S-BANK INTERIM REPORT 1 JANUARY–30 SEPTEMBER 2022

POSITIVE TREND CONTINUED – OUTLOOK IMPROVED DUE TO THE INCREASING INTEREST RATES

Hanna Porkka, Interim CEO

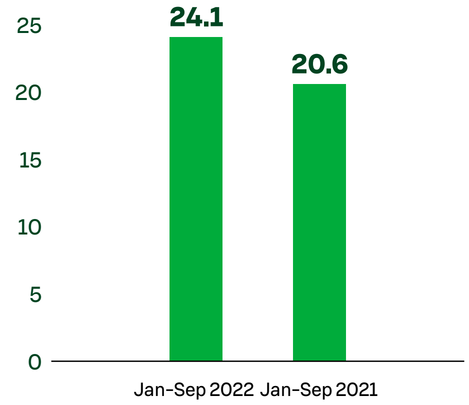
"S-Bank Group's business developed positively in January–September. Especially in the third quarter net interest income grew due to the higher interest rate levels. At the end of September 2022, S-Bank had around 578 000 active customers, compared with around 518 000 at the end of September 2021."

JANUARY–SEPTEMBER 2022

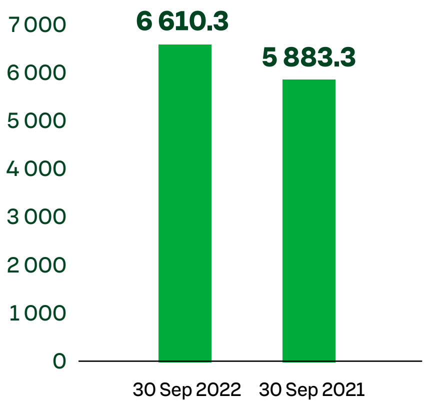
- Lending increased to EUR 6.6 billion (5.9)
- Comparable assets under management ended up at EUR 7.0 billion (7.1)
- Operating profit was EUR 24.1 million (20.6)
- The capital adequacy ratio rose to 16.0 per cent (14.9)

The S-Bank Group's operating profit was EUR 24.1 million (20.6) increasing 16.8 per cent on the previous year. Performance was affected by 12.5 per cent increase in total income and particularly the strong increase in net interest income during the third quarter. Other significant changes included lower impairment losses and higher regulatory fees. The increase in regulatory fees had negative impact on the cost-to-income ratio year-on-year.

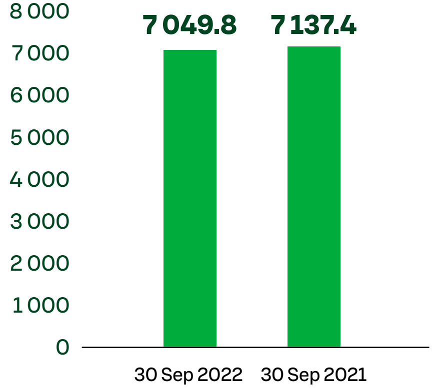
Operating profit (EUR million)



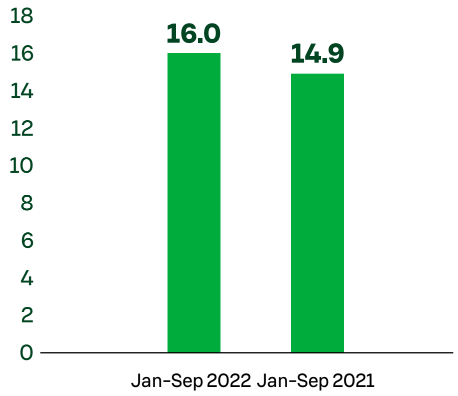
Lending (EUR million)



Assets under management (EUR million)



Capital adequacy ratio (%)



OUTLOOK FOR 2022 (IMPROVED)

We expect operating profit for the whole year to significantly exceed the previous year's level (24.8). Previously we expected operating profit for the whole year to exceed the previous year's level. Increasing interest rates have positive effect on bank's profitability. However, there is great uncertainty in the operating environment.

KEY FIGURES

(EUR million)	Jan–Sep 2022	Jan–Sep 2021	Change	Q3 2022	Q3 2021	Change
Net interest income	78.2	67.3	16.1%	31.3	23.3	34.3%
Net fee and commission income	62.9	56.3	11.7%	21.4	18.7	14.6%
Total income	150.9	134.1	12.5%	54.1	43.5	24.5%
Operating profit	24.1	20.6	16.8%	10.7	6.4	68.6%
Cost-to-income ratio	0.81	0.74	0.07	0.81	0.74	0.07

(EUR million)	30 Sep 2022	31 Dec 2021	Change
Liabilities to customers, deposits	7 912.2	7 554.9	4.7%
Receivables from customers, lending	6 610.3	6 086.0	8.6%
Debt securities	728.4	1 149.1	-36.6%
Equity	506.9	509.3	-0.5%
Expected credit losses (ECL)	20.2	20.6	-2.3%
Assets under management	7 049.8	7 697.1	-8.4%
Return on equity	4.4%	3.9%	0.5
Return on assets	0.3%	0.2%	0.0
Equity ratio	5.7%	6.0%	-0.3
Capital adequacy ratio	16.0%	16.3%	-0.3

The S-Bank Group (hereinafter 'S-Bank') figures for the corresponding period of 2021 are used in the result comparisons. For comparisons of balance sheet items and other breakdown items, the figures refer to the end of 2021 unless otherwise indicated.

CEO'S REVIEW

S-Bank Group's business developed positively in January–September. Our operating profit for January–September grew 12.5 per cent year-on-year and was EUR 24.1 million (20.6). Especially in the third quarter net interest income grew due to the higher interest rate levels.

At the end of September, S-Bank had around 578 000 active customers, as opposed to around 518 000 at the end of September 2021. Our strategic goal is to achieve one million active customers. The total euro amount of the purchases made with the S-Etukortti Visa card in January–September grew by 19.2 per cent on the amount for the previous year. Year-on-year, our lending grew by 12.4 per cent and our deposit portfolio by 4.1 per cent. The number of unit holders in the S-Bank funds increased by approximately 35 000 to approximately 360 000. Comparable assets under management were EUR 7.0 billion, which was close to the previous year's level (7.1).

These figures indicate that over the years, S-Bank, which is 15 years old, has become a full-service bank. S-Bank's purpose is to offer everyone a chance to achieve a slightly more affluent tomorrow. This is why we offer a banking account, a payment card, an online banking ID and a mobile app free-of-charge for S Group's co-op members.

Despite the positive business performance, we did experience challenges in the third quarter of the year, and while economic growth was relatively healthy, the outlook weakened substantially in the autumn. Some of the challenges affected us as a bank.

In the summer, a rare system malfunction affected authentication with online banking IDs. This problem was exploited by a very small group of individuals logging into the online bank as another customer, making unauthorised payments and logging into third-party online services. A few hundred customers were affected, and the malfunction was corrected as soon as it was detected.

I sincerely apologise on my and the bank's behalf. We are very sorry for what happened. We will compensate our customers for all direct financial damage caused by the malfunction. We take the security of our services very seriously. We have analysed the chain of events that led to the malfunction and taken corrective actions.

Various scam messages also circulated during the summer and autumn, claiming to be from S-Bank and other banks. Unfortunately, also our customers occasionally fell victim to these phishing campaigns. In order to prevent misuse, we took a number of measures in the autumn that will strengthen the security of our services and prevent criminal activity. Work to prevent scams will continue.

S-Bank has been voted Finland's most highly valued brand for five years and Finland's most responsible bank for ten consecutive years. Our customers decide how trustworthy we are. This is why we will continue our determined work to be worthy of our customers' trust.

HANNA PORKKA
Interim CEO

CONTENTS

OPERATIONS IN THE REVIEW PERIOD

KEY EVENTS

S-Bank continued to develop its Wealth Management business by merging S-Bank Private Equity Funds Ltd into S-Bank Fund Management Ltd. The merger was completed on 30 September 2022.

On 22 September 2022, credit rating agency Standard & Poor's (S&P) published a report where it affirmed S-Bank's long-term rating of BBB. The credit rating of long-term borrowing is BBB, that of short-term borrowing is A-2, and the outlook is stable.

In middle of September S-Bank informed on a malfunction that occurred in the authentication with S-Bank online banking IDs during the period from 20 April to 5 August 2022. The malfunction affected a group of a few hundred people. A very small group of individuals also misused the system malfunction, e.g. for unauthorised payments and for logging into third-party online services. The malfunction was corrected as soon as it was detected. S-Bank has requested the police to investigate the incident.

Also various scam messages circulated during the summer and autumn, claiming to be from S-Bank and other banks. Unfortunately, also our customers occasionally fell victim to these phishing campaigns. Scam messages and previously mentioned system malfunction also had a financial impact in the third quarter.

The Financial Supervisory Authority (FIN-FSA) imposed an administrative fine of EUR 60 000 on S-Bank on 24 August 2022. The reason for the fine is the inadequacies in S-Bank's reporting on derivative contracts it had entered into during June 2019–March 2021. The inadequacies relate to an obligation to report all derivative contracts to a trade repository (European Union regulation on OTC derivatives, central counterparties and trade repositories, European Market Infrastructure Regulation, "EMIR"). The inadequacies were immediately corrected when the bank became aware of them. The inadequate reporting did not affect S-Bank or its customers.

At the beginning of August, S-Bank launched a new fund that enables customers to acquire a portfolio that is diversified between various real estate classes with a single investment. S-Bank Real Estate Asset Management non-UCITS Fund invests mainly in other real estate funds that invest their assets in residential and office real estate, plots, forest and fields, for example.

On 6 July 2022, the Financial Supervisory Authority (FIN-FSA) made a decision regarding S-Bank concerning the formation of certain client groups. According to the Financial Supervisory Authority, S-Bank has not fully complied with the regulations on establishing interconnectedness based on economic dependency. The Financial Supervisory Authority obliges S-Bank to form the certain groups of connected clients as required by regulation regarding its decision by 31 October 2022 at the latest. S-Bank will form the groups of connected clients in question within the set time limit. The formation of groups of connected clients as obliged by the Financial Supervisory Authority will not have financial consequences for S-Bank.

On 30 June 2022, the Financial Supervisory Authority (FIN-FSA) authorised S-Bank to engage in mortgage banking activities in accordance with the new Act on Mortgage Credit Banks. S-Bank had also been authorised to carry out mortgage banking activities under the previous legislation.

In June S-Bank issued an increase of EUR 50 million in the original amount of its bond (tap issue). The tap issue concerns the Senior Preferred MREL Eligible Notes serial bonds in the original amount EUR 170 million issued on 4 October 2021 and maturing on 4 April 2025. The increased amount was accepted for trading on the official list of Nasdaq Helsinki Ltd on 10 June 2022.

At the end of May, S-Bank announced that CEO Pekka Ylihurula had stepped down. The search for a new CEO has started. Hanna Porkka is serving as the interim CEO until the new CEO starts. S-Bank is continuing to implement its strategy as planned and its strong growth, in addition to serving its over three million customers.

In March, S-Bank introduced incoming SEPA instant transfers that allow the bank's customers to receive incoming payments as SEPA instant transfers. They are transmitted to recipients within ten seconds around the clock every day of the year. A SEPA instant transfer is a method of transferring funds in the Single Euro Payments Area (SEPA), payer to payee, in almost real time.

During the review period, multiple surveys were published on company reputation, in which S-Bank performed well. In the Sustainable Brand Index survey on perceptions of brand sustainability, commissioned annually by the Swedish company SB Insight, Finns voted S-Bank as the most responsible bank brand in Finland for the tenth consecutive time. In a financial sector reputation and trust survey (Finanssialan Luottamus&Maine 2021) carried out by T-Media Finns ranked S-Bank as the most reputable organisation in 2021. In a survey carried out by Taloustutkimus for Sortter, a credit comparison company, S-Bank was the bank with the highest scores when Finns were asked about their level of satisfaction with and confidence in banks. In a brand valuation survey (Brändien arvostus 2022) carried out by Taloustutkimus Finns selected S-Bank as the most valued brand in financial sector for the fifth consecutive year.

SUMMARY OF THE IMPACTS OF THE WAR IN UKRAINE AND THE CORONAVIRUS PANDEMIC ON BUSINESS OPERATIONS

During the first half of the year, two phenomena stood out in S-Bank's operating environment: the Russian attack on Ukraine and the coronavirus pandemic.

In February, Russia attacked Ukraine, which had a limited impact on S-Bank's operations. Indirectly, the war had an operational impact because it changed the operating environment. Energy and commodity prices rose and inflation accelerated. In Europe in particular, Russia's attack worsened the situation into an energy crisis. Accelerating inflation prompted central banks to tighten their monetary policies. A rapid increase of interest rates led to lower bond valuations and consequently, the bank's fair value reserve decreased in January–September. International sanctions were also imposed as a result of the war. However, the impact of the war on S-Bank has been limited because of S-Bank's chosen strategy to focus on household customers in Finland.

S-Bank's customers have been able to take care of their daily payments, as before, with S-Bank's Visa cards and S-mobiili and via the online bank. Due to the sanctions and payment restrictions, however, S-Bank has interrupted payment transmissions with Russian and Belarusian banks for the time being.

