appropriations.

S-BANK PLC – NOTES TO THE INCOME STATEMENT

S-BANK PLC – NOTE 2: NET INTEREST INCOME

(EUR '000)	2024	2023
Interest income		
Cash and cash equivalents	106 698	51 725
Receivables from credit institutions	366	670
Receivables from the public and public sector entities	391 712	317 723
Debt securities	12 703	9 826
Derivatives	40 243	8 422
Other interest income	1	2
Interest income, total	**551 724**	**388 367**
Interest income from stage 3 financial assets	4 776	3 174
Interest expenses		
Liabilities to credit institutions	-1 659	-801
Liabilities to the public and public sector entities	-129 602	-86 764
Issued bonds	-59 762	-15 210
Derivatives	-43 557	-1 814
Subordinated debts	-5 851	-5 183
Other interest expenses	-5 827	-5 286
Interest expenses, total	**-246 257**	**-115 060**
Net interest income	**305 467**	**273 307**

S-BANK PLC – NOTE 3: RETURN ON EQUITY INVESTMENTS

(EUR '000)	2024	2023
From Group entities	–	2 000
From other companies	85	58
Dividend income measured at fair value through other comprehensive income	85	58
Return on equity investments, total	**85**	**2 059**

S-BANK PLC – NOTE 4: FEE AND COMMISSION INCOME AND EXPENSES

(EUR '000)	2024	2023
Fee and commission income		
From lending	9 531	9 526
From borrowing	790	721
From payment transactions	10 134	11 582
From card business	41 456	38 915
From funds	5 340	5 286
From wealth management	2 288	2 438
From legal duties	670	505
From securities brokerage	657	363
From insurance brokerage	2 274	1 762
From issuance of guarantees	13	94
From other activities	20 114	18 609
Fee and commission income, total	**93 267**	**89 800**
Fee and commission expenses		
From funds	-2 404	-2 279
From asset management	-119	-39
From securities brokerage	-446	-279
From card business	-11 411	-8 344
Banking fees	-434	-402
Other expenses	-89	-92
Fee and commission expenses, total	**-14 903**	**-11 435**

S-BANK PLC – NOTE 5: NET INCOME FROM FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

(EUR '000)	2024	2023
Net income from securities trading		
From debt securites		
Capital gains and losses	7	8
Changes in fair value	-6	7
From shares and interests		
Capital gains and losses	25	17
Changes in fair value	24	-2 600
From derivatives		
Changes in fair value	-417	-103
Net income from securities trading, total	**-367**	**-2 672**
of which capital gains and losses	33	25
of which changes in fair value	-400	-2 697
Net income from currency operations	**413**	**373**
Net income from hedge accounting		
Debt securities		
Net result from hedging instruments	-5 577	-10 845
Net result from hedged items	5 727	11 337
Liabilities to the public and public sector entities *		
Net result from hedging instruments	8 568	–
Net result from hedged items	-9 385	–
Issued bonds		
Net result from hedging instruments	14 170	17 657
Net result from hedged items	-14 930	-18 077
Net income from hedge accounting, total	**-1 427**	**71**
Net income from financial instruments measured at fair value through profit or loss, total	**-1 381**	**-2 227**

* New hedged item. No comparison amounts.

S-BANK PLC – NOTE 6: NET INCOME FROM FINANCIAL ASSETS RECOGNISED AT FAIR VALUE THROUGH THE FAIR VALUE RESERVES

(EUR '000)	2024	2023
Net income from disposal of financial assets	663	-2 396
Other income and expenses from other comprehensive income	-4	-54
Net income from financial assets recognised at fair value through the fair value reserve	**659**	**-2 450**

S-BANK PLC – NOTE 7: OTHER OPERATING INCOME

(EUR '000)	2024	2023
Other income	41 999	9 247
Other operating income, total	**41 999**	**9 247**

Other operating income includes for example administrative fees charged to the S Group. Change of financial year is impacted by The Handelsbanken transaction, which is described in more detail in Group's note 38.

S-BANK PLC – NOTE 8: OTHER OPERATING EXPENSES

(EUR '000)	2024	2023
Other operating expenses		
Lease expenses	-3 827	-3 344
Financial stability and deposit guarantee contributions	-6 425	-9 581
Other expenses	-3 975	-2 437
Other operating expenses, total	**-14 227**	**-15 362**
Breakdown of the fees paid to the audit firm		
Audit *	-277	-282
Tax consultancy *	-46	-76
Other services *	-167	-127
Fees paid to the audit firm, total *	**-491**	**-485**
Breakdown of fees paid to the Finnish Financial Stability Authority		
Financial stability contribution	–	-1 291
Deposit Guarantee Fund contribution	-6 342	-8 228
Administrative fee	-84	-62
Fees paid to the Finnish Financial Stability Authority, total	**-6 425**	**-9 581**

* The comparison period has been amended since the publication of the 31 December 2023 financial statements. The amount of value-added tax has been added into figures.

S-BANK PLC – NOTE 9: DEPRECIATION AND IMPAIRMENT ON TANGIBLE AND INTANGIBLE ASSETS, AND SHARES AND INTERESTS

(EUR '000)	2024	2023
Depreciation according to plan		
Intangible assets	-11 988	-10 844
Goodwill	-304	-304
Tangible assets	-149	-195
Depreciation according to plan, total	**-12 441**	**-11 344**
Impairment losses on non-current assets		
Intangible assets	-143	-674
Tangible assets	–	-83
Impairment losses on non-current assets, total	**-143**	**-757**
Depreciation and impairment on tangible and intangible assets, and shares and interests, total	**-12 584**	**-12 101**

S-BANK PLC – NOTE 10: EXPECTED AND REALISED CREDIT LOSSES

Credit risk

Liabilities and commitments exposed to credit risk totalled EUR 12 490.7 million (9 967.1). The ECL provision at the end of the reporting period totalled EUR 52.3 million (37.3). S-Bank's credit and counterparty risk is consistent, in terms of both governance and exposure, with the qualitative and numerical descriptions of the Group, when presented S-Bank's exposure to credit risk and the deferrals and changes of expected credit losses during the financial year.

EXPECTED CREDIT LOSSES

31 Dec 2024 (EUR '000)	Expected credit losses, gross *	Reversals **	Reversals recognised in the income statement	Realised credit losses recognised in the income statement	Expected and realised credit losses, total
From receivables from credit institutions	-27	–	–	–	-27
From receivables from the public and public sector entities	-22 093	5 638	9 232	-36 935	-44 157
From debt securities	794	–	–	–	794
Commitments given on behalf of, and in favour of, customers	353	358	–	–	711
Total	**-20 971**	**5 996**	**9 232**	**-36 935**	**-42 678**

31 Dec 2023 (EUR '000)	Expected credit losses, gross *	Reversals **	Reversals recognised in the income statement	Realised credit losses recognised in the income statement	Expected and realised credit losses, total
From receivables from credit institutions	3	–	–	–	3
From receivables from the public and public sector entities	-15 809	2 582	7 025	-25 228	-31 429
From debt securities	-539	–	–	–	-539
Commitments given on behalf of, and in favour of, customers	-1 129	92	–	–	-1 037
Total	**-17 474**	**2 675**	**7 025**	**-25 228**	**-33 003**

* Expected credit losses (ECL) recognised in the income statement during the reporting period from receivables
** Expected credit loss as at the opening balance sheet on receivables recognised as realised credit losses during the reporting period

EXPECTED CREDIT LOSSES AND IMPAIRMENT LOSSES RECOGNISED DURING THE PERIOD

Expected credit losses and impairment losses (EUR '000)	2024	2023
Receivables written off as credit and guarantee losses	-36 935	-25 228
Reversal of receivables written off	9 232	7 025
Expected credit losses (ECL) on receivables from customers and off-balance sheet commitments	-15 770	-14 261
Expected credit losses (ECL) on investing activities	794	-539
Total	**-42 678**	**-33 003**

