



S-BANK PLC
INTERIM REPORT
1 JANUARY –
31 MARCH 2024



STRONG GROWTH AND PERFORMANCE CONTINUED

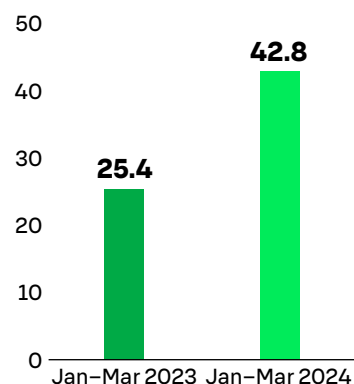
JANUARY–MARCH 2024

The S-Bank Group's operating profit was EUR 42.8 million (25.4). The improvement in performance and key figures was especially driven by a strong 45.4 per cent increase in the net interest income. The cost-to-income ratio was 0.50 (0.69) and return on equity was 21.4 per cent (9.1*).

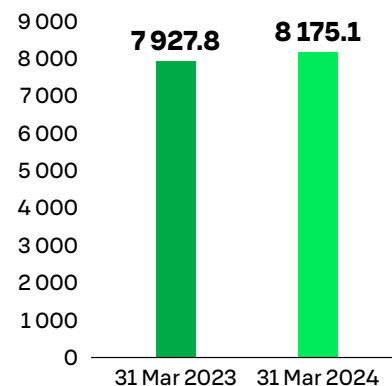
- Operating profit increased to EUR 42.8 million (25.4)
- Deposits increased to EUR 8.2 billion (7.9*)
- Lending increased to EUR 7.0 billion (6.8*)
- Assets under management increased to EUR 6.4 billion (6.0*)
- Number of active customers increased to 675 000 (606 000*)
- The capital adequacy ratio increased to 19.7 per cent (16.8*)

* Figures for the corresponding period of 2023 are used in comparisons.

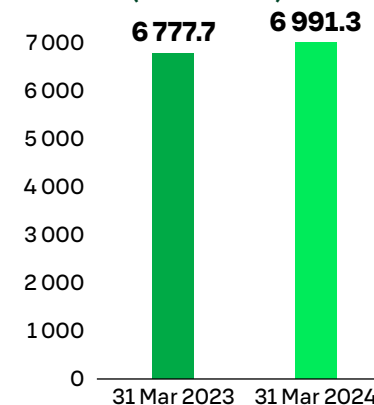
OPERATING PROFIT (EUR MILLION)



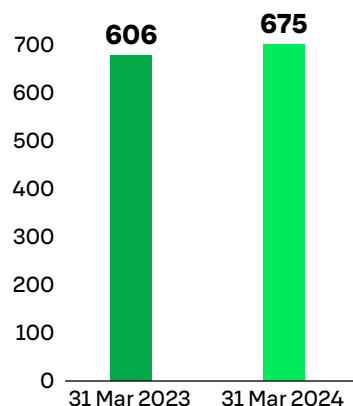
DEPOSITS (EUR MILLION)



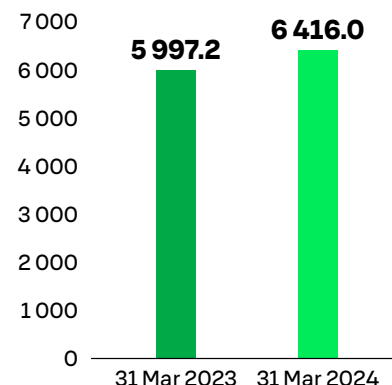
LENDING (EUR MILLION)



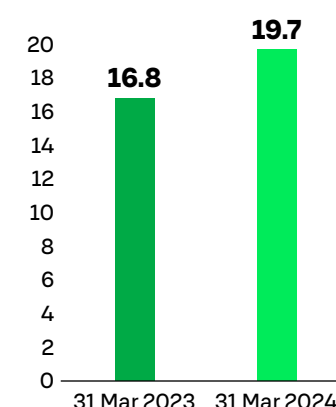
ACTIVE CUSTOMERS ('000)



ASSETS UNDER MANAGEMENT (EUR MILLION)



CAPITAL ADEQUACY RATIO (%)



SUMMARY

OUTLOOK FOR 2024 (UNCHANGED)

S-Bank's guidance for 2024 is negatively affected by three factors. The development and integration costs related to the Handelsbanken transaction, and the financing costs related to completing the transaction will have the most significant impact on the result. We also expect interest rates to settle at lower level than in the previous year, which will have a downward impact on earnings performance. The outlook for

2024 is also subject to uncertainties regarding the performance of the operating environment, the economy, employment and the real estate market. We expect operating profit for the whole year to decline by approximately a quarter from the previous year (EUR 147.4 million).

KEY FIGURES

(EUR million)	Jan-Mar 2024	Jan-Mar 2023	Change	Q1 2024	Q1 2023	Change	(EUR million)	31 Mar 2024	31 Dec 2023	Change
Net interest income	79.6	54.8	45.4%	79.6	54.8	45.4%	Liabilities to customers, deposits	8 175.1	8 175.9	0.0%
Net fee and commission income	21.7	22.0	-1.2%	21.7	22.0	-1.2%	Receivables from customers, lending	6 991.3	6 935.0	0.8%
Total income	104.1	80.0	30.1%	104.1	80.0	30.1%	Debt securities	646.7	699.0	-7.5%
Operating profit	42.8	25.4	68.1%	42.8	25.4	68.1%	Equity	685.1	649.3	5.5%
Cost-to-income ratio	0.50	0.69	-0.19%	0.50	0.69	-0.19%	Expected credit losses (ECL)	37.5	37.3	0.3%
							Assets under management	6 416.0	6 245.4	2.7%
							Return on equity	21.4%	20.1%	1.3
							Return on assets	1.4%	1.2%	0.1
							Equity ratio	6.7%	6.5%	0.2
							Capital adequacy ratio	19.7%	18.8%	0.9

The S-Bank Group (hereinafter 'S-Bank') figures for the corresponding period of 2023 are used in the result comparisons. For comparisons of balance sheet items and other breakdown items, the figures refer to the end of 2023 unless otherwise indicated.

CEO'S REVIEW



Riikka Laine-Tolonen
CEO

At the beginning of the year S-Bank's result was strong and the number of active customers continued to grow. During the first quarter of the year, operating profit was EUR 42.8 million and the number of active customers increased to 675 000.

The beginning of the year did not bring any relief regarding the Finns' uncertainty about the economy nor for the Finnish economy itself. While the US has remained the driving force of the global economy, the Finnish economy has contracted due to the heavy focus on manufacturing and the plight of the construction sector. Housing transactions were at an exceptionally low level, which was reflected in low demand for credit. Yet the big picture of the economy has not changed. Interest rates are anticipated to fall, and Finland's economic growth is forecast to pick in the second half of the year.

In challenging times, our work for a financially slightly better tomorrow is even more relevant. Our mission is translated into concrete actions in everyday life. Our basic banking services are free of charge for our co-op members, and we pay interest based on daily balance, rather than based on the lowest balance of the month. We also offer easy savings and investment solutions that allow you to put your bonuses, accumulated from purchases made in S Group, for example, to work in our funds directly from the S-mobiili app.

S-Bank's attractiveness is reflected in our key figures. Deposits by household customers increased to EUR 7.5 billion and were at a good level compared to overall market development. The volume of loans we granted increased to EUR 7.0 billion. According to the latest available information, the housing loan volume for the financial

institutions operating in Finland had declined by 1.7 per cent during the preceding 12-month period. In the same period, S-Bank's housing loan volume grew by 1.9 per cent. Our market share grew, and according to the Bank of Finland's year end statistics, we were the fifth largest mortgage bank in Finland.

S-Bank served an increasing number of fund savers. The number of unit holders in our funds increased year-on-year and was 405 000 (367 000). Assets under management were EUR 6.4 billion at the end of March.

The growth in the number of active customers was also evident in the solid increase in purchases made with our cards. Total card purchases in euros increased by 13.8 per cent. The number of card purchases increased by 13.7 per cent year-on-year in the first quarter,

co-op members of S Group's regional cooperatives paid 25.8 per cent of their bonus purchases with an S-Bank card.

The popularity of the joint digital channels of the S Group and S-Bank was also at record levels at the beginning of the year. The number of active users of the S-mobiili app reached almost 1.4 million per week out of a total of 2.2 million users.

S-Bank also received high ratings in external measurements. S-Bank's customers were the most satisfied compared to other Finnish banks, as our reputation was among the best in the financial sector, and Finns voted S-Bank the most responsible banking brand in Finland for the twelfth year in a row. I am very pleased with and humbled by these ratings.

The execution of the Handelsbanken transaction is progressing as planned

towards the migration and transition of customers at the turn of November-December, and we are working hard to ensure that everything goes smoothly. I would like to welcome our new customers and colleagues from Handelsbanken. I am happy to be able to confirm well in advance of the event itself that the customer relationship managers and branches transferring from Handelsbanken will continue to serve the transferring customers at S-Bank.

We are also building the new S-Bank by strengthening our management team. We started implementing the objectives of the 2024–2027 strategy period by renewing our organisation and the way we manage S-Bank. The reformation will establish a clearer framework for more customer-oriented service and digital development, as well as for accommodating customers and personnel transferring from Handelsbanken when the

transaction is completed. In conjunction, we will also reinforce our business risk management.

I'd like to extend a big thank you to all our customers, our personnel, our bond investors and our owners.

Looking forward to the summer,

RIIKKA LAINE-TOLONEN

CEO

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OPERATIONS IN THE REVIEW PERIOD

KEY EVENTS

Funding, credit ratings and capital adequacy

On 29 February 2024, S-Bank Plc announced that as part of the EUR 3.0 billion bond programme, it will issue a Senior Preferred MREL Eligible Notes 1/2024 bond with a nominal value of EUR 300 million. The senior issue was the largest we have ever carried out and was well received by investors in Finland and also abroad. The issue will contribute to the implementation of the Bank's strategy. The bond's maturity date is 8 March 2028. 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. The floating interest rate is the three-month Euribor plus a margin of 1.95 per cent.

On 22 February 2024, S-Bank Plc announced a voluntary repurchase offer for its EUR 220 million Senior Preferred MREL Eligible Notes bond that matures in 2025. On 29 February 2024, S-Bank

Plc announced the final result of the tender offer, according to which the accepted offers that were received amounted to a total nominal value of EUR 86.1 million.

Acquisition of Handelsbanken's Finnish operations

The execution of the Handelsbanken business transaction is progressing as planned towards the transfer of customer relationships, which is expected to take place at the turn of November-December. During the period under review, Handelsbanken provided its private customers transferring to S-Bank with more detailed information on the effects of the upcoming changes by letter and by message in Handelsbanken's online bank. All communication will be carried out in close cooperation between the banks.

The parties expect the transaction to be completed at the turn of November-December 2024. For the time being, Handelsbanken and S-Bank will continue to serve their customers as before, and

customers of both banks will continue to use their own bank. The transaction is described in more detail in Note 16.

Changes in management

As part of the implementation of its strategy, S-Bank announced on 20 March 2024 that it will renew its organisation and appointed new members to its Group Management Team. The changes will 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 is also part of the preparations for the completion of the Handelsbanken transaction. The reform will not result in any reduction of employee numbers. The new organisation entered into force on 1 April 2024.

S-Bank's Services

On 26 March 2024, S-Bank announced the decision of the Board of Directors of S-Bank Fund Management Ltd to restrict the payment of redemptions

from S-Pankki Asunto Erikoissijoitusrahasto fund in order to protect the interests of the fund's unit holders and the fund in the long term in the current, exceptional market situation. This restriction applies to redemption orders in excess of EUR 5 000 submitted between 31 August 2023 and 29 February 2024. Redemptions will be paid up to a maximum of EUR 5 000, with around two thirds of redemption orders being fully executed.