According to the Bank Barometer survey carried out by Finance Finland in August, household demand for loans was significantly lower during the summer than in the corresponding period of the previous year. According to Finance Finland, the weakening of the economy, the looming energy crisis and the increase in interest rates caused a decline in household demand for loans. The demand is not expected to increase in autumn.

In the review period, the Covid-19 situation varied regionally in Finland but expanding vaccination coverage and the emergence of the Omicron variant increased hopes that the serious form of the disease was becoming rarer. The authorities eased and removed many restrictions and recommendations regulating various activities in society.

S-Bank continued to comply with the guidelines issued by the Finnish authorities. S-Bank is paying particular attention to ensuring that its operations will continue in the event that the infection situation becomes worse. S-Bank is continuing to recommend that its customers use the S-mobiili app and the online bank for their banking needs.

As the pandemic has persisted, S-Bank has become accustomed to operating in a new environment marked by the increasing use of digital banking channels and services. S-Bank was able to adjust its operations and ways of working in accordance with the infection situation. Should the pandemic situation turn worse, S-Bank is prepared to swiftly react to the changed situation in the ways required. During the review period, the Covid-19 pandemic did not have a negative impact on S-Bank's operations.

The impacts of the war in Ukraine and the coronavirus pandemic on the bank's risk position are described in more detail in the section 'Risks, capital adequacy and their management'.

OPERATING ENVIRONMENT

Economic hopes were high as the year began, as the Covid-19 pandemic eased and economies started re-opening, enabling a return to a more normal operating environment. However, the economic environment of 2022 has been in many ways unanticipated and contradictory. The economy grew at a relatively healthy pace for the first nine months of the year but at the same time, the outlook has become substantially weaker. In fact, the year has been marked by stable business operations and also preparation for a future slowdown in growth.

The rapid acceleration of inflation has affected economic development around the globe. The causes of the acceleration include both supply and demand factors. The massive stimulus measures following Covid-19 have strongly boosted demand while production bottlenecks and raw-material shortages have weakened supply. Russia's attack on Ukraine has worsened the situation into an energy crisis, especially in Europe.

The inflation equation is complicated because the rapid rise in prices is reducing demand and, on the other hand, forcing central banks to tighten their monetary policies, which also curbs demand. Salary increases have mostly remained moderate, as a result of which consumers' purchasing power has weakened. For the time being, strong employment and the release of accumulated savings have kept the economy running at a good clip. Consumption and investments are expected to slow gradually as a result of rising prices and tighter monetary policy. Because monetary policy tightening has a delayed effect on the economy, the interest rate hikes that were first made in spring and summer have so far had only a limited effect.

Ultimately, economic growth in 2022 will be quite good. In the euro area, including Finland, GDP will rise by 2 to 3 per cent. The strength of the performance at the beginning of the year and the growth inherited from 2021 will boost the figures for 2022 as a whole. Data on economic activity remained positive during the third quarter, but at the same time, future indicators weakened. Consumption continued to increase in a nominal sense but with rising prices, the volume of consumption has already begun to decline.

In manufacturing, deliveries of existing orders have kept the wheels turning. Existing projects have also sustained activity in construction, even though fewer new projects are being started. The housing market has also seen a slowdown and a reduction in loan demand. Prices are no longer rising but they have not started to decline yet either.

In the financial markets in general, the year has been very weak with rising interest rates eroding yields from bonds and equity markets declining substantially. Inflation has turned out to be clearly more rapid and persistent than was expected last year, affecting all financial markets. Globally, equities have declined by about 20 per cent in local currencies since the beginning of the year. In the euro area, interest rates have risen from zero at the beginning of the year to over 2 per cent.

FINANCIAL POSITION

Key figures

(EUR million)	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Jan-Sep 2022	Jan-Sep 2021
Net interest income	31.3	23.9	23.0	23.0	23.3	78.2	67.3
Net fee and commission income	21.4	22.0	19.4	24.5	18.7	62.9	56.3
Total income	54.1	46.0	50.7	52.9	43.5	150.9	134.1
Operating profit	10.7	3.4	9.9	4.2	6.4	24.1	20.6
Cost-to-income ratio	0.81	0.83	0.80	0.78	0.74	0.81	0.74

(EUR million)	30 Sep 2022	30 June 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Sep 2022	31 Dec 2021
Liabilities to customers, deposits	7 912.2	7 841.9	7 602.1	7 554.9	7 600.4	7 912.2	7 554.9
Receivables from customers, lending	6 610.3	6 422.0	6 274.7	6 086.0	5 883.3	6 610.3	6 086.0
Debt securities	728.4	685.6	1 049.4	1 149.1	1 310.7	728.4	1 149.1
Equity	506.9	501.1	507.8	509.3	507.9	506.9	509.3
Expected credit losses (ECL)	20.2	19.4	18.7	20.6	20.8	20.2	20.6
Assets under management *	7 049.8	6 980.0	7 397.0	7 697.1	7 137.4	7 049.8	7 697.1
Return on equity	4.4%	3.7%	4.4%	3.9%	4.6%	4.4%	3.9%
Return on assets	0.3%	0.2%	0.3%	0.2%	0.3%	0.3%	0.2%
Equity ratio	5.7%	5.7%	5.9%	6.0%	6.0%	5.7%	6.0%
Capital adequacy ratio	16.0%	16.2%	15.7%	16.3%	14.9%	16.0%	16.3%

* The fund cooperation between S-Bank and LocalTapiola ended in the final quarter of 2021. Assets under management, including the LocalTapiola funds, were EUR 11 886.1 million on 30 September 2021.

RESULT JULY–SEPTEMBER 2022

S-Bank Group's operating profit for July-September increased year-on-year and was EUR 10.7 million (6.4), an increase of 68.6 per cent.

Income

Total income increased to EUR 54.1 million (43.5), an increase of 24.4 per cent. Net interest income grew by 34.3 per cent due to the higher interest rate levels, totalling EUR 31.3 million (23.3). Net fee and commission income increased by 14.4 per cent to EUR 21.4 million (18.7). Particularly the fees from card payments continued to grow strongly. Net income from investing activities was EUR 0.2 million (0.2). Other operating income totalled EUR 1.3 million (1.3).

Expenses

Operating expenses totalled EUR 40.2 million (34.3). This represents an increase of 17.2 per cent on the previous year. Personnel expenses accounted for EUR 14.8 million (12.1) of operating expenses. The change was due to an increase in the number of personnel and performance bonus provisions. Other administrative expenses were EUR 19.1 million (16.4). The changes are mainly due to an increase in IT and development costs and an increase in agency fees due to higher volumes. In addition, related to the production of payment cards, chips have been purchased in advance to manage possible availability challenges. Depreciation and impairment of tangible and intangible assets amounted to EUR 3.8 million (3.2). The Group's other operating expenses totalled EUR 2.5 million (2.7), including losses from fraudulent events EUR 1.6 million (0.3).

Expected and final credit losses

In the third quarter, expected and final credit losses of EUR 5.1 million (4.3) were recognised in the consolidated income statement. Reversals, or recovered credit losses, amounted to EUR 1.8 million (1.5). Consequently, the total net effect on profit of expected and final credit losses was EUR 3.3 million (2.8).

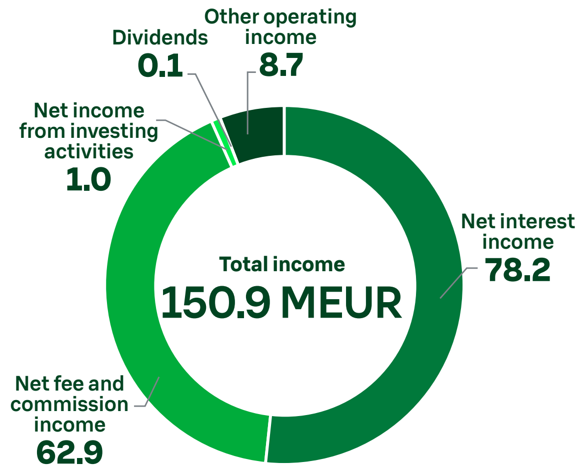
RESULT AND BALANCE SHEET JANUARY–SEPTEMBER 2022

S-Bank Group's operating profit was EUR 24.1 million (20.6), an increase of 16.8 per cent on the previous year. The profit for the period after taxes was EUR 19.2 million (16.5). Return on equity increased to 4.4 per cent from the end of 2021 (3.9) but decreased slightly year-on-year (4.6).

Income

During the review period, total income developed positively. Total income amounted to EUR 150.9 million (134.1), a growth of 12.5 per cent.

Net interest income grew by 16.1 per cent, totalling EUR 78.2 million (67.3). In terms of net interest income, interest income increased by 15.8 per cent and interest expenses increased by 13.5 per cent. During the third quarter, however, interest income increased clearly due to the higher interest rate levels. Interest expenses decreased compared to the previous quarter when the interest rates for central bank deposits turned from negative to positive. Net fee and commission income increased by 11.7 per cent to EUR 62.9 million (56.3). The change was mainly due to the growth in the fees from card payments. Net income from investing activities decreased and was EUR 1.0 million (2.5). The decrease is due to the development during the second quarter. Other operating income were EUR 8.7 million (7.9). Other income includes EUR 3.8 million (3.0) in revenue from sales of receivables previously recognised as credit losses.



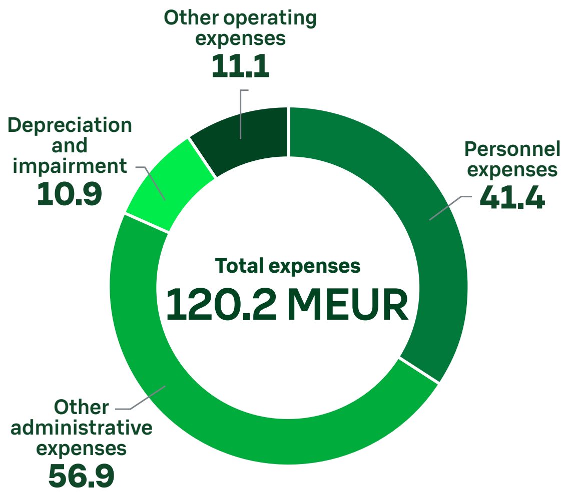
Expenses

Operating expenses totalled EUR 120.2 million (100.8) during the review period. This is 19.3 per cent more year-on-year, mainly due to increases in personnel expenses, IT- and development costs as well as regulatory fees. Personnel expenses accounted for EUR 41.4 million (36.8) of operating expenses. The change was due to an increase in the number of personnel and performance bonus provisions.

Other administrative expenses totalled EUR 56.9 million (49.5). The changes are mainly due to an increase in IT and development costs, use of rental labor as well as volume based card manufacturing and agency fees. Depreciation and impairment of tangible and intangible assets amounted to EUR 10.9 million (9.2). Other operating expenses totalled EUR 11.1 million (5.3), which includes EUR 6.7 million (1.0) in financial stability contribution and deposit guarantee contribution.

Expected and final credit losses

Expected and final credit losses of EUR 11.4 million (16.8) were recognised in the consolidated income statement during the review period. Reversals, or recovered credit losses, amounted to EUR 4.8 million (4.1). Consequently, the total net effect on profit of expected and final credit losses was EUR 6.6 million (12.7). The positive development has been affected by the economic recovery, which began in the previous year and has supported high employment. In addition, the calculation of expected credit losses, which was updated in early 2022, has a positive impact. A rise in inflation and interest rates, as well as a weakening of the economic outlook, may have a negative impact on development in the future. Credit and impairment losses are at a low level in relation to the size of the loan portfolio and within the risk appetite established by S-Bank's Board of Directors.



Deposits

Total deposits continued to grow and were EUR 7 912.2 million (7 554.9) at the end of the review period. Deposits repayable on demand totalled EUR 7 889.6 million (7 550.2) and time deposits EUR 22.5 million (4.7) at the end of the review period. During the past 12 months, total deposits grew by 4.1 per cent. Household customers' deposit portfolio grew 9.8 per cent on the previous year and was EUR 7 112.6 million. Corporate customers' deposit portfolio contracted 28.7 per cent on the previous year and was EUR 799.5 million.

At the end of the review period, the total amount of deposits in S-Bank covered by the deposit guarantee scheme was EUR 6 610.9 million (6 031.2).

Lending

Lending growth continued to be strong. At the end of the review period, the loan portfolio totalled EUR 6 610.3 million (6 086.0). During the past 12 months, the loan portfolio grew by 12.4 per cent. The household loan portfolio grew by 11.3 per cent on the previous year and was EUR 5 493.8 million, while the corporate loan portfolio grew 17.7 per cent on the previous year and was EUR 1 116.5 million.

The loan-to-deposit ratio, which describes the ratio between the loan portfolio and deposits, was 84 per cent (81).

Investing activities

At the end of the review period, the bank's debt securities totalled EUR 728.4 million (EUR 1 149.1 million at the end of 2021). S-Bank has increased the share of central bank deposits in its liquidity portfolio, which has influenced the development.