RISK EXPOSURE, SUMMARY

	Stage 1		Stage 2		Stage 3		Purchased credit impaired				
31 Dec 2024 (EUR '000)	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments, total	ECL provision, total	Coverage ratio %
Lending to household customers *	7 630 621	-6 125	526 860	-21 107	132 083	-18 079	23 108	-3 200	8 312 671	-48 512	-0.58%
Lending to corporate customers *	1 182 675	-510	27 897	-1 027	8 927	-968	–	–	1 219 499	-2 505	-0.21%
Investing activities **	628 072	-126	–	–	–	–	–	–	628 072	-126	-0.02%
Off-balance sheet commitments ***	2 259 030	-160	70 043	-942	1 389	-66	–	–	2 330 462	-1 167	-0.05%
Total	**11 700 397**	**-6 921**	**624 800**	**-23 076**	**142 399**	**-19 113**	**23 108**	**-3 200**	**12 490 704**	**-52 310**	**-0.42%**

	Stage 1		Stage 2		Stage 3		Purchased credit impaired				
31 Dec 2023 (EUR '000)	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments, total	ECL provision, total	Coverage ratio %
Lending to household customers *	5 421 610	-2 489	283 706	-13 128	92 415	-15 729	–	–	5 797 731	-31 346	-0.54%
Lending to corporate customers *	1 087 996	-424	96 708	-2 766	–	–	–	–	1 184 705	-3 189	-0.27%
Investing activities **	667 649	-314	11 146	-607	–	–	–	–	678 795	-921	-0.14%
Off-balance sheet commitments ***	2 294 153	-464	10 824	-1 344	872	-71	–	–	2 305 850	-1 879	-0.08%
Total	**9 471 408**	**-3 690**	**402 384**	**-17 845**	**93 287**	**-15 800**	**–**	**–**	**9 967 080**	**-37 335**	**-0.37%**

*The ECL provision is recognised as a single amount in order to reduce the balance sheet item Receivables from customers.
**The ECL provision is recognised in the fair value reserve under other comprehensive income.
***The ECL provision is recognised on the balance sheet under 'Other liabilities'.

EXPOSURE TO CREDIT RISK (LENDING TO HOUSEHOLD CUSTOMERS)

	Lending to household customers				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	
31 Dec 2024 (EUR '000)	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Category 1	2 593 206	3 378	–	–	2 596 583
Category 2	573 724	1 841	–	–	575 565
Category 3	2 499 853	14 505	–	75	2 514 434
Category 4	315 498	17 292	–	–	332 791
Category 5	1 523 627	100 547	–	–	1 624 174
Category 6	119 689	172 712	–	–	292 400
Category 7	5 023	216 585	–	–	221 608
In default	–	–	132 083	23 032	155 115
Gross carrying amount	**7 630 621**	**526 860**	**132 083**	**23 108**	**8 312 671**
ECL provision *	-6 125	-21 107	-18 079	-3 200	-48 512
Net carrying amount	**7 624 495**	**505 753**	**114 004**	**19 907**	**8 264 160**

*The ECL provision is recognised as a single amount in order to reduce the balance sheet item 'Receivables from customers'.

	Lending to household customers				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	
31 Dec 2023 (EUR '000)	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Category 1	4 347 233	122 824	–	–	4 470 057
Category 2	329 722	14 030	–	–	343 752
Category 3	297 012	12 642	–	–	309 654
Category 4	125 578	6 610	–	–	132 187
Category 5	231 797	12 998	–	–	244 795
Category 6	87 657	36 230	–	–	123 886
Category 7	2 611	78 373	–	–	80 984
In default	–	–	92 415	–	92 415
Gross carrying amount	**5 421 610**	**283 706**	**92 415**	**–**	**5 797 731**
ECL provision *	-2 489	-13 128	-15 729	–	-31 346
Net carrying amount	**5 419 121**	**270 578**	**76 686**	**–**	**5 766 385**

EXPOSURE TO CREDIT RISK (LENDING TO CORPORATE CUSTOMERS, INVESTING ACTIVITIES AND OFF-BALANCE SHEET COMMITMENTS, INCLUDING THE OFF-BALANCE SHEET ACCOUNTS OF HOUSEHOLD CUSTOMERS)

	Lending to corporate customers, investing activities and off-balance sheet commitments				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	
31 Dec 2024 (EUR '000)	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Category 1	2 783 658	42	–	–	2 783 700
Category 2	640 342	1 659	–	–	642 001
Category 3	238 475	15 066	–	–	253 542
Category 4	79 211	15 345	–	–	94 556
Category 5	207 548	32 464	–	–	240 012
Category 6	120 527	30 077	–	–	150 604
Category 7	16	3 287	–	–	3 303
In default	–	–	10 316	–	10 316
Gross carrying amount	**4 069 777**	**97 940**	**10 316**	**–**	**4 178 032**
ECL provision *	-796	-1 969	-1 034	–	-3 799

	Lending to corporate customers, investing activities and off-balance sheet commitments				
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	
31 Dec 2023 (EUR '000)	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Category 1	2 785 552	34	–	–	2 785 586
Category 2	565 527	5	–	–	565 531
Category 3	301 264	6	–	–	301 270
Category 4	90 734	0	–	–	90 734
Category 5	234 796	4 441	–	–	239 237
Category 6	68 957	107 974	–	–	176 931
Category 7	2 969	6 218	–	–	9 187
In default	–	–	872	–	872
Gross carrying amount	**4 049 799**	**118 678**	**872**	**–**	**4 169 349**
ECL provision *	-1 201	-4 716	-71	–	-5 989

*The ECL provision for corporate customers is recognised as a single amount in order to reduce the balance sheet item 'Receivables from customers'.
The ECL provision for investment activities is recognised in the fair value reserve under 'Other comprehensive income'.
The ECL provision for off-balance sheet receivables is recognised on the balance sheet under 'Other liabilities'.

RECONCILIATION OF EXPECTED CREDIT LOSSES (LENDING TO HOUSEHOLD CUSTOMERS)

	Lending to household customers				
(EUR '000)	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit impaired Lifetime ECL	Total
ECL 1 Jan 2024	**2 489**	**13 128**	**15 729**	**–**	**31 346**
Transfers from Stage 1 to Stage 2	-648	12 418	–	–	11 770
Transfers from Stage 1 to Stage 3	-95	–	5 401	–	5 307
Transfers from Stage 2 to Stage 1	111	-2 875	–	–	-2 763
Transfers from Stage 2 to Stage 3	–	-2 242	4 620	–	2 378
Transfers from Stage 3 to Stage 1	10	–	-479	–	-469
Transfers from Stage 3 to Stage 2	–	573	-2 497	–	-1 923
Changes in the risk parameters	1 645	903	-3 202	–	-654
Increases due to origination and acquisition	2 939	2 470	2 866	3 200	11 475
Decreases due to derecognition	-209	-673	-1 435	–	-2 317
Decrease in the allowance account due to write-offs	-117	-2 597	-2 925	–	-5 638
Net change in ECL	3 637	7 978	2 351	3 200	17 166
ECL 31 Dec 2024	**6 125**	**21 107**	**18 079**	**3 200**	**48 512**

	Lending to household customers				
(EUR '000)	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit impaired Lifetime ECL	Total
ECL 1 Jan 2023	**1 438**	**9 256**	**10 026**	**–**	**20 720**
Transfers from Stage 1 to Stage 2	-144	6 760	–	–	6 616
Transfers from Stage 1 to Stage 3	-32	–	4 091	–	4 059
Transfers from Stage 2 to Stage 1	163	-3 358	–	–	-3 196
Transfers from Stage 2 to Stage 3	–	-1 255	5 249	–	3 994
Transfers from Stage 3 to Stage 1	3	–	-489	–	-486
Transfers from Stage 3 to Stage 2	–	190	-1 180	–	-990
Changes in the risk parameters	449	1 132	-276	–	1 305
Increases due to origination and acquisition	836	2 110	985	–	3 930
Decreases due to derecognition	-189	-728	-1 108	–	-2 025
Decrease in the allowance account due to write-offs	-35	-977	-1 570	–	-2 582
Net change in ECL	1 050	3 873	5 703	–	10 625
ECL 31 Dec 2023	**2 489**	**13 128**	**15 729**	**–**	**31 346**