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

There was positive news regarding the attractiveness of the S-Bank brand in early 2024.

For the twelfth consecutive year, Finns elected 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 the Tyytyväisyys ja luottamus pankkien palveluihin 2024 (Satisfaction and trust in banking services) survey, commissioned by loan comparison service 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. The survey was published on 29 February 2024.

According to a financial sector trust and reputation survey (Finanssialan Luottamus & Maine) published by the research

company T-Media on 29 February 2024, S-Bank has the second-best reputation in the Finnish financial sector.

OPERATING ENVIRONMENT

The start of 2024 has been characterised by mixed sentiment. The Finnish economy has continued on a markedly different path from the rest of the world in general. Finland's economy continues to contract, while the global economy continues to grow, driven by the United States.

In fact, the US has remained the driving force of the global economy, with its growth expected to be above 2 per cent, driven by the services sector. In addition, employment has remained consistently strong, inflation has slowed, and wealth has increased, all of which have boosted consumption. Investments have also continued, partly sponsored by the government, as companies have been encouraged to move production back home from abroad.

In the rest of the world, growth has been shaggier. In China, the growth target was set at 5 per cent for the new year. There is, however, widespread doubts

that this target will be met, unless the government further increases its support. European growth, in turn, has been subdued. Manufacturing-oriented countries such as Germany are in recession, but some countries achieved moderate growth.

In Finland, on the other hand, the economy continued to contract in the first quarter. The sharp rise in interest rates is bad news for Finland, where the loan portfolio is largely based on floating interest rates. Furthermore, manufacturing has suffered from weak domestic and global demand. Manufacturing weakness has been global, but it has hit Finland hard because manufacturing plays an important role in the economy. The construction sector in particular, is in deep trouble, and there has been a marked increase in bankruptcies. Strikes held in various sectors against the government's reforms and the effects of these strikes also impeded growth in the first quarter of the year.

Central banks are expected to cut interest rates this year, but they remained stable in the first quarter of the year. Central banks hinted that

interest rate cuts were imminent but would not take place before summer. High interest rates retained downward pressure on housing prices and stifled new housing production. Demand for housing has not picked up, and at the same time, housing projects that were started earlier have been completed, which has sustained excess supply. Signs of a slight recovery in housing sales were already visible. Sales picked up slightly for family homes and older properties, while the market remained at a standstill for small new builds.

Buoyed by the United States, equity markets around the world performed well. Prices rose by more than 10 per cent in three months, driven by solid economic expansion, a return to corporate earnings growth and hopes of central bank easing measures. Again, Finland followed a different path, as the total return on shares on the Helsinki stock exchange was close to zero. The high share of manufacturing companies and the problems faced by many large companies dampened the rise of the Helsinki Stock Exchange.

FINANCIAL POSITION

KEY FIGURES

(EUR million)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Jan–Mar 2024	Jan–Mar 2023
Net interest income	79.6	78.8	74.8	66.1	54.8	79.6	54.8
Net fee and commission income	21.7	26.2	22.6	23.0	22.0	21.7	22.0
Total income	104.1	104.9	95.9	90.6	80.0	104.1	80.0
Operating profit	42.8	43.5	46.3	32.2	25.4	42.8	25.4
Cost-to-income ratio	0.50	0.51	0.54	0.61	0.69	0.50	0.69

(EUR million)	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Mar 2024	31 Dec 2023
Liabilities to customers, deposits	8 175.1	8 175.9	8 172.6	8 221.9	7 927.8	8 175.1	8 175.9
Receivables from customers, lending	6 991.3	6 935.0	6 895.7	6 862.1	6 777.7	6 991.3	6 935.0
Debt securities	646.7	699.0	689.2	743.0	727.9	646.7	699.0
Equity	685.1	649.3	609.3	569.1	546.8	685.1	649.3
Expected credit losses (ECL)	37.5	37.3	33.7	31.5	24.2	37.5	37.3
Assets under management	6 416.0	6 245.4	6 038.0	6 139.1	5 997.2	6 416.0	6 245.4
Return on equity	21.4%	20.1%	17.9	13.3%	9.1%	21.4%	20.1%
Return on assets	1.4%	1.2%	1.1%	0.8%	0.5%	1.4%	1.2%
Equity ratio	6.7%	6.5%	6.2%	6.1%	6.1%	6.7%	6.5%

RESULT AND BALANCE SHEET JANUARY-MARCH 2024

S-Bank Group's operating profit was EUR 42.8 million (25.4). The profit for the period after taxes was EUR 34.2 million (20.4). Return on equity increased to 21.4 per cent (9.1).

Income

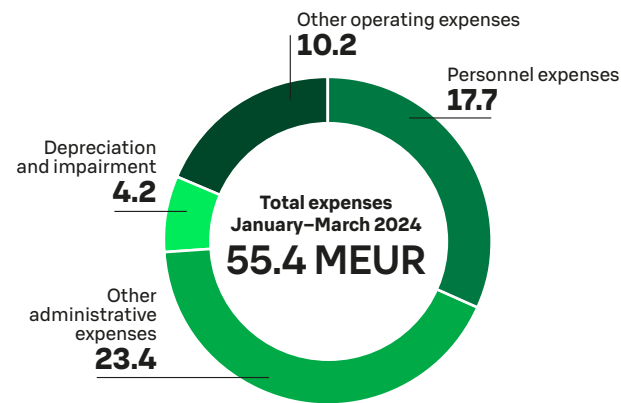
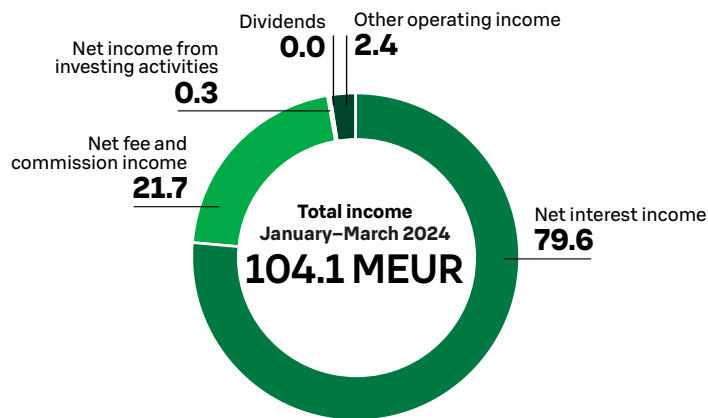
Total income amounted to EUR 104.1 million (80.0), a growth of 30.1 per cent.

Net interest income increased by 45.3 per cent, totalling EUR 79.6 million (54.8). The prevailing interest rate level has continued to support the growth of the net interest income. Net interest income has increased in every quarter from the beginning of the year 2022. Net fee and commission income was EUR 21.7 million (22.0). Net income from investing activities decreased and was EUR 0.3 million (0.8). The change was due to changes in the fair value of investments and derivatives measured at fair value through profit or loss. Other operating income was EUR 2.4 million (2.4).

Expenses

Operating expenses totalled EUR 55.5 million (49.4) during the review period. This is 12.3 per cent more year-on-year, mainly due to an increase in personnel expenses, IT and acquisition-related development costs. Personnel expenses accounted for EUR 17.7 million (15.3) of operating expenses. The change was due to an increase in the number of personnel.

Other administrative expenses totalled EUR 23.4 million (20.6). The increase is mainly due to an increase in IT and development costs. Depreciation and impairment of tangible and intangible assets amounted to EUR 4.2 million (3.9). Other operating expenses totalled EUR 10.2 million (9.5), which includes EUR 9.0 million (8.7) in deposit guarantee contribution.



Expected and final credit losses

Expected and final credit losses of EUR 8.0 million (6.8) were recognised in the consolidated income statement during the review period. Reversals, or recovered credit losses, amounted to EUR 2.1 million (1.6). Consequently, the total net effect on profit of expected and final credit losses was EUR 5.9 million (5.2). No provisions based on management judgement were made during the review period.

Deposits

Total deposits were EUR 8 175.1 million (8 175.9) at the end of the review period. Deposits repayable on demand totalled EUR 7 537.6 million (7 581.6) and time deposits EUR 637.5 million (594.3) at the end of the review period. During the past 12 months, total deposits grew by 3.1 per cent. Household customers' deposit

portfolio grew by 3.9 per cent on the previous year and was EUR 7 543.2 million. Corporate customers' deposit portfolio decreased by 5.0 per cent on the previous year and was EUR 631.9 million.

At the end of the review period, the total amount of deposits in S-Bank covered by the deposit guarantee scheme was EUR 7 043.1 million (6 964.1).

Lending

At the end of the review period, the loan portfolio totalled EUR 6 991.3 million (6 935.0). During the past 12 months, the loan portfolio grew by 3.2 per cent. The household loan portfolio grew by 2.4 per cent on the previous year and was EUR 5 782.5 million. The corporate loan portfolio grew by 6.7 per cent on the previous year and was EUR 1 208.8 million.

The loan-to-deposit ratio, which describes the ratio between the loan portfolio and deposits, was 86 per cent (85).

Liquidity portfolio and investing activities

At the end of the review period, the bank's debt securities totalled EUR 646.7 million, compared with EUR 699.0 million at the end of 2023. Deposits in central banks and cash totalled EUR 2 434.2 million (2 207.0). The growth was influenced by the senior bond issue. 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 685.1 million, compared with EUR 649.3 million at the end of 2023. Equity was increased by excellent performance development. The equity ratio was 6.7 per cent (6.5).

Assets under management

Assets under management were EUR 6 416.0 million (6 245.4) at the end of the review period. Of assets under management, fund capital accounted for EUR 4 476.8 million (4 309.4), and wealth management capital accounted for EUR 1 939.2 million (1 936.0). In addition, S-Bank Properties Ltd managed EUR 379.2 million in customer assets, consisting of real estate and joint ventures (379.1). Net subscriptions to the S-Bank mutual funds amounted to EUR 75.6 million in the review period compared with EUR -8.3 million a year earlier.

DEPOSITS

(EUR million)	31 Mar 2024	31 Dec 2023	Change	Change year-on-year
Household customers	7 543.2	7 462.2	1.1%	3.9%
Corporate customers	631.9	713.7	-11.5%	-5.0%
Total	8 175.1	8 175.9	0.0%	3.1%

LENDING

(EUR million)	31 Mar 2024	31 Dec 2023	Change	Change year-on-year
Household customers	5 782.5	5 750.3	0.6%	2.4%
Corporate customers	1 208.8	1 184.7	2.0%	6.7%
Total	6 991.3	6 935.0	0.8%	3.2%

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 reporting of business segments is identical to the internal reporting provided to company management.

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 43.7 million (26.1). Total income increased by 34.5 per cent to EUR 93.3 million (69.4). Especially the net interest income continued to grow. Expenses increased by 14.9 per cent to EUR 43.7 million (38.0). Impairment of receivables were EUR 5.9 million (5.2). 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 1.7 per cent for the preceding 12-month period in February. S-Bank's housing loan volume grew by 1.9 per cent in the same period. During the review period the number of housing loan applications decreased on the previous year.

The use of S-Etukortti Visa cards developed favourably during the review period. Total card purchases in euros increased by 13.8 per cent. The number of card purchases increased by 13.7 per cent year-on-year.

In March, co-op members of S Group's regional cooperatives paid 25.8 per cent of their bonus purchases with an S-Bank card.

Wealth Management

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

Operating profit was EUR 0.4 million (1.6). Total income was EUR 10.2 million (10.2). Expenses increased by 13.3 per cent to EUR 9.8 million (8.6). Increase in expenses is mainly due to an increase in acquisition-related development costs.

Net subscriptions to the S-Bank mutual funds amounted to EUR 75.6 million in the review period compared with EUR -8.3 million a year earlier. Net subscriptions on the market as a whole, amounted to EUR 2 547.7 million against EUR -4 361.3 million a year earlier.