Equity

At the end of the review period, S-Bank's equity was EUR 506.9 million, compared with EUR 509.3 million at the end of 2021. The decline in equity was affected by a decline in the value of the fair value reserve, which has decreased by EUR 21.8 million since the end of 2021. The rapid rise in interest rates has affected that development. During the third quarter, however, the decrease in the fair value reserve has been more moderate. The equity ratio was 5.7 per cent (6.0).

Assets under management

The S-Bank Group's assets under management were EUR 7 049.8 million (7 697.1) at the end of the review period. Performance was affected by geopolitical uncertainty and stronger expectations of rising interest rates. Of assets under management, fund capital accounted for EUR 3 618.2 million (3 786.1), and wealth management capital accounted for EUR 3 431.5 million (3 911.0). In addition, S-Bank Properties Ltd managed EUR 347.5 million in customer assets, consisting of real estate and joint ventures (442.4). The decrease was caused by a real estate that was sold during the third quarter. The net subscriptions in S-Bank funds amounted to EUR 106.8 million (238.8) during the review period.

Deposits

(EUR million)	30 Sep 2022	31 Dec 2021	Change	Change year-on-year
Household customers	7 112.6	6 537.9	8.8%	9.8%
Corporate customers	799.5	1 017.0	-21.4%	-28.7%
Total	**7 912.2**	**7 554.9**	**4.7%**	**4.1%**

Lending

(EUR million)	30 Sep 2022	31 Dec 2021	Change	Change year-on-year
Household customers	5 493.8	5 083.7	8.1%	11.3%
Corporate customers	1 116.5	1 002.3	11.4%	17.7%
Total	**6 610.3**	**6 086.0**	**8.6%**	**12.4%**

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

Operating profit was EUR 37.1 million (28.7) in January-September. Total income increased 14.7 per cent to EUR 119.7 million (104.3). Expenses increased by 20.8 per cent to EUR 76.1 million (63.0). Impairment of receivables decreased to EUR 6.6 million (12.7).

According to the latest available information, the increase in housing loan volume for the financial institutions operating in Finland was 2.3 per cent for the preceding 12-month period in August. S-Bank's housing loan volume grew by 10.6 per cent (4.7 times the market growth) in the same period. In January–September, the number of housing loan applications decreased on the previous year.

The use of S-Etukortti Visa cards developed very favourably in January–September. The total euro sum of purchases made with the cards increased by 19.2 per cent (13.9) on the previous year and was record-high.

Wealth Management

Wealth Management is responsible for producing the S-Bank Group'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 decreased to EUR 2.8 million (5.6). Total income increased by 6.6 per cent to EUR 30.5 million (28.6). Expenses increased by 20.4 per cent to EUR 27.7 million (23.0). Profit performance was affected by geopolitical uncertainty and stronger expectations of rising interest rates and the investments into operational efficiency.

Net subscriptions to S-Bank funds totalled EUR 106.8 million in January–September (238.8). Net subscriptions to the S-Bank funds were notably higher than the median for fund management companies. Net subscriptions totalled EUR -3 750.5 million (8 565.7) in the market as a whole.

The total number of unit holders in the S-Bank funds increased to around 360 000 from around 325 000 a year earlier. On the Finnish market as a whole, total number of unit holders rose to around 4.0 million from 3.8 million a year earlier.

Banking

(EUR million)	Jan-Sep 2022	Jan-Sep 2021	Change
Operating income	119.7	104.3	14.7%
Operating expenses	-76.1	-63.0	20.8%
Impairment of receivables	-6.6	-12.7	-47.9%
Operating profit (loss)	**37.1**	**28.7**	**29.2%**

Wealth Management

(EUR million)	Jan-Sep 2022	Jan-Sep 2021	Change
Operating income	30.5	28.6	6.6%
Operating expenses	-27.7	-23.0	20.4%
Operating profit (loss)	**2.8**	**5.6**	**-50.4%**

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:

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

Return on equity (ROE), %:

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

Return on assets (ROA), %:

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

Equity ratio, %:

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

Capital adequacy ratio, %:

$$\frac{\text{Total capital}}{\text{Total minimum capital requirement}} \text{ x 8 \%}$$

Tier 1 capital adequacy ratio, %:

$$\frac{\text{Tier 1 capital, total}}{\text{Total minimum capital requirement}} \text{ x 8 \%}$$

Leverage ratio, %:

$$\frac{\text{Tier 1 capital, total}}{\text{Balance sheet and off-balance sheet exposures}} \text{ x 100}$$

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, unfavourable development in credit losses and the cost-efficiency of business operations.

During the review period, significant and exceptional changes took place in the external operating environment. In the wake of the war in Ukraine, strong economic sanctions have been imposed against Russia. An energy crisis has erupted in Europe, which has further accelerated inflation. In order to curb inflation, the European Central Bank has raised its key interest rates twice during this year, and new rate rises are on the horizon. Interest rates have continued to rise strongly in the second half of the year, and equity market uncertainty and decline have continued.

S-Bank's business volumes continued to grow, particularly in terms of household customers' housing loan and deposit portfolios. Although the amount of credit risk exposures has increased, the associated risk position has remained relatively stable in relation to the portfolio. The total amount of changes to payment schedules has not increased, and the amount of actual credit losses continued to decrease during the review period. The amount of forborne and defaulted exposures has increased, partly due to a more effective forbearance identification process. Despite the steady development of the indicators on the quality of the loan portfolio, increasing interest expenses and prices are expected to weaken the financial standing of customer households, in response to which credit loss provisions based on management judgement were increased during the review period. The changes in management factor increased ECL provision by approximately EUR 0.6 million during the review period. The impacts of changes in the external environment on the loan portfolio are being actively monitored.

The rapid increase in interest rates has caused the valuations of bonds to decrease. Consequently, the fair value reserve has decreased during the review period. However, the decrease has been more moderate in the third quarter. The increase in interest rates has had a positive impact on the net interest income and has therefore also significantly increased the interest income risk in the banking book.

The S-Bank Group's key risk indicators

EUR million	30 Sep 2022	31 Dec 2021
Risk-weighted exposure amounts (in euros)		
Total risk-weighted exposure amounts	3 376.8	3 346.0
Credit and counterparty risk, standardised approach	3 049.4	3 018.7
Market risk	0.0	0.0
Operational risk, basic indicator approach	327.4	327.4
Credit valuation adjustment (CVA)	0.0	0.0
Own funds (in euros)		
Common Equity Tier 1 (CET1) capital	433.7	434.8
Tier 2 (T2) capital	107.2	110.5
Own funds in total	540.9	545.3
Pillar 1 requirement (%)	12.02%	12.01%
Capital adequacy ratio (as a percentage of total risk-weighted exposure amounts)		
Common Equity Tier 1 (CET1) ratio	12.8%	13.0%
Total capital ratio (%)	16.0%	16.3%
Non-performing loan (NPL)		
NPL ratio (%)*	0.8%	0.6%
Leverage ratio (LR):		
Leverage ratio (%)	4.7%	5.0%
Liquidity Coverage Ratio (LCR)		
Liquidity Coverage Ratio (%)	160.5%	149.9%
Net Stable Funding Ratio (NSFR)		
Net Stable Funding Ratio (%)	154.0%	151.1%

*The NPL ratio presents the book value of gross non-performing loans in relation to loans and advances (excluding central bank cash and demand deposits).

Credit risk

The growth of the housing loan portfolio continued during the review period but at a slightly slower pace than the peak rates achieved before. There were no major shifts in the credit portfolio distribution between different credit types during the review period. S-Bank sustains a low credit risk profile in line with its conservative risk appetite, supported by prudent risk management and monitoring measures.

The amount of non-performing loans (NPL) in the balance sheet increased by EUR 12.7 million to EUR 52.0 million (39.3) during the review period. Of this, EUR 7.8 million was due to an increase in non-performing forborne exposures. As expected, the enhancements implemented in the forbearance identification process and the stricter recovery criteria caused an increase in forbearance measures and non-performing loans. The NPL ratio, which describes non-performing exposures in relation to loans and advances, rose to 0.8 per cent (0.6). All non-performing loans were household customer exposures.

Gross forborne exposures in the balance sheet totalled EUR 143.0 million (109.9) at the end of the review period. Of the on-balance-sheet forborne exposures, 86 per cent (88) were performing. The carrying amount of performing forborne exposures in relation to loans and advances was at the level of 1.8 per cent (1.6). The corresponding ratio of non-performing forborne exposures was 0.3 per cent (0.2). All forborne exposures were related to household customers.

The volume of household customer loans subject to repayment holidays or other changes to the payment schedule decreased to EUR 386.8 million (419.9), representing 7.0 per cent (8.2) of total household customer exposures. Repayment holidays deviating from the original payment plan have primarily been granted to household customers. S-Bank's corporate portfolio does not include any specific groups of customers or sectors that have been granted repayment holidays or other changes to their original payment schedules.

The accounting of expected credit losses in accordance with the IFRS 9 standard is based on internal models that contain assumptions of a change in credit risk. During the first half of the year, S-Bank updated its criteria for identifying significant increase in credit risk based on statistical analysis, which decreased the amount of receivables classified in stage 2. In addition, a new macro model was introduced to assess the impact of macroeconomic forecasts on expected credit losses. Forward-looking information is complemented by a management factor, which takes into account the uncertainty related to model parameters and assumptions as well as model risk. The management factor was raised during the review period, as increases in interest expenses and prices are expected to weaken the financial standing of customer households. The total ECL provision at the end of the review period was EUR 20.2 million (20.6). The ECL provision decreased by EUR 0.5 million during the period. Expected and final credit losses are discussed under Result and balance sheet and in Note 6: Impairment of receivables.

Own funds and capital adequacy

S-Bank's capital adequacy position has been strong and within the risk appetite set by S-Bank's Board of Directors. Compared to the end-of-year, capital adequacy position declined slightly. Nevertheless, the changes in capital adequacy were not large. Total capital ratio stood at 16.0 per cent (16.3) and CET1 capital adequacy ratio at 12.8 per cent (13.0). Capital adequacy ratios were affected by decrease in the fair value reserve, which was mitigated by positive profit development during the review period.

Total own funds at the end of the review period stood at EUR 540.9 million (545.3) and CET1 capital at EUR 433.7 million (434.8). Tier 2 capital stood at EUR 107.2 million (110.5). Tier 2 capital decreased slightly, due to a debenture loan with a residual maturity of less than five years being gradually eliminated from Tier 2 capital, as required by regulation.

Risk-weighted exposure amount was EUR 3 376.8 million (3 346.0) and it grew by EUR 30.8 million In line with S-Bank's strategy, the growth related to exposures secured on immovable property and retail exposures. Risk-weighted assets relating to corporate exposures decreased due to reallocation of investments.

S-Bank is 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 4.7 per cent (5.0) was strong and exceeded the regulatory and internally set risk appetite minimum.

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 by the Banking business and the investments, derivatives and funding of the Treasury unit. 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 measured at fair value (+100 basis points) was EUR -7.3 million (-11.1). The interest income risk (-100 basis points) for all interest-bearing instruments on the balance sheet was EUR -31.7 million (-9.1). The interest income risk is calculated as the effect of one percentage point decrease on the net interest income for the next 12 months. The spread risk was EUR -5.0 million (-7.1) at the end of the review period. The strong increase in interest rates caused the interest income risk to grow during the review period. S-Bank is not significantly exposed to other direct market risks, such as equity, currency or real estate risks.

Liquidity and funding

S-Bank's liquidity position strengthened during the review period. The liquidity coverage ratio (LCR) was 160 per cent (150). With respect to the liquidity portfolio, very high-quality Level 1 assets accounted for 90 per cent (88) and Level 2 assets for 10 per cent (12). The portfolio consists of unencumbered, high-quality liquid assets that can be monetised in a timely fashion. The table 'S-Bank's liquidity portfolio' illustrates the structure of the liquidity portfolio by product.

The Treasury portfolio consists of the liquidity portfolio (LCR liquidity buffer) and the investment portfolio. The figure 'Breakdown of the Treasury portfolio by instrument' illustrates the structure of the Treasury portfolio at market values at the end of the review period.

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 154 per cent (151). The NSFR requirement of the Capital Requirements Regulation is 100 per cent. In June S-Bank issued an increase of EUR 50 million (tap issue) to the Senior Preferred MREL Eligible Notes bond.

Minimum Requirement for own funds and Eligible Liabilities (MREL) entered into force on 1 January 2022. In the decision issued by the Financial Stability Authority on 6 April 2022, the requirement based on total risk exposure amount is 20.34 per cent (20.04) and the requirement based on the total amount of exposures used in the calculation of the leverage ratio is 8.41 per cent (5.91). The requirement based on total risk exposure amount must be met gradually so that the 17.23 per cent requirement entered into force on 1 January 2022 and the full requirement will enter on 1 January 2024. The requirement based on the total amount of exposures used in the calculation of the leverage ratio enters into force in full on 1 January 2024. The requirement of 5.91 per cent, based on the previous decision, is in force until 31 December 2023. For the requirement based on total risk exposure amount, additional CBR (Combined Buffer Requirement) must also be fulfilled. For S-Bank, the CBR was equal to 2.52 per cent on 30 September 2022.