RECONCILIATION OF EXPECTED CREDIT LOSSES (LENDING TO CORPORATE CUSTOMERS, INVESTING ACTIVITIES AND OFF-BALANCE SHEET COMMITMENTS, INCLUDING THE OFF-BALANCE SHEET ACCOUNTS OF HOUSEHOLD CUSTOMERS)

	Lending to corporate customers, investing activities and off-balance sheet commitments				
(EUR '000)	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased credit impaired Lifetime ECL**	**Total**
ECL 1 Jan 2024	**1 201**	**4 716**	**71**	**–**	**5 989**
Transfers from Stage 1 to Stage 2	-80	999	–	–	918
Transfers from Stage 1 to Stage 3	-5	–	994	–	989
Transfers from Stage 2 to Stage 1	47	-2 524	–	–	-2 476
Transfers from Stage 2 to Stage 3	–	-48	5	–	-43
Transfers from Stage 3 to Stage 1	0	–	-15	–	-15
Transfers from Stage 3 to Stage 2	–	3	-12	–	-9
Changes in the risk parameters	-377	-500	-10	–	-886
Increases due to origination and acquisition	152	387	26	–	564
Decreases due to derecognition	-127	-723	-24	–	-874
Decrease in the allowance account due to write-offs	-15	-341	-1	–	-358
Net change in ECL	-406	-2 747	963	–	-2 190
ECL 31 Dec 2024	**796**	**1 969**	**1 034**	**–**	**3 799**

	Lending to corporate customers, investing activities and off-balance sheet commitments				
(EUR '000)	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased credit impaired Lifetime ECL**	**Total**
ECL 1 Jan 2023	**697**	**1 081**	**38**	**–**	**1 815**
Transfers from Stage 1 to Stage 2	-91	1 726	–	–	1 635
Transfers from Stage 1 to Stage 3	0	–	23	–	23
Transfers from Stage 2 to Stage 1	49	-497	–	–	-447
Transfers from Stage 2 to Stage 3	–	-19	4	–	-15
Transfers from Stage 3 to Stage 1	0	–	-20	–	-20
Transfers from Stage 3 to Stage 2	–	4	-2	–	2
Changes in the risk parameters	286	182	2	–	470
Increases due to origination and acquisition	369	2 366	29	–	2 764
Decreases due to derecognition	-106	-37	-3	–	-146
Decrease in the allowance account due to write-offs	-2	-89	-1	–	-92
Net change in ECL	505	3 636	33	–	4 174
ECL 31 Dec 2023	**1 201**	**4 716**	**71**	**–**	**5 989**

S-BANK PLC – NOTES TO THE BALANCE SHEET

S-BANK PLC – NOTE 11: CLASSES OF FINANCIAL ASSETS AND LIABILITIES

Classes of financial assets 31 Dec 2024 (EUR '000)	Amortised cost	Measured at fair value through other comprehensive income	Fair value through profit or loss: Measured at fair value	Fair value through profit or loss: Derivatives in hedge accounting	Total
Cash and cash equivalents	2 906 420				2 906 420
Debt securities eligible for refinancing with central banks		564 844			564 844
Receivables from credit institutions	21 262				21 262
Receivables from the public and public sector entities	9 466 806				9 466 806
Debt securities		57 966	–		57 966
Shares and interests		860	18 416		19 275
Shares and interests in associated companies	3				3
Shares and interests in Group companies	55 938				55 938
Derivatives			8	48 973	48 981
Total	**12 450 429**	**623 670**	**18 423**	**48 973**	**13 141 496**

Classes of financial assets 31 Dec 2023 (EUR '000)	Amortised cost	Measured at fair value through other comprehensive income	Fair value through profit or loss: Measured at fair value	Fair value through profit or loss: Derivatives in hedge accounting	Total
Cash and cash equivalents	2 207 041				2 207 041
Debt securities eligible for refinancing with central banks		571 735			571 735
Receivables from credit institutions	9 111				9 111
Receivables from the public and public sector entities	6 934 971				6 934 971
Debt securities		102 451	24 842		127 293
Shares and interests		666	18 114		18 780
Shares and interests in associated companies	3				3
Shares and interests in Group companies	55 938				55 938
Derivatives			425	30 924	31 349
Total	**9 207 064**	**674 852**	**43 381**	**30 924**	**9 956 221**

Classes of financial liabilities 31 Dec 2024 (EUR '000)	Amortised cost	Fair value through profit or loss: Derivatives in hedge accounting	Total
Liabilities to credit institutions	655 700		655 700
Liabilities to the public and public sector entities	9 515 421		9 515 421
Issued bonds	1 712 456		1 712 456
Derivatives		1 717	1 717
Subordinated debts	95 666		95 666
Total	**11 979 242**	**1 717**	**11 980 960**

Classes of financial liabilities 31 Dec 2023 (EUR '000)	Amortised cost	Fair value through profit or loss: Derivatives in hedge accounting	Total
Liabilities to credit institutions	34 231		34 231
Liabilities to the public and public sector entities	8 286 001		8 286 001
Issued bonds	886 895		886 895
Derivatives		829	829
Subordinated debts	101 333		101 333
Total	**9 308 460**	**829**	**9 309 289**

S-BANK PLC – NOTE 12: RECEIVABLES FROM CREDIT INSTITUTIONS

31 Dec 2024 (EUR '000)	Repayable on demand	Other than repayable on demand	Total
From Finnish credit institutions	2 091	3 421	5 512
From foreign credit institutions	565	15 185	15 749
Receivables from credit institutions, total	**2 656**	**18 606**	**21 262**

31 Dec 2023 (EUR '000)	Repayable on demand	Other than repayable on demand	Total
From Finnish credit institutions	1 480	2 804	4 284
From foreign credit institutions	531	4 296	4 827
Receivables from credit institutions, total	**2 012**	**7 099**	**9 111**

S-BANK PLC – NOTE 13: RECEIVABLES FROM THE PUBLIC AND PUBLIC SECTOR ENTITIES

31 Dec 2024 (EUR '000)	Receivables from the public and public sector entities	Loss allowance *
Corporates and housing companies	1 153 324	2 413
Financial and insurance institutions	63 669	92
Households	8 172 907	48 332
Non-profit organisations serving households	–	–
Foreign countries	76 905	179
Receivables from the public and public sector entities, total	**9 466 806**	**51 017**

31 Dec 2023 (EUR '000)	Receivables from the public and public sector entities	Loss allowance *
Corporates and housing companies	1 121 154	3 124
Financial and insurance institutions	60 017	65
Households	5 744 657	31 337
Non-profit organisations serving households	344	0
Foreign countries	8 799	9
Receivables from the public and public sector entities, total	**6 934 971**	**34 535**

* The loss allowance is the expected credit loss included in each item.
Change of financial year is impacted by the Handelsbanken transaction, which is described in more details in Group's note 38.

S-BANK PLC – NOTE 14: DEBT SECURITIES

31 Dec 2024 (EUR '000)	Publicly quoted	Other	Total	Loss allowance *
Debt securities issued by public sector entities				
Financial assets measured at fair value through profit or loss		–	–	
Municipal papers		–	–	
Financial assets measured at fair value through other comprehensive income	7 086		7 086	-3
Debt securities issued by public sector entities, total	**7 086**	**–**	**7 086**	**-3**
Debt securities issued by other than public sector entities				
Financial assets measured at fair value through other comprehensive income	615 725		615 725	-123
Debt securities issued by other than public sector entities, total	**615 725**		**615 725**	**-123**
Debt securities, total	**622 810**	**–**	**622 810**	
of which eligible for refinancing with central banks	564 844		564 844	
of which other than goverment bonds	564 844		564 844	

31 Dec 2023 (EUR '000)	Publicly quoted	Other	Total	Loss allowance *
Debt securities issued by public sector entities				
Financial assets measured at fair value through profit or loss		24 842	24 842	
Municipal papers		24 842	24 842	
Financial assets measured at fair value through other comprehensive income	40 360		40 360	-12
Debt securities issued by public sector entities, total	**40 360**	**24 842**	**65 202**	**-12**
Debt securities issued by other than public sector entities				
Financial assets measured at fair value through other comprehensive income	633 825		633 825	-909
Debt securities issued by other than public sector entities, total	**633 825**		**633 825**	**-909**
Debt securities, total	**674 186**	**24 842**	**699 028**	
of which eligible for refinancing with central banks	571 735		571 735	
of which other than goverment bonds	571 735		571 735	

* The loss allowance is the expected credit loss for each item.