The total number of unit holders in the S-Bank funds increased to around 405 000 from around 367 000 a year earlier. On the Finnish market as a whole, total number of unit holders rose to around 4.3 million from 4.1 million a year earlier.

BANKING

(EUR million)	Jan-Mar 2024	Jan-Mar 2023	Change
Operating income	93.3	69.4	34.5%
Operating expenses	-43.7	-38.0	14.9%
Impairment of receivables	-5.9	-5.2	14.2%
Operating profit (loss)	43.7	26.1	67.1%

WEALTH MANAGEMENT

(EUR million)	Jan-Mar 2024	Jan-Mar 2023	Change
Operating income	10.2	10.2	-0.5%
Operating expenses	-9.8	-8.6	13.3%
Operating profit (loss)	0.4	1.6	-76.4%

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:

Personnel expenses + Other administrative expenses + Depreciation and impairment + Other operating expenses (excl. impairment losses)

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), %:

Profit (loss) for the period
Average equity

x 100

Return on assets (ROA), %:

Profit (loss) for the period
Balance sheet total, average

x 100

Equity ratio, %:

Total equity
Balance sheet total

x 100

Key performance indicators based on separate calculation

Capital adequacy ratio, %:

Total capital
Total risk exposure amount

x 100

Tier 1 capital adequacy ratio, %:

Tier 1 capital
Total risk exposure amount

x 100

Common Equity Tier 1 (CET1) ratio, %:

Common Equity Tier 1 (CET1) capital
Total risk exposure amount

x 100

Leverage ratio, %:

Tier 1 capital
Exposure amount

x 100

Liquidity Coverage Ratio (LCR), %:

Liquidity Buffer
Net Liquidity Outflows over a 30 calendar day stress period

x 100

Net Stable Funding Ratio (NSFR), %:

Available Stable Funding
Required Stable Funding

x 100

Non-performing loan (NPL) ratio, %:

Non-performing loans, gross amount
Loans and advances

x 100

RISKS AND CAPITAL ADEQUACY AND THEIR MANAGEMENT

S-BANK GROUP'S RISK POSITION

The most significant risks that can potentially affect profitability, capital adequacy and liquidity are related to business volumes, lending and borrowing margins, general interest rates, economic performance, and unfavourable development in credit losses. During the year 2024, the impact of the acquisition of Handelsbanken business transaction on S-Bank's risk profile is being monitored actively and comprehensively. The execution of the transaction is progressing as planned and transfer of customer relationships is expected to take place at the turn of November–December 2024.

S-Bank's capital adequacy position is on a strong level especially because of continued profit development. The bond issuances have succeeded as planned, as a result of which the liquidity position has strengthened significantly. S-Bank has ensured in advance to maintain adequate capital and liquidity position

during and after the business transactions. S-Bank will strengthen its own funds with a share issue of up to EUR 200 million to ensure that the bank's capital position will remain strong also following the transaction. To ensure the financing of the transaction, S-Bank has agreed on financing arrangements in addition to issuances of debt securities.

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

The operating environment has been stable during the review period. There have not been significant changes in the interest rate levels, and the market expects interest rate cuts from the central bank next summer at the earliest. The Finnish economy continued to contract during the beginning of the year

THE S-BANK GROUP'S KEY RISK INDICATORS

EUR million	31 Mar 2024	31 Dec 2023
Risk-weighted exposure amounts, total	3 560.6	3 567.1
Credit and counterparty risk, standardised approach	3 066.0	3 071.8
Market risk	–	–
Operational risk, basic indicator approach	488.3	488.3
Credit valuation adjustment (CVA)	6.3	7.0
Own funds, total	701.8	672.0
Common Equity Tier 1 (C-ET1) capital	604.1	572.9
Tier 2 (T2) capital	97.7	99.1
Total capital requirement (Pillar 1)	12.54%	12.54%
Capital adequacy ratio	19.7%	18.8%
Common Equity Tier 1 (CET1) ratio	17.0%	16.1%
Non-performing loan (NPL) ratio	1.4%	1.3%
Leverage ratio	5.8%	5.6%
Liquidity Coverage Ratio (LCR)	294.7%	256.6%
Net Stable Funding Ratio (NSFR)	169.8%	164.3%

and the real estate market has been in difficulties. In Finland, the growth of the household loans has been moderate and household deposits have decreased. Changes in the operating environment can be seen in the growth of S-Bank's net interest income and the slowdown in the growth of lending business volumes and increase in savings. The general deterioration of the financial environment and the increase in costs has influenced the increase in forbore and defaulted exposures.

Credit risk

The credit portfolio continued to grow further during the review period, although the pace of growth particularly in housing loans has slowed down compared to the previous year. There were no major shifts in the credit portfolio distribution between different credit products. 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 0.1 million to EUR 37.5 million (37.3) during the review period. Expected and final credit losses are discussed under section Result and balance sheet January–March 2024 and in Note 7.

The volume of household customer loans subject to repayment holidays was EUR 360.2 million (399.9), representing 6.2 percent (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 forbore exposures in the balance sheet totalled EUR 230.4 million (215.5). The carrying amount of performing forbore exposures in relation to loans and advances was at the level of 2.7 per cent (2.5). The corresponding ratio of non-performing forbore exposures was 0.6 per cent (0.6).

The amount of non-performing loans (NPL) in the balance sheet increased by EUR 4.7 million to EUR 97.3 million (92.6) during the review period. The NPL ratio, which describes non-performing exposures in relation to loans and advances, rose to 1.4 per cent (1.3). All non-performing loans were household customer exposures.

Own funds and capital adequacy

S-Bank's capital adequacy position strengthened during the review period. Total capital ratio was 19.7 per cent (18.8) and CET1 ratio 17.0 per cent (16.1). Total own funds at the end of the review period were EUR 701.8 million (672.0) of which CET1 capital was EUR 604.1 million (572.9) and Tier 2 capital EUR 97.7 million (99.1). Own funds were positively affected especially by profit performance due to net interest income.

Risk-weighted exposure amount was EUR 3 560.6 million (3 567.1) and it decreased by EUR 6.5 million. The decrease was mainly due to a reduction in credit risk. Regarding credit risk, the decrease primarily affected retail expo-

sure. Risk-weighted assets relating to exposures secured on immovable property increased during the review period.

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.

Leverage ratio

S-Bank's leverage ratio (LR) of 5.8 per cent (5.6) was strong and exceeded both the regulatory and internally set risk appetite minimum level.

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. Market risks are assessed from the perspective of the economic value and interest income risk of the banking book and the spread risk. The economic value risk for items meas-

ured at fair value (+100 basis points) was EUR -3.5 million (-4.6). The interest income risk (-100 basis points) for all interest-bearing instruments on the balance sheet was EUR -7.5 million (-7.7). 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 -3.1 million (-3.6) at the end of the review period. S-Bank is not signifi-

cantly exposed to other direct market risks, such as equity, currency, or real estate risks.

Liquidity, funding and MREL requirement

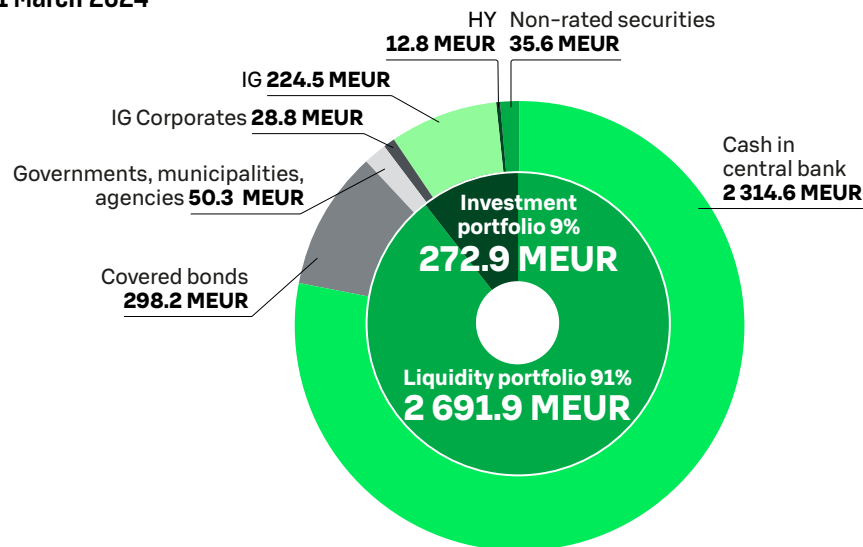
S-Bank's liquidity position strengthened in the review period. The liquidity coverage ratio (LCR) was 295 per cent (257) at the end of the review period. The liquidity coverage ratio (LCR) strengthened with the increase of liquid assets.

The net stable funding ratio (NSFR), which describes the sufficiency of stable funding, was at a robust level at the end of the review period at 170 per cent (164). Increase in the amount of available stable funding strengthened the net stable funding ratio (NSFR). The strengthening of the liquidity position and the stable funding during the review period was impacted by the Senior Preferred bond issuance in March.

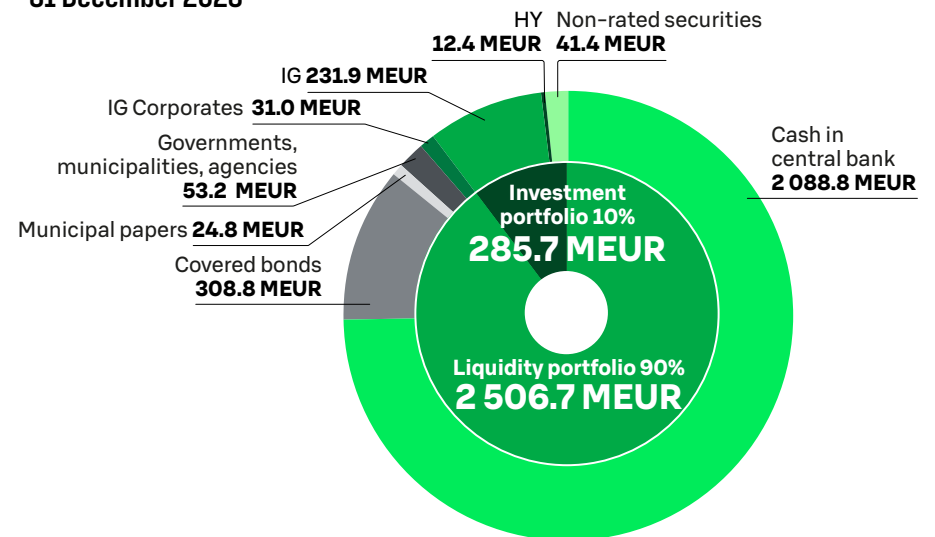
The Treasury portfolio consists of the liquidity portfolio (LCR liquidity buffer) and the investment portfolio. The total amount of the portfolio was EUR 2 964.8 million (2 792.4). The increase in the total portfolio size in the review period, was due to the senior bond issuance. The size of the liquidity portfolio increased, and the biggest change happened in the amount of central bank deposits. The size of the investment portfolio decreased, and the biggest change happened in the amount of Investment Grade (IG) debt securities.

BREAKDOWN OF THE LIQUIDITY AND INVESTMENT PORTFOLIO

31 March 2024



31 December 2023



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. At the end of March, the requirement based on total risk exposure amount was 20.64 (17.23) per cent and the requirement based on the total amount of exposures used in the calculation of the leverage ratio was 7.71 (5.91) per cent. The requirements increased, as they came into force in full amounts in 1 January

2024. 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 2.54 per cent on 31 March 2024. The systemic risk buffer requirement of 1.0 per cent, imposed to all credit institutions effective as of 1 April 2024, will increase 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 Senior Preferred bonds issued under the bond programme. The MREL ratio based on total risk exposure amount (MREL, TREA) was 36.4 per cent (29.3), and the MREL ratio based on leverage ratio exposure (MREL, LRE) was 12.4 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.