S-Bank covers the MREL requirement with instruments qualifying for own funds and Senior Preferred bond issued under the MTN program. The notional amount of Senior Preferred bonds were 220 million euros (170). The MREL ratio based on total risk exposure amount (MREL, TREA) was 22.5 per cent (21.4), and the MREL ratio based on leverage ratio exposure (MREL, LRE) was 8.3 per cent (8.2). The comparison figure as of 31 December 2021 is presented without the temporary exemption of central bank exposures for leverage ratio.

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, process related issues, fraud and possible deficiencies in services procured from external service providers.

Current situation in Ukraine and the implication in sanctions regime continues to have an increased focus to sanctions screening in S-Bank. However, due to S-Bank's customer base, the implications have been limited. S-Bank has also put on hold all payments to and from Russia and Belarus during this spring. A malfunction occurred in the authentication with S-Bank online banking IDs during the period from 20 April to 5 August 2022, affecting a limited group of customers. The malfunction has been resolved.

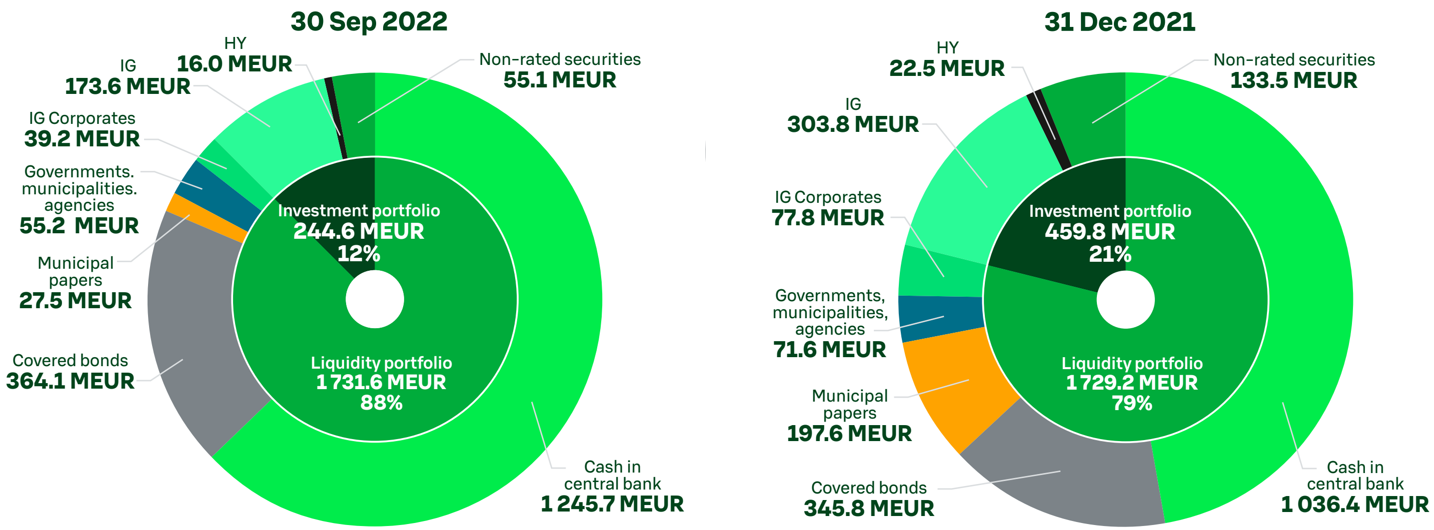
OWN FUNDS REQUIREMENTS

S-Bank's total capital requirement was 12.02 per cent (12.01) 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 Finnish Financial Supervisory Authority decided on 6 April 2020 to remove the set systemic risk buffer for credit institutions covered by CET1 capital. The requirement for S-Bank was one per cent.

The Financial Supervisory Authority issued its latest macroprudential decision on 29 September 2022. The decision did not include any changes affecting S-Bank's capital requirements. Of the capital requirements concerning banks, only the level of the countercyclical buffer requirement was reviewed ahead of the latest decision. Based on the risk metrics used for determining an adequate level for the countercyclical buffer requirement, the Financial Supervisory Authority saw no reason to change the requirement.

According to the Financial Supervisory Authority, the preconditions for an increase in the level of the systemic risk buffer are met in Finland, because the structural risks and vulnerabilities of the banking sector are at a high level compared with the eurozone average. However, the systemic risk buffer is being

Breakdown of the Treasury portfolio by instrument



S-Bank's liquidity portfolio

Liquidity portfolio (EUR million)	30 Sep 2022 Market value	30 Sep 2022 Buffer value	31 Dec 2021 Market value	31 Dec 2021 Buffer value
Central bank deposit	1 245.7	1 245.7	1 036.4	1 036.4
Government, municipal and other public sector bonds	55.2	55.2	71.6	71.6
Covered bonds	364.1	324.0	345.8	306.5
Municipal papers	27.5	27.5	197.6	197.6
Other	39.2	19.6	77.8	38.9
Total	**1 731.6**	**1 672.0**	**1 729.2**	**1 651.0**

kept at the zero level to prevent the uncertainty, caused by the war in Ukraine, from becoming stronger in the banking sector. Based on the views of the Financial Supervisory Authority, it can be assumed that the buffer level will increase if the impacts of the war in Ukraine are considered to have eased.

The discretionary Pillar 2 requirement imposed on S-Bank was 1.5 per cent of the total risk exposure. The requirement entered into force on 30 September 2021 and will remain in force no longer than until 30 September 2024. The Pillar 2 capital requirement complements the minimum capital requirement laid down in the Capital Requirements Regulation. Of the requirement, 75 per cent must be met with Tier 1 capital (T1), of which a further 75 per cent must be met with Common Equity Tier 1 capital (CET1).

The table 'S-Bank's total capital requirement on 30 September 2022 (Pillar 1)' illustrates the distribution of the total regulatory capital requirement at S-Bank at the end of the review period. The changes in own funds and capital requirements between 30 September 2021 and 30 September 2022 is presented in the figure 'Changes in own funds and capital requirement'.

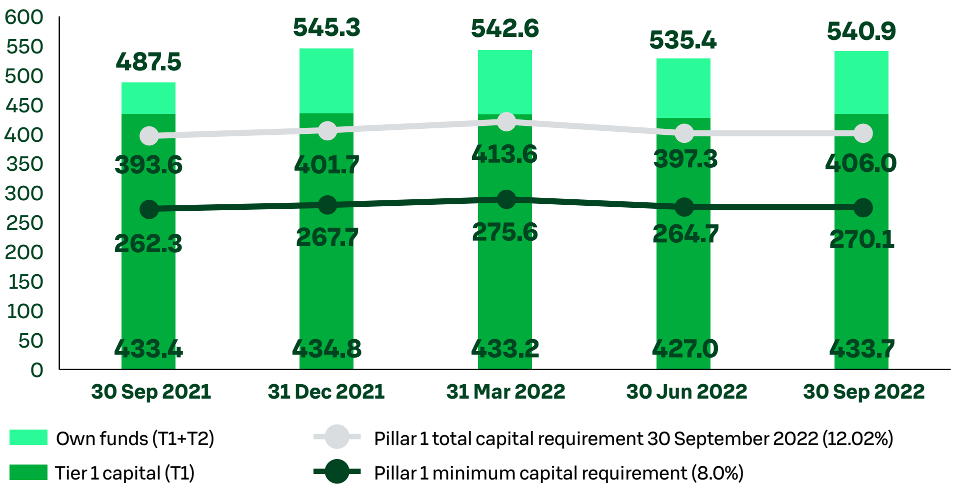
Capital adequacy position

At the end of the review period, S-Bank's CET1 capital adequacy ratio was 12.8 per cent (13.0) and the total capital ratio

S-Bank's total capital requirement on 30 September 2022 (Pillar 1)

Capital	Minimum capital requirement		Capital conservation buffer		Countercyclical capital buffer		Pillar 2 (SREP) additional capital requirement		Total capital requirement	
	%	M€	%	M€	%	M€	%	M€	%	M€
CET1	4.5%	152.0	2.5%	84.4	0.02%	0.8	0.84%	28.5	7.87%	265.6
AT1	1.5%	50.7					0.28%	9.5	1.78%	60.1
T2	2.0%	67.5					0.38%	12.7	2.38%	80.2
Total	**8.0%**	**270.1**	**2.5%**	**84.4**	**0.02%**	**0.8**	**1.50%**	**50.7**	**12.02%**	**406.0**

Changes in own funds and capital requirement (EUR million)



stood at 16.0 per cent (16.3). CET1 capital decreased by EUR 1.1 million and T2 capital by EUR 3.2 million during the review period. CET1 capital were negatively affected by the decrease in the fair value reserve and T2 capital by the gradual elimination from T2 capital of the debenture with a remaining maturity of under five years. The macro-driven decrease in CET1 capital was partially offset by profit performance during the period. S-Bank's Tier 2 capital consists of four debentures with a total value of EUR 107.2 million (110.5) eligible as T2 capital. Three of the debentures have a residual maturity of over five years and are thus fully recognised as Tier 2 capital. The debenture with a residual maturity of less than five years is being gradually removed from Tier 2 capital, as required by regulations.

S-Bank's risk exposure amount (REA) was EUR 3 376.8 million (3 346.0) at the end of the review period. Credit risk constitutes 90 per cent or EUR 3.0 billion of the risk exposure amount. The most substantial items requiring capital are exposures secured by mortgages on immovable property, retail exposures

Summary of capital adequacy information

Own funds (EUR million)	30 Sep 2022	31 Dec 2021
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**506.9**	**509.3**
Share capital	82.9	82.9
Reserve for invested non-restricted equity	283.8	283.8
Retained earnings	161.5	142.1
Profit/loss from previous financial periods	142.3	122.6
Profit/loss for the year	19.3	19.6
Fair value reserve	-21.3	0.4
Regulatory adjustments to Common Equity Tier 1 (CET1) capital	**73.2**	**74.5**
Intangible assets	72.4	73.3
Value adjustments due to the requirements for prudent valuation	0.8	1.2
Common Equity Tier 1 (CET1) capital	**433.7**	**434.8**
Additional Tier 1 (AT1) capital before deductions	**0.0**	**0.0**
Deductions from Additional Tier 1 (AT1) capital	**0.0**	**0.0**
Additional Tier 1 (AT1) capital	**0.0**	**0.0**
Tier 1 (T1 = CET1 + AT1)	**433.7**	**434.8**
Tier 2 (T2) capital before adjustments	**107.2**	**110.5**
Debentures	107.2	110.5
Adjustments to Tier 2 (T2) capital	**0.0**	**0.0**
Tier 2 (T2) capital	**107.2**	**110.5**
Own funds in total (TC = T1 + T2)	**540.9**	**545.3**
Total risk-weighted assets (RWAs)	**3 376.8**	**3 346.0**
of which credit risk	3 049.4	3 018.7
of which market risk	0.0	0.0
of which operational risk	327.4	327.4
of which risk associated with credit valuation adjustment (CVA)	0.0	0.0
Ratio of Common Equity Tier 1 capital to risk exposure amount (%)	**12.8%**	**13.0%**
Ratio of Tier 1 capital to risk exposure amount (%)	**12.8%**	**13.0%**
Ratio of total own funds to risk exposure amount (%)	**16.0%**	**16.3%**

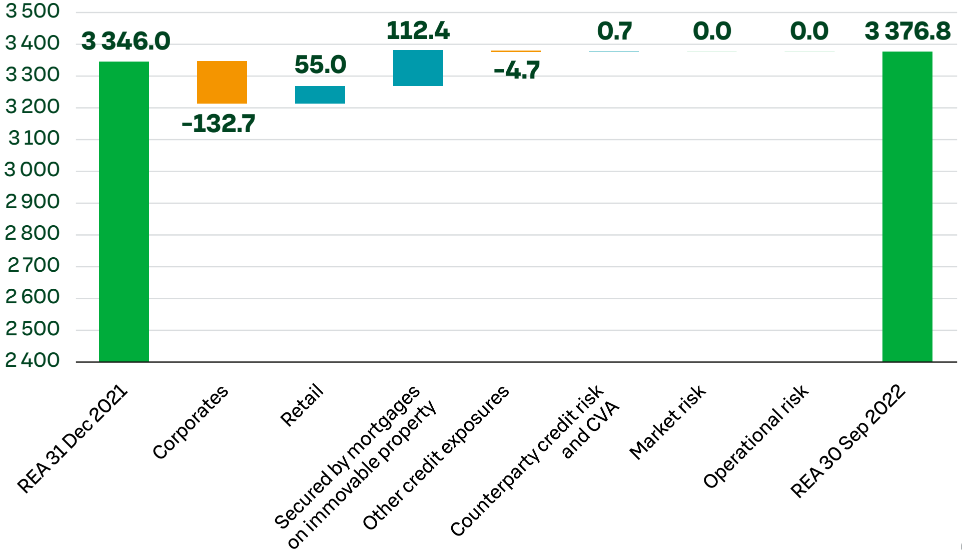
and corporate exposures. The standardised approach is used for calculating the Pillar 1 capital requirement for credit risk. Operational risk accounts for 10 per cent of S-Bank's risk exposure amount. The basic indicator approach is used for calculating the capital requirement (Pillar 1) for operational 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 table 'Summary of capital adequacy information' presents the development of the main items of capital adequacy information at S-Bank during the review period.