S-BANK PLC – NOTE 15: SHARES AND INTERESTS

31 Dec 2024 (EUR '000)	Publicly quated	Other	Total	of which in credit institutions	of which in other companies
Shares and interests	18 416	860	**19 275**	5 807	13 469
Financial assets measured at fair value through profit or loss	18 416		**18 416**	5 807	12 609
Equity instruments recognised at fair value through other comprehensive income in accordance with IFRS 9.4.1.4		860	**860**		860
Shares and interests in associated companies		3	**3**		3
Shares and interests in Group companies		55 938	**55 938**		55 938

31 Dec 2023 (EUR '000)	Publicly quated	Other	Total	of which in credit institutions	of which in other companies
Shares and interests	18 114	666	**18 780**	6 182	12 597
Financial assets measured at fair value through profit or loss	18 114		**18 114**	6 182	11 931
Equity instruments recognised at fair value through other comprehensive income in accordance with IFRS 9.4.1.4		666	**666**		666
Shares and interests in associated companies		3	**3**		3
Shares and interests in Group companies		55 938	**55 938**		55 938

S-BANK PLC – NOTE 16: DERIVATIVES

Derivatives, hedge accounting and evaluation of its effectiveness are discussed in Group's note 1, section Derivatives and hedge accounting. The same note also explains the treatment of derivatives' valuation in chapter Measuring financial instruments at fair value.

The principles of risk management are described in Group's note 2. Sections Market risk and in particular Interest rate risk in the banking book contain information on the use of derivatives in hedge accounting and their impact on S-Bank's financial position and results.

NOMINAL AND FAIR VALUES OF DERIVATIVES

	31 Dec 2024			31 Dec 2023		
Interest rate derivatives (EUR '000)	**Nominal value**	**Positive fair value**	**Negative fair value**	**Nominal value**	**Positive fair value**	**Negative fair value**
Interest rate swaps						
Designated for hedge accounting						
Debt securities	307 200	7 512	-651	397 200	13 268	-829
Liabilities to the public and public sector entities *	1 140 000	9 634	-1 067	–	–	–
Issued bonds	1 400 000	31 826	–	500 000	17 657	–
Total	2 847 200	48 973	-1 717	897 200	30 924	-829
For non-hedging purposes	10 000	8	–	40 000	425	–
Derivatives, total	**2 857 200**	**48 981**	**-1 717**	**937 200**	**31 349**	**-829**
Maturities of derivative exposures designated for hedge accounting						
Less than one year	70 000			90 000		
1–5 years	2 277 200			807 200		
More than five years	500 000			–		
Maturities of derivative exposures other than for hedging purposes						
Less than one year	10 000			30 000		
1–5 years	–			10 000		
More than five years	–			–		

* New hedged item. no comparison amounts.

S-BANK PLC – NOTE 17: HEDGE ACCOUNTING

Derivatives, the accounting policies for hedge accounting and evaluation of hedge accounting's effectiveness are discussed in Group's note 1, section Derivatives and hedge accounting. Chapter Measuring financial instruments at fair value of the same note also discusses the valuation of derivatives.

The principles of risk management are described in Group's note 2. Sections Market risk and in particular Interest rate risk in the banking book contain information on the use of derivatives in hedge accounting and their impact on S-Bank's financial position and results.

NOMINAL AND FAIR VALUES OF DERIVATIVES

	31 Dec 2024			31 Dec 2023		
Interest rate derivatives (EUR '000)	**Nominal value**	**Positive fair value**	**Negative fair value**	**Nominal value**	**Positive fair value**	**Negative fair value**
Interest rate swaps						
Designated for hedge accounting						
Debt securities	307 200	7 512	-651	397 200	13 268	-829
Liabilities to the public and public sector entities *	1 140 000	9 634	-1 067	–	–	–
Issued bonds	1 400 000	31 826	–	500 000	17 657	–
Total	2 847 200	48 973	-1 717	897 200	30 924	-829
For non-hedging purposes	10 000	8	–	40 000	425	–
Derivatives, total	**2 857 200**	**48 981**	**-1 717**	**937 200**	**31 349**	**-829**
Maturities of derivative exposures designated for hedge accounting						
Less than one year	70 000			90 000		
1–5 years	2 277 200			807 200		
More than five years	500 000			–		
Maturities of derivative exposures other than for hedging purposes						
Less than one year	10 000			30 000		
1–5 years	–			10 000		
More than five years	–			–		

* New hedged item. no comparison amounts.

Changes in the fair value of hedged items attributable to the hedged risk are recognised in the income statement under 'Net income from hedge accounting'. Changes in the fair value not attributable to the hedged risk are recognised in the fair value reserve. Changes in the fair value of the hedging items included in hedge accounting are recognised in the income statement under Net result from hedge accounting. When hedging is effective, the changes in fair value offset each other and the net result is close to zero.

NOMINAL VALUES, CARRYING AMOUNTS AND FAIR VALUES OF HEDGED ITEMS *

31 Dec 2024 (EUR '000)		Carrying amount		Fair value		Cumulative change	
Balance sheet item including hedged item	**Nominal value**	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Debt securities	553 006	541 836	–	541 836	–	6 698	–
Liabilities to the public and public sector entities **	1 140 000	–	-1 140 000	–	-1 149 385	–	-9 385
Issued bonds	1 400 000	–	-1 428 757	–	-1 395 750	–	-33 007
Total		**541 836**	**-2 568 757**	**541 836**	**-2 545 135**	**6 698**	**-42 392**

31 Dec 2023 (EUR '000)		Carrying amount		Fair value		Cumulative change	
Balance sheet item including hedged item	**Nominal value**	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Debt securities	649 336	621 959	–	621 959	–	12 425	–
Issued bonds	500 000	–	-499 214	–	-868 818	–	-17 657
Total		**621 959**	**-499 214**	**621 959**	**-868 818**	**12 425**	**-17 657**

* The comparison period has been amended since the publication of the 31 December 2023 financial statements.
** New hedged item. No comparison amounts.

INEFFECTIVE PORTION OF HEDGE ACCOUNTING

31 Dec 2024 (EUR '000)		Profit (loss) on hedging relationship			
Hedged items by balance sheet items	**Hedging instrument**	**Hedged item**	**Hedging instrument**	**Ineffective portion of hedging relationship**	**Income statement line on which ineffective portion is booked**
Debt securities	Interest rate derivatives	5 727	-5 577	150	Net income from investing activities: Net income from hedge accounting
Liabilities to the public and public sector entities *	Interest rate derivatives	-9 385	8 568	-817	Net income from investing activities: Net income from hedge accounting
Issued bonds	Interest rate derivatives	-14 930	14 170	-760	Net income from investing activities: Net income from hedge accounting

31 Dec 2023 (EUR '000)		Profit (loss) on hedging relationship			
Hedged items by balance sheet items	**Hedging instrument**	**Hedged item**	**Hedging instrument**	**Ineffective portion of hedging relationship**	**Income statement line on which ineffective portion is booked**
Debt securities	Interest rate derivatives	11 337	-10 845	492	Net income from investing activities: Net income from hedge accounting
Issued bonds	Interest rate derivatives	-18 077	17 657	-420	Net income from investing activities: Net income from hedge accounting

* New hedged item. No comparison amounts.