S-BANK'S LIQUIDITY PORTFOLIO

Liquidity portfolio (EUR million)	31 Mar 2024		31 Dec 2023	
	Market value	Buffer value	Market value	Buffer value
Central bank deposit	2 314.6	2 314.6	2 088.8	2 088.8
Government, municipal or other public sector bonds	50.3	50.3	53.2	53.2
Covered bonds	298.2	264.8	308.8	273.5
Municipal papers	–	–	24.8	24.8
Other	28.8	14.4	31.0	15.5
Total	2 691.9	2 644.0	2 506.7	2 455.9

OWN FUNDS REQUIREMENTS

S-Bank's total capital requirement was 12.54 per cent (12.54) at the end of the review period. The capital requirement consists of the minimum capital requirement, the capital conservation buffer, the countercyclical capital buffer and the discretionary, institution-specific Pillar 2 requirement. The discretionary Pillar 2 requirement imposed on S-Bank was 2.0 per cent of the total risk exposure at the end of the review period. The requirement increased to 2.0 per cent on 31 December 2023 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).

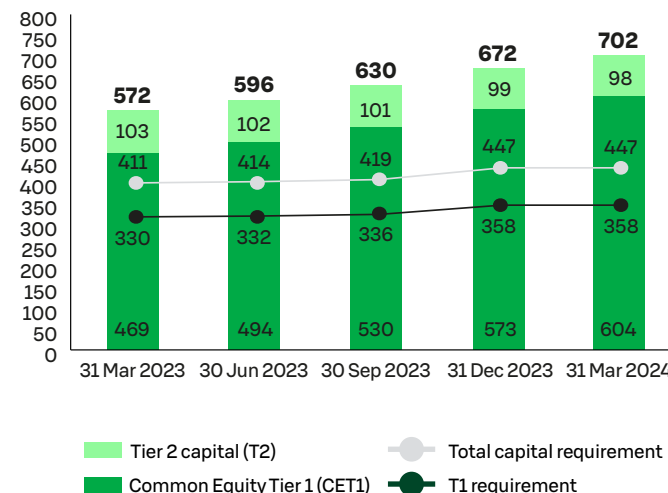
The Finnish Financial Supervisory Authority (FIN-FSA) announced in October 2023 its decision to impose an additional capital recommendation to S-Bank (Pillar 2 Guidance, P2G)

amounting to 0.75 per cent of the total risk exposure amount. The P2G came into force as of 31 March 2024.

FIN-FSA announced, in its macroprudential decision on 29 March 2023, that it would impose a requirement to maintain a systemic risk buffer (SyRB), covered by CET1, effective as of 1 April 2024. The systemic risk buffer requirement imposed to all credit institutions was placed to 1.0 per cent.

S-Bank has prepared for the future changes in capital requirements proactively in its risk appetite framework.

DEVELOPMENT OF OWN FUNDS AND CAPITAL REQUIREMENTS (EUR MILLION)



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

Capital	Minimum capital requirement		Capital conservation buffer		Countercyclical capital buffer		Pillar 2 (SREP) additional capital requirement		Total capital requirement	
	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million
CET1	4.5%	160.2	2.5%	89.0	0.04%	1.5	1.13%	40.1	8.17%	290.8
AT1	1.5%	53.4					0.38%	13.4	1.88%	66.8
T2	2.0%	71.2					0.50%	17.8	2.50%	89.0
Total	8.0%	284.9	2.5%	89.0	0.04%	1.5	2.00%	71.2	12.54%	446.5

CAPITAL ADEQUACY POSITION

At the end of the review period, S-Bank's CET1 capital adequacy ratio was 17.0 per cent (16.1) and the total capital ratio was 19.7 per cent (18.8). CET1 capital increased by EUR 31.2 million and T2 capital decreased by EUR 1.4 million. 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 with a total value of EUR 97.7 million (99.1) eligible as T2 capital. Two of the debentures have a residual maturity of over five years and are thus fully recognised as Tier 2 capital. The debentures with a residual maturity of less than five years are being gradually removed from Tier 2 capital, as required by regulations. The amount of foreseeable dividend for 2023 and 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 3 560.6 million (3 567.1) at the end of the review period. REA decreased by EUR 6.5 million during the review

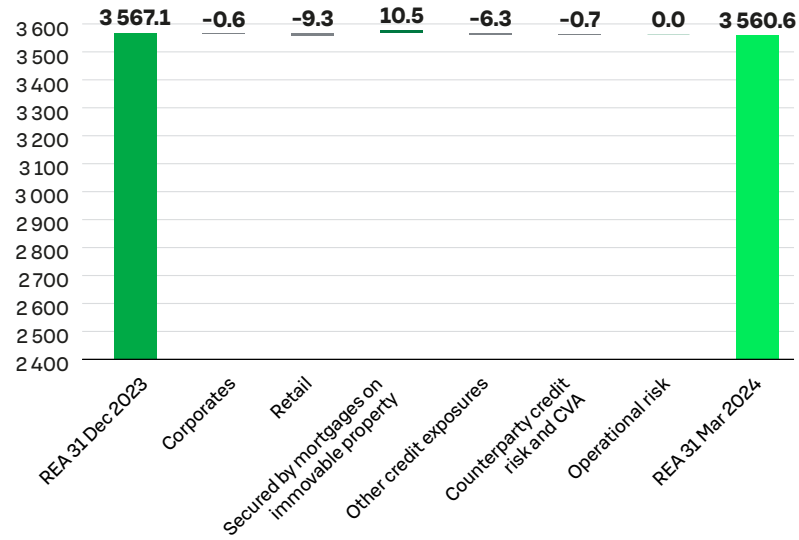
period. The decrease was primarily due to a reduction in credit risk, mainly affecting retail exposures.

Credit risk constitutes 86.1 per cent of the risk exposure amount. The most substantial items requiring capital are exposures secured by immovable property, retail exposures and corporate exposures. The standardised approach is used for calculating the Pillar 1 capital requirement for credit risk. Operational risk accounts for 13.7 per cent of S-Bank's risk exposure amount. The basic indicator approach is used for calculating the capital requirement (Pillar 1) for operational risk. Market risk is measured using internal risk models as part of the Pillar 2 economic capital requirement. The notional amount of items allocated to the small trading book, in accordance with the Capital Requirements Regulation, has been very low due to the internally set limits, and therefore S-Bank is not subject to the Pillar 1 capital requirement for market risk. The standardised approach is used for calculating the Pillar 1 capital requirement for credit valuation adjustment.

SUMMARY OF CAPITAL ADEQUACY INFORMATION

Own funds (EUR million)	31 Mar 2024	31 Dec 2023
Common Equity Tier 1 (CET1) capital before regulatory adjustments	669.9	639.3
Share capital	82.9	82.9
Reserve for invested non-restricted equity	283.8	283.8
Retained earnings	310.3	281.2
Fair value reserve	-7.1	-8.7
Regulatory adjustments to Common Equity Tier 1 (CET1) capital	65.8	66.4
Intangible assets	65.0	65.6
Value adjustments due to the requirements for prudent valuation	0.7	0.7
Deduction for non-performing exposures	0.1	0.0
Common Equity Tier 1 (CET1) capital	604.1	572.9
Additional Tier 1 (AT1) capital before deductions	-	-
Deductions from Additional Tier 1 (AT1) capital	-	-
Additional Tier 1 (AT1) capital	-	-
Tier 1 (T1 = CET1 + AT1)	604.1	572.9
Tier 2 (T2) capital before adjustments	97.7	99.1
Debentures	97.7	99.1
Adjustments to Tier 2 (T2) capital	-	-
Tier 2 (T2) capital	97.7	99.1
Own funds in total (TC = T1 + T2)	701.8	672.0
Total risk-weighted assets (RWAs)	3 560.6	3 567.1
of which credit risk	3 066.0	3 071.8
of which market risk	-	-
of which operational risk	488.3	488.3
of which risk associated with credit valuation adjustment (CVA)	6.3	7.0
Ratio of Common Equity Tier 1 capital to risk exposure amount (%)	17.0%	16.1%
Ratio of Tier 1 capital to risk exposure amount (%)	17.0%	16.1%
Ratio of total own funds to risk exposure amount (%)	19.7%	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

S-Bank Plc's 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 ended on 31 December 2023. The AGM decided that a dividend of EUR 1.50 per share, totaling EUR 10 020 270.00, shall be paid from the parent company's distributable assets.

Eight members and one deputy member were elected to the Board of Directors. The following members were elected to S-Bank's Board of Directors: Jari Annala, MSc. (Econ.), Executive Vice President SOK, CEO of SOK Liiketoiminta Oy; Tom Dahlström, Ph.D. (Doc.Soc.Sc.), Principal of Good Ventures Oy; Kati Hagros, M.Sc. (Engineering), M.Soc.Sc., Chief Digital Officer of 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) Board professional; Tarja Tikkanen, commercial counsellor; Jorma Vehviläinen, M.Sc. (Econ.), CFO of SOK; and Olli Vormisto, M.Sc. (Econ.), Managing Director of Hämeenmaa Cooperative Society. Niklas Österlund, M.Sc. (Econ.), CEO of Turku Cooperative Society, was elected as a deputy member.

Authorised Public Accounting firm 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 decided to amend the Articles of Association regarding the article on the line of business and the sections regarding the sustainability reporting assurer.

S-Bank Plc's dividend for the financial year 2023 was paid on 9 April 2024.

The Board re-elected Jari Annala as Chairman and Jorma Vehviläinen as Vice Chairman on 12 April 2024.

On 16 April 2024, S-Bank Plc issued a covered bond with a nominal value of EUR 500 million. The bond's maturity date is 16 April 2030 and annual interest of 3.00 per cent will be paid. The issue will take place under S-Bank's EUR 3.0 billion bond programme. The purpose of the issue is to finance the bank's activities and growth, as well as the acquisition of the Finnish household customer, asset management and investment services operations of Svenska Handelsbanken AB, as communicated in autumn 2023.

After the issue, the value of the above-mentioned financing arrangement for the transaction was reduced by the amount of the issue made. For more

details on the financing arrangement, see Note 16.

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

OUTLOOK FOR THE REST OF THE YEAR

A good start to the year globally and hopes of central bank rate cuts later this year underpin full-year growth expectations. Consumer demand will remain strong as long as the labour market remains healthy. So far, the labour market has continued to be very strong. Higher interest rates will gradually increase interest expenditure for consumers, businesses, and the public sector, but adjustment to this has been surprisingly successful so far. However, higher interest rates than in recent years will continue to impede economic growth.

During the first quarter, central banks suggested in quite clear terms that interest rate cuts were on the way this year. There are signs that the first interest rate cuts in both the euro area and the US could come in the summer or autumn at the latest. However, the path of rates from that point onwards is highly uncertain. Interest rates will remain on a downward trend, but the amount and timing of cuts will depend on how fast inflation eases. Central bankers' forecasts and market pricing

both currently point to an overall rate cut of just under a percentage point this year. A slower-than-expected pace of interest rate cuts could slow the economic recovery.

In addition to interest rate effects, geopolitics also pose risks to the global economy. The war in Ukraine and Israeli attacks on Gaza continue. So far, their global economic impact has been limited, but geopolitics can bring unpleasant surprises. The US presidential election in November is a hot topic and could, at worst, stall global cooperation, which would have implications for the global economy.

Finland's economic growth will remain weak this year, although an upturn is expected in the second half. The central bank's interest rate cuts would boost the economy as borrowers' interest costs would decrease. Consumer demand may recover if inflation slows, and real wages start to rise as previously agreed wage increases take effect. In manufacturing, the inventory cycle is

expected to reverse once old stocks have been sold off, which would allow orders to pick up. This would support the Finnish manufacturing sector. The impacts of these developments should lead to moderate growth towards the end of the year.