The risk exposure amount (REA) increased by EUR 30.8 million during the review period. The change was mainly caused by risk-weighted assets in retail exposures and exposures secured by mortgages on immovable property increasing as the loan portfolio grew in line with the strategy. Corporate exposures decreased during the review period as the allocation of S-Bank's investments was adjusted as part of normal risk management because of the exceptional market situation. The reduction in corporate exposures caused the total risk exposure amount to decrease.

The change in the risk exposure amount by exposure classes is presented in the figure 'Split of changes in risk exposure amount and risk-weighted assets'.

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 www.s-pankki.fi.

The Pillar 3 report (Capital and Risk Management Report) in accordance with the EU Capital Requirements Regulation is published in a document separate from the financial statements. The report and 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 raised its S-Prime interest rate twice. The decisions were based on the increase in market rates. S-Prime is S-Bank's own reference rate and it is used as the reference rate for deposits and some types of loans. The most recent interest rate change came into force on 8 November 2022, after which the interest rate was 1.0 per cent.

At the end of October the Board of Directors of S-Bank Plc appointed Riikka Laine-Tolonen, M.Sc. (Econ.) as the new CEO. Tolonen previously worked as Head of Personal Customers at Danske Bank. Prior to that she has held diverse executive positions at Nordea. Laine-Tolonen will take up her post in April 2023. Deputy CEO Hanna Porkka will continue in her current role as Interim CEO until Laine-Tolonen takes up her post. After that Porkka will return to the posts of Deputy CEO, EVP, Wealth Management.

OUTLOOK FOR THE REST OF THE YEAR

Looking ahead to the end of the year, the mood is very uncertain. Economic growth will slow down but the scale of the deceleration is still unknown. For the time being, central banks will continue tightening their monetary policies in order to curb inflation. They will gradually slow down, however, to see how effective the measures taken have been. In fact, the rise in interest rates may be gradually abating, and the rates stabilising at new levels that are clearly higher than in the first half of the year.

The performance of the economy as a whole is strongly affected by the extent to which higher prices dampen consumption. In the winter, many households will have to be more careful about spending as basic housing and living expenses will take up an increasingly large share of their purchasing power. There is a risk of rapid slowdown if all parties start reducing their spending at the same time.

Employment has remained strong, which is good for the economy, but companies may eventually have to take measures to adjust their workforce, which would weaken the economy. In order for the economy to pick up again, inflation expectations must cool down and confidence must stabilise. The economy will correct itself as demand and supply seek a new balance, which before long will improve the economic outlook.

On the housing market, trading will decline as higher interest rates and economic uncertainty will slow down consumption. On the other hand, construction of new housing is slowing down, which is keeping supply in check and supporting prices. Uncertainty and fluctuation will continue on the equity markets. Equity valuation has fallen with share prices, but declining profits are causing downward pressure. In the near future, concerns of a downturn will keep investors on their toes.

We expect operating profit for the whole year to significantly exceed the previous year's level (24.8). Previously we expected operating profit for the whole year to exceed the previous year's level. Increasing interest rates have positive effect on bank's profitability. However, there is great uncertainty in the operating environment.

OTHER INFORMATION

Annual General Meeting

S-Bank's Annual General Meeting (AGM) was held on 7 April 2022. The AGM adopted the financial statements for 2021 and discharged the members of the Board of Directors and the CEO from liability. The AGM elected six members and one deputy member to the Board of Directors. KPMG Oy Ab was elected as the company's auditor, with Petri Kettunen as the principally responsible auditor.

Board of Directors

S-Bank's AGM on 7 April 2022 elected following members to S-Bank Ltd's Board of Directors: Jari Annala, CEO of SOK Liiketoiminta Oy; Heli Arantola, Managing Director of Leipurin Plc (CEO of A-lehdet Oy from 20 October 2022); Veli-Matti Liimatainen, Managing Director of Helsinki Cooperative Society Elanto; Hillevi Mannonen, entrepreneur; Jorma Vehviläinen, CFO of SOK; and Olli Vormisto, Managing Director of the Hämeenmaa Cooperative Society. Kim Biskop, CEO of Osuuskauppa KPO, was elected as a deputy member.

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

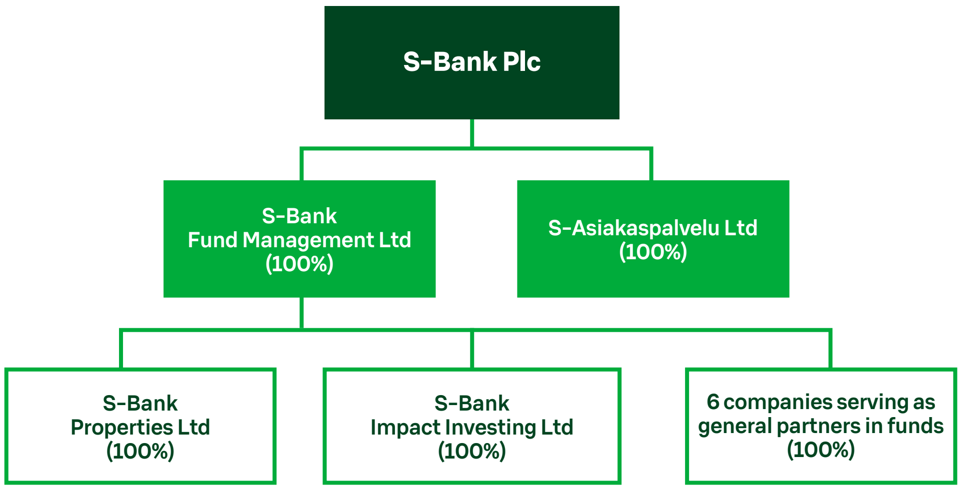
CEO

Pekka Ylihurula was the CEO of S-Bank Plc. until 31 May 2022. Hanna Porkka is the Interim CEO of S-Bank Plc.

Personnel

At the end of the review period, the S-Bank Group employed a total of 754 people (678). Of these, 595 persons (532) worked at S-Bank Plc, 37 persons (65) at the subsidiaries of the Wealth Management business, and 122 persons (81) at S-Asiakaspalvelu Oy. The salaries and remuneration paid to personnel at the S-Bank Group totalled EUR 33.8 million (30.5).

CORPORATE STRUCTURE



S-Bank Private Equity Funds Ltd merged with S-Bank Fund Management Ltd on 30 September 2022.

Six companies who serve as general partners in funds managed by S-Bank Fund Management Ltd are: FIM Real Estate Ltd, FIM Infrastructure Mezzanine Debt Fund GP Oy, FIM Infrastructure Mezzanine Debt Fund III GP Oy, FIM Private Debt Fund I GP Oy, FIM SIB Oy and S-Pankki Vaikuttavuus I GP Oy. The companies have no other business operations and are fully owned by S-Bank Fund Management Ltd.

The corporate structure and the Group companies are otherwise described in more detail in the 2021 financial statements.

INTERIM REPORT 1 JANUARY–30 SEPTEMBER 2022

CONSOLIDATED INCOME STATEMENT

(EUR '000)	Note	Jan–Sep 2022	Jan–Sep 2021
Interest income		88 717	76 644
Interest expenses		-10 560	-9 301
Net interest income	3	78 157	67 342
Fee and commission income		74 454	92 738
Fee and commission expenses		-11 590	-36 455
Net fee and commission income	4	62 865	56 283
Net income from investing activities	5	1 037	2 535
Dividends		68	36
Other operating income		8 726	7 855
Total income		**150 853**	**134 052**
Personnel expenses *		-41 394	-36 808
Other administrative expenses *		-56 859	-49 475
Depreciation and impairment		-10 876	-9 234
Other operating expenses		-11 084	-5 291
Total expenses		**-120 214**	**-100 808**
Impairment of receivables	6	-6 587	-12 657
Share of the profits of associated companies		0	0
OPERATING PROFIT (LOSS)		**24 052**	**20 587**
Income taxes		-4 797	-4 065
PROFIT (LOSS) FOR THE PERIOD		**19 255**	**16 523**
Of which:			
To the parent company's shareholders		19 255	16 523

* The comparison period has been amended since the publication of interim report 30 September 2021. Payments to personnel fund were moved from Other administrative expenses to Personnel expenses.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(EUR '000)	Note	Jan–Sep 2022	Jan–Sep 2021
PROFIT (LOSS) FOR THE PERIOD		**19 255**	**16 523**
Other comprehensive income items:			
Items that will not be reclassified to profit or loss			
Profit or loss on financial assets measured irrevocably at fair value through other comprehensive income		42	-79
Tax effect		-8	16
Items that will not be reclassified to profit or loss		**34**	**-64**
Items that may be reclassified subsequently to profit or loss			
Profit or loss on financial assets measured at fair value through other comprehensive income		-27 217	2 994
Tax effect		5 388	-627
Items that may be reclassified subsequently to profit or loss		**-21 829**	**2 367**
Other comprehensive income items, after taxes		**-21 795**	**2 304**
COMPREHENSIVE INCOME, TOTAL		**-2 540**	**18 827**
Of which:			
To the parent company's shareholders		-2 540	18 827

CONSOLIDATED BALANCE SHEET

(EUR '000)	Note	30 Sep 2022	31 Dec 2021	30 Sep 2021
Assets				
Cash and cash equivalents	7, 8	427 435	1 091 962	1 018 385
Debt securities eligible for refinancing with central banks	7, 8	562 943	684 859	666 549
Receivables from credit institutions *	7, 8	963 977	25 064	32 488
Receivables from customers	7, 8	6 610 315	6 086 022	5 883 267
Debt securities	7, 8, 9	165 429	464 228	644 167
Derivatives	7, 8, 9	22 753	582	819
Shares and interests	7, 8	32 197	31 575	29 621
Holdings in associated companies		4	4	2
Intangible assets **		72 420	73 351	73 152
Tangible assets **		5 857	7 449	8 529
Tax assets		6 604	2 051	2 212
Prepayments and accrued income		29 783	28 322	26 070
Other assets		9 314	5 414	29 013
Assets, total		**8 909 031**	**8 500 883**	**8 414 274**

(EUR '000)	Note	30 Sep 2022	31 Dec 2021	30 Sep 2021
Liabilities				
Liabilities to credit institutions	7, 8	22 067	108	82
Liabilities to customers	7, 8	7 954 757	7 611 265	7 636 495
Issued bonds	7, 8, 10	219 186	169 699	0
Subordinated debts	7, 8, 11	108 333	112 667	55 167
Derivatives	7, 8, 9	80	8 383	11 193
Provisions		649	649	397
Tax liabilities		5 681	7 183	6 907
Accrued expenses		28 658	32 299	146 371
Other liabilities		62 743	49 325	49 759
Liabilities, total		**8 402 154**	**7 991 577**	**7 906 371**
Equity				
Share capital		82 880	82 880	82 880
Reserves		262 482	284 277	285 670
Retained earnings		161 515	142 148	139 352
Parent company's shareholders		**506 878**	**509 306**	**507 903**
Equity, total		**506 878**	**509 306**	**507 903**
Liabilities and equity, total		**8 909 031**	**8 500 883**	**8 414 274**

* Balance as per 30 September 2022 includes central bank deposits (EUR 935 million).
** The comparison period has been amended since the publication of interim report 30 September 2021. Prepayments and acquisitions in progress of ICT-systems were moved from tangible assets to intangible assets.