S-BANK PLC – NOTE 18: INTANGIBLE ASSETS

CHANGES IN INTANGIBLE ASSETS

2024 (EUR '000)	Information systems	Projects in progress	Goodwill	Total
Acquisition cost 1 Jan	117 457	11 793	19 148	148 398
Increases	29	10 354	–	10 383
Decreases	-437	-7	–	-444
Transfers between items	10 717	-10 717	–	–
Acquisition cost 31 Dec	127 766	11 423	19 148	158 337
Accumulated amortisation, depreciation and impairment 1 Jan	-95 589		-18 312	-113 901
Accumulated amortisation for allowances and transfers	437		–	437
Depreciation	-11 988		-304	-12 292
Impairments	-136		–	-136
Accumulated amortisation, depreciation and impairment 31 Dec	-107 276		-18 616	-125 893
Carrying amount 1 Jan	21 868	11 793	836	34 496
Carrying amount 31 Dec	**20 490**	**11 423**	**532**	**32 444**

2023 (EUR '000)	Information systems	Projects in progress	Goodwill	Total
Acquisition cost 1 Jan	110 908	10 674	19 148	140 730
Increases	27	8 897	–	8 925
Decreases	-503	-495	–	-998
Transfers between items	7 024	-7 284	–	-259
Acquisition cost 31 Dec	117 457	11 793	19 148	148 398
Accumulated amortisation, depreciation and impairment 1 Jan	-85 276		-18 008	-103 284
Accumulated amortisation for allowances and transfers	762		–	762
Depreciation	-10 844		-304	-11 148
Impairments	-231		–	-231
Accumulated amortisation, depreciation and impairment 31 Dec	-95 589		-18 312	-113 901
Carrying amount 1 Jan	25 632	10 674	1 140	37 446
Carrying amount 31 Dec	**21 868**	**11 793**	**836**	**34 496**

S-BANK PLC – NOTE 19: TANGIBLE ASSETS

CHANGES IN TANGIBLE ASSETS

2024 (EUR '000)	Machinery and equipment	Other tangible assets	Prepayments and acquisitions in progress	Total
Acquisition cost 1 Jan	726	1 391	–	2 116
Increases	319	–	–	319
Decreases	–	–	–	–
Acquisition cost 31 Dec	1 045	1 391	–	2 435
Accumulated amortisation, depreciation and impairment 1 Jan	-726	-1 198		-1 923
Depreciation	-9	-140		-149
Accumulated amortisation, depreciation and impairment 31 Dec	-735	-1 338		-2 072
Carrying amount 1 Jan	–	193	–	193
Carrying amount 31 Dec	**310**	**53**	**–**	**363**

2023 (EUR '000)	Machinery and equipment	Other tangible assets	Prepayments and acquisitions in progress	Total
Acquisition cost 1 Jan	726	1 391	17	2 134
Increases	–	–	66	66
Decreases	–	–	-83	-83
Acquisition cost 31 Dec	726	1 391	–	2 116
Accumulated amortisation, depreciation and impairment 1 Jan	-726	-1 002		-1 728
Depreciation	–	-195		-195
Accumulated amortisation, depreciation and impairment 31 Dec	-726	-1 198		-1 923
Carrying amount 1 Jan	–	389	17	406
Carrying amount 31 Dec	**–**	**193**	**–**	**193**

S-BANK PLC – NOTE 20: OTHER ASSETS

(EUR '000)	31 Dec 2024	31 Dec 2023
Receivables from payment transactions	–	10 461
Other	4 392	5 205
Other assets, total	**4 392**	**15 667**

S-BANK PLC – NOTE 21: ACCRUED INCOME AND PREPAYMENTS MADE

(EUR '000)	31 Dec 2024	31 Dec 2023
Interest receivables	60 911	43 308
Fee claims	1 903	2 309
Other receivables	14 829	15 192
Prepayments made	93	217
Accrued income and prepayments made, total	**77 735**	**61 027**

S-BANK PLC – NOTE 22: DEFERRED TAX ASSETS AND LIABILITIES

(EUR '000)	2024	2023
Recognised deferred tax assets		
Deferred tax assets 1 Jan	2 460	5 322
Deferred tax assets arising from fair value reserve	-1 773	-2 862
Deferred tax assets 31 Dec	**687**	**2 460**
Recognised deferred tax liabilities		
Deferred tax liabilities 1 Jan	60	57
Deferred tax liabilities arising from fair value reserve	–	3
Deferred tax liabilities 31 Dec	**60**	**60**
Unrecognised deferred tax liabilities		
Deferred tax liability from appropriations	4 769	5 178
Deferred tax liability on financial instrument classification changes	290	364
Unrecognised deferred tax liabilities, total	**5 058**	**5 542**

S-BANK PLC – NOTE 23: ISSUED BONDS

Bonds (EUR '000)	31 Dec 2024 Carrying amount	31 Dec 2024 Nominal value	31 Dec 2023 Carrying amount	31 Dec 2023 Nominal value	Interest	Maturity
Secured bonds						
S-Bank Plc's Covered Bond	518 154	500 000	517 291	500 000	Fixed 3.75%	26 Sep 2028
S-Bank Plc's Covered Bond	506 170	500 000	–	–	Fixed 3.00%	16 Apr 2030
Secured bonds, total	**1 024 324**	**1 000 000**	**517 291**	**500 000**		
Unsecured bonds						
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2021, Tranche 1	84 375	83 900	170 281	170 000	Euribor 3 m + 0.75%	4 Apr 2025
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2021, Tranche 2	49 324	50 000	49 324	50 000	Euribor 3 m + 0.75%	4 Apr 2025
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2023	150 000	150 000	150 000	150 000	Euribor 3 m + 2.30%	23 Nov 2026
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2024, Tranche 1	304 433	300 000	–	–	Fixed 4.875% until 8 Mar 2027 and after that Euribor 3 m + 1.95%	8 Mar 2028
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2024, Tranche 2	100 000	100 000	–	–	Fixed 4.875% until 8 Mar 2027 and after that Euribor 3 m + 1.95%	8 Mar 2028
Unsecured bonds, total	**688 132**	**683 900**	**369 605**	**370 000**		
Bonds, total	**1 712 456**	**1 683 900**	**886 895**	**870 000**		

S-BANK PLC – NOTE 24: OTHER LIABILITIES

(EUR '000)	31 Dec 2024	31 Dec 2023
Payables arising from payment transactions	41 045	36 815
Other	31 799	29 183
Other liabilities, total	**72 844**	**65 998**

S-BANK PLC – NOTE 25: ACCRUED EXPENSES AND PREPAYMENTS RECEIVED

(EUR '000)	31 Dec 2024	31 Dec 2023
Interest payable	57 203	18 416
Accrued expenses * **	190 556	45 374
Accrued expenses, total **	**247 759**	**63 789**

* Change of financial year is impacted by the Handelsbanken transaction, which is described in more details in Group's note 38.
** The comparison amounts has been amended since the publication of the 31 December 2023 financial statements.

S-BANK PLC – NOTE 26: SUBORDINATED DEBTS

	31 Dec 2024		31 Dec 2023			
Debentures (EUR '000)	**Carrying amount**	**Nominal value**	**Carrying amount**	**Nominal value**	**Interest**	**Maturity**
Debenture I/2016	8 667	8 667	13 000	13 000	Euribor 12 m + 1.8%	30 Jun 2026
Debenture I/2017	3 999	3 999	5 333	5 333	Euribor 12 m + 1.8%	18 Dec 2027
Debenture I/2020	25 500	25 500	25 500	25 500	Euribor 12 m + 2.0%	1 Dec 2030
Debenture I/2021	57 500	57 500	57 500	57 500	Euribor 12 m + 2.0%	8 Oct 2031
Debentures, total	**95 666**	**95 666**	**101 333**	**101 333**		

Terms of debenture loans

Debenture loans are subordinated to the bank's other debt obligations. In capital adequacy calculation, debenture loans are classified under Tier 2 capital in accordance with the CRR Regulation.

The detailed terms and conditions of the debenture loans are described in the EU CCA table of the Pillar 3 report ('Capital and Risk Management Report'). The report is published separately from the financial statements and is available on S-Bank's website.

S-BANK PLC – NOTE 27: EQUITY ITEMS

(EUR '000)	2024	2023
Share capital 1 Jan	82 880	82 880
Share capital 31 Dec	**82 880**	**82 880**
Other restricted reserves		
Fair value reserve 1 Jan	-8 680	-20 680
Profit/loss from measurement at fair value, other financial securities	8 864	14 312
Amount transferred to the income statement, other financial securities	-794	539
Proportion of deferred tax assets of changes in the period, other financial securities	-1 773	-2 862
Profit/loss from measurement at fair value, equity instruments	–	15
Proportion of deferred tax liability of changes in the period, equity instruments	–	-3
Fair value reserve 31 Dec	**-2 384**	**-8 680**
Non-restricted reserves		
Reserve for invested non-restricted equity 1 Jan	283 828	283 828
Share issue *	200 000	–
Reserve for invested non-restricted equity 31 Dec	**483 828**	**283 828**
Retained earnings (losses) 1 Jan	247 008	135 574
Dividend distribution	-10 020	-5 010
Retained earnings (losses) 31 Dec	**236 988**	**130 564**
Profit (loss) for the period	**130 339**	**116 444**
Total equity 31 Dec	**931 651**	**605 037**

* More details about share issue in Group's note 33.