In the property market, too, the worst is almost behind us, but there are no signs of a quick turnaround. This year, construction volumes will remain very low. Gradually, however, supply and demand may meet again, especially if the housing market is supported by interest rate cuts.

Overall, the outlook for the financial markets is reasonably good. Interest rate cuts and the resulting general fall in rates will boost bond yields. In stock markets, corporate earnings are expected to pick up again in line with economic growth. Valuations are variable, however. In the US, they are high, which limits yield opportunities, while in the rest of the world valuations are close to long-term averages. The US economy

is growing faster than the rest of the world, however, which explains the valuation differences.

S-Bank's guidance for 2024 (unchanged) is negatively affected by three factors. The development and integration costs related to the Handelsbanken transaction, and the financing costs related to completing the transaction will have the most significant impact on the result. We also expect interest rates to settle at a lower level than in the previous year, which will have a downward impact on earnings performance. The outlook for 2024 is also subject to uncertainties regarding the performance of the operating environment, the economy, employment, and the real estate market. We expect operating profit for the whole year to decline by approximately a quarter from the previous year (EUR 147.4 million).

OTHER INFORMATION

ANNUAL GENERAL MEETING

The Annual General meeting of 2024 was held on 9 April 2024 after the end of the review period. More information on the decisions made is provided in the section 'Significant events after the end of the review period'.

BOARD OF DIRECTORS

During the first quarter, the Board members were:

Jari Annala, M.Sc. (Econ.).....	Executive Vice President SOK, CEO of SOK Liiketoiminta Oy
Tom Dahlström, Ph.D. (Doc.Soc.Sc.)	Principal at Good Ventures Oy
Kati Hagros, M.Sc. (Engineering), M.Soc.Sc	Chief Digital Officer of 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)	Board professional
Jorma Vehviläinen, M.Sc. (Econ.)	CFO of SOK
Olli Vormisto, M.Sc. (Econ.)	Managing Director of Hämeenmaa Cooperative Society

Kim Biskop, M.Sc. (Econ.), CEO of Osuuskauppa KPO, was elected as a deputy member.

Jari Annala was the Chairman and Jorma Vehviläinen was the Vice Chairman.

CEO

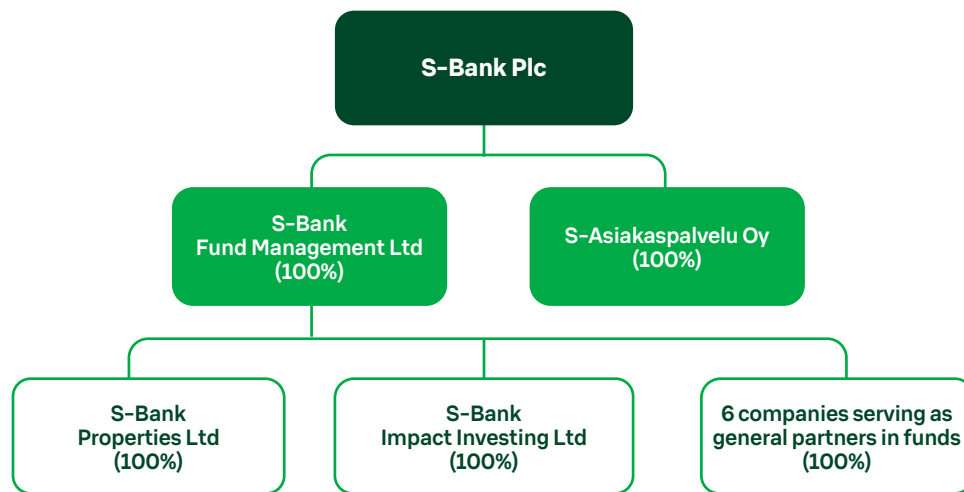
Riikka Laine-Tolonen acts as the CEO of S-Bank Plc.

PERSONNEL

At the end of the review period, the S-Bank employed a total of 871 people (847). Of these, 692 persons (676) worked at S-Bank Plc, 39 persons (39) at the subsidiaries of the Wealth Manage-

ment business, and 140 persons (132) at S-Asiakaspalvelu Oy. The salaries and remunerations paid to personnel at the S-Bank totalled EUR 14.7 million (12.6).

CORPORATE STRUCTURE OF S-BANK GROUP



The corporate structure and the Group companies are described in more detail in the 2023 financial statements.

INTERIM REPORT 1 JANUARY–31 MARCH 2024

CONSOLIDATED INCOME STATEMENT

(EUR '000)	Note	Jan–Mar 2024	Jan–Mar 2023
Interest income		127 690	69 079
Interest expenses		-48 040	-14 290
Net interest income	4	79 650	54 789
Fee and commission income		26 146	26 034
Fee and commission expenses		-4 467	-4 084
Net fee and commission income	5	21 678	21 950
Net income from investing activities	6	279	805
Dividends		7	36
Other operating income		2 444	2 417
Total income		104 058	79 997
Personnel expenses		-17 717	-15 344
Other administrative expenses		-23 353	-20 625
Depreciation and impairment		-4 156	-3 888
Other operating expenses		-10 166	-9 531
Total expenses		-55 391	-49 388
Impairment of receivables	7	-5 900	-5 166
OPERATING PROFIT (LOSS)		42 767	25 444
Income taxes		-8 519	-5 034
PROFIT (LOSS) FOR THE PERIOD		34 249	20 410
of which:			
to the parent company's shareholders		34 249	20 410

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(EUR '000)	Note	Jan–Mar 2024	Jan–Mar 2023
PROFIT (LOSS) FOR THE PERIOD		34 249	20 410
Other comprehensive income items:			
Items that may be reclassified subsequently to profit or loss			
Profit or loss on financial assets measured at fair value through other comprehensive income		2 008	2 671
Tax effect		-433	-520
Items that may be reclassified subsequently to profit or loss		1 575	2 151
Other comprehensive income items, after taxes		1 575	2 151
Comprehensive income, total		35 823	22 561
of which:			
to the parent company's shareholders		35 823	22 561

CONSOLIDATED BALANCE SHEET

(EUR '000)	Note	31 Mar 2024	31 Dec 2023	31 Mar 2023	(EUR '000)	Note	31 Mar 2024	31 Dec 2023	31 Mar 2023
Assets					Liabilities				
Cash and cash equivalents	8,9	2 434 167	2 207 041	1 294 025	Liabilities to credit institutions	8,9	30 233	34 231	23 357
Debt securities eligible for refinancing with central banks	8,9	548 613	571 735	565 553	Liabilities to customers	8,9	8 230 994	8 239 664	7 973 517
Receivables from credit institutions	8,9	7 134	9 420	12 997	Issued bonds	8,9,11	1 093 573	886 895	219 352
Receivables from customers	8,9	6 991 299	6 934 971	6 777 678	Subordinated debts	8,9,12	101 333	101 333	107 000
Debt securities	8,9,10	98 125	127 293	162 382	Derivatives	8,9,10	264	829	–
Derivatives	8,9,10	25 715	31 349	21 953	Provisions		200	200	303
Shares and interests	8,9	18 924	18 881	20 652	Tax liabilities		8 905	19 024	5 527
Holdings in associated companies		7	7	5	Accrued expenses		74 336	53 374	48 455
Intangible assets		64 985	65 600	68 932	Other liabilities		63 473	74 224	57 304
Tangible assets		7 065	7 381	4 948	Liabilities, total		9 603 312	9 409 774	8 434 816
Tax assets		5 330	5 801	7 137	Equity				
Prepayments and accrued income		68 786	62 837	40 204	Share capital		82 880	82 880	82 880
Other assets		18 257	16 731	5 150	Reserves		276 723	275 148	265 299
Assets, total		10 288 407	10 059 046	8 981 618	Retained earnings		325 493	291 244	198 622
					Parent company's shareholders		685 096	649 272	546 802
					Equity, total		685 096	649 272	546 802
					Liabilities and equity, total		10 288 407	10 059 046	8 981 618

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(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 2023	82 880	283 828	-20 680	178 213	524 241
Comprehensive income					
Profit (loss) for the period				20 410	20 410
Other comprehensive income items:					
Profit or loss on financial assets measured at fair value through other comprehensive income			2 151		2 151
Other comprehensive income items, total			2 151		2 151
Comprehensive income, total			2 151	20 410	22 561
TOTAL EQUITY 31 MAR 2023	82 880	283 828	-18 529	198 622	546 802

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

* Dividend EUR 0.75 per share.

(EUR '000)	Equity attributable to parent company shareholders				Total equity
	Share capital	Reserve for invested non-restricted equity	Other reserves	Retained earnings	
EQUITY 1 JAN 2024	82 880	283 828	-8 680	291 244	649 272
Comprehensive income					
Profit (loss) for the period				34 249	34 249
Other comprehensive income items:					
Profit or loss on financial assets measured at fair value through other comprehensive income			1 575		1 575
Other comprehensive income items, total			1 575		1 575
Comprehensive income, total			1 575	34 249	35 823
TOTAL EQUITY 31 MAR 2024	82 880	283 828	-7 106	325 493	685 096

CONSOLIDATED CASH FLOW STATEMENT

(EUR'000)	Note	Jan–Mar 2024	Jan– Mar 2023
Cash flows from operating activities			
Profit (loss) for the period		34 249	20 410
Depreciation and impairment		4 156	3 888
Credit losses		8 167	6 733
Other non-payment income and expenses		993	-647
Income taxes		8 519	5 034
Other adjustments *		47	47
Adjustments for financial income and expenses		6 287	-2 399
Adjustments, total *		28 169	12 655
Cash flows from operating activities before changes in operating assets and liabilities *		62 418	33 065
Increase/decrease in operating assets (-/+)			
Receivables from credit institutions, other than repayable on demand		2 862	-2 570
Receivables from customers		-64 657	-89 149
Investment assets		52 272	-24 895
Other assets		598	15 620
Increase/decrease in operating assets		-8 924	-100 994
Increase/decrease in operating liabilities (+/-)			
Liabilities to credit institutions		-3 998	201
Liabilities to customers		-8 670	-10 042
Other liabilities		-4 128	16 040
Increase/decrease in operating liabilities		-16 796	6 198
Taxes paid		-18 600	-8 751
Cash flows from operating activities *		18 098	-70 481

(EUR'000)	Note	Jan–Mar 2024	Jan– Mar 2023
Cash flows from investing activities			
Investments in tangible and intangible assets *		-2 888	-1 864
Cash flows from investing activities *		-2 888	-1 864
Cash flows from financing activities			
Payments received from issue of bonds and debentures	8, 9, 11	213 066	–
Repayments of lease liabilities		-570	-609
Cash flows from financing activities		212 496	-609
Difference in cash and cash equivalents		227 706	-72 954
Cash and cash equivalents, opening balance sheet		2 209 361	1 370 828
Difference in cash and cash equivalents		227 706	-72 954
Impact of changes in exchange rates		-3	-4
Cash and cash equivalents consist of the following items:			
Cash and cash equivalents	8, 9	2 434 167	1 294 025
Repayable on demand		2 897	3 846
Cash and cash equivalents		2 437 064	1 297 871
Interests paid		-33 627	-9 906
Dividends received		7	36
Interests received		119 363	62 308

* The comparison period has been amended between the cash flows from operating and investing activities since the publication of the 31 March 2023 interim report.