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 2021	**82 880**	**283 828**	**-462**	**122 397**	**488 644**
Comprehensive income					
Profit (loss) for the period				16 523	16 523
Other comprehensive income items: Profit or loss on financial assets measured at fair value through other comprehensive income			2 367		2 367
Profit or loss on financial assets measured irrevocably at fair value through other comprehensive income			-64		-64
Other comprehensive income items, total			2 304		2 304
COMPREHENSIVE INCOME, TOTAL			**2 304**	**16 523**	**18 827**
Other changes				432	432
TOTAL EQUITY 30 SEP 2021	**82 880**	**283 828**	**1 842**	**139 352**	**507 903**

(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 2021	**82 880**	**283 828**	**-462**	**122 397**	**488 644**
Comprehensive income					
Profit (loss) for the period				19 551	19 551
Other comprehensive income items: Profit or loss on financial assets measured at fair value through other comprehensive income			974		974
Profit or loss on financial assets measured irrevocably at fair value through other comprehensive income			-64		-64
Remeasurements of defined benefit plans				-232	-232
Other comprehensive income items, total			911	-232	679
COMPREHENSIVE INCOME, TOTAL			**911**	**19 319**	**20 229**
Other changes				432	432
TOTAL EQUITY 31 DEC 2021	**82 880**	**283 828**	**449**	**142 148**	**509 306**

(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 2022	**82 880**	**283 828**	**449**	**142 148**	**509 306**
Comprehensive income					
Profit (loss) for the period				19 255	19 255
Other comprehensive income items: Profit or loss on financial assets measured at fair value through other comprehensive income			-21 829		-21 829
Profit or loss on financial assets measured irrevocably at fair value through other comprehensive income			34		34
Other comprehensive income items, total			-21 795		-21 795
COMPREHENSIVE INCOME, TOTAL			**-21 795**	**19 255**	**-2 540**
Other changes				112	112
TOTAL EQUITY 30 SEP 2022	**82 880**	**283 828**	**-21 346**	**161 515**	**506 878**

CONSOLIDATED CASH FLOW STATEMENT

(EUR '000)	Note	Jan-Sep 2022	Jan-Sep 2021
Cash flows from operating activities			
Profit (loss) for the period		**19 255**	**16 523**
Depreciation and impairment		10 876	9 234
Shares of the profit of companies consolidated with the equity method		0	0
Credit losses		11 662	16 904
Other non-payment income and expenses		-929	-1 597
Income taxes		4 797	4 065
Other adjustments		-2	-6
Adjustments for financial income and expenses		-317	2 150
Adjustments total		**26 088**	**30 749**
Cash flows from operating activities before changes in operating assets and liabilities		**45 342**	**47 272**
Increase/decrease in operating assets (-/+)			
Receivables from credit institutions, other than repayable on demand		12 390	4 657
Receivables from customers		-538 043	-456 255
Investment assets		364 728	-84 695
Other assets		-3 471	1 788
Total increase/decrease in operating assets		**-164 397**	**-534 506**
Increase/decrease in operating liabilities (+/-)			
Liabilities to credit institutions		21 959	82
Liabilities to customers		343 492	659 995
Other liabilities		10 690	94 234
Total increase/decrease in operating liabilities		**376 141**	**754 310**
Taxes paid		-5 472	-4 739
Cash flows from operating activities		**251 614**	**262 337**

(EUR '000)	Note	Jan-Sep 2022	Jan-Sep 2021
Cash flows from investing activities			
Investments in tangible and intangible assets		-7 964	-9 356
Subsidiary shares purchased less cash at the date of acquisition		-300	-609
Cash flows from investing activities		**-8 264**	**-9 965**
Cash flows from financing activities			
Payments received from the issue of bonds and debentures	10, 11	49 324	0
Repayments of issued bonds and debentures	10, 11	-4 333	-4 333
Repayments of lease liabilities		-1 746	-2 121
Cash flows from financing activities		**43 245**	**-6 454**
Difference in cash and cash equivalents		**286 605**	**245 918**
Cash and cash equivalents, opening balance sheet		1 096 705	783 408
Difference in cash and cash equivalents		286 605	245 918
Impact of changes in exchange rates		171	15
		1 383 481	**1 029 340**
Cash and cash equivalents consist of the following items:			
Cash and cash equivalents	7, 8	427 435	1 018 385
Repayble on demand		21 045	10 956
Other than repayable on demand, central banks		935 000	0
Cash and cash equivalents		**1 383 481**	**1 029 340**
Interests paid		**-9 580**	**-7 776**
Dividends received		**68**	**36**
Interests received		**85 441**	**76 928**

GROUP'S QUARTERLY PROFIT PERFORMANCE

Consolidated income statement

(EUR '000)	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Jan–Sep 2022	Jan–Sep 2021
Interest income	34 425	27 685	26 606	26 281	26 490	88 717	76 644
Interest expenses	-3 149	-3 792	-3 618	-3 282	-3 209	-10 560	-9 301
Net interest income	31 276	23 893	22 988	22 999	23 281	78 157	67 342
Fee and commission income	25 798	25 591	23 066	30 936	32 218	74 454	92 738
Fee and commission expenses	-4 391	-3 562	-3 637	-6 408	-13 531	-11 590	-36 455
Net fee and commission income	21 407	22 029	19 429	24 528	18 687	62 865	56 283
Net income from investing activities	193	-1 234	2 079	571	181	1 037	2 535
Dividends	3	0	64	9	28	68	36
Other operating income	1 264	1 333	6 129	4 835	1 321	8 726	7 855
Total income	**54 143**	**46 021**	**50 689**	**52 943**	**43 498**	**150 853**	**134 052**
Personnel expenses *	-14 754	-14 108	-12 533	-19 338	-12 103	-41 394	-36 808
Other administrative expenses *	-19 143	-20 044	-17 672	-21 541	-16 329	-56 859	-49 475
Depreciation and impairment	-3 768	-3 654	-3 455	-3 751	-3 187	-10 876	-9 234
Other operating expenses	-2 464	-1 669	-6 950	-1 054	-2 744	-11 084	-5 291
Total expenses	**-40 129**	**-39 475**	**-40 610**	**-45 684**	**-34 364**	**-120 214**	**-100 808**
Impairment of receivables	-3 304	-3 141	-142	-3 064	-2 781	-6 587	-12 657
Share of the profits of associated companies	0	0	0	2	0	0	0
OPERATING PROFIT (LOSS)	**10 709**	**3 405**	**9 937**	**4 196**	**6 353**	**24 052**	**20 587**
Income taxes	-2 095	-832	-1 870	-1 168	-1 363	-4 797	-4 065
PROFIT (LOSS) FOR THE PERIOD	**8 614**	**2 573**	**8 067**	**3 028**	**4 990**	**19 255**	**16 523**
Of which:							
To the parent company's shareholders	8 614	2 573	8 067	3 028	4 990	19 255	16 523

* Payments to personnel fund were moved from Other administrative expenses to Personnel expenses since the publication of interim report 30 September 2021.

Consolidated comprehensive income statement

(EUR '000)	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Jan–Sep 2022	Jan–Sep 2021
PROFIT (LOSS) FOR THE PERIOD	**8 614**	**2 573**	**8 067**	**3 028**	**4 990**	**19 255**	**16 523**
Other comprehensive income items:							
Items that will not be reclassified to profit or loss							
Items due to remeasurements of defined benefit plans	0	0	0	-290	0	0	0
Profit or loss on financial assets measured irrevocably at fair value through other comprehensive income	42	0	0	0	-84	42	-79
Tax effect	-8	0	0	58	17	-8	16
Items that will not be reclassified to profit or loss	**34**	**0**	**0**	**-232**	**-67**	**34**	**-64**
Items that may be reclassified subsequently to profit or loss							
Profit or loss on financial assets measured at fair value through other comprehensive income	-3 556	-11 632	-12 028	-1 732	286	-27 217	2 994
Tax effect	713	2 293	2 382	339	-62	5 388	-627
Items that may be reclassified subsequently to profit or loss	**-2 843**	**-9 339**	**-9 647**	**-1 393**	**224**	**-21 829**	**2 367**
Other comprehensive income items, after taxes	**-2 809**	**-9 339**	**-9 647**	**-1 625**	**157**	**-21 795**	**2 304**
COMPREHENSIVE INCOME, TOTAL	**5 805**	**-6 766**	**-1 580**	**1 403**	**5 147**	**-2 540**	**18 827**
Of which:							
To the parent company's shareholders	5 805	-6 766	-1 580	1 403	5 147	-2 540	18 827

SEGMENT REPORT

The S-Bank Group's operating segments are Banking and Wealth Management. Operations that do not fall under these business segments are reported under 'Other activities'. The Group reports segment data in accordance with the IFRS 8 Operating Segments standard. The reporting of business segments is identical to the internal reporting provided to company management. The S-Bank Group's highest executive decision-maker is the Group Management Team.

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

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

Income statement 1 Jan–30 Sep 2022 (EUR '000)	Banking	Wealth Management	Other activities	Eliminations	Group, total
Net interest income	78 268	-101	-10		78 157
Net fee and commission income	32 844	30 094	-74		62 865
Net income from investing activities	1 003	34			1 037
Dividends	64		3		68
Other operating income	7 544	427	7 250	-6 494	8 726
Total income	**119 723**	**30 455**	**7 170**	**-6 494**	**150 853**
Total expenses *	**-76 058**	**-27 698**	**-22 952**	**6 494**	**-120 214**
Impairment of receivables	-6 587				-6 587
Share of the profits of associated companies				0	0
Operating profit (loss)	**37 077**	**2 757**	**-15 782**	**0**	**24 052**

External income from Banking was EUR 119 699 thousand and from Wealth Management EUR 30 081 thousand.

Income statement 1 Jan–30 Sep 2021 (EUR '000)	Banking	Wealth Management	Other activities	Eliminations	Group, total
Net interest income	67 456	-106	-8		67 342
Net fee and commission income	27 908	28 419	-43		56 283
Net income from investing activities	2 493	36	5		2 535
Dividends	17		19		36
Other operating income	6 465	219	7 498	-6 327	7 855
Total income	**104 340**	**28 568**	**7 471**	**-6 327**	**134 052**
Total expenses *	**-62 978**	**-23 007**	**-21 150**	**6 327**	**-100 808**
Impairment of receivables	-12 654		-3		-12 657
Share of the profits of associated companies				0	0
Operating profit (loss)	**28 708**	**5 561**	**-13 682**	**0**	**20 587**

External income from Banking was EUR 104 175 thousand and from Wealth Management EUR 28 469 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 30 Sep 2022 (EUR '000)	**Banking**	**Wealth Management**	**Other activities**	**Group, total**
Receivables from customers	6 610 315			6 610 315
Liquid and investment assets of banking	2 174 734			2 174 734
Intangible and tangible assets	2 886	30 582	44 813	78 281
Other assets	20 679	6 551	18 472	45 702
Assets, total	**8 808 614**	**37 132**	**63 285**	**8 909 031**
Banking liabilities	8 304 423			8 304 423
Provisions and other liabilities	41 827	4 655	51 249	97 731
Equity			506 878	506 878
Liabilities and equity, total	**8 346 249**	**4 655**	**558 127**	**8 909 031**

Balance sheet 31 Dec 2021 (EUR '000)	**Banking**	**Wealth Management**	**Other activities**	**Group, total**
Receivables from customers	6 086 022			6 086 022
Liquid and investment assets of banking	2 298 270			2 298 270
Intangible and tangible assets	4 237	31 344	45 223	80 804
Other assets	13 842	7 833	14 112	35 787
Assets, total	**8 402 372**	**39 176**	**59 335**	**8 500 883**
Banking liabilities	7 902 121			7 902 121
Provisions and other liabilities	39 844	5 967	43 645	89 456
Equity			509 306	509 306
Liabilities and equity, total	**7 941 965**	**5 967**	**552 951**	**8 500 883**

Material customer business items, as well as the tangible and intangible commodities 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)	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Jan-Sep 2022	Jan-Sep 2021
Net interest income	31 284	23 948	23 035	23 039	23 319	78 268	67 456
Net fee and commission income	11 193	12 145	9 507	13 243	9 110	32 844	27 908
Net income from investing activities	182	-1 255	2 076	539	171	1 003	2 493
Dividends			64	9	9	64	17
Other operating income	879	937	5 728	1 262	1 020	7 544	6 465
Total income	**43 538**	**35 774**	**40 410**	**38 092**	**33 629**	**119 723**	**104 340**
Total expenses	**-27 658**	**-25 142**	**-23 258**	**-27 491**	**-21 175**	**-76 058**	**-62 978**
Impairment of receivables	-3 304	-3 141	-142	-3 064	-2 781	-6 587	-12 654
Operating profit (loss)	**12 576**	**7 491**	**17 009**	**7 537**	**9 673**	**37 077**	**28 708**

Wealth Management (EUR '000)	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Jan-Sep 2022	Jan-Sep 2021
Net interest income	-6	-51	-44	-36	-34	-101	-106
Net fee and commission income	10 281	9 889	9 925	11 323	9 577	30 094	28 419
Net income from investing activities	11	20	3	31	9	34	36
Other operating income	116	100	212	63	72	427	219
Total income	**10 402**	**9 958**	**10 096**	**11 382**	**9 624**	**30 455**	**28 568**
Total expenses	**-9 355**	**-9 652**	**-8 691**	**-11 956**	**-7 599**	**-27 698**	**-23 007**
Operating profit (loss)	**1 047**	**306**	**1 404**	**-574**	**2 025**	**2 757**	**5 561**

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, as well as 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–30 September 2022 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. The interim report has not been audited.

The interim report complies with the accounting policies presented in the financial statements for 2021.

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

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 adjusted by a management factor, which takes into account the uncertainty related to model parameters and assumptions, as well as model risk.

As the S-Bank Group uses cloud computing arrangements, we have analysed if the agenda decision issued by the IFRS IC in April 2021 about Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets) has an impact on the start-up costs of cloud computing services and related accounting policies. The agenda decision is expected to have minimal impact on the Group in 2022, but the Bank is aware that the impact may be significant with regard to the broader SaaS services, if the start-up costs do not fulfil the activation criteria.