S-BANK PLC – NOTE 28: SHARE CAPITAL

9 123 674 shares (6 680 180), totalling EUR 82 880 200. More details about share issue are described in Group's note 33.
No share classes entitling their holders to a different number of votes or a different amount of dividend.

S-BANK PLC – OTHER NOTES

S-BANK PLC – NOTE 29: FAIR VALUES AND CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES, AND THE HIERARCHY OF FAIR VALUES

	31 Dec 2024		31 Dec 2023	
(EUR '000)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Cash and cash equivalents	2 906 420	2 906 420	2 207 041	2 207 041
Receivables from credit institutions	21 262	21 493	9 111	9 081
Receivables from the public and public sector entities	9 466 806	9 979 893	6 934 971	7 364 448
Debt securities	622 810	628 072	699 028	703 637
Shares and interests	19 275	19 275	18 780	18 780
Shares and interests in associated companies	3	14	3	16
Shares and interests in Group companies	55 938	55 938	55 938	55 938
Derivatives	48 981	48 981	31 349	31 349
Financial liabilities				
Liabilities to credit institutions	655 700	659 194	34 231	34 231
Liabilities to the public and public sector entities	9 515 421	10 034 634	8 286 001	8 151 156
Issued bonds	1 712 456	1 754 682	886 895	899 181
Derivatives	1 717	1 717	829	829
Subordinated debts	95 666	96 663	101 333	102 717

The fair value of a financial instrument is determined on the basis of prices quoted in active markets, or by using measurement methods that are generally accepted in the markets. The fair values of certificates of deposit, commercial papers and derivative contracts (excluding futures) are determined by discounting future cash flows to the present value, and by applying market interest rates on the closing date. Bonds, investment fund units and futures are measured at market value. Financial assets measured at fair value are measured using the bid price, while financial liabilities at fair value are measured using the ask price.

Fair values of financial assets 31 Dec 2024 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total
Financial assets measured at amortised cost				
Cash and cash equivalents		2 906 420		2 906 420
Receivables from credit institutions		21 493		21 493
Receivables from the public and public sector entities		9 979 893		9 979 893
Total		**12 907 806**		**12 907 806**
Financial assets measured at fair value through profit or loss				
Debt securities		–		–
Shares and interests	7 869	10 547		18 416
Derivatives		48 981		48 981
Total	**7 869**	**59 527**		**67 396**
of which publicly quated	7 869	10 547		18 416
of which other securities	–	–		–
Financial assets measured at fair value through other comprehensive income				
Debt securities eligible for refinancing with central banks	558 927	10 695		569 623
Debt securities	58 450	–		58 450
Shares and interests		841	55 971	56 812
Total	**617 377**	**11 537**	**55 971**	**684 885**
of which publicly quated	617 377	10 695		628 072
of which other securities		841	55 971	56 812
Financial assets, total	**625 246**	**12 978 869**	**55 971**	**13 660 086**

Fair values of financial assets 31 Dec 2023 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total
Financial assets measured at amortised cost				
Cash and cash equivalents		2 207 041		2 207 041
Receivables from credit institutions		9 081		9 081
Receivables from the public and public sector entities		7 364 448		7 364 448
Total		**9 580 570**		**9 580 570**
Financial assets measured at fair value through profit or loss				
Debt securities		24 842		24 842
Shares and interests	8 235	9 878		18 114
Derivatives		31 349		31 349
Total	**8 235**	**66 070**		**74 305**
of which publicly quated	8 235	9 878		18 114
of which other securities	–	24 842		24 842
Financial assets measured at fair value through other comprehensive income				
Debt securities eligible for refinancing with central banks	556 081	19 333		575 414
Debt securities	100 192	3 188		103 381
Shares and interests		647	55 973	56 620
Total	**656 273**	**23 169**	**55 973**	**735 415**
of which publicly quated	656 273	22 522		678 795
of which other securities		647	55 973	56 620
Financial assets, total	**664 509**	**9 669 809**	**55 973**	**10 390 291**

Fair values of financial liabilities 31 Dec 2024 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total
Financial liabilities measured at amortised cost				
Liabilities to credit institutions		659 194		659 194
Liabilities to the public and public sector entities		10 034 634		10 034 634
Issued bonds	1 754 682			1 754 682
Subordinated debts		96 663		96 663
Total	**1 754 682**	**10 790 490**		**12 545 172**
Financial liabilities measured at fair value through profit or loss				
Derivatives		1 717		1 717
Total		**1 717**		**1 717**

Fair values of financial liabilities 31 Dec 2023 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total
Financial liabilities measured at amortised cost				
Liabilities to credit institutions		34 231		34 231
Liabilities to the public and public sector entities		8 151 156		8 151 156
Issued bonds	899 181			899 181
Subordinated debts		102 717		102 717
Total	**899 181**	**8 288 104**		**9 187 285**
Financial liabilities measured at fair value through profit or loss				
Derivatives		829		829
Total		**829**		**829**

Financial assets and liabilities measured at fair value are divided into three categories according to the method of determining fair value. Level 1 fair values are determined using the quoted, unadjusted prices of completely identical financial assets and liabilities in an active market. Level 2 fair values are determined using generally accepted valuation models in which the input data is, to a significant extent, based on verifiable market information. Level 3 market prices are based on input data concerning an asset or liability that are not based on verifiable market information but, to a significant extent, on the management's estimates.

S-BANK PLC – NOTE 30: BREAKDOWN OF BALANCE SHEET ITEMS DENOMINATED IN DOMESTIC AND FOREIGN CURRENCIES

31 Dec 2024 (EUR '000)	Domestic currency	Foreign currency	Total
Receivables from credit institutions	20 930	332	21 262
Receivables from the public and public sector entities	9 466 806		9 466 806
Debt securities	622 810		622 810
Derivatives	48 981		48 981
Other assets (including cash and cash equivalents)	3 097 258		3 097 258
Total	**13 256 785**	**332**	**13 257 117**
Liabilities to credit institutions	655 700		655 700
Liabilities to the public and public sector entities	9 515 421		9 515 421
Issued bonds	1 712 456		1 712 456
Derivatives	1 717		1 717
Other liabilities	320 662		320 662
Subordinated debts	95 666		95 666
Total	**12 301 622**		**12 301 622**

31 Dec 2023 (EUR '000)	Domestic currency	Foreign currency	Total
Receivables from credit institutions	8 728	383	9 111
Receivables from the public and public sector entities	6 934 971		6 934 971
Debt securities	699 028		699 028
Derivatives	31 349		31 349
Other assets (including cash and cash equivalents)	2 395 604		2 395 604
Total	**10 069 680**	**383**	**10 070 063**
Liabilities to credit institutions	34 231		34 231
Liabilities to the public and public sector entities	8 286 001		8 286 001
Issued bonds	886 895		886 895
Derivatives	829		829
Other liabilities	129 847		129 847
Subordinated debts	101 333		101 333
Total	**9 439 136**		**9 439 136**

S-BANK PLC – NOTE 31: BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES ACCORDING TO MATURITY

31 Dec 2024 (EUR '000)	0-3 months	3-12 months	1-5 years	More than 5 years	Total
Cash and cash equivalents	2 906 420	–	–	–	2 906 420
Debt securities eligible for refinancing with central banks	35 657	129 214	399 974	–	564 844
Receivables from credit institutions	21 262	–	–	–	21 262
Receivables from the public and public sector entities	233 057	583 009	2 290 196	6 360 545	9 466 806
Debt securities	16 467	11 726	29 773	–	57 966
Derivatives	294	306	39 832	8 548	48 981
Financial assets, total	**3 213 156**	**724 255**	**2 759 774**	**6 369 093**	**13 066 279**
Liabilities to credit institutions	65 700	590 000	–	–	655 700
Liabilities to the public and public sector entities	8 888 744	618 339	8 338	1	9 515 421
Issued bonds	33 007	133 699	1 048 558	497 192	1 712 456
Subordinated debts	–	5 667	61 899	28 100	95 666
Derivatives	–	–	1 717	–	1 717
Financial liabilities, total	**8 987 450**	**1 347 705**	**1 120 512**	**525 292**	**11 980 960**