GROUP'S QUARTERLY PROFIT PERFORMANCE

CONSOLIDATED INCOME STATEMENT

(EUR '000)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Jan-Mar 2024	Jan-Mar 2023
Interest income	127 690	122 157	107 630	89 519	69 079	127 690	69 079
Interest expenses	-48 040	-43 356	-32 871	-23 384	-14 290	-48 040	-14 290
Net interest income	79 650	78 801	74 759	66 135	54 789	79 650	54 789
Fee and commission income	26 146	27 287	26 915	27 328	26 034	26 146	26 034
Fee and commission expenses	-4 467	-1 130	-4 360	-4 308	-4 084	-4 467	-4 084
Net fee and commission income	21 678	26 156	22 556	23 020	21 950	21 678	21 950
Net income from investing activities	279	-2 111	-3 065	-305	805	279	805
Dividends	7	0	–	22	36	7	36
Other operating income	2 444	2 022	1 619	1 680	2 417	2 444	2 417
Total income	104 058	104 869	95 869	90 552	79 997	104 058	79 997
Personnel expenses	-17 717	-19 635	-17 183	-16 540	-15 344	-17 717	-15 344
Other administrative expenses	-23 353	-26 966	-20 320	-23 782	-20 625	-23 353	-20 625
Depreciation and impairment	-4 156	-4 586	-4 239	-4 122	-3 888	-4 156	-3 888
Other operating expenses	-10 166	-1 003	-905	-2 210	-9 531	-10 166	-9 531
Total expenses	-55 391	-52 189	-42 647	-46 655	-49 388	-55 391	-49 388
Impairment of receivables	-5 900	-9 168	-6 938	-11 732	-5 166	-5 900	-5 166
Share of the profits of associated companies	–	1	–	1	–	–	–
OPERATING PROFIT (LOSS)	42 767	43 513	46 284	32 166	25 444	42 767	25 444
Income taxes	-8 519	-8 698	-9 263	-6 427	-5 034	-8 519	-5 034
PROFIT (LOSS) FOR THE PERIOD	34 249	34 815	37 021	25 739	20 410	34 249	20 410
of which:							
to the parent company's shareholders	34 249	34 815	37 021	25 739	20 410	34 249	20 410

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(EUR '000)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Jan-Mar 2024	Jan-Mar 2023
PROFIT (LOSS) FOR THE PERIOD	34 249	34 815	37 021	25 739	20 410	34 249	20 410
Other comprehensive income items:							
Items that will not be reclassified to profit or loss							
Items due to remeasurements of defined benefit plans	–	71	–	–	–	–	–
Profit or loss on financial assets measured irrevocably at fair value through other comprehensive income	–	–	15	–	–	–	–
Tax effect	–	-14	-3	–	–	–	–
Items that will not be reclassified to profit or loss	–	57	12	–	–	–	–
Items that may be reclassified subsequently to profit or loss							
Profit or loss on financial assets measured at fair value through other comprehensive income	2 008	6 586	4 061	1 532	2 671	2 008	2 671
Tax effect	-433	-1 491	-932	80	-520	-433	-520
Items that may be reclassified subsequently to profit or loss	1 575	5 095	3 130	1 612	2 151	1 575	2 151
Other comprehensive income items, after taxes	1 575	5 152	3 142	1 612	2 151	1 575	2 151
Comprehensive income, total	35 823	39 967	40 163	27 351	22 561	35 823	22 561
of which:							
to the parent company's shareholders	35 823	39 967	40 163	27 351	22 561	35 823	22 561

NOTES TO THE INTERIM REPORT

NOTE 1: 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.

NOTE 2: ACCOUNTING POLICIES

Accounting policies used in the preparation of the interim report

The interim report 1 January–31 March 2024 has been prepared in accordance with the IAS 34 Interim Financial Reporting standard. The figures in the tables of the interim report are presented in thousands of euros unless otherwise is indicated. 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.

S-Bank applies hedge accounting in accordance with IAS 39 to the hedge portfolio related to its mortgage banking activities. Under its chosen accounting policy, S-Bank continues to apply the hedge accounting requirements of IAS 39 instead of the IFRS 9 standard. S-Bank must apply this principle to all its hedging relationships.

Otherwise, the interim report complies with the accounting policies presented in the financial statements for 2023.

Accounting policies requiring management judgement and the key uncertainties associated with estimates

IFRS-compliant interim report 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 interim report.

Accounting policies requiring management judgement and the key uncertainties associated with estimates are included in the 2023 financial statements. Critical items in the interim report requiring management as well judgement as estimates and assumptions are included in following notes:

- Note 7 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 a management judgement, which takes into account the uncertainty related to model parameters and assumptions, as well as model risk. Management judgement is also applied to definition of backstop criteria for estimation of significant increase in credit risk and LGD risk parameter floors.

- Note 8 Fair values of financial assets and liabilities: 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.

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's highest executive decision-maker is the Group Management Team.

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.

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

INCOME STATEMENT FOR SEGMENTS

Jan-Mar 2024 (EUR '000)	Banking	Wealth Management	Other activities	Eliminations	Group, total
Net interest income	79 213	405	31		79 650
Net fee and commission income	11 975	9 706	-2		21 678
Net income from investing activities	280	-1			279
Dividends	7				7
Other operating income	1 823	47	3 818	-3 245	2 444
Total income	93 298	10 158	3 848	-3 245	104 058
Total expenses*	-43 710	-9 787	-5 140	3 245	-55 391
Impairment of receivables	-5 900				-5 900
Operating profit (loss)	43 689	371	-1 292		42 767

External income from Banking was EUR 93 732 thousand and from Wealth Management EUR 9 757 thousand.

Jan-Mar 2023 (EUR '000)	Banking	Wealth Management	Other activities	Eliminations	Group, total
Net interest income	54 587	191	11		54 789
Net fee and commission income	12 051	9 901	-2		21 950
Net income from investing activities	805	0			805
Dividends	36				36
Other operating income	1 884	112	3 197	-2 776	2 417
Total income	69 364	10 204	3 205	-2 776	79 997
Total expenses*	-38 049	-8 635	-5 479	2 776	-49 388
Impairment of receivables	-5 166				-5 166
Operating profit (loss)	26 149	1 569	-2 274		25 444

External income from Banking was EUR 69 565 thousand and from Wealth Management EUR 9 920 thousand.

* 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. In addition, the income and expenses of functions subject to restructuring are allocated to 'Other activities'.

BALANCE SHEET FOR SEGMENTS

31 Mar 2024 (EUR '000)	Banking	Wealth Management	Other activities	Group, total
Receivables from customers	6 991 299			6 991 299
Liquid and investment assets of banking	3 132 678			3 132 678
Intangible and tangible assets	4 187	28 482	39 388	72 057
Other assets	68 488	6 028	17 857	92 373
Assets, total	10 196 652	34 511	57 245	10 288 407
Banking liabilities	9 456 397			9 456 397
Provisions and other liabilities	78 856	4 157	63 901	146 915
Equity			685 096	685 096
Liabilities and equity, total	9 535 253	4 157	748 997	10 288 407

31 Dec 2023 (EUR '000)	Banking	Wealth Management	Other activities	Group, total
Receivables from customers	6 934 971			6 934 971
Liquid and investment assets of banking	2 965 718			2 965 718
Intangible and tangible assets	4 259	28 859	39 871	72 988
Other assets	55 909	6 781	22 679	85 369
Assets, total	9 960 857	35 639	62 550	10 059 046
Banking liabilities	9 262 952			9 262 952
Provisions and other liabilities	63 383	5 848	77 592	146 822
Equity			649 272	649 272
Liabilities and equity, total	9 326 335	5 848	726 864	10 059 046

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'.

QUARTERLY PROFIT PERFORMANCE BY SEGMENT

Banking (EUR '000)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Jan-Mar 2024	Jan-Mar 2023
Net interest income	79 213	78 426	74 428	65 835	54 587	79 213	54 587
Net fee and commission income	11 975	16 181	12 979	13 346	12 051	11 975	12 051
Net income from investing activities	280	-2 092	-3 071	-307	805	280	805
Dividends	7	–	–	–	36	7	36
Other operating income	1 823	1 364	1 002	991	1 884	1 823	1 884
Total income	93 298	93 879	85 338	79 865	69 364	93 298	69 364
Total expenses	-43 710	-37 516	-30 823	-33 899	-38 049	-43 710	-38 049
Impairment of receivables	-5 900	-9 168	-6 938	-11 732	-5 166	-5 900	-5 166
Operating profit (loss)	43 689	47 195	47 577	34 234	26 149	43 689	26 149
Wealth Management (EUR '000)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Jan-Mar 2024	Jan-Mar 2023
Net interest income	405	372	333	282	191	405	191
Net fee and commission income	9 706	9 977	9 579	9 676	9 901	9 706	9 901
Net income from investing activities	-1	-19	6	2	0	-1	0
Other operating income	47	-217	149	216	112	47	112
Total income	10 158	10 113	10 068	10 175	10 204	10 158	10 204
Total expenses	-9 787	-11 060	-8 807	-8 878	-8 635	-9 787	-8 635
Operating profit (loss)	371	-948	1 261	1 297	1 569	371	1 569

NOTE 4: NET INTEREST INCOME

(EUR '000)	Jan-Mar 2024	Jan-Mar 2023
Interest income		
Cash and cash equivalents *	21 856	7 140
Debt securities eligible for refinancing with central banks measured at fair value through other comprehensive income	2 568	1 112
Receivables from credit institutions *	32	225
Receivables from customers	97 846	58 840
Debt securities measured at fair value through other comprehensive income	172	397
measured at fair value through profit or loss	164	222
Derivatives	5 052	1 142
Other interest income	0	0
Total interest income using the effective interest method	122 474	67 714
Other interest income	5 216	1 365
Interest income, total	127 690	69 079
Interest income from stage 3 financial assets	936	583
Interest expenses		
Liabilities to credit institutions	-292	-154
Liabilities to customers	-29 985	-11 460
Issued bonds	-10 373	-1 679
Derivatives	-3 959	162
Subordinated debts	-1 560	-1 154
Other interest expenses	-1 799	-1
Interest expenses on leases	-73	-4
Total interest expenses using the effective interest method	-42 210	-14 447
Other interest expenses	-5 830	157
Interest expenses, total	-48 040	-14 290
Net interest income	79 650	54 789

* The comparison period has been amended since the publication of the 31 March 2023 interim report. Interest income from cash and cash equivalents is presented as a separate line item.

NOTE 5: NET FEE AND COMMISSION INCOME

(EUR '000)	Jan-Mar 2024	Jan-Mar 2023
Fee and commission income by segment		
Fee and commission income from Banking		
From lending *	2 386	2 365
From borrowing *	211	191
From payment transactions *	2 635	2 600
From card business *	9 376	8 912
From legal duties	148	92
From insurance brokerage	432	419
From issuance of guarantees	6	81
Total fee and commission income from Banking *	15 195	14 661
Fee and commission income from Wealth Management		
From funds	9 463	9 950
From wealth management	483	578
From property management	626	686
Total fee and commission income from Wealth Management	10 572	11 214
Fee and commission income from other activities		
From securities brokerage	212	22
Other fee and commission income *	166	138
Total fee and commission income from other activities *	378	160
Fee and commission income, total	26 146	26 034
Fee and commission expenses		
From funds	-832	-1 171
From wealth management	-34	38
From securities brokerage	-271	-235
From card business	-3 169	-2 525
From property management	-25	-72
Banking fees	-113	-97
Other expenses	-22	-23
Fee and commission expenses, total	-4 467	-4 084
Net fee and commission income	21 678	21 950

* The comparison period has been amended since the publication of the 31 March 2023 interim report. The fee and commission income from card business is presented as a separate line item.

NOTE 6: NET INCOME FROM INVESTING ACTIVITIES

(EUR '000)	Jan-Mar 2024	Jan-Mar 2023
Net income from financial assets measured at fair value through profit or loss		
Debt securities		
Capital gains and losses	3	4
Changes in fair value	-6	15
Shares and interests		
Capital gains and losses	–	21
Changes in fair value	-661	119
Derivatives		
Changes in fair value	-798	472
Net income from financial assets measured at fair value through profit or loss, total	-1 463	631
Net income from financial assets measured at fair value through other comprehensive income		
Debt securities		
Capital gains and losses	1 332	6
Other income and expenses	-4	38
Shares and interests		
Capital gains and losses	12	0
Other income and expenses	–	-80
Net income from financial assets measured at fair value through other comprehensive income, total	1 340	-36
Net income from currency operations	84	94

(EUR '000)	Jan-Mar 2024	Jan-Mar 2023
Net income from hedge accounting		
Debt securities		
Net result from hedging instruments	1 988	-2 774
Net result from hedged items	-1 679	2 889
Bonds		
Net result from hedging instruments	-6 259	–
Net result from hedged items	6 269	–
Net income from hedge accounting	318	115
Net income from investing activities, total	279	805

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.