NOTE 3: NET INTEREST INCOME

	Jan–Sep 2022	Jan–Sep 2021
Interest income		
Debt securities eligible for refinancing with central banks		
measured at fair value through other comprehensive income	1 803	2 013
Receivables from credit institutions	366	13
Receivables from customers	85 158	72 760
Debt securities		
measured at fair value through other comprehensive income	1 467	1 995
measured at fair value through profit or loss	-86	-484
Derivatives	8	347
Other interest income	1	0
Total interest income using the effective interest method	88 793	76 780
Other interest income	-76	-137
Interest income, total	**88 717**	**76 644**
Interest income from stage 3 financial assets	1 758	1 346
Interest expenses		
Liabilities to credit institutions	-1 870	-1 316
Liabilities to customers	-1 743	-2 106
Issued bonds	-773	0
Derivatives	-4 047	-5 019
Subordinated debts	-1 689	-831
Other interest expenses	-424	-10
Interest expenses on leases	-14	-18
Total interest expenses using the effective interest method	-6 075	-4 253
Other interest expenses	-4 485	-5 048
Interest expenses, total	**-10 560**	**-9 301**
NET INTEREST INCOME	**78 157**	**67 342**
of which negative interest income	-86	-484
of which negative interest expenses, which are included in interest income	-475	-383

NOTE 4: NET FEE AND COMMISSION INCOME

	Jan–Sep 2022	Jan–Sep 2021
Fee and commission income by segment		
Fee and commission income from Banking		
From lending	24 386	19 543
From borrowing	2 477	2 006
From payment transactions	12 467	11 408
From legal duties	320	321
From insurance brokerage	1 184	1 065
From issuance of guarantees	30	35
Total fee and commission income from Banking	40 863	34 378
Fee and commission income from Wealth Management		
From funds *	27 532	51 624
From wealth management	2 309	3 331
From property management	2 386	2 495
Total fee and commission income from Wealth Management	32 226	57 449
Fee and commission income from other activities		
From securities brokerage	533	122
Other fee and commission income	831	789
Total fee and commission income from other activities	1 365	911
Fee and commission income, total	**74 454**	**92 738**
Fee and commission expenses		
From funds	-1 970	-27 444
From wealth management	-55	-50
From securities brokerage	-751	-1 136
From card business	-8 151	-6 687
From property management	-216	-222
Banking fees	-361	-363
Other expenses	-86	-553
Fee and commission expenses, total	**-11 590**	**-36 455**
Net fee and commission income	**62 865**	**56 283**

* The year-on-year decrease in fee and commission income from funds is due to the changes in the management of LocalTapiola funds.

NOTE 5: NET INCOME FROM INVESTING ACTIVITIES

	Jan–Sep 2022	Jan–Sep 2021
Net income from financial assets measured at fair value through profit or loss		
Debt securities		
Capital gains and losses	0	21
Changes in fair value	-225	-72
Shares and interests		
Capital gains and losses	69	12
Changes in fair value	536	1 539
Derivatives		
Changes in fair value	976	0
Net income from financial assets measured at fair value through profit or loss, total	**1 356**	**1 500**
Net income from financial assets measured at fair value through other comprehensive income		
Debt securities		
Capital gains and losses	-319	391
Other income and expenses	-12	-13
Shares and interests		
Capital gains and losses	362	418
Net income from financial assets measured at fair value through other comprehensive income, total	**31**	**795**
Net income from currency operations	**311**	**260**
Net income from hedge accounting		
Net result from hedging instruments	29 568	6 466
Net result from hedged items	-30 230	-6 486
Net income from hedge accounting	**-662**	**-20**
Net income from investing activities, total	**1 037**	**2 535**

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 6: IMPAIRMENT OF RECEIVABLES

Expected and final credit losses of EUR 11.4 (16.8) million were recognised in the consolidated income statement during the reporting period. Reversals, or recovered credit losses, amounted to EUR 4.8 million (4.1). Consequently, the total net effect on profit of expected and final credit losses was EUR 6.6 million (12.7).

Expected credit losses and impairment losses recognised during the period

Expected credit losses and impairment losses (EUR '000)	Jan-Sep 2022	Jan-Sep 2021
Receivables written off as credit and guarantee losses	-11 864	-15 555
Reversal of receivables written off	4 800	4 110
Expected credit losses (ECL) on receivables from customers and off-balance sheet commitments	202	-1 349
Expected credit losses (ECL) on investment activities	275	140
Total	**-6 587**	**-12 654**

S-Bank is exposed to credit risk arising from household and corporate customer exposures, investing activities (debt securities) and off-balance sheet commitments. The risk exposure summary table presents the exposures and commitments subject to credit risk and the related ECL provisions by impairment stage. During the first half of the year, S-Bank updated its criteria for identifying significant increase in credit risk based on statistical analysis, which decreased the amount of receivables classified in stage 2. The coverage ratio illustrates the proportion of the ECL provision to the exposure amount.

The total ECL provision at the end of the review period was EUR 20.2 million (20.6). The ECL provision decreased by EUR 0.5 million during the reporting period, mainly due to a decrease in ECL provision of household customers and investing activities. The coverage ratio of the total portfolio declined to 0.20 (0.22) per cent and remained within the risk appetite defined by S-Bank's Board in its credit risk strategy.

Risk exposure, summary

30 Sep 2022 (EUR million)	Stage 1		Stage 2		Stage 3				
	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments, total	ECL provision, total	Coverage ratio, %
Lending to household customers*	5 241.9	-1.4	229.7	-8.4	52.1	-8.4	5 523.6	-18.2	-0.33%
Lending to corporate customers*	1 067.6	-0.2	49.0	-0.8	0.0	0.0	1 116.6	-1.0	-0.09%
Investing activities**	698.0	-0.2	1.6	-0.1	0.0	0.0	699.6	-0.3	-0.04%
Off-balance sheet commitments***	2 516.6	-0.2	33.5	-0.6	0.6	0.0	2 550.7	-0.8	-0.03%
Total	**9 524.0**	**-1.9**	**313.8**	**-9.8**	**52.6**	**-8.4**	**9 890.4**	**-20.2**	**-0.20%**

*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'.

31 Dec 2021 (EUR million)	Stage 1		Stage 2		Stage 3				
	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments subject to credit risk	ECL provision	Exposures and commitments, total	ECL provision, total	Coverage ratio, %
Lending to household customers*	4 365.1	-1.7	707.1	-10.4	39.3	-6.3	5 111.5	-18.4	-0.36%
Lending to corporate customers*	982.1	-0.2	20.3	-0.6	0.0	0.0	1 002.3	-0.8	-0.08%
Investing activities**	898.5	-0.4	2.0	-0.1	0.0	0.0	900.5	-0.6	-0.06%
Off-balance sheet commitments***	2 335.0	-0.3	97.9	-0.6	0.5	0.0	2 433.4	-0.9	-0.04%
Total	**8 580.6**	**-2.6**	**827.3**	**-11.7**	**39.8**	**-6.3**	**9 447.7**	**-20.6**	**-0.22%**

The following tables present the cash amounts exposed to credit risks, excluding collateral or other credit risk mitigation measures. The information is distributed across credit risk categories in the table. The probability of default is the lowest in credit category 1 and the highest in credit category 7.

Credit granted to household customers constitutes the largest exposure to credit risk in the form of expected credit losses. The exposures to household customers include housing loans and consumer loans, the latter of which generate a relatively larger credit risk, as they are unsecured credit products.

Exposure to credit risk (household customers)

	Lending to household customers			
30 Sep 2022 (EUR '000)	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Category 1	4 155 550	80 090	0	4 235 640
Category 2	323 468	7 223	0	330 690
Category 3	297 296	9 170	0	306 466
Category 4	127 643	4 808	0	132 451
Category 5	235 176	11 419	0	246 595
Category 6	99 098	41 340	0	140 438
Category 7	3 626	75 665	0	79 291
In default	0	0	52 052	52 052
Gross carrying amount	**5 241 857**	**229 715**	**52 052**	**5 523 624**
ECL provision*	-1 373	-8 425	-8 379	-18 177
Net carrying amount	**5 240 484**	**221 290**	**43 674**	**5 505 447**

	Lending to household customers			
31 Dec 2021 (EUR '000)	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Category 1	3 570 789	360 914	0	3 931 704
Category 2	247 879	56 992	0	304 870
Category 3	215 619	67 371	0	282 990
Category 4	76 444	43 660	0	120 104
Category 5	168 320	56 674	0	224 994
Category 6	83 849	46 970	0	130 819
Category 7	2 151	74 498	0	76 649
In default	0	0	39 344	39 344
Gross carrying amount	**4 365 050**	**707 079**	**39 344**	**5 111 473**
ECL provision*	-1 734	-10 371	-6 301	-18 406
Net carrying amount	**4 363 317**	**696 708**	**33 043**	**5 093 067**

*The ECL provision is recognised as a single amount in order to reduce the balance sheet item 'Receivables from customers'.

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.

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			
30 Sep 2022 (EUR '000)	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Category 1	3 047 742	69	0	3 047 810
Category 2	490 964	0	0	490 964
Category 3	387 611	3	0	387 614
Category 4	104 829	1	0	104 830
Category 5	225 891	39 539	0	265 431
Category 6	21 886	37 245	0	59 131
Category 7	3 208	7 239	0	10 447
In default	0	0	582	582
Total	**4 282 131**	**84 096**	**582**	**4 366 809**
ECL provision*	-537	-1 418	-37	-1 992

	Corporate lending, investing activities and off-balance sheet commitments			
31 Dec 2021 (EUR '000)	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Category 1	2 953 617	52 948	0	3 006 565
Category 2	423 553	10 350	0	433 903
Category 3	270 117	8 809	0	278 926
Category 4	314 244	15 682	0	329 927
Category 5	230 138	4 022	0	234 159
Category 6	22 247	23 474	0	45 722
Category 7	1 589	4 928	0	6 517
In default	0	0	465	465
Total	**4 215 506**	**120 213**	**465**	**4 336 184**
ECL provision*	-914	-1 297	-29	-2 240

*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'.

The following tables describe transfers and changes in expected credit losses during the review period. The tables present the reconciliation between the opening and closing balances of the loss allowance. Changes in risk parameters reduced the ECL provision by EUR 2.6 million compared with the situation at the beginning of the reporting period. This item is affected by estimates from risk models and the management factor, for example. The estimates from risk models were affected by updates in ECL calculation, which decreased ECL provision approximately EUR 2.1 million. The changes in management factor increased ECL provision by EUR 0.6 million during the review period. The changes in ECL calculation and management factor are described further in chapter credit risk.

Reconciliation of expected credit losses (household customers)

	Household customers			
30 Sep 2022 (EUR '000)	**Stage 1 12-month EC**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
ECL 1 Jan 2022	**1 734**	**10 371**	**6 301**	**18 406**
Transfers from Stage 1 to Stage 2	-270	3 405	0	3 134
Transfers from Stage 1 to Stage 3	-51	0	1 410	1 359
Transfers from Stage 2 to Stage 1	111	-2 936	0	-2 825
Transfers from Stage 2 to Stage 3	0	-812	2 676	1 864
Transfers from Stage 3 to Stage 1	2	0	-262	-260
Transfers from Stage 3 to Stage 2	0	104	-619	-515
Changes in the risk parameters	-415	-1 368	-253	-2 036
Increases due to origination and acquisition	454	1 009	570	2 033
Decreases due to derecognition	-172	-725	-439	-1 336
Decrease in the allowance account due to write-offs	-19	-623	-1 005	-1 647
Net change in ECL	-361	-1 947	2 078	-229
ECL 30 Sep 2022	**1 373**	**8 425**	**8 379**	**18 177**

Reconciliation of expected credit losses (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			
30 Sep 2022 (EUR '000)	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
ECL 1 Jan 2022	**914**	**1 297**	**29**	**2 240**
Transfers from Stage 1 to Stage 2	-41	626	0	585
Transfers from Stage 1 to Stage 3	0	0	9	8
Transfers from Stage 2 to Stage 1	7	-183	0	-176
Transfers from Stage 2 to Stage 3	0	-10	6	-3
Transfers from Stage 3 to Stage 1	0	0	-6	-6
Transfers from Stage 3 to Stage 2	0	2	-1	1
Changes in the risk parameters	-233	-283	0	-516
Increases due to origination and acquisition	143	204	6	353
Decreases due to derecognition	-251	-196	-6	-453
Decrease in the allowance account due to write-offs	0	-40	-1	-41
Net change in ECL	-377	121	8	-248
ECL 30 Sep 2022	**537**	**1 418**	**37**	**1 992**

NOTE 7: FAIR VALUES AND CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES

Classification of financial instruments according to valuation method

Financial assets, fair values 30 Sep 2022	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
Financial assets measured at amortised cost					
Cash and cash equivalents	0	427 435	0	427 435	427 435
Receivables from credit institutions	0	949 306	0	949 306	963 977
Receivables from customers	0	6 898 625	0	6 898 625	6 610 315
Total	**0**	**8 275 366**	**0**	**8 275 366**	**8 001 727**
Financial assets measured at fair value through profit or loss					
Debt securities	0	27 486	0	27 486	27 486
Derivatives	0	22 753	0	22 753	22 753
Shares and interests	18 776	12 667	0	31 443	31 443
Total	**18 776**	**62 906**	**0**	**81 683**	**81 683**
Financial assets measured at fair value through other comprehensive income					
Debt securities eligible for refinancing with central banks	537 107	26 948	0	564 056	562 943
Debt securities	135 358	3 685	0	139 043	137 943
Shares and interests	0	631	123	754	754
Total	**672 465**	**31 264**	**123**	**703 852**	**701 640**
Fair values of assets, total	**691 242**	**8 369 536**	**123**	**9 060 900**	**8 785 049**