31 Dec 2023 (EUR '000)	0-3 months	3-12 months	1-5 years	More than 5 years	Total
Cash and cash equivalents	2 207 041	–	–	–	2 207 041
Debt securities eligible for refinancing with central banks	38 501	99 934	428 172	5 128	571 735
Receivables from credit institutions	9 111	–	–	–	9 111
Receivables from the public and public sector entities	176 163	473 688	1 688 949	4 596 171	6 934 971
Debt securities	32 328	17 045	77 920	–	127 293
Derivatives	259	939	30 152	–	31 349
Financial assets, total	**2 463 403**	**591 605**	**2 225 193**	**4 601 299**	**9 881 500**
Liabilities to credit institutions	34 231	–	–	–	34 231
Liabilities to the public and public sector entities	7 920 496	351 134	14 369	1	8 286 001
Issued bonds	18 077	–	868 818	–	886 895
Subordinated debts	–	–	18 333	83 000	101 333
Derivatives	–	–	829	–	829
Financial liabilities, total	**7 972 804**	**351 134**	**902 350**	**83 001**	**9 309 289**

S-BANK PLC – NOTE 32: COLLATERAL GIVEN

	Other collateral	
(EUR '000)	31 Dec 2024	31 Dec 2023
Derivatives	15 185	4 257
Collateral given for own debt, total *	**15 185**	**4 257**
Other collateral given on own behalf	**557**	**357**

* The comparison period has been amended since the publication of the 31 December 2023 financial statements. Collateral given in form of securities has been reported as pre-pledged collateral for central bank in the 31 December 2023 financial statements. Since 31 March 2024, they are not included in the figures, if the limit in central bank has not been used.

S-BANK PLC – NOTE 33: LEASE LIABILITIES

(EUR '000)	31 Dec 2024	31 Dec 2023
Within one year	4 908	2 287
Due in 1–5 years	8 647	4 477
Over 5 years	136	–
Lease liabilities, total	**13 691**	**6 763**

Leasing and other rental liabilities concern the renting of business premises, vehicles, telephones and office equipment. The agreements cannot be cancelled mid-term.
Change of financial year is impacted by the Handelsbanken transaction, which is described in more details in Group's note 38.

S-BANK PLC – NOTE 34: OFF-BALANCE SHEET COMMITMENTS

(EUR '000)	31 Dec 2024	31 Dec 2023
Guarantees	908	2 170
Other	33	52
Undrawn credit facilities	129 512	144 045
Off-balance sheet commitments, total	**130 454**	**146 266**

S-BANK PLC – NOTE 35: BROKERAGE RECEIVABLES AND PAYABLES

(EUR '000)	31 Dec 2024	31 Dec 2023
Savings in accordance with the Finnish Act on Long-Term Savings Schemes	619	696
Brokerage receivables and payables, total	**619**	**696**

S-BANK PLC – NOTE 36: NOTES REGARDING TRUSTEE SERVICES AND TOTAL AMOUNT OF CUSTOMER FUNDS HELD

(EUR '000)	31 Dec 2024	31 Dec 2023
Assets under management		
Assets under wealth management	2 710 952	1 936 003
Mutual fund assets	5 631 379	4 309 383
of which funds issued by other than group companies	910 002	–

S-BANK PLC – NOTE 37: PERSONNEL AND MANAGEMENT

NUMBER OF PERSONNEL

	2024		2023	
	Average number	Number at the end of the period	Average number	Number at the end of the period
Permanent full-time personnel	690	906	594	623
Permanent part-time personnel	19	27	21	25
Temporary personnel	48	58	26	28
Total	**756**	**991**	**641**	**676**

The impact of the Handelsbanken transaction has been described in more detail in Group's note 38.

BOARD OF DIRECTORS' REMUNERATION

(EUR '000)	2024	2023
Jari Annala, Chair of the Board	54	53
Jorma Vehviläinen, Vice Chair of the Board	39	38
Heli Arantola	–	12
Tom Dahlström	38	26
Kati Hagros	39	25
Veli-Matti Liimatainen	37	35
Hillevi Mannonen	39	38
Tarja Tikkanen	25	–
Olli Vormisto	36	37
Board of Directors' remuneration, total	**307**	**264**

MANAGEMENT COMPENSATION

	2024		2023	
(EUR '000)	Salaries and fees	Pension commitments	Salaries and fees	Pension commitments
Riikka Laine-Tolonen, CEO *	315	56	184	53
Iikka Kuosa, Deputy CEO **	267	38	–	–
Hanna Porkka, Deputy CEO ***	87	–	409	99
Management compensation, total	**669**	**94**	**593**	**152**

* Since 26 April 2023.
** Since 1 April 2024.
*** Interim CEO until 25 April 2023. Deputy CEO until 29 September 2023.

The amount of loans granted to the management is provided in Group's note 37.

The statutory pensions of the personnel are arranged through the Elo Mutual Pension Insurance Company.

A voluntary supplementary pension insurance has been taken out for the management of the S-Bank Group. The insured may draw down their supplementary pensions at any time after they have turned 60 years old.

S-BANK PLC – NOTE 38: RELATED PARTIES

	Receivables from the public and public sector entities	
(EUR '000)	**31 Dec 2024**	**31 Dec 2023**
Basis for classification as a related party		
Management	1 914	1 548
Kinship	1 523	1 418
Total	**3 437**	**2 966**

Expected credit losses (EUR '000)	**2024**	**2023**
At the beginning of financial year	0	0
During financial year	-1	0
At the end of financial year	-2	0

The terms of credit granted to the company's related parties comply with the standard terms and conditions of lending to the public.

Related party and transactions with persons in management is provided in Group's note 37.

S-BANK PLC – NOTE 39: TRANSACTIONS WITH GROUP ENTITIES

INCOME AND EXPENSES

(EUR '000)	2024	2023
Interest expenses		
To Group entities	-1 688	-1 258
Dividend income		
From Group entities	–	2 000

RECEIVABLES

(EUR '000)	31 Dec 2024	31 Dec 2023
From Group entities		
Other assets	1	1
Accrued income and prepayments made	5 946	5 188

LIABILITIES

(EUR '000)	31 Dec 2024	31 Dec 2023
To Group entities		
Liabilities to the public and public sector entities	54 982	46 337
Other liabilities	-300	–
Accrued expenses and prepayments received	27	15

S-BANK PLC – NOTE 40: HOLDINGS IN OTHER COMPANIES

	Domicile	Share of ownership	Equity (EUR '000)	Profit (loss) for the period (EUR '000)
S-Asiakaspalvelu Oy	Helsinki	100%	2 382	57
S-Bank Fund Management Ltd	Helsinki	100%	48 662	3 625
S-Crosskey Ab	Mariehamn	40%	36	-5

S-BANK PLC – NOTE 41: SHAREHOLDERS AND DISTRIBUTION OF SHAREHOLDINGS

Shareholder	Share of ownership
SOK Corporation	49.99%
Helsinki Cooperative Society Elanto	8.67%
Cooperative Society Hämeenmaa	5.98%
Pirkanmaa Cooperative Society	2.63%
Cooperative Society Arina	3.92%
Cooperative Society Keskimaa	3.94%
Cooperative Society KPO	2.89%
Kymi Region Cooperative Society	3.07%
Southern Ostrobothnia Cooperative Society	1.76%
Suur-Seutu Cooperative (SSO)	2.25%
Turku Cooperative Society	1.94%
Cooperative Society PeeÄssä	2.46%
Northern Karelia Cooperative Society	2.52%
Suur-Savo Cooperative Society	1.83%
Varuboden-Osla	1.48%
Satakunta Cooperative Society	1.48%
Southern Karelia Cooperative Society	1.36%
Keula Cooperative Society	0.92%
Maakunta Cooperative Society	0.64%
Koillismaa Cooperative Society	0.28%
Total	**100.00%**

SIGNATURES OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CEO

Helsinki, 25 February 2025

Jari Annala
Chair of the Board of Directors

Jorma Vehviläinen
Vice Chair of the Board of Directors

Tom Dahlström
Member of the Board of Directors

Kati Hagros
Member of the Board of Directors

Veli-Matti Liimatainen
Member of the Board of Directors

Hillevi Mannonen
Member of the Board of Directors

Tarja Tikkanen
Member of the Board of Directors

Olli Vormisto
Member of the Board of Directors

Riikka Laine-Tolonen
CEO

AUDITOR'S NOTE

A report has been issued today on the audit performed.