NOTE 7: 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 prod-

ucts. The corporate loan portfolio focuses on the secured financing of housing companies that are new or under construction. 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 ECL provision was EUR 37.5 million (37.3) at the end of the review period. The total ECL provision included EUR 3.8 million provisions based on management judgement. The coverage ratio of the total portfolio was 0.37 per cent (0.37) and remained within the risk appetite defined by S-Bank's Board.

The ECL provision increased by EUR 0.1 million during the review period. The ECL provision related to household customers increased EUR 1.3 million, mainly due to increase in the amount of non-performing loans. The ECL provision related to corporate customers and investing activities decreased by EUR 1.2 million, which was caused by internal customer rating upgrades.

EXPECTED CREDIT LOSSES AND IMPAIRMENT LOSSES RECOGNIZED DURING THE PERIOD

Expected credit losses and impairment losses (EUR '000)	Jan-Mar 2024	Jan-Mar 2023
Receivables written off as credit and guarantee losses	-7 885	-5 148
Reversal of receivables written off	2 110	1 638
Expected credit losses (ECL) on receivables from customers and off-balance sheet commitments	-282	-1 585
Expected credit losses (ECL) on investing activities	158	-71
Total	-5 900	-5 166

RISK EXPOSURE, SUMMARY

	Stage 1		Stage 2		Stage 3		Exposures and commitments, total	ECL provision, total	Coverage ratio, %
	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			
31 Mar 2024 (EUR'000)									
Lending to household customers *	5 445 876	-2 492	288 098	-13 049	97 041	-17 055	5 831 016	-32 596	-0.56%
Lending to corporate customers *	1 110 615	-534	98 144	-1 648	–	–	1 208 759	-2 182	-0.18%
Investing activities **	638 879	-284	11 404	-479	–	–	650 283	-763	-0.12%
Off-balance sheet commitments ***	2 342 896	-455	13 309	-1 371	759	-91	2 356 964	-1 918	-0.08%
Total	9 538 266	-3 765	410 956	-16 548	97 801	-17 146	10 047 022	-37 459	-0.37%

	Stage 1		Stage 2		Stage 3		Exposures and commitments, total	ECL provision, total	Coverage ratio, %
	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			
31 Dec 2023 (EUR'000)									
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	Total
31 Mar 2024 (EUR'000)	12-month ECL	Lifetime ECL	Lifetime ECL	
Category 1	4 303 392	127 873	–	4 431 265
Category 2	356 541	15 319	–	371 860
Category 3	313 973	12 004	–	325 976
Category 4	136 141	6 547	–	142 688
Category 5	242 753	15 559	–	258 312
Category 6	90 710	35 209	–	125 919
Category 7	2 366	75 588	–	77 954
In default	–	–	97 041	97 041
Gross carrying amount	5 445 876	288 098	97 041	5 831 016
ECL provision *	-2 492	-13 049	-17 055	-32 596
Net carrying amount	5 443 384	275 050	79 986	5 798 420

* 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	Total
31 Dec 2023 (EUR'000)	12-month ECL	Lifetime ECL	Lifetime ECL	
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 (CORPORATE CUSTOMERS, INVESTING ACTIVITIES AND OFF-BALANCE SHEET COMMITMENTS, INCLUDING THE OFF-BALANCE SHEET ACCOUNTS OF HOUSEHOLD CUSTOMERS)

	Corporate lending, investing activities and off-balance sheet commitments					Corporate lending, investing activities and off-balance sheet commitments			
	Stage 1	Stage 2	Stage 3	Total		Stage 1	Stage 2	Stage 3	Total
31 Mar 2024 (EUR'000)	12-month ECL	Lifetime ECL	Lifetime ECL	Total	31 Dec 2023 (EUR'000)	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Category 1	2 824 989	27	–	2 825 015	Category 1	2 785 552	34	–	2 785 586
Category 2	583 469	5 624	–	589 093	Category 2	565 527	5	–	565 531
Category 3	297 560	6	–	297 566	Category 3	301 264	6	–	301 270
Category 4	93 000	–	–	93 000	Category 4	90 734	–	–	90 734
Category 5	254 870	48 337	–	303 208	Category 5	234 796	4 441	–	239 237
Category 6	35 574	63 167	–	98 742	Category 6	68 957	107 974	–	176 931
Category 7	2 927	5 697	–	8 623	Category 7	2 969	6 218	–	9 187
In default	–	–	759	759	In default	–	–	872	872
Gross carrying amount	4 092 390	122 858	759	4 216 007	Gross carrying amount	4 049 799	118 678	872	4 169 349
ECL provision *	-1 273	-3 499	-91	-4 863	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)

(EUR '000)	Lending to household customers			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
ECL 1 Jan 2024	2 489	13 128	15 729	31 346
Transfers from Stage 1 to Stage 2	-252	5 230	–	4 978
Transfers from Stage 1 to Stage 3	-29	–	1 349	1 320
Transfers from Stage 2 to Stage 1	159	-2 374	–	-2 214
Transfers from Stage 2 to Stage 3	–	-2 635	3 722	1 088
Transfers from Stage 3 to Stage 1	3	–	-500	-497
Transfers from Stage 3 to Stage 2	–	174	-783	-609
Changes in the risk parameters	-69	190	-622	-501
Increases due to origination and acquisition	258	142	16	416
Decreases due to derecognition	-66	-157	-398	-621
Decrease in the allowance account due to write-offs	–	-650	-1 459	-2 110
Net change in ECL	4	-80	1 326	1 250
ECL 31 Mar 2024	2 492	13 049	17 055	32 596

RECONCILIATION OF EXPECTED CREDIT LOSSES (CORPORATE CUSTOMERS, INVESTING ACTIVITIES AND OFF-BALANCE SHEET COMMITMENTS, INCLUDING THE OFF-BALANCE SHEET ACCOUNTS OF HOUSEHOLD CUSTOMERS)

(EUR '000)	Corporate lending, investing activities and off-balance sheet commitments			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
ECL 1 Jan 2024	1 201	4 716	71	5 989
Transfers from Stage 1 to Stage 2	-28	916	–	887
Transfers from Stage 1 to Stage 3	-1	–	17	16
Transfers from Stage 2 to Stage 1	168	-2 031	–	-1 863
Transfers from Stage 2 to Stage 3	–	-26	7	-18
Transfers from Stage 3 to Stage 1	–	–	-14	-14
Transfers from Stage 3 to Stage 2	–	1	-2	–
Changes in the risk parameters	-224	-276	4	-496
Increases due to origination and acquisition	178	446	17	641
Decreases due to derecognition	-20	-244	-10	-274
Decrease in the allowance account due to write-offs	–	-4	–	-4
Net change in ECL	72	-1 218	20	-1 125
ECL 31 Mar 2024	1 273	3 499	91	4 863

NOTE 8: FAIR VALUES AND CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES

Classification of financial instruments according to valuation method

Financial assets, fair values 31 Mar 2024 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total	Carrying amount	Financial assets, fair values 31 Dec 2023 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
Financial assets measured at amortised cost						Financial assets measured at amortised cost					
Cash and cash equivalents		2 434 167		2 434 167	2 434 167	Cash and cash equivalents		2 207 041		2 207 041	2 207 041
Receivables from credit institutions		7 289		7 289	7 134	Receivables from credit institutions		9 390		9 390	9 420
Receivables from customers		7 400 519		7 400 519	6 991 299	Receivables from customers		7 364 448		7 364 448	6 934 971
Total		9 841 975		9 841 975	9 432 600	Total		9 580 879		9 580 879	9 151 432
Financial assets measured at fair value through profit or loss						Financial assets measured at fair value through profit or loss					
Debt securities		–		–	–	Debt securities		24 842		24 842	24 842
Derivatives		25 715		25 715	25 715	Derivatives		31 349		31 349	31 349
Shares and interests	7 051	10 913		17 963	17 963	Shares and interests	8 235	9 878		18 114	18 114
Total	7 051	36 627		43 678	43 678	Total	8 235	66 070		74 305	74 305
Financial assets measured at fair value through other comprehensive income						Financial assets measured at fair value through other comprehensive income					
Debt securities eligible for refinancing with central banks	537 324	14 310		551 634	548 613	Debt securities eligible for refinancing with central banks	556 081	19 333		575 414	571 735
Debt securities	95 465	3 084		98 549	98 125	Debt securities	100 192	3 188		103 381	102 451
Shares and interests		839	121	961	961	Shares and interests		646	121	767	767
Total	632 789	18 234	121	651 144	647 699	Total	656 273	23 168	121	679 562	674 953
Fair values of assets, total	639 839	9 896 836	121	10 536 796	10 123 977	Fair values of assets, total	664 509	9 670 117	121	10 334 747	9 900 689

Financial liabilities, fair values 31 Mar 2024 (EUR '000)	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
Financial liabilities measured at amortised cost					
Liabilities to credit institutions		30 233		30 233	30 233
Liabilities to customers		8 154 842		8 154 842	8 230 994
Issued bonds	1 116 866			1 116 866	1 093 573
Subordinated debts		104 275		104 275	101 333
Total	1 116 866	8 289 350		9 406 216	9 456 133
Financial liabilities measured at fair value through profit or loss					
Derivatives		264		264	264
Total		264		264	264
Financial liabilities, fair values 31 Dec 2023 (EUR '000)					
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, unad-

justed 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, carrying amount 1 Jan 2024

Shares and interests, carrying amount 31 Mar 2024

Shares and interests

121

121

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.

NOTE 9: CLASSES OF FINANCIAL ASSETS AND LIABILITIES

Classes of financial assets 31 Mar 2024 (EUR '000)	Amortised cost	Measured at fair value through other comprehensive income	Fair value through profit or loss		
			Measured at fair value	Derivatives in hedge accounting	Total
Cash and cash equivalents	2 434 167				2 434 167
Debt securities eligible for refinancing with central banks		548 613			548 613
Receivables from credit institutions	7 134				7 134
Receivables from customers	6 991 299				6 991 299
Debt securities		98 125	–		98 125
Derivatives			–	25 715	25 715
Shares and interests		961	17 963		18 924
Total	9 432 600	647 699	17 963	25 715	10 123 977

Classes of financial liabilities 31 Mar 2024 (EUR '000)	Amortised cost	Fair value through profit or loss: Derivatives in hedge accounting	
			Total
Liabilities to credit institutions	30 233		30 233
Liabilities to customers	8 230 994		8 230 994
Issued bonds	1 093 573		1 093 573
Subordinated debts	101 333		101 333
Derivatives		264	264
Lease liabilities	6 844		6 844
Total	9 462 977	264	9 463 241

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	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 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

NOTE 10: DERIVATIVES AND HEDGE ACCOUNTING

Nominal and fair values of derivatives (EUR '000)	31 Mar 2024			31 Dec 2023		
	Nominal value	Positive fair value	Negative fair value	Nominal value	Positive fair value	Negative fair value
Hedge accounting of assets						
Interest rate derivatives						
Interest rate swaps	377 200	14 317	-264	397 200	13 268	-829
Total	377 200	14 317	-264	397 200	13 268	-829
Hedge accounting for bonds						
Interest rate derivatives						
Interest rate swaps	800 000	11 397	–	500 000	17 657	–
Total	800 000	11 397	–	500 000	17 657	–
For non-hedging purposes						
Interest rate derivatives						
Interest rate swaps	–	–	–	40 000	425	–
Total	–	–	–	40 000	425	–
Derivatives, total	1 177 200	25 715	-264	937 200	31 349	-829

Maturities of derivatives (EUR '000)	31 Mar 2024				31 Dec 2023			
	Less than one year	1-5 years	Over 5 years	Total	Less than one year	1-5 years	Over 5 years	Total
Hedge accounting of assets								
Interest rate derivatives	100 000	277 200	–	377 200	90 000	307 200	–	397 200
Hedge accounting for bonds								
Interest rate derivatives	–	800 000	–	800 000	–	500 000	–	500 000
For non-hedging purposes								
Interest rate derivatives	–	–	–	–	30 000	10 000	–	40 000
Derivatives, total	100 000	1 077 200	–	1 177 200	120 000	817 200	–	937 200

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.