Financial assets, fair values 31 Dec 2021	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
Financial assets measured at amortised cost					
Cash and cash equivalents	0	1 091 962	0	1 091 962	1 091 962
Receivables from credit institutions	0	25 022	0	25 022	25 064
Receivables from customers	0	6 495 290	0	6 495 290	6 086 022
Total	**0**	**7 612 275**	**0**	**7 612 275**	**7 203 049**
Financial assets measured at fair value through profit or loss					
Debt securities	0	252 056	0	252 056	252 056
Derivatives	0	582	0	582	582
Shares and interests	18 208	12 573	61	30 843	30 843
Total	**18 208**	**265 211**	**61**	**283 480**	**283 480**
Financial assets measured at fair value through other comprehensive income					
Debt securities eligible for refinancing with central banks	642 251	44 563	0	686 814	684 859
Debt securities	204 420	9 261	0	213 681	212 172
Shares and interests	0	605	128	732	732
Total	**846 671**	**54 429**	**128**	**901 227**	**897 764**
Fair values of assets, total	**864 879**	**7 931 914**	**189**	**8 796 982**	**8 384 293**

Financial liabilities, fair values 30 Sep 2022	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
Financial liabilities measured at amortised cost					
Liabilities to credit institutions	0	22 067	0	22 067	22 067
Liabilities to customers	0	7 726 418	0	7 726 418	7 954 757
Issued bonds	215 786	0	0	215 786	219 186
Subordinated debts	0	110 161	0	110 161	108 333
Total	**215 786**	**7 858 646**	**0**	**8 074 431**	**8 304 342**
Financial liabilities measured at fair value through profit or loss					
Derivatives	0	80	0	80	80
Total	**0**	**80**	**0**	**80**	**80**

Financial liabilities, fair values 31 Dec 2021	Level 1	Level 2	Level 3	Fair value, total	Carrying amount
Financial liabilities measured at amortised cost					
Liabilities to credit institutions	0	108	0	108	108
Liabilities to customers	0	7 591 312	0	7 591 312	7 611 265
Issued bonds	170 101	0	0	170 101	169 699
Subordinated debts	0	113 215	0	113 215	112 667
Total	**170 101**	**7 704 635**	**0**	**7 874 736**	**7 893 738**
Financial liabilities measured at fair value through profit or loss					
Derivatives	0	8 383	0	8 383	8 383
Total	**0**	**8 383**	**0**	**8 383**	**8 383**

The fair value of a financial instrument is determined on the basis of prices quoted in active markets, or by using measurement methods that are generally accepted in the markets. The fair values of certificates of deposit, commercial papers and derivatives (excluding futures) are determined by discounting future cash flows to the present value and applying market interest rates on the closing date. Bonds, investment fund units and futures are measured at market value. Financial assets measured at fair value are measured using the bid price, while financial liabilities at fair value are measured using the ask price.

Financial assets and liabilities measured at fair value are divided into three categories according to the method of determining fair value. Level 1 fair values are determined using the quoted, unadjusted prices of completely identical financial assets and liabilities in an active market. Level 2 fair values are determined using generally accepted valuation models in which the input data is, to a significant extent, based on verifiable market information. Level 3 market prices are based on input data concerning an asset or liability that are not based on verifiable market information but, to a significant extent, on the management's estimates.

Transfers between Levels 1 and 2

Transfers between levels occur when there is evidence that market assumptions have changed, including when instruments are no longer actively traded. No transfers between Levels 1 and 2 took place during the period.

Changes at Level 3	Shares and interests
Shares and interests, carrying amount 1 Jan 2022	127
Other changes	-4
Shares and interests, carrying amount 30 Sep 2022	**123**

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 8: CLASSES OF FINANCIAL ASSETS AND LIABILITIES

			Fair value through profit or loss		
Classes of financial assets 30 Sep 2022	**Amortised cost**	**Measured at fair value through other comprehensive income**	**Measured at fair value**	**Derivatives in hedge accounting**	**Total**
Cash and cash equivalents	427 435				427 435
Debt securities eligible for refinancing with central banks		562 943			562 943
Receivables from credit institutions	963 977				963 977
Receivables from customers	6 610 315				6 610 315
Debt securities		137 943	27 486		165 429
Derivatives			976	21 777	22 753
Shares and interests		754	31 443		32 197
Total	**8 001 727**	**701 640**	**59 905**	**21 777**	**8 785 049**

		Fair value through profit or loss		
Classes of financial liabilities 30 Sep 2022	**Amortised cost**	**Measured at fair value**	**Derivatives in hedge accounting**	**Total**
Liabilities to credit institutions	22 067			22 067
Liabilities to customers	7 954 757			7 954 757
Issued bonds	219 186			219 186
Subordinated debts	108 333			108 333
Derivatives		57	23	80
Lease liabilities	5 311			5 311
Total	**8 309 653**	**57**	**23**	**8 309 734**

			Fair value through profit or loss		
Classes of financial assets 31 Dec 2021	**Amortised cost**	**Measured at fair value through other comprehensive income**	**Measured at fair value**	**Derivatives in hedge accounting**	**Total**
Cash and cash equivalents	1 091 962				1 091 962
Debt securities eligible for refinancing with central banks		684 859			684 859
Receivables from credit institutions	25 064				25 064
Receivables from customers	6 086 022				6 086 022
Debt securities		212 172	252 056		464 228
Derivatives			41	540	582
Shares and interests		732	30 843		31 575
Total	**7 203 049**	**897 764**	**282 940**	**540**	**8 384 293**

		Fair value through profit or loss		
Classes of financial liabilities 31 Dec 2021	**Amortised cost**	**Measured at fair value**	**Derivatives in hedge accounting**	**Total**
Liabilities to credit institutions	108			108
Liabilities to customers	7 611 265			7 611 265
Issued bonds	169 699			169 699
Subordinated debts	112 667			112 667
Derivatives		98	8 285	8 383
Lease liabilities	6 681			6 681
Total	**7 900 419**	**98**	**8 285**	**7 908 802**

NOTE 9: DERIVATIVES AND HEDGE ACCOUNTING

Nominal and fair values of derivatives	30 Sep 2022 Nominal value	30 Sep 2022 Positive fair value	30 Sep 2022 Negative fair value	31 Dec 2021 Nominal value	31 Dec 2021 Positive fair value	31 Dec 2021 Negative fair value
Designated for hedge accounting						
Interest rate derivatives						
Interest rate swaps	632 200	21 777	-23	531 200	540	-8 285
Total interest rate derivatives designated for hedge accounting	**632 200**	**21 777**	**-23**	**531 200**	**540**	**-8 285**
For non-hedging purposes						
Interest rate derivatives						
Options, bought	0	0	0	0	0	0
Options, written	0	0	0	0	0	0
Interest rate swaps	34 000	976	-57	50 000	41	-98
Total interest rate derivatives, other than for hedging purposes	**34 000**	**976**	**-57**	**50 000**	**41**	**-98**
Total derivatives	**666 200**	**22 753**	**-80**	**581 200**	**582**	**-8 383**

Maturities of derivatives	30 Sep 2022 Less than one year	30 Sep 2022 1–5 years	30 Sep 2022 Over 5 years	30 Sep 2022 Total	31 Dec 2021 Less than one year	31 Dec 2021 1–5 years	31 Dec 2021 Over 5 years	31 Dec 2021 Total
Designated for hedge accounting								
Interest rate derivatives	210 000	342 200	80 000	**632 200**	69 000	422 200	40 000	**531 200**
For non-hedging purposes								
Interest rate derivatives	24 000	0	10 000	**34 000**	30 000	10 000	10 000	**50 000**
Total derivatives	**234 000**	**342 200**	**90 000**	**666 200**	**99 000**	**432 200**	**50 000**	**581 200**

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.

30 Sep 2022	Nominal value, total	Assets, fair values	Liabilities, fair values	Balance sheet item including the hedged item	Ineffective portion recognised in the income statement
Hedging derivatives					
Fair value hedge					
Interest rate derivatives	632 200	21 777	-23	Derivatives and other liabilities subject to trading	29 568
Hedging derivatives, total	**632 200**	**21 777**	**-23**		**29 568**

	Carrying amount		Cumulative change in balance sheet value			
30 Sep 2022	Assets	Liabilities	Assets	Liabilities	Balance sheet item including the hedged item	Ineffective portion recognised in the income statement
Hedged item						
Debt securities	700 886	0	22 465	0	Debt securities	-30 230
Hedged items, total	**700 886**	**0**	**22 465**	**0**		**-30 230**

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.

30 Sep 2022		Profit / loss on hedging relationship			
Hedged item	Hedging instrument	Hedged item	Hedging instrument	Ineffective portion of hedging relationship	Income statement line on which the ineffective portion is booked
Debt securities					
Debt securities	Interest rate derivatives	-30 230	29 568	-662	Net income from investing activities: Net income from hedge accounting

31 Dec 2021	Nominal value, total	Assets, fair values	Liabilities, fair values	Balance sheet item including the hedged item	Ineffective portion recognised in the income statement
Hedging derivatives					
Fair value hedge					
Interest rate derivatives	531 200	540	-8 285	Derivatives and other liabilities subject to trading	8 311
Hedging derivatives, total	**531 200**	**540**	**-8 285**		**8 311**

	Carrying amount		Cumulative change in balance sheet value			
31 Dec 2021	Assets	Liabilities	Assets	Liabilities	Balance sheet item including the hedged item	Ineffective portion recognised in the income statement
Hedged item						
Debt securities	841 394	0	7 719	0	Debt securities	-8 463
Hedged items, total	**841 394**	**0**	**7 719**	**0**		**-8 463**

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 Dec 2021

		Profit / loss on hedging relationship			
Hedged item	Hedging instrument	Hedged item	Hedging instrument	Ineffective portion of hedging relationship	Income statement line on which the ineffective portion is booked
Debt securities	Interest rate derivatives	-8 463	8 311	-152	Net income from investing activities: Net income from hedge accounting

The accounting policies for hedge accounting are described in the Group's accounting policies under Derivates and Hedge Accounting.

NOTE 10: ISSUED BONDS

	30 Sep 2022		31 Dec 2021			
	Carrying amount	Nominal value	Carrying amount	Nominal value	Interest	Maturity
S-Bank Plc's Senior Preferred MREL Eligible Notes 1/2021, Tranche 1	169 862	170 000	169 699	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	0	0	Euribor 3 m + 0.75%	4 Apr 2025

NOTE 11: SUBORDINATED DEBTS

	30 Sep 2022		31 Dec 2021			
	Carrying amount	Nominal value	Carrying amount	Nominal value	Interest	Maturity
Debenture I/2016 *	17 333	17 333	21 667	21 667	Euribor 12 m + 1.8%	30 Jun 2026
Debenture I/2017	8 000	8 000	8 000	8 000	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

* The nominal value for comparison period has been amended with the value of amortisation.

NOTE 12: COLLATERAL GIVEN

	Other collateral	
	30 Sep 2022	**31 Dec 2021**
Collateral given for own debt		
Liabilities to credit institutions	171 380	181 632
Derivatives and liabilities held for trading	5 462	13 660
Collateral given for own debt, total	**176 841**	**195 292**
of which cash	5 462	13 660
of which securities	171 380	181 632
Other collateral given on own behalf	**362**	**362**
of which cash	362	362

Collateral given in form of securities are pre-pledged as collateral for central bank in case of possible secured lending from central bank.

NOTE 13: OFF-BALANCE SHEET COMMITMENTS

Impairment of off-balance sheet items is presented above ('Note 6: Impairment of receivables').

	30 Sep 2022	31 Dec 2021
Guarantees	3 980	9 722
Other commitments given to third parties	93	150
Undrawn credit facilities	204 476	258 147
Off-balance sheet commitments, total	**208 549**	**268 019**

The expected credit loss on off-balance sheet items is EUR 760 thousand (870 thousand).

NOTE 14: RELATED PARTIES

Related-party information is described in more detail in the 2021 financial statements.

NOTE 15: EVENTS AFTER THE REVIEW PERIOD

S-Bank raised its S-Prime interest rate twice. The decisions were based on the increase in market rates. S-Prime is S-Bank's own reference rate and it is used as the reference rate for deposits and some types of loans. The most recent interest rate change came into force on 8 November 2022, after which the interest rate was 1.0 per cent.

At the end of October the Board of Directors of S-Bank Plc appointed Riikka Laine-Tolonen, M.Sc. (Econ.) as the new CEO. Tolonen previously worked as Head of Personal Customers at Danske Bank. Prior to that she has held diverse executive positions at Nordea. Laine-Tolonen will take up her post in April 2023. Deputy CEO Hanna Porkka will continue in her current role as Interim CEO until Laine-Tolonen takes up her post. After that Porkka will return to the posts of Deputy CEO, EVP, Wealth Management.

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.

3 February 2023: Financial statements bulletin for 2022

9 November 2022
S-Bank Plc's Board of Directors

REPORT ON REVIEW OF THE INTERIM REPORT OF S-BANK PLC AS OF AND FOR THE NINE MONTHS PERIOD ENDING SEPTEMBER 30, 2022

To the Board of Directors of S-Bank Plc

Introduction

We have reviewed the balance sheet as of September 30, 2022 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, 9 November 2022

KPMG OY AB

Petri Kettunen
Authorised Public Accountant, KHT

S BANK