Helsinki, 25 February 2025

KPMG OY AB
Authorised Public Accountants
Petri Kettunen, APA

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

AUDITOR'S REPORT

To the Annual General Meeting of
S-Bank Plc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of S-Bank Plc (business identity code 2557308-3) for the year ended 31 December, 2024. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 10 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

The Key Audit Matter

Measurement of receivables (Receivables from customers); Notes 1, 2, 11 and 20 to the consolidated financial statements and notes 1, 10 and 13 to the parent company's financial statements

- Receivables from customers, totalling EUR 9.5 billion (EUR 6.9 billion), are the most significant item on S-Bank Plc's consolidated balance sheet representing 71 percent of the total assets. The increase in receivables has been driven by the asset purchase effected on 1 December 2024, where S-Bank acquired the Finnish private customer, asset management and investment services operations of Svenska Handelsbanken AB.
- Calculation of expected credit losses (ECL) in accordance with IFRS 9 Financial Instruments is based on the impairment models used by the company and involves assumptions, estimates and management judgment especially in respect of the probability of credit losses, significant increases in credit risk and valuation of collaterals. During the financial year, the model-based ECL amount was complemented based on management judgements of the ECL on the receivables acquired in the Handelsbanken asset purchase.
- Due to the significance of the carrying amount involved, complexity of the accounting methods used for measurement purposes and management judgement involved, measurement of receivables is addressed as a key audit matter.

How the matter was addressed in the audit

- We evaluated compliance with the lending instructions and assessed the appropriateness of the recognition and measurement principles, as well as tested controls over recognition and monitoring of impairment losses and measurement of receivables.
- We assessed the impairment models, the key assumptions used in determining expected credit losses, and the basis for management estimates that complement the said models. The audit procedures performed included an assessment of the basis for determining ECL on the loan portfolio acquired in the Handelsbanken asset purchase and the management assumptions used.
- We utilised our IFRS and financial instrument specialists in our audit.
- Furthermore, we considered the appropriateness of the notes provided in respect of receivables and impairment losses.

Recognition of fee and commission income (fee income from funds); Notes 1 and 5 to the consolidated financial statements

- The assets managed by S-Bank Plc Group entitle to management fees on the grounds of agreements with customers and partners. Fee income from funds represent a significant item in the consolidated income statement.
- Calculation of fee and commission income is system-based relying on fee agreements and other source data. Owing to the large number of fee and commission bases, fee calculation involves various elements which may affect fee and commission amounts.
- Appropriate timing of the recognition of fee and commission income at correct amount is essential in respect to the accuracy of the financial statements.

How the matter was addressed in the audit

- We obtained an understanding of the fee and commission streams of the Group and assessed those areas which may involve the higher risk of error, due the manual processing of fee and commission-related elements, tailored or diverse contract terms. We focused our work on these areas.
- We evaluated the business processes and IT systems related to fee and commission income and assessed the associated key controls. Our audit procedures also included comparison of the accounting data kept in subledgers to that in the general ledger, and substantive procedures performed in respect of fee and commission income.
- We recalculated the recognised fee and commission amounts and compared the parameters used to the underlying contract documentation, on a sample basis. Furthermore, we compared market-based data to the source data provided by third parties.

Business combinations:
asset purchase of the Finnish private customer, asset management and investment services operations of Svenska Handelsbanken AB;
Notes 38 and 11 to the consolidated financial statements and note 7 to the parent company's financial statements

- On 1 December 2024, S-Bank Plc acquired the Finnish private customer, asset management and investment services operations of Svenska Handelsbanken AB in an asset purchase. The value of acquired loans was approximately EUR 2.5 billion and that of deposits EUR 0.9 billion. The consideration for the asset purchase totalled EUR 1.6 billion. The purchase was financed through a directed share issue of EUR 200 million to the company's owners as well as market and bilateral debt funding.
- The difference between the purchase price and the assets and liabilities acquired in the asset purchase resulted in negative goodwill of EUR 28.9 million. The negative goodwill has been recognised in other operating income in the financial year 2024.
- Given the significance of the asset purchase and management judgement involved in the purchase price allocation, the business combination is considered a key audit matter.

How the matter was addressed in the audit

- We gained an understanding of the agreements and due diligence documents for the asset purchase and examined the terms and conditions of the transaction. We assessed the procedures performed by the company to ensure the accuracy of the data on the loans and deposits acquired in the asset purchase. We also performed substantive audit procedures to assess the existence and completeness of the loans and deposits acquired in the asset purchase.
- We considered the fair value measurement of the acquired assets and liabilities and the treatment of negative goodwill.
- We assessed the accounting treatment and disclosure of the financing arrangements carried out to finance the asset purchase.
- We inspected the accounting treatment and accounting policies applied to the business operations acquired against the requirements set under IFRS 3 Business Combinations.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 14 March 2011, and our appointment represents a total period of uninterrupted engagement of 14 years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements or our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 26 February 2025

KPMG OY AB

Petri Kettunen
Authorised Public Accountant, KHT

This document is an English translation of the Finnish Assurance Report on the Sustainability Report. Only the Finnish version of the report is legally binding.

ASSURANCE REPORT ON THE SUSTAINABILITY REPORT

To the Annual General Meeting of
S-Bank Plc

We have performed a limited assurance engagement on the group sustainability report of S-Bank Plc (business identity code 2557308-3) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.–31.12.2024.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability report does not comply, in all material respects, with

1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);

2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which S-Bank Plc has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability report with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability report as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorized Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to the fact that the group sustainability report of S-Bank Plc that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1.1.–31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability report. Our opinion is not modified in respect of this matter.

Authorized group sustainability auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorized group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorized sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of S-Bank Plc are responsible for:

- the group sustainability report and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and
- the compliance of the group sustainability report with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability report that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Report

Preparation of the sustainability report requires Company to make materiality assessment to identify relevant matters to report. This includes significant management judgement and choices. It is also characteristic to the sustainability reporting that reporting of this kind of information includes estimates and assumptions as well as measurement and estimation uncertainty. Furthermore, when reporting forward looking information company has to disclose assumptions related to potential future events and describe Company´s possible future actions in relation to these events. Actual outcome may differ as forecasted events do not always occur as expected.

Responsibilities of the Authorized Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability report.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability report, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- We interviewed Company's management and persons responsible for the preparation and gathering of the sustainability information.
- We familiarized with interviews to the key processes related to collecting and consolidating the sustainability information.
- We got acquainted with the relevant guidances and policies related to the sustainability information disclosed in the sustainability report.
- We acquainted ourselves to the background documentation and other records prepared by the Company, as appropriate and assessed how they support the information included in the sustainability report.
- In relation to the double materiality assessment process, we interviewed persons responsible for the process and familiarized ourselves with the process description prepared of the double materiality assessment and other documentation and background materials.
- In relation to the EU taxonomy information we interviewed the management of the company and persons with key roles in reporting taxonomy information to understand/examine how taxonomy eligible activities have been identified, we obtained evidence supporting the interviews and reconciled the reported EU taxonomy information to supporting documents and to the bookkeeping, as applicable.
- We assessed the application of the ESRS sustainability reporting standards reporting principles in the presentation of the sustainability information.

Helsinki, 26 February 2025

KPMG OY AB
Authorized Sustainability Audit Firm

Petri Kettunen
Authorized Sustainability Auditor, KRT

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