31 Mar 2024 (EUR '000)	Nominal value, total	Assets, fair values	Liabilities, fair values	Balance sheet item including the hedged item	Changes in fair value in the income statement
Hedge accounting of assets					
Fair value hedge					
Interest rate derivatives	377 200	14 317	-264	Derivatives	1 988
Total	377 200	14 317	-264		1 988
Hedge accounting for bonds					
Fair value hedge					
Interest rate derivatives	800 000	11 397	–	Derivatives	-6 259
Total	800 000	11 397	–		-6 259
31 Dec 2023 (EUR '000)					
	Nominal value, total	Assets, fair values	Liabilities, fair values	Balance sheet item including the hedged item	Changes in fair value in the income statement
Hedge accounting of assets					
Fair value hedge					
Interest rate derivatives	397 200	13 268	-829	Derivatives	-10 845
Total	397 200	13 268	-829		-10 845
Hedge accounting for bonds					
Fair value hedge					
Interest rate derivatives	500 000	17 657	–	Derivatives	17 657
Total	500 000	17 657	–		17 657

31 Mar 2024 (EUR '000)	Carrying amount		Cumulative change in balance sheet value		Balance sheet item including the hedged item	Changes in fair value in the income statement
	Assets	Liabilities	Assets	Liabilities		
Hedged item						
Debt securities	589 262	–	14 105	–	Debt securities	-1 679
Bonds	–	-199 554	6 632	-373	Issued bonds	6 269
Total	589 262	-199 554	20 737	-373		4 590

31 Dec 2023 (EUR '000)	Carrying amount		Cumulative change in balance sheet value		Balance sheet item including the hedged item	Changes in fair value in the income statement
	Assets	Liabilities	Assets	Liabilities		
Hedged item						
Debt securities	621 959	–	12 425	–	Debt securities	11 337
Bonds	–	-499 214	–	-17 657	Issued bonds	-18 077
Total	621 959	-499 214	12 425	-17 657		-6 740

The following table shows the change in the fair value of the hedged item and hedging instrument, i.e. the ineffective portion of the hedge.

31 Mar 2024 (EUR '000)		Profit (loss) on hedging relationship		Ineffective portion of hedging relationship	Income statement line on which the ineffective portion is booked
Hedged item	Hedging instrument	Hedged item	Hedging instrument		
Debt securities	Interest rate derivatives	-1 679	1 988	308	Net income from investing activities: Net income from hedge accounting
Bonds	Interest rate derivatives	6 269	-6 259	10	Net income from investing activities: Net income from hedge accounting

31 Dec 2023 (EUR '000)		Profit (loss) on hedging relationship		Ineffective portion of hedging relationship	Income statement line on which the ineffective portion is booked
Hedged item	Hedging instrument	Hedged item	Hedging instrument		
Debt securities	Interest rate derivatives	11 337	-10 845	492	Net income from investing activities: Net income from hedge accounting
Bonds	Interest rate derivatives	-18 077	17 657	-420	Net income from investing activities: Net income from hedge accounting

The accounting policies for hedge accounting are described in the 2023 financial statements.

NOTE 11: ISSUED BONDS

Bonds (EUR '000)	31 Mar 2024		31 Dec 2023		Interest	Maturity
	Carrying amount	Nominal value	Carrying amount	Nominal value		
Secured bonds						
S-Bank Plc's Covered Bond	510 545	500 000	517 291	500 000	Fixed 3.75%	26 Sep 2028
Secured bonds, total	510 545	500 000	517 291	500 000		
Unsecured bonds						
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2021, Tranche 1	84 003	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	299 701	300 000	–	–	Fixed 4.875% until 8 Mar 2027 and after that Euribor 3 m + 1.95%	8 Nov 2028
Unsecured bonds, total	583 028	583 900	369 605	370 000		
Bonds, total	1 093 573	1 083 900	886 895	870 000		

NOTE 12: SUBORDINATED DEBTS

Debentures (EUR '000)	31 Mar 2024		31 Dec 2023		Interest	Maturity
	Carrying amount	Nominal value	Carrying amount	Nominal value		
Debenture I/2016	13 000	13 000	13 000	13 000	Euribor 12 m + 1.8%	30 Jun 2026
Debenture I/2017	5 333	5 333	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	101 333	101 333	101 333	101 333		

NOTE 13: COLLATERAL GIVEN

(EUR '000)	Other collateral	
	31 Mar 2024	31 Dec 2023
Derivatives	1 319	4 257
Collateral given for own debt, total *	1 319	4 257
of which cash	1 319	4 257
Other collateral given on own behalf	357	357
of which cash	357	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.

NOTE 14: OFF-BALANCE SHEET COMMITMENTS

(EUR '000)	31 Mar 2024	31 Dec 2023
Guarantees	983	2 170
Other	52	52
Undrawn credit facilities	113 879	144 045
Off-balance sheet commitments, total	114 914	146 266

Impairment of off-balance sheet items is presented in Note 7.

The expected credit loss on off-balance sheet items is EUR 1 918 thousand (1 879).

NOTE 15: RELATED PARTIES

S-Bank's related parties was expanded at the beginning of year 2024 to include SOK acting management.

Related-party information is described in more detail in the 2023 financial statements.

NOTE 16: 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. Earlier on the same day Handelsbanken signed an agreement with S-Bank, Oma Savings Bank Plc (OmaSp) and Fennia Life Insurance Company Ltd. to sell the bank's Finnish retail banking, asset management and investment services businesses to S-Bank, its SME business to OmaSp and its life insurance business, including investment, pension and loan insurance, to Fennia. The Finnish Competition and Consumer Authority

gave approval of the transaction to all buyers in July 2023. The parties expect the transaction to be completed during second half of 2024.

For the time being, Handelsbanken and S-Bank will continue to serve their customers as before, and customers of both banks will continue to use their own bank. Upon completion of the transaction, approximately 230 Handelsbanken employees and nearly all of the leases of the bank's Finnish branches will be transferred to S-Bank. The companies will also start to cooperate, and S-Bank will begin to offer funds managed by Handelsbanken Fonder AB.

S-Bank will not pay a premium on the transaction. S-Bank will pay Handelsbanken a cash amount that is EUR 20–25 million less than the net value of the balance sheet items to be transferred at closing. The net value is determined by the difference between the values of the loan and deposit agreements to be transferred and it amounted to approximately EUR 2.0 billion on 31 March 2023. The value of loans to be transferred was approximately EUR 3.6 billion and that of

deposits approximately EUR 1.6 billion. The final purchase price will be determined at closing on the basis of the value of the loan and deposit agreements current at that time.

The transaction will be covered with a subsequent share issue to the owners and debt financing from the market. S-Bank will strengthen its own funds with a share issue of up to EUR 200 million to ensure that the bank's capitalisation will remain strong also following the transaction. The owners of S-Bank, SOK Corporation and the cooperative societies belonging to the SGroup, have committed to the issue. S-Bank has also agreed on financing arrangements, which originally had a total value of approximately EUR 2.0 billion. During the initial stage, financing will be arranged by Danske Bank A/S. To cover the debt financing and pay the transaction price, S-Bank 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. After the issue, the value of the abovementioned financing arrangement was amended with the nominal

value of the issue. On 8 March 2024 S-Bank issued a Senior Preferred MREL Eligible Notes –bond and after that issue the financing agreement was amended with EUR 110 million. After these issues the value of the financing agreement was approximately EUR 1.4 billion at the end of the reporting period.

S-Bank's result for the review period includes expenses of EUR 1.5 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 of EUR 1.8 million (EUR 5.4 million in year 2023) related to the financing arrangements mentioned earlier.

There are also contingent liabilities worth about EUR 0.4 million according to IAS 37, subject to the completion of the acquisition, for consultancy and advisory services related to planning and preparation of the acquisition. These costs are expected to be taken into result during the second half of the year 2024.

NOTE 17: EVENTS AFTER THE REVIEW PERIOD

S-Bank Plc's 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 ended on 31 December 2023. The AGM decided that a dividend of EUR 1.50 per share, totaling EUR 10 020 270.00, shall be paid from the parent company's distributable assets.

Eight members and one deputy member were elected to the Board of Directors. The following members were elected to S-Bank's Board of Directors: Jari Annala, MSc. (Econ.), Executive Vice President SOK, CEO of SOK Liiketoiminta Oy; Tom Dahlström, Ph.D. (Doc.Soc.Sc.), Principal of Good Ventures Oy; Kati Hagros, M.Sc.

(Engineering), M.Soc.Sc., Chief Digital Officer of 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) Board professional; Tarja Tikkanen, commercial counsellor; Jorma Vehviläinen, M.Sc. (Econ.), CFO of SOK; and Olli Vormisto, M.Sc. (Econ.), Managing Director of Hämeenmaa Cooperative Society. Niklas Österlund, M.Sc. (Econ.), CEO of Turku Cooperative Society, was elected as a deputy member.

Authorised Public Accounting firm 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 decided to amend the Articles of Association regarding the article on the line of business and the sections regarding the sustainability reporting assurer.

S-Bank Plc's dividend for the financial year 2023 was paid on 9 April 2024.

The Board re-elected Jari Annala as Chairman and Jorma Vehviläinen as Vice Chairman on 12 April 2024.

On 16 April 2024, S-Bank Plc issued a covered bond with a nominal value of EUR 500 million. The bond's maturity date is 16 April 2030 and annual interest of 3.00 per cent will be paid. The issue will take place under S-Bank's EUR 3.0

billion bond programme. The purpose of the issue is to finance the bank's activities and growth, as well as the acquisition of the Finnish household customer, asset management and investment services operations of Svenska Handelsbanken AB, as communicated in autumn 2023.

After the issue, the value of the above-mentioned financing arrangement for the transaction was reduced by the amount of the issue made. For more details on the financing arrangement, see Note 16.

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

Financial calendar

S-Bank publishes financial information regularly. An up-to-date calendar can be found on S-Bank's website at s-pankki.fi/investors.

1 August 2024: Half-year report

7 November 2024: Interim report

January-September

6 February 2025: Financial statements
bulletin for 2024

REPORT ON REVIEW OF THE INTERIM REPORT OF S-BANK PLC AS OF AND FOR THE THREE MONTHS PERIOD ENDING MARCH 31, 2024

To the Board of Directors of S-Bank Plc

Introduction

We have reviewed the balance sheet as of March 31, 2024 and the related income statement, statement of other comprehensive income, statement of changes in equity capital and cash flow statement of

S-Bank Plc Group for the nine-month period then ended, as well as other explanatory notes to the consolidated financial statements. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting and other Finnish rules and regulations governing the preparation of interim reports. We will express our conclusion on the interim report based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and other generally accepted auditing practices and consequently does not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material respects, is not prepared in accordance with IAS 34 Interim Financial Reporting and other applicable rules and regulations governing interim financial reporting preparation in Finland.

Helsinki, 6 May 2024

KPMG OY AB

Petri Kettunen

Authorised Public Accountant, KHT

